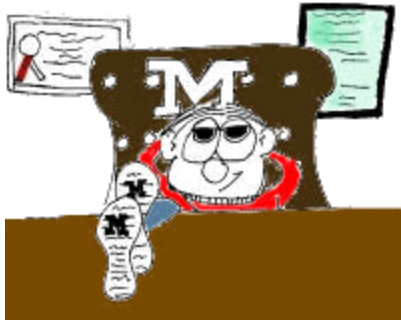


Here's the situation...

Henry always liked computers. One day, while shaving, he peered into the mirror and came to a startling conclusion.

"I'm a geek!!!," he said.



At first, Henry was embarrassed to be a geek. His embarrassment soon passed, however, when he started his own successful software company.

Henry's company is small, and started out in his basement. But it's growing, and he now has to hire an assistant for his new company. There are two candidates, Stacker and Packer. Both are intelligent and creative.

However, Henry learned that Stacker had cheated in several undergraduate courses in college. Stacker didn't deny it. Indeed, he repeatedly told all his friends about how he had "beat the system!"

Stacker and Packer have comparable qualifications, except Stacker has a 3.8 GPA and Packer has a 3.4 GPA in the same field. It isn't clear whether Stacker's higher GPA is a result of cheating, but Henry is worried. He wants your advice:

Should Henry hire Stacker? Not only does Stacker have a higher GPA, but some people might suggest that Stacker has shown ingenuity by "beating the system" and cheating his way through college. Business is a tough, dog-eat-dog environment. Maybe Stacker has proven he "has what it takes."

Should Henry hire Packer? Packer's grades may be slightly lower, but he took several computer science courses that may help prepare him for his job with Henry's company, and Henry is reasonably certain Packer learned what the courses covered. Besides, Henry doesn't have any reason to distrust Packer--he seems like an honest fellow--and trust is important in the workplace.

What do you think Henry should do?

[Hire Stacker!](#)

[Hire Packer!](#)

.....

Hiring Stacker...

Henry thought about this option, but rejected it.



First, even though Stacker has a higher GPA than Packer, Henry has no confidence that Stacker earned any of the grades he achieved Nor does Henry feel comfortable relying on Stacker's glowing letters of reference, since they might be forgeries.

Stacker may have cheated just a few times, but by doing so he put all of his credentials in doubt. There are lots of strong candidates looking for jobs, why risk hiring one who may be a fake?

Henry doesn't like bureaucracy, bureaucrats, and pointless regulations. So people who find creative ways to "beat the system" appeal to him. Still, it occurred to Henry that cheating isn't very "creative"- it is, after all, an old approach that's been around a long time!

Henry wants employees who are truly creative; people who know how to beat the system or even change the system in ways that will leave Henry feeling satisfied about his company's accomplishments, without jeopardizing its future.

Henry is beginning to realize something important about his new company: it is a source of pride to him, not just a way to make money. Henry decided he wouldn't be very proud of a company that his friends and family might eventually conclude was a fraud.

Does Henry's attitude surprise you?

[Click here.](#)

Does Henry's attitude surprise you?



Actually, Henry's view that creating a business would be a source of personal pride-not just a way to make money--is confirmed by other owners of small businesses.

One survey, reported by writer Michael Novak, author of a book called The Spirit of

Democratic Capitalism, asked small business owners to "rank their chief business satisfactions." The results were:

Pride in product /service
Control
Freedom
Flexibility
Self-Reliance
Customer contact
Income
Employee contact
Recognition

Note that "Pride in product/service" was more important to the small business owners than "Income."

Also, another thought was slowly starting to seep into Henry's consciousness. By forming a company, he was becoming part of "the system." It was a system where people entered into agreements and signed contracts and made products that Henry had to rely upon. Certain basic virtues--like honesty--seem essential, not just for Henry's business, but the economy as a whole.

**Do you think Henry's getting
a little moralistic at this point?**

If so, [click here](#).

Do you think Henry's getting moralistic?



Henry's being *realistic*, not moralistic. Author James Fallows, in his book *More like Us*, cited pertinent research by the famous Swedish economist Gunnar Myrdal. Myrdal studied many different cultures, and identified thirteen cultural traits useful for economic development. Those traits included:

- diligence
- orderliness
- punctuality

- honesty
- rationality in decisions
- cooperativeness
- long view

Likewise, one of the most popular books on management is Stephen Covey's *The Seven Habits of Highly Effective People*. Covey concluded that "Showing Personal Integrity" is one of the essential traits of a good manager.

Most people agree with that perspective. When employees are asked to evaluate the qualities of character they want in a boss--or bosses are asked to evaluate the qualities of character they want in employees--honesty is ranked among the most important. For example, a 1989 Washingtonian survey of Washington D.C. area CEOs found that when corporate leaders are "[a]sked what qualities they respect most in others, 70 percent answered honesty or integrity, with loyalty, sincerity, dependability, and hard-working also hard on the list."

Shared values are important in many setting. A "strong consensus" about the basic virtues associated with community life was reflected in a 1994 survey of over 1,100 Americans (550 of them parents of school children) done by the research group Public Agenda. "First Things First: What Americans Expect from the Public Schools" (Public Agenda, New York, N.Y.). The survey found that:

- Ninety-seven percent of both white and African-American parents say schools should teach "honesty and the importance of telling the truth."
- Ninety-four percent of the white parents and ninety-eight percent of the African-American parents believe schools should teach kids "to solve problems without violence."
- Ninety-eight percent of white parents and ninety-six percent of African-American parents think students should be taught "respect for others regardless of their racial or ethnic background."

Ninety-one percent of the white parents and ninety-two percent of the African-American parents believe student academic achievement will improve if schools emphasize "such work habits as being on time, dependable, and disciplined."

If Stacker was good at beating "the system" at the university, why would he stop beating "the system" when he started working for Henry? Henry wanted a smart, creative, honest colleague, not an employee he couldn't trust.

Finally, Henry had thoughts about continuing to expand his small company. He wanted the people employed there to be on good terms with each other. Usually they'd be working in teams developing some of the new software he had in mind. How could they get along together if they all weren't pulling their own weight? People are formed by their habits. What if Stacker started "beating the system" by cheating his co-workers, just like he cheated his fellow students by cheating in college?

No! It isn't worth the risk. Stacker may think he's smart, but he's outsmarted himself.

Henry's decided to go with [Packer](#).

Henry decided to hire Packer.



He needs someone he can trust, especially in an environment where teams will be working together on important projects.

It does appear that many workers in the future will be part of comparatively small teams of people, who will need to collaborate in an atmosphere of trust and reciprocity.

Prospective employees who lack the requisite values and social skills won't be hired.

Management philosopher Charles Handy developed this theme in a 1994 Fortune article. Handy, author of the books *The Age of Unreason* and *The Age of Paradox*, and a consultant to dozens of international corporations, including British Petroleum, Guinness, and PepsiCo, stated that:

Organizations today have to be based on trust. How many people can you know well enough to trust? Probably 50 people at most. So, increasingly, organizations will be made up of groups of 50 that will bond together for different projects and needs.