

Developing global leadership

How IBM engages the workforce of a globally integrated enterprise



“The nature of competition and the forces of innovation shift the frontiers of science, business and technology at a rate we’ve never seen before. Which is why expertise is not static. To be competitive, any individual – like any company, community or country – has to adapt continuously, learning new fields and new skills.... We need a workforce model that recognizes this shift. As always, the really hard part is culture and mindset.”

Sam Palmisano, IBM chairman, president and chief executive officer¹

Introduction

With rampant change seemingly on all fronts, do your employees and leaders have what it takes to compete on a global stage that places a premium on adaptable expertise? Most organizations can envision the rewards of integrating global teams while accommodating local differences, but that’s only part of the puzzle. What concrete actions can help transform your organizational culture in ways that let you tackle the challenges and grasp the opportunities of globalization?

Technology advancements have forever changed the way business is done, and opened new opportunities to reach markets and advance enterprise capabilities. Internet use skyrocketed 380 percent between December 2000 and September 2009, to reach more than 25 percent of the world’s population – and the numbers keep rising worldwide.²

Along with unprecedented technological capabilities are global economic shifts. Over the prior decade, more than 50 percent of productivity gains have been attributed to IT investments that are changing the competitive landscape in the globalizing economy.³

Faster productivity growth means economies can better withstand external shocks and inflation pressures while sustaining higher profits and/or per capita income gains. It’s not just labor productivity per se, but also changes in business processes and the way innovation is conducted and absorbed – a result of the intersection of labor and capital productivity – that will increasingly drive future growth dynamics.

As developed markets offer signs of economic recovery, organizations cannot afford to overlook the potential business value of executing a comprehensive strategy that capitalizes on global opportunities. The traditional multinational corporation needs to take on a new, flexible form that IBM calls the globally integrated enterprise (GIE). The notion of country-based teams is integrating with a perspective that capitalizes on global teams and missions to support a worldwide business agenda.

What IBM is doing to improve global effectiveness

With global integration more important than ever, the management philosophy is changing at IBM and many other leading organizations in order to support it. For greater global effectiveness, decision-making authority needs to be owned and executed by those who are best positioned to make quick decisions and be responsible for outcomes. Making this happen, however, isn't easy.

In recognition of its innovative approaches to finding and growing talent, IBM ranked first on the Fortune "Top 25 companies for leaders" list in November 2009.⁴ The company has seen massive shifts in where revenue is generated, spurring the need to grow leaders with global mindsets wherever they are located. It realized that successful global leaders need the ability to recognize and truly embrace diversity. Everyone has a part in achieving the global mindset with common corporate values as the glue.

So, how has IBM progressed in becoming a GIE? Today, it offers more opportunities for more employees to acquire skills and global leadership experiences, as well as the means to work across the enterprise to better understand various national priorities and thus grow the business.

And how can other organizations benefit from the lessons IBM has learned? The following pages describe the latest IBM progress in accelerating the transformation of its workforce into global employees who thrive within the GIE context. Within each section, readers can assess where their own organizations currently stand and find tips on how they, too, can fully leverage GIE capabilities to expand market relevance and seize new business opportunities.

Realizing the full potential of a GIE

In a GIE, work must be far more collaborative, far more attuned to a multiplicity of cultural differences, far more fluid and less hierarchical. Recognizing this need, in January 2008 Chairman Sam Palmisano challenged a small group of senior leaders to address specific challenges and opportunities related to IBM becoming a GIE and enabling the benefits for our clients and their organizations. The team's mission is to create an environment that nurtures and grows "global IBMers," which he described as "enabling current and future IBMers to position themselves advantageously as global professionals, as well as global citizens."⁵

Central to the team's strategy is engaging employees at all career stages. This included exploring how to attract and retain new "generations" of IBMers with different expectations, aspirations, and ways of working and leading. In a report on its recommendations, the team explained why such evolution is essential: "Geographically and generationally, these employees will dramatically alter our company, and we must evolve accordingly."

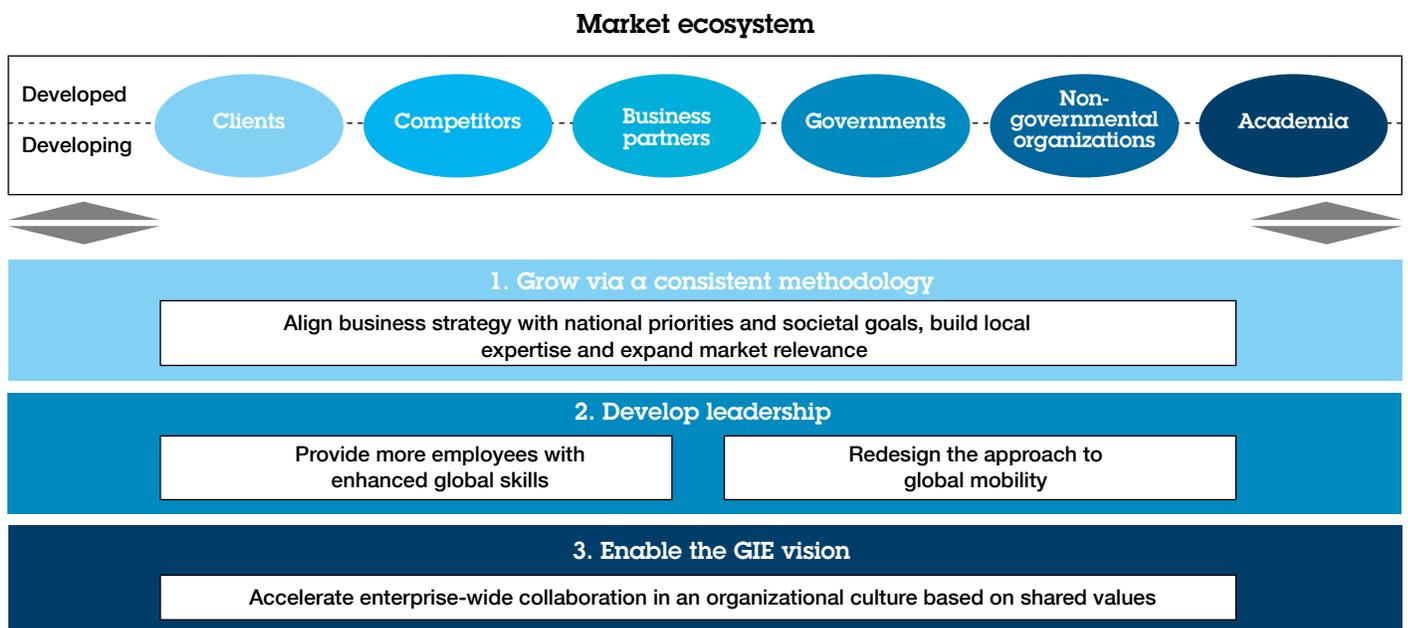
Progress toward fully realizing the potential of the GIE model has come by using an integrated approach that centers on the execution of three key actions (see Figure 1):

- *Grow locally and globally via a consistent methodology* – Align business strategies with national priorities and societal goals, build local expertise and expand market relevance.
- *Develop leadership* – Provide more employees with opportunities to enhance their skills, and offer more varied global experiences earlier in careers.
- *Enable the GIE vision* – Accelerate enterprise-wide collaboration and an organizational culture based on shared values.

Grow via a consistent methodology

Align strategy with national priorities, build local expertise and expand market relevance

IBM worked to translate and execute the GIE model at local levels by engaging senior leaders in its culture change efforts. To do this, it created a new multi-country, multi-discipline Global Enablement Teams (GETs), each comprised of four or five senior executives from multiple geographies who work side-by-side with a particular Country General Manager (CGM). Each CGM has input on the GET team capabilities to best enable the growth of that country.



Source: IBM Global Business Services.

Figure 1: Three key actions are helping IBM realize the full potential of a GIE.

GETs were launched in nine different countries in 2008, and four additional countries in 2010. These countries include: Brazil, China, Egypt, Ghana, India, Malaysia, Nigeria, Romania, South Africa, Tanzania, the Philippines, Turkey and Vietnam.

Guiding each GET is a methodology aimed at growing market share and revenue through improved access and organizational relevance in the country. This common starting point is known as the National Account Methodology (NAM). The NAM guides the alignment of corporate strategy to both a country's national agenda and the maturity of the local IBM organization (see Figure 2).



Source: IBM Global Business Services.

Figure 2: The National Account Methodology is intended to increase market access through relevance to national agendas and assert the value of the GIE model.

Through joint commitment to an agenda based on the CGM's objectives and GET support, IBM is connecting business strategy to execution realities. Together, outside and in-country team members work to understand local perspectives about existing priorities and national conditions (including economic, political, regulatory and social).

The GETs have helped the company become more relevant to national agendas, often resulting in greater market relevance. New business growth opportunities are stemming from an enlightened set of business leaders who possess truly global mindsets, with improved visibility and sensitivity to in-country GIE realities.

From a leadership development perspective, CGMs, local country employees and GET members all benefit from this methodology. As GET members, senior executives bring expertise in different disciplines and functional areas, and provide local country leadership and teams with access to invaluable GIE resources, including strategic mentoring, networking and execution support. Conversely, as they work in new settings, GET members can expand their knowledge of national priorities and societal goals while gaining a greater appreciation of cultural diversity and how it impacts the business environment.

To track results attributed to utilizing GETs and the NAM methodology, the team identified some key measures of success:

- Measure market initiatives and business opportunities launched or advanced by GETs.
- Track relationships built with senior level officials, industry leaders and key clients.
- Solicit feedback from CGM regarding GET performance and results.
- Establish mentoring relationships that enhance business acumen and strategic risk taking, as well as improving in-country capabilities to execute locally.

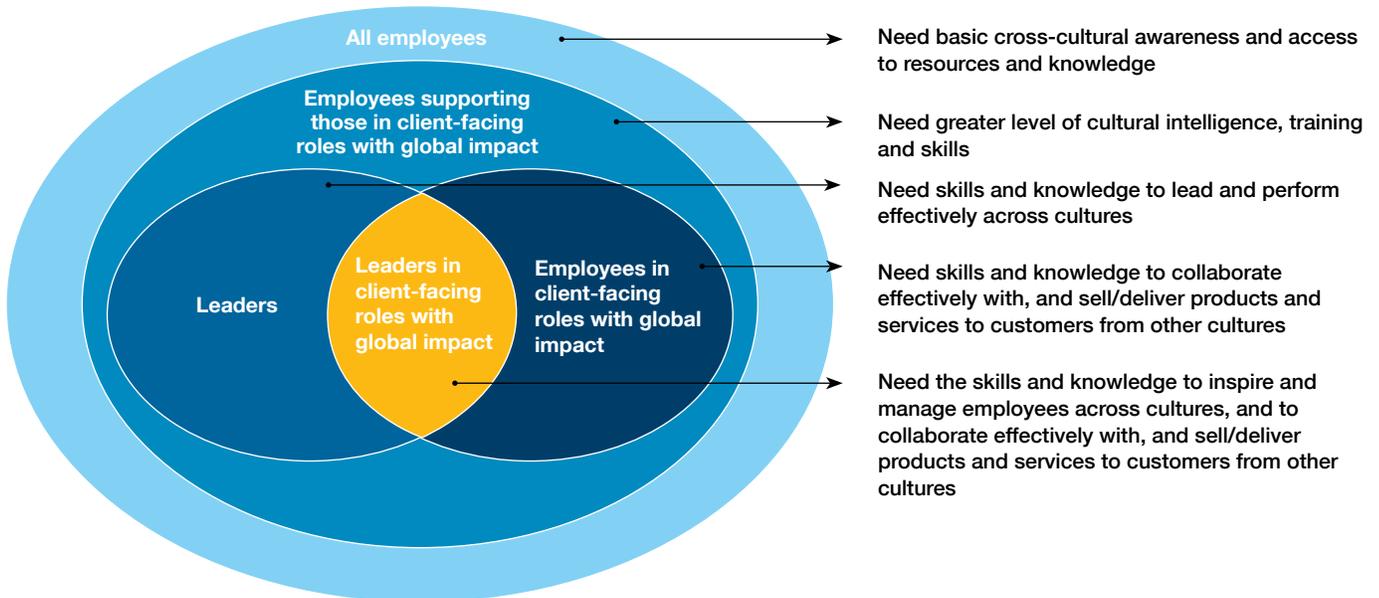
Assess yourself: Understanding national agendas while developing a new generation of business leaders

1. How can you engage your senior managers in developing client relationships to support growth targets in different parts of the world?
2. In what ways can you establish formal, measurable mentoring programs across country borders?
3. What is your plan to increase support of global teams through the use of both technology and local experts?
4. How will you incorporate country-level priorities into relevant solutions to help meet top objectives?

Develop leadership

To develop a set of recommendations, the team spoke face-to-face with hundreds of IBMers in more than 30 countries, as well as clients, business partners, university faculty and students (potentially future IBMers), and government leaders. Their rich input informed the creation of a deployment model to guide employees in attaining the correct type of global skills relevant to their job roles (see Figure 3).

Working with Human Resources, the team developed a holistic approach designed to include every IBM employee worldwide. Skill needs were grouped according to the degree of an employee’s participation in global activities.



Source: IBM Global Business Services.

Figure 3: Employee job roles guide the deployment model to embed cultural intelligence and adaptability throughout IBM.

Particular emphasis was placed on providing enhanced skills to those employees supporting or working in global roles and those in leadership roles, who have the greatest need to build global skills. This deployment model focuses on two categories of activities:

- Providing more employees with enhanced global skills
- Offering more varied global experiences earlier in careers.

Providing more employees with enhanced global skills

Members of the team identified the need to enhance employees’ global skills, no matter where they are physically located, and to change the company’s approach to skills planning. To address these needs, significant changes were proposed (see Figure 4).

From...	To...
Local management and deployment of resources	Manage global shifts in work and resources
Inconsistent, high-level resource planning	Establish long-term resource plans by business unit to address needed skill sets per job role
Limited employee visibility to future skill shifts and individual skill requirements	Provide employees visibility to resource trends to enable proactive skill planning
Active management involvement in one-year development planning	Require active management involvement to enable multi-year employee skill development and performance attrition where it does not occur

Source: IBM Global Business Services.

Figure 4: How the approach to skills development is being transformed.

Skills analysis and planning began with identifying necessary competencies, programs and behavioral models. IBM extended long-range planning processes, holding business units responsible to plan for long-term skill needs with the same rigor used in financial planning, such as a detailed three-to-five-year skills outlook to bolster GIE capabilities. Employees will have visibility to resource trends so they can proactively plan to meet their own global development needs.

To guide employees in identifying their own skill needs and gaps, an updated set of competencies – designed by IBMers for all IBMers – was formally launched in January 2010. These competencies are the skills required to be successful in a GIE:

- Embrace challenge
- Partner for clients’ success
- Collaborate globally
- Act with a systemic perspective
- Build mutual trust
- Influence through expertise
- Continuously transform
- Communicate for impact
- Help IBMers succeed.

The team also identified key measures to determine the success of this new skills approach in the coming months and years:

- Assess skill development to measure improvements in relevant competencies over time.
- Measure improvements in employee satisfaction based on employee feedback.
- Expect better availability of critical skills to meet business needs.

Assess yourself: Supporting employees in acquiring relevant global skills

1. What is your approach to formalizing access to the skills deemed essential to the transformation and realization of a GIE?
2. How will you identify and build the necessary competencies for every GIE job role?
3. In what ways do you communicate anticipated skills needs? How do you empower and engage employees to prepare for that future?

Redesigning the approach to global mobility

The team realized that traditional approaches to international assignments were not reaching enough employees to deepen the global mindset of the enterprise. It was critical to broaden more employees' thinking and improve their understanding of different cultures, as well as today's global context of business operations.

“Management is temporary; returns are cyclical. But if we use these values as connective tissue, that has longevity. If people can get emotionally connected and have pride in the entity's success, they will do what is important to IBM.”

*Sam Palmisano, IBM chairman, president and chief executive officer*⁶

Demonstrating IBM values is fundamental to evoking this type of understanding. IBMers' values – which employees themselves developed in a global online “jam” – are:

- Dedication to every client's success
- Innovation that matters – for our company and for the world
- Trust and personal responsibility in all relationships.

To better put these values into action in a GIE, employees – especially future leaders – needed exposure to a wider range of global experiences, and everyone could benefit if it happened earlier in careers. To make this happen, IBM defined and started implementation of a new global mobility/international assignment framework, to include specific policies, metrics, supporting processes and online tools aimed at building global mindsets through shared values, higher cultural adaptability and stronger teaming skills (see Figure 5).

From...	To...
Long-term (one- to three-year) international assignments in fairly limited numbers	Rebalance short-term (three-month) and long-term global experiences
Limited number of international assignments had relatively small impact on total population	Expanded opportunities as a result of shorter assignments
Primary focus on solving business needs	Focus on in-country global experience and employee development
Business as usual measurements poorly aligned to assignment success	Align assignment success metrics with specific objectives
Little formal preparation for employees	Provide three- to six-week language and culture immersion prior to country deployment

Source: IBM Global Business Services.

Figure 5: How the approach to global mobility is being transformed.

Key stakeholders and support functions were trained. Business units created plans to use the new framework, including cultural and language immersion as appropriate. An innovative new program, the Corporate Service Corps (CSC) – IBM’s version of the Peace Corps – was launched to provide a “global training ground” for emerging leaders and global citizens. Specially designed short-term projects in key growth markets provide a triple benefit, positively impacting IBM business strategy, leadership skills and societal needs.

To the extent possible, CSC assignments are aligned with GETs to help countries connect more fully to national agendas. In 2009, nearly 10,000 IBM employees from 63 countries applied for 500 spots in the CSC. Forty-one teams of IBM employees worked in 13 countries with non-profits, small businesses and non-governmental organizations. Dozens of participants have since posted audio, video and photos of their volunteer experiences on company Web pages to demonstrate how the CSC experience changed how they think about their company, work and their own place in the world.⁷ The company intends to expand the program to include 20 percent more participants in 2010.

In addition to the immediate benefits participants bring to the local communities by completing their assigned projects, the CSC program allows IBM to demonstrate to the world that it is possible to engage in business that is both strategic and values-based, and to benefit by doing so.

A case study conducted by Harvard Business School found that CSC participants significantly increased their cultural adaptability and teaming skills, as well as their employee satisfaction.⁸ The case study also found that 100 percent of employees participating in CSC indicated that the experience made it more likely they would complete their careers at IBM.⁹

The team identified several ways to gauge the impact of the new mobility framework:

- Track the number of participants provided with global experiences earlier in their careers.
- Increase the number of six- to twelve-month global assignments.
- Increase the retention rate of top performers.
- Track the percent of long-term international assignments replaced by in-country talent.

Assess yourself: Offering meaningful global experiences

1. When employees begin global assignments, how do you prepare them to deal with unfamiliar languages, cultures and business environments?
2. How do you balance the need for more employees to have global experiences with the pressures to reduce travel costs?
3. In what ways can you make more global opportunities available to your more of your workforce, earlier in career? How does this impact your hiring and training strategies?

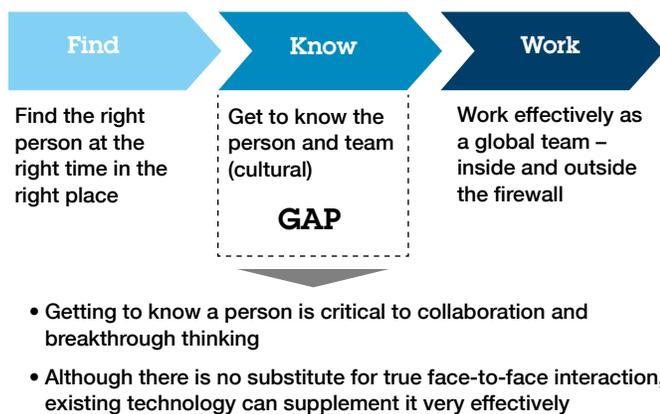
Enable the GIE vision

Accelerating enterprise-wide collaboration based on shared values

It was also clear to the team that enabling greater collaboration across borders and cultures is essential in a GIE, whether through face-to-face interactions or technology. At a minimum, it helps drive global integration and skills development. But to be meaningful, collaboration throughout a GIE requires putting into action the shared organizational values of putting clients first; focusing on innovation that matters; and maintaining relationships grounded in trust and personal responsibility.

IBM recognized the importance of helping employees establish and maintain relationships with their colleagues regardless of where they sit in the enterprise. Simply put, access to the right people and other resources anywhere in the world enables greater efficiency and productivity. However, most organizations miss a key step between finding the right person and getting work done effectively (see Figure 6).

The intermediate step and getting the work done is dependent upon getting to know the people, and this step is critically important in multicultural teams. Employees report significantly more effective and productive working relationships after just one face-to-face interaction with remote colleagues. In-person interactions, both formally and socially, are widely seen as a means of breaking down cultural barriers and creating trust.



Source: IBM Global Business Services.

Figure 6: The “Know gap” represents the step between finding the right person and working effectively as a global team.

“In services projects, traveling and knowing the clients face-to-face helps a lot to build relationships and better serve them afterward.”

IBM employee based in Argentina

Although the challenges of finding the right people are not limited to a GIE setting, working across time zones and borders certainly can add complexity. To help remedy this complexity, IBM sought alignment of different lines of business to verify the interoperability of collaboration solutions. To close cultural gaps and enable the “Know step,” face-to-face interactions were encouraged whenever possible, including Web-based video conferences.

More often than not, in-person meetings aren’t practical or affordable when teams are based in multiple locations. So IBM leverages a wide range of collaborative technologies. A single internal Web portal – the On Demand Workplace – provides easy access expertise location, contact information for any employee, links to internal and external news sources and access to many other tools to raise employee productivity, as well as a wide range of HR self-service content.

Throughout 2009, the team worked closely with IBM groups on different initiatives to enhance collaboration tools and make them easier to use. The CIO’s office, IBM Research, Software Group, the Human Ability and Accessibility Center, and other internal teams established outreach programs to encourage the adoption and effective use of collaborative tools, especially those considered to be “next generation” tools.

Factors like interoperability (internal and external), standardization and quality of the user experience were all deemed essential as part of testing and rating tools that are necessary to help employees innovate and team more effectively with fellow employees and external partners. Some key IBM technologies that support both collaboration and culture change include:

- Technology Adoption Process (TAP) – An “innovation incubator” where employees can share, pilot and improve new innovations.
- Cattail – An information-sharing system to centrally share, discuss and store large files and related links for easy revision and access over time.
- Jams – Periodically scheduled events that enable realtime, online brainstorming and idea creation, both internally and with clients.
- Sametime Connect – A realtime instant messaging tool promoting immediate interactions with colleagues wherever they are located.

The team also sponsored development of an advanced text-to-text translation tool called n.Fluent, to break down language barriers within the enterprise and ease information sharing. The n.Fluent tool was launched for internal use in March 2009, currently provides real-time translation among ten languages. More than 3000 users worldwide actively use the tool to increase database content and improve translation quality.

For more effective global collaboration, IBM tracks usage, success and concerns to help create an end-to-end suite of leadership tools and capabilities:

- Monitor how well IBM tracks external trends in social networking tools and incorporates them to enhance internal and external collaboration, for greater effectiveness and to attract new hires accustomed to using such tools.

- Track the usage profiles and user satisfaction of the new immersive IP video systems and all controlled video pilots (including desktop) to improve and attract a larger community and facilitate incorporation into sales engagements.
- Use internal satisfaction survey to take the pulse of the collaboration tool user community and improve offerings.

Assess yourself: Meeting the expansive collaboration needs of a GIE

1. In what ways can you enhance face-to-face relationships by leveraging technology? How can you better facilitate the “know stage,” particularly for multicultural teams?
2. How can you actively encourage employees to use social media for communication internally and externally?
3. How can you take advantage of available text translation tools to connect your employees who speak different languages?

Conclusion: Building and sustaining global expertise

This white paper features initial results of a multi-year IBM effort to develop more adaptive global leaders and employees. To make employees more effective globally, senior leaders focused on growing business via a consistent worldwide methodology, providing employees at all levels with enhanced global skills and experiences, and accelerating enterprise-wide collaboration in an organizational culture based on shared values.

“I believe that building and sustaining this kind of expertise requires a wholly new kind of relationship between the company, the individuals who make it up, and society at large.”

Sam Palmisano, IBM chairman, president and chief executive officer¹⁰

Through these new initiatives, improvements are already being seen:

- Natural global leaders have emerged around the company
- Senior leaders are collaborating with local leaders to execute and make corporate strategy real at the country level
- Client relationships have expanded and deepened around the world
- Client solutions are more creative and comprehensive
- Employees understand the broader, more inclusive global strategy – including their roles as global corporate citizens – and how they fit into the strategy
- Employees are leveraging an enhanced organizational ability to collaborate with peers.

Successful global leaders and organizations must recognize and truly embrace diversity as part of the corporate culture. Everyone needs to play a part in achieving a “global mindset” that is glued together by common values across the enterprise. The sheer push of globalization mandates action now.

Within the context of your own organization’s mission and strategic goals, consider your own roadmap to realizing your transformation to engage a globally integrated, globally capable workforce. Identify important actions aimed at better understanding and leveraging the potential economic value and innovation possibilities.

To learn more about this white paper and related IBM efforts, please contact one of the authors.

Related publications

Bramante, Jim, Ron Frank and Jim Dolan. “IBM – Delivering performance through continuous transformation.” IBM Institute for Business Value. September 2009. <http://www.ibm.com/gbs/transformingandperforming>.

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Somers, NY 10589
U.S.A.

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February 2010
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