

# From Good to Great to Being Good

By Howard Males

Many companies that have spent the past several years trying to move “from good to great” may now see their leaders attempt to take them “from good to great to being good.” As workers closely watch and take cues from their leaders, trust in the well being of their companies rests in the example set by corporate executives.

In a recent interview with the *WSJ*, Charles O. Prince, CEO of Citigroup, made clear that his focus is to be on a march toward integrity and business ethics. Not content to simply brand this a push for values “until [he is] blue in the face,” Mr. Prince is aiming to populate his organization with individuals who have internalized belief systems that are fully aligned with doing the right thing. Without managing an effective course for change, my firm’s current research in the area of talent suggests that he may be blue in the face for some time to come.

Major financial institutions have been in the vanguard for their relentless efforts to upgrade and top-grade their talent. For these businesses, results are highly measurable and the pressure to perform is intense. Moreover, it takes decades to build a positive corporate reputation; it can take one single moment of lapse to tarnish it. There are at least three reasons this march to goodness, while very important, will require serious time and effort.

First, systems for top-grading performance infrequently consider core values, and those that do, seldom take them seriously. Instead, they are largely predicated on indices of prior productivity and profitability – as well as an individual’s potential to deliver more in the future. Companies must face the truth that, in many cases, the best of the best are not sitting in the crow’s nest primarily because of their moral com-

pass. Second, numerous individuals in possession of the very qualities that Mr. Prince cherishes might have already been culled from the rank and file as their integrity and good behavior may have disadvantaged them in the race to put numbers on the board. Delivering less profit for a firm can often mean fewer opportunities for advancement and pay incentives. Lastly, top management’s understanding of core values such as integrity and ethical orientation is often murky. Those who get caught behaving badly, or worse illegally, are the only clear examples of whom not to hire. But, with few reliable means and methods to identify key markers of responsible business ethics in individuals *a priori*, it continues to be a true challenge to get (and keep) the right people on board.

Certainly, many talented people are guided by an ethical imperative and are prime candidates for high performance ratings. But quite a few of the current systems for top-grading are flawed, and more than a handful of companies will have to redefine what it means to be a top performer.

Many organizations are rating for the right attributes, but often in the wrong sequence and priority – preferring to rate individuals first and foremost on performance, and (sometimes) later on how they achieved their stature. Current methods employed in

top-grading for performance frequently misidentify the “secret sauce” that fully comprises talent by omitting its intersection with the core values associated with ethics. In fact, our studies reveal that core values of integrity and honesty are present in certain job categories, on average, two-and one-half times more frequently in non-high performers than in the top rated talent groups. Overall, these core values are proffered by only about one-third of most work group populations we have

studied. To label honesty and integrity as rare qualities would be an overstatement; to call them pervasive would be an exaggeration.

If companies seriously desire to emphasize honesty and integrity, then leaders must challenge their systems for recruiting, top-grading and rewarding to reflect that goal.

Employers need to understand how productivity and integrity interact with one another to produce top performing talent that is balanced with an ethical keel. Executives must be prepared to employ a broader definition of talent for hiring...a definition that also recognizes those current employees who are capable of being both great and good at the same time.

I have worked with executives at firms of various size and purpose who are inspired by a desire aligned with Mr. Prince – to identify and grow talented individuals of high integrity within their organization. Quite simply, these executives sincerely want to learn more about the complex relationships that exist between performance and employee attributes such as honesty and integrity. Such knowledge is intended to satisfy a desire to upgrade the top-grading process and to recalibrate performance measures that include added and relevant biographical dimensions. In short, Mr. Prince will need to re-evaluate old assumptions about performance ratings. Developing a profound understanding of how special talent forms over the course of an individual’s life is the first step toward recognizing what makes the “good” become the “best of the best.” Careful scrutiny of one’s view of talent, which takes considerable research and commitment on the part of top management, will make it possible for us all to take a breath of fresh air.

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