

Waiting to explode

A new report from Stratum International has suggested that the mining industry is facing what it calls a 'ticking time bomb', due to its failure to implement strategies to attract and retain younger professionals.

The population of mining professionals is ageing, and there doesn't appear to be a sufficient number of younger workers replacing them. While the report notes that to a certain extent this trend reflects overall demographic trends, which are influenced by factors such as increased life expectancy and lower fertility rates in developed countries, there seems to be an especially great impact on the mining industry. For example, projections have indicated that 40% of Canada's mining workforce (at all levels) is aged 50 or over.

Coupled with the fact that mining professionals tend to retire earlier than people in other industries, the consequence of this could be a dangerous leadership vacuum in the near future.

Stratum is not the first organisation to identify this problem. Earlier this year, a report issued by the Society for Mining, Metallurgy and Exploration (SME) found that the US mining industry will need to find 78,000 new workers by 2019 to take the place of those who are retiring, in addition to projections of the industry growing by approximately 50,000 jobs, for a total of 128,000 new positions by 2019.

Stratum's research was based on a survey of 912 mining professionals globally. 91% of those who responded were male, which Stratum stated reflects the ongoing gender imbalance in the industry; over half the respondents (56%) were aged 50 or over, while only 3% were under the age of 30.

According to the report, only 1% of those surveyed think the sector is well prepared for these demographic changes. However, in a fairly damning assessment of the situation, 79% of overall respondents (and 85% of those under 30) think the industry is completely or somewhat unprepared. In addition, 82% of respondents think succession strategies are important to the long-term future of their organisations. This rises to 95% among HR professionals, yet only 28% of organisations actually have strategies in place.

This could be partly due to the current economic environment. Short-term survival is the top priority for many companies right now, particularly juniors and mid-tiers, so long-term leadership needs are considered less important. As one respondent, a mining executive, commented: "We recognise the importance [of these activities] but [they are] only relevant if the company continues to thrive. And that is the focus right now."

Other respondents highlighted that their organisations technically have formal strategies in place, but they are not applied or prioritised. One respondent explained: "Periodic attempts have been made to create these programmes, but they tend to get flushed every time the CEO calls for a [management consultancy] reorganisation." Another remarked: "There is a career development programme but it simply does not function. It is just a box-ticking exercise."

So what can be done? Stratum suggested a long-term succession strategy that balances the grooming of an external talent pool with the identification and development of internal high-potential managers. It also advised that organisations that are not struggling with short-term survival should start right now.

Such strategies have an important symbolic role for staff and are positive for engagement. The report found that people in their 20s crave development, particularly coaching and clear pathways into leadership roles, while those at the mid-point of their careers are also looking for support, coaching and direction to take them to the next level.

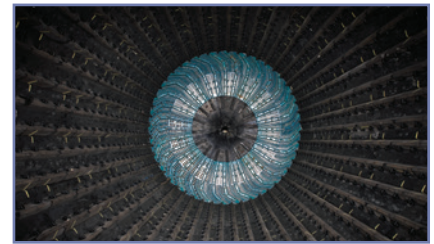
Organisations that start preparing as a matter of urgency could gain a significant competitive advantage – even one succession or leadership strategy could differentiate your organisation from the majority. So what are you waiting for?

Read Stratum's full report, 'The Demographic Time Bomb In Mining', at: <http://bit.ly/10y9Mxe>

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