

## Chapter 9

1. What is the Nature of Organizational Culture?
  - a. Organizational culture is the personality of the organization
    - i. Organizational culture
      1. The system of shared beliefs and values that develops within an organization and guides the behavior of its members
      2. "The way we do things here"
      3. Also known as "corporate culture"
      4. Strong impact on performance and quality of work experience
    - ii. Managers must:
      - i. Develop culture
      - ii. Encourage innovation
      - iii. Manage change
  - b. Organizational culture shapes behavior and influences performance
    - i. Organizational culture helps to:
      1. Shape attitudes
      2. Reinforce beliefs
      3. Direct behavior
      4. Establish performance expectations and the motivation to fulfill them
    - ii. Helps every member understand what is right and what is wrong in terms of personal behavior
    - iii. Strong cultures
      1. Clear, well defined, performance driven, and widely shared by members
      2. Fit the nature of the business and the talents of the employees while keeping a clear performance vision front and center
      3. Encourage positive behaviors and discourage dysfunctional ones
      4. Created through socialization
        - a. Process of helping new members learn the culture of an organization as well as the behaviors shared amongst members
        - b. Begins with education and continues with an employer's orientation and training programs
  - c. The observable culture is what you see and hear as an employee or customer
    - i. Observable culture
      1. What you see in people's behaviors and hear in their conversations

- a. Reflected in how people dress and speak to and behavior towards one another and towards their customers
    - 2. Found in stories, (tales about events conveying core values) heroes, (people who display core values) rituals, (celebration of heroes and events displaying core values) and symbols (language and other symbols conveying core values)
  - e. The core culture is found in the underlying values of the organization
    - i. Core culture
      - 1. Found in the underlying values of the organization
      - 2. Consists of core values
        - a. Beliefs and values shared by organization members about the right ways to behave
        - b. Often emphasize performance excellence, innovation, social responsibility, integrity, worker involvement, customer service, and teamwork
      - 3. Value statements are often found on websites, mission statements, and executive statements
  - f. Value-based management supports a strong organizational culture
    - i. Value-based management
      - 1. When managers practice core values, model them for others, and communicate and reinforce them in all that they do
      - 2. Actively develops, communicates, and enacts shared values
    - ii. Symbolic leader
      - 1. Uses language and symbols and actions to communicate, establish, and maintain a desired organizational culture
      - 2. Act and talk the “language of the organization”
      - 3. Use language metaphors, or positive examples from another context
    - iii. Workplace spirituality
      - 1. Involves practices that create meaning and shared community among organizational members
      - 2. Tries to enhance work experience by bringing meaning to work and engaging each other with a sense of shared community
2. How do organizations support and achieve innovation?
  - a. Organizations pursue process, product, and business model innovations
    - i. Innovation
      - 1. Process of taking a new idea and putting it into practice
      - 2. Three forms

- a. Process innovations
    - i. Result in better ways of doing things
  - b. Product innovations
    - i. Result in the creation of new or improved goods and services
  - c. Business model innovations
    - i. Result in new ways of making money for the firm
- b. Green innovations pursue and support the goals of sustainability
  - i. Green/sustainable innovation
    - 1. Reduces the carbon footprint of an organization or its products
      - a. Emerging quite frequently now as businesses strive to create new products and production methods with minimal environmental impact
- c. Social innovations seek solutions to important societal problems
  - i. Social innovation
    - 1. Innovation driven by a social conscience
    - 2. Stems from creativity in social entrepreneurship
      - a. Pursues innovative ways to solve pressing social problems
      - b. Social entrepreneurs try to make the world a better place
- d. Commercializing innovation turns ideas into salable products
  - i. Management of innovation
    - 1. Requires encouragement and support for invention and application
  - ii. Commercializing innovation
    - 1. Process of turning ideas into salable products
      - a. Idea creation
        - i. Discovering a potential product or way to modify an existing one
      - b. Initial experimentation
        - i. Sharing the idea with others and testing it in prototype form
      - c. Feasibility determination
        - i. Testing the practicality and financial viability of the new product
      - d. Final application
        - i. Commercializing the product for sale to customers
    - 2. Reverse innovation
      - a. "Trickle-up innovation"
      - b. Recognizes the potential for valuable innovations to be launched from lower