

# Zappos to Become Largest Company to Embrace a Self-Governing Structure

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The CEO of Zappos strips himself of his title by announcing Hola-crazy...

If all goes well, by the end of this year Tony Hsieh won't be the CEO of Zappos. In fact, he'll just be another employee, without a title. Zappos has been widely recognized for maintaining a thriving community culture within the company through its emphasis on positive employee lifestyles. As a bold new experiment in management, the Amazon unit will become the largest company yet to embrace a Holacracy. This is a radical "self-governing" operating system where there are no job titles and no managers. The term Holacracy is derived from the Greek word *holon*, which means a whole that's part of a greater whole. Instead of a top-down hierarchy, there's a flatter "holarchy" that distributes power more evenly. The company will be made up of different circles—there will be around 400 circles at Zappos once the rollout is complete in December 2014—and employees can have any number of roles within those circles. This way, there's no hiding under titles; radical transparency is the goal. While announcing this shift, Hsieh offered the reference, "Darwin said that it's not the fastest or strongest that survive. It's the ones most adaptive to change."

"We're classically trained to think of 'work' in the traditional paradigm," says John Bunch, who, along with Alexis Gonzales-Black, is leading the transition to Holacracy at Zappos. "One of the core principles is people taking personal accountability for their work. It's not leaderless. There are

certainly people who hold a bigger scope of purpose for the organization than others. What it does do is distribute leadership into each role. Everybody is expected to lead and be an entrepreneur in their own roles, and Holacracy empowers them to do so.” In its highest-functioning form, he says, the system is “politics-free, quickly evolving to define and operate the purpose of the organization, responding to market and real-world conditions in real time. It’s creating a structure in which people have flexibility to pursue what they’re passionate about.”

This story is from ELEVATE, a little production company on a big mission that is totally committed to using the awesome power of movies and viral media to activate real and lasting change. To find out more about ELEVATE, [click here](#).