Case Study: Mining Company

Introduction

Organisations are faced with many risks. Businesses must take steps to ensure that they prioritise management activities so that what is important takes priority over what is not. Uncertainty is a norm in today's business operations in terms of what events may impact the organisation, the type and extent of the impact and what can be done to prevent certain events as well as how to properly deal with them. This particular mining company in this case study seek to increase their profits and gain acceptance for their upcoming projects. Few members of the community accept this mining company through its ability to provide the community with employment, new investments, jobs as well as an expected increase of economic growth due to the arrival of new workers. However, as this report will emphasise, the company has had some backlash and risks amongst its operations in how they achieve their objectives which could have been avoided if the right initiatives and processes were put in place.

This report will highlight the analysis of risks involved and ways in which to overcome the risks in a solution to better the outcomes.

Problem Statement

The mining company's objective is to protect its workers from negative backlash online regarding their campaign which was designed to gain support for their exploration project.

The problem they currently face is the lack of community trust they are being given and their hidden agendas being seen by the locals which is have their support for the mining company's exploration project. The company is at fault due to the lack of attention paid to the market. The mining company prior have not shown evidence of social sustainability programs.

Methodology

Radical Structuralism

The Radical Structuralism paradigm revolves around the idea that there is conflict between two parties. Hirschheim and Klein (1989) identifies the issues within society that indicate unequal power amongst people and how it can affect their opinions and beliefs on reality. The paradigm aims to establish the idea that there is a single objective reality and highlights the social divide. It further stresses the idea that society needs to surpass the limitations given by difference in power amongst the workforce and society.

This case study displays the divide between the community and the employees. The mining company has had backlash by news outlets on social media. This risk was predictable due to the fact that the company had not past record of engaging or being a part of social sustainable initiatives that solely benefited the community. Because of this, the community lack trust within the mining company.

Neohumanism

Neohumanism is a view that challenges the norm. It signifies the relationships within a society. Through Neohumanism, the management have their own objective which is to protect its workers from becoming partisans by reminding them where they stand and their loyalty to the company. Despite the failures of management in its attempt to jump-start the new project, managers can encourage their employees in reinforcing them that they are working towards preventing future backlash from the public and news outlets. Moreover, to further establish the culture and give employees a sense of value, rewards and bonuses can be a way to deter employees from participating in the backlash against the company as management show their appreciation and importance. This will boost the morale and motivation amongst the team and act as a thankyou mechanism for their workers time and effort for the company.

Sustainability and CSR

Sustainability and Corporate Social Responsibility (CSR) are vital programs in a business. Sustainability programs are responsible for the effects of the company's activities on the environment and/or the surroundings. CSR is a model that a company includes their social, environmental and economic concerns in its strategies. This ensures that there are good relations amongst stakeholders and facilitates the development as well as offers assistance to manage potential risks. For a mining company, these programs are detrimental to the reputation and acceptance of the public's opinions. In today's society, there is an ongoing gap between the sustainability and practices of organisations resulting in a decline 'in the state of the natural environment' (Cho et al. 2015, p.79). It is evident in this case study that the mining company lacked previous social sustainability initiatives which therefore led to the backlash from news outlets on social media as the community viewed their program as a façade for hidden agendas. Mining companies… (fact, stat, quote, reference)

In adopting and improving on the sustainability and CSR initiatives, this tends to attract positive support from the community as well as a sense of trust can be built amongst the local authorities as they feel valued and appreciated by the company (Garriga & Mele, 2004).

Risk Management Proposal

When looking at Risk Management Framework (RMF), it assists in the identification of the risk that is based on the amount of effect and possible threat it has to the organisation (Considine et al. 2019). This is achieved in managing the risks through identification, analysis, prioritisation, mitigation and treatment which results in achieving organisational objectives. Decision makers must know about the possible outcomes and take the appropriate steps to control their impact. Based on the case study, managers of the mining company should adopt and enforce the proposed risk management framework through the flowchart (see appendix A) as the primary reason why the social media campaign failed was due the firms lack prior market research. This risk analysis is there as an outcome to protect the organisation and to manage the façade and the relationships that the organsiation has with the community. The idea of the flowchart is that if the decision or campaign does not pass the risk analysis, the mining company do not do it. They must mitigate to reduce future issues arising. In doing so, the mining company must establish its strategic, organisational and risk management context as well as identify the risks through these by conducting surveys, interviews, questionnaires and/or focus groups. Through

these measures it will minimise or even eliminate the risks.

Questions

1. What are your current objectives within this firm?
2. What are your short-term goals within this firm?
3. Where do you see yourself in the next 5 years?
4. Are you overwhelmed by your current job tasks and responsibilities?
5. Do you have a support team?
6. How emotionally intelligent do you consider yourself?

Solution

There are conflict perspectives of both Neohumanism and radical structuralism, therefore it is essential to invest in resolution strategies due to the negative publicity to the extent that the community are prepared to discard any socially sustainable project instigated by the mining company from the management and it is seen disingenuous in its intentions.

Despite the failures of management in its attempt to jump-start the new project, managers can encourage their employees in reinforcing them that they are working towards preventing future backlash from the public and news outlets. Moreover, to further establish the culture and give employees a sense of value, rewards and bonuses can be a way to deter employees from participating in the backlash against the company as management show their appreciation and importance. This will boost the morale and motivation amongst the team and act as a thankyou mechanism for their workers time and effort for the company.

Conclusion

All companies will go through a range of conflicts and risks. These risks are inevitable in todays society, however these can be minimised and, in some cases, avoided with the right programs and strategies put in place by management. Based on this report, the conclusion can be made that the mining company are in need to follow a risk management flowchart before putting in place a solution to achieve a certain objective.

References

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