

## CONSULTING 101 - ETHICS & INTEGRITY

### A Personal Ethos:

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There are many words in the English language to describe '**Ethics**'; for example, the Oxford English Dictionary provides fourteen synonyms (*moral code, morals, morality, moral stand, moral principles, moral values, rights and wrongs, principles, ideals, creed, credo, ethos, rules of conduct, virtues, dictates of conscience*), and twenty-three for '**Integrity**' (*honesty, uprightness, probity, rectitude, honour, honourableness, upstandingness, good character, ethics, morals, righteousness, morality, nobility, high-mindedness, right-mindedness, noble-mindedness, virtue, decency, fairness, scrupulousness, sincerity, truthfulness, trustworthiness*). People may agree or disagree with some of the choices, but the nouns amply portray my personal creed for what a Consultant must resolutely believe, apply and practice.

An important concern for any Consultant involves issues designated under the universal term 'Conflict of Interest', encompassing both 'perceived' and 'actual' concerns, both of which can present perilous pitfalls. Perceived Conflict is an especially difficult and slippery slope since an inferred allegation may have no tangible foundation, and consequently, is exceedingly difficult to counter. Under certain circumstances, a Consultant may not know that an accusation of 'perceived conflict' was raised, and when this occurs, there is characteristically no further recourse or chance to clarify or correct the issue. One unassuming example of a 'perceived conflict', although many exist, is having worked previously in direct association, or been involved with a party, who during a previous project, was 'considered' to be an actual conflict of interest. In other words, when it comes to a Perceived Conflict, there is a grave possibility of 'culpability by association'.

The preverbal thin-line between right and wrong is often blurry, so in order to be 'ethical', it is imperative to understand the difference; nevertheless, knowing the difference is of little worth if not practiced. The old Quality principle "**Say what you do and do what you say**" comes to mind as an excellent policy for any Consultant to follow. The formal establishment of comprehensive principles to follow, and to subsequently guide the Practice is an excellent start.

Ensuring we always do the right thing – especially within organizational consulting - is not a straightforward exercise at the best of times. Having a strong and ingrained awareness of ethics, such as honesty, respect, fairness responsibility and equality (possibly more than any other factor) epitomises our fundamental values and ultimately reflects the way we live our lives. We attach and adapt these values constantly in our personal and professional life, which in turn, guides us down the moral and ethical path. The outcome not only reflects how we conduct our consulting practice, but it ultimately reflects how we behave and treat others.

By the very nature of an assignment, a Consultant is frequently, albeit inadvertently, placed in a position of great trust; consequently, considerable power and influence maybe applied whether intended or not. For many this is a significant challenge, as influence and power come in the guise of a 'double edged sword', and if wielded carelessly may result in a 'conflict' allegation.

Ethical Consultants typically operate and perform within defined formal principles, under a code of ethics. Principles must be formally identified without which, it is vastly more difficult to recognise and

distinguish ethical dilemmas accurately or consistently. Furthermore, a documented ethical code will help minimise the potential danger of liability.

Influencing an individual for any purpose other than for the betterment of a Client, is what I term “falling victim to the “Force’s Dark Side”. Many Consultants have been tempted, and history stands testimony to the negative behaviour tarnishing the consulting industry in general. Equally, trust, similar to reputation, is also hard to establish but easy to damage, and this is as true of an Organisation as it is for an individual.

To prevent a conflict of interest, whether actual or apparent (for both can be enormously damaging) a Consulting Practice requires formal moral principles to follow. This will help preclude any suggestion of a conflict of interest from arising by providing practical guidance for the Consultant(s) to follow.

An ‘actual conflict of interest’ is when ‘personal interest’, as may be perceived by a 3<sup>rd</sup> Party, is allowed to influence, and ultimately prevents a Consultant from making an unbiased decision, a decision that would normally be in the best interest of the Client. In other words, the Consultant is deemed incapable of providing independent council devoid of personal ambition. Consequently, the Consultant could be considered compromised and unable to make an impartial decision, apply autonomous judgment or be neutral and detached over end deliverables, inclusive of data, technical results, etc.

An ‘apparent conflict of interest’ is almost as harmful and arguably even harder to control. In this instance, a 3<sup>rd</sup> Party may raise doubt over a perceived (personal) interest of the Consultant. Typically, it could be any situation expected to interfere with the Consultant’s independent decision and judgement-making processes. Often there is no hard evidence to support an apparent conflict of interest, and consequently, this type of accusation is not evidence based, but more often founded on incidental information; nevertheless, this is frequently sufficient to cause extensive damage and even loss of reputation.

Ethics are not old-fashioned principles or values to be used whenever we need to lord moral judgement over others. Ethics are a fundamental human attribute that has had, and continues to have, indispensable influence on the way we conduct our Consulting practises and our lives. Ethics therefore, are the moral evaluations we use when making a decision; they allow us to weigh the facts and to determine whether they are right or wrong, based on social and culturally accepted doctrines of behaviour. They are moral principles that define appropriate behaviour, and although some can be formally defined, many cannot.

Ethical Consulting is more than just a matter of following or staying within a Policy. To be truly ethical, you must be completely transparent in dealing with a Client; which means, the Client is always ‘first and foremost’. The ethical debate is complicated and certainly not straightforward and at times, it will present difficulties and challenges. Nevertheless, ethical conduct and subsequent behaviour is undeniably one of the Consultant’s greatest allies, providing tremendous personal satisfaction and reward.

It is prudent when planning a formal ‘Ethical Policy’ to review current laws and regulations to ensure uniformity to existing societal norms. However, it is not sufficient to merely apply the law and/or any applicable regulation as a minimum, and then hope that it will be sufficient. Ethical behaviour habitually transcends the legal requirement in many circumstances, and must consequently, be considered a major component of any ‘Ethical Policy’.

Whether working as an individual or from within a larger team the Consultant must function in accordance with rigorous moral principles. Such principles encompass ideals based on, but not limited to honesty, trust, fairness, justice, transparency, the acceptance of the “greater good”, having regard for things more important than making money, i.e. competence, discretion, adherence to professional rules, conduct, impartiality, responsibility, integrity, fairness and human rights, etc.

It is worthy of mention that unethical activities come in many guises. A common trap of the ‘Force’s Dark Side’ includes the practice of ‘purposeful solicitation’ for work when under contract to a 3<sup>rd</sup>. Party to that Party’s Client. For instance, when assigned as a contracted Auditor, to solicit the Auditee as a result of information discovered during the Audit, is not ethically acceptable, as unfair advantage could be applied or similarly, seemed to be applied. Consultants who practice this marketing technique are often released from their contract for having breached the conflict of interest guidelines. Furthermore, the Consultant may also be subject to additional harm when other Organisations learn of the dubious practice and refuse to engage them on new projects.

It is a fact that ethical choices make for sustainable commerce since they promote business and develop mutual trust between the Consultant and the Client. Enough cannot be said to caution against any form of unethical activity, no matter how slight, insignificant or harmless it may appear. Sometimes it is difficult to see the forest for the trees and we need to stand back to get a fresh picture on a situation. Nevertheless, unethical behavior can be ameliorated by developing a healthy self-awareness of personal biases, including one’s own limitations of proficiency; by this technique, defences can be established to help ward off possible issues.

At certain times, a Consultant’s mettle and moral standing will be tested and tried. The thought of losing an opportunity or contract is a strong and persuasive enticement to unethical behavior and one, I might add, Clients may inadvertently influence, not appreciating the potential consequences they are exposing the Consultant too. Consultants who fail to practice within established and acceptable guidelines, inclusive of conventional moral principles to further their own interests at the expense of their Client, will eventually fall from grace and fail.

Regardless of how an individual Client or Organisation initially perceives the acceptability of a particular activity, if society judges that activity suspect or even slightly unethical, the resultant public opinion may then influence the Client’s attitude as to whether the Consultant maintains the ability to provide nonpartisan and objective service. It is worth remembering that although not all activities presumed unethical by society may be illegal, other (potential or existing) Clients – often those in direct competition with your Customer - may see it differently!

While it is also true that complaints against a particular activity may result in legal action that restricts or bans the controversial activity, displeasure will more likely be demonstrated in other indirect ways that will equally affect your bottom-line i.e. multimedia, word of mouth, references, etc.

The interpretation of ethics and integrity along with their application is unique to each individual. Consequently, people devise concepts and apply their own moral standards to situations and circumstances. On occasion, these values may become tarnished and lax, as the ‘Force’ exerts its power of persuasion. To prevent sliding down this slippery slope, standard rules of conduct and acceptable behavioural practices must be devised, established and followed.

During the initial phases of establishing a Client relationship, every effort must be made to understand and learn their culture(s), which includes the personalities of key players within the Organization. Culture contains a diversity of values, some of which are enacted while others are merely favoured. A Consultant's behavior should therefore always be considerate of the host's cultural values and your own professional standards. It is important to remember as an invited guest, the Organisation's culture, no matter what it is, must be respected.

When policies and standards of conduct have not been formalised, it is exceedingly difficult for anyone to determine what is, or is not, acceptable behaviour. Without a formal behaviour guidance Policy, there is a strong probability that decisions will be made based on little more than a vague understanding of how others i.e. peers and/or managers, etc. would act.

As will be appreciated, practicing respectable ethics is not always straightforward or black and white. Consultants will often find themselves in a compromising and precarious situation as a normal consequence of doing business. Nevertheless, by recognising and applying 'disclosure' and 'transparency' to the situation, many issues will be solved without enduring further distress or losing business.

Areas of concern are too numerous and varied to list in their entirety here, but typical examples may include:

- The Client requests the omission of information / data from a formal report.
- The Client directs the Consultant to lie or distort (hide) the truth to their superior.
- The Client already knows the answer they want presented.
- The Consultant's work is prejudiced toward obtaining additional work.
- The Client solicits proprietary information obtained during engagement with another Client.
- The Consultant applies 'inside information' to gain an unfair advantage.
- The Consultant is solicited to express 'opinion' of another Consultant or Organisation.
- The Client suggests 'kick-backs' for future commission.

Codes of ethics are formalised rules that define a level or standard that describe how people are required to behave. Formal codes demand and encourage ethical behaviour by eliminating opportunities for unethical conduct to develop. By this practice, a Consultant (or an Organisation's personnel) will know exactly what is expected, and what the consequence is for violating a rule. Nevertheless, a code of ethics cannot be expected to cover the entire gambit for every possible situation; however, an ethical code should include the most vulnerable and susceptible areas of an operation relevant to achieving organisational goals and objectives within morally acceptable boundaries.

The ethical Consultant must be constantly vigilant and wary of falling victim under the influence of the 'Dark Side'. This also means acting in a professional manner at all times. Consulting is more than just being competent or skilled in a particular activity; it means behaving with the utmost morality and integrity under all circumstances, at all times, while upholding the ideal of 'service' to others, before self-interest or gain.