Defining Ethics: 
The Role of an Executive Coach

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Defining Ethics: The Role of an Executive Coach

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In this article the author presents five shared core values that form the basis for ethical behaviors and define ethical acts: honesty, respect, responsibility, fairness and compassion. He describes a four-step process for analyzing the ethical situations as well as a set of decision-making principles that executive coaches can draw on when confronted with ethical dilemmas with their clients.

In some ways, it was a typical assignment. The young executive, Alan, had suddenly been bumped up several grades at his large London-based firm due to outstanding performance. Now, taking on significant new managerial responsibilities in his publicly traded company, he needed coaching. So Sarah had been called in to help. Experienced, savvy, and personable, with decades of experience behind her, she had consulted for years with this firm in two areas: individual coaching with promising executives, and top-level strategic planning with the CEO and the board. In this case, she was doing both—and heading, as she was soon to recognize, into one of the toughest dilemmas of her career.

Recounting the experience in one of our seminars in Great Britain, she vividly remembered the Monday morning when it all came to a head. She’d worked closely with Alan for several months, building a close and trusting relationship. Not surprisingly, as she learned more about Alan’s personal aspirations and career goals, she also learned about his family. She knew that his wife had put her own career aside to raise their two children, and that the family depended solely on Alan’s earnings. So when he showed up for his appointment that Monday morning in a state of great excitement, Sarah soon learned why. Over the weekend, he and his wife had found the house of their dreams in a tight London housing market. To their surprise, their purchase offer had been accepted. True, the price was steep. But based on the salary increase that had accompanied his promotion, their bank was happy to finance a significant mortgage.

But Sarah also knew something else. From her strategy meetings with senior management, it was clear to her that two major departments—one of which was Alan’s—were about to be merged in a sweeping downsizing. She had been engaged by management to advise them—in complete confidentiality and total secrecy—on the general impact and personnel implications of this move. Clearly, the restructured department would have no need for three managers. While his superiors were happy with Alan’s progress, it was very probable that, given the general state of the economy, he might find himself with no commensurate position in the firm—a kind way of saying that he might be let go.

Alan needed to be warned against buying that house. Yet Sarah could not breathe a word about the pending changes.

In a sense, there’s nothing strange about her dilemma. Every consultant who builds coaching relationships based on trust and caring—at the same time harboring confidential information about the firm—faces such challenges. But Sarah saw her predicament as more than simply a personnel decision or a managerial conflict. For her, it was an ethical dilemma.
If that sounds odd, it may be because ethics is usually thought of as a matter of right versus wrong. Yet where, in this experience, was the wrong? It’s not wrong to work hard for a promotion, to seek a suitable home for your family, or to build a close relationship with a trusted adviser. And it’s not wrong to share your wisdom with the next generation in caring ways, to counsel top management in strict confidence, or to help streamline and tighten an organization in challenging financial times. If all Sarah knew about ethics was that it involved right versus wrong, she would have seen no role for moral reasoning in this situation.

In fact, however, she saw herself plunging squarely into the toughest kind of moral dilemma—involving not right-versus-wrong but right-versus-right. She could make a powerful moral argument that, when someone who trusts you is about to take a damaging step and you have foresight to help him avoid it, you cannot remain silent. If ethics has any relation to the most basic acts of human kindness and trust, she had to help Alan avoid this mistake.

Yet Sarah could also make a powerful moral argument that, when you’ve given your word, you keep your promise—especially where the stakes are so high, and where the slightest untimely leak could significantly damage the firm’s financial status. If ethics has any bearing on honesty and responsibility, she had to keep her counsel and say nothing.

Sarah had done nothing wrong. Yet she found herself in a wrenching ethical dilemma—not because she lacked values, but precisely because two of her core values—truth telling and loyalty—were coming into direct conflict. What should she do?

Sarah’s dilemma—we’ll return to it later—is just one example of the kinds of ethical issues that face executive coaches today. That word today is significant. In the last several years, the evidence has grown clearer that ethics, far from being a “soft” topic, is now a matter of personal survival. As this article goes to press, the headlines are full of Martha Stewart, WorldCom, and Adelphia—not to mention Los Angeles Lakers star Kobe Bryant, Connecticut Governor John G. Rowland, and the Catholic Church. The surest career ending moves, it seems, are those that involve lapses of personal ethics.

But unethical behavior today also has a more ominous and collective presence. Ethics has become a matter not only of personal but also of global survival. Increasingly our new technologies are leveraging our ethics, allowing single unethical acts to be amplified into world-class disasters. Chernobyl, the Exxon Valdez, the bankruptcy of the Barings Bank, the $10 billion in global damage caused by the Love Bug computer virus—each of these involved unconscionable behavior by individuals well below the level of the CEO.

Each involved large-scale technologies (nuclear power, supertankers, global financial systems, networked computers) that megaphoned the ethical lapses of a few individuals into international calamities. And not one of them could have happened even fifty years ago. What’s new is not the propensity toward unethical behavior. What’s new are the ramifications of such behavior in the instantaneous, unregulated world of global interconnectivity.

What does all this have to do with executive coaching? It helps coaches put the topic of ethics on the table as a number one priority—not out of some esoteric vision of niceness, nor even because good values produce more harmony in the work-place than bad values, but from a clear-eyed recognition of the relationship of ethics and
survival. Only now, sobered by Enron and Arthur Andersen and stung by Sarbanes-Oxley, are business schools beginning to take corporate ethics seriously as an issue of sustainability. Yet the majority of today’s executives were educated in a period when ethics was taught, if at all, as an elective that didn’t hold a candle to the “hard” stuff like marketing, strategy, and finance. So if ethics is to take its place in management practice today, it may well be because coaches and consultants recognize its importance. As in every arena of human endeavor, that’s Step One: Recognize the Issue.

**Step Two is to develop a values-based language** to address it. Those who have no language for ethics—who possess no framing conceptions for thinking about and discussing ethical issues—will be more or less helpless in the face of ethical issues. Needed above all—not only by the coach, but especially by the executives whom the coach is helping—is a way to observe the world through the lens of ethics, and to engage others in a discussion of what’s being observed.

That language starts with a recognition of shared values. In a world still outgrowing the spell of moral relativism—the notion that everyone has his or her own unique set of values—the idea of shared, core values comes as something of a surprise. Yet more than a dozen years of research at the Institute for Global Ethics has persuaded us that individuals around the world hold in common a set of values that transcend culture, race, and even religion.

Ask individuals around the world to comment on the most important moral values for them or their culture, as we continue to do, and you hear the same five answers with uncanny regularity: honesty, respect, responsibility, fairness, and compassion. The words may differ, and the rank order may not always be the same. But these five values—showing up in our surveys of corporate executives, our work with government officials, our seminars in educational institutions, and in programs we’ve conducted in hospitals, prisons, board rooms, churches, parent groups, athletic teams, and the military—appear to define what humanity broadly describes as moral or ethical behavior.

Why is this understanding of shared, core values important to an executive coach? Three reasons. First, it provides one of our most useful definitional tools. If these five values underlie ethical practice, then they define ethical acts. What’s ethical, in other words, is what is honest, respectful, responsible, fair, and compassionate. More useful, perhaps, is the flip side of that definition: What’s unethical is what is dishonest, disrespectful, irresponsible, unfair, or lacking in compassion. Notice that little word or. You need not fail in all five values to be considered unethical: Former President Clinton, widely viewed as compassionate, fair-minded, and respectful of others, was also widely seen as unethical for his dishonest and irresponsible behavior in the Monica Lewinsky affair. Having three values so firmly fixed did not, finally, make up for lapses in the other two.

Second, this understanding of core values gives permission, within the coaching relationship, for a discussion of ethics as a universal phenomenon. In today’s business world, intercultural issues affect companies all across the spectrum, from the Fortune 50 multinational operating in 20 countries to the smallest restaurant where the kitchen help speaks a language different from the wait staff. These five values, in effect, answer a question that sometimes arises wherever a workforce is drawn from more than one race or culture: “If we’re going to promote values, whose values will we promote?” The answer: Our values, the ones equally
relevant to executives who are Pakistani or Chinese, Christian or Muslim, male or female, liberal or conservative. According to our research, these five values transcend all those categories and many more.

Third, this recognition of core values helps us understand that ethical issues have their genesis in one of only two conditions. They arise because of a departure from our values—when, for example, someone is found being unfair or dishonest. Or they arise because of a conflict between two values—when, as in Sarah’s case, responsibility pulled her one way while truth pulled her another. Ethical issues, in other words, are either right-versus-wrong or right-versus-right.

Which sort will coaches encounter as they build on-one-one relationships with executives? Both. Start with the right-versus-wrong sort. Some of these will involve ugly and overt breaches of probity, requiring the coach either to speak up in defense of integrity or bail out of the relationship altogether. Others will involve more subtle temptations, where the wrongdoing is disguised as efficiency, competitiveness, creativity, decisiveness, or altruism, and where the problem may require some unpacking and digesting before it is seen for what it is. Some, fortunately, will arise because executives, troubled by unethical implications they can’t quite identify, raise these questions in discussion. But others will arise not from the executives themselves but because the coach, with the practiced eye of an outsider, spots them as the storm clouds are beginning to form—and must then decide what to do.

These right-versus-wrong issues are unquestionably important. They need to be addressed, and the form of address almost always involves compliance. It should be axiomatic that the coach’s perspective is properly one of obedience to the law, to regulations, and to company policy.

But what happens when the issue is, like Sarah’s, not one that involves wrong? How do you help lead executives through a train of reasoning when the issues are right versus right? What decision-making tools are available for issues where neither side is wrong, and where resolution can only mean choosing a higher right?

That brings us to Step Three: Master the Analytical Tools. That starts with the recognition that, however complicated the issue or nuanced the tale, there is not an infinite number of right-versus-right issues. Over the years we’ve been conducting our Ethical Fitness® Seminar, we’ve watched some 18,000 people struggle with their own ethical decisions. But we haven’t seen 18,000 dilemmas. We think, instead, that we’ve seen four. However complex the issues, however multifaceted the moral arguments, the drivers of our toughest dilemmas can, we think, be reduced to four paradigms or patterns. Some dilemmas, like Sarah’s, fit all four:

1. Truth versus loyalty. Sarah clearly felt loyalty to top management in preserving confidentiality. Yet she also felt an urgent need to tell the truth.

2. Individual versus community. Alan, the individual, needed to be protected—though doing so might hurt the community. Yet the community deserved protection in a situation where premature release of information could harm a great number of stakeholders—though that protection could have devastating consequences for Alan.

3. Short-term versus long-term. Honoring the needs of the short term, Sarah could help Alan right away—though at the risk of serious harm to the company in the future. Conversely, she could act in the best long-term interests of the company, while watching Alan’s immediate
4. Justice versus mercy. The rules were clear: Don’t reveal managements’ plans, even if that meant acting without compassion for someone who deserved caring. Yet mercy is one of the oldest and strongest human traits. Was this a case where the expectation of justice should be tempered by the exception of merciful action?

Once these paradigms are recognized, they help bring clarity to situations that before may have seemed hopelessly muddled. Where is there an executive who has not, under the heading of truth versus loyalty, had to debate the merits of speaking up with an unpopular view or falling into line in allegiance to the larger cause? Where, under individual versus community, is the manager who hasn’t struggled to find the balance between taking the family vacation (a reward for the small group) or pitching in to help the firm win an unexpectedly important contract (a benefit to the entire community)? Where, under short-term versus long-term, is the financial officer who hasn’t struggled with the competing claims of immediate consumption versus investment for the future? And who, under justice versus mercy, hasn’t had to choose, when employees do dumb things, between throwing the book at them or taking them out for coffee and a heart-to-heart chat?

There are no fixed formulas for resolving these dilemmas: Each depends heavily on the circumstances, and each could be “right” either way. There are, however, a set of decision-making principles that coaches can share with executives. Step Four—applying these Resolution Principles—requires us to move beyond analysis to closure. Spelled out in more detail in the Institute’s materials, these three principles are drawn from the long traditions of moral philosophy, and yet are as applicable today as ever:

1. The ends-based principle of Utilitarian thinking, encapsulated in the well-known admonition to “Do the greatest good for the greatest number.” This principle depends on the outcome or consequences of the action, which executives must try to foresee and act upon.

2. The rule-based principle of Emmanuel Kant’s “categorical imperative” — a fancy term for the idea that ethics happens when you do only what you would want everyone else in the world to do in similar circumstances. A non-consequentialist philosophy, it depends not on outcomes but on motives, on abiding by the precept that you would most like to see become a universal law.

3. The care-based principle of the Golden Rule, in which we do to others only what we would want them to do to us. This principle of reciprocity requires an imaginative leap, putting ourselves into the mindset of another and asking, “How would I feel if this were happening to me?” A principle of vast antiquity, it lies at the heart of each of the major religious and cultural traditions in the world.

Again, to Sarah. Acting on an ends-based principle, she might well decide that the “greatest good” lies in preserving the company at the expense of Alan. After all, this principle never promised all good for everyone—and this may simply have to be Alan’s turn to have some bad, in order than others can be protected. Yet if she acts on the rule-based principle, she might well say to herself, “Imagine that what I do in this case will set the standard for all time to come—it will be known as Sarah’s Law, and will be followed assiduously in every similar case. Now what do I want to do?” She may, in that circumstance, feel that compassion for a single human
who has reposed huge trust in you must outweigh the more inhuman and distant strategies of corporate downsizing.

And the Golden Rule? If she were Alan, she’d want to be warned. But “do to others” might also include “others” like the shareholders, the other employees who would not be warned as Alan was, or the management team itself. What would each of them want her to do?

This sketch, necessarily compact and skeletal, gives only a hint of the richness of the conversation that can arise around each of these principles. It also presents no clear and obvious solutions: These are tools, not magic answer systems. But it suggests the kind of one-on-one conversations that can be most fruitful in coaching relationships, when the coach understands the language of ethics and its application to current issues.

That fruitfulness, I’ve found, resides largely in a simple shift of thought from right-versus-wrong to right-versus-right. Too often the topic of ethics is resisted because it seems threatening—as though the result will be a moralizing harangue that appears to start with the unspoken assertion, “You’re doing something wrong!” When coach and executive sit down, instead, to share a right-versus-right framework, the results are much less intimidating. The conversation runs no risk of slipping into blame. Instead, it does what all good ethics conversation should do. It brings us to the point of moral reasoning where our intuitions finally take over and say, “Yes, this feels right, and I can now explain why.” In the art and practice of management, there are few better feelings.

And lest someone ask, let me tell you what Sarah did. Unwilling to take either side to the full, she turned her dilemma into what we’ve come to call a trilemma, finding a third way that partook of the good of both sides. Going to top management, she pleaded the case for Alan as an employee whom she felt could be trusted to keep a confidence—especially when he would be grateful for the advance warning. With some trepidation, top management agreed to let her telegraph to him the necessary warning.

Yes, she put her credibility on the line. And yes, it worked out. In the end, she exhibited great moral courage. But that’s the subject another whole article, equally relevant to executive coaches.

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Founder and President of the Institute for Global Ethics, brings more than 30 years of insights to his discussions of corporate and global ethics. Dr. Kidder’s landmark book, How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living, has been praised by Jimmy Carter as “a thought-provoking guide to enlightened and progressive personal behavior.” Dr. Kidder also serves as executive editor of Ethics Newsline™, the world’s first weekly, Internet-based, ethics information service. Prior to founding the Institute for Global Ethics in 1990, Dr. Kidder was senior columnist for The Christian Science Monitor. Dr. Kidder’s forthcoming book on moral courage is due to be published in the winter of 2005 by HarperCollins.
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