

Management 301 Final Exam Study Guide

I. Chapter 9- Culture/Innovation/Change

A. Managers Must

1. *Develop culture*
2. *Encourage innovation*
3. *Manage Change*

B. Culture

1. *Definition*

- a. A system of shared beliefs/values guiding behavior (internal)
- b. A set of signals of what is considered appropriate vs. inappropriate (external)

2. Zappos Video

- a. 10 core values
 - i. Deliver wow through service
 - ii. Embrace & drive change
 - iii. Create fun and a little weirdness
 - iv. Be adventurous, creative, & open-minded
 - v. Pursue growth & learning
 - vi. Build open and honest relationship with communication
 - vii. Build a positive team and family spirit
 - viii. Do more with less
 - ix. Be passionate and determined
 - x. Be humble

3. *Subcultures*

- a. Academic
- b. Functional
- c. Sports
- d. Faculty

4. **Cultural Fit**

- a. High impact on people leaving their jobs
- b. If you do not match with/like your job, you will not succeed

5. *Corporations & Culture*

- a. *Shape attitudes*
- b. *Reinforce beliefs*
- c. *Direct behavior*
- d. *Set expectations*

6. *KPMG Mergers & Acquisitions Study*

- a. Most do not add value
- b. They do not understand culture

C. **Observable & Core Culture**

1. **Observable Culture**

- a. What you see and hear when walking around an organization
- b. "Above the waterline"
- c. EX: football, clothing, diversity, socials/parties, classes
- d. Found in stories, heroes, rituals, and symbols
 - i. **Stories-** tales about events conveying core values
 - Easily remembered & passed on
 - Instills deeper cultural organization

- Wegmans- where performance & culture intersect
- ii. **Heroes**- people (past & present) who display core values—(can be anybody in the organization)
 - Shared knowledge of hero stories
 - Establish or represent core values
- iii. **Symbols**- language & other symbols conveying core values
 - Common understanding of culture
 - Easy to recognize
 - Tony the Tiger & Nittany Lion as symbols
- iv. **Rites & Rituals**- celebration of heroes & events displaying core values
 - Creates connections between the people & the organization
 - Builds morale & engagement
 - Shared hands on experiences
 - Pixar-putting stories into culture

2. Core Culture

- a. Values or beliefs about the right ways to behave
- b. “Below the waterline”
- c. What you say
- d. EX: Joe Paterno, success, academics, philanthropy, intelligence, work ethic

D. Innovation

1. Taking a new idea and putting it into practice
2. Process of translating an idea or invention into a good or service that creates value for which customers will pay

3. Three Forms of Organizational Innovation (+1)

- a. Process- result in better **ways of doing things**
 - i. Lean principles= reduction of waste
 - Reduction in cost
 - Increased turn around (cycle time)
 - Increase in output
 - Better customer satisfaction
 - ii. EX: swipe on vending machines
- b. Product- result in **new or improved goods or services**
 - i. EX: putting books onto kindle
- c. Business Model- result in **ways for firms to make money**
 - i. EX: Facebook buying instagram
 - ii. EX: blockbuster & dish
 - iii. EX: Google—driverless cars
 - iv. EX: swipe on vending machines
- d. Sustainability Innovation- **reduces the carbon footprint** of an organization or its products
 - i. EX: Toyota & Subaru → zero waste

**** Sustainability is a major driver for innovation right now****

E. Commercialization

1. The process of turning new ideas into salable products
2. Selling innovation
3. Examples
 - a. Post it Notes

- b. Teracycle trash video → “up cycling” turning juice boxes into bags

4. Organizational Protocols Supporting Innovation- 3M

- a. *Strategy*- includes innovation
- b. *Culture*- values innovation
- c. *Structures*- support innovation
- d. *Staffing*- builds talent for innovation
- e. *Management*- supports innovation
- f. *Leadership*- drives innovation

F. Change

- 1. To make form, nature, content, future course different

- 2. Personal and organizational

- a. *Change & people*

- i. Fear of unknown
- ii. Loss of control

- b. *Dealing with grief model*

- i. It's a process
- ii. Denial → anger → bargain → depression → acceptance → move on

3. Two types of change

- a. *Transformational*

- i. Results in a major and comprehensive redirection of the organization
- ii. New vision, new strategy, new culture, new structure

- b. *Incremental*

- i. Bends & adjusts existing ways to improve performance
- ii. Intent is not to break & remake the system, but to move it forward through continuous improvements (small changes-day to day)
- iii. New products, new processes, new technologies, new work systems
**** CHANGE TENDS TO BE DRIVEN BY OPPORTUNITIES OR THREATS
 → Facebook/instagram****

4. Burning Platform

- a. Major motivator for change

- b. *EX: IBM- Lou Gerstner*

- i. Strategy
- ii. Cost
- iii. Culture

- c. *EX: Hostess Twinkies*

- i. Went out of business in 2012
- ii. Unsustainable business model
- iii. Refused to change
- iv. Twinkies/hostess was bought out and remade

5. Change Process

- a. *Unfreezing*- create a need for change
- b. *Changing*- implement & manage process of change
- c. *Refreezing*- stabilize the change & scan for the future

6. Approaches to Change

Change Drivers	Status Quo Holders
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