

Chapter 9- Culture/Innovation/Change

- **Managers Must - big three things**
 1. Develop culture
 2. Encourage innovation
 3. Manage change
- **All videos important**
 - o Zappos & Culture: core values are the foundation to culture & run their business
 - o Mickey Mouse: Mickey as special guest at corporate meeting; displays Disney Traditions
 - o Wall Street Culture: greed on wall street, getting rich should just be a by-product
 - o Pixar: corporate office filled with fun activities to start creativity juices, large rooms to force engagement and interactions. All combines to for a unique culture setting.
 - o Frosted Flakes: Tony the tiger comparison to Nittany lion. Both are symbols
 - o Wegman's: Fortune magazine's #3 Best place to Work; where performance and culture intersect. Business model built around valued employees and valued customers.
 - o Moneyball Trailer: example of the change process
 - o Who Moved My Cheese?: Him and Haw's cheese is moved. Haw searches through the maze to find new cheese "When you change what you believe you change what you can do".
- **Culture Definitions plus sub-culture**
 - o System of Shared beliefs/values ****internal****
 - o Set of signals of which is consider appropriate vs inappropriate
 - o Cultural Fit= High impact on people leaving their job
- **Corporate Culture: → Mickey Mouse and Disney Traditions**
 - Shape attitudes
 - Reinforce beliefs
 - Direct behavior
 - Set expectations
- **Culture- Above & Below the Waterline**
 - o Corporate Culture Levels- Edgar Schein
 1. Visible (dress, symbols, slogans)
 2. Invisible (expressed values)

3. Assumptions (deep beliefs)

- **Organizational Culture**

<u>Team Culture:</u> -Authority shared, distributed -Teams and teamwork rule -Collaboration, trusted value -Emphasis on mutual support	<u>Hierarchical Culture:</u> -Authority runs the system -Traditions, roles clear -Rules, hierarchy valued -Emphasis on predictability
<u>Entrepreneurial Culture:</u> -Authority goes with ideas -Flexibility and creativity rule -Change and growth valued -Emphasis on entrepreneurship	<u>Rational Culture:</u> -Authority serves the goals -Efficiency, productivity rule -Planning, process valued -Emphasis on modest change

- **Observable Culture**

- *Core values- beliefs about the right ways to behave*

- Stories: Tales about events conveying core values. Instills deeper cultural understanding
- Heroes: People who display and establish core values
- Symbols: Langue and other symbols conveying core values, easy to recognize
- Rites and Rituals: Celebration of heroes and events displaying core values, builds moral & engagement, shared hands on experiences

- **Innovation**

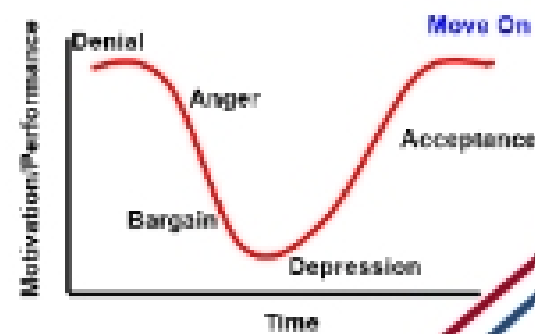
- *Nick D'Alosio; 16 yr old innovator. Sold "Summly" news app to Yahoo.*
- Process innovation: results in better ways of doing thing
- Product innovation: result in new or improved goods or services
- Business model innovation: result in ways for firms to make money
 - Examples: Instagram, Dish TV & Blockbuster
- Green/Sustainable innovation: reduces the carbon footprint of an organization or its products
- Social innovation: business innovation driven by social conscience

- o Commercializing innovation: the process of turning new ideas into salable products
 - Example: Post it Notes
 - Example: TerraCycle- turning garbage into consumer products
- o Reverse innovation: recognizes the potential for valuable innovations to be launched from lower organizational levels and diverse locations, including emerging markets
- o Disruptive innovation: creates products or services that become so widely used that they largely replace prior practices and competitors
- o Skunkworks: special creative units set free from the normal structure for the purpose of innovation

HIGHLY INNOVATIVE ORGANIZATIONS

Strategy includes innovation	Culture values innovation	**Structure support innovation**	Staffing builds talent for innovation	Leadership drives innovation
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- **Change**
 - o “to make the form, nature, content, future course, etc... of different from what it is or from what it would be if left alone”
 - o Elizabeth Blubler-Ross “Dealing with Grief”



- o Types of Change:
 - Incremental: day to day, small changes
 - Transformational: major and comprehensive redirections
 - Improvisational: continual adjustments as changes are being implemented
- o Change Process- “Kurt Lewin Model”
 1. Unfreeze: create a need for change
 2. Change: Implement & manage the process of change
 3. Refreezing: stabilize the change and scan for the future
- o Monster change issue is TIMING