

## MANAGEMENT FINAL NOTES

*Below are some concepts and key terms to know for the Final*

Organizational culture: is a system of shared beliefs and values guiding behavior. When someone speaks of "the way we do things here"

- ➔ One firm now considered a benchmark for its special culture is **zappos**
- ➔ If you get the culture right, most of the other stuff like brand and customer service will just happen."

Strong cultures-clear, well defined and widely shared among members

Socialization- the process through which new members learn the culture of an organization

Observable culture-is what you see in peoples behavior and hear in their conversations- it is reflected in how people dress at work, arrange their offices speak to and behave toward one another and talk and treat customers.

Core culture-is found in the underlying values of the organization

Core values-beliefs and values shared by organization and members

- ➔ Example- FedEx and Zynga

Value based management- actively develops communicates and enacts shares values

Symbolic leader-uses language and symbols and actions to establish and maintain a desired organizational culture

Workplace spirituality-involves practices that create meaning and shared community among organization members

Innovation-is the process of taking a new idea and putting it into practice

Process innovation-result in better ways of doing things-southwest airlines

Product innovations results in new or improved goods or services -groupon put coupons on the web

Business model innovations-result in ways for firms to make money-Netflix turned movie rental into a subscription business

Green innovation/sustainable innovation-reduces the carbon footprint of an organization or its product

Social innovation-business innovation driven by a social conscience

Social Entrepreneurship-pursues innovation ways to solve pressing social problems

Commercializing innovation-process of turning new ideas into salable products

Reverse innovation-aka trickle-up innovation, the concept recognizes the potential for valuable innovations to be launched from lower organizational levels and diverse locations including emerging markets

Skunkworks- are special creative units set free from the normal structure for the purpose of innovation

Incremental change-bends and adjusts existing ways to improve performance

Unfreezing-the phase during which a situation is prepared for change.

Changing-in the phase where a planned change actually takes place

Refreezing- the phase at which change is stabilized

Force-coercion strategy-pursues change through formal authority and or the use of rewards or punishments

Rational persuasion strategy-pursues change through empirical data and rational argument

Shared power strategy-pursues change participation to assessing change needs values and goals.

**Why people resist change:**

*Fear of the unknown*

*Disrupting habits*

*Loss of confidence*

*Loss of control*

*Poor timing*

*Work overload*

*Loss of face*

*Lack of purpose*

## **Globalization and International Business:**

Global economy: resources, markets and competition are worldwide in scope

Globalization-process of growing interdependence among elements of the global economy

Insourcing: creation of domestic jobs by foreign employers

Outsourcing: shifts local jobs to foreign locations to take advantage of lower wage labor in other countries

International business: conducts commercial transactions across national boundaries.

### **Why businesses go global:**

*Profits*

*Customers*

*Suppliers*

*Capital*

*Labor*

*Risk*

Global Sourcing-firms purchase materials or services around the world for local use

- o Exporting: local products are sold abroad
- o Importing: process of acquiring products abroad and selling them in domestic markets
- o Licensing one firm pays a fee for rights to make or sell another company's products
- o Franchising-a firm pays a fee for rights to use another company's name and operating methods.

Joint venture: operates in a foreign country through co-ownership with local partners

Global strategic alliance- each partner hopes to achieve through cooperation things they couldn't do alone.

Foreign subsidiary-is a local operation completely owned by a foreign firm

Greenfield venture-establishes a foreign subsidiary by building an entirely new operation in a foreign country