

Management Final Exam Review
Ch. 9, 16.2, 17,14

Chapter 9- Culture, Innovation, Change

- Managers must:
 1. Develop Culture
 2. Encourage Innovation
 3. Manage Change

- **Zappo's and Culture Video:** <http://www.youtube.com/watch?v=g6WHAfWqX3s&feature=youtu.be>
 - o Tony Hsieh- book "Delivering Happiness"
 - o 10 core values
 - o "Be Humble"
 - o Casual culture

- **Organizational Culture:**
 - o System of shared beliefs and values guiding behavior (internal)
 - "The way we do things around here"- **Corporate Culture**
 - Shape attitudes
 - Reinforce beliefs
 - Direct behavior
 - Set expectations
 - o Set of signals of what is considered appropriate vs. inappropriate (external)
 - Thinking and acting

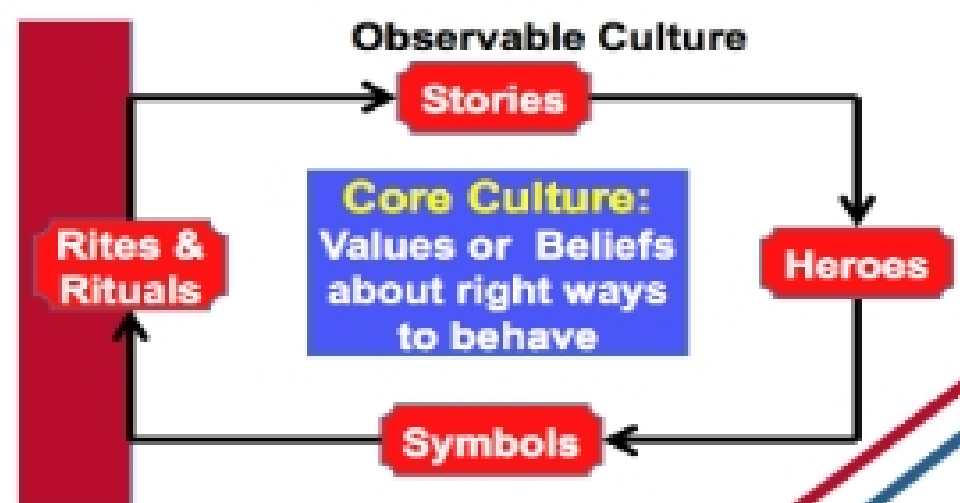
- **Disney Traditions with Mickey Video:**
 - o <http://www.youtube.com/watch?v=6qExwk0Hf7k&feature=youtu.be>
 - o <http://cp.disneycareers.com/en/onboarding/fl/working-here/disney-look/overview/overall-guidelines/>

- Cultural Fit has a high impact on people leaving their jobs
 - o What is your image/brand?
 - o Examples:
 - Justin Timberlake and Bud Light?
 - Lady Gaga and Polaroid?

- **Strong Cultures:**
 - o Are clear, well defined, performance driven, and widely shared by members

- **Socialization:**

- o Process of helping new members learn the culture and values of the organization, as well as the behaviors and attitudes that are shared among its members
- **Mergers and Acquisitions: KPMG Study**
 - o Analysis of 700 deals over 2 yrs.
 - o 83% failed to produce benefit
 - o 50% + destroyed shareholder value
 - o Only 17% added value
 - Why? Lack of cultural fit
 - o **Wall Street Culture John Reed Video**
 - o <http://www.youtube.com/watch?v=i1qGX920kwQ&feature=youtu.be>
 - CEO of City Corp- 3 million bonus → 15 million bonus: change of culture
- **Societal Cultural Examples or Sub-Cultures**
 - o Academic (type and level)
 - o Functional (marketing, mgmt., scm)
- **Observed Culture vs. Core Culture:**
 - o **Observed:** what you see and hear when walking around an organization
 - o **Core:** found in the underlying values of the organization
 - **Corporate Culture Levels: Edgar Schein's Levels-Iceberg***
 - Visible (dress, office, symbols, slogans)
 - Invisible (expressed values- ex. HP Way)
 - Assumptions (deep beliefs- ex. We are a family)



- o **Heroes:**
 - Cultural Benefits:
 - Shared knowledge of hero stories
 - Establish or represent core values
 - Every level in organization, people past or present

- o Ex. Founder of Wal-Mart, Chairman of Citi Group, Walt Disney
- o **Rites and Rituals:**
 - Cultural Benefits:
 - Creates connections-people and organizations
 - Builds morale and engagement
 - Shares hands on experiences
 - **Dreamworks Culture Video**
 - <http://www.youtube.com/watch?v=jz-b4viiFaU&feature=youtu.be>
- o **Symbols:**
 - Cultural Benefits:
 - Common understanding of culture
 - Easy to recognize (you and others)
 - Language and other symbols conveying core values
- o **Stories:**
 - Cultural Benefits:
 - Easily remembered and passed on
 - Instills deeper cultural understanding
 - **Wegman's "Best place to work" Video**
 - <http://www.youtube.com/watch?v=CXlEk1VM3c&feature=youtu.be>
- **Value-Based Management:**
 - o Managing with a commitment to actively help develop, communicate, and represent shared values within an organization
- **Workplace Spirituality:**
 - o Practices that create meaning and shared community among organizational members
- **Innovation:**
 - o Taking a new idea and putting it into practice
 - Turning new ideas into usable applications
 - o **Three Forms of Innovation:**
 - **Process Innovation:** result in a better way of doing things
 - Lean Principles= reduction of waste
 - Reduction of cost
 - Increased turnaround time
 - Increase in output
 - Better in customer satisfaction
 - **Product Innovation:** result in new or improved goods or services
 - Apple smartphones introduce "apps" a must have
 - Amazon's kindle e-book