

CASE #16: THE JOB OFFER AND THE SIDE HUSTLE

Introduction

Robert, a recent college graduate with a degree in business and computer science, has just landed his first full-time job at a mid-sized consulting firm. The firm specializes in data analytics and works with a range of corporate and government clients. Robert is excited: the salary is competitive, the benefits are strong, and the firm has a reputation for developing young talent.

At the same time, Robert has been running a small side business since his sophomore year—building custom data dashboards for small nonprofits and startups. The work has been meaningful and provided a steady income through college. Robert has built strong relationships with several nonprofit clients who rely on this service.

The Ethical Dilemma

During the onboarding process, Robert is asked to sign the firm's employment contract, which includes the following clause:

“Employees must disclose and obtain approval for all outside employment, consulting, or business ventures that may conflict with the interests of the firm. Employees must avoid any activity that competes with or could reasonably be seen as competing with the business of the firm.

Robert is now faced with a choice:

- Disclose the side business and risk being told to shut it down or give it up.
- Keep the side business quiet and hope the firm never finds out.
- Attempt a middle ground, such as scaling it back informally, without officially disclosing it.

Complicating matters, Robert's side clients are primarily nonprofits that the firm is unlikely to target—but the services offered (data analytics and dashboards) do overlap with the firm's core work.

Stakeholders

- Robert – balancing financial needs, personal integrity, and long-term career growth.
- The consulting firm – concerned about loyalty, confidentiality, and conflicts of interest.
- The nonprofit clients – who depend on Robert's dashboards to function efficiently.
- Future coworkers – who might see Robert's decision as fair play or unfair advantage, depending on the outcome.

Questions for Discussion

Ethical Questions

1. Does Robert's side business constitute a real conflict of interest, or just a perceived one?
2. Is it unethical for Robert to keep the side business private, even if it doesn't directly harm the firm?
3. What obligation does Robert have to the nonprofits that rely on the dashboards?
4. How might Robert's decision affect his professional reputation if discovered later?

Decision Options

Full Disclosure and Negotiation

Pros: Demonstrates honesty; builds trust with employer; eliminates future risk of being “caught.”

Cons: May result in the firm prohibiting outside work; financial and relational costs to nonprofits.

Quietly Continue the Side Business

Pros: Maintains nonprofit relationships; additional income; no immediate disruption.

Cons: Risk of termination if discovered; ethical gray area of hiding information.

Transition Out of the Side Business

Pros: Avoids conflict; clean professional start.

Cons: Breaks commitments to nonprofits; loss of purpose-driven work; financial impact.