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Advisory Anxieties: Ethical Individualisation in the UK Consulting Industry

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Abstract Theorists have long argued that a process of individualisation is inherent in conditions of late modernity. Whilst individualisation has been acknowledged in the business ethics literature, studies have often overlooked the processes by which individuals are given greater responsibility for ethical decision making and the personal and institutional effects of this responsibility. This article develops a notion of 'ethical individualisation' to help one understand and explore how and why ethical responsibility is being devolved to employees in the UK consulting industry. The article argues that an individualised ethics is incapable of preventing malpractice in the face of institutional conflicts of interest.

Keywords Beck · Consulting · Identity · Ethics · Individualisation · Professional service firms

Introduction

Global risks such as climate change and nuclear weapons have changed the consequences and control of risk, with nation states having to reassess their mediation of the relationship between individuals and society (Beck 1992). The implications for the individual are not simply to be felt in the material consequences of a world without borders but also in the very identities people construct to cope with risk at an individualised level (Beck and Beck-Gernsheim 2002; Alvesson and Willmott 2002). A major theme in this analysis has been the shift of ethical responsibility from institutions, such as social or religious norms, to the individual, who must seek biographical, reflexive solutions to questions of risk and ethics. This process of *individualisation*, in loosening the ties between the individual and their religion, ethnicity or nationality, has, on the one hand, been represented as liberationist, 'a process in which agency is set free from structure' (Lash and Urry 1994, p. 5), and on the other, leading to 'ontological insecurity' (Giddens 1991, p. 113) through removal of 'identity stabilisers'.

Yet, whilst the impact of the shifting role of the state, ethnicity and religion on the individual have been well documented in the literature on late-modernity, the role of corporations within the individualisation thesis is somewhat awkward. The analyses of *social* theorists, such as Beck, Giddens and Bauman have tended to focus either on the globalisation of organisations as another nail in the coffin of the nation-state (Giddens 1999) or on the role of corporations as 'knowledge experts', increasingly questioned by the lay public in their quest to understand and manage risk (Beck 1992). Developing this theme, others have linked the individualisation process to changing ethical norms in society (Elliott and Lemert 2006). On the other hand, *organisational* theorists have explored individualisation as both part of a performative agenda promoted by managers to exert enhanced control over employee work and self-identity (Ybema et al. 2009). A key theme in this literature has been the anxiety and insecurity that individuals experience in the absence of traditional identity stabilisers (Alvesson and Willmott 1992; Collinson 2003; Brown 2005). In recent years, much of this study has focused on the emergent 'knowledge worker' especially in professional service firms such as management consultancies (Alvesson 2001; Dent and Whitehead 2002; Whittle 2005, 2006).

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Thus, whilst theorists have built some bridges between the organisational and social aspects of individualisation, analyses of the impact of individualisation on ethics in organisations has, with few exceptions (for example, Barclay and Smith 2003; Taskin and Devos 2005), remained relatively rare. Such an absence is lamentable. In recent years, as Beck (1992) suggests, the consequences of financial irregularities at companies such as Enron (Fusaro et al. 2002) and Lehman Brothers (Sorkin 2009) have made clear the global risks involved with global capitalism in late modernity, raising important questions of the role of the individual in enabling and mediating ethical practice (Goshall and Bartlett 1999). This article seeks to fill this gap by exploring how individualisation occurs in the consulting industry and the consequences of this for both the individual and ethical practice. In doing so, it aims at both applying and extending the study of Beck and Giddens by examining how the responsibility for ethics is increasingly individualised.

Drawing on qualitative research from a 2-year project, the article makes three substantive points with regard to individualisation and ethical practice. The first is that consultancies are increasingly devolving *responsibility* for ethical decision-making to the individual consultant. This process is defined in the article as *ethical individualisation*: the devolution of organisational responsibility for ethical practice to individual employees. The second is that this individualisation of ethical responsibility is inadequate in achieving ethical practice as many of the ethical problems in the industry result from conflicts of interest at the level of institutions, governance and structures, thus rendering an individual employee powerless in effecting change. Unless these organisational and social conflicts are tackled adequately, it is unlikely and unrealistic that individuals can, or will, act more ethically. The third point is that, contrary to those who suggest individualisation offers greater opportunities for 'the power of the individual as the driver of value creation' (Goshall and Bartlett 1999, p. 63) or 'self-leadership' (VanSandt and Neck 2003), the devolution of ethical responsibility forces a de-coupling of the employee from the social stabiliser of organisational direction, frequently leading what Giddens (1991, p. 113) terms *ontological insecurity* for the individuals involved, an instability experienced at the level of identity.

The article first introduces the key concepts in Beck's individualisation thesis and expands the concept of ethical individualisation arguing that the consulting industry provides a promising test bed for these ideas. After outlining the methodology, the article describes how the individualisation of ethical responsibility is achieved within the consulting industry and describes the consequences of this for individuals involved. Next, the article argues that the process of individualising ethical responsibility in the consulting industry is insufficient to achieve ethical practice or to avoid the risks associated with globalised corporations. Finally, the implications for theory and practice are outlined with a view to developing the concept of ethical individualisation in future research.

Individualisation in the Workplace: Ethical Implications

Individualisation, in Beck's study, is conceptually different from that associated with neo-classical economics and neo-liberal governance (individualism). Rather than the atomising reductionism associated with the latter, Beck's conceptualisation concerns a reformatting of the relationship between society and individuals where individualisation is celebrated as representing a shift towards a 'legally binding world society of individuals' (Scott 1990, p. 4) where institutions 'are no longer seen as *managers* of risk, but also as *sources* of risk' (Beck 2009, p. 54). As organisations, experts and governments 'dump their contradictions and conflicts at the feet of the individual' (Beck 1992, p. 137), he or she has to find biographical solutions to handle risks. The burden for assessing and managing the risk is, therefore, placed firmly upon the shoulders of the individual.

Individualisation redefines the social relationships, and therefore, the very nature of identity and reflexivity for the self. The traditional relationships of the individual to class, religion and the state are replaced with a relationship between, and a heightened awareness of, the individual and the global (Giddens 1991). Thus, a reformulation of both rights and risks occurs through mass-media, internet communications, globalised tourism and transnational governance, which could not have existed 100 years ago. This results in a 'cosmopolitanization that significantly transforms everyday reflexivity and identities. Issues of global concern are becoming part of the everyday local experiences and the 'moral life-worlds' of the people' (Beck and Beck-Gernsheim 2002, p. 17). It is perhaps this focus on the global awareness of reflexive individuals that has caused organisations to remain relatively unexplored in Beck's own writing. Instead, to better understand the impact of the organisation on individualisation (and vice versa), we need to turn to organisational theorists instead.

Within organisational studies, research on individualisation has fallen into two camps. The first argues that individualisation offers liberationist opportunities for the individual and the organisation. Goshall and Bartlett (1999), for example, argue that the 'individualised organization' offers the opportunity to free individuals from bureaucratic shackles whilst simultaneously boosting profits. The second camp, located in 'critical management studies' emphasises the role of individualising practices inherent in new management systems such as HRM (Guest 1990; Taskin and Devos 2005) or Lean (Jenkins and Delbridge 2007) as an enhanced method of control, where a combination of declining unionisation, flexible working practices and performance management systems 'replace previous more collective-based reward systems with individual-centred systems' (Korczynski and Ott 2006, p. 917).

This critical perspective has also sought to explicate the experiences of workers by emphasising the insecurity they encounter, not simply as a psychological consequence of their uncertain conditions of employment (Sennett 1998) but at the fundamental level of identity (Alvesson and Willmott 2002; Ybema et al. 2009). From this perspective, the dissipation of identity stabilisers of state, class or religion are replaced by more insidious yet more ephemeral *corporate* cultures and identities as are provided by programs such as BPR, TQM or HRM (Willmott 1993). Yet, as Willmott (2003) argues, the inconsistencies and temporalities of such programs mean they offer an inherently unstable and contradictory experience for the identity-seeking individual. The experience of a deep rooted anxiety, or 'angst', as Giddens (1991) terms it, is the result of this dislocation of the reflexive individual, not just in work, but as a condition of modernity: 'insecurity is an existential condition that cannot be avoided and attempts to do so are likely to be self-defeating' (Collinson 2003, p. 533).

Yet, whilst the instabilities of the individualised self have been well-explored in critical analyses of the workplace, especially that of the consultant (Alvesson 2001; O'Mahoney 2007), there have been few empirical analyses which explore the ethical aspects and consequences of such dynamics. That ethical consideration is warranted can be evidenced in both the processes of individualisation in organisations, and the outcomes. With regard to the former, the process of individualisation challenges the ethical resources that the individual can draw upon:

> We should understand this phenomenon in terms of a repression of moral questions which day-to-day life poses, but which are denied answers. Existential isolation is not so much a separation of individuals from others as a separation from the moral resources necessary to live a full and satisfying existence (Giddens 1991, p. 9).

Such a separation, as others have argued, necessarily impacts the identity formation struggles of individuals, and, as Deetz argued 'anything that influences the continued formation of the human character has ethical implications' (Deetz 1992, p. 3). With regard to the outcomes of individualisation, the thesis of second modernity rightly points to the systemic risks in which individual employees, and their identities, are now enmeshed. One would, for example, be hard-pressed to read the accounts of Enron (Fusaro et al. 2002) or Lehman Brothers (Sorkin 2009) without understanding the significant role that (masculine) identity-seeking behaviour played in encouraging risky decision-making which linked the individual, corporate and social worlds.

This article, then, seeks to explore the impact of individualisation on ethics in organisations, and the role of ethics in contributing to the experience of individualisation. In doing so, the article seeks to show three things. First that responsibility for ethical decision-making in the UK consulting industry is increasingly, though not entirely, individualised: moved from the organisational level, it means to be the responsibility of the individual consultant. Second, that this individualisation of ethical responsibility cannot and does not solve the ethical conflicts of interest at the institutional level. Third, that this inability leaves consultants only partially responsible for that they perceive themselves to have full responsibility for, rendering the pursuit and achievement of ethical identities inherently unstable. Before making these arguments this article will first provide a short outline of the UK consulting industry and outline the methodology used to underpin the research.

The UK Consulting Industry

The UK consulting industry is one of the great success stories of the post-war British economy. In 1956, the UK consulting industry comprised around 800 consultants generating an income of £4 million (Tisdall 1982). By 2006, this market was worth around £7.7 billion (MCA 2007) making it the second largest market for consultancy after the USA (O'Mahoney 2010). This phenomenal rise of the consultancy industry is both reflective and constitutive of its role in the globalised economy and, as such, an integral part of Beck's conception of second modernity. Consultancy is one of the areas of expertise, along with the medical, accounting and research professions, that have characterised the development and commodification of knowledge that is contested in what Beck (1995) terms hyper-modernity. In its role as consigliere to the major transnational corporations of the world, consultancy has developed a key position with regard to both risk and ethics. The growth of consultancy in the last 20 years has resulted in an increase in its ability to do harm and, therefore, a sharper focus on the ways in which ethics are controlled in the profession. This attention has come from all directions. Whilst the popular press made much of the involvement of consultancies such as Accenture and McKinsey in the downfall of Enron, the Dotcom crash and the demise of Northern Rock, recent populist exposés (Craig 2005; Craig and Brooks 2006) have detailed the unethical and occasionally illegal practices of consultancies in the pursuit of wealth. Additionally, as public sector spending on consultancies increased, often involving high profile failures, bodies responsible for promoting value for money in government such as the National Audit Office (NAO 2006) and the Public Accounts Committee (PAC) have become increasingly vociferous in their condemnation of the sums spent on consultancies.

Given such concerns, one might have expected the consulting industry to have faced the same type of regulatory initiatives as those imposed on the financial services industry. Yet this has not been the case. Whilst consultancies have undoubtedly made moves to stress their ethical credentials, these have remained voluntary and, it is argued here, focused on the individual, rather than the corporate, level, and consequentially have had little impact on the ethical consequences of industrial practice. How this has been achieved and what the consequences have been are, therefore, lines of enquiry with significant potential.

Methodology

The research presented here is part of a wider exploratory study examining the challenges of the consulting industry in the UK. The study, a 3-year project funded by the Economic and Social Research Council, is a qualitative and inductive study that aims to describe and understand the industry challenges. The research questions for the wider project were to:

1. Describe the changes to the consulting industry over the last 10 years.
2. Explore the challenges that the industry is facing.
3. Describe how consultancies are seeking to overcome these challenges.

One theme that has emerged in the project was that the ethical challenges that the industry faces and the ways in which the industry has met, or avoided, these challenges. To explore this theme further, the project generated three further research questions:

1. What are the ethical challenges facing the UK consulting industry?
2. How is the UK consulting industry dealing with these ethical challenges?
3. How successful are the attempts at dealing with these challenges?

The initial step in gathering data involved open, unstructured interviewed with twenty senior representatives of the industry, ranging from partners at large firms, owners in small companies, CEOs of professional bodies and representative organisations. These interviews, averaging 56 min in length, focused on understanding the general themes and challenges of the industry and the different perspectives stakeholders had of these. Themes from these interviews were identified through iterative coding of data and then sifting to distinguish epiphenomena from causal mechanisms. Once some tentative challenges were established, these were first presented back to interviewees in a workshop to confirm their accuracy.

Promoting ethics emerged as a key challenge, along with encouraging innovation, managing procurers, recruiting talent and demonstrating value. These themes were then explored in a second round of thirty-five interviews held with consultants at different levels in a range of consultancies (see Table 1). The questions on ethics focused on ethical policies in the firms, the individuals' experiences of ethical situations, the operational and HR processes within the firm, their thoughts on ethical issues such as conflicts of interest and issues such as professionalisation (see Appendix 1). These questions were prompted by issues that appeared in the relevant literature and also themes that interviewees had raised during the first round of interviews.

Analysis of the second round of interview data occurred in three stages. First the interview transcripts were read and coded to find themes that appeared to 'make a difference' both in how ethical challenges were managed and how they were experienced. Slowly, collections of phrases and quotes developed around key topics that seemed to be important. These collections were grouped into key themes and documented to be used as discussion points with the interviewees to elicit further responses to the material. A

Table 1 Interviewees' breakdown

By job function	Number	Average time in consulting (years)	Male/female ratio
Partner/owner	15	22	12/3
Senior consultant	13	17	10/3
Consultant	15	5	9/6
Other consultancy employee	5	NA	2/3
Industry representative	7	NA	4/3
Other	6	NA	3/3

constant iteration occurred between emerging themes and what the literature review unearthed. It was only when the key themes were had been quite well developed that a common thread of individualisation was noted. A key break-through was connecting the subjective experience that consultants had in taking greater responsibility for ethical decision-making with the four 'mechanisms' by which many organisations sought to make them responsible: training, codes of practice, voluntary work and professionalisation. A draft of the analysis was distributed for discussion with six senior stakeholders outside the industry, bringing the total number of interviewees to 61. In total 18 consultancies and 4 industry institutions were interviewed. For reasons that will become clear, all sources have chosen to remain anonymous.

This qualitative and inductive methodology seeks to develop our understanding of ethical responsibility rather than test hypotheses. As such it incurs several limitations. First is generalisability. The arguments made here are generated from a range of consulting companies, and whilst they may be taken to reflect consultancies and perhaps other professional service firms, the findings should not be assumed to be universally generalisable. The UK consulting industry is similar in structure to that of both North-west Europe and the US, but differences should be expected in consultancies based in developing markets or Southern Europe. In addition, a reliance on interviews means that the research is open to answers that the interviewee sees as socially desirable. Whilst both the research design and the promise of anonymity aimed at minimising such bias, the possibility of skewed results remains.

A Few Bad Apples? The Individualisation of Ethical Responsibility

That ethics poses a challenge to the consulting industry was doubted by few interviewees. When asked about ethical challenges, consultants highlighted both the economic consequences ('Arthur Andersen is an example of what happens when ethics goes wrong') and the personal aspects ('I would like to be able to go to a dinner party and when someone asks "what do you do?", not to be embarrassed'). However, an over-arching finding was that where new 'ethical' practices had been implemented in consultancies, they were frequently made the responsibility of the individual, rather than the firm. Four common examples of these practices are outlined below.

Ethical Codes of Practice

Despite academic analyses finding little evidence that ethical codes are effective (Schwartz 2004; Kaptein and Schwartz 2008; Webley and Werner 2008), they are increasingly commonplace in consultancies and their professional bodies. One industry body that represents consultancies, for example, has a (voluntary) code of conduct which stipulates that its members shall

- only accept work for which they are qualified and have the capacity to undertake;
- act with fairness and integrity towards all persons with whom their work is connected;
- reject any business practice which might reasonably be deemed improper.

This type of code was mirrored, in different ways, in all the major consultancies in the study. Accenture, for example, has a 44-page Code of Ethics with an *Ethical Fitness Decision-Making Model* amended from the Institute of Global Ethics. The code of ethics was often developed in conjunction with an Ethical Committee that oversaw reported violations and provided advice to employees that raise ethical dilemmas.

Yet, the functioning of the codes and committees very much made the individual consultants, rather than the organisation, responsible for ethical decision-making. In Consultancy A, for example, which was a large audit consultancy, the code of ethics could only be triggered by an individual consultant taking an issue to their line manager who would then advise on whether it should be taken to the ethics committee. This was seen as pointless by the consultants who were interviewed in the firm:

> …I don't see why it should be down to one of us to raise the alarm.…There's no way you would go to the [ethics] committee and say "I don't think we should be working with this client" when some partner has spent six months landing the contract…

Not only did the code of ethics place the responsibility on the individual, rather than on the corporation, but the perception was that the consequences of complaining would be negative for the individual concerned. At the 12 other consultancies that had ethical codes, a similar process took place. In the words of one partner: 'it's not common practice to have the ethics committee scanning the company for unethical practice, this isn't within their remit'. Yet, when asked about the types of concerns that were raised, they usually concerned specific individual situations rather than institutional or strategic issues. One member of an IT consultancy's ethics committee stated: 'it's much more likely to be "Can I receive this gift?" rather than "We shouldn't be doing business with this client"'.

Whilst the codes are generated by, and reflective of, wider professional norms, their consequences were primarily concerned with individuals: their responsibilities and actions. Indeed, the Deloitte Code of Ethics is titled

'Personal accountability: recognizing the power of one'. An interview with a consultant in the company confirmed 'the view being that if, individually, we are ethical, then the company becomes ethical'. PWC, to take another example, provides a number of ethical questions that individuals should ask themselves that are highly subjective and individualised, such as

- Does it feel right?
- Would you be embarrassed if others knew you had taken this action?
- How would it look in the newspapers?
- Can you sleep at night?

Such a presentation appears to relocate the responsibility for ethics from boardroom decision-making to the emotional and subjective experiences of the individual. One senior consultant from an IT consultancy suggested:

> Nowhere in the code does it say, [Consultancy 2] will not recommend its own IT over superior versions elsewhere, or [Consultancy 2] will not do business with clients that arm third world countries. These things happen here…

Two consultants who were interviewed went further, suggesting that the codes were specifically designed to avoid corporate malpractice claims:

> …so that if something goes wrong, the company can wash its hands of you and say 'according to the ethical code, they should have come forward', which makes you as a consultant liable rather than them.

> When Enron went down, it was Lay and Skilling that went to court. Nobody looked at the system and said, there's something rotten with the tree. You can guarantee that if [Consultancy C] gets in the press due to a conflict of interest or paying bribes, someone will get sacked.

Another issue that was evident in the individualisation of the codes is the extent to which they were open for interpretation. Many of the codes comprised incredibly vague principles such as:

> We will put client interests first, doing whatever it takes to serve them to the highest possible standards at all times (IBC Code, p. 3)

> Uphold absolute integrity. Show respect to local custom and culture, as long as we don't compromise our integrity (McKinsey)

These, and other similar statements, can easily be interpreted in many different ways. For example, who is the client: the business owner, the shareholders, the funder of the project or the shareholders? Should 'the highest possible standards' include considerations of time and cost? The ambiguity involved necessitates a personal and highly subjective interpretation that is easily flexed to suit the occasion. Such ambiguity provided difficulties for individuals, as one senior consultant commented: '[The code] doesn't tell you what to do in a given situation, it doesn't even give you high level guidance…. On the one hand you're told that you get promoted through sales…. On the other, there's this thing called ethics'.

Training

Out of the 43 consultants who were interviewed, 19 had received some training in ethical aspects of consulting practice which consisted primarily of two drives. The first was to communicate the code of ethics which, as we have seen, was generally focused on taking individual responsibility. The second, was what was termed 'ethical cases' or 'ethical scenarios' by the interviewees. These were scenarios that individual consultants might come across in their day-to-day practice that were designed to provide ethical challenges.

Examples included:

- You discover that your client is involved in fraudulent activity, what do you do?
- It is your client manager's birthday—is it okay to buy them a gift?
- Your client manager offers you a job, what should you do?

What was noticeable about the examples provided by the interviewees, at all levels of seniority, was that all of the examples were low-level, highly personalised instances of ethical questions at an operational level. All of the examples assumed that the individual concerned was at the beginning of their career, and none of the cases implied a senior sales, strategy or decision-making role. Thus, no examples were given that were institutional or strategic in nature such as selling consulting services to a company that was being audited by the firm or providing kick-backs for work in countries where such practices are commonplace.

What was much more prominent in consultants' training was sales—where all but one of the consultants had received some form of instruction. A common mantra was repeated to me in different companies that 'every consultant sells'. The underlying theme being that sales opportunities present themselves with every encounter a consultant has with a client employee, and so sales cannot simply be left to the business development function. A consequence of this is that, regardless of their competence on the job, promotion is primarily based upon the amount of sales a consultant can make, especially in senior levels.

This in turn prioritises sales over ethics but, again, at a highly individualised level. One senior consultant stated:

> the organization isn't aware of [the ethical issues]. But they don't WANT to be aware of them. It's a case of "don't ask, don't tell"…No one actually tells you to exaggerate a client problem or to sell them things they don't need…no-one needs to. They just reward you for selling,…sell, sell, sell.

Thus, we can see the functional benefits to the organisation for individualising ethical responsibility. It is not simply an 'outsourcing' of liability, but more importantly, it enables profits to be placed above ethics without having to make this explicit at a strategic level.

Ethical Volunteering

A recent trend by consultancies in presenting an ethical face to the media and to potential recruits is to provide 'ethical work' for their employees. This usually consists of providing consultants with time to engage with ethical work which is supported and publicised by the company. A few examples taken from the websites of various consultancies are as follows:

> Accenture's Community Teach Program which will place select Accenture executives in teaching roles and other educational activities at local community colleges.

> Deloitte's Community Days provide an opportunity for teams of Deloitte people to get involved in their local community for a day … a variety of highly enjoyable and rewarding indoor and outdoor community and environment projects.

> PWC offices in Scotland organized a number of team volunteering days.

Whilst such activities clearly help in developing an ethical corporate image, it is individualised in two respects. First, and most obviously, such schemes rely on individuals volunteering their services over a period of time which will hit their utilisation rates—an important metric for an aspiring consultant:

> these things are seen as icing on the cake, but the cake is your utilisation and sales…it's your time, your effort and your career at stake…you need to be seen to do enough of this type of thing to show you're a good person, but not so much that it eats into your revenue targets.

Secondly, and more insidiously, this type of work provides both a segmentation and an individualisation of ethics by which the ethical concerns of the individual can be assuaged. When asked about whether their work was ethical, several consultants pointed to this type of scheme to demonstrate a balance with what they do day to day:

> Yeah, pretty ethical… I mean we do lots of ethical work…. I guess that makes you ethical…

> I suppose I see it as giving something back…the public has a pretty poor image of consultants…you do this type of thing to remind yourself you're human.

By providing 'ethical time' for employees, the consultancy both commodifies the individual's good-will, turning it into a PR coup for the company, but also detracts attention away from operational practices which may be less than ethical: 'giving back' as one consultancy calls it, implies an ethical reserve by which individual practice make up for industry failings. Yet, for the individual employee, the association of morally good work with the employer is thus reinforced, enabling the consultant to consider their workplace ethical.

The Issue of Professionalisation

Professions, by developing industry norms and institutionalised practices, are frequently cited as providing the individual with support and guidance for ethical practice (Brien 1998). Yet, from the empirical evidence, it became clear that in consultancy this provide little, or even declining, succour to individuals for four reasons. The first is that very few consultants are a member of a formal profession. Of the 43 consultants interviewed only three were members of the UK's professional institute, the Institute of Business Consulting (IBC), the CEO of which informed me that they represented only 2% of the consultants in the UK (O'Mahoney 2010). The second reason is that unlike the accounting, medical or legal professions, membership of the consulting profession is voluntary, and the institute has no regulatory powers to monitor, intervene or punish firms that transgress the ethical norms, or codes, of the profession. When I asked the CEO how many of their 7,000 members had been struck off in the last 12 months, the response was

> none…there have been a couple of cases where… we've had to arbitrate between a consultant and their client, but no-one has been taken off the register.

Thirdly, until very recently, the IBC licensed individual consultants rather than their member firms. This focus makes individual consultant rather than their firm the focus of ethical regulation, something which one consultant felt quite personally:

> so you get censored for doing stuff that [*your employer*] encourages you to do: making the sell…it can make you feel duplicitous.

Finally, some authors (Greenwood and Empson 2003) have rightly suggested that it is the professional partnership (i.e. the organisation rather than the profession) that forms the basis for professional ethics. However, the interviews highlighted that this model has also come under attack. According to an industry commentator

> Private partnerships are on their way out…. Partners just don't want the liability anymore…. The size of some of these [*malpractice*] settlements has scared them into either selling to a large company or becoming a PLC

This statement fits with academic research showing that by 2004, 85% of private partnerships had become publicly traded firms with an associated shift in liability from the individual to the firm (Adams and Zanzi 2005) and that PLCs tended to produce a shorter-term focus on profits rather than values (Greenwood et al. 1990; Richter et al. 2008). The argument then, that the Partnership model provides an institutional influence on professional ethics for consultants was irrelevant for the vast majority of those interviewed.

The Consequences of Individualising Ethical Responsibility

Thus far, the article has argued that ethics, in the consulting industry, has been made the responsibility of individual consultants rather than being tackled at a strategic or institutional level. This section seeks to develop two arguments that develop this theme. The first contends that the individualisation of ethical responsibility has an impact on consultants at the levels of identity, generating, to some extent, what Giddens terms 'ontological insecurity' (1991, p. 113). The second claims that the management of ethics at the level of the individual is an exercise in partial failure because so many of the ethical problems in consultancy stem from institutional, rather than individual, conflicts.

Ontological Insecurity

From the perspective of identity theory, Schwartz suggests that 'social institutions…specifically work organisations, develop an ontological function' (1987, p. 329). In this study, the lack of institutional guidance and consistency results in a lack of identity stabilisation, something frequently provided by an organisation (Alvesson 2001; Alvesson and Willmott 1992; Willmott 1993) or by a profession (Hodgson 2002; Ramirez 2009). Without strong stabilisers, employees experience what is variously described as anxiety, angst or insecurity in relation to their efforts to build secure identities.

Many of the comments made above make an implicit link between the individualisation of ethical responsibility and the subjective experience of the consultant involved. Interviewees talked of being 'made liable', of 'being exposed' and of 'being scared'. To a great extent, these experiences were a result of mixed messages from the firm, on the one hand being exhorted to sell as much as possible and on the other being told to be ethical. The ambiguity of the firm's position together with the lack of an effective professional body left consultants feeling, as one put it, 'entirely on your own'. The lack of stability in relation to institutions is added to by the duplicity that some consultants felt in being urged to take responsibility for ethical practice whilst being denied the resources to allow them to effectively achieve this. Again, in the interviews, consultants consistently drew attention to the pressure to 'get promoted through sales' whilst being (seen to be) an ethical person.

One consultant interviewed felt this very keenly. She had recently been promoted to a business development role which posed a number of ethical problems which she felt she was unprepared for and remarked:

> the advice you're given [in the code] is very high level and it's hard to apply it to day-to-day work…it's vague…. What's more important clear is the need to make the sale which you are definitely rewarded to… so with moral things you feel very much alone and sometimes quite powerless…

Such findings echo those of others who have examined ethics in the consulting industry. Gendron and Spira (2010), for example, show the disruption to identity work that consultants working for Arthur Andersen experienced and the ensuing anxieties that resulted from this. Similarly, writers have shown how the practices of consultants, plagued by ambiguity and contradiction, can create a breakdown in trust relations with clients that can lead to existential angst: 'the destruction of trust through the instabilities and contradictions of consulting work can lead to the experience of angst and the subsequent destabilisation of the consultant's identity' (O'Mahoney 2007, p. 312).

Institutional Conflicts

If the individualisation of ethical responsibility was an effective method of generating ethical organisational practice, one might argue that a few fractured identities were a price worth paying for. However, it is clear from the interviews and a wider literature review (Saint-Martin

2004; Craig and Brooks 2006) that many of the ethical conflicts reside at the institutional, rather than at the individual, level, and thus render the individual impotent in tackling them. Three such conflicts were identified in this study: Audit versus Consultancy, IT versus Consultancy, and Government versus Consultancy. They are detailed in turn below.

Audit Versus Consultancy

From the 1960s onwards, large audit firms realised that their insights into client accounts provided them with an excellent market for cross-selling consulting into their existing clients. However, regulators such as the SEC and the FSA became worried about the apparent conflict between consulting and audit when organisations that received significant consulting fees from a client might be less inclined to do a thorough job in auditing their accounts and exposing any malpractice that was found. Indeed, there was mounting evidence, leading up to the turn of the millennium, that such conflicts of interest were, indeed, taking place (Collins 2000; Cruver 2003) and the regulators put pressure on the audit firms to sell their consulting arms, which most of them did at the turn of the millennium. Yet, within 5 years, all the firms had begun re-developing 'advisory' services. Unsurprisingly, their established relationships enabled them to quickly rebuild both capacity and profits in their consulting divisions to a position where they now dominate the consulting market. Thus, the institutional conflicts of interest which many believed was the primary cause of Arthur Andersen's demise are still very much in existence and of great concern to regulators (Business Week 2007; UK Parliament 2008).

Government Versus Consultancy

Public sector consultancy has grown faster than any other sector over the last 10 years accounting for around £4 billion of revenue in the UK alone (Gross and Poor 2008). As this exponential growth in income took place, the public sector market became a key battle ground for consultancies seeking to influence government decision-making and agenda setting. The result has been a growing attempt by consultancies to influence government decision-makers by lobbying and agenda-setting (Saint-Martin 2004). The latter takes place through the sponsorship of events, the provision of free training and advice and support in writing policy documents. However, an increasingly common form of influence is the growing number of senior civil servants and ministers who become Partners in consultancies and Senior Consultants who become key government decision-makers. Horrocks (2009) and Craig and Brooks (2006) outline dozens of these 'revolving door' movements where Partners moved into full-time government positions, only to recruit their previous company for a multi-million pound contract. In one case, an expert principal at McKinsey's was allowed to maintain his consultancy position whilst becoming the Head of the Prime Minister's Policy Directorate. A further conflict is added by the number of the major consultancies undertaking government work have made donations to the party in power and key public decision-makers that have significant shareholdings in the consultancy companies which work in their departments (Craig and Brooks 2006).

IT Companies Versus Consultancies

Over the last 30 years, many consultancy companies have moved into the IT space (e.g. Accenture), and many IT companies have moved into the consulting space (e.g. IBM). Their rationale for this is that an IT provider would be better placed than a 'pure' IT company to ensure that any implementation or development is aligned with the business need. The difficulty with this arrangement, in terms of ethics, is twofold. First, there is the question of how a company that employs Accenture for advice on an IT implementation, knows that it is getting independent advice on the best type of implementation when Accenture has a vested interest in selling its own solutions. The second issue with the IT/consultancy combination is to be found in what is known as 'kickbacks'. A kickback is secret rebate of part of a purchase price by the seller to the buyer or to the one who directed or influenced the purchaser to buy from such seller. In the consulting world, this often refers to consultants giving 'independent' advice to clients on the best IT provider for their problems, whilst receiving payments from that provider. For example, in 2007, IBM, PWC, CSC, Accenture, Hewlett-Packard and Sun Microsystems were all charged by the US Department of Justice for making and receiving 'improper payments' to vendors and suppliers whilst working for the US government. The payments, it is alleged, were made from systems integrators for preferential treatment in dividing up government contracts. IBM, PWC, and CSC all settled by paying several million dollars apiece (DOJ 2008).

Although these institutional conflicts affect the activities of individual consultants, their resolution lies at an institutional, rather than at an individual, level. Laws, policies and cultural norms are required to change to prevent these types of ethical problems which are beyond that of an atomised individual, especially one at the bottom of an organisational hierarchy. Given this, it seems fair to argue that the individualisation of ethical responsibility can only ever provide a partial solution to making consultancy a more ethical industry. This argument, and its consequences are discussed in more detail in the next section.

Considering an Individualised Ethics

This article has sought to build on the literature that has argued that individualisation (Beck and Beck-Gernsheim 2002) has consequences for ethical practice in organisations (Taskin and Devos 2005; Barclay and Smith 2003). In doing so, it has made three arguments to highlight the processes and consequences of individualisation: the first is that the responsibility for ethics in the consulting industry is highly, though not entirely, individualised, through ethical codes, voluntary work, training and (the absence of) professionalisation. This benefits the organisation by devolving responsibility for ethical decision-making and by ensuring the prioritisation of profit over ethics is diffused throughout the organisation by incentivising sales. The second argument suggests that these individualised practices can result in an insecurity or anxiety which Giddens (1991) suggests might occur when the norms inherent in social institutions are eroded. On the receiving end of ambiguous advice, mixed messages and a strong pressure to sell, consultants often find themselves ill prepared for the ethical dilemmas placed at their feet. Related to this is the third argument that an individualised ethics is insufficient in tackling the institutional conflicts of interest that frequently compromise the industry. Whilst individualisation of ethical responsibility may be a symptom of modernity, the consequence is that the institutional relationships and conflicts of interest which can encourage unethical behaviour are neglected by consultancies, legislators and educators. The result is an industry that, despite its complicity in the dotcom crash, Enron's bankruptcy and the collapse of Northern Rock, presents little evidence that the inherent risks invoked by individualisation will be addressed.

There are three consequences of these arguments. The first is that the evidence presented here, parallels, but also extends, Beck's individualisation thesis. The parallels are striking: in 'second modernity' responsibility is moved from institutions to individuals forcing 'biographical' attempts to solve ethical dilemmas. The corresponding increase in risk associated with combining reflexive modernity with individualism is played out in the exaggerated effects individuals can cause in economic and social systems.

> the reflexive individualisation of second modernity presumes the existence of non-linear systems…the feedback loop…passes through the individual. Individualisation now is at the same time destabilization…. The individual is the point of passage for unintended consequences that lead to system disequilibrium (Beck and Beck-Gernsheim 2002, p. 9)

For the consulting industry, the transnational and multi-billion pound nature of many projects are a relatively new phenomena, reflecting the globalised nature of capitalism. Such projects imply systemic risks that have global consequences. The consequences, therefore, of unethical practice at an individualised level, can quickly translate into global consequences, with geography and temporality rendered irrelevant. The article adds to those authors that traced the processes of individualism in organisations (Taskin and Devos 2005; Guest 1990; Jenkins and Delbridge 2007; Korczynski and Ott 2006) by emphasising the ethical consequences of such practices.

The second implication of the study concerns the failure of individualism to address institutional bases of ethical risk and its personalised consequences. The consulting industry has, thus far, avoided the institutional-level regulations that have been placed upon banks and accounting firms. This lack of institutional accountability places the individual as the arbitrator of risk: it is they, rather than the company or the government, that becomes responsible for ethical behaviour. Not only does such individualised responsibility rarely 'work' (Jackall 2000) but it also lacks the social and institutional grounding which enables the establishment and (re)production of ethical norms: 'the value system of individualisation also contains the elements of a new ethics, which is based on the principle of "duty to oneself"'. As noted by Feldman, this process has important ethical implications: '[b]y one-sidedly pursuing individual autonomy and rationality, [organizations] take for granted the moral character of the individual and greatly de-emphasize the accomplishments of previous generations [resulting] in a lowering of moral standards and a vulnerability toward extreme individualism' (2002, p. 85). Contrary, therefore, to Goshall and Bartlett (1999), who celebrate individualism as fundamentally emancipatory, the evidence here shows that it not only generates systemic risks by producing employees without ethical embeddedness but also misrepresents the fundamental nature of an individualised self: As Willmott suggests, the devolution of corporate responsibility whilst maintaining the profit imperative is inherently contradictory, yet enticing: 'there is the prospect of minimizing the bewildering, anxiety-laden experience of having to cope with an excess of autonomy…autonomy is represented as a gift that can be bestowed by culture upon employees rather than something that individuals struggle to realize' (1993, p. 527).

Finally, this article contributes to an ongoing discussion regarding tensions between institutional control and individual autonomy (Taskin and Devos 2005), namely, to what extent are the two compatible? Managerial texts frequently depict the devolution of responsibility and control as a mechanism that generates individual freedom and even emancipation (Willmott 1993, 2003; Collinson 2003). However, this article illustrates the way in which the individualisation of responsibility results in a very limited form of power where the individual sphere of influence is strongly confined to his or her own workspace and kept well clear of any form of governance or issues of institutional responsibility. It is this demarcation, in the consulting industry, that leaves institutional conflicts of interest untouched whilst ostensibly 'empowering' the individual by encouraging their own ethical practices. Such responsibility without power generates an impotence which helps explain why individuals in the study reported an experience more akin to anxiety than freedom. This author would agree with Beck and Beck-Gernsheim (2002, p. xiv) that 'individualisation means something very different to what it did 100 years ago…the times of extolled "human emancipation"' (Beck and Beck-Gernsheim 2002, p. xiv), but would hope that such sentiment does not mean that 'freedom' and 'autonomy' only now make sense in the context of corporate PR.

With regard to future research, the concept of ethical individualisation offers potential to be developed both theoretically and empirically. Theoretically, there is work to be done to further integrate the 'second modernity' literature of Beck and Giddens more widely into a discussion of ethics and the dynamics which underpin individualisation, especially at the organisational level. There is also potential for a more rigorous explication of the linkages between institutions and individuals, perhaps drawing on recent ontological debates seeking to better theorise macro–micro relations (Bhaskar 2010; Carter and New 2004). Empirically, there are several areas where a similar form of ethical individualisation appears to have taken place, not least, in the recent financial crises. Studies of the different fields might enable greater consideration of which generative mechanisms contribute to the individualisation of ethical responsibility through an exploration of the relationship between this concept and issues of risk. Furthermore, the article suggests that the individualisation of ethical responsibility has negative consequences for both the individual and ethical practice in organisations, especially when part of a devolution of ethical guidance by organisations and institutions. It would be interesting to examine other contexts to understand if ethical individualisation is necessarily tied to the devolution of responsibility by institutions: are the examples where the individualisation of ethical responsibility has positive consequences, either for the individual or ethical practice in business? Does ethical individualism need to be at the expense of institutional and organisational responsibility?

For practice, both corporate and regulatory, there are three consequences of the argument worth outlining in more depth. First, is that ethical individualisation is only a partial solution to achieving ethical practice. Legislative and institutional measures are needed to complement the effort including minimising conflicts of interest between consulting and auditing or IT advice, reducing 'revolving door' relationships with government and providing greater external regulation of consulting practice. Second, the training schedule of consultants in business schools and firms should also include an aspect of the awareness of the structural and institutional implications of ethics and not simply focus on the day-to-day micro-level issues that consultants influence. Third, that Ethics Committees should not simply take a reactive role, simply responding to the concerns of individual consultants. They should be empowered to monitor and report on all the aspects of ethical practice at an individual, organisational and industry level: the consequences of ethical malpractice under conditions of modernity have the potential, as we have recently witnessed, to generate instability at both the levels of both global systems and individual identities.

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Appendix 1: Interview Questions (on Ethics)

Tell me about the ethical challenges that you think the industry faces?

[Follow up for trends, details and consequences]

[If in consultancy] In your company tell me about how ethics are managed?

[Follow up for ethical codes/ethics committees/communication policies/norms/incentives]

What isn't covered in your company's formal policies and codes that you think should be covered? [Follow up for additional guidance that has been sought].

What changes have you noticed since you have been a consultant in the ethical practices of consultancies and their clients? [Follow up for examples].

How does this affect your job and the way you perform it? [Follow up for examples of ethical dilemmas/challenges/solutions]

How effective do you think your company's ethical management is? Why?

[Follow up for constraints/enablers e.g. financial imperatives]

Do you ever feel that your company's formal ethical policies are at odds with what you or your company would really like you to do?

Would your company mind if you transgressed its ethical codes/policies? Why?

What are the ethical challenges that you face in your job? How do you deal with these?

[Follow up for personal/emotional consequences]

Does being an ethical/moral consultant put you at a disadvantage to an a-ethical/amoral one?

[If relevant] How does your company manage the potential conflicts of interest between

– audit and consultancy [expand if necessary];
– clients and consultants [expand if necessary];
– IT companies and consultancy advice [expand if necessary].

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