

A Professional's Experience of Cultural Diversity in Mining – a Tale of 3 Continents

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- Cultural experiences:
 - Queensland, Australia
 - Nunavut, Canada
 - Ulaanbaatar, Mongolia
- Share personal experiences – to improve awareness and adaptability
- Dilemmas in diversity – when culture and other diversity aspects clash

Importance of diversity in mining

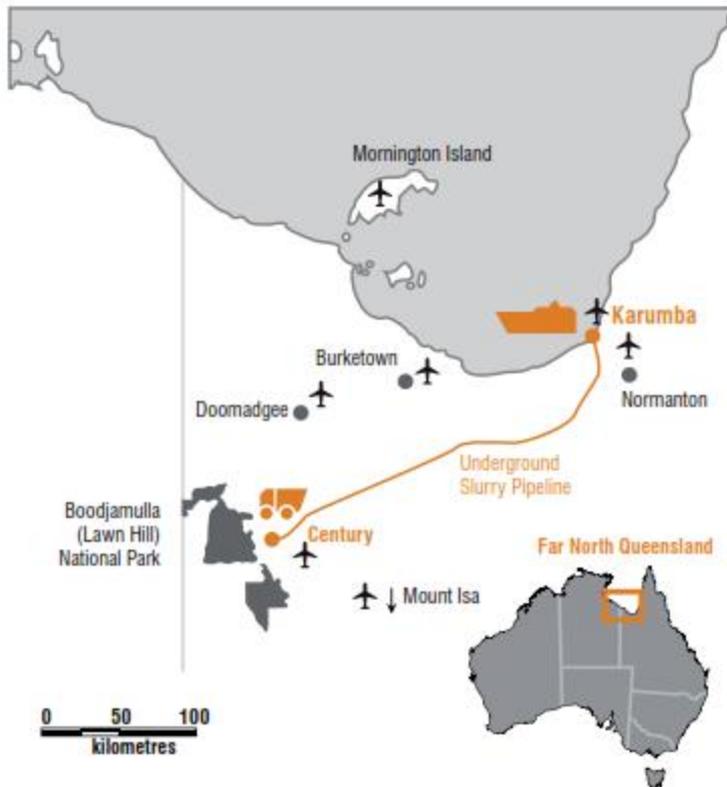


- Diversity defined as encompassing:
 - Gender, ethnicity, language, social custom, sexual orientation, religion, worldview / thought
- Taking an active approach to managing diversity = managing project risks
- Awareness of diversity factors / issues
- Cultural awareness / cultural competence

Century Mine – North West Queensland

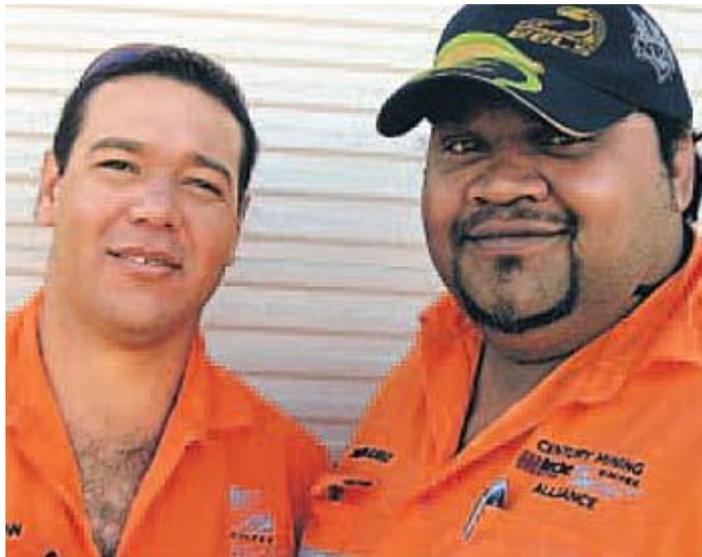
- Century – major zinc mine owned by MMG, formerly Zinifex, Pasminco
- On traditional Aboriginal lands

- Gulf Communities agreement (GCA) signed in 1997 – license to operate
 - Signed by Waangi, Mingginda, Gkuthaarn and Kukatj peoples, Pasminco, Queensland Government
 - Training, business opportunities, cultural and heritage protection, pastoral rights, consultation



Century Mine – Concentrator – my role and interaction with Aboriginal peoples

- 2001 – 2006 – Technical Superintendent then Manager Metallurgy
- About 10 GCA trainees and staff in my department
- Main interaction during manager role
 - Need for patience, some literacy and numeracy education needed
 - Adjust language to suit – pace, choice of words, approachable tone
 - Participation in cultural events – e.g. community visits selling art, traditional food events – authentic and visible interest in culture



Century Mine – Water Delivery to Pastoral Stations



- 2006 – Century Mine was not achieving quality targets to meet its obligations to deliver water to Aboriginal pastoral station
- Aboriginal stakeholders did not understand why the water quality problems were occurring and were concerned about business plans
- I was assigned lead to solve problem
 - Had to coordinate with disciplines on mine site
 - Had to present plan to local Aboriginal leaders

Century Mine – Water Delivery to Pastoral Stations – presentation in Normanton



I gave my presentation here

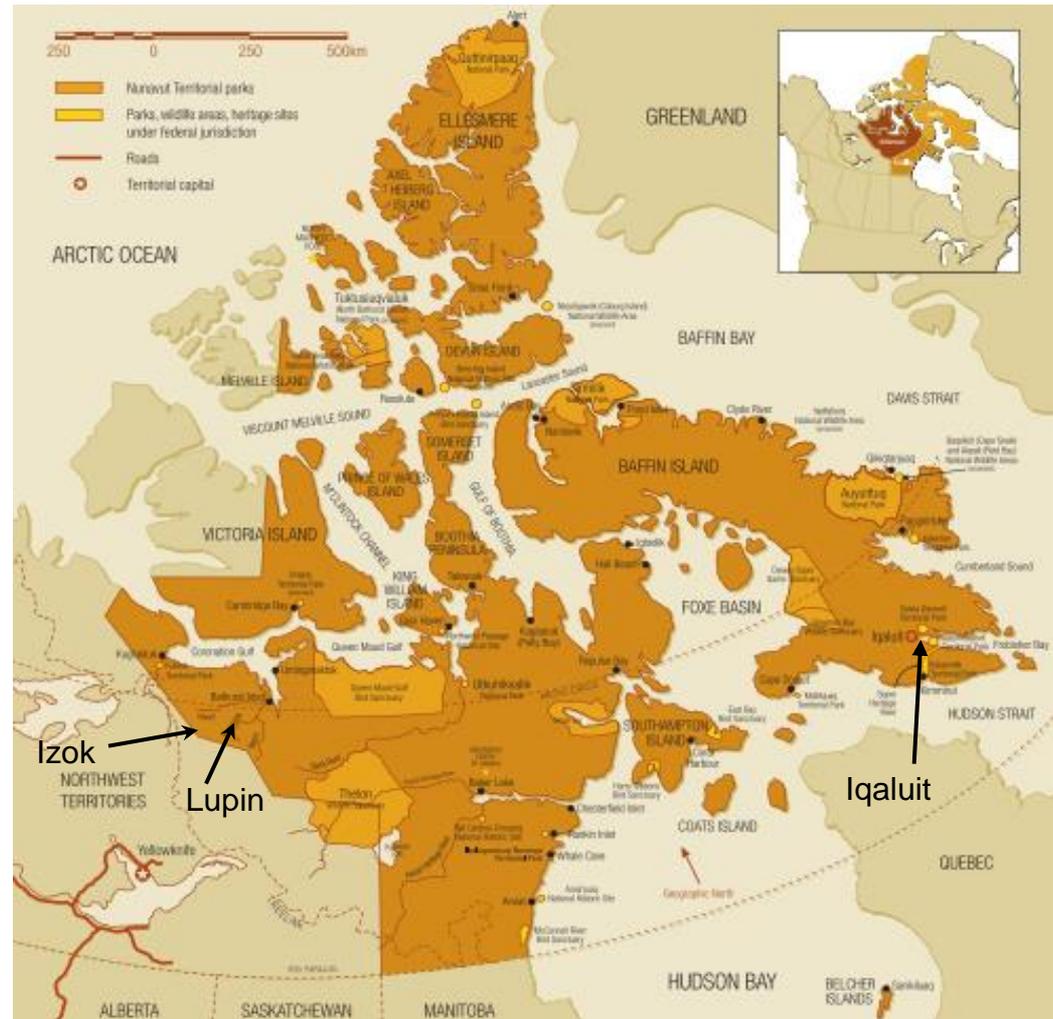
Century Mine – Water Delivery to Pastoral Stations – presentation in Normanton



- Had to explain both why the mine was not able to meet water quality at that time, and the proposed solution
- Important to present technically accurate information, but in a way that was readily understood, not misinterpreted
- Used of diagrams, flowcharts, removed jargon, steady pace of delivery and allowed questions as required
- Presentation went very well, positive feedback and good rapport established with audience
- Invited to dinner on Aboriginal property, opportunity to see aspects of life on remote Aboriginal stations, and to meet more people from the community

Travels to Nunavut – Izok Project

- My role – process lead, study manager
- Sept 2007 – Izok and Lupin sites
- Jul 2010 – Izok
- Apr 2012 – Iqaluit regulatory meetings
- Feedback to environmental assessment and stakeholder team
- Site visits – limited engagement with Inuit people working at camp facilities
- Regulatory meetings – connection with Inuit stakeholder representative, people in hotels, shops, restaurants



Izok project – Nunavut – interface with stakeholder engagement team

- Interfaced with project stakeholder engagement team on technical aspects and fitting into project description for regulators
- Importance of fauna to Inuit peoples, especially Caribou, marine mammals; importance of understanding how project design might impact these – concentrate trucking, shipping



<http://www.cabinfeveradventures.com/upper-horton-river-canoe-trip-tundra.html>

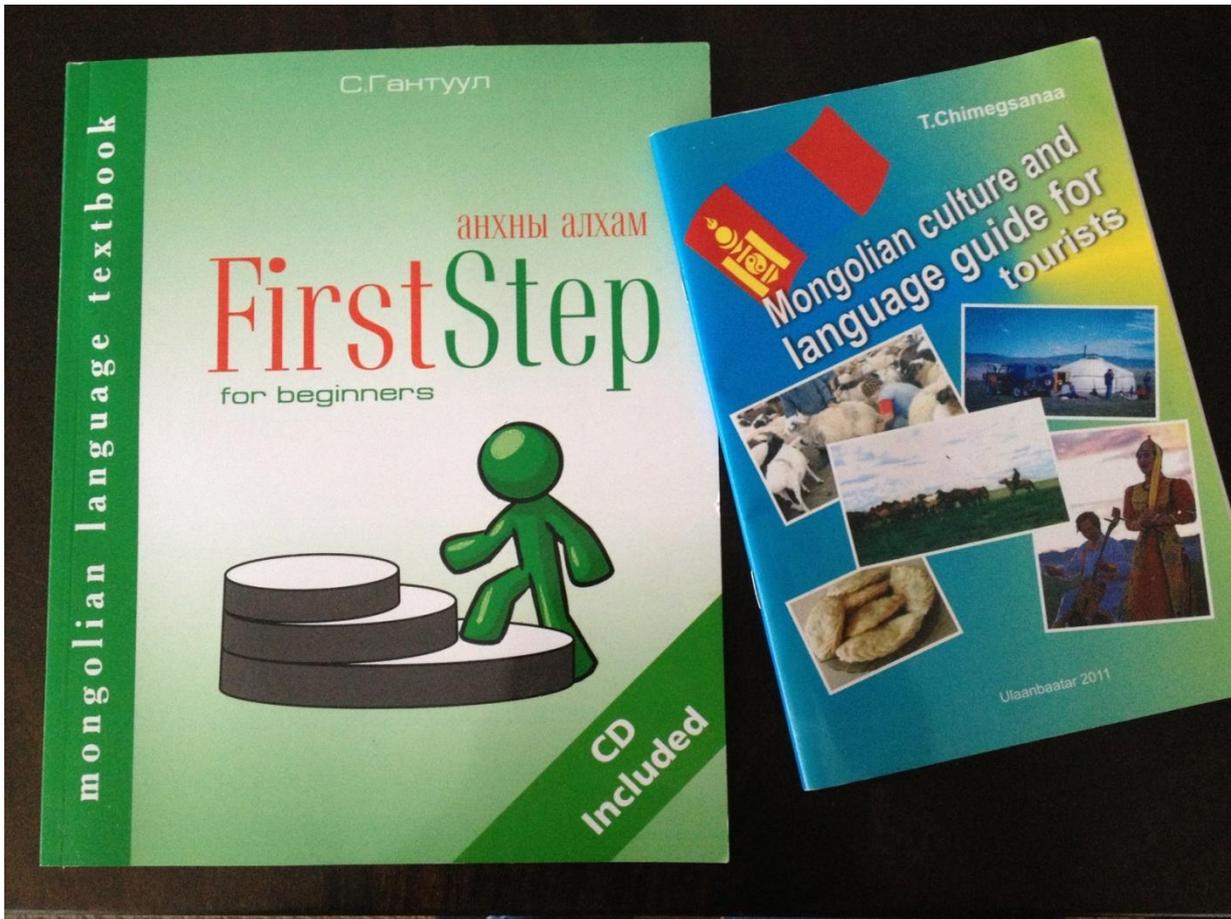
Travels to Iqaluit – regulatory hearings

- Mostly presented to government employees (not Inuit); one Inuit representative present
- Took some time to explore Iqaluit, spoke to a local Inuit shop owner about local Indigenous issues:
 - High suicide rate - similar to challenges experienced in outback Australia, discussed Aboriginal deaths in custody
 - Substance abuse – alcohol, drugs, parallels with Australian Aboriginal people
 - Enlightening to talk about parallel issues that Indigenous peoples face around the world, opportunities to share
 - Talked about a study trip he made to New Zealand to look at Maori issues



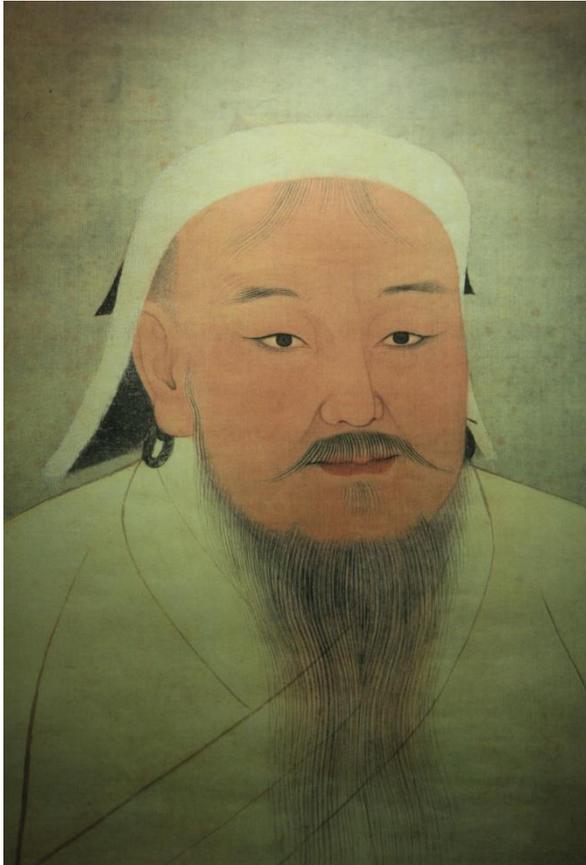
- Oct 2012 – AMEC approached by Oyu Tolgoi for assistance to coordinate the translation of feasibility study into Mongolian
 - Less than 2 weeks to prepare and leave for in country assignment
 - 2.5 months in Ulaanbaatar
- Context
 - Limited time
 - Politically charged atmosphere – Mongolian Government and Rio Tinto in dispute about Investment Agreement
 - Travelling alone to work with unfamiliar team
 - No Mongolian language skills
- Developed plan to quickly build rapport and trust, and mechanisms to avoid misunderstanding

Understanding language and culture



- Attempts to learn language and understand aspects of culture and history are much appreciated

Get to know the national heroes



- Chinggis Khan (not Genghis)
- Always number 1 in Mongolia



- Sukhbaatar – led the liberation of Mongolia from China in 1921
- Main square in Ulaanbaatar named after him

Look for sources of news



- Clues to mistrust of China

4 THE MONGOL MESSENGER

Dispute over rail gauge heats up

Heads roll as executives assert their positions

B. Oyundelger, The Mongol Messenger

On January 9, the State Property Committee of Mongolia issued a resolution to discharge M. Enkhsaikhan, Executive Director of "Mongolian Railways" JSC. Road and Transportation Minister A. Gansukh sent an official letter to the Chairman of the SPC, Ts. Nanzaddorj regarding M. Enkhsaikhan's position.

He connects with financial spending of USD1.5 billion gained from Changgs bonds issued by the government to foreign markets, and the rail track gauge. In the official letter, Minister A. Gansukh explained saying, "It is considered impossible to co-work with M. Enkhsaikhan, Executive Director of 'Mongolian Railways' JSC because he has a position in conflict with the purpose of the Government for implementing State Policy on Railway and the policy

ECONOMY

Friday, February 1, 2013




Kh Battulga *M Enkhsaikhan*

Tavan Tolgoi" LLC. Ya. Batsuuri said, "M. Enkhsaikhan met and told me, 'Your company will be given a certain amount of financing from the USD1.5 billion worth bonds issued by the government to the international market.' He proposed to build a narrow gauge rail track that links the Tavan Tolgoi mine site to Gashuunsukhait with this money. In turn, I responded, 'This is not a matter to be resolved by our company. The issue of when the railroad will be built first or whether narrow or broad gauges are used will be resolved by the government and parliament.'"

At this meeting, Mining Minister D. Ganbuhuyag said, "The Government set up a working group for issues to put the Tavan Tolgoi deposit into economic circulation and resolve its infrastructure. There is a general principle to build a railroad from the mine site to the border checkpoint and the buyer will build a railroad from other side to the border checkpoint. Accordingly, the working group will meet with investors. A total of 1800 km railroad is intended to be constructed that will require USD5 billion. It is considered necessary to issue approximately USD1 billion from the government to construct the railroad from Tavan Tolgoi to Gashuunsukhait. Land permission and works that have currently commenced are valued around USD600 million. The remaining USD400 million is considered necessary to be spent from USD1.5 billion in bonds."

Industry and Agriculture Minister Kh. Battulga explained, "Mongolia has a population of less than 3 million but it has huge mineral resources. With this, Mongolia is the focus of foreign investors. We are disputing about broad and narrow gauges in order to manage the home country's natural resources ourselves and administer it with our policy. On the other side, China which is leading in the world with its economic development has great demand for raw materials. If we provide transportation through a narrow gauge track like the Chinese rail track in order to satisfy this great demand, we will flow out our natural resources without any control. The gauge is not an issue to shift wheels. There have been many cost-saving technologies to change train wheels. So, having a broad gauge ensures Mongolians to control their natural wealth."

In the State Policy on railway, there is a clause saying, "Government shall introduce its proposal on building a new railroad to the Parliament for resolution." This means that a sector's Minister or a company's director are not authorized to make a resolution independently and it will be resolved by a Cabinet principle. In addition, on January 23, Prime Minister N. Altankhuyag expressed his position on the railway during an open discussion with journalists. He said, "Mongolia has a broad gauge. The gauge issue will not be resolved as someone wants. Railway policy is State Policy. The Parliament made a resolution to have a broad gauge track. When coal is exported, the government will put forward its proposal to parliament on which gauge will be used to build the railway. Therefore there is nothing to argue about. We did not treat this issue from the aspect of pure economic profit."

On January 17, M. Enkhsaikhan called a press conference where he expressed his position that a narrow gauge track has to be built from Tavan Tolgoi to Gashuunsukhait. He said, "There will be many problems such as transported coal being unloaded and re-loaded at the border and during this process, the quality of the coal will deteriorate and air, soil and environment will be polluted. Wheel changing technology has high costs and takes much time. This project requires USD232.5 million from the bonds. The remaining will be found from the financial market. The main significance of the project is to bring rail construction into operation in 2015. After 8.5 years, the project will start giving profits". He added, "I have introduced this project to the National Security Council and Members of Parliament. No one denied. We need to wait because there has not yet been a decision on the railway. My policy conflicts with the Road and Transportation Ministry. I expressed my disapproval three times. The fourth time, the Prime Minister said to finalize the issue and fixed a date for the meeting. But on that fixed day, I was discharged". During the press conference, M. Enkhsaikhan called Industry and Agriculture Minister Kh. Battulga for debate and said he would introduce the project to engineers and experts.

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B. Oyundelger
The Mongol

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Mongolia utilizes broad gauge rail, but its farthest customer, China uses narrow gauge.

KHAN BANK FINANCIAL STATEMENTS OF 4TH QUARTER, 2012

/Unaudited/

	12/31/2012	/Thousand MNT/
Assets	437,032,224	
Cash and balances with central bank	329,548,751	
Deposits at BOM	296,980,024	
Financial investments / net/	187,344,079	
Mongolian bills	1,758,252,833	
Loans and advances to customers	20,238,389	
Non performing loans	(25,318,178)	
Allowance for impairment losses	215,357,881	
Due from Banks	543,989	
Other Real Estate Owned	(543,989)	
Reserve for Probable Losses for ORO	74,106,679	
Fixed Assets / net/		

Look for sources of news



- Following the news of the Mongolian Government dispute about Investment Agreement
- Tension - “national security/resource ownership” concerns vs. maximizing financial returns
- Clues to polarization of Mongolian politics
- Helped me prompt questions to ask Mongolian nationals in the context of our translation scope

Mongolian Food



- Buuz, khuushuur, mutton and various broths are staples

Mongolian drinks



- Drink vodka and airag if you want credibility with the locals (airag is fermented mare's milk)

Beware of spelling mistakes (I imagine we made some too in the translation)

NEWS

FRONT

TAVAN TO

“Erdenes Tavantolgoi”, a state owned public company, opened its second pit on the occasion of “auspicious” date of the Lunar calendar. The company and now, its second pit at the main seam of coking coal at Western block of

“Erdenes Tavantolgoi” company prepared feasibility study of West Tsankhi block of coal with 65% of high grade coking coal.

The start of mountain work will allow the company to start mining and West and East Tsankhi mining operation will allow two world class mine sites

The company is planning to go into IPO at MSE, HKSE and LSE hoping with increased evaluation of the company’s asset and opportunity. Also it attracts investors and eventually, leads increase of share value for the Mongolian company to fund its infrastructure and industrialization projects and plans

- A “new” type of coal...

Sometimes there are ways around words



Cultural assumptions – how accurate?



- Mongolian interpretation of American culture – American Idol, Gaga, 50 Cent, Elvis and staunch Republican politics
- 50% of English language business books in 2 bookstores written by or about Donald Trump

Cultural assumptions – how accurate?



- “Mongolian” restaurant serving China’s Premium Lager?



Mongolian experience – why did it work?



- Organizational planning before hand – did some homework on both expat and national team members and where people sat in organizational structure
- Ranked people who I could build rapport with quickly and sought their advice
- I learnt enough language (mainly Cyrillic) to recognize terms and ask questions
- Mongolians wanted help with English, and to learn from my experience at mines in other parts of the world – reciprocity in sharing information
- Accepted all cultural invitations
- Authentic approach and demonstrated interest in Mongolian history and affairs
- Hard work

Tsagaan Sar – Lunar New Year – the most important Mongolian holiday



- Sometimes conflicts between aspects of cultural and social diversity:
 - Gender – e.g. restriction in women’s freedoms to perform roles in some countries
 - Ethnicity – e.g. xenophobia, historical conflicts
 - Religious beliefs – e.g. clash between Islam and Christianity in fundamentalist countries
 - Sexuality – e.g. homophobic cultures
- Seek to understand and respect cultural beliefs, but determine appropriate boundaries and procedures to minimize risk of harm

- Look for symbols and history, seek to understand perspectives, be sensitive to ethnic view points
- Mongolia – China – Russia
 - Buddhist influence and links with Tibet from 1700s
 - Chinese occupation early 1900's, Russian backed liberation, 1921
 - Transition to democracy in 1989 – increasing independence from Russia
 - National Museum of Mongolia documents political history



<http://www.mad-mongolia.com/ulaanbaatar-city-guide/national-museum-of-mongolia-1299/>

Cultural and sexuality dilemmas



- Should gay mining/oil and gas employees be given work assignments in countries like these?

http://upload.wikimedia.org/wikipedia/commons/e/e5/Russian_Flag_with_map.png

<http://www.mapsofworld.com/flags/nigeria-flag.html>

<http://www.mapsnworld.com/brunei/brunei-flag.html>

- It's not easy to adjust to cultural diversity in a work environment, but managing cultural diversity is vital to succeed in “non-Western” locations
- Open eyes, open ears, open mind
- Park stereotypes, assumptions and judgments
- Focus on emotional intelligence, empathy
- Awareness of cultural and social diversity dilemmas – respect boundaries for self and others
- Become a champion of diversity within your organization; don't wait for others to take the lead

Questions?



БАЯРЛАЛАА!