

Action Planning
ACTION PLANNING IN THE MINING INDUSTRY

D. D. Warrick

University of Colorado at Colorado Springs

Copyright © 2006 D. D. Warrick

The Gold Company is a subsidiary of a large mining company that owns and operates five gold mines in the U.S., South America, and New Zealand. It is in the process of acquiring several additional mines that could at least double revenues to over \$300 million/year. The Director of Human Resources has persuaded the company's president to engage a consultant, in this case an OD professional, to do an assessment of the corporate headquarters to help facilitate needed changes and prepare the company for rapid and sudden growth.

The corporate headquarters consists of 75 people functioning in five departments--- Exploration, Engineering, Finance, Legal, and Human Resources--the top management team. Each department is headed by a vice president. The president and vice presidents make up the top management team. The president is a young (age 38) mining engineer who advanced quickly within the parent company. He has been president for two years and is a capable and well-liked leader. He has had minimal formal management or leadership training but, for the most part, seems to have good common sense leadership instincts.

The consultant contacted for the project had previously worked with the company's largest mine on a program designed to develop the management team into a high performance team, train all of the mine managers and supervisors in the latest management skills, and involve the managers in making high impact improvements throughout the mine. The program was considered very successful, and the mine became the flagship mine in the company in ounces of gold produced, low cost production per ounce, and mine management. The mine manager was highly regarded in the company and mining industry.

Several meetings between the consultant, president, and HR Director revealed that, although the company was very successful financially and showed great future promise, numerous internal problems existed. The company did not have a clear mission other than to grow and be profitable, and the values and goals were not clear to employees. Departments were very territorial. Teamwork within and between most departments was minimal. The HR Director was particularly concerned about the lack of teamwork among members of the top management team. Several conflicts existed between the vice presidents, and one of the vice presidents had a history of conflicts throughout the organization. It was also the opinion of the HR Director that morale was low because numerous employees had confided to her that they were either stretched to the limit, under utilized, or felt oppressed by the very performance-driven, but not people-driven, work environment.

Initial Action Planning

The initial action plan was developed primarily by the consultant in close consultation with the President and HR Director. The focus was on developing a process for building a healthy, high performance top management team and organization prepared to deal with rapid

change. The idea was to present the plan to the top level managers once the President, HR Director, and consultant had done the preliminary planning. This process included the following major activities:

1. The key stakeholders available to plan the program were the President, HR Director, and consultant. While the consultant was to be the primary designer and facilitator of the change program, the HR Director was to be the internal change champion and was to work closely with the OD professional.

2. A formal diagnosis was not considered at this time because a model of the program needed to be developed and a buy-in sought from the top management team.

3. The three key stakeholders considered several options in terms of what needed to be changed and what the change process should consist of. They agreed generally on what needed to be accomplished and the major components of the program.

4. An action plan was developed using the change model described in the text as a basis for the plan. In this case the action plan took on the form of a change process rather than specific actions. It was designed to present a broad understanding of the recommended change process rather than a detailed plan, since the goal at this time was to achieve a buy in from top management. Figure 1 shows the action plan as it was presented in model form.

Organization Assessment And Commitment Building

The top management team met with the consultant to discuss the program, and then the members had several meetings of their own before deciding to proceed with the program. Three team members--including the President and the HR Director--voiced strong commitment to the program. Two appeared to have moderate commitment, and one adamantly opposed the program.

The consultant surveyed all headquarters employees and interviewed all of the members of the top management team and a cross-section of employees representing all departments at the headquarters. On the questionnaire, each employee rated: (1) the headquarters as an organization; (2) their department; and (3) their immediate supervisor. The questionnaire also included several open-ended questions.

The results of the assessment provided an interesting profile of the headquarters, departments, and managers. Many of the predictions of the President and HR Director proved true. Although the company performed well and had a wealth of dedicated and talented employees, it also had many internal problems. Employee morale rated a 2.6 on a 7-point scale, with 7 being the highest score and 1 the lowest. The top management team lacked teamwork and unity. This resulted in a lack of unity, teamwork, and direction throughout the organization. The company's culture was changing from an emphasis on involvement, openness, confidence in people to do their jobs, teamwork, and a high level of esprit de corps to a culture characterized by distrust, centralized control, finger pointing, and a focus on detail and housekeeping rather than vision and results. Significant structural and communications problems also existed, and

several managers received low ratings. This information, along with other information from the assessment, was used to refine the change process shown in Figure 1.

Back to the Formal Action Planning Process

The next phase of the action planning process used with the Gold Company followed a design similar to the one shown in Figure 1.

1. A change team was formed to work with the consultant and internal change champion (HR Director), who was appointed to lead the team, to plan and manage the change program. The team included representatives from all parts and levels of the company. Although the President remained involved in reviewing the team's recommendations, he decided against participating as an active member of the team. The consultant facilitated a team building meeting with the change team to help clarify the mission, responsibilities, and goals of the team and roles of each team member and to prepare the team to be a high performance team. Training was also provided on how the team could be most effective.

2. The change team evaluated the survey results, prioritized the major strengths and opportunities for improvement of the headquarters, and explored what the headquarters would be like if it was operating at its best as a healthy, high performance organization.

3. The change team targeted as its focus of change the whole organization, each department, the skills of managers, and the behaviors of some employees who need to adapt to a changing environment. While the team believed that transformational change was needed, they concluded that realities warranted seeking incremental change first and then using successful outcomes to encourage transformational change.

The team also considered ideas to achieve a better alignment of the present structure of the organization with the desired changes. In evaluating the realities that must be considered, several options were proposed that were dismissed before choosing a strategy the team members felt would result in a high payoff for the organization and that had a reasonably high probability of succeeding. For example, it was clear to the team that there was a strong need to develop the top management team into a united, high performance team that would serve as a role model and that this should be the first step in the change process. Unfortunately, some of the members of the top management team resisted pursuing this option at this time. It was decided, however, that the best place to begin was to use the survey results with each department to involve the members of the department in evaluating the results and developing recommendations for improving the organization and its departments. The organization recommendations would be given to the change team for evaluation and follow-up, and department teams, each facilitated by a member of the change team, would be used to improve the departments.

4. The change team then evaluated the forces working for and against the desired changes. For example, one of the vice presidents was still not committed to the program and was considered a major obstacle to its success. The Exploration Department was also considered a potential obstacle. That department had recently experienced a reorganization including the appointment of a new vice president who was not well received. He was unpopular on two

counts: (1) he wanted to make major changes; and (2) a well-liked and respected internal manager had been passed over to bring in an outsider. In addition, the Exploration personnel were accustomed to working independently and were somewhat skeptical of a collaborative change process.

It was also clear that a few of the managers would resist the program. The team explored options on how to nurture the forces for change and address the forces against change. A number of intervention alternatives were explored and compared with the original plan. Then the team developed a simple, but detailed, action plan and proposed the plan to top management. Some minor modifications were required before a working action plan was adopted. It was agreed that the plan would be a flexible one that could be continuously adapted to changing conditions.

5. The team also planned several ways to monitor and manage the change process. Follow-up surveys were planned. In addition, each member of the change team was to be available for feedback to the groups they represented.

6. The team reevaluated its mission, responsibilities, goals, team norms, and member roles to consider adjustments that needed to be made and additional team members that needed to be added.

Making Adjustments along the Way

As the program progressed, the change team met on numerous occasions to re-evaluate the action plan and to develop new action plans for special situations. For example, several follow-up assessments were administered which showed significant improvements in the questionnaire results and also provided valuable information for the change team for planning future actions.

In another case, the uncommitted vice president became so resistant and disruptive to the change process that the change team explored numerous alternatives for dealing with the situation. After all the options failed to produce results, the change team asked the consultant to speak with the President about the problem because the vice president's resistance was beginning to undermine the credibility of the program as well as the credibility of the President. The President rectified the problem! While none of those involved found out what the President did, his intervention proved to be successful. The vice president suddenly became very cooperative and, for the most part, remained so.

On still another occasion, the change team became frustrated because several issues, such as the company's acquisition activities, side-tracked the program and resulted in a period of minimal activity. The consultant met with the team to revitalize the team and the change program. The team developed a new action plan that targeted five high impact changes that were to be led by change team members. Thus far the new action plan has proven to be successful.

Figure 1

The Gold Company Organization Excellence Program

