

African gold, inc.: ethics and aids in the workplace

[Science](#), [Social Science](#)



Case 101: African Gold, Inc. - Ethics and AIDS in the Workplace Did African Gold, Inc. make the right decision? Should an organization be expected to go beyond legally mandated benefits to help workers with a devastating illness like HIV/AIDS?

When African Gold, Inc. decided “ to stop paying transport, coffin, and funeral costs for employees who die from non-mining-related causes [primarily, HIV/AIDS]” it made a grievous error. The decision was a mistake for many reasons beyond just ethics. It was also an error economically and in terms of Human Resource management.

African Gold, Inc. cannot be expected to go beyond legally mandated benefits. However, in this case it should have gone beyond legally mandated benefits for very practical reasons. The morale and motivation of their workforce will be undermined by this decision. In general terms it indicates a lack of concern for the well-being of its workers. In specific terms, with many of their workers being migrant laborers the decisions means that workers must face the prospect of death alone and in a foreign country. This will have a devastating impact on morale and, subsequently, productivity. It has also generated negative publicity for the company and raised the prospect of trouble with the National Union of Mine Workers.

2. What responsibility, if any, does African Gold, Inc. have to its workers?

This is a difficult question to answer. In strictly legal terms, African Gold's responsibilities to its workers are clearly defined and do not include the funeral benefits. They are legally obliged to provide a safe workplace and issues of worker behavior (i. e. promiscuity, unprotected sex) outside the workplace are not their responsibility.

This is true even though one could argue that employing a migratory workforce that is isolated from kith and kin for long periods makes promiscuity and prostitution a work related issue. While this could be argued it is unlikely that, in strictly legal terms, it would carry much weight.

3. What human resource challenges do U. S. firms face when they globalize?

Any firm, not only Newtown Mining Inc., a U. S. Company, faces a myriad of social and cultural challenges when it globalizes. By definition, globalizing entails setting up operations in countries and cultures distant from a firms headquarters and/or traditional areas of operation. Newtown Mining Inc. already has operations in Australia and New Zealand and it is doubtful that HIV/AIDS is a significant economic factor in their operations there. Similarly, if it had recently invested in a gold mining company operating in Canada it is unlikely that HIV/AIDS related funeral costs would be a significant issue. Alternately, HIV/AIDS is far from the only human resource challenge that globalization gives rise to. In simplest terms an American or western European firm that expands into Israel must accept that the predominant culture and religion is Jewish, or, if they expand into Arab countries, that Islam is the majority religion. These differences entail simple and obvious challenges such as the fact that the weekend is not Saturday and Sunday, and the weekly day of rest for cultural and religious reasons is not Sunday. Beyond this obvious difference firms also have to consider such challenges as attitudes to women and dietary concerns. Similar issues arise for companies headquartered in other countries, Japan for example, that expand into the United States when they globalize.

4. If you were Goldstone, what would you do?

In terms of human resources, and in terms of the companys overall interests, Goldstone should reinstate the funeral benefits (or have never canceled them in the first place). This would create a flurry of positive publicity for the company. It would also make working for the company more appealing to migrant workers. In fact, Goldstone could even go so far as to state that the company is so committed to its HIV/AIDS education program that it is confident that the costs of the funeral program will not continue to rise but will, rather, decrease. Further, to foster the image of commitment to addressing the HIV/AIDS epidemic it could partner with or donate to non-governmental organizations (NGOs) working to reduce HIV/AIDS in its migrant laborers home countries such as Lesotho or Botswana. If Newtown Mining, Inc and African Gold, Inc. adopted aggressive policies to combat HIV/AIDS amongst their employees (including the funeral program) they could lay claim to the moral high ground, increase their appeal as an employer and find itself the beneficiary of a public relations bonanza that would have positive impacts on their bottom line.

References

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