

HBR CASE STUDY AND COMMENTARY

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Should Cynthia hire  
Steve?

Five commentators offer  
expert advice.

## The Best of Intentions

by John Humphreys

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*Is it ever right to discriminate against people for their own good?*

HBR CASE STUDY

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# The Best of Intentions

by John Humphreys

Cynthia Mitchell just stared at her boss, Peter Jones. She admired him a great deal, but she couldn't believe what she had just heard.

"Let me get this straight," she said. "I shouldn't give Steve Ripley this assignment, even though he's the most qualified candidate, because the clients won't let him succeed?"

"It's your decision—and Steve's, if you decide to offer him the job. But I think it would be a big mistake," Peter replied.

"Because he's black," Cynthia prompted. "And because we're automatically assuming that the mostly white farmers in this district won't trust their books to a black professional?"

Peter flushed. "We don't assume it. We know it. Just ask Betty Inez and Hugh Conley. They were every bit as good as Ripley. But we—okay, I was blind to the unpleasant reality that plenty of discrimination still exists out there, like it or not. Because of my ignorance, they both failed miserably in districts that looked a lot like this one. It wasn't their fault, but their careers with AgFunds got derailed

anyway. I want to give Steve a fighting chance, and I want AgFunds to have a better record developing minority managers."

Cynthia sighed. "This feels all wrong to me, Peter, but I know you wouldn't raise the issue if it didn't have any substance. Let me think about it."

## Personal Experience

And think about it she did. Cynthia had flown to Houston earlier in the week for AgFunds' regional district managers meeting and had been enjoying getting to know her colleagues over dinners at a variety of excellent restaurants—a welcome relief from her rural Arkansas district, where the culinary choices ran the gamut from barbecue to, well, barbecue. She was new at her job, and the other district managers—all white men—had made her feel welcome and offered her survival tips.

Tonight, though, she stayed put at her hotel. First she worked out in the gym, then she ordered a Caesar salad and a beer from room ser-

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vice. While she waited for the food, she took a quick shower. When she finally settled down to her meal, she found she didn't have any appetite. The situation with Steve Ripley was making her really tense. It brought up bad memories. She sat back, sipped her beer, and remembered how her own career at AgFunds had started.

It wasn't so long ago. A Minnesota native with an undergraduate degree from Purdue, Cynthia had earned an MBA from the University of Kansas. She wanted to stay in the Midwest, and she wanted to work with the agricultural community. She had originally planned to pursue a career with the Chicago Board of Trade, but the opportunities there hadn't seemed promising. AgFunds—a financial services company specializing in investments and accounting services for farmers and farmer-owned cooperatives—had pursued her aggressively. She had joined the firm as an investment trainee in the Chicago office after graduation, just four years ago. Her first year wasn't that different from being in school; she spent most of her time studying for the exams she had to take to become a fully licensed representative. She thrived in the competitive training environment and was considered the top graduate in her class.

The best trainees that year were all vying for a position in northern Indiana. Mike Graves, a highly successful investment rep, was being promoted to district manager. Within six years, Mike had turned a declining stream of clients in Indiana into one of the company's largest and most coveted portfolios. Cynthia wanted the job badly and was sure she had a good shot at it. Her interview with Mike went well, or so she thought. She was half planning the move to Indiana when she received an e-mail announcing that the job had gone to her fellow trainee Bill Hawkins. She was genuinely surprised. Bill was a great guy, but his credentials didn't measure up to hers. In fact, she'd spent a lot of time tutoring him after he failed an early licensing test.

When she ran into Mike shortly thereafter, she congratulated him on his promotion. He seemed self-conscious, and before long he stumbled into an explanation for why she hadn't been picked for the plum job: "Eventually you'll be a better rep than Bill. I know it, and you know it. But this just wasn't the right

territory for you. It's very conservative. Our customers wouldn't be comfortable doing business with a woman. One day you'll thank me for not putting you into a situation where you'd fail."

Thank him? Cynthia had felt more like strangling him. But, like a good sport, she offered him some politically correct conciliatory statements—"I'm sure you made the right choice; you know the territory," and so forth—and kept looking. A month later, she landed a less appealing but perfectly adequate sales rep's position in a northern Ohio district. Presumably, the district was more hospitable to women, though she'd had to prove herself to plenty of crusty male customers. Cynthia had done extremely well in the three years she spent there—well enough to be considered a rising star at AgFunds. So she wasn't surprised when Peter, the Houston-based regional vice president who oversaw eight southern districts in Arkansas, Louisiana, Mississippi, New Mexico, and Texas, recruited her to run the Arkansas district. The new position was a stretch; reps didn't usually get promoted this quickly, but she felt ready for the challenge.

And it definitely was a challenge. Arkansas was once a great district, but it had been losing customers for 15 years, thanks to a 25-year veteran who had gotten more and more comfortable in coasting mode. Peter had finally pushed the guy into early retirement and brought Cynthia in to shake things up. The sales force wasn't that bad; it had just been poorly managed. But Cynthia desperately needed at least one powerhouse rep. Privately, she admitted to herself that what she really needed was a clone of herself four years ago—somebody fresh out of school who was talented, ambitious, and extremely hungry.

She considered recruiting the second-best rep from her old region (he happened to be a good friend), but she wanted to look first at the recent crop of eager trainees. She was intrigued to discover that Steve Ripley, this year's top trainee, was inexplicably available three months after the training period had ended. He looked great on paper: a recent MBA from UCLA, a successful summer internship at AgFunds, a stint overseas as an economic analyst for the U.S. government. So why he was still available? Poor interpersonal skills, perhaps? When she met Steve, Cynthia discovered that this was far from true. He was

personable, quick-witted, bright, an excellent conversationalist. He was also a black man in a company whose workforce was overwhelmingly white.

She had interviewed Steve just this week, while she was in Houston for the off-site, and she had ended the meeting wondering, very simply, how she'd gotten so lucky and when he could start. Within a few hours, though, her curiosity about why he was still available had resurfaced. When she asked a few discreet questions, her fellow district managers in Arkansas were evasive; they seemed uncomfortable. The longest-tenured of them finally told her that Steve wasn't necessarily a great fit in some parts of their region and suggested that she discuss the situation with Peter before she made an offer.

### Set Up to Fail?

Cynthia shifted uncomfortably in her hotel room chair. She poked at her salad with distaste then scraped at the label on her half-empty Saint Arnold beer as she replayed this morning's meeting with Peter in her mind.

It hadn't gone well.

"We need to talk about Steve Ripley," she had started. "He's a remarkable candidate. Why wouldn't I hire him if I could get him?"

"Your predecessor didn't think he was a good fit," Peter had said gently. "I have to tell you I think he was right. And it's not because I'm a bigot. I can see you're wondering about that. Steve's fantastic. He's one of the best trainees we've had through here in years. But the biggest customers in your district don't want to work with a black guy. It's as simple as that."

"So if some big customers are discriminatory, we'll let them dictate our hiring policy?" Cynthia had challenged.

Peter had winced at her remark. "Look, Steve's going to be outstanding. He just deserves to start out in a more hospitable district. Once the right opportunity opens up, he'll be hired, and he'll do brilliantly."

Cynthia, remembering the job she'd lost out on in Indiana, then countered by saying, "So Steve has far fewer opportunities open to him than other, less-qualified applicants do."

"I know it doesn't sound fair, and in one sense it isn't," Peter had said. "But if Steve fails in his first assignment, it becomes extremely

difficult to promote him—we'll be accused of favoritism or the very worst form of affirmative action. And let's not forget we have some obligation to maximize profits. I can almost guarantee you that won't happen in your district if you hire Steve. If our customers won't buy from Steve, it hurts the shareholders, it hurts Steve, it hurts you. Okay? How is that a good thing?"

### Cards on the Table

Cynthia didn't sleep well that night. She tossed around, half awake, half asleep, agonizing about what her next step should be. Could she hire Steve against the explicit advice of her new boss? What would it mean for her career if Peter turned out to be right, and Steve didn't work out? Undoubtedly the easiest course would be to keep looking, perhaps to hire her colleague from Ohio, who was, after all, a proven quantity. But that didn't feel right.

During one of those 3am moments of apparent clarity that so often come to insomniacs, Cynthia decided to lay things on the line with Steve. At 8 am, she called his house and asked if they could meet for lunch. He agreed.

"Look, what I'm about to tell you is sensitive," she said four hours later as she faced Steve over glasses of bubbly water at the Daily Review Café. "So I'm taking a chance. But I'm sure you sense a lot of what I'm going to say, so let's just talk about it openly."

"Sure, what's up?" He looked both quizzical and slightly disappointed.

"Oh Lord, he expected an offer," she thought to herself. Cynthia took a deep breath and started by telling him the story of how she lost the job in northern Indiana to a less qualified candidate and how much that had bothered her. She filled him in on the conversation with Peter the day before. By the time she'd finished, he was leaning back in his chair, sipping his water, eyes narrowed.

"I'm not sure what to say," he offered after a pause.

"No need to say anything yet. The thing is," she continued, "this is a company where women and minorities can get ahead. I know that from personal experience. And I walked in knowing I had to work harder and perform better than other candidates. I'm sure you did, too. But the folks in senior positions sometimes decide what's best for candidates without consulting them. I know I resented that a

*"Let me get this straight," she said. "I shouldn't give Steve Ripley this assignment, even though he's the most qualified candidate, because the clients won't let him succeed?"*

lot when it happened to me. I don't want to continue that pattern. I'm not ready to offer you the job, but I do want you to know what's being talked about, and I'm curious to know what your response is."

Cynthia half expected Steve to start selling himself again, as he had during their initial interview—to ask for the chance to prove himself, even if it was a tough territory. But his response was more tempered than that.

"As long as we're being open with each other, I have to say I'm not sure. I'd like to stay in this part of the country for a few years, for personal reasons, but I don't want to take a job that sets me up for failure. There are other districts in this region where blacks have done well."

Cynthia was feeling deflated. "So—so you

want to withdraw from being considered?"

"I didn't say that. I guess I want to be sure that if you offer me the job, I won't be walking into a disaster. I don't mind long odds, but I don't want impossible odds," he responded.

Sensing her confusion, Steve smiled quickly, his considerable charm in evidence. "I'm sorry if it seems like I'm just lobbing the ball back into your court, Cynthia. But from what you've told me about your own experience, I trust you to make the right call. I really do."

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**Should Cynthia hire Steve?** • Five commentators offer expert advice.

See [Case Commentary](#)

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**John Humphreys**, a former executive in the financial services industry, is an assistant management professor in the College of Business at Eastern New Mexico University in Portales.

## Case Commentary

by David A. Thomas

## Should Cynthia hire Steve?

I am often surprised by managers' assumptions that their clients are not as good or as decent as they are: "I might be willing to accept a very talented person of color, but I don't believe my clients are ready for that yet. And I'm not willing to risk finding out if I'm wrong." Their assumptions become self-fulfilling prophecies.

Peter Jones is making that kind of assumption. He comes right out and advises Cynthia Mitchell not to hire Steve Ripley. This doesn't happen as much as it used to; what's more likely to happen today is that, when Cynthia goes to Peter, he doesn't convey as clearly as he could that she shouldn't hire Steve. He equivocates instead, and Steve usually gets the job. Then when the first sign of difficulty arises, everybody bails. They say, "I knew this wasn't going to work," and not much energy gets invested in helping Steve succeed. At best, people go into sympathy mode. Everybody speaks with an understanding voice, but nobody says, "Let me mentor you. Let's see what sales tactics you're using. Let's talk you up to the clients."

Assuming that Cynthia offers Steve the job—which she should—here's what should happen. First, Cynthia does her homework. She gets a clear sense of who the clients are. Then she sets Steve up with a very good list of prospects. This will resonate with clients; people know when they've been put on a list of "desirables." They will assume that Cynthia wouldn't send a rep who would underserve the best clients, and they will be more open to Steve as a result.

Second, Cynthia has to be unequivocal in her support of Steve. When I researched the career paths of successful minority professionals, many of them described a pivotal moment when they started to believe they would succeed. It often happened when a client resisted being served by them—and their managers didn't hesitate to counter with, "This is our best person." That kind of support may be the

most important thing Cynthia can give Steve.

Cynthia needs to see herself as Steve's sponsor. That means working with Steve, but it also means working with other people to communicate her high expectations for him. She has to let the other sales reps know that he's excellent; if they get that message, they'll reach out to him and include him in their informal networks.

She also needs to help him read signals. It's not unusual for someone's social clock to be a little off when he or she is just starting out. Maybe Steve gets invited to an event and he passes, thinking it's not important—but it is. His absence gets interpreted in a negative way, because everyone assumes he understood. It's essential that Cynthia help him navigate these situations, because this is a company with very low expectations for black success.

Steve, in turn, has to understand that he needs Cynthia. He probably underestimates the degree to which the cards are stacked against him. He knows he's good, he knows he has great credentials—why wouldn't he succeed? But if things aren't working out, he needs to get on it fast, and he needs Cynthia to help him sort out the problems.

If I were Steve, I would figure out what an exceptionally successful rep looks like after one year and measure myself against that. If everyone is treating me well, but somehow it's not translating into the right performance metrics, then I need to start having conversations. Steve also needs to find the African-Americans who have succeeded at AgFunds. (Cynthia should help him.) He should ask for their help and find out what their districts look like. (I bet their districts look a lot like this one.) Somehow those individuals were able to defy the negative predictions; Steve may find someone with enough self-awareness to tell him how it happened.

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**David A. Thomas** is the H. Naylor Fitzhugh Professor of Business Administration at Harvard Business School in Boston.

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## Case Commentary

by Herman Morris, Jr.

**Should Cynthia hire Steve?**

Cynthia's problem isn't an uncommon one. I've placed young men and women in regions that were racially insular, knowing that they would need a lot of support to succeed, and I've certainly encountered resistance in my own career. So I'm fully aware of both sides' risks.

Cynthia ought to offer Steve the job. He's got the qualities she's looking for, and he's the top choice. To allow discriminatory customers to prevent Cynthia from making an offer to the best-qualified candidate is, well, it's just plain wrong. (It also puts the company at risk for a discrimination claim—one, I believe, with considerable merit.)

When Cynthia makes the offer to Steve, she should do so judiciously. She needs to be, as she apparently is, up-front and direct. Tell him it's likely to be a tough first assignment. Assure him that she'll support him, even if the odds seem overwhelming at times. AgFunds will be asking Steve to accept significant risk, and I think it's reasonable to assure him that he'll get a second chance if this one doesn't pan out.

Cynthia herself has a huge challenge. She needs to turn around a district that's been losing customers for 15 years. That's not going to happen right away. But there could be a silver lining for both Cynthia and Steve. Some prospective customers in the district will be hungry for strong performance. If they find it's forthcoming, they might let that factor, rather than race or gender, drive their business decisions. Performance could be the great equalizer here.

Peter and the other district managers need to take a long look in the mirror. Peter says he wants to see Steve's career get off to a good start, but his paternalism is suspect and a bit offensive. There's no indication that AgFunds has attempted to reform customers' attitudes or to mentor and support the previous minority representatives. And Peter's concern

about showing favoritism to Steve rings hollow when you consider that Cynthia's predecessor as district manager was allowed to perform poorly for 15 years before being called to account.

The silence of the other district managers suggests that they know Peter's not going to support Steve. It seems to me that this whole group is passively watching a talented young person's career wither and die on the vine. This affirmative inaction is pernicious. It denies Steve the opportunity to succeed, to fail, to try, or to find out why. It also denies AgFunds an opportunity to recover its investment in him.

Should Steve accept the job? Well, right now his career is stalled. He was first in his class, yet he's the last to find a position. Most of the managers in the region presume that he'll fail because of factors that aren't his fault. If he doesn't fail—if he helps Cynthia turn around this difficult district—then his career prospects within the company will be very positive indeed. So I'd advise him to get assurances from Cynthia about support and future opportunities—and then to accept the job.

Cynthia, in turn, needs to work very closely with Steve. Given the underperformance of the incumbent sales staff, she should be the one to show Steve the ropes. Beyond that day-to-day coaching, Steve will undoubtedly need Cynthia to stand up for him on occasion. In my first job as a lawyer, if a customer had any concerns because of my race, he or she got a very strong message from the senior partners: "You retained the firm; every one of our lawyers is excellent and enjoys the full support of the firm." Steve's going to need that kind of support from time to time. If he gets it, he has a good shot at long-term success.

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**Herman Morris, Jr.**, is the president and CEO of Memphis Light, Gas & Water Division in Tennessee.

*It seems to me that this whole group is passively watching a talented young person's career wither and die on the vine. This affirmative inaction is pernicious.*

## Case Commentary

by Daryl Koehn and Alicia Leung

**Should Cynthia hire Steve?**

Cynthia is right to feel uncomfortable with Peter's reasoning. Peter is forgetting that Steve has advanced this far by dint of persistence and determination. No doubt he has faced discrimination in the past and has devised strategies for coping. The Arkansas market appears to be a tough one, but Steve may actually be better suited than other AgFunds sales representatives to crack it: Some studies have shown that minorities, who are accustomed to being treated as outsiders, often outperform other groups in stressful or difficult situations. If Cynthia thinks Steve is the right person for the job, she should offer it to him. She should make sure, however, that management establishes reasonable sales goals for this territory. No one is going to turn this market around overnight.

Peter is on dangerous ground when he imputes racial bias to all Arkansas farmers. What he sees as racial bias may simply be agrarian conservatism or a rural suspicion of city folk. Accustomed to working by themselves, farmers can be rather taciturn, but Steve's charm and quick wit may enable him to draw them out. Even if these potential customers are prejudiced, people can be won over. Ethnic Chinese living outside of China, Hong Kong, and Taiwan have long been discriminated against by local nationals, yet they are among the most successful business people in the world.

Many multinational corporations face this same scenario. For years, white male executives have argued that women employees should not be given international postings because local nationals do not like to deal with female expatriates. Yet numerous studies have shown that these women have had managerial success in Japan, Korea, and the Middle East—regions characterized (by white males) as hostile to women. Women tend to be better at learning the indirect style preferred in many parts of the world. And they tend to nurture personal relationships more successfully, thereby gaining greater access than their white male peers to senior business contacts. Peter

assumes that Steve's racial and cultural differences will be a problem. Sometimes, though, diversity is an aid, not an obstacle, to developing rapport.

Indeed, Asians and Europeans often perceive white American males as arrogant, impatient, blunt, and insensitive to cultural differences and nuances. Yet Peter probably would not think twice about sending a white male employee to a foreign posting. This case is as much about Peter's biases and preconceptions as it is about supposed prejudices in Arkansas.

Imputing racial bias to customers in Arkansas sounds like an attempt by senior managers at AgFunds to deflect blame from themselves. Business executives often blame their own poor performance on extraneous factors—the September 11 attacks, the economic downturn in Asia, the millennium computer bug. The truth is, the Arkansas market has been declining for 15 years, in part because senior executives failed to remove a nonperforming manager. Rather than obsess about whether Steve should be assigned to the Arkansas position, AgFunds should evaluate its overall personnel review system, its advertising and marketing strategies, and the products being offered in the faltering Arkansas market. And instead of waiting for the "right" job for Steve to materialize, the company should be creating opportunities for all employees.

AgFunds appears to have two job tracks—a fast track for white males and a low-profile track for women and minorities. If the company does not start thinking more creatively about its people, markets, and products, talented employees like Steve and Cynthia will move to more savvy competitors.

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**Daryl Koehn** is the director of the Center for Business Ethics at the University of St. Thomas in Houston. **Alicia Leung** is an assistant professor of management at Hong Kong Baptist University. Koehn and Leung have collaborated on research examining the ethical problems that arise during cross-cultural interactions.

*Peter assumes that Steve's racial and cultural differences will be a problem. Sometimes, though, diversity is an aid, not an obstacle, to developing rapport.*



## Case Commentary

by Glenn C. Loury

## Should Cynthia hire Steve?

Forgive me, but as an economist, I look at this as a societal problem, not just one that affects individuals or organizations. Sometimes what's best for society isn't necessarily what's best for the individual players.

I can certainly see why this job candidate might be tempted to swallow his pride and say, "Let's move on." It's a high-risk assignment, and he's well within his rights to say, "No thanks." It might even be the smartest thing to do from his point of view. Similarly, I can see why the managers in the company might shy away from offering him the job. They believe that by putting Steve into this job, they'll jeopardize profits and further alienate customers who aren't very happy to begin with. They also believe it'll lower their success rate with minority employees. I don't see how we can blame them for caring about those performance measures; it's their job to pay attention to them.

But if the company maintains its reluctance to assign Steve to the job, and if Steve decides to walk away—both decisions made for perfectly good reasons—then a serious societal problem isn't getting addressed.

If the other sales reps didn't want to work with Steve, the company would have leverage over those employees. They could coach the problem employees; they could fire them if need be. If middle managers consistently failed to promote minority candidates, that's an issue higher management could fix, too. But if the problem lies with the customers' attitudes toward AgFunds' sales reps, the company has no legal recourse, and there isn't much leverage it can bring to bear. That's what makes this case interesting. You can't sue your customers.

But I wouldn't just say, "Take the path of least resistance and hire someone else." If Cynthia does that, she is letting the customers call the shots—and letting them perpetuate some pretty antiquated ideas about race. We all have an obligation to think about what's right as well as what's effective. I don't think it's utopian or naive to say that if a lot of people put up a little resistance, things can change.

Are we really sure this guy would fail? We

don't know a lot about how he presents himself. I can imagine that an urban black man—somebody whose dress, speech, body language, and style all conformed to an urban black stereotype—would have serious trouble in this district. But imagine that Steve grew up on military bases all over the world and learned how to fit in anywhere. Maybe he's the kind of guy who can drink the right kind of beer, become interested in the right sports, make the right kind of small talk. Cynthia and Peter need to keep those sorts of distinctions in mind and make their judgments based on what this particular guy is like, aside from his skin color. Maybe Steve can win the farmers over; I doubt they're all bad people.

Assuming Steve has a shot at fitting in and making a place for himself, there's still a real risk involved for him. I wonder—is there no way to insulate him from damage? I understand that in a lot of businesses, the people who make it to the top are on a very clear path; they've experienced success after success after success. Maybe AgFunds is like that, and poor performance in an early assignment means you'll never climb very high. But these are somewhat extraordinary circumstances, after all. Doesn't the company owe Steve some kind of assurance that it won't be a career killer if he does take this job? If he's a good cultural fit, Cynthia should give Steve a shot, but she should also offer him a lot of support, including a sense that he has a future with the company even if this particular assignment doesn't work out.

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**Glenn C. Loury** is a professor of economics at Boston University and the founding director of the university's Institute on Race and Social Division.

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