

Mines lag behind in transformation

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MINING companies have been slower than other sectors to transform, finds research by Landelahni, an executive research company.

One might have thought that the industry, which was the first to formulate and have its charter gazetted, would be much further ahead in the game than its counterparts.

But according to Landelahni, the only significant change that has taken place is at non-executive level.

It finds that black representation on the boards of mining houses has shot up from 0,05% in 2001 to 37% last year.

"This represents a significant shift since the Mining Charter was formulated in October 2002," says Landelahni Group CEO Sandra Burmeister.

"However, at other levels, representation in the mining industry trails the average across all industries."

Landelahni's research covers 80% of the mining sector and shows that black representation in executive to mid-management level positions grew from 24% in 2003 to 29% in 2005.

At corporate head office and at mining operational level, more than 80% of blacks were in support functions such as human resources, shared services, finance and communications. At operational level, the research indicates that out of 100 shafts, there were 11 black mine managers, compared to two in 2001.

Only two companies across the industry actually met their employment equity targets and have made significant inroads at both a corporate and mining operations level. They were Harmony and African Rainbow Minerals.

Burmeister says there are two main reasons for not meeting industry sector employment equity targets: shortage of skills in the industry and the competition for skills.

"Owing to the industry-wide

skills shortage and lack of career growth opportunities, a high level of career mobility exists among black mining professionals," she says.

"Mining is perceived as a shrinking industry and this, combined with the length of stay of experienced people, does not make mining an attractive option for ambitious, high-powered people, except at a BEE shareholding level. Add to this the fact that most black recruits exit from the industry in 18 months."

The main challenges facing the mining industry are: the development of short-, medium- and long-term recruitment; retention; and management's development strategies.

"Not enough is being done to develop skills in the sector, and this will compound the skills shortage in the medium to long term. If we don't have enough graduates, we will have to increase skills imports to meet future needs," Burmeister said.

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