Course Learning Outcomes for Unit VI

Upon completion of this unit, students should be able to:

1. Analyze the impact of change and innovation in organizational processes.

Reading Assignment

In order to access the following resource(s), click the link(s) below:

Freedman, D., Villano, M., & Horwitz, C. (2015). What's your type. *Entrepreneur, 43*(11), 56–68. Retrieved from https://libraryresources.columbiasouthern.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=110134597&site=ehost-live&scope=site

Hibbert, L. (2015). Innovation and skilled management made these two British engineering companies world leaders. *Professional Engineering, 28*(8), 3. Retrieved from https://libraryresources.columbiasouthern.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=109151061&site=ehost-live&scope=site

Hlupic, V. (2015). Management shift. *Training Journal*, 57–59. Retrieved from https://libraryresources.columbiasouthern.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=103147420&site=ehost-live&scope=site

Smith, A., & Robinson, M. (2015). At the heart of innovation. *Training Journal*, 38–41. Retrieved from https://libraryresources.columbiasouthern.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=103664101&site=ehost-live&scope=site

Stanleigh, M. (2008). Guide to innovation. *Industrial Engineer, 40*(6), 38–41. Retrieved from https://libraryresources.columbiasouthern.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=31962039&site=ehost-live&scope=site

# Unit Lesson

Click here to view the video for Unit VI (1m 37s).
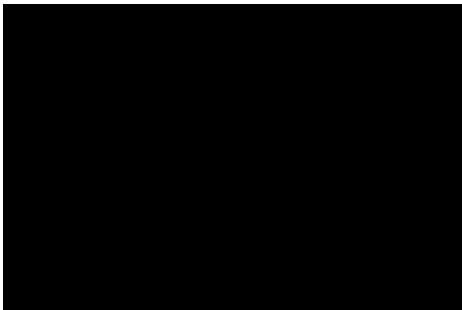
Click here to access a PDF of the video transcript.

People like a winner. For those in business, they want to "win" and be successful. How did Under Armour's Kevin Plank do so well with athletic apparel, an area where so many items have already been marketed for more than a century?

Plank offered a formula in his interview that can be found in the Suggested Reading section below. His formula includes the following ideas:

- Do one thing well.
- Stay true to your brand.
- Be open to wild ideas.
- Never stop inventing (Foster, 2015).
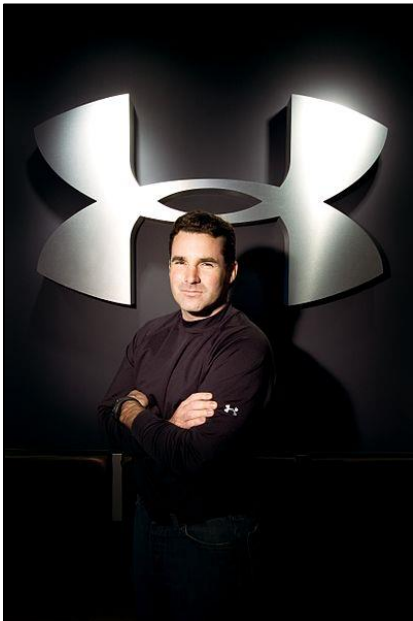
Kevin Plank, CEO of Under Armour
(Dcavalli, 2009)

Plank appeared to embrace innovation and change as normal business phenomena. What do you think would happen in a business where innovation is not encouraged and change is not wanted?

From studying evidence and early writings of civilizations, historians and archaeologists conclude that humans began forming the first farms and farming communities more than 10,000 years ago. They started to supplant hunting and gathering with agriculture of certain grains, fruits, vegetables, and animal herds in specific locations (like the Middle East). That period of the Neolithic Era through today has been marked by leaps of innovation and washes of change over people and their environments. With such a history of innovation and change in our past, we, as managers using sense and reason, should expect more of the same in our future.

This review of history is helpful because the general rules of innovation have not changed. If we accept technology as the means to accomplish something—and creating fire by striking flint pieces over kindling is an example of a certain level of technology—then we also see that innovation is a thinking-dominant process of working out a new way to accomplish something. In growing up, most people experience the satisfaction of innovating something in their lives, even if it is a rediscovery of a technique, like in cooking, that has been discovered before but not known to the experimenting cook. Innovation emerges from creativity and free thinking—as illustrated by the phrase *thinking outside of the box.* The *box* is the collection of known and familiar processes, perhaps in an organization. Free thinking that brings about innovation explores unknown territory that is not in the box.

How does a manager interact with innovation? People do the innovating, even if assisted by information technology and computers, so there is a strong social element to innovation. Organizational members who are

Google's Lexus RX 450h self-driving Car.
(Jurvetson, 2012)

innovating, whether it is their primary job or not, have to be encouraged and supported—but especially not discouraged. Innovation takes effort and is not realized on demand. Inspirational ideas may occur to an innovator at random—even when the innovator is falling asleep at night. Effective managers have to give innovators some space: meaning location and time to allow them to make the most of their creative talents. Managerial scrutiny of innovators is necessary to some extent. No salaried organizational member is truly free in all respects, but too much, like too much evaluation of an idea, can lead to discouragement, including the perception that *nothing new is allowed to leave this building.* A manager may see that transformational leadership features of good communication channels, optimism, toleration of experimental failures and some mistakes, and a vision of the long-term sustainment of the organization are key to leading innovation efforts that help solve problems and support the organization (Stanleigh, 2008).

An organization does not plan for and execute all the changes that affect it. Not only does change occur that was *not* planned, but most likely the vast *majority* of changes experienced over any length of time were not planned. Change has many origins. Anything occurring differently or assuming a different characteristic among organizational members, stakeholders outside the organization, the society and culture they come from, economics and the markets, politics, and the environment will appear as change. These elements usually work in random combinations. Change is inevitable. This has been observed long enough in our history to be certain.

Is change good or bad? This question is similar to asking if rain is good or bad. Either can be a factor in creating an advantage or disadvantage for a person or organization. A single changed factor is often judged as being good or bad for an organization—an example would be a change in the law that affects the organization—and well-prepared strategic analysis includes an assessment of factors that may include significant change. As mentioned, change is often random and unexpected, so neither a staunch conservative who wishes for a seemingly simpler and better age nor an activist who wants something of an overhaul of the environment of the organization will be completely satisfied. Change has never occurred entirely as planned.

Often, an organization needs more than just minor changes to its composition and processes to continue its existence. Randomness of change over time may render it nearly obsolete in society and business or government. A complete philosophical and cultural shift to another existence may be necessary to fit the present day and environment, which is known as an *organizational shift.* Organizational shifts are more than changes. An organization's mission, values, services, composition, and senior leaders may change in an organizational shift. Such radical change takes courage, as a successful outcome by shifting from the known to the unknown is never certain nor guaranteed. A corporation reorganizing from bureaus to functional teams with new processes would be an example of an organizational shift; dot-com companies have had the agility to make this shift—often with great success (Hlupic, 2015).

Corporate culture can be understood by reflecting on the phenomenon of *culture* in society and history, which, in short, is a group of people's commonly shared solutions for solving life's challenges. This encompassing idea accounts for global or regional varieties in cooking recipes, music, clothing, language, and designing and using shelter for housing. Culture gives us much delight as we see how pleasant our differences can be. As culture is held by groups both large and small, organizations can have an organizational or corporate culture as well, with each being noticeably different from another. Think about competitor automobile companies Ford and South Korea-based Hyundai—each with vastly different histories and regional origins. Hyundai emerged as a mostly compact car and truck company to meet the needs of drivers in a country with narrow city streets

and small parking spaces. Ford has an American tradition going back to the beginnings of major automotive innovation 110 years ago. If an executive was hired away from one company to accept a promotion in the other, could he or she expect a different corporate culture? Quite possibly. Many managers move to progress in their careers, but if you are not sure what corporate/organizational culture is at a certain place, you can research it! Research remains one of management's strongest tools and can help a manager work with innovation, change, and corporate culture. (Freedman, Villano, & Horwitz, 2015).

References

Dcavalli. (2009). *Kevin Plank - UA photo* [Image]. Retrieved from https://commons.wikimedia.org/wiki/File:Kevin_Plank_-_UA_photo.JPG

Foster, T. (2015, August). Kevin Plank's formula for Under Armour's innovative design. Retrieved from http://www.inc.com/magazine/201407/tom-foster/kevin-planks-formula-for-under-armours-innovative-design.html

Freedman, D., Villano, M., & Horwitz, C. (2015). What's your type? *Entrepreneur, 43*(11), 56–68.

Hlupic, V. (2015). Management shift. *Training Journal*, 57–59.

Jurvetson, S. (2012). Google's L*exus RX 450h self-driving Car* [Image]. Retrieved from https://commons.wikimedia.org/wiki/File:Google%27s_Lexus_RX_450h_Self-Driving_Car.jpg

Stanleigh, M. (2008). Guide to innovation. *Industrial Engineer, 40*(6), 38–41.

Suggested Reading

Read Kevin Plank's formula for success, which can be implemented into any business plan.

Foster, T. (2014, August). Kevin Plank's formula for Under Armour's innovative design. Retrieved from http://www.inc.com/magazine/201407/tom-foster/kevin-planks-formula-for-under-armours-innovative-design.html
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