

Management at International Business Machines Corporation (IBM)

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- 1. Evaluate two (2) key changes in the IBM management style from the company's inception to the current day. Indicate whether or not you believe the company is properly managed. Provide support for your position.**

IBM Global Business services experienced one of the largest strategic changes globally with more than 3,250 strategy experts and professionals. IBM was being seriously challenged by technology shifts, changing global economic dynamics and market shifts which IBM fought to transform its survival into success. The most significant strategic change practice of IBM was the fusion of technology insights with its business strategy to facilitate the business organization developing, aligning and implementing their strategic business vision and objectives across their four core strategic business dimension including operation strategy, business strategy, technology strategy and organization change strategy in order to drive growth and innovation. This has also brought significant changes in the management style of IBM that also distinguishes it from its management style from inception to the current day.

The first major change in the management style of IBM was to change its focus from its internal organizational multinational working model to decentralized key centers. This means that in order to genuinely global for responding effectively to the complexities, redundancies and discrepancies in performance and efficiency caused by globalization and technological advancement; IBM embarked on managing a multinational talent and resources. But this continuously adds up cost and complexity in the procedures. Thus the first major change that IBM undertook in its management style was adaption of standards business procedures and processes of operations, reporting and performance management for all its internal functions and

these are now consolidated into standards functions and standards at its key centers. This has simplified the procedures all over and has also reduced its shared-service cost by 25% in last 5 years (Forbes, 2010).

The second change was IBM's shift of focus from processes to people. Before 2003, the primary focus of IBM was on transactions while centralizing and administrating operations against defined, confined and finite resources and functions of the organization. But in 2003, IBM rolls on taking an initiative of changing its organizational values and culture. Leadership team and senior management of IBM specifically focused on services, relationships, value management, coaching, integration and managing value of people. As they realized that in this highly volatile, hyper-connected and globalized age IBM is to lead across multinational operations, workforce, markets, dealings and practices and that the organization's success now critically depends upon its human resource thus IBM's leadership and senior management increasingly focused on managing people.

2. Explain senior management's role in preparing IBM for its most recent change.

Provide evidence of whether the transition was seamless or problematic from a management perspective. Provide support for your rationale.

Louis Vincent Gerstner Jr. was the CEO of IBM who is specifically responsible for IBM historic turnaround. Louis Gerstner played the crucial role in preparing IBM for its most remarkable organizational change. Louis Gerstner enable the entire organization comprehending the notion that continuous adaptation of business strategies and structures to changing business conditions are crucial for the survival of any business. He managed the organizational change

with well-organized planning, as well as, implementation of changes in the organization in such a way that the resistance of employees and the costs of this change to the organization can be minimized. He also carried out cautious planning; connected employees who tends to be affected, communicated regularly and established obvious and apparent goals for the change and show them the clear way of measuring success, plan execution and change reinforcement (Gerstner, 2009).

The strategic practices of IBM has been considered exemplary; which clearly shows that the epoch of change must have been challenging for the leaders and their remarkable endeavors, strategies and management & leadership skills made it commendable in academic and business literature (Garr, 1999). In his book, “Who says elephant can’t dance? Inside IBM’s Historic turnaround” Louis Gerstner mentioned that, “organizational change starts with the personnel transformation of its employees and leaders” (Gerstner, 2009). He further mentions that IBM’s turnaround faced all the conventional problems that any other organization would potentially face during change process (Gerstner, 2009). He also mentioned about employees resistance change and thusly mentioned the significance of managing it as this is the node form where the personal change process actually commences. Resistance to change is one of the main factors that hinder organizational change, because of this it is imperative to recognize and understand why employees resist change. Louis Gerstner discussed in his book that; it is ordinary that people resist change because they are not familiar or due to their bad experience but in today workplace, if one wants to succeed and exceed, he must be agreeable to change and embrace it. One should be able to take the responsibility and should be able initiate and lead a change, but he should be well aware of the favorable conditions (Gerstner, 2009). This shows that the management of resistance must have been challenging to IBM’s management.

3. Evaluate management's decision on its use of vendors and spokespersons. Indicate the organizational impact of these decisions.

While implementing change it is crucial to involve all your stakeholder i.e. employees, customers, vendors etc even as making them feel important and a part of organizational process; because disintegration of any one of them may lead change process to failure. While embarking IBM on change; Louis Gerstner consciously recognizes the significance of its vendors and spokesperson and specifically focuses on the two chief components of IBM turnaround. Louis Gerstner specifically got on taking their vendors in confidence while welcoming them for giving their feedback and suggestions for improvement. In order to consider the input from their vendors and other stakeholders IBM set up a website by the name of “values jam” for 3 days where they welcome suggestions, concern and feedback and then later integrate them as the key considerations of their change management process (Forbes, 2010). This decision enable IBM maintain enduring and healthy relationship with its suppliers and vendors even in the time of difficulty. Likewise settling on spokesperson was also a crucial decision as it represents the entire organization and the entire efforts of the organization may frail if the spokesperson is inefficient. IBM embarked on choosing Trink Guarino as its spokesperson who successfully elaborate the entire change process to its stakeholder s, answering their concern and facilitating them settling down their related concern related t the change. These decisions enable IBM effectively managing the potential resistance that could have arisen from these ends.

4. As a manager within the IBM, suggest one (1) innovative idea that could have a positive impact on both the employees and customers of the company. Indicate the approach you will take in implementing the new idea. Provide support for your suggestion.

The innovative idea of management that I want to develop is titled as 'Employee First, Customer Second' abbreviated as (EFCS). With the idea I aim to develop the creative organizational culture that has become the need of time. Since the core function of the business is to create value and since employees create value we need to put them first. Now it is the role of management that through efficient knowledge management process, the needs and preferences of the customers are delivered to employees. The implementation of this idea involves certain changes in physical and psychological environment of the organization. In order to keep employees creative IBM should develop the continuous ability to know, learn, question and challenge in its employees. This ability is not sufficient for a mental framework centred on oneself but epistemic curiosity needs a framework or rather an exploratory field to practice. In order to achieve this, I being a manager would facilitate employees to contribute and undertake their decisions and perspective while implementing a decision which depicts another characteristic of creativity. Being a manager I would stay alert to differences, being sensitive to the current situation to supply essential knowledge (Jørgensen, 2008). This vigilance would show a dual nature. At IBM, it will be expressed through a continuous and partial information and interaction flow, or it turns its attention to a high level. The first attitude divides the focus and concentration withers into fragments. By constant fear of missing another better opportunity, employees lack skills sustained concentration. This is why the experience mitigates this instability of epistemic curiosity (Jørgensen, 2008). Therefore, by managing the information flow

employee would be managed to create value and hence it will be delivered to customer. In this was it will positively impact both the employees and customers of IBM.

5. Predict the IBM's ability to adapt to the changing needs of customers and the market environment. Indicate one (1) key change in the management structure that may be beneficial to ensuring such an adaptation to change. Provide support for your prediction.

IBM has shown a tremendous ability of change through its historic turnaround. The organization has successfully developed the understanding for coping up with change factors. Moreover the significant changes in management will also help IBM to adjust with the future changes processes frequently. One change in management that I would prefer would be the organizational culture continuous learning and improvement (Austin & Nolan, 2000). This requires setting up a continuous learning, organizational culture of innovativeness and knowledge management. Continuous learning would enable organization consistently taking input and integrating it into its functions and operation; which will eventually facilitate the organization responding to the dynamic business environment while staying competitive.

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