

# Leading Change When Business Is Good

An Interview with Samuel J. Palmisano.

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*IN JULY 2003, International Business Machines Corporation conducted a 72-hour experiment whose outcome was as uncertain as anything going on in its research labs. Six months into a top-to-bottom review of its management organization, IBM held a three-day discussion via the corporate intranet about the company's values. The forum, dubbed ValuesJam, joined thousands of employees in a debate about the very nature of the computer giant and what it stood for.*

*Over the three days, an estimated 50,000 of IBM's employees—including CEO Sam Palmisano—checked out the discussion, posting nearly 10,000 comments about the proposed values. The jam had clearly struck a chord.*

*But it was a disturbingly dissonant one. Some comments were merely cynical. One had the subject line: "The only value in IBM today is the stock price." Another read, "Company values (ya right)." Others, though, addressed fundamental management issues. "I feel we talk a lot about trust and taking risks. But at the same time, we have endless audits, mistakes are punished and not seen as a welcome part of learning, and managers (and others) are consistently checked," wrote one employee. "There appears to be a great reluctance among our junior*