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**Making the Ethical Choice:  
Consulting to a Consumer Advisory Panel**

**CEO Publication  
G 89-18 (161)**

Susan G. Cohen  
Center for Effective Organizations

November 1993

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**Center for Effective Organizations - School of Business Administration  
University of Southern California - Los Angeles, CA 90089-1421 (213)740-9814**

To appear in Cases in Organization Development, A.M. Glassman  
and T.G. Cummings (Eds.) Irwin Press

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## ABSTRACT

This case examines the role of a consultant to a corporation's consumer advisory panel. It discusses the consultant's response to an ethical dilemma and her choice of intervention strategies. It is written from the consultant's vantage point, revealing her planning and decision-making processes.

During the June meeting of Utilco Corporation Consumer Advisory Panel<sup>2</sup>,  
the following dialogue ensued:

Tim (Small Business Representative): The [Consumer Advisory Panel's] regulatory subcommittee caucused during the breakfast period and discussed the draft decision by the Public Service Commission... The panel's conclusion I think is that we are of the same opinion still. We thought the company's proposal was fundamentally wrong; we continue to think so. We think the Service Commission decision is, at best, worse than the original proposal by the company...I have agreed to draft a statement on behalf of the subcommittee...and if we [the panel] can agree upon that statement, we can represent our views directly to the Service Commission in whatever procedural mode is available to us.

Sarah (Second Level Consumer Services Manager): Will the expressions you make to the Service Commission be as individuals or as Utilco's Consumer Advisory Panel?

Tim: That will depend on whether we can get panel agreement on the statement: First, if the subcommittee can agree on the statement. Second, it will depend on whether the panel at large agrees.

John (Vice-President, External Relations): I think this goes back to a discussion we had before.... We talked about what is the role of the panel and...I believe we concluded the discussion with general agreement that the panel was advisory to the company and that as individuals each person was free to go back to their own constituency and act individually.

Ralph (Professional Consumer Advocate): I think it is a very important issue and I have never been of the understanding that the panel is only advisory to the company. I thought we had evolved past that....

John: I would have to disagree with that....

Freda (Consumer Advocate): We have two issues on the table. One issue is the rate case and the other issue is what is the role of the panel vis a vis the company and any public stand whether it is the media, Service Commission, politicians, whatever....

Susan (Facilitator): I think Freda's point is right that there are two issues: a substantive recommendation on the rate case that needs to proceed, and the issue of what is the role of the panel and what does it mean to be advisory, which has come up many times during my tenure...Let's separate the two issues, and deal with the recommendation on the rate case first.

Carolyn (Consumer Advocate): I am confused and frustrated and this is my last panel meeting because of this. We, as a subcommittee, have worked many hours on this issue...We were united as never before on this panel...It touched the fabric of almost every one of us. And I think we did a lousy job collectively, as a subcommittee, telling the panel of our fervor our hard work, our research, and the issues in detail. As a result, the panel chose,

as was appropriate, not to go forward either with a public statement or movement on this issue. And effectively it died at the December meeting.... Now we are seeing the prospect that it is not a dead issue...But I think it is too bad that for the first time in the four years or more that I have worked on the panel, we have handcuffed ourselves, by not making a written statement, which is probably not going to be any different than the written statement we came up with back in December...And I am sorry because I regret leaving the friendship and hard work that I have done on this panel....

Thomas (Minority Consumer Representative): My comment goes directly to Carolyn and also to John. Carolyn, first I'd like to prevail upon you to reconsider your resignation.... John, the company would be well-advised by me to re-think that position of how this panel goes public on issues that affect their constituencies.... We are already being challenged by some outside groups as being a rubber stamp of the company and that aggravates me more than anything I know of to be identified in that manner. And I think that if the company has some real problems with accepting a public statement that a consumer panel makes about an issue that affects its constituencies, then I think this panel serves no real purpose to the company....

Susan: Let me try something else. I think I can help here. What we are revisiting is something that happened in December which was the subcommittee had a recommendation, and the discussion got stopped, without the panel ever coming to some agreement or disagreement about the recommendation. Instead, a motion was made to accept the work of the subcommittee, so there was never a sense of closure for the subcommittee, and the whole panel never took a stand. Alright, this is where we are right now in this groove, because we don't know really where the full panel stood on that subcommittee recommendation. But what has happened is that the big "bug-a-boo" has always been does the panel take an outside stand, and I think the panel is really divided on this issue. So, as a way of proceeding, first, we don't know where the whole panel is on the subcommittee recommendation; and second, once you have that information, there is still the issue of whether the Consumer Advisory Panel takes an outside stand (Excerpts from the June meeting of the Consumer Advisory Panel of Utilco Corporation).

As the meeting continues, panelists do not respond to the facilitator's request to consider and respond to the subcommittee's recommendation on the rate case. A few panelists voice opposition to the panel taking a public stand, but they are drowned out by the stridency of the others. A vote is taken on a motion to send a letter to the Service Commission, and it wins by a 2 to 1 majority, even though the letter will arrive after the deadline for public input.

## Background

### Consumer Advisory Panel

This was the last panel meeting of my first year as facilitator for Utilco Corporation Consumer Advisory Panel. Utilco established the Consumer Advisory Panel ten years earlier, at a time in which the consumer movement had just begun to hit its stride. The company recognized a need to communicate more directly with customers and to establish an ongoing dialogue with consumer leaders. A university sociologist was asked to help the company assemble a consumer panel and he became its first outside facilitator. I am the panel's fourth facilitator.

The Consumer Advisory Panel is composed of fifteen consumer representatives from all areas of the state, representing a wide range of constituencies including: senior citizens, minorities, handicapped, low income, small business, students, consumer activists, and state government organizations. Members serve staggered three year terms, although no limit exists on the number of terms members may serve. Approximately one-third of the members have been on the panel since its inception.

The panel meets once a month from September through June. Its agenda is set by panel members and company representatives and includes issues such as rates, regulatory matters, customer service, outreach programs for special groups, and billing formats. Members select the subcommittees on which they wish to serve and subcommittees meet monthly as needed.

### The Company

Utilco Corporation is a regulated utility company. Its rates and tariffs are set by a state public service commission. It provides service to approximately a million customers and has over 10,000 employees. Its revenue

and sales are over a billion dollars. Its non-regulated subsidiaries account for only a small percentage of its revenues and sales. The company views the existence of a consumer panel as an efficient mechanism for being responsive to consumers in its predominantly regulated business environment.

The company has four managers from its corporate relations group which work most directly with the panel. These managers are direct reports of one another, representing four levels of Utilco's hierarchy. In addition, other company representatives regularly attend panel meetings, including a government relations manager, a customer service manager, and an operations manager. The corporate relations managers meet once a month with the facilitator to plan the upcoming panel meeting.

#### The Facilitator

At the time I accepted the position as facilitator, I was completing my dissertation on group empowerment. Prior to my doctoral training, I had worked as a social worker, community organizer, and administrator of non-profit organizations. During my doctoral training, I did research and consulted with corporations aspiring to achieve high performance through creating conditions for employee self-management. Symbolically, I viewed this consulting position as an opportunity to integrate my past with my present career. More practically, I was leaving a full-time job so that I would finish my dissertation, and I needed the money.

My personal goal was to increase the influence of the panel on company policies which affected consumers. I wanted members' voices to be heard, their recommendations to be considered and responded to by the company. I wanted the panel to be an effective group, disciplined in its decision-making processes. My vision differed somewhat from the previous facilitator who

conceptualized panel meetings as an opportunity for communication and dialogue among individuals with different perspectives. Freedom of expression was important to me not as an end, but as a means of getting things done.

#### Facilitator Selection Process

The previous facilitator, a friend of mine, had recommended me and one other person for this position. A facilitator selection committee, comprised of three panelists and three company representatives, reviewed several resumes and decided to interview seven individuals. The interviews took place in a small room in the Sheraton, the hotel where the panel usually met. I waited for my turn as the previous candidate finished his interview. Interviews were semi-structured and forty minutes were allotted for them. The highest level manager from the company asked the first question, followed by a panelist, followed by the manager next in the pecking order. The formality of the interview contributed to my nervousness in the situation. Later, I was told I shredded my coffee napkin into small pieces during the interview.

The most interesting question was asked by Tim, an attorney and the panelist representing small business concerns. He asked how I could maintain my independence as a facilitator when Utilco would be paying me. I responded that in order to be effective and help the panel influence the company's policy-setting process, I had to maintain credibility and trust with both the panel and Utilco. This necessitated maintaining my independence as a third party. Although my response was honest, I knew that I would be walking down a fine line managing a difficult tension. The question of "who is the client" continues to plague me during my tenure as facilitator.

From the previous facilitator, I heard that I was one of the top candidates, although there was some concern on the part of the company about



my nervousness during the interview. If I were selected, I knew that I needed to discuss this "problem" directly with the company, and indicate my openness to continued feedback. I was offered the facilitator job. I checked with the previous facilitator in order not to violate her trust, and she encouraged me to discuss the issue of my nervousness with the appropriate company manager. During my first preparatory meeting with this manager, I raised this concern. Although I was uncomfortable beginning a project with a discussion of a potential weakness, our discussion established a foundation for a collaborative relationship.

### Diagnosis and Feedback

In my contracting with Utilco Corporation, we agreed that I would initially interview all panel members, company representatives to the panel, and company officers. Feedback would be presented verbally at my first panel meeting, and a written summary would be provided to company officers.

Interviews with panelists provided an opportunity to meet them in their job settings or homes and learn about their reasons for participation, as well as their perceptions of panel strengths and weaknesses. Interviews with company officers helped me learn about the business, and their perceptions of the panel's role, strengths, and weaknesses. In addition, officer interviews enabled me to begin the process of establishing credibility with the leadership of the company. Individual interviews with company representatives provided an opportunity to hear their perceptions off the record, not only what they would say when meeting as a group with me. Through these interviews, I was able to identify similarities and differences between the panelists' and company's perceptions of panel effectiveness.

I interviewed twenty-three individuals and spent approximately ten days

collecting and analyzing interview data. The understanding I had with the company was that it would pay me for the time I spent on this process. No estimate was made in advance, however, of the length of time the process would take. In the midst of conducting these interviews, I informed the highest level manager with whom I had negotiated my contract about the time spent on data collection and analysis. He told me not to be concerned about it. As instructed, I submitted my bill to his subordinate, two levels down, who handles the day to day work of the panel. Later, I learned from her manager, positioned in the middle, that they "freaked out" about the bill. They were over their budget, and their boss had never told them that he told me "not to be concerned." I was angry, but prepared to negotiate innovative payment arrangements with them. In a planning meeting with these three managers, I reviewed the work that had been completed, and they seemed reassured. They agreed to pay me upon receipt of invoice and their concerns about the budget faded over time.

The interview process was exciting and enjoyable. From panelists, I learned about problems of consumer credit, difficulties faced by disabled people in dealing with utilities, the subtle discrimination against the small business owner, the not-so subtle discrimination against the state's minorities, the hardships of seniors, and the level of poverty that remained hidden in this relatively affluent area of the country. From company executives, I learned about the impact of regulation on their industry, the company's strategic plan, and their view of the role of the panel given broader business goals.

The early time spent in the company was instructive. One of the senior officers said to me during his interview: "You're working with the panel."

Why would you want to do a thing like that?" A few managers with no panel affiliation, whom I casually met in company hallways, giggled when I said I was working with the panel. I shared these vignettes with company representatives to the panel, and they responded that it had been an uphill battle for the panel to have credibility within the company.

On the other hand, senior officers told me that the company valued the panel, that it served as a useful and efficient way of staying in touch with the state's consumers, and that it kept the company honest, particularly when panelists said things the company did not want to hear. The company respected the expertise of panel members and viewed the panel as creating change in Utilco. The company had some concerns that the panel might not be representative of consumers in the state, and that no method existed for membership rotation.

By and large, panelists shared the same impressions of the panel's strengths and weaknesses. Panelists viewed the group as influencing the company and they valued its independence. They felt the group had become more cohesive and effective over time. Some panelists talked about the lack of membership rotation. Yet, most panelists viewed the panel as benefitting their constituencies and as being more than "window-dressing."

The company and panel had similar perceptions of the company role. The company was viewed as reluctant to share information in a timely way. It was viewed as responsive to requests from the panel, but not proactive in asking the panel for assistance. Utilco was perceived as unclear regarding boundaries defining consumer issues.

One notable difference between the company's and panelists' perceptions concerned the panel's role. The company viewed the panel's role as advisory,

and asserted that advisory means the panel provides input, but the company effects change. Panelists stated that the meaning of an advisory role was unclear and ambiguous.

Everyone interviewed advised the facilitator to run an orderly meeting and control discussions. I was instructed to be objective and neutral in my third party role, and to feel free to help the group improve its process. I was cautioned not to try to do too much in my first year, but to concentrate on building credibility and rapport.

The first meeting went very well. A feeling of anticipation and excitement pervaded the meeting. Potential new members attended the first half of the meeting, and voting took place to select three new panelists from a pool of eight. Company representatives and panelists validated the feedback and agreed to some preliminary action steps. Utilco's Chief Executive Officer attended the meeting, and expressed his continued respect for the panel process. Utilco indicated its intent to file a rate case with the Service Commission in the middle of October, and the panel voted to have its regulatory subcommittee review it. We were on our way.

#### Meetings Leading Up to Current Situation

The October through December meetings focused on this rate case. Panelists had been telephoned for their individual reactions in September. Although some were supportive, panelists expressed concern about the impact of this increase on those below the poverty line, small businesses, and non-profits. Many panelists were upset that the company provided them with such little warning. The subcommittee understood the company's reasoning, but had reservations about Utilco's plans.

At the October meeting, subcommittee members expressed their

reservations about Utilco's intent to file this rate case. A few panelists went on record indicating their opposition on behalf of their constituencies.

Much heated discussion ensued, culminating in a unanimous vote (with 3 abstentions) to oppose Utilco's filing. The panel asked the subcommittee to continue its work on defining potential exemptions to this case. The panel asked the company representatives to inform company decision-makers of its vote. In response, company representatives asked the subcommittee to draft a resolution to be shared with company decision-makers. Utilco indicated its intent to file the case, but stated it was open to the panel's concerns.

Company representatives left the meeting surprised and angry. They were surprised because more opposition had been expressed at the panel meeting than at subcommittee meetings or in one-to-one discussions with panelists. Some company representatives blamed others who had worked directly with the regulatory subcommittee for not doing a better job of "controlling" it.

Although no one directly criticized the facilitator, I was sure that some felt that I should have done a better job of influencing the outcome. John, the Vice-President of External Relations, told me that he viewed voting as inappropriate, and that discussion of issues should suffice. Utilco was afraid that the panel's vote would be shared outside the company with constituencies opposing this rate case.

Prior to the November meeting, several subcommittee and company meetings took place. The subcommittee spent time developing recommendations concerning potential exemptions. The company did not support most of these exemptions, and consequently, positions remained far apart. Company representatives found themselves in the uncomfortable position of trying repetitively to justify the company's position to the subcommittee. This frustrated subcommittee members.

I met with company officers, company representatives, and the regulatory subcommittee. As a response to the company's interpretation that its managers had not done a good job in presenting information, I sent a memorandum suggesting that panelists were representing interests of their constituencies. In company meetings, much time was spent reviewing worst case scenarios and potential company responses. For example, if the panel decided to testify at the hearings or release press statements critical of the company's position, what would the company do?

At the beginning of the November meeting, I attempted to set the stage for what I knew would be a potentially contentious discussion. Prior to the discussion of the rate case, we reviewed and discussed the purpose and role of the panel. I introduced the concept of "groupthink" and said that groups are most effective when they weigh costs and benefits of alternatives prior to making a decision. The discussion of the rate case followed, with the subcommittee presenting its resolution opposing the company's filing, and the company presenting its rationale for its decision. The company did modify its plans slightly and accepted the subcommittee's recommendation for one exemption. However, apart from this exemption, the company's stand remained the same. Much discussion followed, somewhat repetitive of the October and subcommittee discussions. At the end of the meeting, the Vice-President said the company would still consider panelist input. Some panelists were distrustful of John's comments, because they viewed the company's position as fixed. The company had bought some time. During this time, John tried to influence other company executives to reconsider the panel's concerns, but Utilco's position remained firm.

The December discussion repeated ground that had been covered

previously. Neither the company's nor the subcommittee's position had changed. Utilco indicated it had reached its final position and would not consider the remainder of the exemptions the subcommittee had proposed.

Some confusion existed about whether the panel should formally take a stand on the subcommittee's recommendation, or whether the Vice-President should communicate his sense of the panel's position to the company. John argued strongly against formalizing a position, saying that he could do a better job of representing the panel in the company if the panel did not vote. By a majority vote of eight to seven, panelists indicated their preference to deal with the subcommittee recommendation informally. Ironically, the panel "voted" in order to decide "not to vote", because voting was the only mechanism available for panel decision-making given strong disagreements among members. In order to give the subcommittee a sense of closure, a panelist moved to accept the subcommittee's work with commendations for its outstanding and persistent effort. That motion was accepted by a vote of 14 to 1.

At the end of the December meeting, the company was relieved and the facilitator was upset. I disagreed strongly with the Vice-President about his stand on panel voting, and felt that the panel needed a way to resolve controversial issues. While facilitating the meeting, I felt that I could not disagree publicly with John's stand on voting. In a private conversation with him, I expressed my opinion and we agreed to disagree. The rate case discussion was over. Dissension, however, did not disappear; it just went underground.

The meetings between January and May were more routine. The structure for the remainder of the panel year needed to be developed. Issues were brainstormed and panelists selected priorities. Secondary issues were

delegated to subcommittees. New panel members selected subcommittees to join. The foundation for the remainder of the panel year was put in place.

The panel then addressed its priorities. The panel heard presentations on Utilco's strategic plans, repair and maintenance activities, corporate donations, and utility service as a public entitlement. An ad-hoc task force, composed of a few panelists and company representatives, reviewed concerns about the degree to which the company shared information with the panel and the timeliness of company responses. Although this concern was not fully resolved, the company agreed to bring issues to the panel sooner and let the panel know how issues were resolved.

Utilco had downsized using a voluntary retirement program. As a result of retirements, extensive employee redeployment was necessary. Two Utilco panel representatives were redeployed and replaced by other middle managers. One of these managers was new to Utilco, having worked previously as a public relations manager for another utility. The other manager, his new boss, had been at Utilco for his entire career, but had never worked with the panel before. Panel continuity remained at the officer and administrative levels, but the critical liaisons to the panel were new. These new managers began their tenure in January, with the previous managers helping them make the transition. After four months of developing trust between myself and the previous Utilco representatives, I had to begin again.

In some ways, the new calendar year marked a new beginning for the panel. The panel determined its working structure, brainstormed issues, selected priorities, and work methods. New company representatives were introduced. However, the lack of closure about the rate case and the ambiguity concerning the panel's role continued into the new year.



### The June Meeting and its Aftermath

As the transcript at the beginning of this chapter suggests, the June meeting brought the unresolved issues to a head. The Service Commission had issued a draft ruling on the rate case, which the subcommittee thought was worse than the original company proposal. The subcommittee proposed to draft a letter to the Service Commission on behalf of the panel. Emotion in the room was heightened by a panelist announcing her resignation because of frustration concerning this issue. Although Utilco's Vice-President argued strongly against the panel taking a public stand, panelists voted to send this letter to the Service Commission, and a motion to reconsider the vote failed. The panel voted also to consider whether or not its role included taking "outside stands" at the September meeting. John, the Vice-President, was shaken by the vote and encouraged panelists to call him directly, so that he could more accurately reflect their opinions to the company.

Tim, the attorney representing small businesses, who had agreed to draft a letter, called me two days after the meeting. After speaking with another panelist, Tim was no longer sure he wanted to send this letter. He realized that the letter would arrive at the Service Commission after the deadline for public input, and it would not have its intended impact. In addition, one of Tim's clients was about to declare bankruptcy, and needed some urgent legal help. Tim said that he did not have the time to write this letter, because he had to respond immediately to his client's needs.

Tim told me he had called John earlier that morning. Tim said he told John that the panel needed to be taken more seriously by the company. Tim felt that the company would be more likely to take the panel seriously, if its caliber were improved. Tim told me that he and John made an implicit agreement

in which Tim agreed not to send the letter and John agreed to help to improve the caliber of the panel by soliciting new panelists with state-wide and national reputations for the open positions.

I was upset. On the one hand, I disagreed with the panel's decision to send a letter to the Service Commission. Panelists had not reviewed or even discussed the content of the letter they proposed to send. The panel had not reached closure on the subcommittee's initial recommendation. Given the hearing deadlines, it was not possible to review and send a letter that would be considered by the Service Commission. Instead, the panel's decision was the product of anger and frustration with Utilco Corporation. The panel was not going to let itself be pushed around by the company this time.

On the other hand, the panel did vote to send a letter to the Service Commission. Ironically, Tim was the panelist who suggested this strategy and had volunteered to draft the letter. As facilitator, I had some responsibility for making sure panel decisions were implemented.

Furthermore, ethical issues were involved. If it were true that Tim and John had a private agreement, I was not sure I wanted to remain as facilitator. Because Tim called me to seek my opinion on what he should do, I potentially was compromised. I could not ignore the situation.

The broader issue of the role of the panel remained. The panel and company had committed to begin a process of reaching agreement about the panel's role at its September meeting. However, the panel had existed for ten years, and no operating guidelines had been defined. Its role had stayed ambiguous.

As facilitator, I had some decisions to make. Should I resign? How should I handle Tim's change of heart? What about the unresolved issue of

the panel taking outside stands?

### Current Assessment

I had to come to grips with the immediate situation before I could consider the broader question of the panel's role. Tim's reversal, supported by an implicit agreement with an officer of Utilco, put the panel in jeopardy. However, Utilco's reaction to a letter from the panel to the Service Commission opposing their rate case might ultimately put the panel in jeopardy. Utilco would close managerial ranks and be less willing to share information about substantive issues. I was between a rock and a hard place, needing to decide between process and outcome. If an appropriate process were followed, the outcome most likely would undermine future panel effectiveness. If the letter were not sent to the Service Commission, a more appropriate outcome, then the process of panel decision-making and ultimately panel effectiveness would be compromised. A year's worth of my work as facilitator seemed to disappear as a result of the June meeting and its aftermath.

I had a good relationship with Tim and a more distant, but solid relationship with John. Tim liked being in the heat of battle and enjoyed political intrigue. John was a perfectionist, highly competent, but sometimes indirect. Occasionally, John avoided conflict by being ambiguous about his position. Perhaps I misinterpreted what Tim had said and no quid pro quo existed. I wondered if Tim and John had really made a deal.

If I were to resolve the immediate crisis, I needed to deal with the underlying question of the panel's role. Utilco asserted the panel was advisory to it, and advisory meant the panel could not take public stands, although individuals were free to act on their own or on behalf of their

constituencies. The panel asserted that the meaning of an advisory role was unclear and members disagreed as to whether or not the panel should take stands in the public arena. Thus, the problem had been defined as a question of the appropriate panel role. But wasn't the real issue about power?

The Consumer Advisory Panel is dependent upon Utilco Corporation for information, education, staff support, access to decision-makers, to be listened to, to be taken seriously, and for its recommendations to be implemented. The Consumer Advisory Panel's very existence is dependent upon Utilco Corporation. The inverse does not hold. Utilco will continue to exist, provide services for its customers, and make a profit for its stockholders, with or without a consumer panel. Emerson (1962) defined power and dependency as the inverse of one another, that people hold power to the degree that others are dependent upon them to achieve the goals they desire. The consumer panel cannot successfully influence the policy-setting process on behalf of its constituencies without Utilco's support.

Furthermore, the Consumer Advisory Panel is composed of a diffuse group of individuals representing multiple constituencies. It is underbounded and underorganized, lacking a formal leadership structure. Indeed, the role of a facilitator substitutes for a formal consumer leader. In contrast, Utilco is a billion dollar corporation, with a clearly defined managerial hierarchy. Decision-making tends to be centralized and hierarchical. John, the only company officer to regularly attend panel meetings, is clearly in charge, and panelists and company representatives look to him to speak for Utilco Corporation. The structural differences between the company and panel contribute to the relative powerlessness of the panel.

The debate over the role of the panel occurred only when a controversial

issue was on the floor. The panel threatened to take an external stand and become a player in the regulatory process, when it felt stymied in its attempts to influence the company. The panel's threats, its extension of its mandate, were aimed at equalizing the power imbalance. The Consumer Advisory Panel wanted a meaningful voice. It wanted to get Utilco's attention. Over time, members learned the company paid attention to threats of negative press releases or letters to the Service Commission.

Therefore, the establishment of clear ground rules which forbade the taking of external public stands, might destroy the major source of panel influence on the company. As facilitator, I had to be careful that I did not unintentionally reduce the panel's power base by pushing for clear guidelines.

The company may have viewed the existing ambiguity as serving its interests as well. Concerns about confidentiality and external use of information served as an excuse for some departments not to share timely information with the panel. The potential threat of the panel taking an outside stand, gave the consumer relations department leverage over other departments with which it disagreed. Indeed, the panel could be and was used as ammunition in internal Utilco battles.

The lack of clear and agreed-upon guidelines resulted in relatively low trust between the company and panel. The company did not trust the panel to keep confidentiality and it feared that the panel might publicly embarrass it. Utilco's paranoia, at least partially, was based on historical fact. Similarly, the panel did not trust the company to provide substantive information in a timely way, and to truly listen and respond to its recommendations. Again, the panel had good reasons for its mistrust. The consequence was relatively low panel effectiveness as a decision-making body.

As facilitator, I was committed to improving panel effectiveness. However, I was not certain that this commitment was shared by either the panel or the company. I experienced confusion about my role and responsibilities. Although I strongly believed I needed to maintain my independence as a third party, I was not always sure how to translate this into behaviors. Because of the events following the June meeting, I knew I had to do something. But what should I do?

### Decision Considerations/Dilemmas

#### Initial Confusion/Conflict Concerning Panel Structure and Process

1. What are the appropriate role and responsibilities of a consultant when working with a consumer advisory panel for a corporation? What are the expectations of the company? What are the expectations of panelists? Should the facilitator concern herself only with running panel meetings? Is it possible to simultaneously chair panel meetings and provide process interventions? How much initiative should the facilitator take for creating change? Should the facilitator be concerned only with panel process and not with content? Should the facilitator work with the company to improve its procedures or relationships, if she thinks they have some bearing on panel effectiveness? Should the facilitator make sure the company follows through on its commitments to the panel? Should the facilitator make sure the panel follows through on its decisions?
2. Who is the client? Utilco Corporation? The panel? Both? If both, how can the facilitator consult effectively given the conflicts between the panel and company? What about the monetary arrangements? Perhaps the facilitator is kidding herself, and the company is really the client because it pays for her service. Perhaps, the client is neither the company nor the panel, but the idea of improving panel effectiveness? Can an idea be the client?
3. What should be the consultant's primary working relationship in the company? Should it be with the officer, who has the most power and ultimate responsibility for the panel, but is not involved in its day to day activities? Should it be with the fourth level manager, who signed her contract? Should it be with the third level manager who has the responsibility for working with the panel on critical issues? Should it be with the second level manager who handles panel administration and has the longest tenure with the panel, apart from the officer?

### Resolving the Consultant's Personal Agenda

1. How should a consultant respond to the ethical dilemmas that may arise from this work? What are a consultant's ethical and professional obligations? Should the facilitator view the reputed agreement between Tim and John as an ethical problem? Under what conditions should the facilitator resign?
2. Does the facilitator's personal involvement undermine her effectiveness? The facilitator describes herself as being committed to improving panel effectiveness. Has she taken responsibility for a goal that should be "owned" by the client?
3. What are the facilitator's blind spots? How have they influenced her analysis of the situation? How have they influenced her assessments of members' behaviors?

### Determining What to Do Now

1. What should be the facilitator's response to the reputed agreement between Tim and John? Should she maintain Tim's privacy and implicitly agree to his arrangement with John? Should she arrange for a face-to-face meeting with Tim and John to openly discuss the situation? Should she talk to John privately to obtain his perspective after informing Tim of her intentions to do so?
2. How should the facilitator respond if a private arrangement had been made? Should she resign for ethical reasons? Should she keep their secret and help Tim and John determine the best way of dealing with the panel? Should she attempt to persuade them that their agreement was not in the panel's best interest, and get them to reverse their stand? Should she tell them that she had to support the panel's decision as facilitator, and that she would make sure a letter was drafted and sent to the Service Commission (either by doing it herself or getting another subcommittee member to do it)?
3. What should the facilitator do to inform the panel that Tim was no longer willing to draft the letter to the Service Commission? Should she do nothing and hope the situation blows over by the September meeting? Should she attempt to persuade Tim of the importance of his communicating his change of position directly to panelists? Should she agree to inform panelists for Tim? Should she let the company inform panelists on Tim's behalf?
4. What should the facilitator do to deal with the ambiguity concerning the panel's role and the underlying issue of its powerlessness? Did the existing ambiguity serve the interests of the panel and company? What about resistance to change? Did the June meeting create a readiness for change that had not been there before? Does it make sense to encourage the company and panel to establish operating guidelines?
5. What approach should be taken to define the panel's role and operating

**guidelines?** Should the role and guidelines be collaboratively defined or should the company take responsibility for clarifying its expectations? What interventions should she use? How should she structure the September meeting?

### Resolution of the Case

This case raises three major questions: (A) What is the appropriate role for a consultant when working with a consumer advisory panel to a corporation? (B) How should a consultant respond to the ethical dilemmas that may arise from this work? (C) What intervention strategies should be used to clarify the panel's role and deal with the underlying issue of its powerlessness? I will discuss each.

### Consultant's Role

The consultant needs to be a third party, who maintains an independent perspective. Sometimes, the consultant needs to function as the conscience of the panel's reason for existence. Both panelists and company representatives support the panel's mission, which is to help the company be responsive to consumer concerns, and allow consumers input to policies or practices before they are adopted by the company. Reminding the parties of the panel's mission helps provide a sense of perspective during times of conflict and aligns the company and panelists toward their shared superordinate goal.

The client must be conceptualized as both the company and panel. It is difficult not to be co-opted by either group: Frequently, I found myself sympathizing with the panel as the less powerful entity or perceiving situations using the same frameworks as company representatives because of my ongoing contact with them. The client cannot be simply an idea of improving panel effectiveness; the client is real people and groups with needs of their own. More specifically, the client is the customer relations managers and



panelists with whom I interact. My vision of improving panel effectiveness, however, helps me maintain my independence and perspective when consulting to multiple parties.

Issue-related conflicts between the panel and company will occur, if the panel is functioning effectively. Panelists represent multiple constituencies and their interests do not necessarily align with the interests of the utility. If disagreements disappeared, then the panel would no longer be of use to the company, because it would not provide consumers' perspectives. However, the key is whether disagreements are about consumer-related issues, or about turf, status, or trivia. Because conflict will always be present, the consultant should be aware of intergroup theory and dynamics, so that she can make appropriate process interventions (see Alderfer, 1977; Brown, 1978). The facilitator's primary relationships within the company need to be with the second through fourth level managers, the ones with whom she meets each month to plan the meetings. The key working relationships need to be fluid, so that, at any given time, she can work closely with the consumer relations manager responsible for interacting with panelists on a critical issue. Most often, this will be the third level manager, but it does shift depending upon the issue. However, she needs to maintain access to the officer who has ultimate responsibility for the consumer panel in the company. The officer, however, should not be her primary contact, because when things are working as they should be, the officer has oversight responsibility, but is not involved in day-to-day operations. This can be frustrating and is time-consuming to interact appropriately with Utilco's hierarchy.

The responsibilities of the facilitator are multiple: She helps to plan

meetings, chairs them, and makes process interventions as appropriate. She diagnoses areas of process difficulty and works with the company and panel to create improvements. She recommends systemic or structural changes to improve panel functioning and works with the company and panelists to implement these changes. The facilitator is not responsible for ensuring that the company or panel follows-through on its commitments; however, the facilitator should point out a lack of follow-through and encourage an exploration of reasons for it. Simultaneously chairing meetings and making process interventions is difficult; consequently, content may drive out attention to process.

#### Making the Ethical Choice

The facilitator for a corporation's consumer advisory body is likely to experience ethical dilemmas, given the conflict built into the structure. Maintaining a sense of integrity, openness, and belief in the process of dialogue is absolutely critical. However, the situation that occurred with Tim and John shows the difficulty of translating an ethical stance into practice.

It is an ethical problem if a panelist and a company officer make a private arrangement that is contrary to the wishes of the body-at-large. The capacity of the panel to influence corporate policy on behalf of consumers depends upon open dialogue. A private arrangement undermines panel process. However, without talking to John, I did not know whether or not a private arrangement had been made. An implicit agreement may be so implicit, that it does not exist.

I knew that I needed to find out what had transpired between Tim and John. I told Tim that I was going to talk to John and share with him what he said to me. When I talked to John, he disagreed with Tim's interpretation

that they had an implicit agreement. Instead, John described himself as simply listening to Tim as he described his unwillingness to write the letter to the Service Commission and expressed a hope that the company would recommend new panelists with state-wide or national reputations for the open positions. I could easily imagine John's silence being interpreted as an implicit agreement by Tim. After my conversation with John, I was no longer concerned about an ethical breach.

Another alternative would have been to meet with Tim and John together. I did not consider this approach at the time. However, I would have followed-up by meeting with both of them, if John had said that they did have a private arrangement which he believed was in the best interests of the panel. Not actually confronting this situation, it is difficult to say how I would have responded. If I were not able to influence them to change their minds, I think I would have threatened to resign to force the issue and resign if no change occurred. However, this is far easier to say than do, and I was not confronted with this situation.

It is not an ethical problem, if a panelist changes his position on an issue, and no longer wants to follow through on an activity he volunteered to do. However, the panelist must communicate his change of plans directly to the other panelists. I talked to Tim and he was willing to contact the other panelists. He telephoned the members of his subcommittee and drafted a note to send to all panelists. I helped Tim save time by making sure his note was typed and mailed.

What surprised me was the lack of reactions from other panelists. No one complained. No one volunteered to take his place and draft this letter. Perhaps, the group was relieved that no letter was sent. Perhaps, it was just

the apathy of the summer months. In any case, nothing happened. The discussion of the role of the panel remained on the agenda for the September meeting.

#### Determining an Intervention Strategy

The choice of an intervention strategy intended to clarify the role of the panel depended upon my responses to two critical questions: (A) Did the company and panel want to clear up the ambiguity concerning the panel's role and operating procedures? (B) Should the role/guidelines for the panel be collaboratively defined or should the company take responsibility for clarifying its expectations?

I believed the June meeting had created a readiness for change, but the company and panel would experience ambivalence about establishing clear guidelines. After all, the panel had existed for ten years without clear guidelines. Over the summer months, I met with a few panelists and obtained input from the others. The majority felt the panel should not be taking outside stands, but some felt strongly that the panel needed this leverage in order to have influence.

I had several meetings with the company and encouraged the company to honestly confront its perceptions of the advantages and disadvantages of the current ambiguity in roles. In a memorandum, I listed the advantages and disadvantages that the company had identified, and described the company's ambivalence. By the time the company received this memo, the representatives had moved from being ambivalent to wanting to clear up the ambiguity. The process of examining the advantages and disadvantages of the current state had reduced the company's resistance to change.

Although I began this process believing that operating guidelines should

be collaboratively defined, I decided it was ultimately the responsibility of the company to define its expectations of its consumer advisory panel. The company has the right and responsibility to define what it requires in order to have a consumer advisory panel, and panelists have the right to assess whether or not they can accept these requirements.

After a series of discussions, company representatives agreed that it was up to the company to define its expectations of the panel. I had separate meetings with company representatives to help them clarify their expectations of the panel. John met with the other officers and Utilco's Chief Executive Officer to reassess whether or not they found the panel of value, and to obtain their perspectives on the panel's role. They were unanimous in wanting the panel to continue, and that as an advisory group, it was not appropriate for it to take public stands. In addition, I interviewed panelists to solicit their opinions on the panel's role, and this information was used to help guide the company's deliberations. Several panelists called John directly to provide their perspectives on this issue.

At the September panel meeting, the company presented its expectations with an opportunity for panelists to respond. Further exploration occurred in separate panel and company groups, with panelists beginning their exploration of whether or not the guidelines defined by the company were acceptable. Further discussion focused on what each group needed from the other and was willing to do differently in order for the panel to be effective. After the separate groups reported out, the company followed-up by preparing a position paper for approval by the panel at its next meeting. This position paper was mailed to the panelists and they had a separate meeting the night prior to the regular panel meeting, to discuss whether or not they were willing to accept

these guidelines and whether modifications were required. The guidelines were accepted with minor modifications, and the panel voted its approval the next day.

In the new guidelines, the company promised to bring issues to the panel and provide the panel with access to key decision-makers prior to company action. In return, the panel agreed to focus on a limited number of issues in any given panel year, and as a whole panel, not to take outside public stands.

One panel year has passed since the new guidelines have been established. Again, a controversial issue was considered, but the company and panel operated within the framework established by the new guidelines. Considerable progress was made on the new issue, with the company making a shift in its approach to this consumer problem. Although the panel did not get everything it wanted, it was pleased with the progress made this year. The tone of the June meeting could not have been more different than the tone the previous year.

1. I would like to thank Alan Glassman, Tom Cummings, and several managers and consumer advisory panelists for their comments on previous drafts of this chapter.

2. Utilco Corporation Consumer Advisory Panel is a pseudonym, created to protect the anonymity of the corporation and panel. All names of people are fictitious, other than the facilitator's name.

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