



CHRISTOPHER MARQUIS
ROSABETH MOSS KANTER

IBM: The Corporate Service Corps

In February of 2009, Kevin Thompson, program manager for the IBM Corporate Services Corps sat down with Stanley Litow, Vice President of Corporate Citizenship and Corporate Affairs, and Robin Willner, Vice President of Global Community Initiatives at IBM. They had recently received the results of an independent evaluation of the first 100 participants in IBM's new employee leadership development program called the Corporate Service Corps (CSC).

The CSC was an international community service assignment for high-potential IBM employees and 2008 was its pilot year. 11 teams of IBM's best global employees had been deployed to work for local partners, frequently non-governmental organizations (NGOs), in locations such as Ghana, Tanzania, Romania, Philippines and Vietnam. Each team had worked for a month on projects as diverse as digitizing the supply chain of the Ghanaian handicraft sector to establishing a strategic plan for the Davao City Chamber of Commerce in the Philippines that would maximize job creation among locally owned small businesses.

IBM had high hopes for this program, both as a way to deliver social value to emerging markets, but also as an important strategic business initiative. As globalization had proceeded, IBM CEO Samuel J. Palmisano had focused extensively on making global integration successful and how the new business environment would require globalizing IBM from the "bottom-up." The CSC was seen by him as one way to develop global awareness and capabilities of high potential employees throughout IBM to truly make them the model of a "Global IBMer." Further, the program was also part of IBM's global business strategy to the extent that it increased visibility of the organization in markets IBM had identified as growth opportunities for the future and the skills of key leaders in the company who might work there.

As it does for most new programs, IBM retained an independent organization to measure and assess the effects of the program along a number of key metrics, including the extent to which the experience changed the individual participants to the impact of the CSC on the partner organizations. A continued question about the program was whether its length – one month in country – was long enough to produce measurable differences. The results of the evaluation were quite positive, but a few important questions remained, particularly regarding future design and longer-term impact.

As they were evaluating the first year of operation, Litow, Willner and Thompson in conjunction with the rest of the cross-functional team that created the CSC contemplated a number of important questions. How could they tell if the CSC was fully delivering on Palmisano's overall goal of making

Professors Christopher Marquis and Rosabeth Moss Kanter prepared this case with the assistance of Research Associate Alison Comings. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

Copyright © 2009 President and Fellows of Harvard College. To order copies or request permission to reproduce materials, call 1-800-545-7685, write Harvard Business School Publishing, Boston, MA 02163, or go to www.hbsp.harvard.edu/educators. This publication may not be digitized, photocopied, or otherwise reproduced, posted, or transmitted, without the permission of Harvard Business School.

IBM more globally integrated? What were the key metrics they should be tracking in the future and what would success look like? What were the next steps for the CSC? How scalable was the program? What were the main risks to the model as it grew? More generally, the Obama administration had signaled an interest in expanding national service initiatives – should IBM become involved in promoting their model more broadly? And might other IBM clients be interested in the CSC model? They would be announcing the second wave of projects soon and wanted to improve the program for 2009 by factoring in as many possible lessons learned from 2008.

The Globally Integrated Enterprise¹

Over its 100 year history, IBM had grown into a global organization, doing business in 170 countries, and employing over 380,000 people with over \$100 billion in total revenue for 2008. An important shift at IBM occurred in the 1990s when the PC boom and movement to decentralized computing led businesses to delegate purchasing decisions away from the departments where IBM's traditional mainframe business had developed relationships. By 1993, these challenges had turned into an \$8 billion annual net loss. Louis V. Gerstner became Chairman and CEO in 1993 and although there was pressure to split IBM into several smaller companies, Gerstner decided to keep the company together in order to capitalize on IBM's ability to provide multiple and integrated solutions and services to clients.

Samuel J. Palmisano became Chairman and CEO in 2002 and refocused Gerstner's vision through new company initiatives and technology advancements. In 2002, IBM purchased PricewaterhouseCooper's global business consulting and technology services unit, creating IBM Business Consulting Services. In 2005, IBM completed the transition of its Personal Computing (PC) Division to Lenovo Group Limited, which was the largest PC company in Asia.

Since becoming CEO, Palmisano focused attention on the changes needed to bring IBM into what he saw as a new era of globalization and the need for global integration. He recognized that developments in the world, such as free trade agreements, the creation of highly-skilled labor forces around the world, communication channels for staying globally connected, and economies that were largely run by the service and technology industries, had reshaped the ways in which people and organizations around the world interacted, and IBM needed to transform itself to continue leading.

As Palmisano looked at IBM, he saw a multinational corporation with individual IBMs in each country in which it operated and he visualized a new era in which IBM would operate as a "globally integrated enterprise." A globally integrated enterprise was defined as a corporation that structured itself around economics, skills, and business environment. Instead of having multiple supply chains to cover different markets, IBM would have one supply chain for all of its global operations. Research and Development (R&D) and professional services would also be treated as global units rather than individualized for each region and the entire organization would be more responsive to clients.

Since 2004, Palmisano had initiated a number of programs to steer the company in its new direction and as the pressures of globalization intensified, Palmisano looked for ways to build on these values to create a truly globally integrated enterprise. In 2006, he penned an article in *Foreign Affairs* outlining how to put these ideas into practice. As he described in the article, the globally integrated enterprise was a deviation from previous models of global organizations. During the late nineteenth and early twentieth centuries, global organizations took the form of an international

¹ For more detail on the strategy and implementation of Palmisano's vision see Rosabeth Moss Kanter, "IBM: The Coming of the Globally-Integrated Enterprise," HBS No. 308-105 (Boston: Harvard Business School Publishing, 2008).

company with headquarters and operations centered in the home country and sales and distribution offices spread across the globe. In the twentieth century, in response to forces for changes such as nationalism, protectionist policies, world wars, and The Great Depression, international organizations adopted a multinational structure. Multinational corporations established plants in major markets and conducted other operations globally, but largely kept R&D inside the home country. As global communications expanded through the Internet and emerging markets rapidly developed, the structure of large companies began to change again. Globalization necessitated a new kind of organization—a globally-integrated enterprise that distributed all company operations globally through a world-wide information technology and communication infrastructure. To remain a leader, Palmisano concluded that IBM had to become a globally integrated enterprise.

Palmisano put his plan into action quickly and moved company units to their most advantageous areas around the globe. The semiconductor R&D and manufacturing was moved to the United States (US) states of New York and Vermont, the data center in the US state of Colorado was enlarged, the financing back office was located in Brazil, the global procurement mission was relocated to China, global services delivery was moved to India, and web technology was focused in Ireland and Brazil. What made this approach unique from IBM's former multinational approach, and its competitors, was that each of these centers handled operations for IBM on a global, rather than national, scale.

To take the next step and truly drive globalization through the business, Palmisano asked the Corporate Citizenship and Corporate Affairs group (CCCA) under the leadership of Stanley Litow to evaluate how well the company addressed issues of globalization via its corporate citizenship programs and determine what innovative programs IBM could initiate to hasten the transition to a globally integrated enterprise.

Corporate Citizenship at IBM²

The CCCA organization was seen as a strategic function within IBM and for several recent years, the group was housed within IBM's Innovation and Technology unit. Such a location in the organization may appear to be unique for a group focused on IBM's place in the community, but Litow, the Vice President of the CCCA saw this as one of the evolving keys to effectiveness for his group. As he noted:

We work very closely with IBM Research, Human Resources, and all other key management areas. We just had our IBM Corporate Citizenship meeting, and the Senior Vice President for IBM Research, John Kelly, came to the meeting, and laid out his strategy, as did the Senior V.P.'s for Sales and Distribution, Global Business Services, and Marketing and Communications. I work with the company's top leaders on a day-to-day basis. The community aspect is not only integrated from a technology standpoint but it's also embedded into the market strategy, the development of the services strategy, and the software tools, acquisitions, etc. So we're tightly integrated in every component of the business.

Such a close connection with the business allowed the company to more effectively create innovative technologies that could improve society; for example, IBM had advanced initiatives on reducing its environmental footprint, bettering product safety, revising its supply-chain practices, and improving the diversity of its workforce. During a recent reorganization, the CCCA had been elevated further as a critical function within Marketing and Communications, forming the new group

² For more detail on how IBM's values translate into its corporate citizenship activities see Rosabeth Moss Kanter, "IBM: Values and Corporate Citizenship," HBS No. 308-106 (Boston: Harvard Business School Publishing, 2008).

of Marketing, Communications, and Citizenship under Jon Iwata's leadership, signifying the importance of citizenship to the business.

Litow had arrived in 1994 shortly after Louis V. Gerstner, Jr. joined the firm. He had been a public figure in New York City and a former deputy chancellor of the New York City Schools. Gerstner wanted to increase IBM's involvement in education reform and had tapped Litow for the job of overseeing the program. Litow spearheaded IBM's Reinventing Education³ initiative, a strategy to transform K-12 public education in the US through innovative technology solutions developed by IBM engineers and consultants. In addition to contributing money, teams of IBM employees were deployed to scores of project sites to create educational tools that utilized IBM technology. Reinventing Education established an important model for IBM's corporate citizenship initiatives to follow. They were business strategic, solutions oriented and typically operated like the other technology projects that IBM delivered for clients. Examples of projects included developing tracking software for the Cincinnati schools, and fostering teacher development networks in San Jose and Philadelphia, where IBM also initiated Reading Companion, an innovative voice recognition technology to teach reading. As of 2009, IBM had invested \$90 million in Reinventing Education.

At the time Litow joined the company, IBM had a program in corporate philanthropy, but it did not have a centralized or organized corporate function that incorporated global citizenship or global philanthropic programs. Like most large multi-national firms, IBM's programs in the early to mid 1990s were run in a decentralized fashion, Litow explained:

For example, if you had responsibility for corporate philanthropy or corporate citizenship programs in the UK, you reported to the country general manager in the UK. The same was true in every country where IBM did business. And in the United States, if you worked in a plant location, you reported up through the plant manager, and if you worked in a geography like New York City, or Boston, or Philadelphia, you worked for the person who ran that marketing area. So there was no centralized structure. And the budget was only for corporate programs out of corporate headquarters, and like slices in a pie, the resources for a particular geography, whether it was international or local simply received an allocation of resources and it was limited. There was no central program, there was no central structure, there were no central guiding principles. Fragmentation produced less and achieved less for the company in all countries. With support from IBM top management, Litow created a centralized structure to use IBM talents and technology to help society and gave every geography the benefits of technology innovation to be delivered locally.

The first thing that we did was to create a centralized structure so that all the people who worked in this function were part of a centralized organization, provided a centralized budget. We also focused the work around the use of IBM technology and innovation to make an impact on social and societal problems. While programs must be interpreted or delivered in a unique way in every geography, it wasn't akin to slices in a pie to distribute in the way somebody saw fit. That was a big change. It allowed us, number one, to focus in on innovation and a set of technologies that the company thinks are important for its customers and for the world. That agenda is determined after conversations with IBM research, and IBM senior management to understand what are the key technologies that the company is most invested in? If you look at our programs now, they're focused around the set of technologies where the company leads like voice recognition, cloud computing, virtual worlds, and the

³ For more detail see Rosabeth Moss Kanter, "IBM's Reinventing Education" HBS No. 300-034 (Boston: Harvard Business School Publishing, 1998).

societal problems most connected to national agendas: education, health care and the environment. And our financial commitments have significantly increased.

Litow saw the potential for delivering business value through well-designed and compelling corporate citizenship projects through which employees could learn and develop their skills. Within the company, doing a project at internal cost or “blue dollars” referred to company-sponsored projects as opposed to “market rates” in which a project had a direct commercial focus. For example, instead of the traditional corporate philanthropy approach of offering grants and donations to the museums that approached them, IBM’s approach differed. IBM designed a series of cultural heritage projects in tandem with many museums, where IBM sponsored teams of full-time IBM employees to use IBM’s scanning and multi-media technologies to capture the experience of visits to the State Hermitage Museum in St. Petersburg, Russia (www.hermitagemuseum.org) and historical sites in Egypt (www.eternalegypt.org). The result was innovations developed for the company and for the museums.

In another unique type of social engagement, that was to some extent at the other end of the continuum of full-time work on blue projects, was IBM’s approach to fostering individual employee involvement in their communities on their own time. In 2003, IBM launched the On Demand Community, a program designed to motivate and equip IBM employees to volunteer in local communities by providing IBM technology tools to not-for-profit organizations and schools. This initiative was expanded in 2004 to include retirees. Through this program in 2008, 130,000 volunteers donated 8 million hours, using technology to transform public and voluntary agencies.⁴

By 2008, IBM had an extensive portfolio of extensive and unique corporate citizenship programs and was considered by many to be one of the most innovative socially responsible companies. From education to health to the environment, IBM was involved in many social and humanitarian initiatives that tapped the expertise and experience of IBM Corporation, and it all operated with full support and clear direction from CEO Palmisano, and the IBM Board.

Corporate Citizenship and Globalization

Litow turned to IBM’s history and experience in corporate social responsibility activities for direction in designing new ways for IBM to meet the needs of the world created by globalization. From its inception, IBM had cared for its employees and Palmisano extended that care to local communities and national issues. The world had changed through the creation of the Internet, the progression of globalization, and the development of new economies. IBM recognized that this created a mandate for a new relationship between businesses, employees, and society.

For IBM, this meant developing a three-fold approach. IBM wanted to strengthen its brand, increase shareholder value, and market itself as a company that people and society could trust. Second, it desired to benefit its employees through training and education, assistance in changing careers, personal empowerment, and opportunities to give back to local communities. And third, IBM wanted to impact society at large through using IBM talent to solve global problems like climate change, poverty, and disease. Through this triple benefit approach, IBM decided to use its values to change itself, its employees, and it hoped, the world.

Litow summed up IBM’s approach

⁴ For more detail on IBM’s On-Demand Community see John A. Quelch, “IBM: On Demand Community,” HBS No. 504-103 (Boston: Harvard Business School Publishing, 2004).

Everything flows from IBM's core values, and we're almost 100 years old, and the values were recently reset under Palmisano's leadership, and obviously that's very, very important that not only do people understand the values, which I know they do, but that they participated in setting them, and that while they've been rephrased, they're part of the corporate culture of the company that goes back to the founders, the Watsons. Community was always very important. Maybe it wasn't in its mature stage that it is now. But corporate culture, the DNA of the company, understanding business's responsibility to society, the importance of the voluntary sector, the importance of close alliances with the public sector, respect for the individual, trust, innovation, these are things that are deeply ingrained in the company, and they make it easier to go through these large shifts in business strategy.

Robin Willner who managed many of IBM's education programs within the CCCA, oversaw, in close cooperation with a global team that included Jen Crozier, and CCCA regional leaders Louise Davis, Julie Coyne, Ann Cramer, Diane Melley, and Celia Moore, the efforts focused on responding to Palmisano's call for a globally integrated enterprise. She assembled a team that contacted IBM employees in approximately 20 countries and asked them about how globalization affected them. The CCCA had already put together a list of critical issues resulting from globalization, but wanted to know whether this accurately reflected what IBM employees in other countries felt or if there were any issues they had missed. After conducting this research, the team first looked at programs that IBM already had in place to assess how it was addressing the issues. IBM had a large portfolio of citizenship and community activities, from employee training to environmental conservation to human rights. The group decided that through its existing programs, IBM addressed about 80% of globalization issues.

Palmisano continually challenged the group to find new ways for IBM to find that additional twenty percent. The team created a list of 10-12 potential programs that could meet the globalization issues not already addressed by IBM. The programs were evaluated for price and feasibility and then vetted by senior leadership. They reached out a second time to IBM employees in other countries to ask their opinion of the list of programs the team had put together, particularly asking them to rank order the programs based on the amount of work involved and the potential return on IBM's investment. The group eventually got support for three major initiatives that could be announced in July 2007, one of which was the Corporate Service Corps as part of a Global Citizens Portfolio.

The Corporate Service Corps

The Corporate Service Corps (CSC) was a program in which IBM's top-notch employees worked on short-term, skills-based community service projects abroad in developing countries. Such international programs where employees serve in developing countries had grown in popularity among corporations as a way to both increase corporate social responsibility exposure and advance companies' global business strategies but they were typically at a smaller scale than IBM's plan. In September 2007, FSA Social Impact Advisors in collaboration with The Brookings Institute and Pfizer, Inc. released the results of a study on international volunteering programs. The study, which prominently included IBM, found that the number of such programs were increasing and that the reason multinationals were embracing the programs was because they provided an opportunity to further the multinational's own business strategy rather than simply to improve employee morale, which had been the more common motivation when volunteer programs first became popular. Other corporations with well known programs included Pfizer and Ernst & Young. (See **Exhibit 1**.)

The idea for such a program had been floating around the CCCA for awhile as the group had long been tracking U.S. national service initiatives such as City Year and AmeriCorps, both of which had

ongoing IBM partnerships. For example, in 1995, soon after the founding of AmeriCorps, the IBM Foundation funded a study showing that every federal dollar invested in AmeriCorps resulted in \$1.60 to \$2.60 or more in benefits to AmeriCorps members and the communities of service. Kevin Thompson, a Peace Corps alumnus and the program manager for the Corporate Service Corps, had also been having recent discussions with representatives of two non-governmental organizations (NGOs) that placed volunteers in international assignments. He reported,

As I spoke with them, I was thinking, "Wow, maybe we could really pull something like this off." And I was aware of a couple of corporations that had similar types of programs, but not programs that really leveraged a number of strategic opportunities that I thought we could incorporate into our program model. But the original discussion was literally - what if we could do a Peace Corps for corporations, what would that look like, and what type of work would we do, where would we do it, and how long would it be for?

The group also knew that they would have to balance the legitimate concerns of IBM's line management who might resist having their best employees be away from their regular jobs for extended periods of time. As the group continued discussions with management over a number of meetings, they decided to consult employees, who came back with great enthusiasm for the program. Litow recalled, "The process after we got the ideas down on paper was for me to meet personally one-on-one with the key stakeholders internally within the company: within Human Resources, Finance, Innovation and Technology, Marketing, and Communications, the global businesses, and some country general managers. And then eventually with their input and support and that of senior leadership we got the budget proposal and operations plan worked out. It was a very collaborative process."

Willner highlighted both the difficulties and opportunities involved in the CSC approval process:

It's fair to say that people had 100 questions and we did not have 100 answers - it was the least-known piece. But it was 200 people over the first twelve months, which meant only 100 people in 2008. So it was going to be a pilot. I think that part of getting it approved was there was an understanding that we needed this piece that focused on emerging markets to fill out the portfolio. And while we didn't have all the answers, senior management had the confidence that we're not going to send any IBMer anywhere until we do have all the answers.

Once the Corporate Service Corps concept was approved, Palmisano embraced and then announced it in a speech in Washington in July 2007, Litow and his team faced the challenge of implementing the program within one year. Litow stated, "In the first week in August, we began with, "We are so fortunate to have top tier support. Now how are we going to implement this idea?" We began identifying the management structure, the teams to put in place to operationalize this innovative, creative, brand new program so that within a 12-month period it would be operational. We needed a full IBM team effort."

Launching the Corporate Service Corps

Launching the Corporate Service Corps involved many program design decisions, from how to find the right implementation partners to how many people to assign to each team. The team, including Coyne, Crozier, Davis, Moore and Thompson, had to determine the type of projects they wanted, the organizations with which they would partner, program duration, and employee preparation and selection. Litow described the complexity of the situation facing the group.

First, how do you balance the need to have a work experience in the developing world where people can be productive, learn new skills, develop leadership opportunities, benefit people on the ground, make a real contribution to society, and create a benefit to IBM? Would the projects be educational, environmental or economic development?

Second, what is the experience? How long is it? How many people would be in a team? Would it be three people, five people, twelve people, ten people? What would be the geographies where they would work? What kinds of things would they do? What individual organizations would sponsor the work?

Third, what would be the criteria for applying or getting into the program? What would an application look like? When would people apply for this? How would we begin the process of notifying employees and then selecting them? What level should they be within the company to apply? How would it connect to IBM's existing leadership training program? Would people be already part of one or another leadership training program, or would it be separate from that? Who would participate in the scanning or the screening of applications?

Finally, how would we set it up from a management standpoint? How would we get the budget that we needed to support this activity? Who would actually do the work of oversight? How many people from HR and how many people from communications? What role would country general managers play? Who would approve it? Who would pay for it?

Thompson added,

If we were going to choose our best and brightest people, they could only be away from the business for about a month. We figured we could extend the experience by having a pre-work phase and a post-work phase. We didn't know exactly what either of those would mean yet, but we knew that we could create a longer experience and bookend it around the in-country experience.

We also knew we would need to find work that leveraged the skills of the IBMers - that simply sending people to build a hospital, albeit a noble activity, would not work at IBM. The work needed to be skills-based, and focused on what the employees are able to contribute in terms of their capabilities.

Ultimately, the team decided that the program would span six months—three months of “pre-work” preparation, one month working in-country, and two months of “post-work.” The group determined that employees should be placed in assignments in which they could utilize their specific skills and they wanted the in-country segment of the program to be as an authentic overseas experience as possible. They decided that the best way to ensure that all of their objectives were met would be to find and partner with existing organizations that specialized in creating these types of experiences.

To sponsor the initiative and provide recommendations and oversight, a senior advisory structure was created, a board on which key leaders participated - from Senior V.P.'s for Human Resources, Marketing and Communications, the company CFO, and key country general managers.

Implementation

Thompson and the team invested significant time in designing a request-for-proposal (RFP) and found 32 potential organizations that placed individuals in short-term business assignments in the developing world. The RFP asked these organizations how many participants they could support,

how much the program would cost, what the living arrangements would be, what type of work assignments would be given, and where these assignments would be located. The CCCA team wanted immersion experiences that balanced a base level of infrastructure with maximum exposure to local culture. Thompson described, “We laid out the type of experience we were looking for. On one end of the continuum is the mud hut in the bush with no electricity experience; on the other end of the continuum are the three- or four-star business-travel hotels in the capital city with high security walls, cheeseburgers and CNN. We were looking for an experience in the middle. We wanted to avoid capital cities. We wanted to be in secondary metro markets.”

By December 2007, 21 potential organization partners had responded, and three had been chosen. These implementation partners made arrangements for teams of approximately eight to twelve IBM employees to work for local clients in Romania, Ghana, Tanzania, Vietnam, and the Philippines. The countries were selected based on priorities established by IBM’s emerging markets organization. Specific locations were established in consultation with IBM’s in-country senior management team.

The work assignments included projects like increasing the competitiveness of small and medium-sized enterprises (SMEs), helping underserved organizations build technology platforms, improving supply chains to enhance local employment, develop business strategies, and creating training programs in a number of business areas. By January 2008, the team was ready to begin the application process.

Despite the large number of responses to the announcement of the program, IBM was unsure how much serious interest employees had in the Corporate Service Corps. One senior official said, “If we get 250 applications, this will be a success.” The team received 5,500 applications representing employees from 54 different countries by the close of the application period.

The overwhelming response to the program created challenges for participant selection. The team set up application review boards in eight regions of the world based on employee population density. These boards in India, the United States (US), Northeastern Europe, Southwestern Europe, Japan, and three Asia Pacific regions were overseen by a team member and assigned a designated number of applicants from their region to the Corporate Service Corps. The team also designed a 50-point scoring system to rate applicants. Thompson described the challenge:

We realized we had to set initial qualification criteria if we were trying to get the best of the best. To apply, an employee had to have at least two years of IBM tenure and performance ratings in the top 15-20% over a three year period, so 80% of the company didn’t even qualify. Being part of an IBM talent development program qualified for points. Having a history of being a volunteer counted as points. We wanted to make sure people already had some experience in volunteerism or giving back to guard against this as a sort of vacation junket. The essay was the primary mechanism for distinguishing the really, really exceptional applicants from the otherwise very good.

Key to handling the application process was the team’s decentralized approach. Thompson said, “The one major lesson from a management perspective in this program is distributing authority or else it just doesn’t work. I think that’s where many of the other corporations running programs like this stumble. They can’t scale because they centralized so much decision making with a very small number of people in one headquarters location.”

By mid-March, the Corporate Service Corps members had been selected, assigned to countries, and notified. The team then found itself in a crunch to provide a training program. IBM had committed to send teams on assignment beginning in July 2008 and had also specified that the

training program, which they termed “pre-work”, would last for three months. That meant that the group had to design a pre-work program for participants to start beginning April 1, 2008.

The pre-work program encompassed 40-60 hours of additional work, as participants were expected to continue to perform their regular duties during these three months. Thompson said, “We were pretty clear in the program promotion of the application process. Participation would involve about 4-5 hours of additive work per week to get ready.”

The pre-work curriculum focused on four areas: team development, skills development, logistics and assignment related tasks. Learning modules covered topics such as IBM’s Corporate Social Responsibility (CSR) strategy, cross-cultural management, knowledge of the destination country, and information about health and travel safety. Teams organized conference calls, utilized online social networking platforms, shared expectations and figured out how to work together.

Litow saw differences between the Corporate Service Corps and similar programs at other companies.

What’s different really is the immediate link to the business. The Peace Corps model is a very personal model about you as an individual and then it’s up to you to relate it back to what you’re going to do with that experience in your life. And a lot of programs within companies are like that, often a sabbatical disconnected from work. The idea here was that it was designed to be a triple benefit program. It was designed to integrate into the work. It was designed to take advantage of interdisciplinary teams, across cultures, it was designed to have a particular beginning, middle, and an end, and it was designed to balance benefit on the ground of the team, benefit for the individual, and benefit for the company. That’s a little bit different, as I understand it, from what other companies do, and it makes it scalable because it connects to the business.

The Corporate Services Corps Projects

In July of 2008, the first team left for Ghana, and between July and October, IBM sent 11 teams comprised of a total of 100 IBM employees to the following countries: Ghana (2 teams), Tanzania (2 teams), Romania (2 teams), the Philippines (3 teams), and Vietnam (2 teams). (See **Exhibit 2**.)

Teams engaged in a diverse variety of projects. In Romania for example, they helped the Center for Entrepreneurship and Executive Development improve their ability to serve as a regional business network hub and improve regional market access. A Romania partner described some of the value added by IBM: “In terms of IT, one expert helped my office to improve the database, customer relationship system and the propagation of my organization trademark internationally.”

In Ghana, teams worked to improve business processes and provide training for a network of small and medium enterprises that are part of the Association of Ghanaian Industries (AGI). As a result of this project, the organization is now able to access financing through an AGI partnership, and also conduct a supply chain assessment of the handicraft sector and provide training on business fundamentals and the use of ICT to a local NGO. As noted by one of these partners, IBM:

Made us understand and appreciate great promotional/marketing opportunities by utilizing online services; presented recommendations on the proposed office/functional expansion; identified possible growth areas/opportunities for business development; emphasized the need to create a brand; recommended readings/online sites of best practices/best-of-the-breed on investment promotion and tourism. Further, by interacting

with all the other high-performing IBMers, I identified certain traits that will help me become a better leader.

In Tanzania the IBM teams collaborated with KickStart, a nonprofit that develops and markets new technologies in Africa to develop modular training courses in marketing, sales and supply chain. Others worked with communities in and around three wildlife management areas to develop tourism in the area that combined conservation with livelihood enhancement. A team worked with the Tanzania Association of Tour Operators to update their website and provide a search capability that enabled tourists to identify reliable tour operators.

In the Philippines, the team assisted the Davao City Chamber of Commerce in the development of an online marketing service facility and an investment opportunity database. As described by one of the local partners in the Philippines:

We already had a Directory for sources of funds. The Corporate Services Corps organized this into what they termed e-fund tool, an electronic version of what we have done. They also organized the way we interact with enterprises into another tool they called the CAT (client assessment tool), which again electronically made it possible for us to assess our clients. The CSC not only gave us strategic direction, but outlined things we could do to improve our organization in short term, medium term and the long term.

Another Philippines partner describes how “we were able to strengthen our networks especially with the banks and the universities. Through the program and the coming together of the other partners we became aware of each other’s program and activities. This we did not know before even though we operate in the same country”

In Vietnam, the teams supported the rapid development of small and medium enterprises by conducting stakeholder engagement and consultation with Chamber of Commerce members as well as government and regulatory bodies. As described by one of the Vietnamese partners, the CSC:

Created training programs in IT management, incorporating requirements analysis, systems design, and network administration. The CSC developed a multi-channel strategy, a succession planning model, reevaluated components of outsourcing, and contributed details about E-books market. We also gained new strategies in public relations, new management techniques and new ideas for information system.

The independent consultancy evaluating the program contacted and surveyed 31 of the local project organizations to assess satisfaction with the program and gain an understanding of the benefits the organizations had received from the IBM engagement. The results were quite promising and suggest that the CSC added significant value to these organizations across a diverse array of business processes. (See **Exhibit 3**.)

Participant Experiences

After they were chosen to be a part of the CSC, participants engaged in extensive communication via phone and the internet as they completed the pre work curriculum. The teams were mostly self-organized with limited interaction with IBM management during the process.

After the teams assembled in the country of their assignment, many participants realized they should have spent more time on pre-work. Participants believed that some strengths of pre-work included providing cultural awareness and overviews of country-specific history and culture. But

many also said that they wished that they had taken the work more seriously and been more thorough in their preparation. Some also wished that CSC management had intervened more and they mentioned a difficulty in finding time to do all of the pre-work effectively. Noted a participant from the Philippines: "Prework was effective for me only because I had the discipline and desire to do it. Others had not done it. Part of this was because progress was not tracked and it fell by the wayside."

Others identified some holes in the pre-work curriculum. For example, many felt they could have been more effective during their time in the country of their assignment if they had more project-specific information earlier (e.g., client contact, and contact with global and local partners) and that the pre-work could have been a little more structured. Participants also felt that they needed some team process training. But as one Romania participant reflected "New project, new country, new team- plus my personality- I would have felt unprepared however much I had prepared!" (See **Exhibit 4.**)

In reflecting on the experience, most participants believed that teaming was the crucial aspect to the experience. Noted a participant who served in Tanzania: "Teaming is absolutely one of the best parts of the experience--we found that the intra-team cultural experience was perhaps even more valuable than the cultural experience of living in another country." A Romania participant reflected similarly: "the CSC experience comes mostly from the experience of living under one roof- not through the projects- this is integral to the program and the experience. I never thought I would say this- because I am quite happy with a book by myself- but this opportunity forced me to interact and I found that these interactions were great ways to bond." A participant from a Philippines team shared: "The best part of the experience was getting to know each other. Discussing project progress at meals. Sharing experiences. I believe it does not matter how many people are in the team and they definitely should share the same accommodations. As a whole that helped create the team spirit." (See **Exhibit 5.**)

In addition to living in close quarters with a diverse group of other IBM employees, experiencing the different cultures of the assignment generated significant self-reflection and intrapersonal change. A key learning cited by participants was how to work in different business climates and cultures, particularly the importance of emerging markets. For example, a Vietnam participant described the one thing that he learned is "that the USA is not the center of the universe; in fact the center of the universe may be Danang, Vietnam. What a fantastic city!" Upon reflection, participants described how they had gained a new perspective on the world, on other cultures, and on themselves. A Philippines participant described that they learned to "be a better global citizen and have better appreciation of the differences in upbringing, actual physical environment, physical dangers (i.e. terrorism) and how that can shape an individual's approach." By being in a range of situations, participants felt they had developed as a leader during the project, specifically citing cross-cultural networking skills and the ability to work with others through language and cultural differences. (See **Exhibit 6.**) Furthermore, many expressed a new sense of confidence in their own abilities after being in the program. Many others described how they had increase in "resilience," or the ability to deal with adversity and challenges. As described by a participant from a Ghana team:

By interacting with all the other high-performing IBMers, I identified certain traits that will help me become a better leader. Also, the CSC project gave me the chance to lead in certain areas and found that if you demonstrate confidence in your skills, people will generally show you the respect and attention that you deserve. Lastly, I learned that you don't always have to know the answers to everything; it's ok to ask questions when you're unsure or just don't know.

Regarding daily life of the teams there were some ups and downs and variation across the locales on how the living conditions aided or impeded the experience. For example, a Philippines participant described how the “use of public transport was good to meet ordinary people” and further that the:

Ability to interact with local people and especially the tricycles were great fun! The staff at the Vest Pension House was great and very open to take our suggestions on how to improve food and service. We also learned a lot from them in terms of job opportunities, living conditions, etc.

But two of the Vietnam and Romania teams had some significant issues with the living conditions overall. As a Romania participant described:

The hotel was too far away from the city centre, next to a vacant lot with wild dogs. I recommend IBM scope the area where hotels are located better. The hotel was strict on toilet paper usage – but sometimes you need more than one roll in a week! IBM should also ensure laundry facilities are provided or that the high cost of laundry is taken into account in per diem. I think a pension/service apartment would be better than hotel for extend stay and teaming.

Finally, the consultant’s evaluation discussed how participants also expressed a deep appreciation to IBM for providing them with such a life-changing experience and that the experience increased their interest in staying at IBM. Furthermore, the new types of knowledge and skills that participants could contribute back to the IBM organization was a salient issue throughout the consultant’s report, with leadership skills and global knowledge and awareness being particularly prominent. (See Exhibit 7.)⁵

Looking Forward

While the CCCA team had succeeded in delivering a unique and compelling program, in many ways their work had just begun if they were going to deliver a program that could also grow effectively and not only deliver to individual employees and the partner organizations but to IBM as a whole.

In his *Foreign Affairs* article, CEO Palmisano had set a high bar of transforming IBM into a globally integrated enterprise and the CSC was an important element in that transformation. While the results from the first 100 employees suggested a very promising direction, how could Thompson, Willner, Litow and the rest of the CCCA team tell if the CSC was delivering on Palmisano’s overall goal? What were the key metrics they should track moving forward and what would success look like?

As they began the process of refining the program for the next year based on the evaluation results, a number of other important questions remained. How scalable was the program? What were the main risks to the model as it grew? And a continual question about the program was whether its length – only one month in country – was long enough to produce measurable differences to any of the key constituents – employees, local partners and IBM as a whole? They were experimenting with having the same local partners receive multiple CSC teams over time in order to enhance social impact. But was there a way to accumulate the innovation and global learning across teams to add

⁵ For more detail on how IBM’s humanitarian efforts lead to increased employee motivation and commitment see Rosabeth Moss Kanter, “IBM: Ways of Working,” HBS No. 308-107 (Boston: Harvard Business School Publishing, 2008).

additional value to IBM? And was that even an appropriate question given that the stated goal of the program was developing global leaders?

Some of the strategic questions that occupied their time regarded geographic focus and connection to other IBM initiatives. Should they continue to only focus on locales where IBM didn't have significant business, or concentration of employees? What about inner cities in the United States and other developed countries? More generally, what should be the criteria for CSC project locations in order to deliver the greatest business and social value? Should IBM focus on areas where there are obvious opportunities and an infrastructure in place to connect them to partner organizations, or should they work harder to locate partners and projects that were in greater need of their help? Further, in November of 2008, Palmisano announced an important new strategic focus for IBM. The "Smarter Planet" initiative would focus technology tools to deal with the world's challenges in energy, transportation, water and health care. Was there a way to connect into this smarter approach to leadership development in order to deliver even more benefit to both IBM and society?

And finally, an important question they continued to debate was if the CSC model was an aspect of IBM's intellectual property that they should protect, or should they share this model of leadership development and service more broadly? In September of 2008, Senators Edward Kennedy (D-MA) and Orrin Hatch (R-UT) introduced new legislation, the "Serve America Act," to expand opportunities for service. And the recently elected Obama Administration had signaled an interest in expanding national service initiatives. Should IBM become involved in promoting their program, and model of international corporate service more broadly? And should the model be available to IBM's clients too?

They had only a few months before the 2009 teams would depart and there was still a lot of work to do. What elements of improvement should they focus on in the short term, and which were items that were better addressed in the long term?

Exhibit 1 International Corporate Volunteering Programs

International Corporate Volunteering (ICV) programs provide opportunities for multinational corporations to improve local and global communities while also training employees, improving employee morale, and advancing the corporations' own business strategies. Although ICV programs had traditionally been embraced as morale builders, the spread of globalization encouraged multinationals to look at these programs as specialized training for employees that fostered leadership skills and cultural awareness, both of which were important for corporations' success in global expansion. Below are further descriptions of two prominent ICV programs.

Pfizer

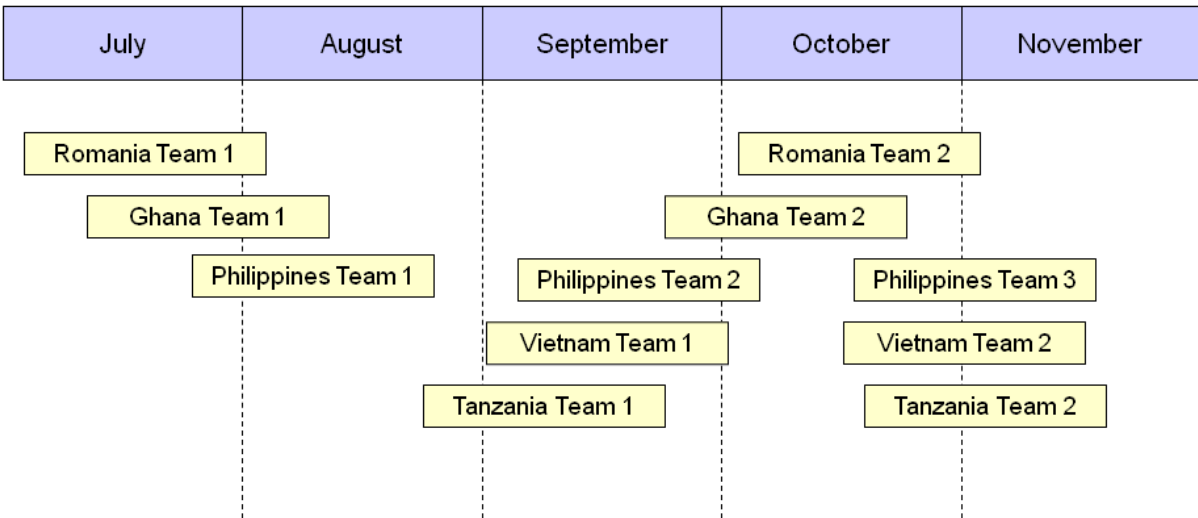
Pfizer linked its business strategy as a pharmaceutical firm to its CSR strategy by creating the Global Health Fellowship. Beginning in 2002, Global Health Fellows were sent to countries in Asia, Africa, Latin America, and Eastern Europe to partner with NGOs and governments to tackle healthcare issues and combat diseases. Participants' skills were matched with projects and employees served in such capacities as nurses, doctors, teachers, business consultants, and epidemiologists. The projects could last up to six months, and Pfizer covered all expenses. Pfizer believed that the Global Health Fellowships were not only good for the countries in which volunteers worked, but that they also contributed to Pfizer's business strategy by providing a unique training opportunity for employees. Global Health Fellows learned and were able to try out new skills that they were then able to put into practice upon their return to Pfizer. Pfizer deployed 30 to 40 Global Health Fellows each year, and by 2008, had sent 171 Global Health Fellows to 34 countries to work with organizations like the International AIDS Vaccine Initiative, U.S. Agency for International Development, Transatlantic Partners Against AIDS, Family Health International, the American Cancer Society, and CARE International.

Ernst & Young

Ernst & Young created the Americas Area Corporate Social Responsibility Fellows program and deployed its employees to countries in North and South America. The focus of the program was to help entrepreneurs improve business practices, and employees volunteered as consultants, utilizing their skills and knowledge to better entrepreneurs' strategies and business operations. Ernst & Young partnered with Endeavor Global to match employee expertise with entrepreneurs' needs. The program duration lasted approximately three months, and Ernst & Young provided funding and support, as well as candidate selection. Ernst & Young saw the program as a benefit to both entrepreneurs and the multinational firm as the experience fostered personal and professional growth for program participants. Ernst & Young employees were able to improve their skills and leadership capabilities, practice them abroad, and then bring those new skills and abilities back to the firm. The Americas Area Corporate Social Responsibility Fellows program began in 2005 and, in 2007, deployed ten employees.

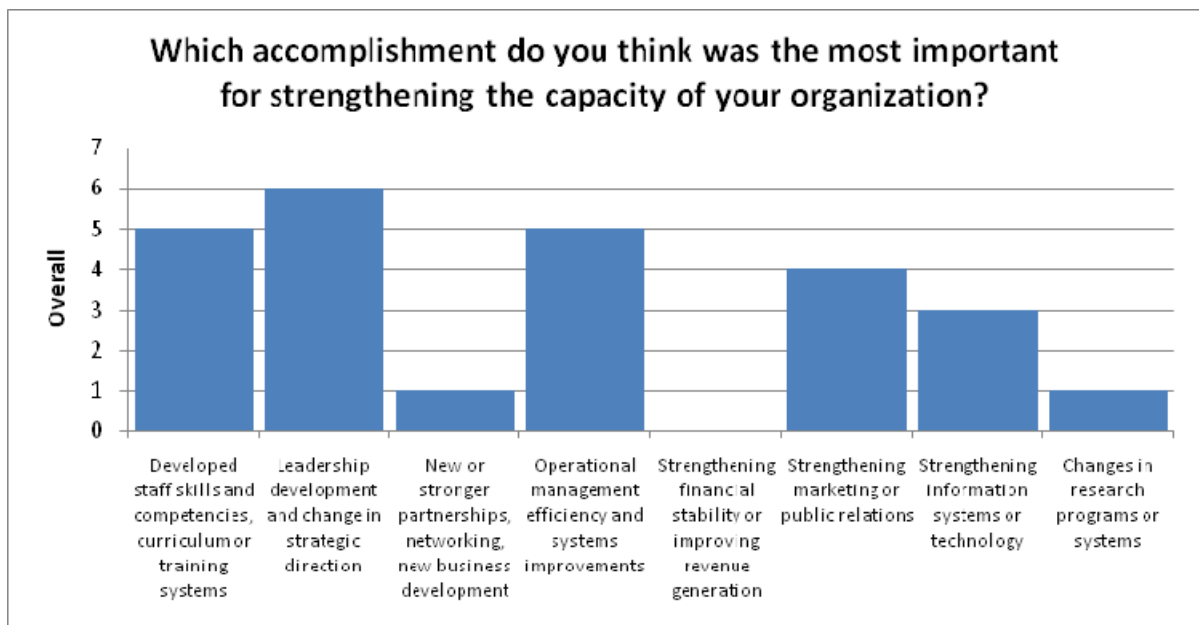
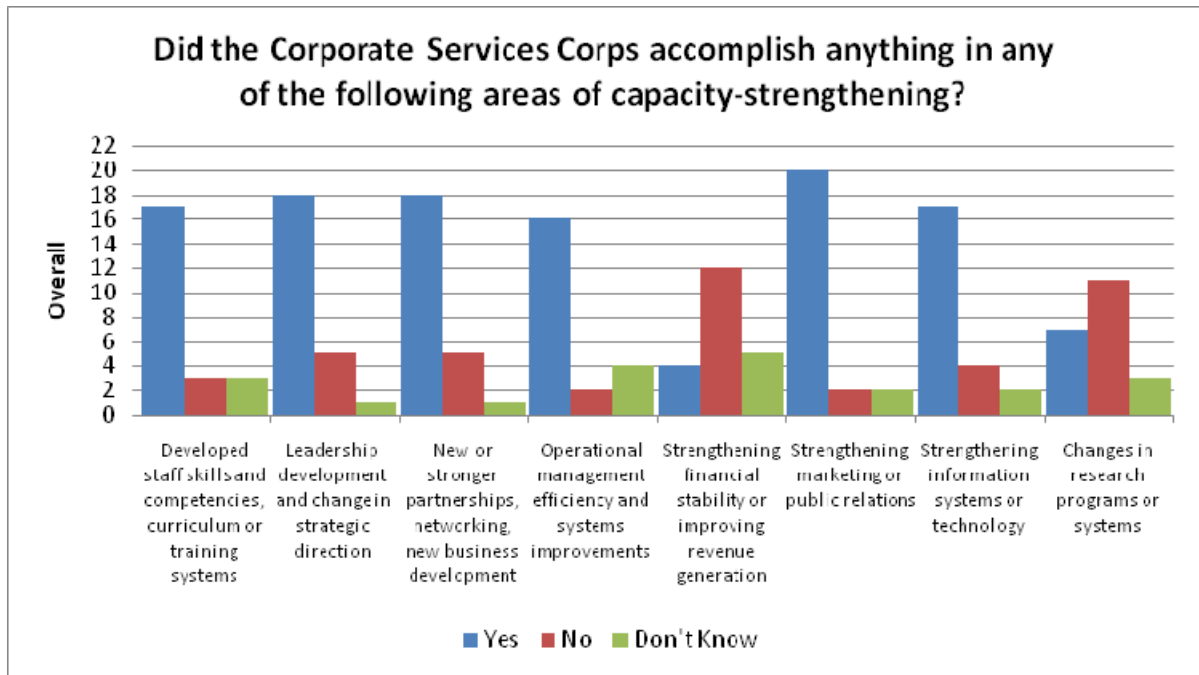
Source: Information compiled by case writer from: "Volunteering for Impact: Best Practices in International Corporate Volunteering." © 2007 by FSG Social Impact Advisors (<http://www.fsg-impact.org/ideas/item/536>) accessed December 15, 2008.

Exhibit 2 Deployment Schedule by Country



Source: Company documents.

Exhibit 3 Impacts to Local Partner Organizations



Source: Company documents.

Exhibit 4 Participants Assessment of Pre-work Effectiveness

EFFECTIVENESS OF COMMUNICATIONS MECHANISMS DURING PRE-WORK (1–7 SCALES)

	Network Site	Conference Calls	Media Library	Internal Wiki	External Wiki/Blogs	Communication Together
Overall	4.4	5.9	3.9	5.6	3.4	4.8
Ghana 1	4.6	5.4	3.4	5.6	2.1	4.5
Ghana 2	4.6	6.7	4.7	5.9	2.8	3.8
Tanzania 1	6.5	5.9	5.6	6.0	4.1	5.8
Tanzania 2	3.8	5.5	3.5	4.8	3.8	3.5
Philippines 1	4.7	5.3	1.0	5.9	3.9	5.9
Philippines 2	4.4	6.3	1.0	4.8	3.2	5.0
Philippines 3	3.1	6.5	3.0	5.8	3.8	4.9
Vietnam 1	4.0	6.0	3.6	5.8	3.2	5.8
Vietnam 2	5.4	6.6	4.3	4.6	3.8	4.6
Romania 1	3.5	5.1	3.3	6.3	2.3	3.8
Romania 2	3.7	5.1	3.5	5.6	5.0	4.9

RATINGS OF PRE-WORK MODULES (1–7 SCALES)

	Getting Started	Cultural Awareness	CSR	International Develop	Travel Health and Safety
Overall	4.7	5.0	4.7	4.9	4.9
Ghana 1	4.3	4.0	4.1	4.6	5.0
Ghana 2	4.4	5.1	4.4	4.7	5.1
Tanzania 1	5.8	5.9	5.5	5.6	5.9
Tanzania 2	4.7	4.5	4.2	5.0	4.2
Philippines 1	4.4	5.3	5.2	4.4	5.3
Philippines 2	4.7	5.8	5.2	5.2	5.0
Philippines 3	4.6	5.5	4.5	5.6	4.6
Vietnam 1	5.2	5.8	5.5	5.2	4.9
Vietnam 2	4.5	5.0	4.3	4.3	4.5
Romania 1	4.7	4.2	4.6	4.8	4.9
Romania 2	4.3	4.3	4.8	4.5	4.6

Source: Company documents.

Exhibit 5 Participants Assessment of Logistics and Local Arrangements

ASSESSMENT OF LOGISTICS AND LOCAL ARRANGEMENTS (1–7 SCALES)

	Travel Overall	Living Overall	House Condition	Meals	Ground Transport
Overall	4.6	4.9	4.8	4.4	5.0
Ghana 1	4.3	5.8	5.8	5.0	4.8
Ghana 2	5.0	5.1	4.8	4.9	4.3
Tanzania 1	5.8	4.6	4.0	5.3	3.9
Tanzania 2	4.7	4.9	4.8	4.4	4.9
The Philippines 1	4.5	5.0	5.0	4.2	5.0
The Philippines 2	5.3	5.8	6.2	4.3	5.4
The Philippines 3	3.1	5.7	5.9	4.6	5.7
Vietnam 1	5.4	5.1	4.9	3.9	5.8
Vietnam 2	4.9	3.6	3.1	3.6	5.3
Romania 1	3.7	5.6	5.4	4.2	5.6
Romania 2	4.5	3.1	3.5	3.9	4.3

Source: Company documents.

Exhibit 6 Effect of the CSC Experience on Participants

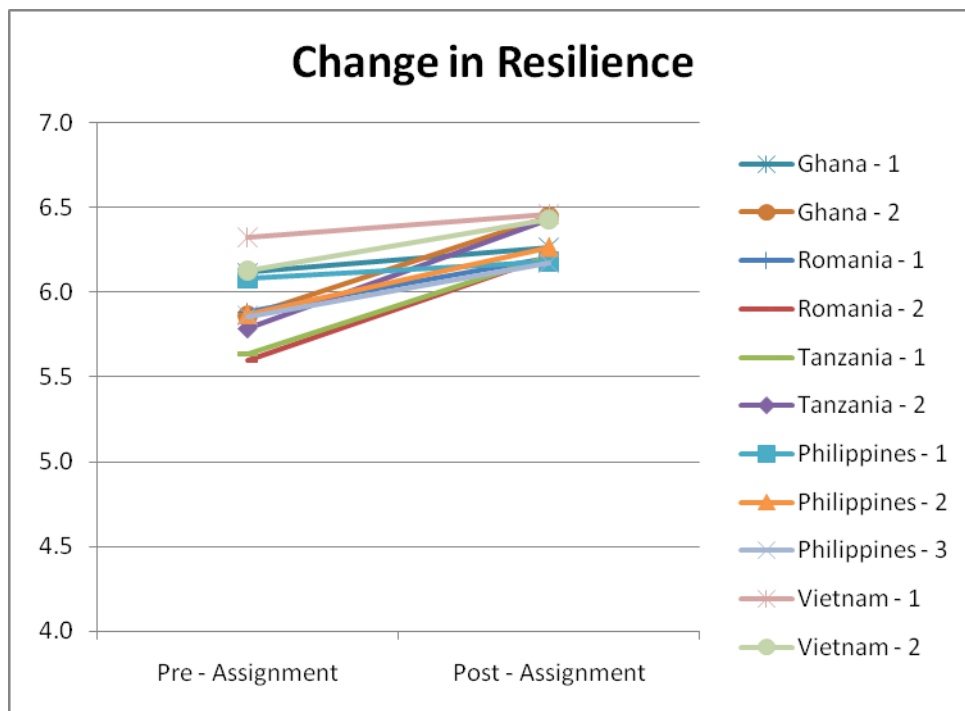
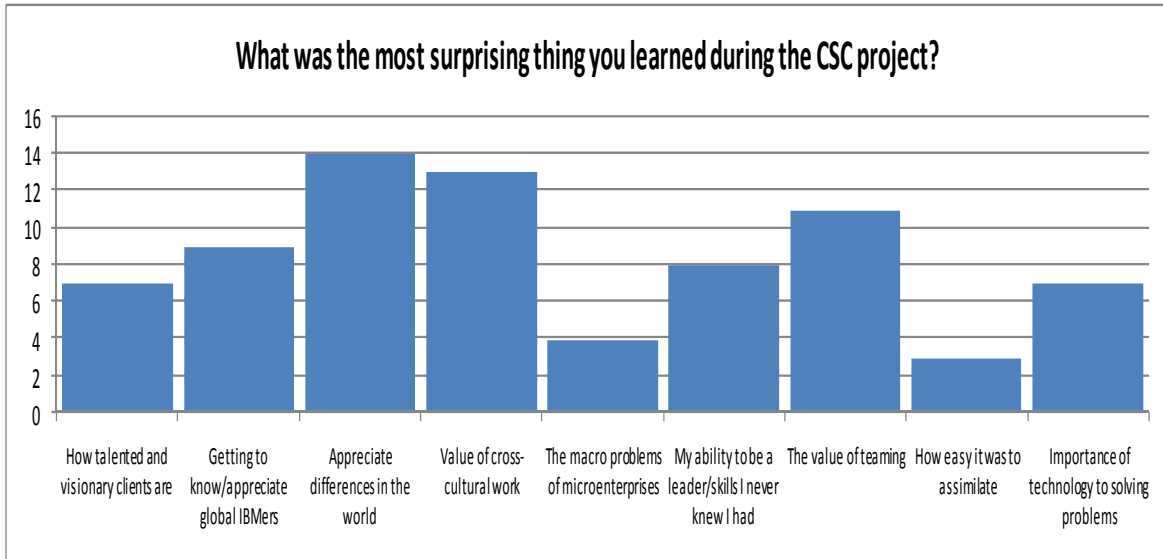
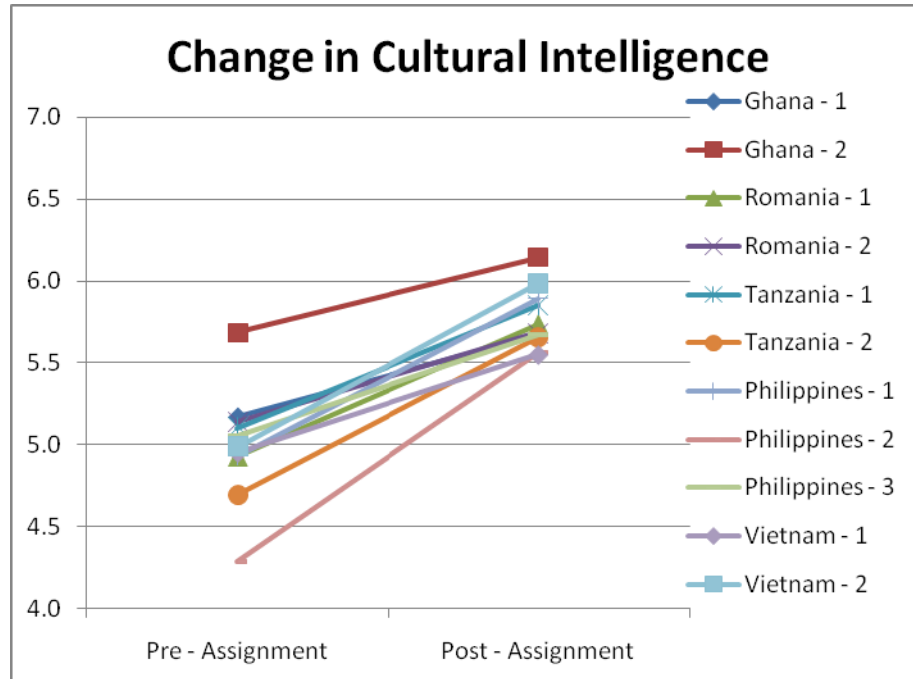
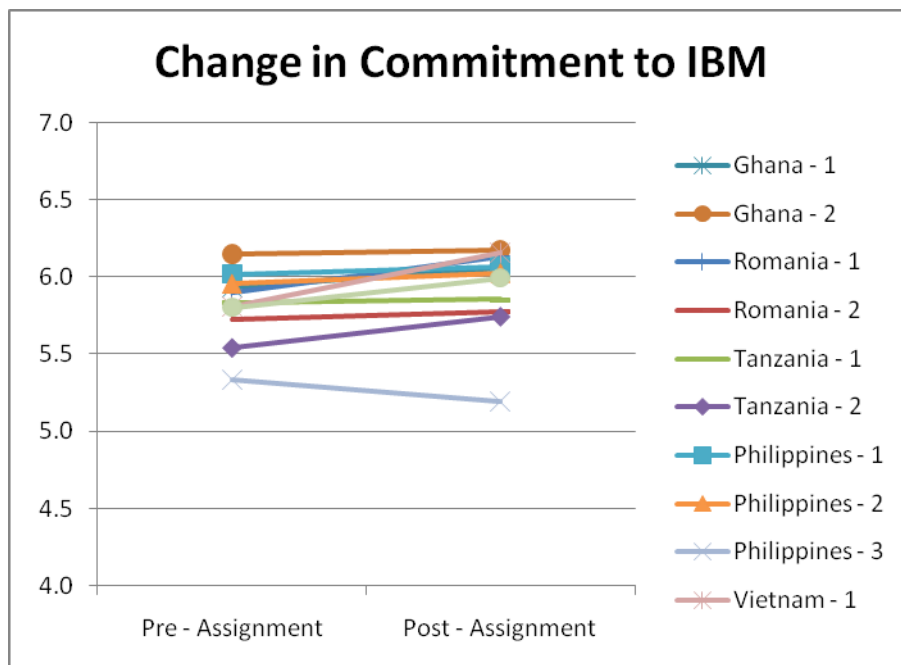
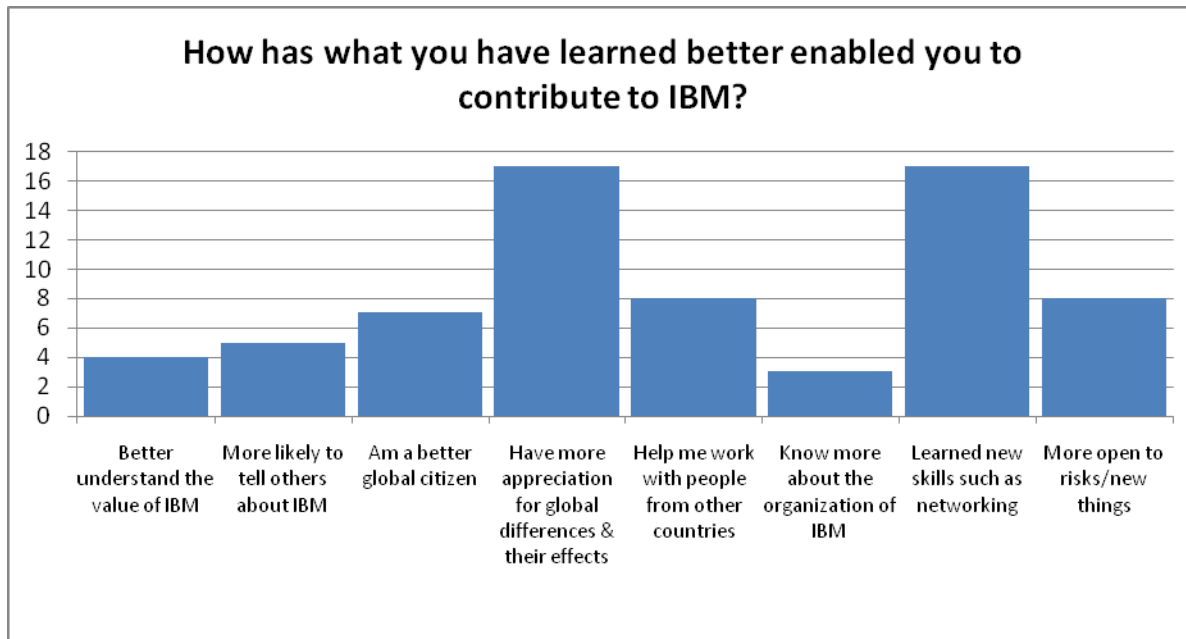


Exhibit 6 (continued) Effect of the CSC Experience on Participants



Source: Company documents.

Exhibit 7 Effect of the CSC on IBM



Source: Company documents.