

IN 2012, A MINEWORKERS' STRIKE AT THE LONMIN platinum mine in Marikana, South Africa turned into a conflict between employees, unions, mine security and police – 44 people died in a week, 34 in a single confrontation.

The tragedy's roots lie in the complex legacy of the country's 150-year history of modern mining. Colonial and apartheid-era mines sourced cheap black migrant labor from across the subcontinent to benefit white-owned business. Today, the country is still dealing with this legacy. South Africa's large mines employ tens of thousands of people, across multiple shafts, speaking dozens of languages. Levels

working different shifts. While we have multiple languages spoken in our operations, we've realized that it's essential to convey information in people's mother tongue, so we also have a number of translators present at every session. I believe people value the opportunity to ask me questions directly. It's a completely open platform, and we answer every question that is asked.

But these CEO roadshows are only twice a year. How do you reach your workforce at other times?

Industrial theater is effective, especially if it's done with humor. People like theatrics and they like to

South African Chamber of Mines President **MXOLISI MGOJO** tells Brunswick's **CAROL ROOS** and **TIMOTHY SCHULTZ** about the industry's dark legacy and its commitment to move forward

UNDERGROUND workforce

of education differ from semi-skilled laborers to tech savvy youngsters and relatively small teams of management professionals. Many workers spend their shifts deep underground, unreachable by phone or computer. In this context, engaging employees and rebuilding trust requires more than a new style of values-based leadership and innovative techniques – it means taking on 150 years of history.

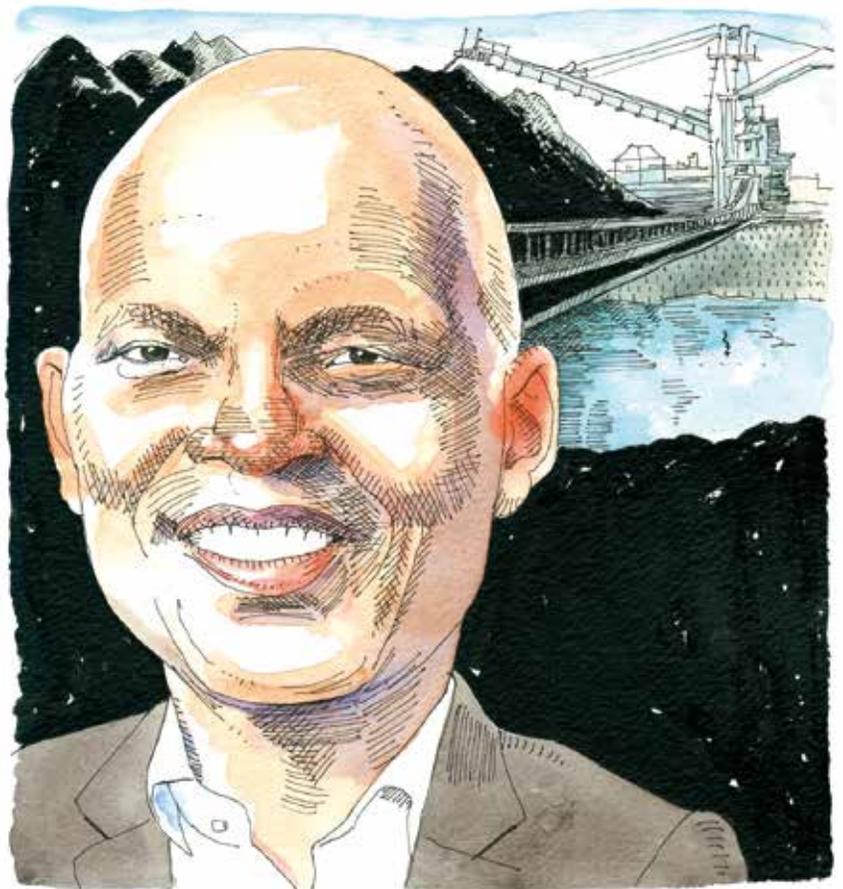
Brunswick recently interviewed Mxolisi Mgojo, CEO of Exxaro Resources, a black-owned coal mining company in South Africa. He also serves as President of the South African Chamber of Mines.

Mining is a complex industry, with a number of employees in remote locations. How do you bring employees along with you?

It's incredibly complex. Our underground workers don't have an email address, let alone a computer. I have found that if you want to bring dramatic change into an organization, there's no better substitute than standing in front of your employees and telling them the story yourself.

But how practical is this? How do you manage it?

It's not easy. At Exxaro, our former CEO organized twice-yearly sessions where we created an open platform for communication at our various operations. We use a big space – an amphitheater or auditorium. But we have 24-hour operations, so we have to repeat the session to reach our employees



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see a show. Theater allows us to convey important messages about values and safety. We are, of course, also looking at how best to harness technology to reach our people, but there are limitations. We are working on an exciting new platform which allows us to send creative video messages across smartphones, but a significant proportion of our workforce don’t have smartphones. Ultimately, none of these techniques work in isolation. It’s about comprehensive follow up. You want to show your people respect, that they matter and are valued and are hearing from you on a constant basis.

South African mining companies have been accused of relegating the role of employee communication to the unions. Is that accurate?

That was absolutely the case in the past, and we’re working hard to change it. We have had to be emphatic to our unions that ultimately, workers are employees of the mining company, and that it’s not the role of the union leadership to dictate with whom the company management can communicate.

It hasn’t been without complexity, and in our attempts to change the system, unions have felt that the mining company was usurping their role. But unions, rightly, have their own agenda, and that is not always aligned to that of the company. It’s up to us to communicate the company’s message and engage directly with our employees.

Do you feel that your union engagement is developing trust with employees, or are discussions still focused firmly on wages?

We are still nowhere near where we should be. I believe that the trust deficit is worsened by deliberate power play on the part of the unions. That’s why it’s essential that I talk directly to the people myself.

Are the communications challenges aggravated by the historical role of mining in South Africa?

Our industry is still caught up in legacy issues. Employees weren’t seen as valuable members of the organization, but rather as a form of cheap labor. We, as an industry, must acknowledge and apologize for institutionalizing the apartheid system. It was not just the government.

Mining companies were the instruments of policies. That is our legacy that we have never truly taken accountability for. In my role as President of the Chamber of Mines, I’m ensuring that this is something that the industry takes very seriously.

Is this your priority as the President of the Chamber of Mines?

We are also resisting the government’s proposed mining regulations because we argue that it’s damaging for the industry. But we need an alternative proposition that we can put on the table. And that proposition needs to be the culmination of many engagements with a broader set of stakeholders. Everyone needs to come together where they are all prepared to give up something. What are shareholders prepared to give up for labor stability? Banks make all the money but take none of the societal risk – what are they prepared to give up? Unions who want to retain power at all costs. What will they concede? This is my priority.

How do you bring your shareholders on board with this vision?

To be honest, it doesn’t matter if shareholders are on board. Our relationship with employees, changing the legacy of mining in this country, acknowledging that we’ve made mistakes – that’s what’s important.

Are employee communications in the industry changing? What was the catalyst?

There have been big strides in recent years. Marikana was a tipping point, and highlighted the profound absence of communication. Now we are moving toward grappling with the important questions. How do we get management to have effective engagement? How do we move to a culture of true engagement opposed to power play engagement? How do we get unions to look at the leadership as partners and vice versa?

Many companies say they want employees to feel proud to work for them. In South Africa, where many are earning the minimum wage under harsh conditions, is that goal achievable?

In the absence of trying, what are we left with? No relationship is ever perfect. There are many who are proud to work for Exxaro, and then there are those who are disengaged. But those who are disengaged are often fighting on a number of different fronts – poverty, debt, ill health. Their lives are a constant struggle. From our side, we try to provide a fair and safe work environment for all.

CAROL ROOS, a Partner, focuses on corporate transactions and energy & resources. **TIMOTHY SCHULTZ**, a Director, specializes in energy & resources and public affairs. Both are based in Johannesburg.