**Zappos Adopts New Structure to Promote Innovation**

**Organizational change, Lewin’s Model of Change, degree of planned change, resistance, vision, innovation**

Description:This video discusses how Zappos is completely changing its organizational structure to a holacracy. A holacracy is a radical new structure that abandons job titles and distributes authority to teams. Although it is a risky venture, Zappos believes the potential benefits vastly outweigh the costs. CEO Tony Hsieh wants to make Zappos operate more like a city. In cities the greater they grow, the more productive their citizens become. However, for companies the opposite appears to happen. Hsieh wants Zappos to maintain its growth while increasing its productivity and keeping its WOW corporate culture.

Please share your thoughts on the following issues as you watch a video about Zappos and how it is completely changing its organizational structure to a holacracy. A holacracy is a radical new structure that abandons job titles and distributes authority to teams. Although it is a risky venture, Zappos believes the potential benefits vastly outweigh the costs.

*Use with*: [*https://www.youtube.com/watch?v=-DYigfNJQlg*](https://www.youtube.com/watch?v=-DYigfNJQlg)

1. Why does Zappos believe that changing its organization to a holacracy structure is important?
2. At what stage of Lewin’s Model of Change do you think Zappos is at in this video?
3. Is this degree of planned change an example of an incremental change or a quantum change? Why?
4. What changes will have to occur in the people processes and culture to make the holacracy structure a success for Zappos?
5. Why was Hollie Delaney of the People Ops department initially resistant of the change? What changed her mind?
6. How do you think CEO Tony Hsieh’s vision for the company encourages acceptance of the change?
7. How is this change likely to increase innovation at Zappos?