

UWTSD University

Managing People in Organisations

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Title

**Improvement of an HR Priority Area in
Google vs. IBM**

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Executive Summary

This report aims to identify the problems with Google's people management model through the comparisons with IBM's and to make recommendations. The comparisons include areas such as recruitment, diversity and how technological advancement affects employees. Although Google has done well in most areas of people management, compared to IBM's simple and efficient recruitment system, Google's cumbersome recruitment process is an issue that needs improvement (Pratap, 2017). So it needs to optimise its recruitment process and evaluation criteria, improve the objectivity and fairness of interviews, as well as focus on employee retention and satisfaction to ensure that the recruited talents can develop stably in the company in the long term (Palcisko, 2016).

In addition, Google's use of technology in people management is inferior to that of IBM, as these advanced technological tools do not help it to solve the problem it was supposed to optimise- improving recruitment efficiency - but instead lead to massive layoffs, which has triggered a large number of dissatisfaction (Nath, 2023). So it needs to learn from IBM to make use of advanced technology to optimise people management, improve management efficiency and reduce management costs.

Finally, considering the ethical use of AI in HRM practices, there is a need to identify and enforce rules that promote the application of transparency, fairness, and accountability. Both companies should fulfil these requirements by auditing bias through AI tools and creating an ethics committee where AI is involved in HRM oversight to meet more sustainable development (Raisch and Krakowski, 2021).

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1. Introduction

People Management plays a critical role in the success and sustainability of the business by creating a favourable environment that helps in effective employee engagement, the proper utilisation of talent, and stimulating innovation (Zhao *et al.*, 2024). Highly Effective People Management strategies are catalysts for aligning the goals of individuals with organisational goals, improving productivity and pushing for continuous development (Armstrong and Taylor, 2020). Human Resource Management (HRM) has been a powerful tool for Google and IBM, two significant players in the technology sector, to achieve and retain a competitive edge in an industry under constant change. The famous Google's renowned staff-centric culture and innovative HR practice have repeatedly maintained the organisation's position as the best workplace, according to various surveys that indicate its drive for employee satisfaction and innovation (Williams, 2017). The fact that IBM came through periods of change and adaptation enabled the company to use its HR strategy to overcome the challenges of technological disruption, including skill development and workforce agility (Bamberger *et al.*, 2014). Even though the approaches of Google and IBM to people management are different, these are complementary so far as the complexity of talent management is concerned and, therefore, provide a healthy context for looking into the effectiveness of HR strategies in the science and technology sector. So this report will investigate the problems experienced by these organisations in terms of people management, giving special attention to the approaches that their HR departments can use to deal with future complications and realise new opportunities.

2. Organisational Overview

Founded in California, USA in 1998, Google is a multinational technology enterprise whose business includes Internet search, cloud computing, advertising technology, etc (Zulfan *et al.*, 2020). It also develops and provides a large number of Internet-based products and services. It is recognised as the world's largest search engine company. As of 2023, Google has 18,2502 employees (Bianchi, 2024). In Google, the HRM function operates through a combination of dedicated HR teams, HR business partners, and individual HR professionals embedded within different departments. There are dedicated HR teams responsible for specific functions such as talent acquisition, employee relations, compensation and benefits, learning and development, etc. Additionally, HR business partners work closely with leaders and managers within various business units to address HR needs and align HR strategies with business objectives (Tran, 2017).

International Business Machines Corporation (IBM), also known as "Big Blue", is a public multinational technology corporation based in Armonk, New York, with a business presence in 177 countries.

Established in 1911, it has transformed from producing punch-card tabulating devices to becoming a technology giant in artificial intelligence, cloud, and quantum (IBM Corporation, 2020). As of December 2023, IBM became one of the largest and oldest technology companies with 282,200 employees and generously contributed to the world's technological enrichment by having over 150,000 patents. The company emphasises a transformative HR strategy focused on continuous learning and inclusivity, underpinned by its significant patent portfolio and advanced research divisions.

3. Main Discussion

3.1 Influence of Internal and External Environmental Changes

Google and IBM, as the technology giants, have demonstrated remarkable agility in their people management strategies within the context of the dual forces of the incredible pace of technological progression and dynamic market environment (Kane *et al.*, 2017). These tendencies are necessarily driven by their specific corporate cultures and business backgrounds. However, they are consistent with the developments in HRM within the technology industry.

Google's Approach: Innovation and Adaptability

Google's HRM strategy is well known for its innovative approach to maintaining a flexible, employee-centred culture that promotes creativity and innovation. While developing new technologies, Google's workplace practices have continuously been updated to enhance work efficiency and employee contentment (Tran, 2017). For instance, Google has been at the cutting edge of allowing staff to enjoy one of the most flexible working environments in the tech industry, which includes options to work from home long before the COVID-19 pandemic necessitated such arrangements (Raisch and Krakowski, 2021). Google has demonstrated this adaptability by allowing employees to achieve an ideal balance between work and the rest of their lives; this is according to the view that employees' mental and physical well-being is the key to a successful business (Williams, 2017). Moreover, Google's use of data analytics in HR practices, or people analytics, enables the company to make decision-based evidence which influences hiring, promotion, and development, enhancing adaptability to dynamic markets (Davenport *et al.*, 2010).

IBM's Strategy: Innovation and Skills Training

IBM has more than 100 years of history and has always been ready to apply new technology or redirect itself to new market requirements. An essential part of IBM's People Management strategy has been the focus on lifelong learning and developing skills. Considering the speed of technological innovations, IBM has invested a lot in employee learning and education programs. Through these programs, the company can guarantee that its staff is always abreast with the newest technological trends; thus, the company maintains its competitive edge (Kane *et al.*, 2017). In addition, the method applied by IBM stresses the role of diversity and inclusiveness in innovation. By actively pursuing a multi-racial workforce and

fostering an inclusive work environment, IBM aims to create an atmosphere of perpetual change and adaptability (IBM Corporation, 2020).

In this regard, both organisations demonstrate an awareness of how external changes, for example, regulatory shifts or social expectations, can affect their business activities. This illustrates that both Google and IBM have promised to be environmentally friendly and develop ethical AI. These are signs of their sensitivity to social issues and regulatory expectations. Aside from that, these commitments are responsible for shaping their product development strategies and influencing their People Management practices by attracting employees who share their values (Adetunji and Ogbonna, 2013; IBM Corporation, 2020). In conclusion, Google and IBM's people management practices portray an image of how cutting-edge organisations can be adaptable and on top of their game amidst the ever-changing global situation. Ensuring flexibility, commitment to employee well-being, continuous learning, and diversity, these companies adapt to advanced technologies and market dynamics.

3.2 Comparative People Management Strategies

Google and IBM share similar goals of productivity enhancement and employee satisfaction; however, these goals are influenced by the organisations' size, global reach, and industry-specific challenges like the ones in their fields. These variations illustrate the adjustment of HR practices to the corporate cultures and strategic purposes of organisations according to the situation (Armstrong and Taylor, 2020).

Google: An innovative and agile culture

Google, which is recognised for its dynamic and forward-thinking workplace culture, has brought into play people management strategies that focus on creativity, adaptability, and staff autonomy. The organisation's style is underpinned by a flat structure that does away with traditional hierarchical boundaries and enables free communication and teamwork to occur easily among employees. This reflects agility in decision-making and promotes an atmosphere in which innovation is the driving force. The HR practice of Google, such as the famous "20% policy", which allows its employees to spend part of their working hours on personal projects, epitomises the company's dedication to employee self-autonomy and creativity (Clark, 2021). Also, the extensive use of analytics and data by Google, from recruitment to performance management, is proof of the company's mechanisms' reliance on evidence-based strategies to achieve employee engagement and maximum productivity (Davenport *et al.*, 2010).

IBM: Greater focus on continuous learning and adaptability

IBM's people management strategies manifest its history as a century-old tech firm known for its steadfastness in the face of dynamic markets. The organisation values lifelong learning and skills development greatly; it sees it as essential to keep the workforce, who work worldwide, at the pace of the latest technological innovations. IBM has spearheaded programs like the "New Collar" jobs project, which aims to close digital skills gaps by looking at skills and abilities rather than academic credentials (Kane *et al.*, 2017). First, IBM's global presence requires a multifaceted Human Resources management while considering distinct cultures and local legal systems (Morris and Calamai, 2009). This global vision is also integrated into its HR practices, from diversity and inclusion initiatives to individualised staff development programs that reflect the needs of its globally diverse workforce.

3.3 Key People Management Concerns

Through comparing the two companies' strategies in key areas such as recruitment and diversity, Google's people management issues can be identified.

3.3.1 Recruitment

For Google, one of its key problems in people management is the cumbersome recruitment, which has led to high cost and loss of talents (Pratap, 2017). First of all, Google's high recruitment standards may result in the exclusion of potentially talented candidates who do not fit their specific criteria. Additionally, in order to select the most excellent talent that best meets its criteria, Google has set up a series of complicated recruitment processes including online application, resume screening, phone interviews, on-site interviews, hiring committee, team match and salary negotiation, which take a long time for candidates to get feedback from all the interviewers (Google, 2024). As the process may take weeks or even months, it may be impatient for some candidates who are eager to find a job, which may lead to talent loss (Palcisko, 2016). Thirdly, in Google's interviews, interviewers are highly subjective, which may lead to some excellent candidates being misjudged or omitted when different interviewers have different views and evaluations of the same candidate. Finally, since Google invests a lot of time and

money in recruitment, the cost is relatively high. However, some of considerable cost is actually unnecessary, which leads to a waste of the company's resources to a certain extent (Tran, 2017).

Compared to Google, IBM's recruitment process is simple and efficient. First of all, IBM's recruitment process is designed to be very scientific and comprehensive, mainly including online application, resume screening, online assessments, interview or assessment center visit and final hiring decisions (IBM, 2024). And each step is carefully designed and optimised to ensure that the final employees are in line with the company's strategic and business needs (Okbagaber, 2019). In the recruitment process, IBM always adheres to the principles of fairness and impartiality to ensure that all candidates have equal opportunities to display their talents. In addition, the company understands that the needs and requirements for talents vary for different positions and levels. Therefore, it designs special recruitment solutions for different positions and levels, including customised recruitment processes, assessment criteria and training content, etc., to ensure that the recruited talents can be quickly integrated into the team and play a role (Grewal, 2018). Overall, IBM's simpler and more efficient recruitment process is easier to retain talents than Google's.

In conclusion, although Google has many strengths and successes in recruitment, there are some problems which need to be addressed. So it can refer to IBM's recruitment process to optimise unnecessary processes and improve recruitment efficiency to reduce costs.

3.3.2 Diversity Initiatives

Diversity and inclusion are key aspects of the employee base of both firms. Google has openly announced the diversity targets and development, funding programmes of some underrepresented groups in tech and leadership (Google, 2020). IBM's dedication to diversity and inclusion is long-running with men, initiatives and policies to make the workplace more welcoming. The company was awarded as a contribution to a universe that supports women's inclusion, minorities, LGBTQ+, and veterans, guaranteeing that diversity is a source of innovation (IBM, 2020).

3.3.3 Impact of Technological Developments on HRM

Technological innovations such as AI and machine learning have caused major changes in HRM in both Google and IBM. Although Google has used AI and big data to screen resumes to make its recruitment

more efficient, the fact is that it has achieved very little, so the use of technology has not improved its recruitment problems (Pratap, 2017). And due to the massive use of AI, Google has embarked on massive layoffs in recent years to streamline people management costs, which has led to a lot of employee dissatisfaction (Nath, 2023). Contrarily, IBM does better than Google in this area. Specifically, IBM's AI is integrated into HR processes through the Watson Talent suite, which implies AI solutions that include talent acquisition, development, and retention. Such tools enable IBM management to improving recruitment efficiency, identify gaps in skills, predict employee flight risk, and personalise learning and development programs. As a result, workforce agility and readiness to deal with the future are enhanced. (Kane *et al.*, 2017).

In summary, although Google is leading the way in the use of technology, it has not maximised the benefits of technology in people management. Sacrificing employees to increase investment in technology goes against its people-centred philosophy. So it needs to learn from IBM to make use of advanced technology to optimise people management, improve management efficiency and reduce management costs.

4. Conclusion

The comparative analysis of Google and IBM's people management strategies leads to an observation of their progressive strategies of utilising human capital in harmony with rapid technological changes and diversity of workforce. Both companies have set examples in the tech industry for employee engagement, performance management, diversity and inclusion, and they use their unique organisational cultures and strategic orientations to nurture a working environment for innovation and collaboration to thrive.

Google's people management strategy is essential to its innovative and open culture, which maintains flexibility and creativity among its employees. This culture is brought about by HR policies that prioritise employee autonomy, such as the "20% time" policy and people analytics, to make data-driven HR decisions (Insider, 2023). However, Google's recruitment process is too cumbersome compared to IBM's, which can lead to talent loss and high costs. Therefore it needs to learn from IBM to streamline its recruitment process to reduce people management costs (Pratap, 2017). In addition, as Google's use of advanced technology tools in people management did not help it to solve existing problems, but instead led to massive layoffs, which triggered a great deal of dissatisfaction, it needs to learn from IBM to use advanced technology to optimise personnel management, improve management efficiency and reduce management costs (Nath, 2023).

5. Recommendations

In order to solve its recruitment issues, Google needs to continuously optimise its recruitment process and evaluation criteria, improve the objectivity and fairness of interviews, as well as focus on employee retention and satisfaction to ensure that the recruited talents can develop stably in the company in the long term. The following optimisation suggestions may help Google address its problems.

1. Simplify the recruitment process: Simplify the process in order to shorten the recruitment cycle, such as consolidating the links, optimising the screening criteria, as well as reducing unnecessary links and repetitive steps (Palcisko, 2016).
2. Standardise interview evaluation: Establish clearer evaluation criteria to ensure that interviewers are objective and consistent in their evaluations.

3. Enhance employee expectation management: Clearly communicate company culture, work environment and expectations to candidates in advance to reduce talent loss due to cultural mismatch (Pratap, 2017).

4. Eliminate Recruitment Bias: Strengthen diversity training and advocacy to ensure that the recruitment process is free from any form of bias and take steps to correct existing bias.

5. Optimise recruitment costs: Use technology to improve recruitment efficiency as well as reduce time and money investment. For example, use smart screening tools and automated processes to reduce hiring costs.

Through these optimisations, Google can cut recruitment costs, improve recruitment efficiency and retain talent more efficiently, which is beneficial for its further people management development.

Furthermore, the ethical employment of AI for HRM practices requires the identification and execution of rules that promote the application of transparency, fairness, and accountability. This can be achieved through AI tools auditing for biases and creating an ethics committee for AI involvement in HRM oversight, as stated by Raisch and Krakowski (2021). In addition, the fact that technology is advancing at a fast rate makes both companies need continuous and adaptive learning programs. Such efforts should facilitate employees' upskilling and reskilling as required to ensure the firms' advantage in the rapidly changing technology field. Accessibility, flexibility of education, and adaptability to the needs of individual learners should be the basis of these programs because Cappelli (2015) stressed the role of the strategic approach in the issue of skills development. Organisations should carefully assess these recommendations to ensure that unique factors such as contexts, resources, and strategic goals are considered. Although challenges like cost, scalability, and resistance to change may stand in the way, the long-term gains derived from these advanced people management strategies – higher productivity, employee satisfaction, and organisational effectiveness- cannot be ignored. From this, both Google and IBM can gain immensely, and they will be known not only for new trends in tech but also for the right work environment that promotes progression.

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