

Values ethics essay sample



**ASSIGN
BUSTER**

1. What were the costs and benefits to stakeholders of the actions taken by Massey Energy and its managers? The stakeholders include everyone from Don Blankenship all the way down to the employees who were treated badly by Massey and their higher ups. Don Blankenship had a few more benefits than costs in regards to his company. He accrued \$129 million over his 10 year stint as CEO of Massey Energy while also maintaining a power over others beneath him. He cost himself his reputation within his community and his employees. Massey's employees barely had any benefits other than a relatively well paying job to support their families, otherwise the list of costs that occurred to the employees were endless.

From evidence in the case, the employees were dismissed if they raised any issues regarding their working conditions in the mines. Many of the mine workers developed black lung disease due to poor air ventilation throughout the mines and if they complained about the lack of fresh air, they were told to go home. Furthermore, when inspectors were on their way down to the mine, a code word would be sent out to clean up any deficiencies until the inspector left and then the mine would go back to their previous ill conditions. The management of the company was not responsible and did not take adequate measures to safeguard its employees. This negligence on the company's part resulted in loss of life for these stakeholders.

2. Applying the four methods of ethical reasoning (utilitarianism, rights, justice, and virtue), do you believe Massey Energy behaved in an ethical manner? Why or why not? No I don't believe that Massey Energy behaved in an ethical manner because the costs did not justify the ends. The high rate of employee injuries, illness, and eventually deaths along with the

environmental degradation that Massey Energy has been contributing to its land, union busting, and its open violation of safety and health and environmental laws does not justify the employment of about 6, 000 people for relatively cheap coal and cheap electrical power for its utility workers.

3. Who or what caused the Upper Big Branch mine disaster, and why do you think so? The immediate cause of the disaster is the result of a poorly maintained longwall shearer that sent a spark which could not be extinguished because of inoperative water sprayers. This spark ignited a pocket of methane gas that accumulated at the coal face over the course of a year because of poor ventilation. This resulted in an explosion that fireballed throughout the mine because of the accumulation of flammable coal dust that was not properly treated with rock dust as instructed by the MSHA. Although this was the immediate and most detrimental cause of the disaster, I believe Don Blankenship was largely responsible for the disaster.

For almost twenty years, Blankenship had near-total control over Massey Coal Company, and later Massey Energy. During this time, he had decisive impact over the culture, policies, and practices of the company. He directed a management system that gave priority to productivity, which was running coal, over all other concerns, including environmental impacts, worker health and safety, and legal compliance. As a hands-on manager, he was completely and fully aware of everything that was going on in the company, all the way down to the last tank of gasoline or ton of coal. Therefore, he should bear the ultimate responsibility for the Upper Big Branch mine disaster.

4. What steps could be taken now to reduce the chances of a similar tragedy occurring in the future? In your answer, please address the appropriate roles of mining companies (and their directors and managers), government regulators and policy makers, and the workers and their union in assuring mine safety. A few more steps could be taken to reduce the chances of a similar tragedy occurring in the future by first looking at some major factors. Management selection, legal compliance, stronger protective legislation, and the compensation system are just a few ways a firm in this business could avoid any potential disasters and lawsuits. Boards of directors should select ethical directors and advance managers through the organization based on a verified track record of successfully balancing the requirements of profit and productivity with the genuine interests of stakeholders and the need to obey all relevant laws.

On the legal side, managers should make it more than clear that the rule of the corporation is to observe with the law and to go beyond compliance to attain “best practice” health and safety systems. Safety should be given priority over production especially in this type of industry. A stronger protective legislation such as MSHA and West Virginia’s office of mine and safety should have adequate authority to impose their citations along with penalties for noncompliance should be reinforced, and blatant violations should be considered felonies. Those workers who report safety violations to government inspectors should be protected against vengeful discipline as well. Lastly, the boards of directors should create compensation systems that incentivize safe and environmentally comprehensive operations while also applying penalties for noncompliance with the law.