Refreshing Corporate Values: Big Blue's How-To

Reinforcing common values can be challenging across a huge company—but as the case of IBM shows, technology can make the process easier.

Companies often start with their founders' noblest of aspirations and grandest of dreams. Decades later, their employees may number in the thousands and work across the country or even globe. How do leaders reinforce the originals goal of doing good for workers, customers, and the world?

Nearly a century after its founding, with more than 400,000 employees worldwide, IBM found itself in just this position.

The company's first CEO, Thomas J. Watson, and later his son, Thomas J. Watson, Jr., valued excellence, customer service, and respect for the individual. They wanted employees to express these values as well.

One famous strategy was the creation of a songbook that put IBM-related lyrics to well known melodies. First thing in the morning, songs like "IBM One Hundred Percent Club" would be sung to the tune of songs like "I've Been Workin' on the Railroad" in praise of the company.

That was a bygone era. Today, new strategies fueled by innovation have been put into place. IBM puts its own sophisticated technology to use evoking and enacting its core values.

In 2003—long before social platforms like Facebook or Twitter took hold—executives held a worldwide IBM values "jam" to engage its huge global workforce to refresh the company values. During three days, tens of thousands of employees logged onto a company intranet site that let them observe and participate in instant-message-style sessions about corporate values and how they shape what employees do.

Thousands of these participants posted, chatted, or shared their personal experiences about IBM values and how they've been lived out. "There was certainly a tremendous amount of enthusiasm surrounding the jam at the time," says John Preli, IBM director and trust and compliance officer. "It was the largest experiment IBM had ever done in terms of engaging employees on a global scale."

Over the next two months, the jam discussions were analyzed using textual analysis tools. As a result, the company got a snapshot of how employees saw IBM values and how they translated into behavior. The words "trust," "invention," "innovation," and "client" were among those used most often during the jam, the supercomputer analysis found.

Based on the results, the company then updated its "basic beliefs" to resonate in the modern world. Customer service translated into "dedication to every client's success." Excellence today meant "innovation that matters for the company and the world." And respect for the individual became "trust and personal responsibility in all relationships."

"I talk about values as roots of the tree," Preli says. "People ask how you can change the roots of a tree. I say we didn't change the roots of the tree—we just repotted it into a larger pot."

Key Points

Involve leaders—CEO sponsorship is critical. "In any professional environment, the demands on your time are greater than you have time available," Preli says, so executives must signal that something is worth prioritizing. Before the values jam, then-CEO Sam Palmisano sent out a note encouraging participation. And many executives blocked off an hour of time on their calendars for jamming.

Engage employees. Some managers gathered their departments together in a conference room, computers in hand, to jam together and then talk about what they'd seen and learned. "It became a social event," Preli says.

Address the drivers of behavior. Information gathered in a jam can be used to create "work streams" to address issues that surface. Leaders and departments can be tasked with improving an often-mentioned problem area.

Accept that shifting culture is a journey and doesn't happen overnight. IBM didn't stop with one jam. It's since held innovation jams in 2006 and 2008, a social business jam in 2011, and several others under new CEO, Ginni Rometty. Participation rates have grown steadily, with hundreds of thousands of employees now actively participating in each jam.

Make culture tangible. Leaders take positive action based on jam results. After the 2003 values jam, they solidified their refreshed corporate values. After the 2008 innovation jam, they identified 10 common themes, including how they could apply IBM technology to solve a societal problem—and funded 10 ideas to help do just that. Those ideas became the foundation for IBM's Smarter Planet strategy.