

COMM 101

People, Culture

Foundational Concepts

in Human Resources

Comm 101 Business Fundamentals

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Agenda

- *Connecting Organizational Culture & Human Resource Management*
- *Discuss Zappos Case*
- *Share insights about working conditions in call centres*
- *A first-hand look at Zappos*

Are Bosses Necessary?

A radical experiment at Zappos may herald the emergence of a new, more democratic kind of organization.

1.2k



481



JERRY USEEM | OCTOBER 2015 ISSUE

DEELY STRANGE REPORTS have been emerging from the Las Vegas headquarters of Zappos, until recently the world's happiest shoe store. This spring, by order of the CEO, Tony Hsieh, the company abolished managers, eliminated job titles, denounced its own organizational hierarchy, and vested all authority in a 10,000-word constitution that spells out a radical new system of self-governance. Holacracy, it's called, and it makes all previous moves toward "employee empowerment" look like the mild concessions of an 18th-century monarch. Freed from direct supervision, employees are expected to join various impermanent democratic assemblies called "circles" (headed, but not *run*, by a "lead link"), in which they will essentially propose their own job descriptions, ratify the "roles" of others, and decide what projects the group should undertake.



Clicker Question

Given your reading about Zappos the idea that the company is now embracing a completely “bossless” corporate culture is:

- a) Ridiculous, Tony Hsieh has a very bad idea.*
- b) Really smart, people in the company have been hired for this type of management.*
- c) Is a sustainable competitive advantage.*
- d) Completely in keeping with the company's values.*
- e) Useless, its just a publicity stunt.*

Clicker Question

A way to keep customer service employees motivated is by:

- a) Reducing their hours*
- b) Reducing their wages*
- c) Cancelling their vacation*
- d) Offering them incentive compensation*
- e) Threatening to fire them*

Organizational Culture

- *What is organizational culture?*
- *In PulsePress, enter your views.*

Organizational Culture Defined

A pattern of shared values, beliefs, and assumptions considered to be the appropriate way to think and act within an organization.

Human Resource Management

- Lifecycle of an employee's relationship with a firm from hiring to employee departure (and sometimes beyond).
- Scope: Hiring, compensation, training, staffing, performance management
- Important influence is the legal environment

Call Centres

- High levels of job stress, emotional burnout & job dissatisfaction
- Employees withdraw
 - Absenteeism
 - Turnover

United Breaks Guitars

- <https://youtu.be/5YGc4zOqozo>

Zappos

1. Identify some HR policies and practices that enable Zappos to build a workforce that provides high quality customer service.
2. What are the benefits of this approach?
3. Some of these initiatives are expensive. Are they worth it? Pick a side & justify your position.

In teams of 4-5, complete the worksheet.



Our belief is that if we get the culture right, most of the other stuff — like delivering great customer service and building a long-term enduring brand and business — will be a natural byproduct of our culture

Tony Hsieh, quoted in siteselection.com magazine

We interview people for culture fit. We want people who are passionate about what Zappos is about-service. I don't care if they're passionate about shoes.

Chaos...a cultural statement



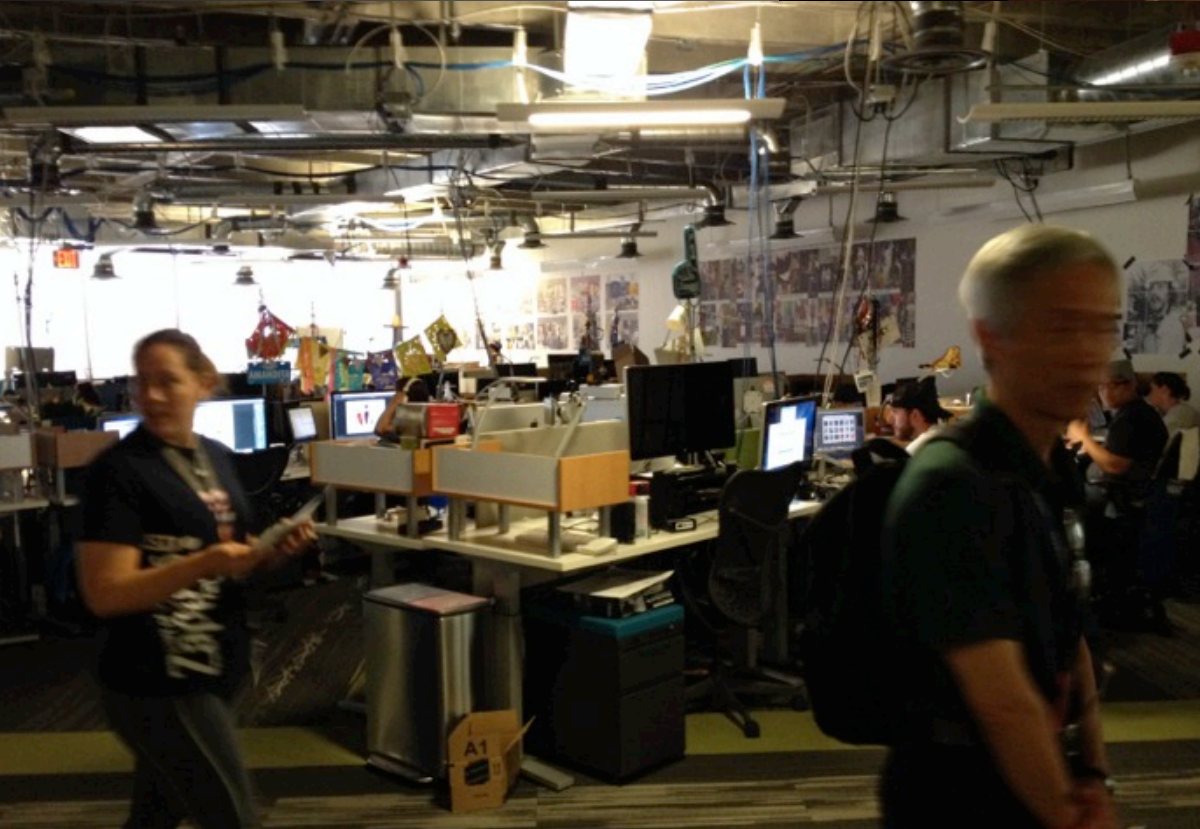
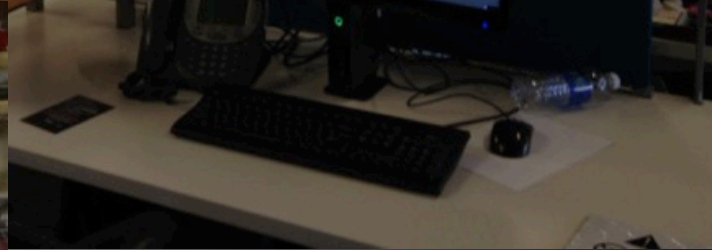
Everyone a desk...the same desk

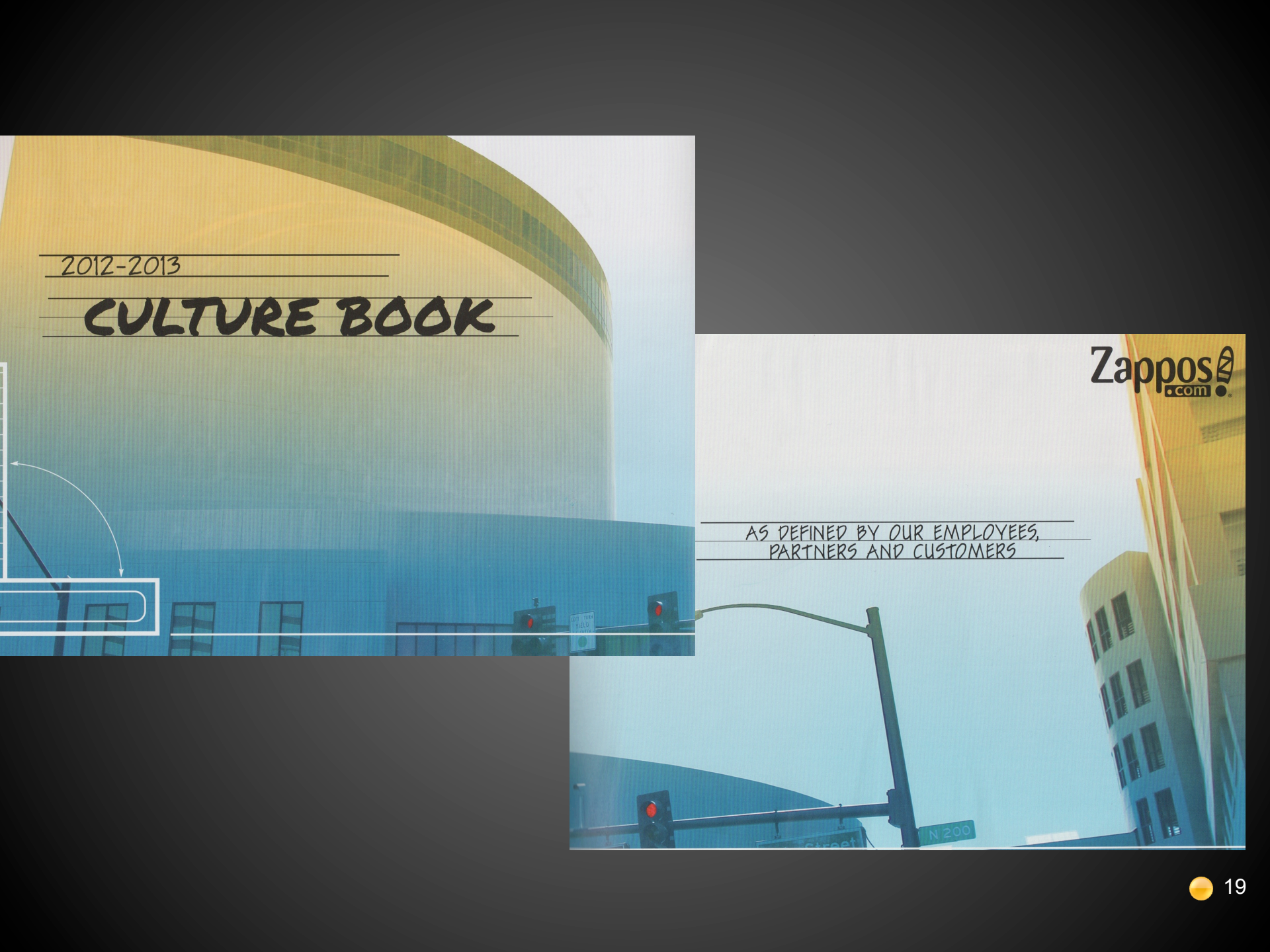


Support is everywhere...including food and beverage



Each shift
their own
floor





2012-2013

CULTURE BOOK

Zappos
com

AS DEFINED BY OUR EMPLOYEES,
PARTNERS AND CUSTOMERS

LISA R.

employee since 2011

The Zappos Culture is like an explosion of rainbows, unicorns, cotton candy and warm towels right out of the dryer. It surrounds you during all moments of every day, whether you are at work or wandering around distant cities. It's a constant reminder to live life to the fullest with patience, kindness and an open mind. It shines light into the dark corners of you mind and leads you toward new and exciting opportunities you never knew existed. I am so grateful for all the amazing opportunities that Zappos has given me to help me grow, not just as an employee, but as a human being. I will always carry the happiness and knowledge that Zappos has brought to my life as constant reminder to never settle and to always strive for more.

LARISSA P.

employee since 2011

The Zappos Culture is like Jell-O ... colorful, fun and transparent.

CHEZ V.

employee since 2009

Once you experience the Zappos Culture, you will be forever changed. It is such a unique and inspiring culture. The positive energy that it creates is contagious. Once you have been immersed in the culture and learned its core values, they become embedded in your lifestyle. Eventually, the culture is spread to everyone you come across. The Zappos Culture is "happiness in a box" that we can deliver to everyone!

MANON B.

employee since 2009

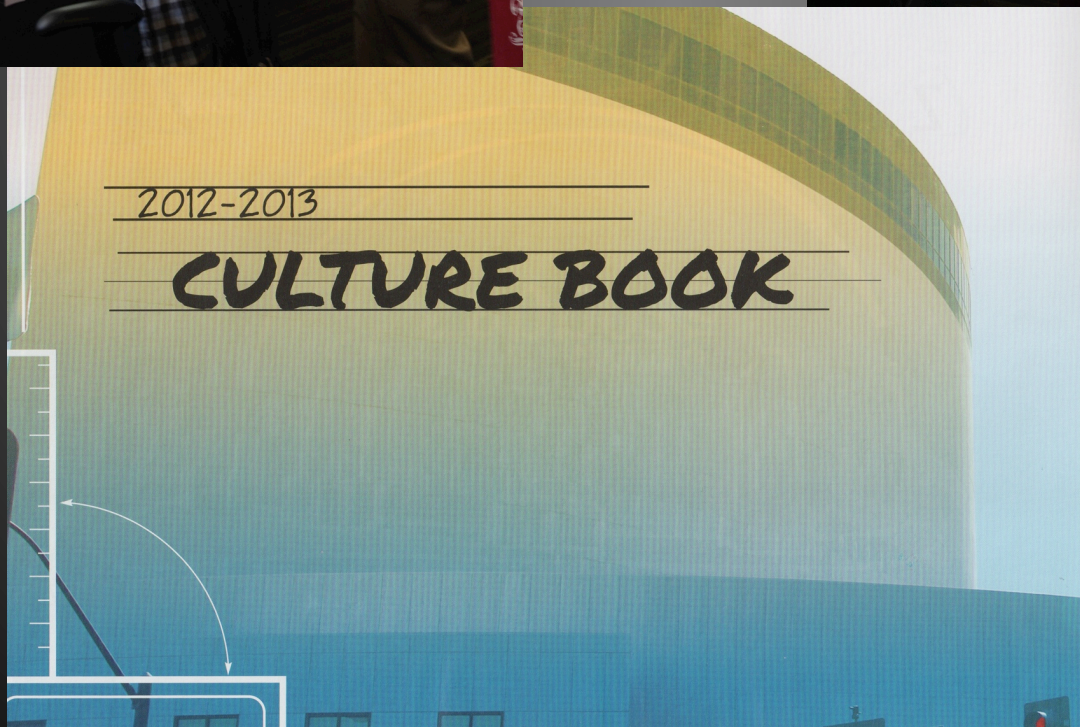
When people ask me how I feel about Zappos, I often say, "I'm a lifer." This place has ruined my sense of reality. Where else could I work after working here? With how many hours most people spend at work, it's so important to not only love what you do, but love where you do it. Why not have the place where you spend the most time feel like a second home

Yep, stick a fork in me. I'm done.

Live it



Be it



Know it

Know your brand

Build your culture to execute
that brand

Teach your brand to
everyone, but particularly
your employees *who are*
your brand

Highlights

- People are organizations
- Creating a positive organizational culture can be a competitive advantage, increasing employee and customer satisfaction
- Human resource management is a critical function within companies big and small

Intrinsic vs. Extrinsic Motivation

- **INTRINSIC:** *motivation comes from the task itself or from the sense of satisfaction in completing the task.*
- **EXTRINSIC:** *motivation comes from external factors; rewards such as money or grades. These rewards provide satisfaction that the task itself may not provide.*

Reflection

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**Upcoming: Business Plan part 2
due Sunday, presentations begin
Nov 23**