

ASSESSMENT 1

LEVEL 6 ASSESSMENT SPECIFICATION

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Programme:	Accounting		
Module:	Leading and Developing People		
Module code:	IUBA6003	Contribution to Overall Module Assessment (%):	50%
Lecturer:	Emma Roberts	Internal Verifier:	
Assignment Title:	The Complexity of Modern Leadership	Word count (or equivalent):	2,500 words
Submission deadline:	19 th August, 2024 @23:55	Return date of provisional marks & written feedback:	
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 40%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

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1.0 Introduction

Leadership is a complicated concept that has received significant attention from researchers and practitioners in recent years. The complexity of leadership in modern organisations has increased as a result of developments in technology, globalisation and diversity in the workforce. According to Bryman (2013), effective leadership is essential for organisational success in today's business environment which is marked by rapid change and growing complexity. But oftentimes, it is common for people to underestimate the complexity that is involved in leading teams or people in an organisation. To be an effective leader, one must have a thorough understanding on various leadership theories and the ability to put those theories into practice. This essay aims to investigate the complexities of leadership at IBM, a multinational technology company that has utilised a variety of leadership theories in order to navigate the challenges that are present in the modern business landscape.

1.1 The Complexity of Leadership at IBM

IBM, or International Business Machines Corporation is a multinational technology company based in Armonk, New York, USA. It was founded in 1911 and was initially known as the Computing-Tabulating-Recording Company (CTR) (The Editors of Encyclopaedia Britannica, 2024). After changing its name to IBM in 1924, the business has grown to become a global leader in consulting and technology, with operations in more than 170 countries and employed more than 282,000 employees as of December, 2023 (Kunert, 2024). IBM's contributions to cloud computing and artificial intelligence (AI), along with its development of the first programmable computer and hard drive, have made it a significant historical figure in the computing industry (Patrizio, 2023).

2.0 IBM Leadership Styles

2.1 Transformational Leadership

Transformational leadership has long been an important part of IBM's organisational culture, particularly during times of change and innovation. This leadership approach, which is defined by the ability to motivate and inspire employees to put the needs of the organisation ahead of their own, has been essential in helping IBM to navigate various technological changes and competitive challenges (Bass & Riggio, 2006). Louis V. Gerstner Jr., the CEO of IBM from 1993 to 2002, is a good example of transformational leadership at the company. IBM's focus shifted from hardware to services and software under Gerstner's direction, which was essential for the company to survive in the rapidly changing tech industry. He emphasised the value of a unified corporate culture and presented a clear vision that connected workers' aspirations with the company's goals. This has saved IBM and gave it a competitive edge again by creating a work environment where employees felt free to experiment and be creative (Desouza, 2019).

Furthermore, IBM continues to invest in developing leaders who can successfully navigate the challenges of the digital era as part of its commitment to transformational leadership. The company created the Transformational Leadership Framework (TLF) that places a strong emphasis on lifelong learning and flexibility by aligning leadership development with strategic objectives (Desouza, 2019). This approach not only trains leaders to deal with changing industry conditions, but it also increases employee engagement by creating a culture of trust and shared responsibility.

However, the implementation of transformational leadership at a large, global organisation such as IBM, is not without its difficulties. Ensuring the company's vision and values are consistently communicated and implemented throughout the entire organisation can be challenging (Avolio & Bass, 2001).

One of the primary benefits of transformational leadership at IBM is its ability to foster a shared sense of purpose among employees. By creating a clear vision for the future, IBM's management can better align their organisational goals with individual aspirations, increasing employee commitment and engagement. This alignment is important in a rapidly changing technological landscape, where adaptability is essential for survival.

2.2 Authentic Leadership

Another leadership style that IBM implemented is authentic leadership. According to Avolio and Gardner (2005), it can be characterised by self-awareness, openness, and moral judgement, which develops trust and respect among people. The company actively implements this leadership style into its practices and leadership development programs, making it more than just a theoretical idea.

One of the most important aspects of authentic leadership at IBM is the emphasis on self-awareness among leaders. Recognising their own advantages and disadvantages helps leaders to build deeper relationships with their teams. This self-awareness enables leaders to set an example of openness and create an atmosphere where employees feel comfortable sharing their ideas and concerns (Walumbwa et al., 2008). For example, IBM's management promotes open discussion by having regular team meetings and feedback sessions, which

helps the company to create a transparent culture that is necessary for their success (Mantas, 2020). Furthermore, approach to authentic leadership is closely related to its commitment towards diversity and inclusion in their workforce. The company understands that having a diverse workforce fosters innovation and creativity, which are both essential for staying competitive in the technology industry (Desouza, 2019). IBM's management actively promote inclusivity by valuing different points of view and ensuring that all employees participate in decision-making processes. This inclusive approach increases employee engagement and commitment while also strengthening unity among employees.

Nevertheless, there are challenges to overcome when introducing authentic leadership in a big, international company like IBM. It can be difficult to maintain the consistency of leadership practices across departments and regions, especially when presented with complex business challenges and various cultural expectations (Walumbwa et al., 2008). In response to these issues, IBM has created structured leadership training programs that focus on the principles of authentic leadership, ensuring that leaders at all levels are prepared to reflect these values in their daily interactions (Desouza, 2019).

The impact of authentic leadership at IBM are clear from the increased level of commitment and trust among employees. According to Avolio and Gardner (2005), authentic leadership is associated with higher levels of job satisfaction and employee engagement. This improves overall organisational performance because employees who feel valued and respected are more likely to contribute positively to the company's goals.

2.3 Servant Leadership

IBM's corporate culture has come to be known for its servant leadership, especially under the direction of the company's current CEO, Arvind Krishna. This leadership approach, which puts workers' needs and development ahead of traditional hierarchical structures, is in line with the increasing call for inclusive and compassionate leadership in the modern workplace (Greenleaf, 1977). Krishna's strategy, which embraces the fundamental ideas of servant leadership, places a strong emphasis on motivating employees, encouraging innovation, and using technology to address global issues.

At IBM, servant leadership is demonstrated in a various way. One of them is for leaders to be friendly and approachable, removing the conventional barriers that often separate management from staff. This accessibility develops a culture of trust and cooperation among employees, making them feel appreciated and encouraged to share their thoughts and insights. For example, IBM management regularly hold meetings and make use of digital communication tools to promote open channels of communication and enable a more inclusive decision-making process (ibmblogs, 2022). Furthermore, IBM's commitment on employee's development demonstrates its dedication to servant leadership. The company invested heavily in employee training and development initiatives that give staff members the tools they need to thrive in a quickly evolving technological environment. This is an evident that the IBM's management is dedicated to their employees by placing a high priority on personal and professional development and in return, increases employee engagement and loyalty (Liden et al., 2008). According to a research made by Van Dierendonck (2011), companies that implement servant leadership practices frequently see increases in employee performance and satisfaction as they feel a stronger connection to the organisation's mission and their work.

But putting servant leadership into practice in a big and complicated organisation like IBM poses many challenges. The complexities of a global workforce require its management to manage a consistent servant leadership approach while trying to balance business needs with a variety of cultural expectations (Spears, 2010). Because of this complexity, the company's management must be flexible but sensitive to ensure that their style of leadership is in line with the changing needs of the company and its employees.

Despite these challenges, IBM's implementation of servant leadership has proven to be beneficial. The company has created an environment that promotes creativity and teamwork by giving employees a sense of empowerment, respect, and understanding. This strategy not only boosts their morale but also helps the company adjust to changing market conditions and technological breakthroughs.

3.0 Analysis

3.1 Transformational Leadership Theory

The transformational leadership theory emphasises inspiring and motivating employees to achieve extraordinary outcomes and has been a significant influence on IBM's leadership for a long time (Bass, 1985). This approach was demonstrated by former CEO Louis V. Gerstner Jr., who united the company around a distinct vision for IBM's future (Gerstner, 2003). He encouraged risk-taking and creative thinking among employees, which was crucial as IBM shifted its focus from a hardware-focused company to a service-oriented one. Now, the strategy is being continued by the current CEO, Arvind Krishna, by stressing the value of employee empowerment, encouraging an innovative culture, and utilising technology to solve problems (IBM, 2020).

3.2 Servant Leadership Theory

The servant leadership theory puts employees' needs and growth first, has also had an impact on IBM (Greenleaf, 1977). IBM's current CEO, Arvind Krishna has received praise and recognition for his servant leadership style, which uses technology to solve problems and empowers employees (IBM, 2020). IBM's leadership development programs place a strong emphasis on the value of approachable and accessible leadership, in which managers reduce barriers between hierarchies and interact with employees through regular meetings and open discussion sessions. As it develops a culture of trust, cooperation, and employees' growth, this strategy is aligned with the fundamentals of servant leadership.

3.3 Value-Based Theory

IBM's leadership approach is consistent with value-based leadership theory, which underlines the importance of managements' personal values and their alignment with organisational values (Groves & LaRocca, 2011). The company's values of innovation, trust, and social responsibility are expected of IBM's managements. For example, IBM's management actively promotes the company's commitment to diversity and inclusion through a number of initiatives and programs (IBM, 2020). A culture of authenticity, trust, and purpose is fostered by IBM management through the alignment of personal and organisational values.

3.4 Stakeholders Theory

IBM's leadership style is also consistent with the stakeholder theory, which emphasises the value of taking into account the interests of all stakeholders, including customers, employees, and society (Freeman, 1984). The management at IBM places a high priority on customer satisfaction and works closely with them to create solutions that are specifically customised to their needs. Furthermore, IBM's efforts to use technology to solve global issues like healthcare disparities and climate change are evidence of the company's commitment to social responsibility (IBM, 2020). IBM's management takes into account the interests of different stakeholders in order to generate value for the company and advance social justice.

3.5 Ethical Leadership Theory

IBM's leadership style is also consistent with ethical leadership theory, which emphasises the significance of leaders' behaviour and their capacity to shape the moral conduct of employees (Brown et al., 2005). IBM's management is expected to make ethical decisions

and to build an environment of integrity and accountability. For example, IBM's leadership development programs place an emphasis on transparency and ethical decision-making (ibmblogs, 2022). IBM's management can foster trust among employees and stakeholders by upholding ethical principles, which contribute to the company's long-term success.

4.0 Criticism

One of the most common criticisms aimed at IBM's leadership is its inability to successfully manage the transition from traditional business models to modern, cloud-based solutions (Jurevicius, 2023). Critics argue that by concentrating on big businesses, the company has ignored smaller ones and reduced its market share in an increasingly harsh industry.

Furthermore, the IBM's leadership has come under fire for the company's poor innovation in some sectors, especially when compared to tech giants such as Google and Amazon (Rowland, 2017). These companies have quickly risen to the top of the cloud services market, outpacing IBM in the process. This critique draws attention to the difficulties in putting transformational and servant leadership techniques into practice in a big, international company that has to find a balance between the demands of various stakeholders.

The organisational structure and decision-making procedures of IBM have also drawn criticism. Despite the company's efforts to create an inclusive and collaborative culture, some employees have expressed dissatisfaction with the decision-making process due to the continued influence of organisational hierarchy, which can limit creativity and lower employee engagement (IBM, 2020). IBM's leadership needs to keep changing its strategy to better meet the needs of its employees and the requirements of the modern business environment.

Additionally, IBM's leadership has come under fire for an apparent absence of diversity and inclusion in its upper management. Some argue that the company's leadership does not fully reflect the diversity of its workforce or customer base, despite the company's efforts to promote diversity and inclusion throughout the organisation ((The Strategy Story, 2023). The critique emphasises how important it is to make sure that the company's leadership reflect the communities they work with and the ideals they uphold.

5.0 Comparison With Other Organisations

Historically, IBM has placed a strong emphasis on a hierarchical and structured leadership model that has since changed to include more approachable and accessible methods. Its current CEO, Arvind Krishna, prioritises employee empowerment and cooperation through servant leadership principles, which clearly reflects this shift in the organisation's culture (IBM, 2020). On the other hand, Google is well known for its flat organisational structure, which promotes innovation by allowing their employees to take opportunities and offer ideas without being hindered by a traditional hierarchical structure (Elharony, 2023). This variation in structure is a reflection of the different strategies used to encourage creativity and adaptability to changes in industry.

According to Jurevicius (2023), while IBM focusses on building long-term client relationships through consulting and technology services, Amazon's leadership is defined as a persistent customer-centric approach that drives rapid innovation and operational efficiency. Because of this, IBM has come under fire for being too slow in adopting new technologies and business models, unlike Amazon, who is able to react swiftly to market demands due to its leadership principles, which place an emphasis on speed and adaptability (Rowland, 2017).

In terms of ethical leadership, IBM has made significant progress in promoting workforce diversity and inclusion, aligning its values with those of socially responsible organisations (Boisselle, 2014). But other tech companies like Microsoft have also made significant commitments to moral leadership, especially in their efforts to improve accountability and transparency in their operations (Elharony, 2023). Both companies understand the importance of moral leadership in building stakeholder trust and upholding a favourable company image.

6.0 Conclusion

In the modern business environment, being a leader is a complex and challenging responsibility. The IBM's experiences shows the value of implementing a variety of theories and principles of leadership in order to effectively navigate the challenges of leading in a global, diverse and technologically advanced organisation. Through the implementation of transformational, servant, and authentic leadership methods, IBM has successfully creating a culture of innovation and ongoing learning, inspired and motivated its employees, and provided value to all of its stakeholders.

Nevertheless, there some obstacles in putting these leadership theories into reality. Critical elements that must be taken into account include maintaining consistency, making sure that leadership principles are consistently communicated and applied throughout the organisation, and adjusting to changing business environments. Despite these difficulties, IBM has been successful and endured in the technology industry which have been significantly contributed by its dedication to strong leadership.

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