

Clients with Conflicting Ethics Can Be Problem for Consultants

By **Lin Grensing-Pophal, SPHR**, *December 2007*

When HR consultants face an ethical dilemma of their own making involving a client, it is usually centered on potential conflicts of interest created by work offers from the client's competitors, say consultants who have dealt with such conflicts. The question is, should a consultant—who may have had access to a company's proprietary information—inform a current client about a work offer from a competitor?

In situations that have the appearance of being a conflict of interest, full disclosure is a must, says Chris Dittus, PHR, founder of the Austin, Texas-based August Communications Consulting.

The field of search engine optimization (SEO), which is the area of Dittus' expertise, has become a growth industry, and there are start-up SEO companies that need help. "It has actually become a bit of a dicey issue for me because I've been recommended by several of my former colleagues," she said. Working for competitor companies—which could be a conflict of interests—is an issue that HR consultants should be extremely up-front about, Dittus says.

"I disclose to current clients if I'm thinking about working with someone else and ensure that they're OK with it. Trust is a key piece here. If I lose that trust, then, ultimately, I'm not going to have clients," Dittus says.

Client Ethics

Overall, HR consultants need to identify their own areas of ethical exposure, but what is likely more challenging for many HR consultants is navigating the ethics of clients and client organizations. Among the ethical challenges an HR consultant may face are:

- A vice president-level client would really rather that an HR consultant not share conclusions with the CEO about a vendor the VP prefers.
- The CEO does not feel the employee focus group outcomes are appropriate to forward to the board.
- A senior-level manager pressures an HR consultant to overlook the input of an employee who is a source of a Family and Medical Leave Act investigation.

Another sensitive situation occurs when a client or individual at the client company offers to share information that the person says needs to be kept secret, says Dr. Gaby Cora, a board-certified psychiatrist, a corporate consultant and an executive coach. When faced with that situation, the best response a consultant can give is to stress that the information needs to be used to develop a plan that will help the company, she said. The consultant

should say something like: “I think the best help I can offer to you is to open up and try to create a strategy so that everybody wins.”

HR consultants face ethical issues on a regular basis, Cora says. The issues are complicated because they are generally not black and white or obviously right or wrong. Consultants “always face the quandary of addressing complex situations and many gray areas,” she says. The key is knowing oneself and having a solid system of values that can be used when troubling issues or decisions arise. The end point “ought to be one of finding the best possible outcome for everyone involved,” she says.

Corporate Minefields

Much of what HR consultants have to face while working with various members of a client organization involves navigating the political environment. A consultant may find that the VP who hired the consultant has one agenda, the CEO another and the CFO yet another. So where should the consultant’s loyalties lie?

“HR people, as a matter of function, are challenged by the role of being torn between the executive or manager who they’re employed by, and the staff-level employee,” said Dittus, who has found herself between the CEO and president, as well as the actual project manager or the individuals who own the project. “In a consulting role, I’ve found that to be very stressful,” she said.

One stressful situation occurred while Dittus conducted a climate survey for an organization. The company’s VP was kept informed as the project progressed, and she believed the VP to be supportive.

Eventually, the VP’s true agenda became clear, she said. The VP was not interested in ferreting out the perspectives of employees, but in targeting one or two specific individuals for termination. “He was hoping to use some of the information I gathered to meet that objective,” she said.

In addition, when company executives are not on the same page and continually contact a consultant to provide different input or obtain different information, the consultant needs to call a meeting with the executive team to ensure that the company’s leaders are united toward the same goal, Dittus said.

A consultant cannot do a good job if the company’s leadership is not working for the same goal or if office politics are interfering with the ability to achieve that goal, she said.

Those types of situations put the HR consultant in a tough spot, particularly when the ethical dilemma is being presented by the person who will ultimately be signing the purchase order. At the end of the day, Dittus maintains her work “process,” even if it means she likely will not get paid, she said. “With this organization I did get paid, but I didn’t get additional jobs, because I didn’t provide the commentary he was looking for,” she said.

Taking the Long Road

Often, when a consultant is faced with a client's breach of ethics, the breach is usually for a short-term gain, Cora said. A strategy that consultants can use to deal with clients who are leaning toward adopting a questionable policy for a short-term gain is to stress that the decision could have negative ramifications in the long term, she says. That approach can be a non-defensive way to make a point, she said.

In addition, a "short-term/long-term" decision strategy can work for HR consultants who are deciding which clients to work for and which projects to take on, Cora said.

"If I'm working in an organization that is constantly bending the rules and is really different from the way I would feel myself, then it's definitely not a good fit in the long run," she said. "In the short term it may be a good temporary decision, but in the long run it would probably not be a very successful partnership."

At the beginning and end of every day, every HR consultant has only one individual to confront in the mirror: himself or herself. Therefore, HR consultants need to know themselves and need to be firm in terms of sticking to their principles—drawing a proverbial line in the sand.

"I feel most comfortable on an ethical level when I'm aligned with my personal style," Cora said. "The alignment part comes into play in a very internal way. Folks who break rules are folks who break rules."

Nonetheless, independent consultants likely face fewer ethical dilemmas than HR professionals who are on staff at a company and are forced to compromise ethics, Dittus says. "When you're working for a corporation, there are many things you can't walk away from and there is a lot of political influence. As an independent consultant, ultimately I control the decisions that I make for my business and the choices I make about the clients I decide to take on."

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