
Identifying the management and leadership challenges in the Extractive Industry

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Abstract

The near insatiable demand for metals, minerals, aggregates and building materials is fuelling a constant quest for fresh supplies. Whilst society expects those in the Extractives Industries to meet such demands there are increasing signs of disquiet and agitation when it comes to the activities of the mining sector. Societal expectations and the immediacy of Social Media have placed additional burdens on those in management and leadership roles, with some companies routinely demonised, or at best seen as reactive and perpetually on the back foot. Many lay people and some in the media have little or no understanding or appreciation of the vast capital outlay, complex financial mechanisms or the vagaries of the commodities markets, yet equally some in leadership roles often appear somewhat disconnected from the realities of the various stakeholders whose lives will be impacted upon by the activities of the Extractive Industry. There is a real danger that an 'us and them' mentality can arise, something that is both corrosive to society and counter-productive to all but the most extreme of ideologues.

Mining has always been a challenging enterprise and is certainly not for the faint hearted. Setbacks and disappointments are all part of the daily round. Whilst the challenges of Mother Nature are one thing, there are also other factors to take into consideration these can range from local business customs, logistical challenges, legislation and tax regimes and probably most vexing of all powerful environmental lobbies. Mining companies are well used to the fact that they are invariably portrayed as the villains in the piece intent on despoiling the landscape and riding roughshod over the views of local people. To anyone who has any real insight into the mining industry this is often a long way from the actual truth and there is often a genuine desire to put in place measures that minimize environmental damage, whilst also ensuring that local communities genuinely benefit from economic engagement and the opportunity for capacity building. More often than not local governments and municipalities are to blame for adverse publicity for not involving local communities from the outset and then when indignation sets in they take fright and begin to backtrack on commitments. Even the most sensitive and professional of companies need to be aware that in the age of Social media adverse publicity can soon do damage to a company's share price and indeed its reputation. Transparency, vigilance and sensitivity are essential. Bold, enlightened and empathetic leadership can affect as much a change as can the likes of the Extractive Industries Transparency Initiative (EITI). This presentation seeks to elucidate the reasons why it is imperative that things are managed more effectively with an appreciation of the limitations that are unique to each country or region of operation.
