

CASE STUDY

ORGANISATION NAME	Peak Gold Mines
INITIATIVE NAME	CHANGING CULTURE... ONE CONVERSATION AT A TIME
DESIGNED AND DELIVERED BY	MILLS-EATON TRAINING
Case Study	Written by: Susan Ham, Human Resources / Health & Safety Manager, Peak Gold Mines - © used with permission-

BACKGROUND

The mandate from our parent company, New Gold Inc, was to provide increased cash flow and lower costs. Our challenge was to establish a strong, skilled, multi-level leadership group as the catalyst for the culture change necessary to achieve a consistent level of success in the rapidly changing resource industry.

To partner us on our journey of cultural change and leadership transition we desired a tailored, flexible program, designed and delivered by facilitators with the ability to connect with our employees. Built on our strong values; delivered on-site to all workforce levels. The answer: Kellie Mills (CAHRI) and Mills-Eaton Training.

The initiative developed values-based leadership skills across all levels of the organisation. Has contributed to: improved communication, leadership, retention, business improvement; and resilience in the workforce. The associated coaching and the ongoing mentoring program have embedded cultural change in the business. Peak has reduced staff turnover by 10% since implementation.

OUR CHALLENGE

- Peak Gold Mines (PGM) in 2011 had managers with years of industry experience, but with minimal formal leadership development. The lack of strong, resilient leadership meant the business was in a constantly reactive state. The resulting chaos included a high rate of safety incidences, interpersonal problems; a significant number of performance issues being dealt with ineffectively by supervisors and an annual voluntary turnover rate of 15.5%. Our Supervisors and Superintendents did not know how to be effective leaders in the face of fractured leadership from the Senior Management Team.
- A review of responses to an internal survey conducted in 2008 confirmed that the dysfunction of the broader leadership team was resulting in de-motivated, negative employees with lack of respect for all levels of leadership. In turn this impacted performance, cash flow, operating costs and the ability of the business to plan strategically. However no thought or action in the intervening years was given to addressing this problem.
- The mandate from our parent company, New Gold, was very clear - improve business performance. To achieve this we would need to establish a strong, skilled, multi-level leadership group as the catalyst for the culture change necessary to achieve a consistent level of success in the rapidly changing / challenging resource industry.

- The New Gold values were to underpin any leadership development. They are: Integrity; Creativity; Commitment; Employee Development; Teamwork. New Gold senior executives set about demonstrating the use of these values so they could be emulated at all levels of the organisation.
- To successfully implement a training strategy, which would deliver a consistent message across all levels in the organization, and have synergy with the New Gold Corporate Senior Leaders Program, it was essential that we engage a values-based training organisation who would tailor training programs to suit our needs.
- Delivery style was critically important as most of the 328 employees were on the front-line and unused to traditional classroom training. It was essential that the training organisation be flexible and 'real' in order to create change.
- New Gold's experience across their other mines (Canada, USA and Mexico) indicated that multi-level training resulting in culture change would positively impact costs, production, safety and employee engagement. The new culture needed to connect all areas of the mine, reducing the silo mentality between operators, technical specialists and administration. At this time, most of these groups saw themselves as separate, and often more important, than others.
- It was not expected that the provider would have mining industry experience, this was not essential as the trainers would be delivering 'people' skills not technical mining skills. Two members of the Management Team participated in a Women in Leadership conference facilitated by Kellie Mills, and it was immediately apparent that Ms Mills, of Mills-Eaton Training, had the necessary 'down to earth' and personally challenging training manner to engage a broadly disparate workforce.
- An initial workshop with PGM Management Team resulted in Mills-Eaton Training tasked with developing a Supervisors Leadership Development Program.

THE INITIATIVE

Our previous experience with leadership development was 'out of the box' Front-Line Management training. Aimed at Managers and Superintendents, it did not take into account the specific needs of the business, or participants. Two of 14 attendees completed that program. There was a high degree of suspicion and contempt for any form of leadership program amongst the PGM workforce.

Mills-Eaton Training were asked to create and deliver a structure that would educate our staff at all levels in effective communication, leadership skills, mentoring and strategic planning. This combination was designed to move away from negative dysfunction toward positive performance and innovation - one conversation at a time. The Supervisors Leadership Development Program (LDP) rolled out in 2012. It is comprised of six days training over four months with four individual coaching sessions for each participant. The initial 32 attendees, comprising the two initial groups, had to meet certain criteria. It was imperative to the success of the initiative that the right people participated in the pilot groups. We needed 'cheerleaders' who would champion the behavioural changes we sought to embed within the business. We included employees who were leading workgroups with a high number of performance management difficulties; leading high functioning teams; key influencers within the business, whether or not they were in formal leadership roles.

The New Gold Values were the building blocks for the development of the initiative. Greg Bowkett, PGM General Manager, said "*Values have different meanings for each individual person, so how do you get all the individuals to understand and work with the company values? It takes a special breed of person to be able to articulate it to the*

individual personalities and skill sets in the workforce. Mills-Eaton has helped us, as individuals and as a business, to achieve this. I believe that values based leadership delivers results and enables our employees to show integrity and assist in their learning and development to become innovative and creative employees that have commitment through teamwork”.

New Gold believes that: our leaders create places to do great work; we focus on what matters most and we commit to making it happen; we give people the freedom, responsibility and development for everyone to do his or her own jobs in the right way at the right time-we don't do their jobs for them; and most importantly our values are what guide our behaviour. The Values have also provided the connecting link between the site-based leadership programs and the Senior Leaders Program run at a corporate level for Superintendents, Managers, General Managers and Executives. Mills Eaton worked closely with the corporate provider to ensure this synergy was maintained, with similar vocabulary and experiential learning opportunities utilised through the multi-level approach being taken on-site. The words *“have you had the conversation.....”* and *“I am curious....”* are now heard on site daily.

Fundamental to our approach was the involvement of Senior Leaders and Executives, no matter the level of program being undertaken by our employees. *“On The Couch with Kellie”* has become a powerful learning tool where members of the leadership team and corporate executives visiting site, have attended the training sessions and provided insight into what shaped them as leaders.

During the past four years we have built on the initial Supervisory level of the initiative to follow a growth path of ‘Leading Self’, ‘Leading Others’ and ‘Leading the Business’. Programs sitting within our broad initiative of **‘Changing Culture...one conversation at a time’** include:-

- Understanding Self and Others (2 day leadership introduction for all employees)
- Leaders in the Room (1 day for cross-functional Superintendent/Supervisory levels)
- Having Difficult Conversations (1 day)
- Team Days (department/work group)
- Mentoring
- Executive Presence
- Leading Through Change (3 day workshop Managers/Superintendents)
- One to one coaching (levels including General Manager)
- Senior Leaders Program (corporate initiative)

Our ‘Changing culture...’ initiative is incorporated in our Career Development Plans, and is viewed by the workforce as a vitally important part of learning and development. The programs underpin our High Potential development, and Leadership Pipeline succession planning. For employees moving between sites as part of their development, the synergies between each of the New Gold mine sites leadership development programs has ensured that expectations and behaviours are similar at each site.

During 2013, and again in 2015, it was necessary to restructure in order to remain cash flow positive in an increasingly difficult economic climate with reducing commodity prices. These were difficult times for the site leadership team, in particular during 2015 when voluntary redundancy was not offered. To ensure that organisational behaviours did not slip back as can happen in stressful situations, Mills-Eaton designed a Managing Change program for the leadership teams. The program focused on the impact that change has on behaviour, morale, safety and productivity and the part leaders play in delivering change in a constructive manner. It quickly became evident that our cultural change was embedded within the organisation, with positive interactions occurring even when difficult messages were communicated. The business continued to move forward following the

restructure with clear, visible understanding of the importance of consistent values-based leadership and behaviour on the success and growth of the company.

In 2014 Peak Gold Mines commenced structured planning for the future, resulting in a 3-Year Strategy and a 1-Year Plan for the business. Departments created their own 1-Year Plans based on the whole of business plan. A workshop model was followed, utilising cross-functional teams. Collaboration conferences were then held to gain understanding and buy in from up to 100 key influencers across site. The skills developed by the workforce during their leadership development programs was the key to the success of the Strategic Planning Initiative.

A Business Improvement (BI) initiative developed from the first strategic planning sessions. BI is now an accepted part of Peak Gold Mines, and the site is rapidly embracing the developing Continuous Improvement process. Employee motivation and engagement has driven the speed and success of integration of these initiatives within the entire business.

OUTCOMES

Voluntary turnover dropped from 15.5% in 2011 to 5.8% today. Timeframe correlates with implementation of the Initiative.



In 2016 the 'Excellence in Leadership' Award was implemented to recognise and acknowledge outstanding leadership at all levels, nominated by co-workers.

- **Productivity Improvement**

Scott Griffiths, Maintenance Supervisor

"My team was comprised of employees on their last warning. Morale within the group didn't exist. Our work completion rate was around 50%. Two things that were growing were the outside influences and negativity. We had no respect for our managers or our workplace.

The Leadership Program had effects on people in so many different ways: personal confidence grew from day one; so did results; we stopped accepting poor performance; I found myself putting systems in place - I started challenging my team and myself. 50% completion soon turned to 90%. We developed a hunger to succeed. The negatives were soon becoming positives."

- **The initiative has also impacted on employee's personal lives**

"The program hasn't only helped me at work, my family life has also changed. At the time the program started I was a risk of losing everything. Since doing the program I find myself helping others. I sit on the board for Western NSW Football, I'm pursuing a coaching career with Football NSW and I'm President of our local Football club.

Not bad for someone that was told he would never come to anything".

- **Transformation and success**

Michael Zannes, Peak Gold Mines Director and Company Secretary,

"The Leadership Development Program has been the most effective I have witnessed in my 25 years in business.

It has delivered a capability across our business that has been transformational, not just culturally - where we have witnessed our people growing, respecting each other's point of view, but now collaborating and working together for the betterment of all. This has had flow-on effects where we are now able to get more done in the mine.

This transformation has been invaluable in the context of the business environment in which we are operating with lower commodity prices and increased focus on costs; with people taking both individual and group responsibility, we are able to steer the mine much more easily for the betterment of the business and the people working in it"

John Marshall, VP HR, New Gold.

"Mills-Eaton's contribution to making Peak the hugely successful workplace it is today has been immense and more importantly it is very rare that you can find a consultant who you can trust implicitly to deliver what we needed"

- **The Future**

PGM is well-placed to extend the life of mine past 2020. Greg Bowkett, General Manager, commended attendees at the recent project planning session: *"If you get a collective group of smart/passionate people together, there is an opportunity to achieve great things quickly. The team has developed into a group that can achieve and deliver together and as individuals. I am very proud to be working with you all."*

"Values based leadership delivers results"