When I became the CEO of Anglo American, in 2007, I encountered plenty of challenges. For decades the company had been made up of unrelated businesses, and had been organized and managed accordingly. I believed it needed a clear vision, guiding values, an overarching strategy, common business objectives, and, above all, a safe working environment for its employees.

In my experience, a strong safety performance translates into a strong business performance.

Over the previous five years Anglo American had suffered nearly 200 fatalities. Some company veterans insisted that deaths were inevitable at such a large mining company, because ours is simply a dangerous business. I fundamentally rejected that assumption. My priority was to see how things worked with my own eyes. So I began a tour of our operations, visiting mines in Australia, Chile, Colombia, Venezuela, and South Africa.

There were safety concerns at all the operations I visited, but one of them had a particularly poor track record: our platinum business in South Africa, which at the time employed more than 86,000 people. Conditions there are extremely challenging. Various cultural groups have to work closely together with no common language.

by Cynthia Carroll
The literacy rate is very low, and the work takes place several hundred meters underground, where it’s dark, hot, wet, and steep. In some areas the miners have only enough room to kneel.

When I visited the operations, my conversations with local managers were frustrating. Safety was improving, they assured me, but it would never be perfect. My goal of zero harm was simply not achievable. The head of our platinum operations at the time insisted repeatedly, “Cynthia, you just have to understand…” As I talked to people and examined the facilities, I wondered whether a line worker had the power to put up his hand and say, “I’m not going to do this, because it is unsafe.”

I met with shift supervisors and mine managers—the people we trusted to keep everyone safe. I wondered if they were the right people for that responsibility. Could they engage with the entire workforce? Could they motivate the miners and make them receptive to a different way of thinking? I was bothered by what I’d seen, and I pondered these questions during the helicopter ride back to our Johannesburg offices.

I had just landed when the CEO of our platinum division pulled me aside. “I have some bad news,” he said quietly. “We’ve had another fatality.” Just hours after I’d visited the mine, one of our workers had been killed after he slipped onto a conveyor belt.

That was it. I refused to accept that fatalities were an inevitable by-product of mining. There was only one way to send that message throughout the company. We would shut down the world’s largest platinum mine, at Rustenburg, which employed more than 30,000 people. And we would do so immediately.

The CEO of the platinum division probably thought that my directive was meant mostly as a public relations gesture—that after a perfunctory safety check we would resume production as swiftly as possible. That was not what I had in mind. I wanted an indefinite shutdown, during which we would fundamentally overhaul our safety procedures with a top-to-bottom audit of our processes and infrastructure followed by a complete retraining of the Rustenburg workforce.

No such shutdown had ever before been done in the mining industry, and the costs would be enormous. This was not a popular decision. In fact, the platinum CEO left the company a few weeks later.

A Traditional World

When the Anglo American board hired me, the directors were looking for a change agent. I doubt that most employees knew what kind of change agent I would turn out to be. In its nearly 100 years of operation, the company had been led by South Africans—all men—and steeped in traditional views of how to run a mining business. As neither a South African nor a man, and with a history of managing capital-intensive multinational industrial companies, I was brought in to provide a fresh perspective and a different kind of leadership. I had my work cut out for me.

Part of the challenge was scale and reach. Anglo American is the world’s most diversified mining company, by both geography and commodity mix, with 90% of our operations in developing countries. We are the largest producer of platinum (about 40% of world output) and of diamonds (through De Beers). We are also a major producer of copper, nickel, iron ore, and coal for both steelmaking and power generation. We operate on six continents with 150,000 permanent and contract employees.

Part of the challenge related to tradition. Anglo American was born in South Africa in 1917, and although it had grown into an international company over time, it retained a culture of strict hierarchy and a rigid, top-down management style. This was a very traditional world, and I was in an unprecedented position to influence change. For just one example, until very recently women hadn’t been allowed to visit underground at mines in South Africa, let alone work there.

Most important, however, was the question of the industry’s role in the 21st century. The commodities we produce are vital to economic growth and the technological revolution, and we must keep these precious resources flowing. But we must...
also contribute to society as a whole. The communities in which we operate should benefit from our presence on a sustainable basis, and, above all, our workers must be safe. To realize these goals requires a strong and transparent collaboration between the mining industry and its stakeholders: governments, unions, communities, shareholders, customers, suppliers, and NGOs. That is not an approach the industry has been known to take in the past. Standards within it still differ greatly, and mining companies have traditionally operated in something of a vacuum, their reputations affected by numerous legacy behaviors.

Inviting Public Scrutiny

The decision to shut down Rustenburg and stop production for seven weeks was a turning point for Anglo American, and over time it has led to an overhaul of safety practices in mines across the world. In the short term, the move prompted complaints and resistance within the company. Many employees were not prepared to change, and almost all the managers at that mine were replaced. Ultimately that was a good thing, because ensuring that we had the right people in crucial roles was an important step in creating safer working conditions.

At an initial public summit, the industry’s death toll was discussed openly, and everyone had to face a harsh reality. Then we were ready to move.

had gone wrong in the past and to instill personal and group responsibility. Leaders also engaged with the entire workforce at once, in sports stadiums.

Within weeks of getting Rustenburg back on line, I reached out to both the National Union of Mineworkers and the minister of South Africa’s Department of Mineral Resources. My goal went beyond changing practices at a single mine: Anglo American’s safety record wasn’t out of line with those of its competitors, and I was horrified by safety statistics for the industry as a whole. The minister was surprised by my overture. Mining companies have historically had combative and mutually suspicious relationships with both host governments and labor unions. Like some of my employees, he questioned the wisdom of taking a public stand on safety.

“Are you sure about this?” the minister asked me. “You’re going to be exposing Anglo American to scrutiny, and you’ll have to make commitments that you can’t turn back on.” I believed that the exposure and the commitments would actually be very helpful, because they would put greater pressure on the company—and the industry—to change.

Our partnership with the government and the union was unusual but necessary. Making mines safer would be so complex and have such widespread ramifications that a single organization couldn’t do it alone. Even a decision as small as how many hours were appropriate for a safe shift needed agreement from the government, the unions, and the company. If we were really going to change things, we had to collaborate. Our initiative became known as the Tripartite Alliance.

We had an initial public summit to which we invited industry heads and the media. It was an uncomfortable experience: Facts and figures relating to the industry’s death toll were discussed openly, and everyone had to face a harsh reality. But once those facts were on the table, we were ready to move. We formed a working group that included industry executives, government officials, and labor leaders. The ground rules were simple: All three parties would be considered absolutely equal in this alliance—in determining the agenda and how the work was to be carried out. The working group would begin by studying global best practices in safety. We ultimately toured mines on four continents, and we also visited industrial operations outside the mining sector.

Changing Body Language

Over the next six months members of the group began opening up in a way they
hadn’t previously. At one point a well-known businessperson in South Africa, who had become involved in our discussions, told me, “We’re used to putting on boxing gloves with Anglo American, and here you just come in and tell us what you think, and expect the same from us. That’s something completely new.” I could tell we were making progress from how our body language evolved. When we first began meeting, we would sit on far sides of the room or the table. By the spring of 2008 we were much more relaxed. We had formed close, trusting relationships and become partners and friends.

Eventually the group came back with key recommendations, including establishing universal safety standards. But even after we’d agreed on what was safe, each of the stakeholders would need the capacity to manage safety. Because the people who would be implementing the safety program would do a far better job if they were involved in setting the standards, we included lower-level managers, union leaders, and government representatives in the planning as well. Anglo American committed to training for all employees. The company invited senior leaders from both the union and the Department of Mineral Resources to attend our executive risk management and safety program (to date 3,000 leaders have been through it), and since 2008 we have trained 12,000 line managers, supervisors, and frontline employees.

These changes put pressure on the entire industry, and some competitors were unenthusiastic, to say the least. I got calls from other CEOs who said, “It’s going to take us more time. We’re going to have to spend more money. You’re creating obstacles and challenges for all of us.” But I believe it was the only way forward for the mining industry.

MINING HAS never been more complex than it is now. Standards for environmental risk and safety differ around the world. Labor issues, increasingly assertive host governments, and stronger campaigning in local communities play a role. It’s our job to challenge ideas that are wrong or unreasonable—such as the notion that mining is just inherently dangerous. Our focused approach on safety has brought significant benefits to our overall performance at Anglo American. I have always said that safety is a leading indicator of wider performance—if you get safety right, then other things will follow, from stronger relationships with unions and governments to greater productivity and efficiency across the board.

Our work has made a huge difference. In partnership with the Department of Mineral Resources and major labor unions, Anglo American has improved its safety record considerably. In 2011, 17 employees lost their lives at Anglo American operations, compared with 44 in 2006, the year before my arrival—a reduction of 62%. Time lost owing to injuries is down by more than 50%. This has had a positive effect throughout the industry: Fatalities in South African mining as a whole have declined by about 25%.

That’s not to say our work is done. We recently held a companywide remembrance of workers who had been injured or killed. It breaks my heart every time I get a phone call saying that there’s been a fatality. This is a continuing struggle, and we can’t afford to lose focus.

We’re not perfect. But I’m determined to reach my goal of zero harm. □