

## MGMT FINAL EXAM

### **CHAPTER 9: CULTURE/INNOVATION/CHANGE**

#### **Managers must**

- 1. develop culture**
- 2. encourage innovation**
- 3. manage change**

#### **CULTURE**

##### **Culture is Personal**

System of shared beliefs/values guiding behavior (internal)

Set of signals of what is considered appropriate vs. inappropriate (external)

##### **Culture is Organizational**

What are aspects of Penn State culture: "The way we do things here"

observed: campus, dress, international, sports/fitness, leaders actions, classes, technology, dating, career stuff, speakers, orgs, thon

core: academics, grades, code of conduct, integrity, We Are, quality education, accreditation, rules, alma mater

##### **Culture is Corporate**

Personality of organization

Shaping attitudes, reinforcing beliefs, directing behaviors, setting expectations

KPMG Study: most mergers & acquisitions don't add value bc not understanding culture

##### **Culture is Global**

Subculture: Academic (type & level) Functional (ex. marketing)

ex. geographic, ethnic, club, political, fitness, style, etc

##### **Iceberg of Culture**

###### **Above water line**

###### ***Observed culture***

Visible: dress, office, symbols, slogans

Heroes, Rites & Rituals, Symbols, Stories

###### **Below water line**

###### ***Core culture***

Invisible: what people say about one's self

Values or Beliefs about right ways to behave

#### **Heroes**

Cultural Benefits

***Shared knowledge of her stories***

***Establish or represent core values***

Avg every day employee is a hero just like CEO

Can come from any level of org, past or present

Ex. Same Walton of Walmart

can't have a Walmart meeting w/out discussing Walt's values

#### **Rites & Rituals**

Cultural Benefits

***Creates connections - people & org***  
***Bulds morale & engagement***  
***Shared hands on experiences***

Ex. Pixar Video: culture of collaboration; celebration of heroes & events  
displaying core values

### **Symbols**

Cultural Benefits

***Common understanding of culture***  
***Easy to recognize***

Language and symbols conveying core values

Ex. Tony the Tiger & Kellogg's; Nittany Lions/Joe Paterno & Penn State

### **Stories**

Cultural Benefits

***Easily remembered & passed on***  
***Instills deeper cultural understanding***

Connected w/heroes

Ex. KFC guy lives on in stories

## **INNOVATION**

Process of taking a new idea & putting it into practices

### **Process Innovation**

Six Sigma = Process Improvement

Lean Principles = Reduction of Waste

ex. Gulfstream

reduction in cost

increased turn around (cycle)

increase in output

better customer satisfaction

ex. Vending Machines: adding credit card reader, sales increase 20%

### **Product Innovation**

literally change how we see world

creation of new or improved goods/services

ex. Predator Drones: Phantom Vision Plus Drones

pros: search & rescue; cooler version of go pro

cons: safety, privacy

technology advances before ethics

### **Business Model Innovation**

taking exactly what doing now & changing the form/model

ex. Blockbuster bought buy Dish for movies online & on demand

ex. Instagram changed model of photos by:

1.

2.

3.

### **Sustainability Innovation**

similar to process innovation

Zero Waste: reduces carbon footprint of organization or its products

Commercialization: selling innovation

process of taking a product/idea from inception to market

Teracycle (Tom Zacky): uses waste as a raw material

Post-It Notes:

Super soaker (Launey)

Organizational Protocols Supporting Innovation

Strategy: Includes Innovation

Culture: Values Innovation

Staffing: For Creativity Innovation

Structure: Supports Innovation

Management: Supports Innovation

## CHANGE

Personal & Organizational

To make the form, nature, content, future course, etc. of something different from what it is or from what it would be if left alone

Who Moved My Cheese

Cheese—> Something prodding/of interest to you

Change Allegory—> Move to new cheese

When you change what you believe (about current situation not core beliefs), you change what you do

Impact of change on people

Fear of the unknown

Loss of control

loss of confidence, work overload, loss of face, disrupted habits, lack purpose

Death & Dying Grief (Change) Model

Denial—>Anger—>Bargain—>Depression—>Acceptance—>(Move On)

Axis of graph: Motivation/Performance on y axis, Time on x axis

MoneyBall Trailer

Devalued what scouts were doing

Used statistics to find players who got on base

2 Types of Change: Transformational & Incremental

### **Transformational**

org is really in trouble

#### **What is a burning platform?**

business model is imploding

IBM (International Business Machines)

Lou Gerstner

hired to end IBM

thought sum of parts>than whole

decided to change (was successful)

Services Provider, PC's, Main Frame Computers, Software Development

Hostess Twinkies

unsuccessful change

if you can't make transformational change—> brand dies

shelf life of sealed Twinkie—> 45 days

Incremental