

## DEFINING MOMENTS

By Joseph L. Badaracco, Jr., Harvard Business School Press, 1997

Book Review by Herb Rubenstein, President, Sustainable Business Group

### Introduction

In 131 very readable pages Professor Joseph Badaracco invites the reader to become familiar with some of the most insightful and rewarding questions we can ask in our time. Professor Badaracco weaves questions throughout the book selected from Aristotle, Marcus Aurelius, William James, Frederick Nietzsche, Immanuel Kant, Machiavelli, John Stuart Mill, Sir Isaiah Berlin, John Paul Sartre, Ralph Waldo Emerson, Peter Drucker and many others. These questions guide the reader in analyzing and learning from important decisions that three real business people - Steve Lewis, Edouard Sakiz and Peter Adario are faced with on their jobs in the 1990's.

### The Three Case Studies

Professor Badaracco's three central figures all must make important, life changing choices. None of them has an easy way out. Steve Lewis is an Afro-American financial analyst with a great Wall Street future ahead of him and strong pro-civil rights parents behind him. He is asked to attend (but not join in) a presentation by his company on an important project just because he is black. He struggles with the tokenism, the false showing of diversity by the company (especially since he had never even worked on the project) and faces the issue of going to the presentation and getting ahead in his company or not going to the presentation and being left behind. His approach to analyzing the situation and his resolution of this issue represent a win-win situation that does not compromise his core value of being treated and judged based on his actions, not on his race.

Peter Adario, another central figure in the book, is a mid-level manager caught in a situation where there is a conflict between his personal values and the professional obligations he has as employee/manager dedicated to serve the best interest of his employer. This type of conflict occurs on a monthly, if not weekly basis for many managers. The decision he must make should he fire (or let someone else fire) a talented, female employee, who works 60 hours per week. The problem faced by the company is that this dedicated single mother is not keeping up on an important account and occasionally misses work due to her family obligations. One person in the company presses Peter to fire her. Peter resists. In reflecting on the situation, Peter realizes that the other employees at this woman's level are either not married, have no minor children or are part of two parent families where they can devote almost every waking moment and ounce of energy to the company. Peter directly addresses the issue of how strongly should he and his company stand behind the "family friendly" business environment (which he personally believes in strongly). He struggles with two very timely questions: 1) "Should he or his company care deeply about sending this worker onto the

unemployment rolls?” 2) “Should the bottom line of the company be the only guiding force in deciding the fate of a hard working, talented, dedicated, single parent employee?” Professor Badaracco also asks in an enlightening, yet demanding fashion whether Peter Adario should have anticipated this problem in the screening and hiring process and successfully planned for how it would be resolved down the road.

A third central figure in the book is Edouard Sakiz, CEO of Roussel-Uclaf, the pharmaceutical company that developed the abortion pill, RU 486. The question he must grapple with is “Will his company sell the RU 486 abortion pill or keep it off the market due to protests by anti-abortion groups and the potential for economically harmful boycotts of its other products?”

This question has many underlying questions including: “Who does a CEO/manager represent when he or she makes a critical decision like this?” Badaracco explores many possible answers including the stockholders, the management or employees of the company, the customers, the nation, and even explores whether a business must or should take into account the best interests of society or the world at large in making such a decision. Badaracco’s analysis of the Sakiz/RU 486 drama, played out on the world stage, explores a critical area managers must consider every day -- “How do you make these tough decisions and protect and enhance your own position and personal power in the process?”

### Defining Moments Analysis

Each of the decisions faced by the three main characters represents an important personal, professional and social decision. The process of reaching and implementing such a decision is in Professor Badaracco’s words, a “defining moment” -- a process that “reveals, tests and shapes.” Badaracco criticizes much of what we read today in business ethics as simple guides advising us of the reasons for choosing “right” over “wrong.” This book suggests that the truly difficult decisions are the decisions between “right and right” that good, thoughtful people must make every day.

Choosing between two “right” decisions requires first that the decision maker analyze the situation carefully and accurately. Second, in order to make the “proper” decision Badaracco teaches that the decision maker become very clear about his or her values and how strongly or weakly the decision maker is attached to these values. Third, the decision maker must become keenly aware of and sensitive to the values of others (especially of others who are powerful). And fourth and most importantly, the decision maker must be able to analyze carefully and in detail the long term effects or results of making one choice over another. In each case study in Badaracco’s book, the author makes absolutely clear that the decision maker’s life will never be the same after the decision is made and the defining moment has passed.

Each human being on this planet has defining moments. The book suggests, correctly I believe, that most of the time we pass through life on such a fast train that we do not even realize when a defining moment has occurred. Even when we realize that a defining

moment has arrived we do not stop to take adequate measure, reflect and learn sufficiently from this defining moment to fully understand how this defining moment has “revealed, tested and shaped” who we are as a human being. Badaracco’s book is designed to fill a gap in our business management literature.

The gap in the literature is the lack of a proper conceptual and practical framework to use in dealing with defining moments. Due to the lack of this framework, Badaracco suggests that decision makers can not appreciate the true value of defining moments. In addition decision makers do not prepare in advance for when a predictable defining moment will occur. By preparing properly for a defining moment we will not only know ourselves better, but we can improve our decision making ability by planning for success, anticipating the obstacles and even preparing for and overwhelming the opposition to the course that we want to choose.

Ultimately Badaracco’s framework is designed to allow the reader to take great strides to improving how managers (and commoners) make important decisions in the future.

### The Context

In addition to being practical, the book is thoughtful and intellectual. In *Defining Moments* Professor Badaracco carefully synthesizes important elements from the works of all of the authors, statesmen and leaders cited above and addresses important questions of our time. For example, Nietzsche’s question “What is your way?” (which is stated elsewhere in the book- “This is my way; where is yours?”) strongly implies that each of us should have our own way and be our own compass. The questions raised in analyzing each case study show clearly that important decisions should be made with a careful understanding of the values, goals, viewpoints and intentions of others who have an interest in the decision. Professor Badaracco states persuasively, “A talent for understanding what facts and events mean to others is especially valuable when managers confront difficult ethical issues.” Simply put, what is a defining moment for you is probably of great interest and concern to others and if they are stakeholders in the decision making process or the result of the decision making process, it is critical to understand their views on the matter before one makes such an important decision.

This is not just a feel good; everything will turn out all right business book. This is a book that discusses raw power in meaningful terms: how to measure it, how to use it and how to survive it. Some of the great lessons the book teaches are the value and necessity of “skepticism,” candor, and realism; the need for a manager to identify patterns of behavior quickly; the importance of laying the groundwork for success of employees and endeavors; the need to understand the real power struggles in an organization.

The book also stresses the significance of being able to play to win and to create and implement business plans that do not fail just because some elements of an approach do not work exactly as anticipated. Badaracco states that a “plan of action must be robust across a range of possible scenarios and altered circumstances.” Although *Defining Moments* does not tell us exactly how to draft, much less implement, such a “robust plan”

it certainly gets the reader thinking in the right direction with its explanation of “virtu,” the word used by Machiavelli to signify “vigor, confidence, imagination, shrewdness, boldness, practical skill, personal force, determination and self-discipline.”

Badaracco also seems to side with Machiavelli’s view that “weak leaders and fragile organizations accomplish little in this world for good or ill, because they are preoccupied with survival.” After examining the need for an organization to be very profitable and very successful, the book exhorts managers to ask the question, “Have I thought creatively and imaginatively about my organization’s role in society and its relationship to its stakeholders?” Here again, *Defining Moments*, points the reader in the right direction.

## Conclusion

So, what does it take to realize the “potential greatness” of a defining moment? Badaracco’s answers and prescription are straightforward, yet profound. He suggests that we must have “creativity, persistence, courage, restraint, shrewdness and fairness.” But Badaracco realizes that these qualities are not enough. In addition, one must 1) seek a quiet space for contemplation and serenity away from the daily pressures; 2) keep a journal as Marcus Aurelius did; and 3) reflect seriously on one’s past, acknowledging a dozen or more people by recognizing what each have taught us or how each has influenced or contributed to our lives. *Defining Moments* is the beginning of a journey for thoughtful businesspeople which can guide us through difficult choices between “right and right.” It can improve the reader’s chances of creating that “certain kind of life” that is ethical, sensitive to one’s own values, the values of others and the need for success and profitability. I recommend the book to any manager, employee, business owner, non-profit executive, parent, minister or rabbi, politician, artist, entertainer, investor or educator who has to make important, life altering choices between two alternatives that are, in many respects, both “right.” This book takes us far beyond deciding between “right and wrong” to a level of thought, analysis and decision making ability that can transform the way you look at making important decisions and choices in the future.

## About The Author

Herb Rubenstein is President of the Sustainable Business Group, Inc., a consulting firm to businesses and governments. He is co-author of *Breakthrough, Inc. – High Growth Strategies for Entrepreneurial Organizations* (Prentice Hall/Financial Times, 1999) and author of *Leadership for Lawyers* (American Bar Association, 2008). He has also served as an Adjunct Professor of Entrepreneurism at George Mason University and Colorado State University, was a founding director of the Association of Professional Futurists, and is the author of numerous articles on futures studies, leadership and strategic planning. He has his law degree from Georgetown University, his Master of Public Affairs from the LBJ School of Public Affairs, a graduate degree in sociology from the University of Bristol in Bristol, England and was a Phi Beta Kappa/Omicron Delta Kappa graduate from Washington and Lee University in 1974. His email address is [herb@sbizgroup.com](mailto:herb@sbizgroup.com)

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