

*You've had the new values in place for just about a year now. They've already created strong emotions and high expectations. What's the prognosis?*

We're just starting down the road on what is probably a ten- to 15-year process. I was back in Asia not long ago, and I did one of these town hall-style meetings with IBM employees and talked about the values. Probably two-thirds of the people clearly knew about them, had read about them. But a third of the people—you could look at their faces and see it—hadn't even heard of the values. Or at least the values hadn't resonated with them yet. So we have work to do. Not just in getting everyone to memorize three pithy statements. We need to do a heck of a lot to close the gaps between our stated values and the reality of IBM today. That's the point of it all.

I know that not everyone on my executive team is as enthusiastic about the values initiative as I am—though they'd never admit it! But people on the senior team who lived through IBM's near-death experience will do anything not to go back to that. The blow to everyone's pride when IBM became the laughingstock of the business world was almost too much to bear. I have zero resistance from the senior team to initiatives that can save us from a return to that. And our values work is one of the most important of those initiatives. Then look at the employee response to ValuesJam. There is an unmistakable yearning for this to be a great company. I mean, why have people joined IBM over the years? There are a lot of places to make money, if that's what drives you. Why come here?

I believe it's because they want to be part of a progressive company that makes a difference in the world. They want to be in the kind of company that supports research that wins Nobel Prizes, that changes the way people think about business itself, that is willing to take firm positions on unpopular issues based on principle. You know, back in the 1950s, Watson, Jr., wrote the governors of southern states that IBM would not adhere to separate-but-equal laws, and then the company codified an equal-opportunity policy years before it was mandated by law. I've got to believe that a company that conceives of itself that way, and that seriously manages

itself accordingly, has strong appeal to a lot of people. We can't offer them the promise of instant wealth, which they may get at a start-up, or a job for life, as in the old days. But we can offer them something worth believing in and working toward.

If we get most people in this company with them. If they become dedicated to these values and what we're trying to accomplish, I can go to sleep at night confident of our future.

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