
“We’re All in This Together”; Covid, Clients, and Consulting Ethics: A Tale of Two Firms

Olga Matthias, Leeds Beckett University

Introduction

Unsurprisingly, management consultancy continues to provide examples of contradictory approaches towards clients even during a time where the phrase “we’re all in this together” has been the umbrella under which we have all sheltered for at least some comfort in the difficult times that the Covid 19 pandemic has placed us in. However, it would seem some of us have been more in it together than others. In conversations with staff in two UK consulting firms over the last 6 months a stark contrast in approaches towards their clients and their business model became apparent. Rather than explicitly judge either example, I present the summaries of the conversations to the readers of this journal for consideration, to provide an opportunity perhaps for discussion within firms or even food for personal thought and reflection about what is important for a firm’s success and its longevity.

Consulting Firm 1 – A Large Global Consultancy*

With thousands of employees and a solid track record of successful delivery to a host of multinational clients, this consultancy seemed well-placed to weather whatever the initial crisis developed into. The firm took advantage of the government furlough scheme and placed consultants who were not on client assignments, or ones where clients said projects would be put on hold, onto the scheme. Consultants on assignments which were continuing were told that with immediate effect they would be on 90% pay. All were given instructions not to tell clients of these developments as clients were being billed as per their contracts.

As most have found, Zooming or Teaming is tiring in a way that being in an office with colleagues is not. Consultants found that although they no longer had a commute to and from site, the working day started earlier and finished later than hitherto. Despite feeling hard done to (who wouldn’t when furloughed colleagues are being paid 80% for no work at all?) they dedicated themselves to project delivery in the same way as previously. After 6 months, all were back on full pay. Announcements had been made that no pay

increases would be forthcoming for 2020 or 2021; May 2022 would be the first possible date for increments or promotion.

One month after all consultants were returned to full pay, an all-company meeting took place. This was a standard annual event, but differed this year in that it was a virtual event. Staff were congratulated for their sterling efforts and informed that the sacrifices had been worthwhile – the budgets had been met and projected profits were as planned. Everyone was thanked for their dedicated contributions to the firm's success.

Consulting Firm 2 – A Boutique Firm*

This firm has a few large SME clients and multiple small SMEs to whom it provides consulting services. Relationships tend to be close with clients and operationally tend to be informal whilst working within the formalities of contracted briefs. When the Covid crisis hit a number of clients contacted the leadership to discuss specific issues that had arisen pertinent to their business. Whilst each client was experiencing different problems, the conversations were similar in that cashflow was a worry, the project was a necessity and rearrangements would be welcome.

In turn, the firm shared with clients their concern that the lockdown and resultant client problems may impact their pipeline, as well as negatively affect younger members of their team, who, as a result of furlough, were losing precious mentoring and development opportunities. This climate of openly discussing vulnerabilities opened up new avenues of discussion that perhaps neither party had anticipated. The firm approached client issues pragmatically. Purchase Orders were rescheduled to accommodate current needs yet keep the project progressing, albeit on an extended timeline; an annual contract became a 3-month contract; and finally, a discounted rate for a project which had been long discussed was agreed for a pilot so that when the business was able to operate on a firmer footing the project itself could be fully scoped based on the outcomes of the proof of concept. The latter especially felt like a mutual win as two members of staff who came off furlough were assigned to that, and their development needs effectively taken into account in the lower fee rate.

Reflections

These two companies adopted opposite behaviours towards their clients and staff yet, set against the ethical behaviour standards UK and European professional consulting bodies promote, both conformed. According to the MCA¹ working in an ethical way is being responsible citizens, conducting business ethically and fostering an ethical culture, which in practical terms is a tad unedifying. Similarly, the European Federation of Management Consultancies Associations (FEACO)² states in its Ethics section that consultancies shall at times maintain the highest ethical standards in its professional work. It does go on to say that consultancies must at all times act solely in the interests of the client and not do anything likely to lower the status of management consultancy.

¹ <https://www.mca.org.uk/value-of-consulting/consulting-excellence> (accessed 10th November 2020)

² <http://www.feaco.org/aboutfeaco/codeofethic> (accessed 10th November 2020)

It would seem that Firm 1 behaved completely in accord with both Associations' requirements, although whether they acted solely in the interests of the client may be questionable. Having said that, their policy was more directed against their own employees. It nevertheless feels that Firm 1's behaviour had some ethical shortcomings (Gentilin 2016). Perhaps it is true that it is impossible to provide a precise definition of good and ethical action (Shaw 2020). Firm 2 on the other hand introduced greater transparency, shared vulnerabilities with their clients, and generally appeared focused on building stronger relationship foundations for the future (Squire et al. 2009). This feels stronger ethically, and generally more in keeping with the broader literature on client-consultant or buyer-supplier relationships.

Food for Thought

Arguably, Consulting Firm 1 has not acted unethically, given what the two professional bodies state about ethical behaviour, although intuitively it feels as if it has. In fact, Vallini (2007) pointed out that the consultants need for turnover and profit-making was an ethical risk for clients, and that the pursuit of profit-making cuts ethical limits.

From these examples a number of questions arise, whether for personal musing or broader open debate. For instance, as a starter for 10:

- What are ethical consulting behaviours?
- Can/should they be policed?
- Is the soft-touch guidance approach of the professional bodies the right way?
- How do clients find out about internal firm behaviour they might consider unethical – and in fact, should they?

References

Gentilin, D. (2016) *The origins of ethical failures: lessons for leaders*. Farnham, Surrey, UK; Burlington, VT: Gower.

Shaw, D. (2020) "Aristotle and the Management Consultants: Shooting for Ethical Practice" *Philosophy of Management* 19 (1), 21-44.

Squire, B., Cousins, P. and Brown, S. (2009) "Cooperation and Knowledge Transfer within Buyer- Supplier Relationships: The Moderating Properties of Trust, Relationship Duration and Supplier Performance". *British Journal of Management* 20 (4), 461-477.

Vallini, C. (2007) "Ethics in Management Consulting". *Symphonya. Emerging Issues in Management* (1 Management Consulting and Global Markets), 1-15.

*For definitions of types of consulting firms see: Matthias, O. (2019) "Through the Looking-Glass– Consultants on Professionalism in Consulting". *Management Consulting Journal* 4, 7-9.