

The second is “innovation that matters—for our company and for the world.” When employees talked about IBM making a difference in the world, they included more than our work of inventing and building great products. They talked about how their work touches people and society, how we can help save lives—say, through our cutting-edge work with the Mayo Clinic or by helping governments fight terrorism with our data technology. This kind of innovation is a major reason we are able to attract great scientists. They can do cool stuff and maybe make more money in Silicon Valley—for a while, anyway—but they can do work that actually changes business and society at IBM. And it’s also about what I mentioned before: a continually experimental attitude toward IBM itself. Over most of our 90 years, with the exception of that one period when we became arrogant and complacent, this company never stopped questioning assumptions, trying out different models, testing the limits—whether in technology or business or in progressive workforce policies. Employees reminded us that those things are innovations that matter at least as much as new products.

The third value is “trust and personal responsibility in all relationships.” There’s a lot in that statement, too. Interestingly, the feedback from employees on this value has focused on relationships among people at IBM. But we’re also talking about the company’s relationships with suppliers, with investors, with governments, with communities.

We published the values in their final form—along with some elaboration on them and some direct employee postings from the jam—in November 2003. Over the next ten days, more than 200,000 people downloaded the online document. The responses just flooded in, both in the form of postings on the intranet and in more than a thousand e-mails sent directly to me, telling us in often sharp language just where IBM’s operations fell short of, or clashed with, these ideals. Some of the comments were painful to read. But, again, they exhibited something every leader should welcome: People here aren’t complacent about the company’s future. And the comments were, by and large, extremely thoughtful.

Managing ValuesJam

IBM HAD EXPERIMENTED before with jam sessions—relatively unstructured employee discussions around broad topics—both on the corporate intranet and in face-to-face off-site brainstorming sessions. But the 72-hour ValuesJam, held in July 2003, was the most ambitious, focusing as it did on the very nature and future of IBM.

One thing was clear: You wouldn’t be able to orchestrate a forum like this, the verbal equivalent of an improvisational jam session among jazz musicians. In the words of CEO Sam Palmisano, “It just took off.” But, much like a musical jam, the dialogue was informed by a number of themes:

Forum 1. Company Values

Do company values exist? If so, what is involved in establishing them? Most companies today have values statements. But what would a company look and act like that truly lived its beliefs? Is it important for IBM to agree on a set of lasting values that drive everything it does?

Forum 2. A First Draft

What values are essential to what IBM needs to become? Consider this list: 1. Commitment to the customer. 2. Excellence through innovation. 3. Integrity that earns trust. How might these values change the way we act or the decisions we make? Is there some important aspect or nuance that is missing?

Forum 3. A Company’s Impact

If our company disappeared tonight, how different would the world be tomorrow? Is there something about our company that makes a unique contribution to the world?

Forum 4. The Gold Standard

When is IBM at its best? When have you been proudest to be an IBMer? What happened, and what was uniquely meaningful about it? And what do we need to do—or change—to be the gold standard going forward?

What did you do with this feedback?

We collected and collated it. Then I printed all of it out—the stack of paper was about three feet high—and took it home to read over one weekend. On Monday morning, I walked into our executive committee meeting and threw it on the table. I said, “You guys ought to read