Choosing between right and wrong is easy.

But how do you choose between right—and right?

The Discipline of Building Character
by Joseph L. Badaracco, Jr.
THE IDEA

We’ve all experienced times when our professional responsibilities conflict with our values: A budget crisis forces us to dismiss a valued employee, for example. Or, a new MBA must choose between playing the role of a token minority or earning a coveted spot on a consulting team.

During these defining moments, we must choose between right and—right. Unlike other ethical decisions, where the options are clearly right and wrong, defining moments ask us to choose between two ideals. They force us to balance our idealism with the messy reality of our jobs. They determine whether we’ll uphold our values—or merely pay them lip service.

Resolving defining moments requires skills not listed on most job descriptions—probing self-inquiry, in particular. These skills enable us to craft an authentic identity based on our own, rather than others’, understanding of what’s right. Managers who brave the process renew their sense of purpose—and transform their values into shrewd, politically astute action.

THE IDEA AT WORK

The workplace presents three increasingly complex types of defining moments—for individuals, managers, and executives. For each type, probing questions can clarify core values, helping us decide what to do.

1. Who Am I?
Defining Moments for Individuals
This type of defining moment asks us to clarify our personal identity while grappling with two equally valid perspectives. Questions include:

What feelings and intuitions are conflicting?

EXAMPLE:
When Steve Lewis, an African-American, realized his boss wanted him to attend a company presentation as “a token black,” two of his values clashed: He wanted to earn his professional advancement but also wanted to “be a team player.”

Which conflicting values mean the most to me?

EXAMPLE:
Remembering his parents’ dignified, effective response to prejudice, Lewis felt deeply moved. He decided his race was a more vital part of his moral identity than his professional role.

How will I implement my personal understanding of what is right?

EXAMPLE:
Lewis decided to attend the presentation—but as a participant rather than a “showpiece.” He successfully delivered part of the presentation, demonstrating he was a team player and would not be treated as a token. His ethically informed decision also advanced his career.

2. Who Are We?
Defining Moments for Work Groups
As managers advance in an organization, their defining moments grow more complex. In addition to their own beliefs, managers must consider their work group’s values. Questions include:

What other strong, persuasive interpretations of the situation’s ethics exist, besides mine?

EXAMPLE:
Peter Adario’s new account manager, Kathryn McNeil, was highly qualified and competent. But as a single mother, she was also struggling to keep up with her work. Her supervisor, Lisa Walters (who reported to Adario), complained. The situation pitted Adario’s belief in work/family balance against his duty to the department’s bottom line. But before he could act, Walters went over his head to fire McNeil. If Adario had realized earlier that he and Walters saw McNeil’s situation through different lenses, he might have prevented the firing.

Continued on next page
What point of view is most likely to win the contest of interpretations and influence others?

Based on company culture and goals, group norms, and political jockeying, whose point of view would prevail in your organization?

**EXAMPLE:**
By asking this question, Adario might have seen the McNeil issue within a larger work/family context. During these fast-paced, demanding times, employees with children struggled to keep up. Those without family demands resented working longer hours to compensate. Their viewpoint would likely prevail.

What can I do to help my interpretation win?

This question enables you to plan for the resolution of defining moments before they arise.

**EXAMPLE:**
Instead of waiting for the work/family issue to catch him and his group by surprise, Adario could have anticipated the problem and defined an organizational culture that valued both family and work. But Walters preempted him and filled the vacuum his inaction had created.

3. Who Is the Company?

**Defining Moments for Executives**
Executives running companies face even more complex defining moments that test them, their work groups, and their entire firm. They must choose actions that protect all stakeholders’ interests.

Have I done all I can to secure my position and the strength and stability of my organization?

**EXAMPLE:**
In deciding whether to market RU-486, the “French abortion pill,” Roussel Uclaf CEO Eduoard Sakiz faced a defining moment. Antiabortion groups, pro-choice groups, shareholders, and France’s government (part owner of the company) were all fomenting international controversy over the drug. Though Sakiz believed in making abortion safer, he also had a responsibility to protect employees’ jobs and security. He knew he’d need to secure his own position in the firm in order to bring RU-486 to market.

Have I thought creatively and boldly about my organization’s role in society and its relationship to shareholders?

**EXAMPLE:**
Sakiz decided to define RU-486’s role in a daring way: supporting a core group of stakeholders (women seeking non-surgical abortions, and their physicians) through astute political activism. This path resonated with his own core values and the desires of the majority of employees and stakeholders. Sakiz needed to find a way to introduce the drug to the market. But how?

What combination of shrewdness, creativity, and tenacity will make my vision a reality?

Carefully assess your opponents and allies, asking “Should I play the lion (coming out roaring) or the fox (taking an indirect approach)?”

**EXAMPLE:**
Deciding to play the fox, Sakiz announced that Roussel Uclaf would suspend distribution of RU-486. When women’s groups, family-planning advocates, and physicians expressed outrage—and the French government threatened to transfer the RU-486 patent to another company—Sakiz reversed his decision.

By calling out to his allies indirectly, Sakiz sparked a series of events that helped achieve his ends—without appearing to lead the way himself. Results? He secured his future in the company; protected employees and the bottom line by deflecting the controversy away from the company; and established Roussel Uclaf as a technological and social leader.
Character is forged at those defining moments when a manager must choose between right and right.

THE DISCIPLINE OF BUILDING CHARACTER

BY JOSEPH L. BADARACCO, JR.

We have all experienced, at one time or another, situations in which our professional responsibilities unexpectedly come into conflict with our deepest values. A budget crisis forces us to dismiss a loyal, hardworking employee. Our daughter has a piano recital on the same afternoon that our biggest client is scheduled to visit our office. At these times, we are caught in a conflict between right and right. And no matter which option we choose, we feel like we’ve come up short.
Managers respond to these situations in a variety of ways: some impulsively “go with their gut”; others talk it over with their friends, colleagues, or families; still others think back to what a mentor would do in similar circumstances. In every case, regardless of what path is chosen, these decisions taken cumulatively over many years form the very basis of an individual’s character. For that reason, I call them defining moments.

What is the difference between a tough ethical decision and a defining moment? An ethical decision typically involves choosing between two options: one we know to be right and another we know to be wrong. A defining moment, however, challenges us in a deeper way by asking us to choose between two or more ideals in which we deeply believe. Such challenges rarely have a “correct” response. Rather, they are situations created by circumstance that ask us to step forward and, in the words of the American philosopher John Dewey, “form, reveal, and test” ourselves. We form our character in defining moments because we commit to irreversible courses of action that shape our personal and professional identities. We reveal something new about us to ourselves and others because defining moments uncover something that had been hidden or crystallize something that had been only partially known. And we test ourselves because we discover whether we will live up to our personal ideals or only pay them lip service.

As I have interviewed and studied business leaders, I have found that the ones who are most satisfied with the way they resolve their defining moments possess skills that are left off most job descriptions. Specifically, they are able to dig below the busy surface of their daily lives and refocus on their core values and principles. Once uncovered, those values and principles renew their sense of purpose at work and act as a springboard for shrewd, pragmatic, politically astute action. By repeating this process again and again throughout their work lives, these executives are able to craft an authentic and strong identity based on their own, rather than on someone else’s, understanding of what is right. And in this way, they begin to make the transition from being a manager to becoming a leader.

But how can an executive trained in the practical, extroverted art of management learn to engage in such an intuitive, personal process of introspection? In this article, I will describe a series of down-to-earth questions that will help managers take time out from the hustle and bustle of the workplace. These practical, thought-provoking questions are designed to transform values and beliefs into calculated action. They have been drawn from well-known classic and contemporary philosophers but remain profound and flexible enough to embrace a wide range of contemporary right-versus-right decisions. By taking time out to engage in this process of self-inquiry, managers will by no means be conducting a fruitless exercise in escapism; rather, they will be getting a better handle on their most elusive, challenging, and essential business problems.

In today’s workplace, three kinds of defining moments are particularly common. The first type is largely an issue of personal identity. It raises the question, Who am I? The second type is organizational as well as personal: both the character of groups within an organization and the character of an individual manager are at stake. It raises the question, Who are we? The third type of defining moment is the most complex and involves defining a company’s role in society. It raises the question, Who is the company? By learning to identify each of these three defining moments, managers will learn to navigate right-versus-right decisions with grace and strength.

Who am I?
Defining Moments for Individuals

The most basic type of defining moment demands that managers resolve an urgent issue of personal identity that has serious implications for their careers. Two “rights” present themselves, each one representing a plausible and usually attractive life
choice. And therein lies the problem: there is no one right answer; right is set against right.

**Conflicting Feelings.** When caught in this bind, managers can begin by taking a step back and looking at the conflict not as a problem but as a natural tension between two valid perspectives. To flesh out this tension, we can ask, *What feelings and intuitions are coming into conflict in this situation?* As Aristotle discussed in his classic work *Ethics*, people's feelings can actually help them make sense of an issue, understand its basic dimensions, and indicate what the stakes really are. In other words, our feelings and intuitions are both a form of intelligence and a source of insight.

Consider, for example, the case of a young analyst—we will call him Steve Lewis—who worked for a well-known investment bank in Manhattan. Early one morning, Lewis, an African-American, found a message on his desk asking if he could fly to St. Louis in two days to help with a presentation to an important prospective client. The message came as a surprise to him. Lewis's company had a clear policy against including analysts in presentations or client meetings. Lewis, in fact, knew little about the subject of the St. Louis meeting, which concerned a specialized area of municipal finance. He was especially surprised to learn that he had been selected over more senior people in the public finance group.

Lewis immediately walked down the hall into the office of his friend and mentor, also an African-American, and asked him if he knew about the situation. His friend, a partner at the company, replied, “Let me tell you what’s happening, Steve. Look at you and me. What do we have in common? Did you know that the new state treasurer of Missouri is also black? I hate for you to be introduced to this side of the business so soon, but the state treasurer wants to see at least one black professional at the meeting or else the company has no chance of being named a manager for this deal.”

What if at this point Lewis were to step back and reframe the situation in terms of his feelings and intuitions? On the one hand, Lewis believed firmly that in order to maintain his self-respect, he had to earn his advancement at the company—and elsewhere in life. He was not satisfied to move up the ladder of success based on affirmative action programs or being a “token” member of the company. For that reason, he had always wanted to demonstrate through his work that he deserved his position. On the other hand, as a former athlete, Lewis had always prided himself on being a team player and did not believe in letting his teammates down. By examining his feelings and intuitions about the situation, Lewis learned that the issue at hand was more complex than whether or not to go to the presentation. It involved a conflict between two of his most deeply held beliefs.

**Deeply Rooted Values.** By framing defining moments in terms of our feelings and intuitions, we can remove the conflict from its business context and bring it to a more personal, and manageable, level. Then we can consider a second question to help resolve the conflict: *Which of the responsibilities and values that are in conflict are most deeply...*
rooted in my life and in the communities I care about? Tracing the roots of our values means understanding their origins and evolution over time. It involves an effort to understand which values and commitments really mean the most to us.

Let’s apply that approach to the case of Steve Lewis. On the one hand, he had no doubt that he wanted to become a partner at a major investment bank and that he wanted to earn that position based on merit. Since his sophomore year of college, Lewis had been drawn to the idea of a career on Wall Street, and he had worked hard and purposefully to make that idea a reality. When he accepted his current job, he had finally set foot on the path he had dreamed of, and neither the long hours nor the detailed “grunt” work that was the lot of first-year analysts gave him misgivings about his choice. He believed he was pursuing his own values by seeking a successful career at a Wall Street investment bank. It was the kind of life he wanted to live and the kind of work he enjoyed doing.

On the other hand, when Lewis considered his African-American background, he thought about what his parents had taught him. One episode from the early 1960s stood out in particular. His parents made a reservation at a restaurant that reputedly did not serve blacks. When they arrived, the hostess told them there had been a mistake. The reservation was lost, and they could not be seated. The restaurant was half empty. Lewis’s parents turned around and left. When they got home, his mother made a new reservation under her maiden name. (His father had been a popular local athlete, whose name was widely recognized.) The restaurant suspected nothing. When they returned an hour later, the hostess, though hardly overjoyed, proceeded to seat them.

Lewis was still moved by the memory of what his parents had done, even as he sat in his office on Wall Street many years later. With his parents’ example in mind, Lewis could begin to sense what seemed to be the best answer to his present dilemma. He would look at the situation as his parents’ son. He would view it as an African-American, not as just another young investment banker. Lewis decided that he could not go to the meeting as the “token black.” To do so would repudiate his parents’ example. He decided, in effect, that his race was a vital part of his moral identity, one with a deeper and stronger relation to his core self than the professional role he had recently assumed.

Shrewdness and Expediency. Introspection of the kind Steve Lewis engaged in can easily become divorced from real-world demands. We have all seen managers who unthinkingly throw themselves into a deeply felt personal cause and suffer serious personal and career setbacks. As the Renaissance philosopher Niccolò Machiavelli and other ethical pragmatists remind us, idealism untempered by realism often does little to improve the world. Hence, the next critical question becomes, What combination of shrewdness and expediency, coupled with imagination and boldness, will help me implement my personal understanding of what is right? This is, of course, a different question altogether from What should I do? It acknowledges that the business world is a bottom-line, rough-and-tumble arena where introspection alone won’t get the job done. The process of looking inward must culminate in concrete action characterized by tenacity, persuasiveness, shrewdness, and self-confidence.

How did Lewis combine idealism with realism? He decided that he would join the presentation team, but he also gambled that he could do so on terms that were at least acceptable to him. He told the partner in charge, Bruce Anderson, that he felt honored to be asked to participate but added that he wanted to play a role in the presentation. He said he was willing to spend every minute of the next 30 hours in preparation. When Anderson asked why, Lewis said only that he wanted to earn his place on the team. Anderson reluctantly agreed.

There was, it turned out, a minor element of the presentation that required the application of some basic analytical techniques with which Lewis was familiar. Lewis worked hard on the presentation, but when he stood up during the meeting for the 12 minutes allotted him, he had a terrible headache and wished he had refused Anderson’s offer. His single day of cramming was no substitute for the weeks his colleagues had invested in the project. Nevertheless, his portion of the presentation went well, and he received praise from his colleagues for the work he had done.

On balance, Lewis had soundly defined the dilemma he faced and had taken an active role in solving it—he did not attend the meeting as a showpiece. At the same time, he may have strengthened his career prospects. He felt he had passed a minor
test, a rite of passage at his company, and had demonstrated not only that he was willing to do what it took to get the job done but also that he would not be treated as a token member of the group. The white analysts and associates who were passed over probably grumbled a bit; but Lewis suspected that, if they had been dealt his hand, they would have played their cards as he did.

Who Are We?
Defining Moments for Work Groups

As managers move up in an organization, defining moments become more difficult to resolve. In addition to looking at the situation as a conflict between two personal beliefs, managers must add another dimension: the values of their work group and their responsibilities to the people they manage. How, for example, should a manager respond to an employee who repeatedly shows up for work with the smell of alcohol on his breath? How should a manager respond to one employee who has made sexually suggestive remarks to another? In this type of defining moment, the problem and its resolution unfold not only as a personal drama within one’s self but also as a drama among a group of people who work together. The issue becomes public and is important enough to define a group’s future and shape its values.

Points of View. Many managers suffer from a kind of ethical myopia, believing that their entire group views a situation through the same lens that they do. This way of thinking rarely succeeds in bringing people together to accomplish common goals. Differences in upbringing, religion, ethnicity, and education make it difficult for any two people to view a situation similarly—let alone an entire group of people. The ethical challenge for a manager is not to impose his or her understanding of what is right on the group but to understand how other members view the dilemma. The manager must ask, What are the other strong, persuasive interpretations of the ethics of this situation?

A classic example of this kind of problem involved a 35-year-old manager, Peter Adario. Adario headed the marketing department of Sayer Micro-world, a distributor of computer products. He was married and had three children. He had spent most of his career as a successful salesman and branch manager, and he eagerly accepted his present position because of its varied challenges. Three senior managers reporting to Adario supervised the other 50 employees in the marketing department, and Adario in turn reported to one of four vice presidents at corporate headquarters.

Adario had recently hired an account manager, Kathryn McNeil, who was a single mother. Al-
though she was highly qualified and competent, McNeil was having a hard time keeping up with her work because of the time she needed to spend with her son. The pace at work was demanding: the company was in the middle of finishing a merger, and 60-hour work weeks had become the norm. McNeil was also having difficulty getting along with her supervisor, Lisa Walters, a midlevel manager in the department who reported to Adario. Walters was an ambitious, hard-driving woman who was excelling in Sayer Microworld’s fast-paced environment. She

Managers need to determine if their ethical vision will be supported by their coworkers and employees.

was irritated by McNeil’s chronic lateness and unpredictable work schedule. Adario had not paid much attention to Walters’ concerns until the morning he found a handwritten note from her on top of his pile of unfinished paperwork. It was her second note to him in as many weeks. Both notes complained about McNeil’s hours and requested that she be fired.

For Adario, who was himself a father and sympathetic to McNeil’s plight, the situation was clearly a defining moment, pitting his belief that his employees needed time with their families against his duty to the department’s bottom line. Adario decided to set up a meeting. He was confident that if he sat down with the two women the issue could somehow be resolved. Shortly before the meeting was to begin, however, Adario was stunned to learn that Walters had gone over his head and discussed the issue with one of the company’s senior executives. The two then had gone to McNeil’s office and had fired her. A colleague later told him that McNeil had been given four hours to pack her things and leave the premises.

What point of view is most likely to win the contest of interpretations and influence the thinking and behavior of other people?

Peter Adario would have benefited from mulling over this question. If he had done so, he might have seen the issue in terms of a larger work-family issue within the company. For Adario and McNeil, the demands of work and family meant constant fatigue, a sense of being pulled in a thousand directions, and the frustration of never catching up on all they had to do. To the other employees at Sayer Microworld, most of whom were young and not yet parents, the work-family conflict meant that they sometimes had to work longer hours because other employees had families to attend to. Given the heavy workloads they were carrying, these single employees had little sympathy for Adario’s family-oriented values.

Truth as Process. Planning ahead is at the heart of managerial work. One needs to learn to spot problems before they blow up into crises. The same is true for defining moments in groups. They should be seen as part of a larger process that, like any other, needs to be managed. Effective managers put into place the conditions for the successful resolution of defining moments long before those moments actually present themselves. For in the words of William James, “The truth of an idea is not a stagnant property inherent in it. Truth happens to an idea. It becomes true, is made true by events. Its verity is in fact an event, a process.” Managers can start creating the conditions for a particular interpretation to prevail by asking, Have I orchestrated

Influencing Behavior. Identifying competing interpretations, of course, is only part of the battle. Managers also need to take a hard look at the organization in which they work and make a realistic assessment of whose interpretation will win out in the end. A number of factors can determine which interpretation will prevail: company culture, group norms, corporate goals and company policy, and the inevitable political jockeying and battling inside organizations. In the words of the American philosopher William James, “The final victorious way of looking at things will be the most completely impressive to the normal run of minds.” Therefore, managers need to ask themselves,
a process that can make my interpretation win in my group!

Adario missed subtle signals that a process opposed to his own had been under way for some time. Recall that Walters had sent Adario two notes, each suggesting that McNeil be replaced. What were those notes actually about? Were they tentative announcements of Walters’s plans or tests of Adario’s authority? And what did Walters make of Adario’s failure to respond? She apparently interpreted his reaction—or lack thereof—as an indication that he would not stand in the way of firing McNeil. Walters may even have thought that Adario wanted McNeil fired but was unwilling to do it himself.

In short, Adario’s defining moment had gone badly because Walters presented a compelling story to the company’s top management; she thereby preempted Adario and filled the vacuum that he had created through his inaction.

Instead of waiting for the issue of work versus family to arise and take the group by surprise, Adario could have anticipated the problem and taken a proactive approach to defining a work culture that valued both family and work. Adario had ample opportunity to prevent the final turn of events from occurring. He could have promoted McNeil to others inside the company. In particular, he needed to emphasize the skills and experience, especially in account management, that she brought to the company. He also could have created opportunities for people to get to know McNeil personally, even to meet her son, so that they would understand and appreciate what she was accomplishing.

Playing to Win. One of the hallmarks of a defining moment is that there is a lot at stake for all the players in the drama. More often than not, the players will put their own interests first. In this type of business setting, neither the most well-meaning intentions nor the best-designed process will get the job done. Managers must be ready to roll up their sleeves and dive into the organizational fray, putting to use appropriate and effective tactics that will make their vision a reality. They need to reflect on the question, Am I just playing along or am I playing to win?

At Sayer Microworld, the contest of interpretations between Walters and Adario was clearly part of a larger power struggle. If Walters didn’t have her eye on Adario’s job before McNeil was fired, she probably did afterward: top management seemed to like her take-charge style. Whereas Adario was lobbing underhand softball pitches, Walters was playing hardball. At Sayer Microworld, do-the-right-thing idealism without organizational savvy was the sure path to obscurity. Adario’s heart was in the right place when he hired McNeil. He believed she could do the job, he admired her courage, and he wanted to create a workplace in which she could flourish. But his praiseworthy intentions needed to be backed by a knack for maneuvering, shrewdness, and political savvy. Instead, Walters seized the moment. She timed her moves carefully and found a powerful ally in the senior manager who helped her carry out her plan.

Although Adario stumbled, it is worth noting that this defining moment taught him a great deal.
In following up on McNeil’s firing, Adario learned through the grapevine that many other employees shared his view of the work-family dilemma, and he began acting with more confidence than he had before. He told his boss that he disagreed with the decision to fire McNeil and objected strongly to the way the decision had been made. He then told Walters that her behavior would be noted in the next performance review he put in her file. Neither Walters nor the vice president said very much in response, and the issue never came up again. Adario had staked his claim, albeit belatedly. He had learned, in the words of Machiavelli, that “a man who has no position in society cannot even get a dog to bark at him.”

Who Is the Company?
Defining Moments for Executives

Redefining the direction of one’s own life and the direction of one’s work group requires a thoughtful blend of personal introspection and calculated action. But the men and women charged with running entire companies sometimes face an even more complex type of defining moment. They are asked to make manifest their understanding of what is right on a large stage—one that can include labor unions, the media, shareholders, and many other company stakeholders. Consider the complexity of the dilemma faced by a CEO who has just received a report of package tampering in one of the company’s over-the-counter medications. Or consider the position of an executive who needs to formulate a response to reports in the media that women and children are being treated unfairly in the company’s foreign plant. These types of decisions force top-level managers to commit not just themselves or their work groups but their entire company to an irreversible course of action.

Personal and Organizational Strength. In the face of such overwhelming decisions, executives typically call meetings, start negotiations, and hire consultants and lawyers. Although these steps can be helpful, they can prove disappointing unless executives have taken the time, and the necessary steps, to carve out a powerful position for themselves in the debate. From a position of strength, leaders can bring forth their vision of what is right in a situation; from a position of weakness, leaders’ actions are hollow and desperate. Also, before CEOs can step forth onto society’s broad stage with a personal vision, they must make sure that their actions will not jeopardize the well-being of their companies, the jobs of employees, and the net income of shareholders. That means asking, Have I done all I can to secure my position and the strength and stability of my organization?

In 1988, Eduoard Sakiz, CEO of Roussel Uclaf, a French pharmaceutical company, faced a defining moment of this magnitude. Sakiz had to decide whether to market the new drug RU-486, which later came to be known as the French abortion pill. Early tests had shown that the drug was 90% to 95% effective in inducing miscarriages during the first five weeks of a woman’s pregnancy. As he considered whether to introduce the drug, Sakiz found himself embroiled in a major international controversy. Antiabortion groups were outraged that the drug was even under consideration. Pro-choice groups believed the drug represented a major step forward in the battle to secure a woman’s right to an abortion. Shareholders of Roussel Uclaf’s parent company, Hoechst, were for the most part opposed to RU-486’s introduction because there had been serious threats of a major boycott against Hoechst if the drug were introduced. To the French government, also a part owner of Roussel Uclaf, RU-486 meant a step forward in its attempts to cut back on back-alley abortions.

There is little doubt that at one level, the decision Sakiz faced was a personal defining moment. He was a physician with a long-standing commitment to RU-486. Earlier in his career while working as a medical researcher, Sakiz had helped develop the chemical compound that the drug was based on. He believed strongly that the drug could help thousands of women, particularly those in poor countries, avoid injury or death from botched abortions. Because he doubted that the drug would make it to market if he were not running the company, Sakiz knew he would have to secure his own position.

At another level, Sakiz had a responsibility to protect the jobs and security of his employees. He understood this to mean taking whatever steps he could to avoid painful boycotts and the risk of vio-
lence against the company. His decision was complicated by the fact that some employees were passionately committed to RU-486, whereas others opposed the drug on ethical grounds or feared that the protests and boycotts would harm Roussel Uclaf and its other products.

How could Sakiz protect his own interests and those of his employees and still introduce the drug? Whatever path he chose, he could see that he would have to assume a low public profile. It would be foolish to play the courageous lion and charge forth pronouncing the moral necessity of RU-486. There were simply too many opponents for that approach to work. It could cost him his job and drag the company through a lengthy, painful process of dangerous turmoil.

The Role of the Organization in Society. What makes this third type of defining moment so difficult is that executives are asked to form, reveal, and test not only themselves and their work groups but also their entire company and its role in society. That requires forging a plan of action that functions at three levels: the individual, the work group, and society at large. In which areas do we want to lead? In which areas do we want to follow? How should we interact with the government? With shareholders? Leaders must ask themselves, Have I thought creatively, boldly, and imaginatively about my organization’s role in society and its relationship to its stakeholders?

What role did Sakiz want Roussel Uclaf to play? He certainly did not want to take the easy way out. Sakiz could have pleased his boss in Germany and avoided years of controversy and boycotts by withdrawing entirely from the market for contraceptives and other reproductive drugs. (Nearly all U.S. drug companies have adopted that approach.) Sakiz could have defined Roussel Uclaf’s social role in standard terms—as the property of its shareholders—and argued that RU-486 had to be shelved because boycotts against Roussel Uclaf and Hoechst were likely to cost far more than the drug would earn.

Instead, Sakiz wanted to define Roussel Uclaf’s role in a daring way: women seeking nonsurgical abortions and their physicians would be among the company’s core stakeholders, and the company would support this constituency through astute political activism. That approach resonated with Sakiz’s own core values and with what he thought the majority of employees and other stakeholders wanted. It was clear to him that he needed to find a way to introduce the drug onto the market. The only question was how.

From Vision to Reality. To make their ethical visions a reality, top-level executives must assess their opponents and allies very carefully. What allies do I have inside and outside my company? Which parties will resist or fight my efforts? Have I underestimated their power and tactical skill or overestimated their ethical commitment? Whom will I alienate with my decision? Which parties will retaliate and how? These tactical concerns can be summed up in the question, What combination of shrewdness, creativity, and tenacity will make my vision a reality? Machiavelli put it more succinctly: “Should I play the lion or the fox?”

Although we may never know exactly what went through Sakiz’s mind, we can infer from his actions that he had no interest in playing the lion. On October 21, 1988, a month after the French government approved RU-486, Sakiz and the executive committee of Roussel Uclaf made their decision. The New York Times described the events in this way: “At an October 21 meeting, Sakiz surprised members of the management committee by calling for a discussion of RU-486. There, in Roussel Uclaf’s ultramodern boardroom, the pill’s long-standing opponents repeated their objections: RU-486 could spark a painful boycott, it was hurting employee morale, management was devoting too much of its time to this controversy. Finally, it would never be hugely profitable because much would be sold on a cost basis to the Third World. After two hours, Sakiz again stunned the committee by calling for a vote. When he raised his own hand in favor of suspending distribution of RU-486, it was clear that the pill was doomed.”

The company informed its employees of the decision on October 25. The next day, Roussel Uclaf announced publicly that it was suspending distribution of the drug because of pressure from anti-abortion groups. A Roussel Uclaf official explained the decision: “The pressure groups in the United States are very powerful, maybe even more so than in France.”

The company’s decision and Sakiz’s role in it sparked astonishment and anger. The company and
its leadership, critics charged, had doomed a promising public-health tool and had set an example of cowardice. Sakiz’s colleague and friend, Etienne-Emile Baluieu, whose research had been crucial to developing RU-486, called the decision “morally scandalous” and accused Sakiz of caving in to pressure. Women’s groups, family-planning advocates, and physicians in the United States and Europe came down hard on Sakiz’s decision. Other critics suggested sarcastically that the company’s decision was no surprise because Roussel Uclaf had decided not to produce contraceptive pills in the face of controversy during the 1960s.

Three days after Roussel Uclaf announced that it would suspend distribution, the French minister of health summoned the company’s vice chairman to his office and said that if the company did not resume distribution, the government would transfer the patent to another company that would. After the meeting with the minister of health, Roussel Uclaf again stunned the public: it announced the reversal of its initial decision. The company would distribute RU-486 after all.

Sakiz had achieved his goals but in a foxlike manner. He had called out to his allies and rallied them to his side, but had done so in an indirect and shrewd way. He had used the predictable responses of the many stakeholders to orchestrate a series of events that helped achieve his ends, without looking like he was leading the way. In fact, it appeared as if he were giving in to outside pressure.

Sakiz had put into place the three principal components of the third type of defining moment. First, he had secured his own future at the company. The French health ministry, which supported Sakiz, might well have been aggrieved if Hoechst had appointed another CEO in Sakiz’s place; it could then have retaliated against the German company in a number of ways. In addition, by having the French government participate in the decision, Sakiz was able to deflect some of the controversy about introducing the drug away from the company, protecting employees and the bottom line. Finally, Sakiz had put Roussel Uclaf in a role of technological and social leadership within French, and even international, circles.

A Bow with Great Tension

As we have moved from Steve Lewis to Peter Adario to Eduoard Sakiz, we have progressed through increasingly complex, but similar, challenges. These managers engaged in difficult acts of self-inquiry that led them to take calculated action based on their personal understanding of what was right in the given situation.

But the three met with varying degrees of success. Steve Lewis was able to balance his personal values and the realities of the business world. The result was ethically informed action that advanced his career. Peter Adario had a sound understanding of his personal values but failed to adapt them to the realities he faced in the competitive work environment at Sayer Microworld. As a result, he failed to prevent McNeil’s firing and put his own career in peril. Eduoard Sakiz not only stayed closely connected to his personal values and those of his organization but also predicted what his opponents and allies outside the company would do. The result was the introduction of a drug that shook the world.

The nineteenth-century German philosopher Friedrich Nietzsche once wrote, “I believe it is precisely through the presence of opposites and the feelings they occasion that the great man – the bow with great tension – develops.” Defining moments bring those “opposites” and “feelings” together into vivid focus. They force us to find a balance between our hearts in all their idealism and our jobs in all their messy reality. Defining moments then are not merely intellectual exercises; they are opportunities for inspired action and personal growth.

1. The names in the accounts of Steve Lewis and Peter Adario have been changed to protect the privacy of the principals involved.

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Defining moments force us to find a balance between our hearts in all their idealism and our jobs in all their messy reality.
ARTICLE

Badaracco argues that when grappling with ethical dilemmas in the workplace, quiet leaders prevail over the more conspicuous “heroes.” These individuals, working deep within their organizations, use four specific tactics for resolving their defining moments:
1) Buy time—you may uncover solutions you wouldn’t have seen under time pressure.
2) Pick your battles. Take a stand only if you can safeguard your reputation and support networks.
3) Bend the rules, maneuvering within the rules’ boundaries to do the right thing.
4) Compromise. You’ll craft responsible, workable arrangements that benefit everyone.

BOOKS

This book serves as the foundation for “The Discipline of Building Character” article. Expanding on his defining-moment framework, the author provides comprehensive cases demonstrating the increasing complexity of the three kinds of ethical dilemmas discussed in the article. The first story presents a young man whose choice will affect only him as an individual. The second features a department manager whose decision will influence his group. The third depicts a corporate executive whose actions will have significant societal ramifications.

Defining Moments gets to the core of what makes being a manager so difficult, exploring what it means to be a successful manager and a thoughtful, responsible human being. The flexible framework that Badaracco presents can help you make the choices that will shape not only your career but also your character.

In his most recent book, Badaracco rounds out his analysis of how to do the right thing for your organization, your coworkers, and yourself—without racking up casualties. Building on the ideas in his HBR article “We Don’t Need Another Hero,” he presents eight practical yet counterintuitive guidelines for dealing with situations in which “the right thing” seems like a moving target.

Leading Quietly makes the case that the accumulation of larger-than-life accomplishments is not what defines an ethical leadership style. Rather, it’s the sum of millions of small yet consequential decisions that individuals who are working far from the organizational limelight make every day. Through their patient, daily efforts, these quiet leaders help build better companies—and a better world.

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