TAKING RESPONSIBILITY: Customer-First Values Shape Hiring Decisions at Zappos

The original idea for online retailer Zappos was to offer the biggest selection of shoes. But it turned out that this strategy didn’t really make the company stand out from the competition. There are plenty of places, online and off, where consumers can find shoes. So chief executive officer Tony Hsieh switched the mission to one of offering the best customer service of any shoe retailer. That got customers’ attention, but Hsieh saw that he still had not tapped the heart of what makes a company great. So he made one more switch: Zappos would maintain a dynamic, fulfilling company culture. The company would be a great place to work, and in that environment, employees would delight customers, and loyal customers would provide the income needed to please shareholders.

That mission affects every function at Zappos, including employee selection. The hiring process aims to find and keep employees who share the company’s values, such as “Deliver Wow through service” and “Create fun and a little weirdness.” To identify 30 new hires a month from tens of thousands of applicants, Zappos focuses on finding a good fit with the company culture, along with basic job skills. Candidates initially apply at the company’s website, where a prominent message urges them to read the company’s values first. Successful candidates undergo two interviews. In the first, which may be a phone interview, the interviewer talks to each candidate about his or her skills and experience. About half the candidates are invited to a second interview, held in a room set up to look like the set of a television talk show. There, candidates answer questions about Zappos’ core values. For example, interviewers try to evaluate whether candidates value honesty, are committed to learning, and have a sense of fun.

Learning candidates’ values through an interview can be tricky, since many candidates simply want to say the right thing to please the interviewer. Senior human resources manager Christa Foley says one of her favorite questions is “What’s the biggest misperception people typically have about you?” She uses the question to identify candidates who are sincere and honest.

Besides traditional interview questions, Zappos has some unconventional ways to learn about candidates. One of the company’s values is “Be humble.” To gauge humility, HR directors talk to someone candidates didn’t know they were supposed to impress: the drivers of the shuttle buses that bring candidates to the company’s offices. The HR directors find out whether the candidates treated the driver with respect; if not, the candidate is eliminated from consideration. Another value is creativity and open-mindedness. To test for this, the interviewer gives candidates a mockup of a newspaper and asks how many photos it contains. On one page of the newspaper, a headline states the answer. The assumption is that people who are open-minded will be paying attention and notice the headline. The recruiting team also goes to lunch with the candidates and observes how they interact with other people. The Zappos environment is loud, lively, and sociable, so candidates who are a good cultural fit are likely to be engaged with others during the meal.

After this process is over, about one-tenth of the candidates receive a job offer from Zappos. As one final check of cultural fit, these new employees are offered $3,000 to leave at the end of the initial training if they conclude they won’t actually fit in.

Creating a lively, affirmative culture has given Zappos a positive reputation that attracts superior job candidates. They are excited to work for a company that shares their values, empowers them to please customers, and encourages them to have fun. Despite modest pay, employees are loyal and highly engaged in their work.

\*QUESTIONS FOR PAPER\*

* ●  Select a recruitment policy that might best fit the culture of Zappos. Why is this policy a good fit for the organization? What might be the impact of the recruitment policy on the organization?
* ●  Describe the steps in the selection process at Zappos. Does this seem like a complete selection process? If not, what steps would you add?
* ●  Review the criteria for a successful selection method: reliable, valid, generalizable, practical, and legal. How well does Zappos meet those criteria? How can it measure the success of its selection methods?