

# CASE STUDY

## Live longer – our way of working



### Humanistic transformation process – Thibakotsi Journey

2016 – 2023

Proactive culture/live longer

Initiative	Business improvement	Optimisation
<b>How must I as a leader develop myself?</b>		
Visible felt leadership – Approach, training, coaching and feedback	Established visible felt leadership at all operations	Embed new way of work – linked to our values
Leadership assessments and leadership development programme	Effective and efficient leadership	
<b>How must I as a leader develop others?</b>		
Empowerment tactics for middle management and supervisors	Engaged and competent middle management and supervisors	Embed new way of work – linked to our values
Risk propensity assessments and training	Improved risk profile of employees at operations	
Learning from incidents – closing the loop – organisational learning	Established LFI processes	
<b>How must I as a leader take my people along?</b>		
Bottom-up interventions: safety transformation – training and impact measurement	Improved operational safety and productivity indicators	Embed new way of work – linked to our values
Employee engagement tactics	Engaged workforce at all operations	

**Change management including stakeholder management, communication, evaluation and audit of key action items**

“Safety starts with me and I behave safely in everything I do. Zero harm. Zero accidents. Zero fatalities. I am always alert to my colleagues’ safety”



Achieving our goal of zero loss of life and, ultimately, zero harm is a formidable challenge but one we are determined to achieve. In tandem with improving systems and controls, we are changing behaviour in a complex and high-risk mining environment through an integrated approach to shared responsibility.

This is a cross-functional approach, with initiatives in key disciplines cascading up to a group-wide organisational effectiveness and improvement (OEI) programme that totalled R12.3 million in FY21 alone. This in turn is centred on our core values (page 7) as an organisation that truly cares. We keenly understand that, without our 48 113 people, Harmony does not exist.

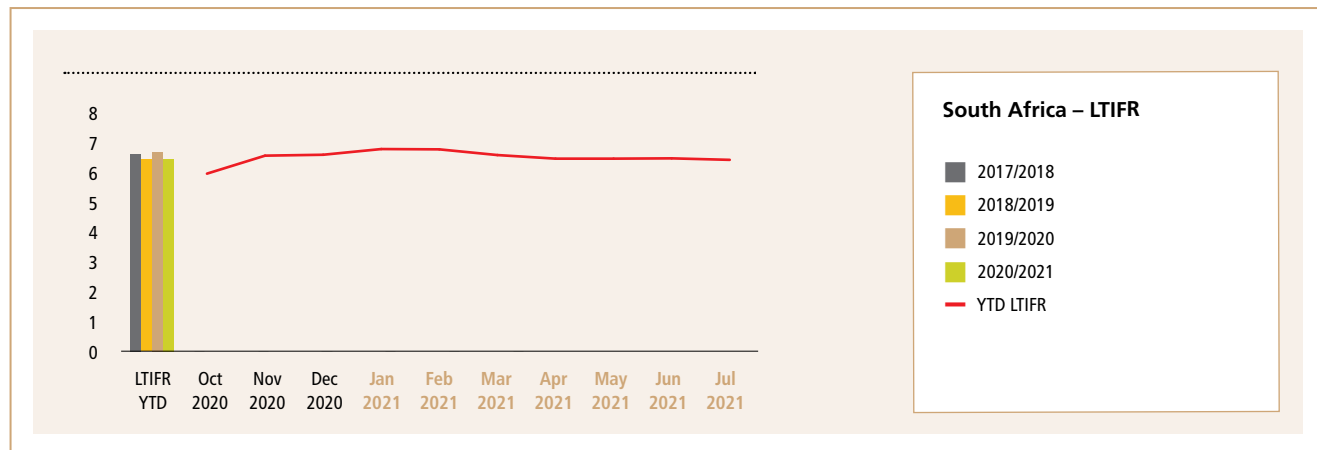
The coherent development of both the systemic and humanistic dimensions, as well as full integration with the Harmony safety strategy, are fundamental principles on which the business improvement programme is based.

Key to the programme over 2021-2023 is the sustainability and full integration of the humanistic transformation output, the Thibakotsi journey, illustrated below. Phases 3 and 4 are being implemented concurrently.

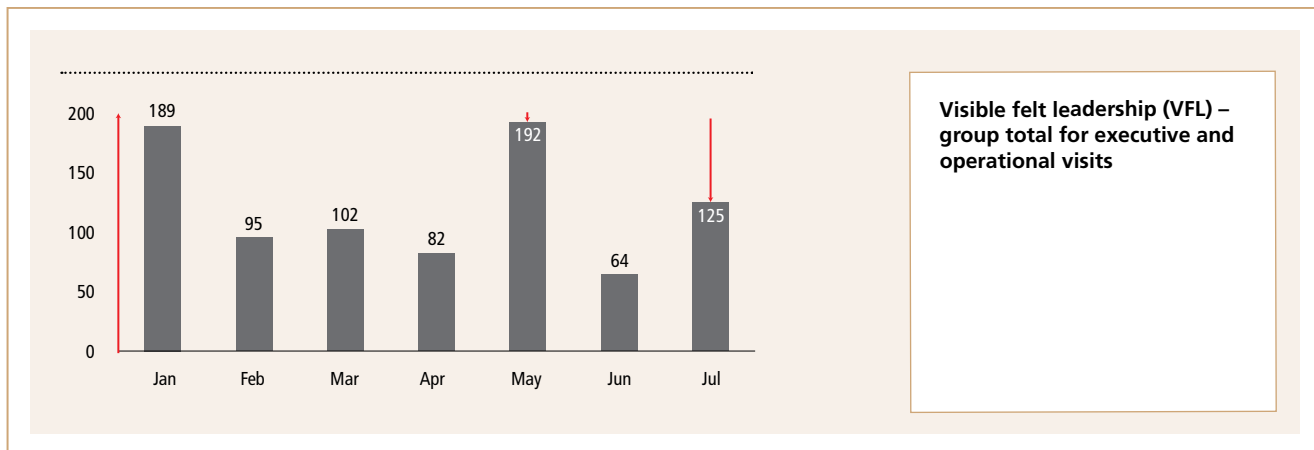
This company culture transformation framework has three key change drivers highlighted in the three main streams (rows) above. They are:

- How leaders show up, develop themselves and adopt a collaborative leadership style aligned to all the company values
- How leaders empower, develop and engage middle management and supervisors
- How leaders empower and engage with frontline employees, ensuring there is also a bottom-up approach to culture change.

Building on the foundation laid in earlier years, the Thibakotsi journey was initiated in 2021. This focuses on improving employee behaviour as well as team and operational behaviour. Results to date prove that active leadership (refer visible felt leadership graph below) is making measurable progress in creating a proactive safety culture and an environment where all employees really live our values amid high levels of mutual trust, respect and hope. Working from the top down and bottom up simultaneously, we are entrenching the belief that zero loss of life is possible and that all employees and contractors are empowered to deliver it. This is illustrated in the gradual decline in our lost-time injury frequency rate (below).



# CASE STUDY continued



Quantitative (systemic and humanistic measures)		Qualitative (head-heart-hands)	
<b>Leadership</b>	<ul style="list-style-type: none"> <li>% leadership assessments completed – 100% expected by September 2021</li> <li>Number of scheduled VFL (visible felt leadership) visits per operation.</li> </ul>	<b>Leadership level</b>	<ul style="list-style-type: none"> <li>Create a vision for the future</li> <li>Identify priorities to get there</li> <li>Communicate vision and priorities</li> <li>Address employee concerns, fears and hopes</li> <li>Inspire and empower people</li> <li>Be agile and adaptable</li> <li>Implement operational culture improvement plans.</li> </ul>
<b>Teamwork</b>	<ul style="list-style-type: none"> <li>Employee absenteeism rate</li> <li>Crew satisfaction indicators.</li> </ul>	<b>Team level</b>	<ul style="list-style-type: none"> <li>Team integration and dynamics – effectiveness of crew composition</li> <li>Team physical and psychological wellness</li> <li>Thibakotsi team training.</li> </ul>
<b>Recognition</b>	<ul style="list-style-type: none"> <li>Number of employees recognised.</li> </ul>	<b>Individual level</b>	<ul style="list-style-type: none"> <li>Wellness</li> <li>Engagement.</li> </ul>
<b>Business improvement</b>	<ul style="list-style-type: none"> <li>Total number of incidents (total recordable case frequency rate or TRCFR)</li> <li>% repeat incidents.</li> </ul>		

## Next steps

Key initiatives now underway focus on the third company culture-improvement driver – how our leaders take their people along – through safety transformation training (Thibakotsi team training), increasing employee engagement by implementing operational culture-improvement plans and rolling out management and union imbizos (a local term for gathering, usually called by a traditional leader) at our operations.

## Thibakotsi team training

The goal of this training is to co-create a proactive, sustainable safety culture by transforming it from the bottom up. It is compulsory for all mines and plants, with specific focus on middle management, supervisors and front-line employees. Essentially, over the next two years, we aim to embed a new way of working by:

- Improving each employee's safety mindset
- Aligning our drive for humanistic transformation to support business improvement
- Addressing issues identified in our employee surveys
- Enabling employees to understand their personal risk profile.

The primary objectives of this training include:

- Positive impact on employees' relationship to safety, each other and the company
- Developing safety leadership capability at all levels of leadership
- Transforming the minds, hearts and behaviour of all employees
- Employee efficiency indicators are measured
- Improving employee engagement and development
- Embedded practices, routines and habits to ensure consistency and sustainability
- Improving response time to identified risks
- Improving employee availability
- Improving the safety credibility of leaders
- Reducing injuries
- Zero loss of life.

Service providers have been appointed and training began at Tshepong Operations, Doornkop and Masimong in the review period. It will be rolled out to the remaining operations and plants in FY22.

### Measuring progress

- Quantitative:
  - Team performance (towards goal of S300m<sup>2</sup>/crew/month)
  - Team LTIFR
  - Absenteeism
  - Team member transfers.
- Qualitative:
  - Crew satisfaction feedback (leading safety indicator)
  - Workplace (underground) follow-up visits for feedback from team members.

These results are presented to specific steering committees monthly.

### Employee engagement

Employee surveys measure the heartbeat of a company. Employees who are engaged care about each other, the company and their role in shared success. These surveys are also vital reference points to assess changes over time and identify common concerns.

Building on the results from earlier surveys, our 2021 employee survey reflects a significant improvement in key indicators. It also underscores the commitment by Harmony's leadership and cooperation of our unions.

### Key findings from the company culture survey over March-June 2021

- Company entropy (a measure of counterproductive behaviours or energy in a system) significantly down from 18% in 2013 to 10% in 2021 (below world-class benchmark of 14%)

- Employees have a strong alignment between their personal values and current company culture
- Employees also indicated a good alignment between the current and desired company values
- Employees request a desired culture that includes:
  - Skills development
  - Caring
  - Trust.

In collaboration with unions, the respective operations will address their unique challenges and develop culture-improvement plans based on their survey results.

Cross-functional initiatives are also underway to address the expressed needs of our people for more skills development, trust and caring. These are detailed in our ESG report.

### Imbizos

The key objective of imbizos is to mobilise all parties in pursuit of our goal of zero fatalities and ultimately zero harm. Following national and regional imbizos earlier in the year (which included DMRE representatives), operational and branch-level imbizos were finalised in July 2021. Each mine management team will now roll out imbizos with unions at their operations.

📶 For more, see **Safety and health** in the **ESG report**.



Waiting area at Great Noligwa shaft.