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SUBJECT: Strategic Initiatives for IBM's Organizational Reputation Enhancement

## **THESIS**

IBM must strengthen its organizational reputation by better aligning its mission with stakeholder values, enhancing DEI implementation transparency, and expanding thought leadership in emerging technologies to maintain its position as an innovative and socially responsible global technology leader.

## **KEY COMMUNICATION CONCEPTS**

Mission and vision statements work together to define an organization's identity and direction. While mission statements articulate what an organization does, who it serves, and its differentiators, vision statements create an aspirational mental image of the organization's desired future state. Together, they provide a framework for decision-making and establish standards for organizational behavior. These statements are fundamental to reputation management as they communicate organizational purpose and values to stakeholders—including customers, suppliers, employees, investors, and governments. When properly communicated throughout an organization, mission statements shape corporate culture and enable employees to “walk the talk”—reflecting it in their daily activities. The impact on reputation is particularly significant because these statements can serve as benchmarks to an organization's authenticity for both internal and external stakeholders.

Diversity, Equity, and Inclusion (DEI) initiatives have evolved from social responsibility programs to essential business strategies that impact organizational reputation. Recent research (N=2,000) shows that two-thirds of U.S. consumers have stopped using products or services because a company's response to social issues didn't align with their personal views. Issues like racism and gender discrimination rank as “extremely/very important” to engaged consumers, with 61% giving companies credit for expressing views even when they disagree. For B2B companies, strong and consistent DEI practices demonstrate leadership capability, innovation potential, and organizational adaptability—qualities that enterprise customers value in long-term

strategic partnerships. DEI initiatives influence reputation through multiple stakeholder relationships: they help attract and retain top talent, strengthen supplier relationships, enhance customer trust, and demonstrate corporate values in action

Thought leadership represents a way to build subject matter expertise and authority in an industry through content marketing, public relations, and social media tactics. Effective thought leadership can enhance perceptions of an organization, with 89% of business executives (N=3,275) saying it can positively impact their view of a company. Furthermore, thought leadership content influences purchasing decisions for 49% of the same pool of business decision-makers, who spend an hour or more weekly engaging with such content. Sources can include counter-narrative opinions, personal narratives, network connections, industry analysis, and data storytelling.

### **CRITICAL ASSESSMENT OF IBM'S CURRENT REPUTATION**

IBM's reputation as a global technology leader is reflected in, yet also challenged by, its current mission statement:

- ➔ “To lead in creating, developing, and manufacturing the industry’s most advanced information technologies, including computer systems, software, networking systems, storage devices, and microelectronics. And our worldwide network of IBM solutions and service professionals translate these advanced technologies into business value for our customers.”

The mission statement demonstrates strong relevance, veracity, and salience through its market-aligned focus on advanced technologies, credible representation of IBM's pioneering history, and clear specification of leadership areas that differentiate from competitors. However, the statement's clarity suffers from redundancy, particularly in its repeated reference to “advanced technologies” and in its length of two sentences. While the statement references IBM's global network of 220,000+ professionals, it doesn't explicitly highlight the management cohesiveness that drives success, despite strong CEO approval ratings (81% according to Glassdoor). The statement's primary constraint of technological competency limits its scope, missing opportunities to communicate broader company values and cultural impact including various environmental, social, and governance (ESG) initiatives. Most notably, the statement lacks inspirational language that could motivate employees and engage stakeholders beyond its

primary customer focus. To complement this mission and provide strategic direction, IBM articulates its aspirational goals through its current vision statement:

→ “To be the world’s most successful and vital information technology company. Successful in helping customers apply technology to solve their problems. Successful in introducing this extraordinary technology to new customers. Important, because we will continue to be the basic resource of much of what is invested in this industry.”

Like the mission statement, the vision statement demonstrates similar shortcomings in addressing broader stakeholder engagement and societal impact beyond customer success. Its clarity and salience suffer from excessive repetition of “successful” and “technology”, while its inspirational value is limited by focusing solely on market dominance rather than broader purpose. Even more important in determining vision, the lack of meaningful engagement by management fails to articulate how leadership will drive success, and its constraints are narrowly focused on market position rather than organizational values.

IBM’s DEI initiatives demonstrate structured commitment through the company’s three-pillar ESG approach, encompassing ethical, equitable, and environmental impacts with concrete goals and metrics. The company’s \$250 million investment in apprenticeships and new-collar programs by 2025 shows tangible financial commitment to creating opportunities for underrepresented populations, while IBM’s achievement of global gender pay equity in 2023 marks a significant milestone in workplace equality. However, IBM’s 533rd ranking on Forbes’ “America’s Best Employers For Women”—which is based on a weighted scoring of current and previous female IBM employees’ working environment, pay equity, sexual discrimination and misconduct and parental leave ratings, as well as the current 29.6% percentage of female executives—suggests a substantial disconnect between DEI initiatives and actual workplace experience. This disconnect was further amplified this August, when IBM was sued by Missouri’s Attorney General over allegedly firing a white consultant to meet diversity quotas—a situation, regardless of the allegations’ validity, that stains the company’s reputation in the media.

IBM has established itself as a thought leader in innovation through notable inventions including the ATM, the hard disk drive, relational databases, hybrid cloud technologies, and quantum computing—culminating in holding the world record for the most U.S. patents granted to any company for 29 consecutive years, from 1993 to 2021. While IBM doesn't heavily

promote its patent achievements in its marketing materials, the company does push its Institute for Business Value (IBV) reports to company leaders, which regularly produces comprehensive studies and insights on emerging technologies and business trends. An area where IBM's technological thought leadership struggles in, however, is its generative AI security and governance—beyond its industry analyses and current separate quantum computing initiatives. While IBM positions itself as a leader in AI security through the watsonx.governance platform, with recent IBV research showing only 24% of generative AI projects having robust security measures, the company has immense opportunity for growth in expanding its leadership by developing industry-wide security standards and frameworks for AI implementation. Further, IBM's current approach to sustainability thought leadership focuses on being the best provider of tools and metrics for businesses to track environmental impact, but this largely isn't enough. With a 2024 Q1 report showing this sustainability approach are falling short, along with competitors like Microsoft implementing the Sustainability Cloud Initiative (which provides a blueprint for sustainable cloud computing for other tech companies) and Nvidia developing the Responsible AI Framework (which provides policy-level changes in ethical AI practices), IBM should re-strategize both their generative AI security and corporate sustainability thought leadership practices.

## **RECOMMENDATIONS**

As identified in the critical assessment, IBM's organizational reputation can be enhanced in several key areas, with one being the adoption of a revised mission statement, such as the following:

→ "IBM leads in the development of technologies like AI, quantum computing, cloud infrastructure, and microelectronics, turning innovation into meaningful solutions that empower businesses worldwide. Through a commitment to responsible leadership, transparency, and innovation, we aim to share our technologies to address the world's most pressing challenges and create a more inclusive society."

This version effectively balances its constraints between technological competency and broader societal impact, marking a significant improvement over the previous version that was limited to technical capabilities. To complement this mission, IBM should implement a new vision statement:

→ "To be the world's most trusted technology partner, driving sustainable innovation that transforms businesses and enriches society. We envision a future where our technological breakthroughs not only solve complex business challenges but also advance human progress, sustainability, and social equity—all while maintaining the highest standards of ethics and responsibility."

This version demonstrates strong clarity through its straightforward articulation and relevance through its alignment with current market demands for sustainable and ethical technology solutions, while achieving high inspirational value through its focus on human progress and ESG initiatives. Its salience differentiates IBM through the emphasis on being the "most trusted" partner rather than just successful, while constructively balancing constraints between business success and societal responsibility. To announce the entirely new mission and vision statements to both internal and external stakeholders, IBM should develop a comprehensive communication strategy including its dissemination in internal memos, marketing materials, and annual reports.

Beyond adjustments to mission and vision statements to highlight current DEI initiatives as a core component of the company's technological leadership and customer success, IBM could focus on creating new programs involving underrepresented groups in the company and increase transparency in communications. One method, shown to work in companies like Google and Salesforce, is showcasing how diverse teams have contributed to breakthrough technologies or improved customer solutions, moving a step further than just featuring such guests on IBM's "Be Equal" podcast. This could take the form of short documentary-style videos showcasing minority employees' backgrounds, why they love their field, and their impact at IBM. Additionally, having underrepresented minorities teach some of the classes on platforms like Coursera and SkillsBuild as part of the ongoing initiative to educate 30 million people with free training content would further amplify the impact and visibility of these individuals. In light of the recent firing practices lawsuit, IBM should proactively communicate about the challenges of implementing DEI policies and the measures taken to ensure fairness for all employees in all future versions of the annual ESG report. Lastly, to improve its ranking on Forbes' "America's Best Employers For Women" list, IBM should implement a comprehensive women's leadership development program with clear advancement pathways and mentorship opportunities.

To strengthen its thought leadership position, IBM should expand its AI ethics leadership beyond the watsonx.governance platform by developing specific security frameworks for

generative AI implementation—particularly focusing on data privacy preservation techniques, model security testing protocols, and automated compliance monitoring systems. Building on the experience with training 600+ suppliers in technology ethics, IBM should establish a comprehensive sustainable technology partnership program that combines ethical hardware sourcing standards with supplier education initiatives, creating a scalable framework that transforms suppliers into sustainability leaders themselves, while setting new industry benchmarks for responsible technology manufacturing. Lastly, in a more public showcase, IBM could establish new thought leadership in challenging the prevalent "technology first" narrative in digital transformation through a human-centered digital transformation campaign, including publishing an IBM-executive written opinion piece in publications like The Wall Street Journal or Harvard Business Review. This could be supported by a series of case studies demonstrating successful human-centered implementations and their measurable benefits over purely technical approaches led by existing research from the IBV.

## **CONCLUSION**

IBM's organizational reputation presents a complex picture of established strengths, notable weaknesses, and significant opportunities for enhancement.

Established strengths include:

- Proven track record of technological innovation.
- Strong financial commitment to DEI initiatives.
- Achievement of global gender pay equity in 2023.
- IBV producing comprehensive industry analyses.
- Established leadership in quantum computing and hybrid cloud technologies.

Current weaknesses include:

- Mission and vision statements that insufficiently address broader stakeholder engagement.
- Relatively low ranking (533rd) on Forbes' "America's Best Employers For Women".
- Recent legal challenges regarding DEI implementation practices.
- Limited approach to sustainability and generative AI thought leadership.

Strategic opportunities include:

- Revising mission and vision statements to better reflect societal impact and ESG initiatives.
- Enhancing DEI transparency through proactive communication and development programs.
- Expanding thought leadership in AI ethics and security frameworks.
- Developing comprehensive sustainable technology partnerships.
- Leading the narrative shift toward human-centered digital transformation.

By addressing these areas through the recommended strategic initiatives, IBM can strengthen its position as not just a technological leader, but as a trusted partner committed to responsible innovation and societal progress. The company's future success will depend on its ability to balance technological advancement with social responsibility while maintaining transparent and authentic communication with *all* stakeholders.