

Psych Me Out Teaching Notes

What Are the Relevant Facts?

1. Stacy is a new staff accountant at a local CPA firm.
2. The CPA firm he works for has a lot of turnover, especially at the senior accountant level.
3. A psychologist/consultant was brought in to assess employee morale and organizational issues.
4. Other employees point out to the psychologist the same management problems that Stacy has encountered.
5. Stacy feels that the firm's partners have gone out of their way to point out his mistakes, especially since he has been required to take on higher-level assignments than his experience and training dictate.
6. Stacy is on probation.
7. Stacy is helping interview candidates for the open accounting positions.

What Are the Ethical Issues?

1. Does Stacy have a duty of loyalty to the firm when interviewing prospective job candidates?
2. Does Stacy have a duty to provide truthful information to candidates?

Who Are the Primary Stakeholders?

- Partners of the CPA firm
- Stacy
- All other employees of the CPA firm
- Prospective employees of the CPA firm
- Clients

What Are the Possible Alternatives?

1. Stacy can do as he has been told and present the firm in a positive and favorable manner.
2. Stacy can be frank about the company with job candidates.
3. Stacy can resign.

What Are the Ethics of the Alternatives?

- Ask questions based on utilitarianism. For example:
 1. Which alternative produces the greatest good to the greatest number?
 2. How would costs and benefits be measured? Do the benefits of telling the truth outweigh the benefits to the firm of lying? What costs would Stacy incur if he told the truth?
- Ask questions based on rights. For example:
 1. What rights does each stakeholder have?
 2. What right to truthful information does a job candidate have?
- Ask questions based on fairness or justice. For example:
 1. Which alternative distributes the benefits and burdens most fairly?
 2. Is Stacy being asked to bear an unfair burden?

What Are the Practical Constraints?

1. If Stacy informs all new hires about the problems at the firm, he might be reprimanded again or fired. In fact, frank communications may haunt him when seeking a future job reference.

What Actions Should Be Taken?

1. What actions should Stacy take?