

AN ETHICAL DILEMMA*

Stacy, a recently hired employee of a growing local CPA firm called Dewey, Cheatum, and Howe, just passed all four parts of the CPA exam. The University of Virginia prepped her well for her new job, and the partners had high expectations for Stacy because she scored near the top of her graduating class. As a result, Stacy was fast tracked and performed at an advanced level on some jobs. This was due, in part, to her excellent skill set and also because of heavy firm turnover at the senior level.

Because of the long hours and her inexperience, Stacy started to make simple errors such as not meeting time budgets. She began working off the clock because she did not want management to know she had a hard time handling the workload. After a few months, she casually mentioned the extra hours to a coworker, who told her working off the clock is considered unethical and the company has strict policies against it. Stacy was not only embarrassed but also upset that the company never made this known to her—particularly since she knew her immediate supervisor knew full well what she was doing. Stacy stopped working off the clock and began to work more quickly to get things done in the expected time frame.

A few weeks ago, Stacy learned her recent work on a tax return had to be redone; Stacy mistakenly charged the wrong client for the return. Doug, one of the partners, publicly reprimanded her by saying, “Next time it’s coming out of your pay check.” Later that same week, as Stacy helped interview a candidate for one of the open accounting positions, she accidentally chipped the glass table in the conference room. When Doug heard about it, he said, “I hope your personal insurance covers the table. You’ll need to speak to the secretary and get this replaced.”

Over the following months, the firm continued having more resignations. It became so problematic that the Senior Board requested a psychologist interview all staff members. When Stacy was interviewed, she described the poor treatment of employees and unreasonable expectations. Apparently, other employees had the same complaint. The resulting report from the consultant pointed toward numerous management problems at the company. Shortly thereafter, the partners responded in a way the staff did not expect: They took the report personally. As a result, rumors began to surface that the firm was going to go up for sale. Still, the interviews for staff positions continued. One Monday morning a memo surfaced stating that all staff doing interviews for new hires were to “present the firm in a

positive and favorable manner.” Stacy was one of those staff members doing the interviews.

Stacy did not know how to portray the firm in a positive manner when she was so miserable. She particularly disliked Doug. It seemed to Stacy that Doug made it his mission to torment her by criticizing her every move. He hovered around her desk and made comments about making sure not to mess up again.

After getting advice from one of her coworkers, Stacy decided to approach Doug about his behavior. He did not take it well.

“Look, if you think I’m being too hard on you, then maybe you should just leave,” Doug responded. “It’s obvious you are not cut out for this business.” Doug continued to berate Stacy for her “shoddy” work until she was close to tears.

“If you want to make it in this business, honey, you got to realize when to pick your fights. Me, I’m not in the habit of losing.” Doug walked off in a huff.

The next day Stacy was to interview someone for a lower-level accounting position. As she walked down the hallway, Doug approached her.

“I hear you’re going to be interviewing a new candidate today. Just remember, make this company look good. No whining about your bad work experience.”

Stacy contained her anger when she entered the room and sat down in front of the candidate. She did her best to act professional and stifle her emotions. The real dilemma came when the candidate asked about the firm’s culture and how Stacy personally liked working there. She swallowed. She did not know how to sugarcoat her answer without making it an outright lie.

QUESTIONS | EXERCISES

1. Describe the deficiencies in ethical leadership at Stacy’s firm.
2. What type of conflict management style does Doug have? Are there more constructive ways for him to handle conflicts with employees?
3. Describe the alternatives Stacy has answering the candidate’s question and the advantages and disadvantages of each.

*This case is strictly hypothetical; any resemblance to real persons, companies, or situations is coincidental.