

FIFO: time for a rethink

A new report from Stratum International has highlighted the need for change at FIFO operations. *MM* looks at the key points and how small improvements can have big impacts on retention and employee happiness

According to a new research report, half of senior mining professionals working fly-in-fly-out (FIFO) shifts believe that the industry needs a major rethink on the design of rosters and the related benefits. Of those surveyed, 97% explained they had concerns about the impact that FIFO working has on their family life, with two-thirds describing their concern as 'strong or critical'.

THE SURVEY

The research, based on a survey of 588 senior mining professionals from all over the world, was commissioned by Stratum International, a specialist recruitment firm for senior professionals in the mining sector.

"There was a discussion about FIFO on the LinkedIn group we run and I was struck by the heated debate that emerged," explains Will Coetzer, Stratum International's managing director. "So it felt like an area that demanded to be explored in more detail."

The survey received responses from people working in mining operations, project development and executive roles. The international nature of the sector was reflected in the sample, with responses from people working in Australia, Africa, North America and beyond.

While there were some regional variations, the core messages remained consistent.

KEY CONCERNS

The effect on family life emerged as the lead concern for FIFO workers, by some margin. Nearly all respondents (97%) to

the survey had some level of concern and 65% described their concern as 'strong' or 'critical'. This rose to 82% for people working in Australia and New Zealand.

"If FIFO working is to change its image as a lifestyle which only works for 'young guns' – and it needs to if we are to attract the best people – then it needs to become much more family-friendly," explains Coetzer. "Several people commented that many FIFO rosters effectively exclude people with young families, particularly mothers, or those with caring responsibilities. And that means employers are restricting the diversity of talent that they can attract."

Some 43% of respondents said that they had 'strong' or 'critical' concerns about the impact of rosters on their personal productivity and levels of fatigue, making it the second-greatest worry for FIFO workers. Almost as many believe that they are considered expensive to employ and therefore have less job security than others. This perception is particularly strong at the most senior levels.

Issues such as the impact on relationships with managers and team-mates, or even the corporate centre, cause little concern for most in comparison.

When the survey group was asked to rate the importance of a well-designed FIFO roster with other benefits, it ranked alongside job satisfaction and net salary in importance, with nine out of ten people describing them all as 'very important' or 'essential'. In comparison, less than a third of the sample felt the same about share and stock options.

"Of course, salary is always going to be important," says Coetzer. "But what's

Job satisfaction

- Survey participants reported very high levels of job satisfaction. They were most satisfied with:
 - Salaries (89%)
 - Commute mode (87%)
 - The job in general (86%)

In spite of these high satisfaction levels, many were considering changing jobs.

- 44% were intending to change jobs in the near future for:
 - Higher salaries
 - Greater flexibility in managing work and family
 - Better roster cycle
 - Career progression

interesting is the dominance of the softer benefits. Even a bonus scheme was considered less important than a good line manager or the company's culture."

One piece of good news for employers is the relative unimportance of business-class tickets for short-haul flights, with fewer than 10% of people considering them important. Unsurprisingly, the expectation of a more luxurious journey increases with the duration of the flight; 80% of people expect business-class seats for flights of eight hours or more.

"FIFO workers are pretty pragmatic when it comes to business class," says Coetzer. "But I wouldn't advise employers to rush out and bank the savings they can make on short-haul flights. It's worth exploring other areas where the investment might make a greater impact first."

One interesting nuance to emerge was that those working in exploration were less likely than others to expect to fly business class for long-haul flights; however, they are much more likely to

"The effect on family life emerged as the lead concern for FIFO workers, by some margin"

A Skywest Airlines jet, used to convey workers to Rio Tinto Group's West Angelas iron-ore mine, in Pilbara

Photo: Bloomberg News



Lessons for leaders

1. Be fair

"Employees expect consistency and integrity from their leaders," says Coetzer. "This doesn't mean you need to capitulate in the face of every demand, but people do expect a level of consistency. Consistency here is about ensuring you are equally fair to all, not simply applying the same rule to everyone. And the perception is that this is not happening."

2. Be flexible

"Leaders who can find a way of introducing flexibility into their roster design, to meet the differing needs and lifestyles of individuals, while ensuring fairness, will see greater loyalty and motivation, and a more diverse workforce too."

3. Be family-friendly

"Employers need to recognise the impact that FIFO rosters can have on family life," explains Coetzer. "The flexibility we describe is part of that. But one big difference that employers can make is to ensure that there are reliable and accessible communications on-site, so employees can easily Skype or email their families. That alone can have a tremendous impact on that feeling of isolation, yet we're hearing it's not as common as it should be."

4. Forecast before you start

"Many of the challenges faced by FIFO workers are predictable and can be 'designed out' of new projects from the start. It's usually cheaper and easier to address these things as an integral part of the planning process and it will pay off in the long run."

5. Focus your spend

"It's not necessarily about more money," says Coetzer. "Rather how you spend it. Our results indicate that those people flying on short-haul flights will accept business-class flights if they're offered, but they don't consider them essential. Focusing spend on those areas which matter most, such as good communications, will pay real dividends."

6. Fundamental needs

"Forget the stereotypes. FIFO workers have the same emotional needs as the rest of us. They want a job that gives them responsibility and a sense of achievement. And they want a good line manager, too. These things are more important than more direct benefits like stock options."

7. FIFO works

"Despite the reservations of half of our respondents, FIFO working is here to stay. There are alternatives, such as establishing local communities, but these have drawbacks of their own. Good leaders will sit down with their staff and work out a mutually rewarding way of organising rosters and benefits. In that way, FIFO can remain a sustainable way of working, without so many of the drawbacks we've seen highlighted in this report," concludes Coetzer.

► travel in company time rather than in their own time, or a blend of the two. Overall, one in five of those surveyed travel exclusively in their personal time, whereas this reduces to one in ten for those working in exploration.

Coetzer explains: "This seems to be an example of workers highlighting what matters most to them. Exploration professionals don't need the best seats on the plane, but they want to protect their personal time. By examining this kind of trade-off, employers can begin to shape and individualise their employee value propositions."

WORKING FLEXIBLY

In the light of all this, it is perhaps not surprising that there was no consensus on the perfect roster pattern. Indeed, opinion was so divided, that no one proposed roster pattern was perceived positively by more than half of respondents, although a pattern of four weeks on and two weeks off came closest.

However, a few characteristics of good and bad roster patterns did emerge:

- Shifts involving more than eight weeks away from home are not considered acceptable, irrespective of the time subsequently spent at home.
- Rosters based on a ratio of two-to-one (two weeks in work / one week at home) or one-to-one are the most acceptable.
- Different patterns appeal more to different professions; exploration workers prefer a four-to-two roster, whereas those in established mining operations like a five-to-three arrangement.

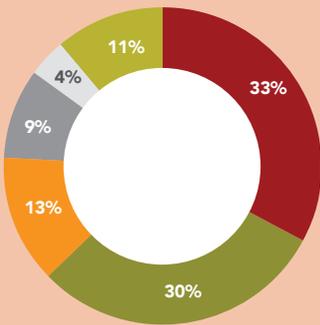
"Once again, the need for flexibility comes through loud and clear," explains Coetzer. "Of course, we recognise the challenges of co-ordinating rosters for different groups. But our survey shows there are great benefits in doing so, in terms of attracting and crucially retaining the best talent throughout the project."

Coetzer and his co-author, John Larpent, have drawn out seven 'lessons

The Pilbara in Australia has a high number of FIFO operations
Photo: Bloomberg News



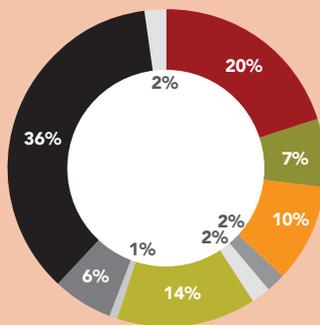
Results and highlights from the study involving 588 participants



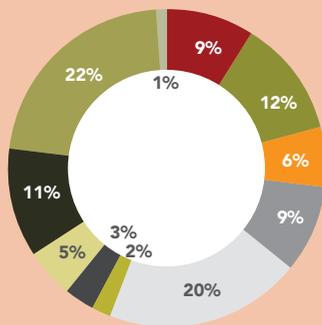
Respondents by profession

● Mining Operations	33%
● Project Development Management	30%
● Exploration	13%
● Board Executive	9%
● HR / Recruiting	4%
● Other	11%

Home country



Location of last or current FIFO role



● North America	20%
● South & Central America	7%
● Southern Africa	10%
● West Africa	2%
● African (Central, North & East)	2%
● Europe	14%
● Russia & Caucasus	1%
● Asia Pacific	6%
● Australia (including New Zealand)	36%
● Other	2%

● North America	9%
● South & Central America	12%
● Southern Africa	6%
● West Africa	9%
● African (Central, North & East)	20%
● Europe	2%
● Middle East	3%
● Russia & Caucasus	5%
● Asia Pacific	11%
● Australia (including New Zealand)	22%
● Other	1%

HIGHLIGHTS

- 50% believe major change is required to ensure FIFO remains sustainable.
- 20% of those working at board or HQ executive level believe the current system is not sustainable.
- 97% are concerned about the impact FIFO working has on their family life. Two-thirds describe this concern as 'strong' or 'critical'.
- 43% worry about the impact on their personal productivity and levels of fatigue.
- 41% are concerned that the high costs of employing them is threatening their job security. This rises to 51% for board and HQ-based positions.
- A good FIFO roster sits comfortably in the top three benefits, seen as important or essential by nine out of ten.
- No one roster pattern is favoured by a majority of respondents. Rosters based on a ratio of 2:1 or 1:1 are most popular.
- The average FIFO flight is six hours. Fewer than one in ten believe business class is necessary for flights of four hours or less. Only half believe it is important or essential for flights between five and seven hours.
- FIFO workers expect flexibility, consistency, fairness and an understanding of the importance of family life from their employers if they are to remain loyal and motivated.

“One big difference that employers can make is to ensure that there are reliable and accessible communications on-site”

for leaders' from the survey (see box, left), but does he have any other general advice?

“Did I mention the need for flexibility?” laughs Coetzer. “When I was a kid, I was always told to treat others as I would like to be treated myself. I think that, when you get a bit older, you

realise that doesn't work. It's about finding out how people like to be treated and working with that. And that's a two-way responsibility, of course. FIFO workers must recognise that they need to say what works for them, while appreciating that they also need to accommodate the needs of others.” ▼

Below: FMG's Christmas Creek mine in the Pilbara: another FIFO operation

The full report, 'FIFO: A Global Perspective' is available for free download on Stratum International's new website at www.stratum-international.com

