

CASE #7 – CULTURAL CONFLICT VS IMPROVING WORK, SAFETY & LIVING STANDARDS

(This case is told in the first person. Names and locations have been changed, but the events are presented as originally reported.)

I worked for World Metals Corporation (WMETCO) in the United States and was assigned to manage one of the company's mines in a South American country. After flying into the capital city, I traveled nearly ten hours by car—through dry riverbeds and mountain passes, with the driver navigating by the stars. By dawn, we reached the mining camp.

Looking down into the valley, I was struck by what I saw: about a hundred mud-brick huts with thatched roofs clinging to the mountainside. A dirt road ran through the village, lined with children and elderly women. Chickens, goats, and llamas wandered freely. Smoke rose from kerosene fires, and the silence was haunting.

These were the homes of the miners and their families—the people I was now responsible for.

Atop the next hill, I met the mine superintendent, a Spanish-descended engineer who had been running the mine for a year. He was proud of the operation: the mine was profitable, trucks brought in water from town, a company store and small school had been built, and a doctor visited monthly. Compared to when he arrived, living and working conditions were better.

But I was deeply troubled by the poverty and wanted further improvements.

Attempts at Change

Each morning, about 120 miners descended into the tunnels with kerosene lamps, picks, and shovels, working 500 feet underground. Their wives hauled the ore up in calfskin bags, then sorted it with their children. Pay

was based on the ore weighed by engineers. The methods were primitive—unchanged for a century.

I began with safety: providing modern American lamps and battery packs. My intentions backfired. The next day, most miners didn't show up—they had sold the lamps to a nearby Russian mine and spent the money on a three-day drinking binge. Safety improved for no one, and productivity was lost.

I then tried housing. We supplied aluminum sheets to replace leaky thatch roofs. At first, families were grateful. But when I returned a month later, the roofs were gone—sold as scrap. The women had used the money for food and clothing.

The company store revealed another issue: miners were deep in debt, much of it for coca leaves—a traditional stimulant used for endurance at high altitudes. To me, this was unacceptable; I halted the sale of coca. The miners went on strike. I offered to forgive debts if they returned to work. They refused unless Coca was reinstated. After a week, under pressure from local engineers who insisted I didn't understand the working conditions, I gave in. Work resumed, debts grew, and coca use continued.

Clashes with the Industry

Daily operations also required “gifts” to customs officials and rail foremen to keep ore shipments moving. Official corporate policy forbade payoffs, but the head office expected results.

At my first Mining Association meeting, I faced local owners—hardened men who had prospered in tin and silver. They were outraged at my reforms: hiring doctors, paying higher wages, and “being too good to the Indians.” They accused me of disrupting practices that had endured for generations and stirring unrest among their workers. The meeting turned hostile until the chairman asked me to leave. I never returned.

In time, I withdrew. I left daily operations to local engineers, sent others to association meetings, and focused on reporting to New York. But I also abandoned efforts to improve miners' conditions. Instead, I rationalized it as "benign neglect."

Closing Reflections

Six months later, I was reassigned to New York. I remained uneasy. We had tried to promote social progress but were rejected by the very people we aimed to help. We alienated local business leaders. We insisted on ethical policies from afar, but on the ground, we were expected to "do what it takes." Worst of all, we had made business decisions based on American values that, in this context, harmed profitability.

Questions for Discussion

1. What personal issues did the narrator face in trying to reconcile personal values with the realities of managing in another culture?
2. What business dilemmas arose when corporate policies clashed with local practices and market demands?
3. What ethical conflicts emerged between cultural respect, worker welfare, and profitability?
4. Should the narrator have respected local traditions, even when they conflicted with U.S. values?
5. What lessons can be drawn about applying "universal" ethical standards across cultures?
6. In light of Joseph Fletcher's principle that "only love and reason really count when the chips are down," how should a manager act when ethical, cultural, and business imperatives collide?

"Ethical values always imply standards of worth. They are the standards by which we measure the goodness of our lives." - David B. Ingram & Jennifer A. Parks