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Byron Woollen on Forced Ranking

For anyone who has struggled with the complexities of managing talent within corporations, Mr. Grotes hands on description of forced ranking has an immediate appeal. Indeed, the popularity of forced ranking today is in part due to its being a system that has an intuitive currency. When asked to think about and rate a group, most of us have down and dirty mental models like A-B-C, or top-middle-bottom that we use to parse the crowd. However, the application of this sort of system on a more formal basis, as in most forced ranking systems, does not offer the remedy that Mr. Grotes would lead us to believe. Contrary to his crediting forced ranking as a process that more than any other “creates and sustains a high-performance, high-talent culture”, there is no empirical evidence to support such a remark. What we do know is that the careful management of people is critical to the success of any outstanding business and this always includes accurately distinguishing between levels of performance. In fact, Mr. Grotes article inadvertently offers us a peek into the less talked about but, from my experience, more insidious issues underlying successful management of talent in organizations.

In his clear and stepwise description of managers rating their reports, we get a glimpse of a senior team with some members who had “tolerated mediocrity” in their units. We also see a senior team whose members are getting newly acquainted with the idea of challenging their peers’ decisions and holding one another accountable for those decisions. These insights suggest to me a leadership team that could be contributing more to their business generally if they addressed their own issues around their accountability to one another, the expectations of management (e.g. that they will be disciplined about making tough decisions) and their ability to raise the level of leadership’s performance by creatively challenging one another more. Mr. Grotes article, which side-steps the legal and morale complications that have bedeviled several forced ranking programs, can be seen to point up the way in which forced ranking often misses the more urgent and far reaching problem in our corporations.

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