BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

GRADUATE SCHOOL OF BUSINESS

MASTER OF BUSINESS LEADERSHIP

MASTER OF LEADERSHIP AND CORPORATE GOVERNANCE

CHANGE MANAGEMENT (MBL 507)

STRATEGIC CHANGE MANAGEMENT (MLC 515)

EXAMINATION PAPER

DURATION: 3 HOURS 30 MINUTES

2 JUN 2024

INSTRUCTIONS AND INFORMATION TO CANDIDATES

1. Section A is compulsory and carries 40 marks.
2. Answer Question One from Section A and any three (3) questions from Section B.
3. The paper carries six questions.
4. All questions in Section B carry equal marks of 20 each.
5. The use of cell phones is not allowed in the examination.

SECTION A: [COMPULSORY]

QUESTION 1

CASE STUDY: THE CHANGE & BUSINESS CONTINUITY AT IBM – A CONSTANT EVOLUTION

History of IBM

International Business Machines, abbreviated IBM and nicknamed "Big Blue", is a multinational PC technology and IT consulting organization headquartered in Armonk, New York, United States. The organization is one of the few information technology with a continuous history going once more to the nineteenth century. IBM produces and offers PC hardware and software (with an attention on the latter),and offers base infra services, hosting services, and consulting services in ranges extending from mainframe computer to nanotechnology. Ginni Rometty is the president and CEO of IBM. The bases of IBM go once again to the 1880s, decades prior to the improvement of electronic PCs. Since the 1960s or prior, IBM has portrayed its development as a merger of three organizations: the Tabulating Machine Company (with inceptions in Washington, D.C. in the 1880s), the International Time Recording Company (established 1900 in Endicott), and the Computing Scale Company (Established 1901 in Dayton, Ohio, USA). The merger was built by noted lender Charles Flint, and the new organization was known as the Computing Tabulating Recording (CTR) Company. CTR was fused on June 16, 1911 in Endicott, New York, U.S.A. CTR was a holding organization; the individual organizations kept on working utilizing their secured names until the holding organization was dispensed with in 1933. The 1911 CTR stock outline expresses that four organizations were fused; the three portrayed by IBM, above, and the Bundy Manufacturing Company (established in 1889). Stone stayed an individual from the leading body of CTR until his retirement in 1930.

The organizations that blended to structure CTR fabricated an extensive variety of items, including worker time-keeping frameworks, measuring scales, programmed meat slicers, espresso processors, and in particular for the improvement of the PC, punched card gear. The product offerings were altogether different; Flint expressed that the solidification. In 1920, it propelled a representative daily paper, Business Machines, which brought together scope of the majority of IBM's organizations under one distribution. It presented the Quarter Century Club, to respect workers with 25 years of administration to the organization, and propelled the Hundred Percent Club, to remunerate deals staff who met their yearly quantities. In 1928, the Suggestion Plan program– which allowed money prizes to workers who contributed suitable thoughts on the best way to enhance IBM items and methods – made its introduction. IBM and its ancestor organizations set aside a few minutes recording items for a long time, climaxing in the 1958 offer of the IBM Time Equipment Division to Simplex Time Recorder Company, IBM produced and sold such supplies as dial recorders, work recorders, recording entryway locks, time stamps and movement recorders. The organization likewise extended its product offering through inventive designing. Behind a center gathering of creators – James W. Bryce, Clair Lake, Fred Carroll, and Royden Pierce – IBM delivered a progression of critical item developments. In the idealistic years taking after World War I, CTR's building and examination

staff grew as good as ever components to meet the expanding needs of its clients. In 1920, the organization presented the first finish educational time control framework, and dispatched its first printing tabulator. After three years the organization presented the first electric keypunch, and 1924's Carroll Rotary Press created punched cards at beforehand incomprehensible rates.

In 1928, the organization held its first client customer engineering education class, showing an early recognition of the importance of tailoring solutions to fit customer needs. It likewise presented the 80- section punched card in 1928, which multiplied its data limit. This new organization, soon named the "IBM Card", got to be and remained an industry standard until the 1970s. The Great Depression of the 1930s introduced a phenomenal financial test, and Watson met the test head on, keeping on putting resources into individuals, producing, and mechanical advancement regardless of the troublesome monetary times. As opposed to diminish staff, he procured extra representatives in backing of President Franklin Roosevelt's National Recovery Administration arrangement – not simply business people, which he kidded that he had a long lasting soft spot for, however builds as well. Watson not just kept his workforce utilized, he expanded their profits. IBM was among the first enterprises to give bunch extra security (1934), survivor advantages (1935) and paid excursions (1936). He upped his risk on his workforce by opening the IBM Schoolhouse in Endicott to give instruction and preparing to IBM representatives. Furthermore he incredibly expanded IBM's exploration capacities by building a modern research laboratory on the Endicott manufacturing site. Before the end of the 1970s, IBM had met and surpassed the legacy of the Golden Decade, and the arrangement of John R. Opel as CEO in 1981 agreed with the start of another period in figuring – the time of individualized computing. The organization procured Don Estridge at the IBM Entry Systems Division in Boca Raton, Florida. With a group known as "Undertaking Chess," they fabricated the IBM PC, propelled on August 12, 1981. IBM quickly got to be to a greater extent a vicinity in the shopper commercial centre, because of the huge Little Tramp publicizing battle. In spite of the fact that not a dynamite machine by innovative measures of the day, the IBM PC united the greater part of the most attractive peculiarities of a PC into one little machine. It had 128 kilobytes of memory (expandable to 256 kilobytes), maybe a couple floppy circles and a discretionary shading screen. Furthermore it had the esteem of the IBM brand. It was not modest, however with a base cost of US$1,565 it was moderate for organizations – and numerous organizations acquired PCs. Consoled by the IBM name, they started purchasing microcomputers all alone plans went for various applications that corporate PC divisions did not, and by and large proved unable, oblige. Commonly, these buys were not by corporate PC divisions, as the PC was not seen as a "fitting" PC. Buys were frequently actuated by centre supervisors and senior staff who saw the potential – once the progressive VisiCalc spreadsheet, the executioner application, had been surpassed by a much all the more influential and stable item, Lotus 1-2-3.

Be that as it may, IBM soon lost this early lead in both PC equipment and programming, much appreciated to a limited extent to its extraordinary (for IBM) choice to contract PC segments to outside organizations like Microsoft and Intel. So far in its history, IBM depended on a vertically coordinated method, constructing most key segments of its frameworks itself, including processors, working frameworks, peripherals, databases and so forth. While trying to speed time to market for the PC, IBM picked not to construct an exclusive working

framework and chip. Rather it sourced these crucial parts from Microsoft and Intel separately. Humorously, in 10 years which denoted the end of IBM's imposing business model, it was this game changing choice by IBM that passed the wellsprings of its monopolistic force (working framework and processor structural planning) to Microsoft and Intel, preparing for ascent of PC compatibles and the making of several billions of dollars of business sector esteem outside of IBM.

Key Events in IBM Case History:
The first 30 years of this industry's history consisted of the technology inventors inside IT companies talking to the technology implementers inside business and institutions. For most of that era, the applications of the technology were fairly limited – focused on the automation of back-office processes like accounting and payroll, or desktop applications such as word processing and e-mail. A high margin opportunity IBM invested heavily in was software, a strategic move that proved equally visionary. Starting in 1995 with its acquisition of Lotus Development Corp., IBM built up its software portfolio from one brand, DB2, to five: DB2, Lotus, Web Sphere, Tivoli, and Rational. Content to leave the consumer applications business to other firms, IBM's software strategy focused on middleware the vital software that connects operating systems to applications. The middleware business played to IBM's strengths, and its higher margins improved the company's bottom line significantly as the century came to an end. As IBM recovered its financial footing and its industry leadership position, the company remained aggressive in preaching to the industry that it was not the Old IBM, that it had learned from its near death experiences, and that it had been fundamentally changed by them. It sought to redefine the Internet age in ways that played to traditional IBM strengths, couching the discussion in business-centric manners with initiatives like ecommerce and On Demand. And it supported open source initiatives, forming collaborative ventures with partners and competitors alike.

Change was manifested in IBM in other ways as well. The company revamped its scattershot philanthropic practices to bring a sharp focus on improving K-12 education. It ended its 40-year technology partnership with the International Olympic Committee after a successful engagement at the 2000 Olympic Games in Sydney, Australia. On the human resources front, IBM's adoption and integration of diversity principles and practices was cutting edge. It added sexual orientation to its non- discrimination practices in 1984, in 1995 created executive diversity task forces, and in 1996 offered domestic partner benefits to its employees. The company is routinely listed as among the best places for employees, employees of colour, and women to work. And in 1996, the Women in Technology International Hall of Fame inducted three IBMers as part of its inaugural class of 10 women: Ruth Leach Amonette, the first woman to hold an executive position at IBM; Barbara Grant, PhD, first woman to be named an IBM site general manager; and Linda Sanford, the highest – placed technical woman in IBM. Fran Allen – an early software pioneer and another IBM hero for her innovative work in compilers over the decades – is inducted the next year. IBM had subsidiaries and operations in 70 countries in its early years. They included Austria, Belgium, Bulgaria, Czechoslovakia, France, Germany, Holland / Netherlands, Italy, Japan, Norway, Poland, Romania, the Soviet Union, Sweden, Switzerland, Yugoslavia, and others.

Evolution of IBM's Operating Systems:

IBM operating system have paralleled hardware advancement. On ahead of schedule frameworks, operating systems represented a relatively modest level of investment, and were basically seen as an aide to the hardware. When of the System/360, however, operating systems had expected a much bigger part, regarding expense, intricacy, significance, and danger.

IBM Service Organizations:

IBM's initial predominance of the PC business was to some degree because of its solid proficient services activities. IBM's point of interest in building software for its own particular PCs in the end was seen as monopolistic, prompting antitrust transactions. Thus, a mind boggling, manufactured "arm-length" relationship was made differentiating IBM's PC business from its administration associations. This circumstance persevered for a considerable length of time. A sample was IBM Global Services, an immense administrations firm that rivalled any semblance of Electronic

Data Systems or Computer Sciences Corporation.

Why and How IBM Survive (IBM survived by listening to clients): IBM survived its near death experience of 1993, it had little to do with funding big expensive long-term projects. At the time, IBM was losing more money than any company had ever lost in US history – USD 8.10 bn loss for the 1992 financial year. This was because IBM's core mainframe business had been disrupted by the advent of the personal computer and the client server. IBM couldn't compete with the smaller nimbler less diversified competitors. The then CEO John Akers decided that the logical and rational solution was to split IBM into autonomous business units (such as processors, storage, software, services, printers,) that could compete more effectively with competitors that were more focused and agile and had lower cost structures. If IBM had continued to follow the Akers path, IBM would not be celebrating its 100th birthday this year.

What happened was quite different. After Akers was fired as CEO, IBM hired Lou Gerstner as the new CEO. It was the first time since 1914 that IBM recruited a leader from outside its ranks. Even more striking was the fact that Gerstner had no background in computing.Not knowing much about computing per se, Gerstner had the good sense to start listening to clients. He discovered that the biggest problem that all the big companies were facing in 1993 was in integrating all the separate computing technologies that were emerging at the time. So while continuing to cut costs, Gerstner reversed the move to spin off IBM business units into separate companies. Having understood IBM's customers, he recognized that one of IBM's greatest strengths was its ability to provide integrated solutions for customers – a firm that could represent more than piece parts or components—something he would not have learned by listening to the proponents of different technologies within IBM. Splitting the company would have destroyed IBM's unique competitive advantage.

The Key to Long-Term Survival:

In today's white-water world of rapid change and massively enhanced customer power, the only road to resilience is, like Gerstner at IBM, adopting an outside-in perspective by solving clients' most pressing problems or finding unexpected ways to delight them. A more business-

centric approach to help reduce business continuity risk. The world in which today's companies operate is more complex, interconnected and social than ever. These shifts in the business environment can also introduce new risks and often require implementing new business continuity approaches. At IBM, the risk created by their aggressive business strategy have led to an evolutionary leap in their approach to business continuity management (BCM). This approach takes up beyond the traditional view of BCM as a function of information technology and instead aligns BCM with senior executive's important business issues.

- It involves: Evolving their approach so that BCM is more closely tied to our business strategy and integrated with the risk management (RM) process.
- Taking a more holistic perspective of our enterprise BCM, which cuts across business units and geographic locations.
- Identifying interdependencies among organizational and location boundaries .Prioritizing their focus to help validate and create end-to-end business continuity plans (BCPs)
- Establishing a consistent worldwide approach and common language across the enterprise for BCP.

Meeting the needs of their business and supporting the bottom line has never been more important. This white paper details IBM's innovative approach to BCM and uses their own experiences as case studies to illustrate specific examples. The paper also provides guidance on how they can apply their approach to the organisation and help make the case for proceeding to the next level in the evolution of their continuity management plan.

IBM Business Continuity – A Constant Evolution:

New challenges have required that they evolve their business continuity approach and shift the business continuity risk profile beyond a traditional view. Although IBM is a large company, organisations of all sizes - even much smaller companies – face similar challenges when they expand into new markets, become increasingly complex or integrate their operations. As an innovation company, IBM pursues continuous transformation to maintain a competitive advantage, both in what they do and in how they do it. They successfully compete within a fast-moving and highly dynamic industry, often reinventing them or moving into new areas to effect change. Their success can be attributed, in large part, to the aggressive business strategy outlined in IBM's 2015 roadmap for growing income, increasing earnings per share (EPS) and remaining a profitable industry leader in hard economic times. Furthermore, our rigorous, holistic approach to BCM contributes to their success as well.

IBM has been following the risk landscape changes for the past four years with a series of studies created in cooperation with the Economist Intelligence unit. Expansion into Growth Markets – A Flatter yet Riskier Planet: The expansion into growth markets presents a tremendous opportunity for many organisations, but there are inherent business continuity risks as well. IBM, which operates in more than 170 countries continued rapid geographic expansion in 2012 by opening 144 new branch offices. Driving expansion into growth markets has helped them to significantly increase revenue and market share. In fact, between 2010 and 2012, their growth markets delivered more than 60 percent of our geographic gross profit growth and by

2015, they expect growth markets to approach 30 percent of our total geographic revenue. Exhibit: Growth markets continue to be a significant contributor to IBM's increased revenue.

IBM's focus is not just about operating in more parts of the world, but it is also about operating across the world in a more integrated fashion in order to improve efficiencies. Global integration of their major enterprise functions - from service delivery (SD) to marketing - has helped enable IBM to deliver enterprise productivity savings while enhancing quality. Consolidating operations was designed to reduce costs and drive operational and process efficiencies, but it also has increased interdependencies, making their business more vulnerable to risk. An Evolutionary Leap in BCM: In difficult economic times, executives must implement a smarter approach to risk mitigation while acknowledging balanced risk acceptance. IBM's shifting strategic direction required that they adapt their existing BCM approach so that it could also meet the new challenges presented by their business strategy.

They have decided to take the following actions to further enhance their business continuity strategy: Advancing the approach to business continuity

- Taking a more holistic approach to business continuity risk mitigation
- Adding a process view

This approach allowed them to examine their business continuity risk more rigorously and helped strengthen IBM's longstanding continuity, recovery and emergency management practices in several important ways: It allowed them to directly tie business continuity to our business strategy

- It gave them a pragmatic way to see the internal interdependencies among locations and

business units .It created a means for viewing business continuity in a more holistic fashion - a top-down view across virtually all lines of business - and established a 'common language' around the globe through business continuity.

Required:-

a) Explain all the most important changes that have taken place at IBM over the years.

(10 marks)

b) Analyse how IBM is Enhancing Business Continuity Management to Help Address Changing Business Realities.

(10 marks)

c) Discuss the current challenges facing IBM Business Continuity change program.

(10 marks)

d) Describe all the reasons why IBM should embrace organisational change. **(10 marks)**

[Total 40 marks]

SECTION B: Answer any three (3) questions from this section.

QUESTION 2

Assess why it is important for individuals and organizations to change. Give practical examples. **[20 marks]**

QUESTION 3

'Change Management in organizations functioning in a dynamic environment where change and innovation are inevitable. Whether caused by demographic, political, legal, budgetary, technological, or community'. Discuss all the six above mentioned aspects in relation to an organisation of your own choice. **[20 marks]**

QUESTION 4

Deliberate, using practical examples, the five (5)change management strategies.

[20 marks]

QUESTION 5

You are the Project Manager of your organization, explain the 4 P's of change management that you will use to implement change. **[20 marks]**

QUESTION 6

Apply the Lewin's Change Management Model in an organisation of your own choice.

[20 marks]

END OF EXAMINATION PAPER