



Building a Vibrant Culture: Lessons from Zappos!

» BY CRAIG DOWDEN

Culture is an intangible but defining feature of an organization. Although countless definitions exist, the common thread is that culture essentially represents the “personality” of the organization.

Not surprisingly, establishing a positive culture is one of the most highly valued goals for organizations, with executives and Human Resources leaders constantly looking for ways to achieve this.

Zappos is an organization that seems to have succeeded in the ‘culture arena’. Zappos has been consistently rated by Forbes magazine as one of the 100 best companies to work for, and was recently acquired by Amazon for \$928

million. According to Amazon, it was as much a culture acquisition as a business acquisition — a clear testament to the strength of the Zappos brand surviving acquisition by a widely known and respected giant.

What makes Zappos's success especially impressive is that they are an online store in the business of selling shoes — a product that most would argue demands to be 'tried on'.

Also remarkable is that the majority of their employees are call-centre agents. Historically, call centres are notorious for having extremely high turnover rates and poor employee morale, but these problems do not plague Zappos.

Tony Hsieh (pronounced SHAY) has fervently protected the culture of Zappos. His dedication stems from his previous involvement in a start-up — one that he sold for almost a quarter of a billion dollars. While working at the start-up he became increasingly disenfranchised with the culture, and found that going to work was no longer fun or meaningful. He swore he would do everything in his power not to follow the same path in his next venture.



Tony Hsieh in his "office".

interesting twist in this process is that following the training, Zappos offers prospective employees \$2,000 to quit. This is a strategic investment as it weeds out employees who do not identify with or fit the culture. Most importantly, those who turn down the money make a powerful public statement about their commitment to Zappos. In the long run, it is much cheaper to pay a candidate \$2,000 to leave than to replace an employee who is not committed to the company.

“If you get the culture right, then most of the other stuff follows”

Zappos CEO Tony Hsieh

Lessons Learned

The following provides some thought-provoking examples of how Zappos does things differently, which could help strengthen your culture.

1) Interview Process: When a Zappos candidate is selected for an interview, rather than follow the standard process, they engage in a "culture interview." For example, interviewers ask potential candidates to rate their level of weirdness on a scale of 1-10. Individuals who provide a very low number are screened out, as they are seen as likely too conservative for the work environment.

Another popular question asked of candidates is "What was the title of your last position and was it appropriate?" This is designed to test for the degree of humility in the candidate. If they are self-aggrandizing in their response, Zappos is not the right place for them.

2) Onboarding Process: After passing the interview, candidates receive two weeks of classroom training, which includes a detailed introduction to the "Zappos way". An

3) Commitment to Learning: This is one of Zappos' core values and Tony Hsieh has been instrumental in driving curriculum development for the entire organization. Employees are fully paid for their participation and the training occurs during regular work hours. Hsieh's ultimate goal is to have all new recruits ready for senior leadership positions within five to seven years.

4) Creating a Culture Book: Each year, employees contribute unedited stories and observations about what it means to be a part of the company. Experts agree that culture provides direction on what behaviours are, and are not, appropriate in the day-to-day workings of an organization. There is no way that is more powerful in expressing what it is like within a company than having employees literally write the book.

5) Playing: Management are required to spend at least 10-20% of their time 'goofing off' with their team to help build and maintain morale.

Creating and sustaining a positive and healthy culture is critical to the success of an organization. Indeed, the mission of *Your Workplace* magazine is to highlight the personal, professional, and corporate benefits of such a philosophy and way of being.

Sometimes to find our way, it is helpful to learn from role models who are trailblazers in this domain. Zappos clearly embraces the opportunity to build an exemplary culture, which has delivered exemplary results. Although not all of their ideas may readily apply to every organization, reflecting on the underlying values within each of their strategies suggest concrete actions that can be taken to create a more positive organizational culture. **W**

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