### CHAPTER 4: Ethics & Social Responsibility

### Management Decision

#### RESPONDING TO TRAGEDY

On April 5, 2010, an explosion at the Upper Big Branch coal mine in Montcoal, West Virginia, killed 29 workers. Over the next several weeks and days, as nationwide attention turned to this tragedy, it was discovered that the mine’s operating company, Massey Energy, was cited for numerous safety and regulatory violations. One month prior to the accident, the mine was written up more than 50 times, with 12 of those notices relating to an excessive buildup of coal dust and methane, conditions that can cause explosions like the one that occurred. The very day of the explosion, federal regulators identified two more safety violations, a failure to have updated maps of escape routes in case of an accident and a failure to outfit miners with required communication and tracking equipment that would help them stay in contact with aboveground employees. All told, officials found 1,342 safety violations at Upper Big Branch from 2005 to April 2009. And according to these investigators, miners at Upper Big Branch lost more time to work-site accidents than any other mine in the country.

In spite of the large number of violations, Massey continues to insist that they are committed to safety. On its website, the company proclaims “Safety is the top priority for every Massey member. … We work hard to instill a zero-tolerance policy and commitment from all members, whether they work at corporate headquarters or in the mines, to make safety the number one priority—every day.” However, the company’s reactions to regulators’ citations have generally been resistant and confrontational. According to government records, Massey has contested or appealed a good portion of the violations it has received since 2005. By doing so, it has been able to avoid paying the fines and making the safety changes required by regulators.

 The question for you, as a manager at Massey Energy is this: How will you address your company’s ethical responsibility? Will you continue to insist that the company is doing everything it can for safety, even as the number of violations skyrockets? Will you insist that all safety violations be addressed immediatel and that unsafe mines be closed until they pass inspections, at the cost of hundreds of millions of dollars? What steps could you take to insure that your company is an industry leader in safety, while also remaining profitable?

##### Questions

1. How would you describe Massey’s current approach to its ethical and social responsibility?

1. Which approach to social responsibility would you recommend that Massey take in the future?
2. How might the temporary closure of dangerous mines and the investment of funds into new safety systems be an economic stimulus for Massey