Conflicts of Interest

- In general conflicts of interest means individuals as two or more desires that all interests cannot be satisfied given circumstance.
- Professional conflicts of interest are situations where professionals have an interest, if pursued , could keep from meeting one of their obligations to their employers
- Example:
- Employee working in a company serving as a consultant for a competitor's company

Types of conflicts of interest

- Actual conflicts of interests
- Potential conflicts of interests
- Apparent conflicts of interests

Conflict of Interest arises when two conditions are met

- The professional is in a relationship or a role that requires exercising good judgment on behalf of the interests of an employer or client and
- The professional has some additional or side interest that could threaten good judgment in serving the interests of the employee or client. E.g. When an engineer is paid based on a percentage of the cost of the design and there is no incentive for him to cut costs- The distrust caused by this situation compromises the engineer's ability to cut costs and calls into question his judgment.

Conflict of Interest created by Interest in other companies

- When one works actually for the competitor or subcontractor as an employee or consultant.
- Having partial ownership or substantial stock holdings in the competitor's business.
- It may not arise by merely having a spouse working for sub-contractor to one's company, but it will arise if one's job also includes granting contracts to that subcontractor

Conflicts of Interest created by Insider information

- Using inside information to set-up a business opportunity for oneself or family or friends.
- Buying stock in the company for which one works is not objectionable but it should be based on the same information available to the public.

Avoiding Conflicts Of Interests

- Taking guidance from Company Policy
- In the absence of such a policy taking a second opinion from a coworker or manager. This gives an impression that there no intension on the part of the engineer to hide anything