



GO Global Organization
Design Society

READINGS IN GLOBAL ORGANIZATION DESIGN

ARTICLE #10-11-14-04

BROKEN ARROW MINE

by Dr. Roger Harvey, Dr. Stephen Clement and Sir Roderick Carnegie

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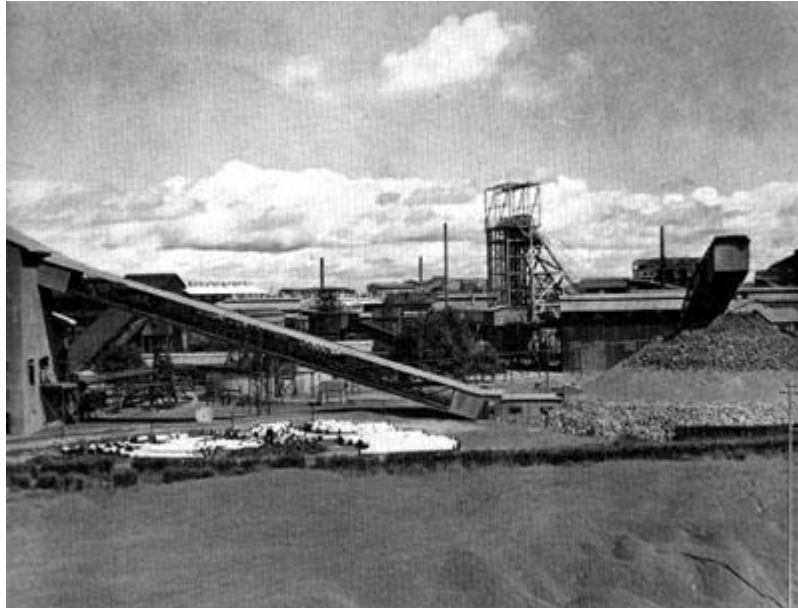
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Broken Arrow Mine¹



Al Adams (A) walked into his office after returning from International Mines, Limited's corporate headquarters where he reported on the success of restructuring the Broken Arrow Mine operation. Adams is the mine general manager (GM) at Broken Arrow, the GM position being the highest position in a local mining operation -- a Level IV management position. Adams spent the last year restructuring and resizing the Broken Arrow Mine. In just one year, Adams turned a "loser" into one of International Mines' most profitable mining operations -- a success story reported in his alma mater's alumni magazine -- the *Colorado School of Mines Alum*.

Adams no sooner sat down at this desk when his administrative assistant announced that Cal Callaway (C) was waiting in her office to see him.

¹ Dr. Roger Harvey, Dr. Stephen Clement, and Sir Roderick Carnegie prepared this case as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation. This factious case is a compendium of actual events that occurred at several mines owned by a multinational mining corporation.

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“Who in the hell is Cal Callaway,” Adams asked. “He’s the young man who graduated from your alma mater ... wrote you about the *Alum* article ... wanted to talk with you before he left for another job at Perilya Mining.

“Oh, yea that’s right; I completely forgot. Did you find out from personnel how long he’s been with the company, what he does, and who he works for?” “Sir, Mr. Callaway has been with International Mines for 5 years, and worked here at Broken Arrow for the last two years. He’s worked for Bob Bain (B) as a mining operations superintendent since coming to Broken Arrow. “Sir, off the record, this is the third superintendent to leave in the last month, and they all worked for Mr. Bain in our southern operations.”

“That’s funny, I just saw Bob last month, or was it the month before, and he never said anything about people leaving.”

Let Callaway in. Oh, when you called Callaway, did he say why he was leaving?

THE BROKEN ARROW MINE

The Broken Arrow mineral tenure consists of nine contiguous mining leases covering 7,478 hectares located near the town of Broken Arrow, New South Wales, Australia.

The lead-zinc-silver deposit was discovered in 1883 by a local livestock station worker and has produced over 500 million ounces of silver over its 120 years of continuous mining operations. Two separate underground mining operations exist at Broken Arrow - the Southern Operations and the North mine. Most of the ore comes from the Southern Operations. Ore from the North mine is shipped via conventional surface rail cars to the Southern Operations concentrator. Today, the Broken Arrow operation produces two products, a zinc concentrate and a lead concentrate. Concentrates from Broken Arrow are a premium coarse-grained product, being of low complexity and containing a grade of about 50 per cent zinc in the zinc concentrate and 70 per cent lead in the lead concentrate.

Al Adams manages the whole operation. He is fortunate to be part of a skilled and experienced mining community that is supportive and has a strong sense of identity. The company has an experienced and settled residential workforce, one that blends younger professional and technical expertise with mature Broken Arrow mining experience - a workforce that is committed and eager to embrace new ideas and technologies. There are currently 2400 miners employed at Broken Arrow, working three shifts, 24/7.

Although the workforce is “committed and eager,” Adams is less confident about his management team. As with all organizations, the restructuring and resizing initiatives of the last year may be taking its toll on his managers. As Adams’ administrative assistant told him, “you can see it in their faces ... you can see it in the way they walk ... you can hear it in the way they talk. Things around here just don’t seem right anymore.”

THE MEETING: ADAMS AND CALLAWAY

After exchanging pleasantries and catching-up on their professors at Colorado School of Mines, Al Adams was feeling comfortable enough to get right to the point. “Cal, why in the hell are you leaving? I went over your personnel records, and I don’t want to flatter you, but if I can believe what’s on paper, you have had one impressive record since jointing International Mines. You’re exactly the kind of guy we want to keep and promote right to the top. So, what’s the story?”

This was exactly the question Cal wanted Mr. Adams to ask; it’s was the real reason he’d ask for the meeting. Still, he was uncertain on what to say. Adams had made him comfortable so he felt like he could talk to Al about his boss. But on the other hand, he didn’t know anything about the relationship between Al and his boss Bob Bain. So, he decided to stay away from personality issues and just stick to a few of his frustrations.

Cal started, “Al this may seem stupid, but when I came here two years ago, the wheel on my desk chair was broken. I asked to get it fixed. And I asked again and again. Would you believe that it’s still broken today? That’s symbolic of how things work around here.” Our unit never seemed to get its share of equipment or maintenance. We were

also always stuck with meaningless tasks instead of challenging real work. As an example, my unit always seemed to get stuck with cleanup duty – never the important work. Not fair!”

“Seriously, though Al, do you remember when they brought-in that mine specialist from the Australian School of Mines ... the time when we were having all the trouble with the crusher process? Paid him big bucks. Well, I wrote my thesis on that exact process and no one asked me to be on the project team. Funny thing, the consultant came to me off-line because he had read my thesis on that very process. I’m sure you won’t find anything in my personnel file about that one. The consultant got all the credit and, as I understand it, a big bonus to boot. Oh, by the way and not that it mattered because we all had to share the pain, but this all happened last year when you put a freeze on all our pay raises, including mine.

I could go on and on, but here’s a good example: I never had a formal performance review with Bob. I don’t think any of us have, but when I was at headquarters, I met with my boss every year and got some really good feedback. In fact, that’s one reason I’m here: my boss’ boss thought I needed experience in running something so I applied for a job here. In fact, one reason I’m going to Perilya Mining is they’re giving me a Level III management job in a multi-mine operation. I’ll be making more money too.

Adams just listened to Cal for a whole hour. Didn’t ask another question, didn’t interrupt, and just listened. He thought Cal made a lot of valid points, but also thought he heard some plain old griping. Adams thought this was especially the case when Cal started complaining about Bain. Adams believed you shouldn’t “crack” on your boss until you walked in his shoes. Adams wasn’t sure, but he thought there might be a personality clash and neither Cal nor Bob could be blamed for that.

After Callaway left, Adams told his administrative assistant to call Bob Bain and tell him to get up here ASAP. While waiting for Bain, Adams replayed the whole meeting in his mind. Adams wondered if this situation with Callaway was isolated or systemic. Then

he got worried and thought: Is this a leadership issue, a structure issue, or something else. He eliminated structure: 'it can't be a structure issue because we just re-structured and resized Cal's operation.'

His assistant interrupted his thoughts with a knock on the door. "Mr. Bain is here."

THE MEETING: ADAMS AND BAIN

As Bob Bain was walking into the office, Adams was thinking, "Is Callaway the problem or is Bob the problem?" Adams got right to the point, "Bob, Cal Callaway just left – quit after just two years, and going to a competitor no less, in a bigger job and at higher pay. What's your read on the situation? I want to get to the bottom of this."

"Al, I was as surprised as you were when he walked in and quit. Of all my superintendents, he was by far my favorite – gave him the best jobs, sent him to two education programs (no one else got that), coached him on a daily basis; I'm telling you, I did it all for him. Your boss, Dan Daily, even called me last week to suggest that I recommend Callaway for our new fast track program and I agreed to do it. Dan seems to be a sponsor of Callaway. And then this is how he treats me."

Now Adams is really puzzled and replies, "Bob, I don't know where to start. Talked to the fellow for an hour. One tangible thing he told me was that you never gave him a performance review. Is that true?"

"Well, Al, it is and it isn't. Like I said, I talked with him daily. It wasn't just jabbering; I constantly gave him feedback on how he was managing, how he could improve his communication skills, how he could better motivate his people; I did it all and I did it every day. I never did believe in this once a year, formal review process stuff. I didn't call him in – I just checked all the boxes and sent the form up to personnel. I think with my daily coaching, he became a top performer. That probably came to the attention of Perilya Mining. Hell, I shot myself in the foot with this guy."

“Well, Bob, then what’s the problem? Why did he leave?”

“I don’t know Al. Maybe he got frustrated because I stopped listening to his whining. Hell, I had to put a stop to it; it was even getting to my other superintendents. Can you believe he even complained about a broken desk chair; I told him to fix the damn thing himself; after all, he is an engineer! The irony of all this is, he helped our consultant on the crusher process. The one where we had to shut down for a week. Our consultant comes in afterwards and tells me that without Cal’s help, he would have never got the thing fixed. And here’s a guy who won’t even fix his own desk chair.”

“Al, I hope you don’t think I’m the problem here. No one’s the problem – not me, not you. Cal was somewhat of an over achiever. People come and go. We may be better off that he left. Someone else will come along; I wouldn’t overly worry about this situation.”

With that, Bain excuses himself and leaves the office. Adams is left with more questions than answers. “What to do now,” he mutters to himself.



GO Global Organization Design Society

GO SOCIETY PURPOSE AND VALUES STATEMENT

To support the organizing of work in a responsible, fair and healthy manner in which people are led in a way that enables them to exercise their capabilities.

The Society believes this requires applying a systems framework* emerging from reflective inquiry in which levels of work and capability are the initial paradigm and growth in human awareness is the essential process.

The benefits are organizational effectiveness, fulfilled people and organizations designed for value-creation, sustainability and social well-being.

Note: inspired by the work of Wilfred Brown and Elliott Jaques

The *Global Organization Design Society* was founded in 2004 to establish and operate a worldwide association of business users, consultants, and academics interested in science-based management to improve organizational effectiveness.

The GO Society fulfills its purpose by:

- Promoting among existing users increased awareness, understanding and skilled knowledge in applying concepts of Levels of Work Complexity, Levels of Human Capability, Accountability, and other concepts included in Requisite Organization and/or Stratified Systems Theory.
- Promoting among potential users of the methods, appreciation of the variety of uses and benefits of science-based management, and access to resources. The GO Society supports the learning and development of current and future practitioners by holding world conferences and professional development workshops, publishing books and a journal, and maintaining a resource-rich web site with related articles, monographs, books, videos, blogs, discussion groups, and surveys.

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