

## 4.4: Why It Matters - Culture and Diversity

### Why does a manager need to understand organizational culture and employee diversity?

If you get the culture right, most of the other stuff will just take care of itself

—Tony Hsieh, CEO of Zappos.com

Imagine for a moment that you have just been promoted to CEO of Zappos.com, a major online shoe and clothing shop. Where should you immediately focus your attention? Finance? Marketing? Maybe improving supply chain operations? Although all of these areas are important, Tony Hsieh, the current CEO of Zappos.com, believes that defining and maintaining the organizational culture is key. In fact, as you read in the earlier quote, he believes that the right culture will enable the other functional areas of business to succeed.



Zappos.com CEO Tony Hsieh believes organizational culture is key to a company's success.

Why is culture so important? Think for a moment about teams that you have been a part of in the past. These could be teams at work, school, or even sports. Also think about how you felt as a member of the team. Now consider two questions: Did you share the same goals, desires, and values as the other members of the team? Did you feel like an important part of the team, and were you committed to its success?

There is a high probability that you had the same answer to both questions, whether yes or no. For example, if you shared the same values as others on the team, then you likely were highly committed to the group's goals.

This is the strategic advantage of having a culture that resonates throughout the entire organization. It leads to a highly motivated team that is success-focused. It's so important that Zappos.com lists on its corporate web page the Zappos 10 Core Values. It includes the following:

- Deliver WOW Through Service
- Embrace and Drive Change
- Create Fun and A Little Weirdness
- Be Adventurous, Creative, and Open-Minded
- Pursue Growth and Learning
- Build Open and Honest Relationships With Communication
- Build a Positive Team and Family Spirit
- Do More With Less
- Be Passionate and Determined
- Be Humble

By clearly defining its culture, Zappos.com is able to recruit the right people and have them focus on the right things. As you work through this module, you will gain a better understanding of the importance of an organization's culture as a competitive advantage. Additionally, you will understand how to maintain culture over time or how implement cultural change if needed. Finally, you will come to see both the opportunities and challenges faced by promoting diversity within the culture.

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