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Drawing Lines in the Sand: Ethics in Coaching, Contracting, and Confidentiality with Commentary

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Drawing Lines in the Sand: Ethics in Coaching, Contracting, and Confidentiality

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Since many executives today confuse ethics (authentic leadership steeped in morals, values, and meaning) with compliance (Sarbanes-Oxley) or risk management (ethics training rather than culture development), it is no wonder executive coaches are increasingly faced with the ethical dilemma of how to address ethics with clients. Do we, as coaches, engage with our executive clients about ethical issues only once they've brought it up in a coaching session, or when we see an ethical quagmire of which the client may not be aware? We asked these questions and more to a select group of highly skilled, successful, experienced professionals. Among those we interviewed were top executive coaches, psychologists who are coaches, psychologists who are not coaches, and Human Resources executives at large, multinational corporations. As we suspected, several common themes emerged, including the topics that every executive coach and every person who hires an executive coach should discuss in the contracting phase. This article will highlight some of the themes we discovered, some of the types of ethical dilemmas faced by clients and coaches, and the eight things to clarify prior to every coaching engagement.

The toughest ethical dilemmas are never really black and white. In a similar fashion, as executive coaches, the lines we draw in the sand are not always obvious to our clients and the organizations they represent. We must make sure our individual clients and client organizations know where we stand regarding ethics and confidentiality. This requires candid, clear communication at the start of every coaching engagement and involves an inclusive process to bring corporate representation into the mix. To gain a better sense of how professionals view the key issues of coaching ethics and confidentiality, we conducted a series of interviews with business leaders, psychologists, and executive coaches.

Coaches come to clients with a variety of backgrounds: some bring advanced psychology degrees and training while others rely on business education, experience, and expertise. This diversity of backgrounds is mirrored by the diversity of roles coaches play. Today, coaches are engaged for a myriad of business problems, including developing executives in their leadership ability and performance, helping executives understand their team (and vice versa), mentoring and motivating employees, and facilitating tough discussions. As the field of executive coaching changes to meet market demands, the lines between what coaching should or shouldn't cover become increasingly blurry. A common and consistent point of view among our respondents was "executive coaching should be limited to behaviors, attitudes and occurrences in the workplace". Most of our respondents saw coaching as a behavioral intervention, being defined by the psychologists as, "a cognitive and behavioral, task-oriented endeavor" and ultimately focused on business results.

KEY QUESTIONS FOR COACHES

As executive coaches, we must grapple with many questions about ethics in relation to coaching, including:

- How do we reveal issues that our clients may or may not be addressing that skirt the edges of ethics?
- When do we engage with our executive clients about ethical issues...once they've raised the subject? When we know that they are aware of a dilemma but not addressing it? When we see a quagmire about which the client may not yet be aware?
- How do we set clear and reliable ground rules for

confidentiality that protect both the rapport between coaches and their clients, and also support the organization's goals and needs?

- How do we determine when a client's issues and/or state of mind necessitate referral beyond our counsel to their internal sponsor, to an HR professional or to therapy?
- Do we face ethical dilemmas ourselves as coaches by either addressing or not addressing an ethical issue we observe with our clients? What are the typical ethical issues that executive coaches have dealt with in the coaching engagement?
- How do we define ethics for coaching and what is the range of ethical issues our executive clients face?

ETHICS IN COACHING

There are both formal and informal codes of ethical standards. Key findings in a 2003 national ethics study revealed that 88% of respondents from larger organizations said their organizations have written standards of ethical business conduct. Furthermore, 83% of respondents were positive about the extent to which employees in their organizations follow these ethical standards. They also indicated feeling pressure to compromise in meeting their organizations' ethical standards. In 2003, 52% of respondents said they felt at least some pressure, compared to 47% in 1997. On a more positive note, the misconduct that HR professionals say they observed in their organizations over the past year has declined from 53% in 1997 to 35% in 2003.¹

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So how are ethics relevant to coaching? Given the difficulty in defining ethics for coaches, we asked our interviewees about the range of dilemmas with ethical underpinnings their clients presented, as well as the ethical questions and issues they face as coaches. One respondent declared, "What's 'ethics'? It's all ethics!" The majority of the respondents, however, did not share this sentiment. Conversely, a more consistent theme was, "my clients just don't have ethical issues." In place of naming issues as "ethical" per se, coaching clients raise questions about difficult situations, thorny issues, dilemmas, or things over which they are losing sleep. Although these types of topics are prominent, they are not labeled, categorized, or defined as "ethical" issues when discussed with the coach.

Common Ethical Dilemmas Faced by Clients

- **Airing Performance Concerns:** Discomfort confronting performance problems leading to dishonest approach with employee
- **Sharing Sensitive Information:** In mergers and acquisitions, knowing what information to share with employees and when to share certain information
- **Sexual Misconduct:** Office affair with subordinate; office affairs in general
- **Addictive Behavior:** Substance abuse / gambling
- **Value Differences:** Value collisions between supervisors/ subordinates
- **Appropriate Success Factors:** 'Cut-throat' behavior by peers
- **Responsible Individual Behavior:** An isolated manager in an expat situation/loss of culturally accepted ethical norms

Common Ethical Dilemmas Faced by Coaches

- **Multiple clients in a company**; coach's potential confidentiality breach when privy to information known to one and not the other.
- **Client does not have the capability to be successful** in their role/job— coach's responsibility to the company?
- **Client's boss wants more information** about the engagement— coach's boundaries?
- **Coaching both boss and team**; boss wants to fire subordinate— coach's loyalty to both clients/confidentiality boundaries?
- **Client wants to leave company**— coach's responsibility to the company?
- **Client needs psychotherapy, not coaching**— how does coach know limits of boundaries and capability?
- **Dual relationships**; crossing boundary into a social relationship or referral relationships with client.
- **Use of e-mail**; what is coach's role in protecting client's confidentiality?
- **Sexual advances to coach**; or other inappropriate behavior, how does coach deal with it?

Clearly, business executives continually face ethical decisions. In our research, when we pursued the question, most respondents widened their interpretation of "ethical issues". They were able to generate numerous client examples of dilemmas or difficult situations with ethical relevance.

They indicated feeling pressure to compromise in meeting their organizations' ethical standards.

So why didn't they call them ethical in the first place? One reason is semantics – they lack a consistent working definition of what ethical means. Many executives and coaches alike see ethics as compliance or risk management

—a disconnect for those who view ethics as a behavioral intersection between integrity, honesty and accountability. Business ethics tend to be an objective set of guidelines based on laws, company policies, and accepted social mores versus personal ethics, considered more subjective and based on the executive's (or coach's) values, morals, and sense of integrity. Given today's headlines and the gross ethical breaches of executives at companies such as Enron, Adelphia, and WorldCom, executive coaches should consider both definitions within their domain of inquiry.

Many executives and coaches alike see ethics as compliance or risk management – a disconnect for those who view ethics as a behavioral intersection between integrity, honesty and accountability.

Executives and their coaches need to agree on a reasonable definition of ethics before coaching begins. For example, one coach we interviewed begins all engagements with a thorough inquiry into her client's core values and commitments to company, team and business. This strategy provides a broad grounding throughout the engagement, allowing her to pose questions addressing whether the client's behaviors, actions, attitudes and choices are consistent with those values and commitments. From her perspective, everything she deals with fits in the domain of ethics. Through her ethics-focused client intake strategy, she sets the foundation for coaching conversations to delve into the subject of ethics as needed.

CONTRACTING

We all recognize the value in clarifying roles, agendas, expectations, and results at the onset of an engagement. Increasingly, coaches must intentionally do so in the context of ethics. Below we offer six ideas for the dialogue between the coach

and the person hiring the coach that might take place during the contracting phase in order to raise client and organizational awareness about ethical coaching practices.

1. Often, the coach is not hired directly by the executive being coached. Identify an internal sponsor for the coaching engagement. An appropriate sponsor could be a boss, mentor, senior HR executive or other stakeholder for the performance of the client. Also find a day-to-day coach for your client from HR or elsewhere in the client company to support and complement the coaching you provide. Work in partnership with HR. Encourage the client to share the progress of the coaching engagement with HR and other company leaders.
2. Recognize that the expectations of the person hiring you may differ from the client's expectations...what does the client expect and what does the company expect? Contract for what you can meet regarding those expectations, and communicate to all parties where the coaching relationship is not designed to meet those expectations.
3. Set clear boundaries: define and set up a firewall regarding confidentiality and anonymity with the client, with the sponsor or HR representative, and with anyone else to whom you are accountable within the client company or organization. Clarify the boundaries between what the company has a right or a business need to know and what is kept confidential. This is best worked out before the fact and not when the issue arises during the engagement. If the need arises to provide feedback to others in the same organization, share broad themes and patterns to protect confidentiality.
4. Explore how feedback about the coaching engagement will be requested and how it is expected to be delivered.
5. Craft a specific exit strategy so that when the coach leaves there is a clear internal support system for the client. Determine how the coach will manage the transition.
6. Distinguish coaching from therapy. Discuss when a referral to a psychologist would be necessary, when a referral to HR would be necessary and the process for both. Distinguish with the company and the client what falls inside the coaching context and what would necessitate a referral to an outside resource.

CONFIDENTIALITY

The code of ethics for a psychologist's practice is very clear. The consequences of a breach can result in a loss of license. Executive coaches have several optional codes of ethics available, (ICF and WABC) but these are not linked to the potential removal from practice. Client companies have formal value statements or codes of conduct and mutual respect. Coaching companies have informal sets of ethical principals regarding confidentiality. Executive coaches need to be aware of what codes exist in the companies where they work.

While this might be construed as jeopardizing the rapport and candor between the coach and the client, it has the client organization's best interests at heart.

As coaches, we are often privy to highly sensitive personal data and information about our clients' lives and business. As a result, it's no surprise that issues of confidentiality are a recurring issue for those interviewed. There are various ways

Client companies may assume that executive coaching is not therapy but seldom have mechanisms or explicit policies to manage the executive coaching engagement other than the reputations of those they hire.

that coaches interviewed deal with the issue of confidentiality. Psychologists view their professional code as the boundary they cannot violate. Most often they deal with the issue of confidentiality explicitly in the contracting stage. They view all dealings with the client as confidential, with the exception of “abuse” (e.g., sexual abuse) or transgressions of a legal nature (e.g., fraud). For executive coaches who were also licensed psychologists, the line was clear between what was confidential to the client and to what information the company had access.

From the eyes of an HR leader, the view looks slightly different. “While I absolutely support the confidentiality between a coach and client, anything that negatively impacts the organization’s goals, or someone in the company outside of that client, needs to be made available to the company”. While this might be construed as jeopardizing the rapport and candor between the coach and the client, it has the client organization’s best interests at heart.

So, how can coaches deal effectively with confidentiality in coaching engagements? There were several solutions offered by our research group. Several suggested engaging the client company’s HR representative as an ongoing partner in the coaching engagement, or including a sponsor such as the client’s supervisor or mentor. Several coaches advised counseling clients about politically smart communication skills as part of their repertoire. Lastly, many interviewees had formal or informal groups of peers and professionals where they sought advice on the more difficult issues of confidentiality. Many found that case reviews and coaches working together on issues avoided isolation and broadened their approach to these and other dilemmas of coaching.

REFERRAL

One of the richest and most fascinating themes in our research was the question: “when do I refer a client to some other professional inside or outside their company?” There are times in coaching engagements when it becomes clear that the coach is beyond his or her capability or the defined boundary of the engagement. At this point, the coach often refers the client to an internal HR representative, or on to psychotherapy or counseling.

Do not wait, or expect a client or hiring party to initiate the conversation.

Coaches must be aware of the distinctions between coaching and therapy. Over the last few decades, psychology has evolved from a highly analytical to a more behavioral/cognitive practice. For some, what many psychologists do inside the therapy hour might look very much like “coaching” – assigning tasks, asking clients to experiment with an uncharacteristic behavior, giving homework, practicing communications – all very common techniques that coaches often use with business leaders.

Those who are both coaches and psychotherapists must draw extra lines in the sand. Being skilled practitioners, they are easily privy to sensitive and often personal information that clients might not share normally within the confines of work. Their job is to distinguish what impacts the business and business goals and refrain from providing clinical treatment. Those who are not therapists must have sufficient training to recognize when a referral to therapy is necessary and understand the limits of coaching as well as the limits of their capability to address certain issues. Client companies may assume that executive coaching is not therapy but seldom have mechanisms or explicit policies to manage the

executive coaching engagement other than the reputations of those they hire.

In addition, it may become problematic for the executive coach to be a conduit for clients finding appropriate therapy. If a coach determines a client could benefit from therapy or counseling, a recommended approach is to encourage the client to use their company's available resources such as the Employee Assistance Plans. If there is not a company program or a client needs additional help in finding resources, only then should a coach make a referral from his or her own network. Coaches should consider referral when

- the client is clearly depressed or having significant marriage/family problems;
- the client has a problem with an addiction;
- the coach is beyond his or her own capability to address an issue;
- the issues clearly go beyond workplace concerns.

There were similarities in the responses about when to refer clients to Human Resources. There was clear consensus that coaches must refer back or at least engage the involvement of the internal HR expertise when

- the coach suspects sexual harassment;
- the coach suspects other kinds of severe workplace/ management abuse;
- the coach becomes aware of illegal conduct involving the client;
- the coach sees incidents where behavior infringes on the company's ethics policies.

CONCLUSION

We recommend a proactive approach, setting the stage in advance that ethical subjects will arise for discussion in the course of the coaching engagement. Do not wait, or expect a client or hiring party to initiate the conversation.

A Proactive Approach

1. **Identify an internal sponsor** for the coaching engagement.
2. **Engage an internal HR representative** as your contact and a day-to-day coach.
3. **Clarify the company's expectations and goals** for the coaching engagement and determine how these integrate with your clients' goals.
4. **Seek out and learn** the company's official ethics policies and codes of conduct.
5. **Seek out and know** the company's philosophy and policy regarding executive coaching.
6. **Make confidentiality boundaries explicit** in the contracting phase of the engagement.
7. **Design ongoing feedback and debriefing mechanisms** with sponsors, clients, and HR representatives.
8. **Have an exit strategy**; make it explicit in the contracting phase how the client will be supported after you leave.

One theme that emerged in our interviews is that it is easy to 'get sloppy' and not address the arena of ethics in the coaching process. It is critical to be clear before starting. Is there an expectation of first responsibility to the health and well being of the company above that of the executive client? Initiate an up-front discussion about the coach's role as a non-judgmental sounding board, particularly

for difficult decisions and dilemmas. Discuss methodologies or approaches you will use when these difficult conversations arise (i.e., values-based, reflective approach) and make it clear to both the client and the company that if you sense that a client issue may have ethical implications, you will address it openly with the client. In summary, many of the issues of ethics and confidentiality can be dealt with through a proactive conversation generated by the executive coach in the beginning of the engagement.

ENDNOTES

- 1 SHRM/Ethics Resource Center 2003 Business Ethics Study– Society for Human Resource Management: 2003 Ethics Study.
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Commentary On **Drawing Lines in the Sand: Ethics in Coaching, Contracting, and Confidentiality**

SUZI POMERANTZ, M.T., M.C.C.

When Jackie and I originally wrote this article, it was in the context of a) the opportunity to collaborate again with each other, and b) part of the entire *IJCO* issue on The Ethics of Coaching for which I was the editor. This article brought a practical analysis to bear, along with some very specific suggestions for coaches to raise proactively during the contracting phase of their coaching engagements to pave the way for future discussions about ethics and ethical dilemmas.

It is very much still a relevant topic today. Coaches should bring to each engagement an awareness and sophistication of understanding about ethics in general as well as ethics specific to executive leadership and to coaching. Coaches must have the ability to identify the ethical components or underpinnings of a client issue, as well as a willingness to declare the ethical elements and implications within dialogue with the client. So much of what we do as coaches involves holding up that metaphoric mirror for our clients, that I would argue that we are responsible to include an ethical reflection as part of our role as mirror.

So much of what we do as coaches involves holding up that metaphoric mirror for our clients, that I would argue that we are responsible to include an ethical reflection as part of our role as mirror.

At the very least, coaches need strategies for how to identify when there is an ethical issue at play, as well as strategies for how to “call a client onto the mat” to deal with it as such. This is critically important to our role as stewards...we have obligations, not only to our clients and to our profession, but to the client organizations, to the community, to global markets, to the world at large.

If we let an ethical issue slide undeclared, either intentionally or due to a lack of capacity to identify it, we are complicit in any breach of ethics that arises as a result. How's that for a bold declaration?

Intrinsic in the inquiry about ethics for coaches is the key point the article raises about how necessary it is for coaches to know, honor, and educate clients about the distinctions and boundaries between coaching and therapy. For example, see the Patrick Williams article, "The Potential Perils of Personal Issues in Coaching. The Continuing Debate: Therapy or Coaching? What Every Coach MUST Know!" that first appeared in *IJCO*, 2004, 2(2), pp. 21- 30. This is particularly pertinent in light of the legal precedent that already has occurred. In Colorado, coaches can be sued for practicing therapy without a license.

You can read more about this at www.coachfederation.org where the Summary of the ICF Regulatory Committee initial findings states that "Colorado, Minnesota, Washington and California are states where coaching is considered by regulators to be part of the mental health field and as such may require coaches to register as unlicensed therapists or counselors. Preliminary discussions with Colorado legislators indicate resistance to changing the current thinking that incorporates coaching within the Mental Health Professions. While we as a coaching community understand the distinction between coaching and therapy or counseling, some within the legislative community fear coaches may be practicing therapy without training or license." It is, likewise, similarly important for coaches to clearly differentiate our services from those of consultants, particularly since many coaches provide both coaching and consulting services.

"While we as a coaching community understand the distinction between coaching and therapy or counseling, some within the legislative community fear coaches may be practicing therapy without training or license."

The parts of the article that deal with the need to be proactive in setting up the engagement are even more critical today than three years ago when we wrote this piece. Especially in light of the increasing commoditization of coaching, organizations are becoming more savvy and sophisticated consumers of coaching services, and the result is that coaches have less and less control over the contracting phase of coaching engagements. We will need to be vocal and proactive about setting the stage for ethics to be an explicit part of what we openly discuss with our clients, their sponsors, and organizational leaders.

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