Online shoe and apparel shop Zappos has a commitment to fun and “a little weird-ness” that is apparent to any visitor to the company’s several blogs (Hsieh, 2009). Online videos cover topics that seem unrelated to apparel—how to pitch a tent, how to listen, and so on—and also give visitors a glimpse inside the office: cubicles decked out with colorful memorabilia and shiny artifacts, as well as casually clad employees who engage in staring contests and goofy on-camera interviews. As the Zappos website shows, this isn’t forced, and the company isn’t led by an eccentric preoccupied with making employees perform strange tasks. The idea behind Zappos’ “family culture” is that encouraging employees to have fun and laugh at work allows them to enjoy their work, be themselves, and perhaps be a little creative, innovative, and unconventional in the process. One of Zappos’ blogs is devoted specifically to the company’s “family culture,” and in one video, employees talk about their commitment to the company’s 10 core values—one of which is “Create fun and a little weirdness.” “At Zappos, our belief is that if you get the culture right, most of the other stuff—like great customer service, or building a great long-term brand, or passionate employees and customers—will happen naturally on its own,” CEO Tony Hsieh said. “We believe that your company’s culture and your company’s brand are really just two sides of the same coin.” Hsieh explained that the company actually conducts two sets of interviews during the hiring process: the standard interview to assess experience and ability and another to assess the culture fit. To be hired, candidates must demonstrate that they can commit to Zappos’ core values, which center on service, innovation, growth, positive relationships, and attitude. “And by commit, we mean that you’re willing to hire and fire based on [these core values],” Hsieh said (2009). Zappos has one example of what leadership experts would call a strong—and perhaps unique—**organizational culture**. In this context, *culture* refers to organizational members’ shared meaning of values, beliefs, and assumptions about how things are done and what behaviors are acceptable (Connors & Smith, 2000; Schein, 2010). As these individuals come together, they learn over time what is considered acceptable and important, how to act, and what works best for the group as a whole—and this becomes their collective culture. At Zappos, for example, management and employees all value change, growth, and learn- ing, and they communicate that with their behavior. In a larger sense, Culture is both a “here and now” dynamic phenomenon and a coercive background structure that influences us in multiple ways. Culture is con- stantly reenacted and created by our interactions with others and shaped by our own behavior. When we are influential in shaping the behavior and values of others, we think of that as “leadership” and are creating the con- ditions for new culture formation. At the same time, culture implies stabil- ity and rigidity in the sense that how we are supposed to perceive, feel, and act in a given society, organization, or occupation has been taught to us by our various socialization experiences and becomes prescribed as a way to maintain the “social order.” (Schein, 2010) Culture has also been characterized as the personality and chemistry of an organization. You get a sense of an organization’s culture and how it feels when you walk into a build- ing or facility. It may feel rigid and formal or casual and friendly. People may be approach- able or distant with each other.

A leading scholar on culture, Edgar Schein at MIT, wrote that culture serves two impor- tant functions in organizations: First, culture *creates internal unity*, integrating members so they can better work together to achieve common goals. This refers not only to how well individuals get along with one another, but also to how in sync their behaviors and goals are. Culture ties things and people together through shared values and norms. In this sense, culture creates stability and predictability inside people’s thinking (their shared mind-sets) and between internal organizational systems (vision, mission, strategy, and values). Second, culture *helps an organization adapt to and integrate with its external environ- ment* by adopting the right values to respond to external threats and opportunities (Schein, 2010). A strong culture, then, can make a difference in how successful an organization can be, and it is an effective leader who builds and promotes a purposive, cohesive cul- ture. Culture also holds the other critical dimensions of an organization together—aligns them—with the vision, mission, and values of the organization. Creating and shaping effective cultures is a significant leadership responsibility and challenge, especially since leadership values and culture predict organizational performance (Chatman & Cha, 2003; Rosenthal & Masarech, 2003). Organizations whose founders and leaders conscientiously guide and deliberately manage cultural values outperform similar organizations that do not (Kotter & Heskett, 1992).

**Dimensions of Organizational Culture** To better understand organizational culture, we can compare it to an iceberg, as shown in Figure 3.1, with visible and invisible layers. The first visible layer of an organization’s culture, which Edgar Schein (2010) called **cultural artifacts**, are what you physically see and hear upon entering the headquarters of a company: the physical layout, the ways people dress and act, tangible symbols such as pictures on the walls, and the interior decoration. Visible cultural layers also include the atmosphere the people create, which in turn reflects the company’s values. For example, Google’s visible culture looks and feels like a relaxed college campus, and Google’s values include “You can be serious without a suit” (“Our Philosophy,” n.d.). Google employees receive 12 weeks of fully paid mater-nity leave; gourmet chefs, who provide on-site healthy, free lunches, snacks, and dinners; free on-site doctors at company headquarters; and free massages throughout the day (“Benefits,” n.d.).