

Running head: MANAGING TEAMS AND PEOPLE



Managing Teams and People: Mining Industry Study

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Case One: Performance Management Systems

Performance management initiatives are aimed at promoting and improving employee effectiveness hence the overall productivity of an organization at large. The initiative is a long

and continuous process where managers collaborate with employees to monitor and review employees work objectives and how they contribute towards the organization. Performance management can be applied for two main reasons, that is, either for decision making or development purposes. When recommending the process to senior board members, it is essential to identify the main objective that one aims to achieve.

Performance Management Process Overview

An effective performance management process requires meticulous planning and identification of specific needs that an organization is lacking. However, despite several characteristics being identified as prerequisites, the process requires an organization to identify the purpose of the system towards the organization. For example, the initiative can support a wide variety of challenges such as pay decisions, promotion, and employee development in the workforce. However, despite the number of options the initiative supports or attempts to achieve, too many objectives are likely to render it ineffective. All organizations are unique hence, the needs for clarity when it comes to identifying the purpose of the initiative. Organizational culture, business needs, and their integration with key human resource systems are all to be considered when determining a given performance management. One fundamental mistake that most board members fail to identify is that while a performance management for purposes of decision making and employee development are related, a single system cannot support both these needs.

Executive Staffers Embracing Performance Management Systems

Organizations in more than 30 countries including 100 in the UK are believed to achieve an ambitious growth of 5.4% annually. It is clear that executive staff are looking to boost their productivity, however, given the current market condition and the fact that most employees are

already stretched, these aims seem a bit far overreaching. Most CEO's want more growth than the economy as a whole can provide, and even if performance management is an effective option, the same leaders must be willing to understand the sacrifice they have to make as well.

Performance management works best when aligned with the strategy and culture of the organization. Hence, instead of pushing employees to work harder and for longer work hours, executive staff members need to train and motivate them to work smarter. Therefore, despite the fact that the initiative is developed to improve performance, leaders should also be willing to commit and re-engage with their staff to regain their trust and commitment. Mining activities are based in remote areas with challenging environmental conditions that weigh on the physical and mental capability of an employee. Competency measurement tools for performance management systems should account for more than just performance reviews and appraisals. It is up to management to show employees that performance management is more than just a box-ticking activity.

The process should be taken seriously as well from top management. There is a need to invest time, effort, commitment and quality regular consultation with relevant stakeholders rather than just going through the motions. The initiative although effective requires active participation and concern from senior executive members. Subsequently, the process will profoundly rely on the culture of the organization. Management ought to lead by example, and the effect should be watered down across all sectors and hierarchy of the institution (Seotlela & Miruka, 2014). The process should be driven solely by HR and senior management to add value and meaning to employees as well.

Performance management also depends on values such as trust, communication, and strong leadership. Management cannot expect to motivate employees without showing intent to understand their personal motivation and basic needs of their employees. Motivating employees is all about supporting them where they feel they are lagging behind. Regardless of performance or productivity as the aim of the initiative the decision to appraise or review employees' performance should count to more than just unequivocally box ticking. Conversations that count should be the basis that leaders strive to achieve and understand their employee's progress against targets.

Flexibility by the board and senior executive members should also be expected on their part. Their ability to influence employees and work administration should be kept as paper free as possible. For example, meetings and consultations with employees should take place at both office and non-office venues. Especially for FIFO staffs who are at most times forced to squeeze their work schedule to meet the demands of the company.

Case Two: Employee Turnover in FIFO Sites

The average employee turnover for FIFO sites ranges between 10-28%. Two town-based sites had an average of between 8 and 27% respectively (Beach, Brereton, & Cliff, 2003). The turnover between town-based and FIFO sites are extremely dissimilar which suggests that FIFO sites have a huge number of employees exiting the working sites which is deplorable to working standards. It is evident that the number of employees being replaced is high and employee turnover is a big challenge especially in Mining Companies whose employees operate under FIFO strategies a lot more than common. However, the most worrying concern is that turnover rates tend to be highest amongst professional and managerial staff in most mining areas.

Compared against company workforces, contractor employees tend to be less stable. There is no common determinant as to why employee turnover keeps fluctuating in such sites, however, factors such as changes in working arrangements, management interventions, insecurity and economic crisis are among the most influencing factors.

Further research on key findings with regards to turnover in mining companies suggests a number of factors are responsible for the rates experienced. The FIFO roster structure is the most influential with shorter rosters associated with a low employee turnover. The extent to which management is successful in maintaining and creating a positive work culture also is a huge aspect. The reason as to why employee turnover is a very critical aspect in the management of FIFO staff can only be stressed through the cost it creates for any given company. However, the cost of average employee turnover on a site of 300 employees would be in the order of \$2.8 million. Taking into consideration the fact that senior executives want to leave on site due to the above-identified reasons, the cost could fluctuate even further. Loss of productivity during stages of exit and replacement and orientation of personnel by fellow workers all have huge cost reparations.

Senior Executives Turnover Management

It is essential that organizations accept the fact that zero turnover is undesirable. However, there is also need to recognize that 10% turnover is the minimum which provides the variability an organization needs. A percentage lower than that can harm the operation of the company at large. Subsequently, despite the key findings it is important to strategize and recommend new interventions that would help curb the need for senior management to leave on site FIFO operations hence the following recommendation.

Global Virtual Teams Establishment

Virtual teams consist of a group of people working interdependently with a similar aim across space, time and organization boundaries through the use of technology. FIFO executive staff members often work in routines and at most times their on-site meetings are very limited to outdoor exploration as opposed to employee motivation and appraisal. Increasing complexity and uncertainty of today's business environment has resulted in companies remodeling their organizational structures and establishing virtual teams (Dulebohn & Hoch, 2015). The effectiveness of such a team is that it provides notable savings and productivity gains for companies. Furthermore, employees working in such a team have greater flexibility of location and better work/life balance. High technology in the telecommunication industry has enabled the development of virtual teams, however, the devices and gadgets used do not necessarily secure enterprises productivity but rather the leadership of members of such a group.

The benefits of having an operational virtual team are numerous and advantageous to both the organization and employees. Mining companies have different sites scattered across a wider geographical region, however, their function and operation are often viewed as a single entity. Virtual teams will help such sites achieve increased productivity and quality through the distribution of teams, faster reaction times and better scalability (Jenster & Steiler, 2011). Additionally, employees get an increased sense of satisfaction, savings in transportation costs, and office costs, environmental benefits, security enhancements for senior executives who could make up team members. Executive members job description often involves work delegation, coordination of middle managers roles and responsibilities and an overall management and

conceptualization of the company's culture, objectives, and expectations. Therefore, a virtual team will help them minimize micromanagement and gain more independence at work.

Additionally, physical visits to work sites are less frequent and more optional with the establishment of virtual teams.

Despite much success associated with virtual teams, much focus needs to be based on the person in charge and the leadership he or she exerts across the platform (Asher, Ahituv, & Etzion, 2009). Much research focuses on the aspects and characteristics of team composition, cultural diversity in organizations, leadership theories, and change management. All these four entities are well understood when independent from each other, hence, most board members need to ensure how they operate as a single entity to increase productivity.

What separates a functioning team from a truly exceptional and perfect one depends solely on virtual leadership best practices. The model of the virtual team needs to be effective and has no overlapping gaps that might render it vulnerable to unproductivity. Virtual team models are, therefore, essential and ought to be identified at an early stage. The type of virtual team developed differ from regular teams through crossing boundaries of time, space, and culture (Lilian, 2014). Depending on the situation at hand, leading such a team will at first require prioritization of certain aspects with these three aspects in mind. Teams sharing the same space have a great advantage since it helps create a team identity, collaboration and sense of closeness. However, lack of mutual time might be a threat. Technology creates an enabling environment where face to face conversations can be imitated through video conferencing tools. This allows for clear communication between executives who administrate over different FIFO

mining sites especially during times of crisis. Culture is mostly influenced and embraced through management strategies and operational structure of the company.

Graduate Training and Apprenticeships

FIFO sites in the mining industry faced challenging management functions which tend to be vulnerable, especially due to economic crisis and insecurity. There is a huge shift in the market due to such issues and companies have been forced to create with new strategies to enable the continuity of productivity within such sites. An organizational culture is effective, especially when trying to implement training and apprenticeship doctrines in the company's structure. Most companies often find this option unachievable, especially during difficult economic times. However, despite the difficulty of implementing the strategy, it is an essential alternative, particularly when trying to ensure that skills and knowledge gap at top management is not entirely lost.

The industry is known for its contractual jobs. Most top management executives are sensitive when it comes to their safety and compensation. Such highly skilled employees who are fundamental to the management of FIFO sites ought to operate with graduates working within the industry under various occupational roles to help in developing their skills and integrating essential training to ensure a culture of knowledge continuity is established. Investors need to be aware of the capability of the workforce and the ability to replace vital skills that might be vulnerable to hold onto during difficult economic times.

While there is a strong apprenticeship culture in the industry, it lacks consensus across the wider mining industry workforce (Atkinson & Hagreaves, 2014). A lack of an effective strategic leadership from top management and creating awareness of the program in different

affiliated institutions has rendered the program ineffective. There is a need to link graduates from different education faculties associated with the industry to offer apprenticeship through senior executive liaisons. Additionally, such graduates should be given sufficient time on the ground to be properly equipped and understand the running of FIFO sites. An economic crisis can make the industry vulnerable to losing top executives due to compensation disparities but apprenticeship program provides an opportunity for such companies to have continuity in management and productivity.

Case Three: Crisis Management Team

Workplaces have sudden events and occurrences which if not yet managed could end up being a negative effect on its operation hence the term crisis. A crisis for a company does not necessarily mean a negative impact, however, the management of the crisis is what determines its overall impact to the company (Crandall, Parnell, & Spillan, 2010). In most cases, a crisis arises on an extremely short notice and could end up triggering mixed emotions and uncertainty among employees. The need for a crisis management team is to protect an organization as a whole from adverse effects of the crisis. The team is specifically built to help the organization continue with its day to day activities while it neutralizes the threat. There should be no void of productivity if a company has such a team at its disposal. In some scenarios, a crisis management team can be built for specific purposes with a mandate to aid the productivity of the company (Marchesani, 2014). For example, rather than dealing with an ambiguous crisis, they are tasked with a predetermined occurrence such as the emergence of talent gaps that might emerge if key employees resign or are not available for a certain period of time.

Talent is a characteristic of success for most organizations. The labor industry is hypercompetitive and has lots of challenges which require robust, knowledgeable and skillful employees to ensure productivity is attained. Despite organizations understanding the need to hire, retain, and develop talented employees, the need for managing talent is an equally important resource (Al Ariss, 2014). It not only shows intent for longevity and dynamic productivity but also, a competitive edge to survive in the ever-changing industry.

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Recommendations

Need for Talent Management

In the mining industry, it is extremely difficult to recruit talent with appropriate skills and experience to manage projects. This is mainly attributed to the complexity of the occupation and the fact that younger generations change jobs with increasing frequency which makes managing talent fundamental in the industry. Another vital fact in the industry with regards to talent management in the industry is that the internal talent pool within is shrinking as older generation employees retire. Internal procedures for skills and knowledge transfer are non-existent thus the need for an effective framework. Also, mining schools are finding it difficult to find and retain appropriate faculties that close the looming skills gap in the industry.

Talent Management Process

Designing the optimum talent management organizational structure is not an easy task. There is no best approach to designing a talent management structure. The structure, operation, and existence of the team itself should be business driven and not a one-size-fits-all approach. The first and most important aspect of any talent management team is to have one executive responsible for leadership development, succession management, career development, performance management, recruitment, learning, and development as well as workforce planning. The Human Resource director should act as a guide for all these initiatives. HR plays a predominant role in selection, while retention and development of talent are best left to direct supervisors or managers.

Talent Sourcing

Sourcing talent is an essential part of any talent management team, however, in this scenario, the team should already have an available pool of employees working on site. Although every employee is qualified it is the function of the team to track and identify those who perform and are more driven than the rest (Schweyer, 2013). Additionally, in case the site is missing particular skilled and experienced employees the selection criteria should be able to meet all requirements to ensure work continuity and productivity.

Selection Criteria

There is no real substitute for onsite job experience and therefore, the best solution in selecting qualified talent is to carry out interviews and look for individuals who are fully conversant with all the technologies and situations they will be expected to deal with as managers (Aksakal, Dağdeviren, Eraslan, & Yüksel, 2013). Considering the challenges faced in the industry with lack of experience and a huge skills gap between the skilled elderly and the young potential employees who are unwilling to commit to mining occupations (Houlding, 2014). The selection criteria should look at a number of attributes.



Figure 1. The attributes of the selection criteria (Source: Ricketts & Ricketts, 2010)

Knowledge and experience are usually the defining attributes. Mining in itself requires hands-on and ready active individuals who understand all complexities and challenges that come with the occupation. Drive and energy show the passion and willingness to learn and influence positive change across the whole talent management platform. Responsibility points out to the fact that employees need be ready to accept all the conditions and demands that the job requires. It is the ability to act without clear hierarchy of authority especially in FIFO sites where the work demands are of high stress nature. Ability to deliver results looks upon the commitment, knowledge, and will of an employee to meet the demands of the occupation despite all the challenges it poses. All the identified attributes point towards employees who share characteristics of ambition, willingness to learn, responsive to change, enthusiastic and motivated as well as mental agility. Interviews, and questionnaires are sufficient enough to point towards the selection of such employees and team members.

Rewards and Engagement

Rewarding and compensation of employees and all related decisions should be left to line managers. The team ought to realize the importance of direct supervisors and line managers when it comes to their relationship with employees. While rewarding employees, the whole activity should be used to reinforce the organizational values that are important to an employer (Bluen, 2013). Therefore, the values and attitudes of top executives should be the essence of the reward system developed. For example, if employers value behavior as a standard of excellence it should consider the way employees achieve results and not just if targets are met.

Subsequently, rewarding strategy ought to be employed in every part of the talent management strategy. Attracting new potential individuals to an organization through to employee retention and development. In other words, the system of reward needs to be continuous and not just focused on short-term objectives (Jiang, Xiao, Qi & Xiao, 2009). Employees should be able to trust that their contribution to the success of the company is continuous and evolving. The reward structure should be molded around the values that the organization considers important. It has to advocate for the values of the employer.

Conclusion

Managing teams and employees in the mining company is a challenging aspect and require an effective framework to ensure the relationship between management and employees is maintained. Performance management is the basic aspect through which a company can meet its productivity while taking into consideration the needs of the employees. The process in itself should embrace the structure, culture, and values of the organization to create a supporting framework through which employees can thrive on. The mining industry is a unique one and no single performance management initiative can ensure the success of the company. The need for executive board members to join and contribute to the development of the model shows how much trust and confidence they have on their staff. Talent management and global virtual teams are also the cornerstones of success in most FIFO sites. The contribution that these two provide is underlined in their influence towards success. Talent management helps minimize skills development and experience gaps while virtual teams strengthen the capability of an organization to be productive at all times. Managing people and teams in the industry, therefore,

is a complex but yet achievable task that requires all-round participation from an organization resources.



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