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Sex Between Superiors and Subordinates: What Are the Rules?

By Ben W. Heineman Jr.

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The answer depends heavily on organizational culture and national laws



Reuters/Brendan McDermid

When a senior member of an organization has sex with a junior member, what should that organization do?

This issue arises under the heading of "fraternization" rules and is worth reconsidering with the Dominique Strauss-Kahn scandal in the news -- not because of the current sexual-assault charges that have led to his resignation as head of the International Monetary Fund, but because of an incident three years ago that did not: A 2008 investigation of Strauss-Kahn's affair with a subordinate economist at the IMF concluded that the affair was consensual, and that while Strauss-Kahn had acted inappropriately, he had not acted coercively. He apologized, but suffered no other consequences. (The IMF economist recently released a letter she sent to the

investigator in 2008 claiming coercion by Strauss-Kahn, but this view of events was not credited in the investigator's report.)

To see how differently the issue plays across organizations and national boundaries, consider these other cases:

- Boeing CEO Harry Stonecipher was forced to resign in 2005 ten days after the Board of Directors learned that he had a consensual affair with the head of the company's Washington office. He had returned to the company after procurement scandals had led to the resignation of the prior CEO. But his sexual activities were deemed inconsistent with his push for higher standards of conduct and viewed as embarrassing to the company because of steamy emails. (According to news reports, Strauss-Kahn used sexual language in his communications with the economist.)
- In the United States military, fraternization rules embodied in the Uniform of Military Justice flatly prohibit an officer from having sexual relationships with an enlisted member.
- According to a story in [The New York Times](#), the "IMF maintains a more permissive stance" towards superior-subordinate sex, which do not, *per se*, constitute harassment. But "the World Bank, by contrast, says such a relationship is 'a de facto conflict of interest.'"

In the factually similar cases of Strauss-Kahn at the IMF and Stonecipher at Boeing (married men, consensual sex, steamy communications), the "fraternization" results are completely opposite. In different institutional settings, the IMF has no clear rules, the World Bank has a presumption of wrongdoing, and the U.S. military has a flat prohibition against superior-subordinate sex.

Most government, military, and business organizations have some type of fraternization policy that applies to superior-subordinate sex. The purposes of such policies include concerns that such relationships may be the product of subtle or not-so-subtle coercion, may lead to favoritism for the subordinate, may undermine other employees' morale, may undermine the organization's reputation for fairness, may lead to retaliation suits, may embarrass the entity in public and may, in other ways, impair the effective, non-biased functioning of the organization.

Higher standards may apply when the superior is the head of the organization rather than a mid-level leader. Invariably, there will be an independent inquiry after credible allegations or information about superior-subordinate sex. If coercion or favoritism are found, then the head of the organization is usually terminated. In the United States corporate world, even consensual sex by a married man with a subordinate is often viewed as inconsistent with a leader's obligation to set an example of integrity for the company, especially when accompanied by embarrassing emails. Termination often, though not always, follows. This is due, in part, to the appearance in the organization

that coercion or favoritism did exist. (If peers in the same unit begin a romantic relationship, a customary response is to assign one of them to a different part of the organization.)

But the IMF did not take such a strict view of Strauss-Kahn's affair with a subordinate. If it had, and if it had evaluated apparently wide-spread reports about his serial, public sexual relationships, it would have spared itself today's imbroglio over leadership (although it would not have had Strauss-Kahn at the helm since 2008).

In light of the different approaches and different cultural traditions, this case underscores the need for major organizations across the globe to review with care how they should handle the age-old situation of superior-subordinate sexual relations.

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