

Some step out as online shoe shop Zappos zaps managers

May 8 2015

About 14 percent of Zappos workers have reportedly opted for buy-outs as the popular online shoe and clothing shop makes a radical shift to getting rid of manager roles.

The Las Vegas Sun newspaper in the Nevada city where Amazon-owned Zappos is based reported this week that more than 200 of the company's staff of roughly 1,500 have accepted three-month severance packages offered those who don't want to be part of a move to a "Holocracy" management structure.

During an on-stage chat this week at a Collision technology conference in Las Vegas, Zappos chief executive a Tony Hsieh explained the reason for breaking from a traditional set-up where managers call the shots and subordinates await commands.

"It is based on the idea of self-organization, self-management," Hsieh said.

"Think of every employee as a mini entrepreneur. Which is not really for everybody; some people like to be told the 10 things to do."

Zappos has grown dramatically since it was founded in 1999, and that growth has brought with it bureaucracy making it "systematically impossible to get around," according to Hsieh.

He said that he sent a memo telling employees there would be no more

people-manager roles at Zappos, and that those folks would get new roles at the company.

"That is how nature works; the rainforest is self-organized and that is the direction we are going," Hsieh said.

"It frees everyone to focus on the intersection of their passions and what might be best for the company."

Zappos started out selling shoes but has expanded to also offer clothes and fashion accessories.

The popular online retailer is known for caring customer service and a communal work environment. Hsieh has invested in reviving the gritty downtown Las Vegas neighborhood where the company has its headquarters.

Online retail titan Amazon bought Zappos in 2009 in a stock deal valued about \$1.2 billion at the time.

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Citation: Some step out as online shoe shop Zappos zaps managers (2015, May 8) retrieved 24 April 2024 from <https://phys.org/news/2015-05-online-zappos-zaps.html>

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