Business Strategic Management: Case Study of IBM

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IBM has survived operation challenges associated with the dynamics of elastic economic environment. The management of the changes related to business operations in an increasingly globalized market provokes various managements aimed at adopting exclusively unique strategies to sustain profitable and productive operation of IBM. This paper will examine the strategic and business goals of IBM as well as the human resource challenges and possible mechanisms for resolving the employee-related challenges.

**Strategic and Business Goals**

The strategic and business goals of IBM focus on enhancing business continuity and stability. The organization develops various strategic and business goals that enable it to operate stably in various economic conditions unfolding in the market. The strategic goals of IBM aim at cutting the operational costs while maximizing productivity and profitability. For example, the implementation of the e-learning program enables the organization to reduce costs associated with training employees to improve their productivity. With the help of e-learning, IBM is also able to simulate modules and enhance techniques of collaboration resulting in a rich learning environment and developed process for employees. Through e-learning, the organization can succeed in improving its productivity while cutting the costs associated with training activities.

The strategic goals of IBM focus on improvement of human resource activities. For example, the employees of the organization were beneficiaries of enrolment material through online procedures in November 2001. This gave the employees an opportunity to learn the benefits being merited (Hill & Jones, 2011). These included benefits of costs, coverage, and customer service or performance improvement through intranet tool known as “Pathfinder.” Hiring of employees became even more simplified due to the Pathfinder tools. Moreover, it became more
efficient, effective, fast, and transparent and attracted talented employees to the top positions in the organization. This contributed further to improvement of productivity and profitability of the organization.

Strategic planning and management of business processes translates into improvement in business outputs. For example, the e-learning training of all the employees drawn from various departments at IBM led to a rise in the return on investments (ROI) by 2284 percent. This was registered particularly from the Basic Blue e-learning programs. Various services and goods offered by the organization were delivered more effectively and efficiently following the launch and the execution of e-learning by IBM. Morris & Calamai (2009) cited that empowerment and development of the employees due to trainings increased wages and proved to be very strategic in terms of addressing human resource challenges that most organization encounter in the present economic times. The strategic and business goals of the organization had been accomplished through e-learning training in key business and strategic areas such as people management, management of remote and mobile employees.

**Economic and Labor Conditions of IBM**

The secret behind the success of the business operations of IBM is in its ability to balance its economic scales. Whereas the aim of every business organization is to cut the costs and maximize the gains, perhaps IBM offers a good blue-print for achieving this business endeavor (Hill & Jones, 2011). The organization has succeeded in improving productivity through empowerment of employees at no additional costs. This has been achieved majorly by implementing online trading activities, customer relationship networks, and e-learning procedures among others. The labor conditions have been revolutionized through involvement of employees in the management of social welfare programs. For example, the Pathfinder tool enables the
managers at IBM to be aware of the information related to every employee. Besides, through this application, the employees are now able to manage their own benefits, salary-related deductions, careers changes, and negotiations concerning the improvement of the terms of reference (Hill & Jones, 2011).

**Human Resource Situation of IBM**

Globalized business operations that concern IBM as well, often present a myriad of human resource issues that have to be addressed through adoption of new paradigms which may not be the most suitable ones in certain situations (Morris & Calamai, 2009). For example, being a global organization, IBM faces the challenge of deploying its human resources and managing them effectively across the geographic borders. In fact, this remains one of the human resource puzzles for the organization. Furthermore, training costs for such a global human resource base may be challenging if not strategically considered. Accessing and contracting employees also become challenging for global business that operates in a global society dominated by cultural diversity and dynamics (Bourdreau, 2010). These challenges require development of strategic human resource approaches to contain or effectively address specific issues. Moreover, in order to effectively manage its human resources in various regions, the managers of IBM needs to be very informed about the labor and human resource practices and legislations relevantly pursued by various countries from which its employees are drawn.

The management at IBM can deal with the virtual nature of its human resource demand through online recruitment procedures (Morris & Calamai, 2009). Due to these and other outsourcing procedures, the organization is more than able to access a pool of skilled and expert human resource to provide its various services across the globe (Bourdreau, 2010). Further, training of the new employees can be possible through e-learning procedures facilitated by senior
managers who have also undergone such trainings. Briefing of the employees about any significant issues arising in business can be effectively and conveniently done through videoconferencing. Through online interactions, supervisions, coordinations and trainings, the organization will be able to recruit, train, and retain talented human resources to manage the business processes of IBM without employee displacement and turnover.

In conclusion, IBM’s adoption of modern strategic dimensions such as online recruitment, e-learning, training, and creation of a conducive work environment have enabled the organization to stand the test of time even during the period of economic recession across the globe. Although there are still slight challenges to be made, these are minor shortcomings and cannot be considered inhibitive to the operations of IBM.
References

