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考試科目：經營管理實務(專班)

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Answer as many questions in English as you can in the allowed time. It is examinee's responsibility to ensure that the handwritten answers provided in examination scripts are legible and can be read by the markers.

I. Define or otherwise explain the following items: (25%; 5% for each question)

- (a) Groupthink
- (b) Marketing myopia
- (c) Long tail
- (d) Horizontal expansion
- (e) Vertical integration

II. Essay Questions: (75%; 25% for each question)

International Business Machines Corporation, an American multinational technology and consulting corporation, was founded in 1911. Thomas Watson, its founder who became famous for the "Think" watchword, created the company on three values called "Basic Beliefs:" "respect for the individual," "the best customer service," and "the pursuit of excellence." Based on "Basic Beliefs," the firm grew into one of the giants of the world. By the late 1980s and early 1990s, however, the enormous success had an unintended consequence. The firm became complacent; its basic beliefs provided a rationale for stability. For example, "Respect for the individual" had morphed into an entitlement mentality where lifetime employment was reinforced by cultural norms. The "pursuit of excellence" gave way to corporate arrogance and a failure to listen to customers or the marketplace because this firm knew what was right. Eventually, its devotion to large, centralized computer systems rather than PC-based distributed architectures led to its failure.

To make a comeback, this firm appointed Louis V. Gerstner, Jr. CEO in 1991. When asked how he would lead IBM, this former GE executive said: "The last thing IBM needs right now is a vision." After his arrival, over 100,000 employees were laid off from a company that had maintained a lifetime employment practice from its inception. Layoffs and other tough management measures, such as refocusing business strategy from hardware to software and services, continued in the first two years of Gerstner's tenure, but the company was saved, and business success has continued to grow steadily since then. He is largely credited with turning around IBM's fortunes in business history.

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Sam Palmisano, a lifetime IBM employee, was appointed CEO in 2002. He strongly felt that IBM's continued success depended on relaying its foundation. "We couldn't be casual about tinkering with the DNA of a company like IBM. We had to come up with a way to get the employees to create the value system, to determine the company's principles. Watson's Basic Beliefs, however distorted they might have become over the years, had to be the starting point."

1. Organization size is a major contingency that influences organization functioning. While there were a number of pressures for organizations to grow, IBM, the industrial giant, dedicated to downsizing in early 1990s. "Bigger is better" is in contrast with the phrase "small is beautiful". How should firms consider these two opposite phrases? Justify your answer.
2. Organizational culture is the set of values, norms, guiding beliefs, visions and understandings that is shared by members of an organization. Eligible managers know that for the company to be successful, the right culture has to support and reinforce the strategy and structure to be effective. Nevertheless, Lou Gerstner who saved IBM from going out of business said "The last thing IBM needs right now (in 1990s) is a vision." How would you explain the paradox or seeming contradiction?
3. What could IBM do to help smooth the downsizing process and ease tensions for employees who leave and for those who remain?