



superior performance management for the mining industry





With the latest figures showing that Western Australia's mining sector came out of its slump in 2017 and recruitment is growing again, the HR departments of resources companies are getting to grips with a new problem: Unlike previous booms, the industry now needs talented workers who are willing to embrace and learn new skills as they build a long term career in mining.

Mining may traditionally have been a sector where individual motivation and performance was not a major issue, but today's industry needs an engaged, knowledgeable workforce across a wide variety of roles. In the face of global competition, often from parts of the world with a far lower cost base for human resources, modern mining needs everyone from machine operators to headquarters staff to commit to working smarter and better.

Mining companies therefore need to invest in their people. They must to recruit skilled and motivated workers and ensure they remain committed to continuous standards of improvement, as well as keeping up to date with advances in techniques and machinery. In order to do this, the industry must embrace a Performance Management system that is responsive to the differing developmental needs across complex organizations.

Engaging workers for the long term

Many employees are attracted to the mining sector because of the good wages it pays, and an element of further motivation may be provided by performance related bonuses where that is practicable. But ultimately, these are only short-term ways of addressing the need for staff to remain committed to improvement.

The latest pick up in the sector has already seen a 4% rise in employment in Western Australian mining in 2016-17, to 108,769 people. This is a modest fluctuation by the standards of the industry but perhaps reflects the desire of many HR practitioners in the sector to move away from the boom and bust recruitment practices of the past. This will be a necessity because the need for skills will significantly exacerbate the labour supply bottlenecks that have resulted from previous booms.

However, during the initial recruitment phase, raw candidates will not arrive with all the necessary skills to become productive modern miners. In order to address the industry's needs for skills development, and for employees who can take responsibility for ever more advanced and expensive equipment, miners need to create clarity around job roles and build a culture that reflects their need for individual productivity gains.

Performance Management - focus on productivity.

Performance Management is critical to success at all levels within an organization; a good system should link employee goals and behaviours to the organization's strategic plan and support business objectives. If goals are developed properly, employee achievements are more easily associated with their accomplishments – which then may be recognized and rewarded.

While the theory of Performance Management is valid across industries, trades and professions, it is important to understand that organizational structures can hinder or promote performance, depending on supervisory relationships and workflow. Mining faces a number of challenges and barriers to effective Performance Management due to the complexity and remoteness of mine sites, and the intensive nature of operations. Added to that, even industries without these structural difficulties have been doing Performance Management wrong for years.

It is all too easy, therefore, to give up on traditional Performance Management at a time when it is more critical for the industry than ever. However, it is essential to creating a thriving and forward thinking mining company where each individual is committed to taking responsibility and working towards collective goals.

“But my staff hate performance reviews!”

Performance management has been getting a bad wrap lately - and perhaps deservedly so. Most organisations have been doing it badly for a very, very long time. The dreaded annual review has become a much maligned process that has caused no end of stress for managers and staff alike.



Problems with traditional performance management

One of the biggest problems with traditional performance management is that organisations have lost sight of why they actually do it. We have taken a process aimed at getting the best out of people and turned it into a bureaucratic nightmare.

Unique Challenges

In the case of mining, three further issues must be overcome:

Work environment complexity; over the broad spectrum of different mining operations, a global organization faces a complex set of challenges, across every aspect of the business itself and its varied strategic initiatives.

Industry demographics; as employees come from various educational, social and family backgrounds, their values, beliefs and their aspirations are also variedly displayed in their attitudes and perceptions.

Industry complexity; mines are complex structures that often have insufficient cross-functional collaboration. As operations expand the complexity of operations increases, often compounded by the additional challenge of high staff turnover and lack of experienced staff.

Lack of connection and skills

The extremes of the mining environment create unique challenges related to performance development. The mine site tends to have a narrow focus on extraction and production. It is very difficult to apply broader HR concepts and change without direct application to a local mine issue of efficiency, health and safety and process. Regional and Group level HR can often appear disconnected and distant to the 'dirt under the nails' reality of the mines.

Mining also faces challenges seen across the industries. Many issues with traditional performance management methods have stemmed from performance processes being left to managers who aren't equipped to handle these discussions. Some leaders don't have a natural instinct for this stuff. Many have not experienced it for themselves with their own bosses. So without proper training and coaching in aspects such as goal setting and delivering feedback, they struggle.

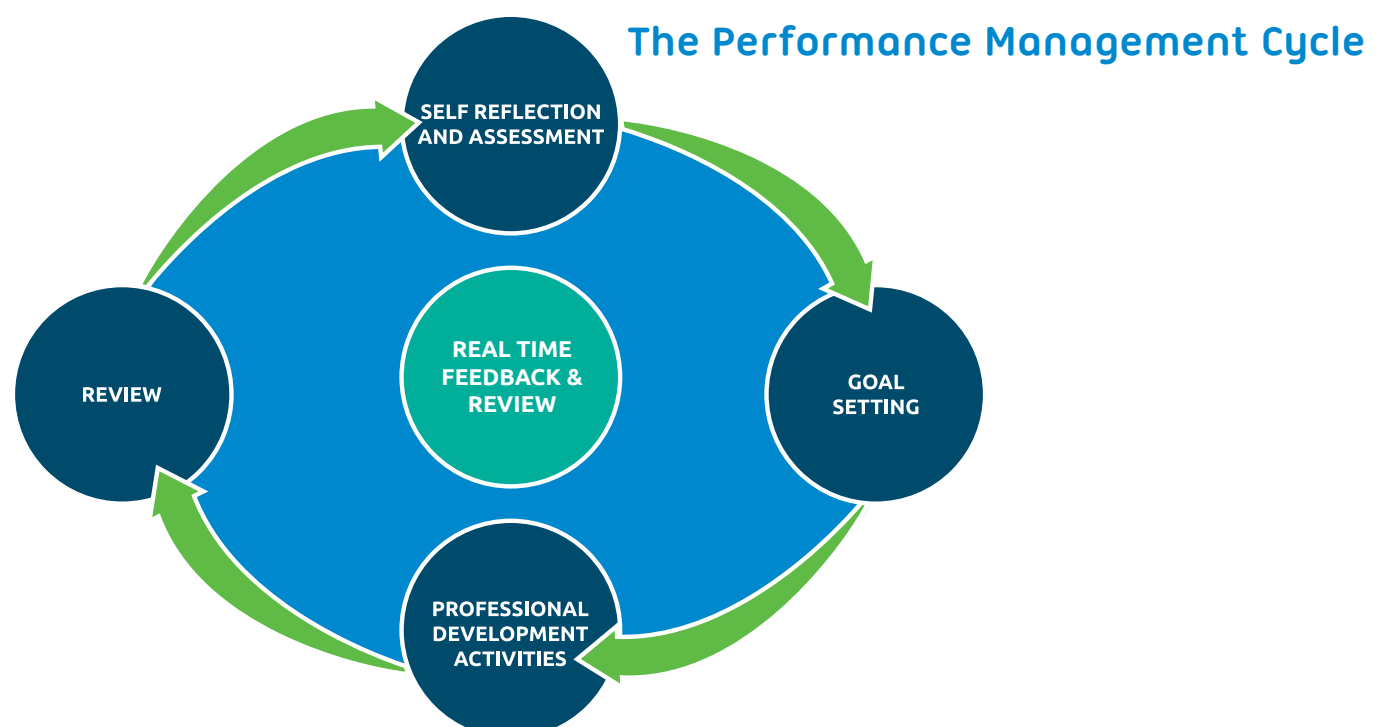
A more flexible approach...

Mining has much to gain from adopting performance management, but the traditional model of rigid annual reviews and fixed questions is already dated in other industries and is of little use to the resources sector. Improved methods are needed, both to tackle the physical challenges faced by miners' HR departments, and to address the unique training and support needs of a rapidly evolving sector.

To an extent, a more stable workforce is a necessity in modern mining because specific training and experience are needed to run highly efficient mining systems. Recruiting talented people, familiarising them with the company's technology, and then retaining those skills, will therefore become a top priority. This requires a methodical approach to the entire employee journey, encompassing recruitment, training and retention.

Modern performance management

There is no big secret to effective performance management. It's really only what good people managers have been doing all along. As opposed to the traditional once-a-year 'talk-fest' and form filling exercise, modern performance management has become an ongoing, future-focused conversation about a person's development. From their first day to the moment they leave, employees participate in regular and meaningful goal-setting and feedback discussions that support their performance.



Reflection and assessment

In any industry, job performance is comprised of results (outcomes and objectives that must be achieved) and behaviours (actions and how your people go about their work). Behaviour is often overlooked as one of the key levers of performance.

Reflecting on past performance

To perform well, employees need to understand:

- why a job exists;
- where it fits into your organisation;
- how it contributes to the overall objectives of your organisation;
- what is expected of the person's performance;
- how their past performance measures up

Part of good performance management is helping staff take a step back to ask themselves what it is they are actually doing, and how well they're doing it.

In a production-oriented industry like mining, it is easy to overlook behaviour and measure only outcomes. But behaviour can be a better guide to how a person is contributing to team goals, helping the organisation to adapt, and carrying out their duties regarding health and safety and regulatory obligations. It is also a better guide to their future development as an employee.

Example Self-Reflection Questions

- What results have I produced?
- What impact has my work had on the company's operations?
- How have I acted with colleagues and supervisors?
- Have I followed process and procedures?

Overcoming barriers to self-reflection

Some staff may have a greater capacity for self-reflection than others. Managers and supervisors therefore need to overcome some barriers first if they are to help their team member identify development opportunities through self-reflection. These barriers might include: previous negative experiences; accepted beliefs; unchallenged assumptions; the emotional state of the staff member; or just that they are comfortable with the way things are and simply don't want to change.

Providing a safe environment

One of the reasons for breaking performance management down into bite-sized chunks rather than just a once a year, formal discussion, is to make it less threatening. Staff need to feel safe that if they open up about their struggles or admit to failings that they aren't going to be punished for it or marked as an underperformer on their annual performance review. In order for managers to have a meaningful discussion with workers about their performance, they have to sit down in a quiet space, put away the forms, look their subordinate in the eye, and ask them about their view of the work they do. The answers might be instructive to both parties.

Goal setting

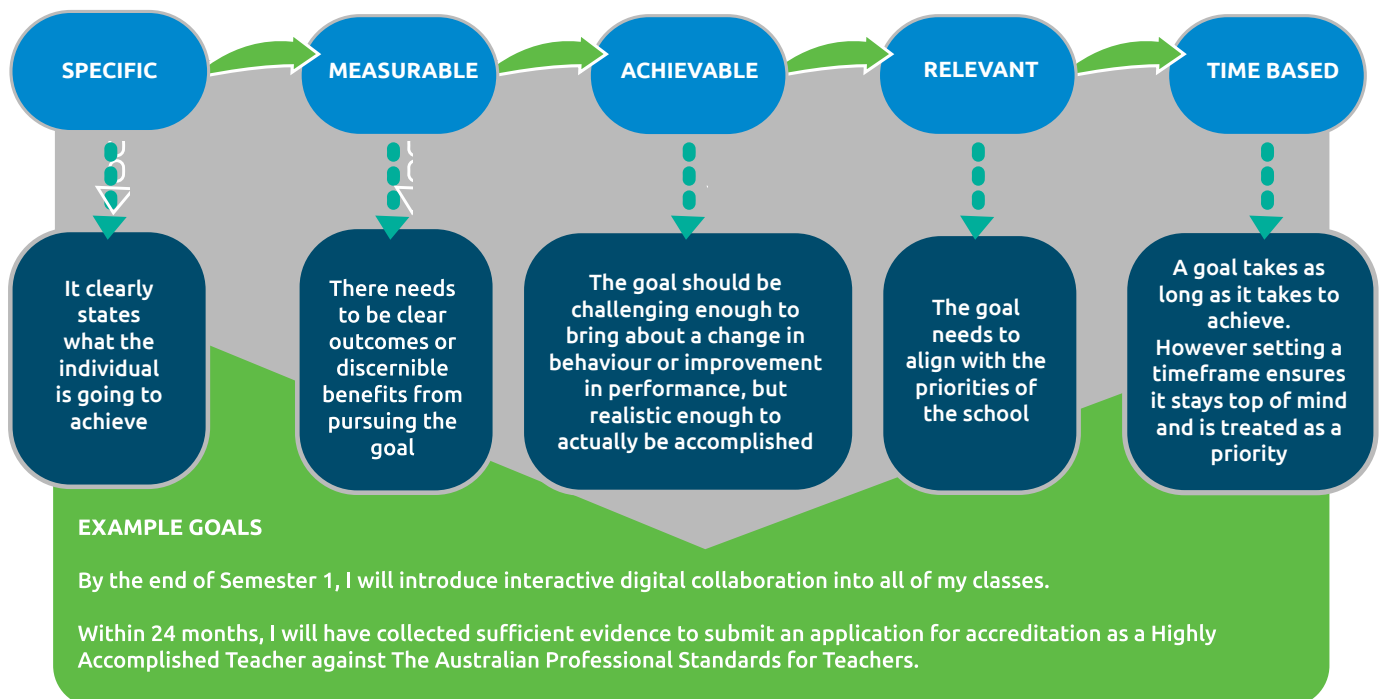
Armed with a more realistic picture of their performance and what they want to work on, staff are then in a strong position to focus on goal setting.

Prioritise - don't try to do it all at once

Mining is physically demanding and many workers will find it hard to imagine working harder or more productively, when they are exhausted at the end of a long shift. In order to encourage them to think about how they work, and how they can make incremental improvements, performance goals should be limited to two or three key areas at a time. Focus on the most important goals - the ones that can make the most impact in the field and will produce tangible results.

Make sure the goals are SMART

The term SMART goals was first coined by George T. Doran in 1981 in an issue of Management Review. SMART goals have been the anchor point for most performance management systems and are still very relevant today.



Ensuring Relevance

In a diverse industry, it is important that performance reviews are relevant to each worker. A corporate accountant may have a goal to reduce the number of days required to close the books from 7 days to 6, while a mining machine operator may have a goal to reduce her/his downtime by 2%. These goals will be regularly reviewed not just for progress, but also to ensure continued relevance.

To accomplish truly meaningful goals, all participants must be willing to question assumptions and re-evaluate as necessary. Is this a realistic goal for the individual? Is this still a priority? Are there more pressing or productive ways the person could be investing in their development?

That's why performance management isn't a once a year thing. You need to catch up more regularly both on a formal and informal basis to make sure that the right focus is maintained.

Professional Development

Have you ever had a leader or mentor take particular interest in your success? Someone who spent time talking over problems with you or giving you advice about how to approach a new task? Has someone ever given you an opportunity to take on a task that was probably way above your capabilities but trusted you with it anyway?

There is a good chance that if you are in a leadership position and reading this that someone during your career has sponsored your development and helped you build a set of new competencies that would take you further in your career. And if that isn't the case... Don't you wish they had?

All staff require some level of input along the way, whether it is to improve their performance or help them scale to new heights. The secret is choosing the best type of activity to fit the development requirement.

Low cost - high impact learning and development activities

Investing in learning and development doesn't mean you have to spend huge amounts of money on formal training (was that a collective sigh of relief we just heard?) or subsidising higher education. Traditional training workshops have their place but aren't always the answer to every problem. In fact, training alone rarely brings about a change in behaviour or practice.

Professional development activities are most successful when staff have the opportunity to make sense of new information using a combination of interactive approaches. In addition to traditional training methods, you should be considering other practical options like readings, peer discussions, and field observations.

Build a framework of support

The key to transferring learning into actual doing is to provide ongoing support and reinforcement of methods and ideas back in the workplace. This can be achieved through techniques like coaching, collaboration, modelling and mentoring. All of these can be relevant to the modern mining environment.

Coaching

Coaching can be performed by the person's supervisor - but it doesn't have to be. Sometimes coaching may be better received by a respected colleague or subject matter expert. The most important thing about coaching is that it is undertaken with honesty, respect and a genuine desire to help an employee improve their performance.

Coaching involves:

- Observation and assessment of whether the person's actions and behaviour are consistent with expectations;
- Identification and discussion about strengths and weaknesses to help bring about personal insight;
- Working with a staff member to develop strategies to build on strengths and improve on weaknesses.

Collaboration

This is a strategy used very successfully by teachers in the education sector. It involves bringing a group of employees together on a regular basis to learn about and discuss issues of importance to them in their work.

The approach may be different between mine workers and headquarters staff, but the collaborative approach can be beneficial in both cases: By reflecting on current practices and issues, the group develops and implements action plans to address the challenges they face, reviewing and adjusting their strategies as they go.

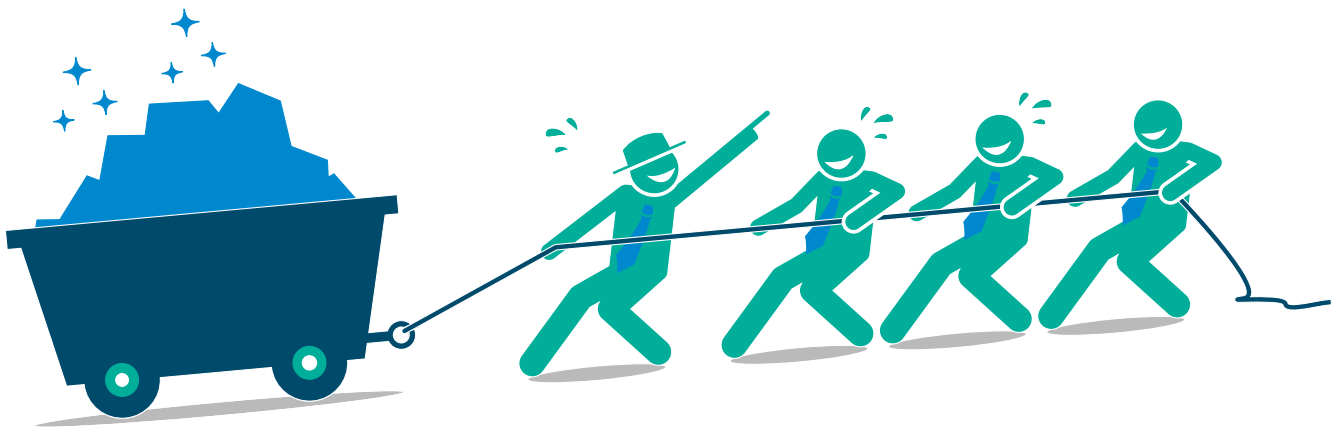


Modelling

Modelling has been found to be highly effective in helping staff to understand a new practice. When a colleague or supervisor demonstrates how a method can be used successfully on-the-job, employees are significantly more likely to apply a concept and remain open to adopting it.

Mentoring

Many staff have successfully achieved their goals after receiving guidance and advice from an experienced or accomplished person in their field. The focus of mentoring is purely on the development of the employee. Suitable mentors are best selected from outside of the person's usual supervisory or peer group.



Real-time Feedback

This is the linchpin of successful Performance Management. Feedback doesn't always have to involve a scheduled sit-down meeting. Some of the best feedback occurs spontaneously - in the moment, on the job.

Managers should plan frequent check-in to provide guidance to all reports in addition to formal scheduled meetings, especially when an employee is working on a large scale, long-term project. It is important for an organization to create a "how to" guide for the appropriate way to offer feedback, as well. For feedback to be meaningful to the employee, it needs to be honest, clear, and action oriented providing a clear understanding of what a "good-job" looks like.

360 degree feedback

Even the best leaders can't be aware of everything their staff do. Significant contributions could easily go unnoticed or ideas and innovation go unrecognised if a staff member's only source of feedback is their supervisor. Collecting feedback from other sources can help staff develop a more rounded (360 degree) view of themselves. Co-workers performing similar jobs can sometimes have a better understanding of their peer's performance than supervisors and upper management. They can also provide a valuable perspective for the feedback process.

Supervisor feedback

Most staff want feedback from their Supervisor. But it can be challenging for leaders to find the time to get around to staff in the field to observe performance and provide feedback. In such cases it may be better to delegate and share the responsibility with senior staff in the organisation rather than not do it at all.

In an industry where miners and management may rarely come into contact, frequent field visits and informal chats are helpful for building trust. Understandably, staff are more likely to accept criticism from a leader that has followed their progress and given them lots of positive comments in the past, so it is important that a supervisor takes advantage of as many opportunities to talk about performance in as balanced a way as possible.

Prioritise competencies

A competency is a set of skills, knowledge, abilities, attributes, experience, personality traits and motivators that can be positively correlated with job performance. A large mining corporation can develop a competency framework that provides direction as to the behaviours expected at different levels and in different positions throughout the organisation. This is useful in recognizing individual differences and strengths while at the same time teaching employees interdependence, alignment, and the ability to work cohesively.

There are three types of competencies that should be considered when developing a robust Performance Management system in the mining sector:

Core Competencies

Core Competencies are those competencies that any successful employee will need to rise through the organisation. Core competencies are leveraged by successful employees to help create a sustained competitive advantage for the organization. Examples are: accountability, safety, good communication, interpersonal skills and service orientation.

Service Orientation may be a shared core competency but will be displayed differently in terms of performance management depending on the role in the mining operation. For a Maintenance Operator it may display as “providing and helping to implement one new idea that improves the department’s service by reducing down time by one occurrence this quarter”. For an Executive Administrative Assistant, the behaviour would be displayed through “greeting visitors consistently in a warm, friendly and courteous manner as soon as possible after their arrival.”

Functional Competencies

Functional Competencies are those competencies that enable the employee to be successful within the context of the organizational structure. They are the accelerators of performance but, if deficient, these are the reason people fail to thrive in specific functional areas. Examples are: Records administration, Industry and Professional Standards, Negotiation, People Management.

There will be some shared functional competencies across employees on the same shift, work-team or department, and while individuals may have differing levels of competency, the team should meet a collective standard to ensure success of the job site. For example: All coal mine workers in Australia are required under regulation to have competency in conducting local risk control.

The undermanager of underground coal mines would require valid proof of up to date qualification in emergency preparedness, issued by a registered training organization. Human Resource specialists need personal credibility, being both an expert in Human Resources and commercial issues while taking a professional, collaborative approach.

Technical Competencies

Technical Competencies are those competencies that are required to for the employee to be successful in a specific job. These are the technical aspects, processes, and tasks related to the job that includes practical knowledge, skill and specific performance required for successful accomplishment of a specific job or task. Examples are: conducting safety inspections, mine health and safety, blasting, etc.



Annual Performance Review Discussion

With 12 months of formal and informal feedback and coaching discussions under your belt, the annual performance review should be a walk in the park. Most importantly, the ongoing nature of modern performance management means that you are always looking to the future with your feedback - rather than trying to agree on the past.

And instead of just filing away the paperwork at the end of the year, the outcomes and learnings from the Performance Management cycle form the basis for discussion and reflection needed to set new goals in the next performance cycle. When carried out in this manner, the Performance Management process is as valuable for the leader as it is for the subordinate, as it helps build a close understanding of how her/his section of the workforce is progressing towards company goals. There is a strong link between performance management and purpose.

Streamlining the process

There are many reasons why performance discussions don't get done:

- One person is too busy
- Lack of preparation
- The process is unnecessarily cumbersome and keeps being put off

A lot of these issues can be avoided with better planning and execution.

Scheduling

The performance management cycle can begin and end at any time. Following a particular timetable is OK so long as you don't forget about new team members. Robust monitoring and tracking processes can help to ensure no-one is missed.

Using technology

Good performance management software can really make the process easy. A great system will guide you through the process of reflecting on performance (objectives and behaviours) and help you structure SMART goals. A system that is easy to use and mobile compatible will also ensure that records of feedback and development activities such as training and coaching are always kept in one place for easy reference.

An added advantage of using software is that it keeps the process paper free - no more employee files busting at the seams – and allows workers such as miners in the field to keep track of the process wherever they are.





Keeping the focus on the mission...

Performance management is fundamental to organisational purpose, keeping everyone focused on the need for continuous improvement and excellence. This is particularly valuable in an industry like mining where long, physical shifts and remoteness from the company base may leave many workers feeling disassociated from the organization's goals.

Staff who are encouraged to train and improve themselves, and continually think how their skills and training can be used to improve performance on the job, are a huge asset in any sector. In modern mining, where the average employee accounts for a significant figure in terms of turnover, the potential of this approach is even greater.

This focused approach encourages loyalty, reducing spend related to staff turnover. With mining recruitment likely to be increasingly centred on finding suitable raw talent among graduates and tech-savvy Millennials - or finding workers with tech skills from other industries and helping them to adapt these to mining - retaining staff becomes ever more important in a highly competitive labour market where downtime due to leavers can have huge financial consequences.

At the same time, with all staff encouraged to consider their career in mining as a long term, ongoing and ever improving path, senior management is also empowered to focus on the strategic issues and can confidently build the highly-efficient mining company of the future.



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