

# The Lonmin-IFC Women in Mining Program

CASE STUDY



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## Acknowledgement

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## The Lonmin-IFC Women in Mining Program

Mining has the potential to greatly benefit local communities through tax and royalty payments, the development of local infrastructure, and the creation of employment opportunities for workers and local businesses. Yet despite these potential benefits, too often these gains do not directly benefit local women. Formal unemployment rates for women in mining communities are often as high as 90 percent<sup>1</sup>. The environmental and social risks of mining tend to fall harder upon women through the loss of productive agricultural land, marginalization and increased health risks, including HIV/AIDS<sup>2</sup>. The promise of mining's benefits can too often turn into a burden for local women.

In the past 10 years, there has been a movement to reverse this trend, particularly through a focus on the employment of women in the mining sector. This movement has come about through a mix of legislative requirements, a desire to create equal opportunities for women, and in some cases, the recognition of a positive impact on the bottom line. Although this movement towards incorporating women into the mining and other heavy industries is new, significant progress has been made.

### Lonmin-IFC Partnership

In July 2007, the International Finance Corporation (IFC), a member of the World Bank Group, entered into a three-year partnership with Lonmin, the world's third-largest primary platinum producer based in South Africa. The goal of the partnership is to assist the company to promote the sustainable development of its workforce and the local communities that surround its mining operations. Lonmin has a legislative requirement, set by the South African Department of Mining, to integrate women into its workforce so that they make up 10 percent by 2010; a key focus of the Lonmin-IFC partnership is to develop Women in Mining Program<sup>3</sup>.

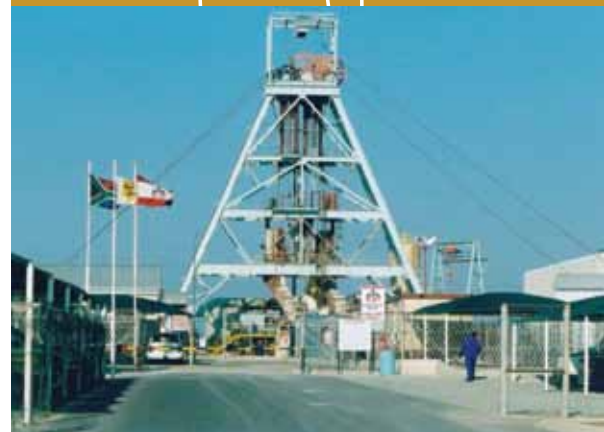
The Lonmin-IFC Women in Mining Program seeks to promote the employment and retention of women in Lonmin's workforce. In the two years since the partnership began, the program has made great strides towards achieving this end by creating effective systems, processes and organizational structures to make Lonmin an attractive and conducive place for women to work in.

<sup>1</sup> *Integrating Gender Issues into Mining Sector Operations*, Guidance Note by IFC GEM program. February 2008

<sup>2</sup> Ibid

<sup>3</sup> Lonmin has a legislative requirement, set by the South African Department of Mining, to integrate 9.9% women into its workforce by July 2010.

*Karee 3 Shaft*



## The Women in Mining Program

Given that mining is historically a male-dominated sector, companies and their systems, staff and workers are often not ready to seamlessly absorb women into the workplace.

Significant cultural and systems changes are being made by the Lonmin-IFC program in the Preparation, Recruitment, Development and Retention of women.

### PREPARE

## Employment Equity Audit and Diversity Management Review

In preparation for implementing the program, a detailed employment equity (EE) audit, as well as a diversity management review, was conducted to assess gaps and issues hindering increased participation of women in Lonmin. These audits covered a wide range of areas, such as:

- Employment barriers for women to work at Lonmin;
- Types of jobs at Lonmin that would be suitable for women;
- Policies that support women recruitment and retention;
- State of physical infrastructure, such as toilets and change houses, for women;
- Management structures;
- Cultural readiness of Lonmin to absorb women;
- Communications strategy; and
- Monitoring and evaluation strategy.

In addition to the audit, a benchmarking exercise was conducted to compare Lonmin's level of participation of women with that of other regional and international companies. The exercise showed that Lonmin was below the industry standard and needed to undertake a series of initiatives for the advancement of women.

The findings and recommendations from these reviews provided information and guidance for the design and implementation of the Lonmin-IFC Women in Mining Program. Based on the recommendations of the audit the following four steps were taken to prepare for recruitment and retention of women at Lonmin:

### 1. Management and Governance Structures

A number of management and governance structures have been put in place for the Lonmin-IFC Women in Mining (WIM) Program.

#### *Steering Committee*

A steering committee, composed of Lonmin and IFC senior management, performs the task of providing guidance, troubleshooting and monitoring support for the WIM Program.

#### *Internal Champion*

A senior woman vice-president has also been appointed as an *internal champion* in order to endorse, monitor and market the program internally and motivate colleagues and departments to participate in it.

#### *Program Coordinator*

A commitment to implementing the Women in Mining Program and cognizance of the fact that integrating women is a challenging, broad-based issue that requires coordination across departments was demonstrated by the appointment of a *full-time woman Program Coordinator*. The Program Coordinator reports to Lonmin's Human Capital Department and the IFC office in Johannesburg.

#### *Employment Equity Forum*

An Employment Equity (EE) Forum composed of executive vice-presidents, vice-presidents, senior management and union members, was formed to monitor the implementation of employment equity policy and procedures. The EE Forum meets every month and the Women in Mining Program has a standing slot at the forum.

#### *Women's Union*

Lonmin also has an active Women Workers' Union across shafts at its operation. However, the union has been found to be of varying effectiveness from shaft to shaft, depending on the approachability of the shaft management and the support that the shaft-level woman leader has garnered from other women workers.

Women working underground at Rowlands Shaft



## Lonmin-IFC Women in Mining Program – Success in a Snap Shot

- A full-time women coordinator was appointed.
- The number of women in the workforce has increased by 46 percent since the start of the program in 2007, and they now make up 6.7 percent of the workforce.
- 970 women have been hired at Lonmin since November 2007.
- More than 15 projects have been implemented in five thematic areas.
- Four policies were developed, including sexual harassment and maternity policies.
- 12 change houses and 197 toilets have been built for women.
- Surveys to assess the community impact of hiring women are underway.
- In October 2008, the IFC-Lonmin program was awarded a top prize in the socioeconomic category of the Nedbank Green Mining Awards (As of July 2009).

### 2. Incentives

Incentives to implement the WIM Program are established at the corporate, as well as the individual level. Lonmin's corporate balanced scorecard requires every department to achieve women recruitment targets. In addition, the performance scorecards of managers of units directly engaged with the workforce, such as line managers in core mining, are also aligned to the women recruitment targets.

### 3. Policies and Procedures

The Lonmin-IFC WIM Program facilitated the creation and signing off of four WIM-related policies in order to institutionalize the program in the company, encourage the recruitment of women, and accommodate their physical, social and psychological needs. These policies include:

- *The WIM policy* is an umbrella policy providing guidelines for various WIM components.
- *The employment equity policy* mandates managers to provide equal recruitment opportunity to women, as well as support structures to encourage more women to apply for jobs.
- *The pregnant and breastfeeding women policy* provides direction and guidelines for all company employees on how to handle cases of pregnant and breastfeeding women in a fair and consistent manner, including guidelines on providing alternate placement for them.
- *The sexual harassment policy* clearly spells out the definition of sexual harassment, the complaint mechanism for women and consequences in the event of an incident.

### 4. Conducive Physical Environment

In order to ensure that the physical environment at the mine is conducive and comfortable for the needs of women workers, the Lonmin-IFC program team worked with the Facilities Engineering team to:

- Build 12 change houses for women, according to SANS (South African National Standards) specifications, to ensure that they have a space of their own to wash and change before and after their underground visits.
- Build 197 underground toilets solely for women using special technology, along with arrangements for disposal of sanitary waste.
- Produce two-piece overalls for women to replace the traditionally worn one-piece overall in order to make it more comfortable for women to work underground.



*Women Change House  
- Hossy Shaft*

## COMMUNICATIONS

Successfully integrating women into the workforce is a huge exercise in cultural and behavioral change and can be achieved only through a clear communication strategy, persistent efforts and repeated messages. In this light, the Lonmin-IFC Women in Mining Program has developed a comprehensive communication strategy in association with the Lonmin communications team to ensure that all women-related issues, including policies, procedures, women's rights, feedback and grievance mechanisms, successful case studies and the sexual harassment policy, are effectively and persistently communicated throughout the organization.

Communication is done by:

- Publishing articles, case studies and success stories of women in Platinum Conversations, the monthly company newsletter;
- Putting up posters about the WIM Program and its achievements to date at strategic locations throughout the company;
- Using news flashes on the company website to showcase new happenings in the WIM Program:

- Celebrating international days relevant to women, such as International Women's Day and World AIDS Day; and
- Developing awareness campaigns and workshops about sexual harassment in order to ensure that all employees are educated on appropriate workplace behavior.

Currently, an awareness video on sexual harassment is being developed. When complete, it will be screened using existing televisions across Lonmin operations, including men's and women's change rooms. In addition, plans to innovatively convey WIM-related issues are also underway using such channels as industrial theatre, motivational speakers or celebrities, and health and safety breaks.

*"Women in Mining is about change that all of us are creating. Literally every employee in Lonmin has a part to play in making this a workplace that supports all people." – Mabomed Seedat, Chief Operating Officer, Lonmin (source: Platinum Conversation, October 2008)*

## RECRUIT

The Lonmin-IFC Women in Mining Program has undertaken a number of steps to facilitate the recruitment and development of women workers.

### Working at Lonmin as a Woman: Magdonia Masuku – Locomotive Operator, Karee Shaft

Magdonia joined Lonmin three years ago as a general worker and has been working for the past two years as a Locomotive Operator at the Karee Shaft. She was hired by Lonmin in 2006 when company representatives came to her



*Magdonia Masuku, Loco Operator at K3 Shaft*

hometown of Wonderkop for a recruitment drive as part of its commitment to the Greater Lonmin Community.

Initially, she joined the mine as a general worker after undergoing three months of training. "At the beginning, I was nervous and scared as I was not accustomed to working with men in such close proximity," Magdonia says. Magdonia was promoted from a general worker to the job of Locomotive Operator. She dreams of becoming a shift supervisor one day and looks to Lonmin for more career development and support.

Magdonia is the Chairperson of the Women's Union structure for her shaft. Some of the issues that she and her union colleagues have been taking up with Lonmin management are provision of: career development opportunities; hostels so that women are safe on site and do not need to travel long distances; and bigger change houses and underground toilets for women.

Overall, Magdonia finds mining to be a challenging and interesting environment in which to work. She has come a long way from doing voluntary work at a gravesite. Today, the income she earns from Lonmin gives her the freedom and ability to spend money on her kids' education and development. Magdonia concludes: "Even though mining is not traditionally viewed as a women's sector, I would like to encourage all women to try mining out as a career. I believe that they will like it once they try it."

## ASSESSMENTS

A thorough assessment of recruitment barriers and health risks has better informed the design of the program:

- An assessment of recruitment barriers hindering women from working at Lonmin revealed that the key stumbling blocks against increasing women recruitment figures were high body mass index (leading to failure of clearing the basic physical fitness test), lack of information about jobs and a lack of required mining skills.
- A genderized health risk assessment of jobs helped to classify jobs for regular, pregnant, breastfeeding and fertile women. It was carried out across six areas: hazard assessment; noise measurements and surveys; gases measurement; heat assessments; vibration and physical turbulence assessment; and ergonomics assessment.



*"Take a Girl Child to School" event at K3, May 2008*

## Target Setting Using Appointment Ratio Tool

In order to focus its recruitment efforts, Lonmin has developed a shortlist of jobs that women can easily fill. These jobs were identified through using a criteria such as low, medium and high physical capability required for a job. Using this list, hiring managers then set targets for women recruitment using the Appointment Ratio Tool (see Monitoring and Evaluation section).

When the program began, there were 1,104<sup>4</sup> women employed at Lonmin, according to the Women in Mining Dashboard; this figure had risen to 1,543<sup>5</sup> at the end of FY 2008. Women now constitute 6.7 percent (Sep09) of the total workforce. Some of the common mining jobs for women at Lonmin are general worker, locomotive operator, belt attendant and artisan helper.

### Screening and Selection of Candidates

Lonmin has a gender-neutral screening and selection process. Both men and women have to undergo:

- A medical assessment that includes basic medical fitness, physiological fitness, heart rate, body mass index, heat tolerance screening, physical and functional work capacity.
- A basic numeracy and literacy test.

Functional work capacity tests put candidates through different physical exercises specific to the jobs they apply for. Lonmin currently uses a system it bought from one of the mining companies in South Africa that provides the minimum level of physical equipment necessary for all possible mining jobs.

Surveys revealed that while there is a 42 percent overall failure rate in the basic numeracy and literacy tests, women did better in the tests (with 63 percent passing) than men (with 37 percent passing). On the other hand, women's failure rates for the body mass index and functional work capacity tests were more than double that of men.

### Training

Men and women both undergo underground training at a test mine site before they start working in an actual mine. The trainings at Lonmin usually last for three months. Sometimes, women take longer to develop the skills due to lack of previous mining experience.

<sup>4</sup> Source – Lonmin SAP

<sup>5</sup> Source – Lonmin SAP

## DEVELOP AND RETAIN

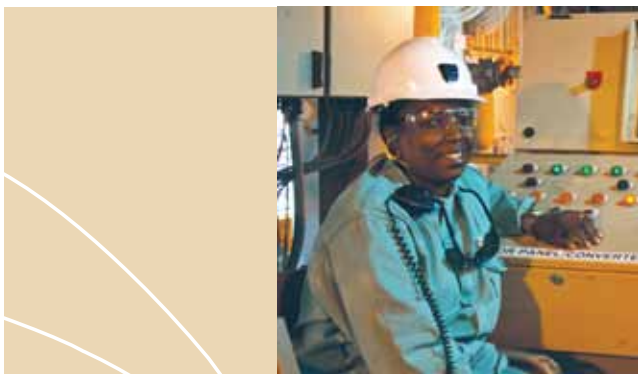
Once women are recruited, the next challenge is to develop and retain them.

### Alternative Placement for Pregnant and Breastfeeding Women

One of the biggest challenges in retaining women is to find alternative placement for pregnant and breastfeeding women, who cannot work underground due to health risk exposures. While there is always the option of sending women home

on a paid leave package, there is a strong business case for finding alternative placement for them.

To tackle this issue, the Lonmin-IFC program, in association with Lonmin's Human Capital Department, has designed a system for alternative placement of pregnant and breastfeeding women whereby women are given alternative employment if it is operationally feasible while they are pregnant and breastfeeding. This system is currently being rolled out.



*Shirley Nkomo, Acting Process Controller at Smelters*

### Moving up the Ladder: Shirley Nkomo – Acting Process Controller

Born in the Segwaelane village, Shirley Nkomo never imagined that she would be where she is today. She joined Lonmin in 2005 and started working in the converter section. This was the beginning of greater things to come. Shirley has just become the first woman at Lonmin to become an Acting Process Controller at Smelters.

This opportunity could not have come at a better time as she is determined to make her mark. Overjoyed, Shirley can hardly describe how she feels about this prospect. "I am so happy to be given this opportunity as most women never get this experience," Shirley says.

Although working in a male-dominated industry comes with challenges, Shirley says that communication is the key to good relationships. By practicing good communication, she has managed to earn the respect of her colleagues. She says that her daily duties are to manage and control the converting process and ensure employees adhere to the set out safe work procedures. She contributes her success to commitment, responsibility, dedication and Deon Larkins, her Foreman, who played a big role in preparing her for this position. Shirley stresses that as women, we need to have self-confidence in what we do in order to achieve our goals.

Shirley is determined to reach greater heights, and with her recently acquired diploma in Administration, she is aiming even higher. "Education is very important and, as women, we need to take the opportunities presented to us and not waste them," Shirley concludes. Shirley is a clear example that women in mining will play a key role in Lonmin's future.

## MONITORING AND EVALUATION

In order to monitor women recruitment across all shafts in Lonmin, the WIM Program has developed two monitoring tools:

- The *Appointment Ratio Tool* enables individual managers to set and monitor recruitment targets for women at the shaft level.
- The *Women in Mining Dashboard*, compiled using data from SAP<sup>6</sup> and shafts, provides a snapshot of women recruitment targets and corresponding actual figures, women versus men turnover ratios and total headcounts.

In addition, the WIM Program has been conducting studies that will help bolster the business case for introducing more women:

- The *Household Wellness Survey* aims to prove the hypothesis that hiring women has a greater welfare impact on the household than hiring men.
- The *Salary Disparity Survey* analyzes and compares salary differentials and their causes across various work profiles, as well as within them, controlling for race, gender, time with the company and position.

There are also plans to conduct an *Equipment Safety Study* to review the safety record and machinery usage patterns of men versus women. It has been shown in other contexts that women generally are more safety conscious, handle machinery better, and thereby positively impact on the business.

## COMMUNITY

In addition to incorporating women into the workplace, Lonmin has also been focusing its efforts on providing women in the Greater Lonmin Community (GLC) with economic opportunities.

Lonmin has partnered with IFC to create a comprehensive local supplier development strategy that has led to a more than 10-fold increase in the number of local entrepreneurs from the GLC supplying goods and services to Lonmin. The partnership is committed to providing equal opportunities to male-and female-owned companies. In 2007, when Lonmin identified the conversion of hostels into family units as a suitable project to tender locally, they invited bids from three women-owned companies. The final contract was awarded to a women-owned enterprise, Little Rock (Pty) Ltd.

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<sup>6</sup> SAP stands for Systems Applications and Products in Data Processing

*Renovated Hostels*



*Grace Kgomongwe & Thelma Botolo from Little Rock (Pty) Ltd*

## Linking Women to Local Supplier Development Activities: The Case of Little Rock (Pty) Ltd.

### Little Rock (Pty) Ltd.

Little Rock, a construction company, was started by a group of 10 women living in the GLC in 2003. Its operations are run by a full-time staff of five people headed by Grace Kgomongwe, who functions as the Managing Director.

### Hostel Renovation

Little Rock had little past experience or financial muscle to successfully deliver large construction contracts, like the one they received from Lonmin, by itself. However, seeing that the company had potential to grow, Lonmin placed a condition in the contract that required Little Rock to appoint a project management company to run the tender. Hence, Little Rock tied up with Tusk Construction Support Services and the National Urban Reconstruction and Housing Agency for construction project management and financial support, respectively.

Working with experienced and professional companies was a great way for Grace and her partners to develop their skills in construction management.

### Success

Little Rock successfully completed the R22 million hostel renovation project without any significant delays. Since then, it has won and is currently implementing a tender to renovate a local school. Even though Lonmin has a facility for local companies that pays 10 percent of the contract amount in advance, Little Rock refused to make use of this facility for its new contract and is completely self-financing it.

### Challenges

The company has so far been focusing only on developing and implementing program budgets and needs more support to develop annual budgets and a better financial system in general. Little Rock also requires more training and support in marketing as it is interested in diversifying its client base and performing construction contracts for other mining companies in the area.

Little Rock has proved that if given an opportunity to develop, women-owned businesses can deliver as well, if not better than, male-owned enterprises.

## LOOKING FORWARD

The global financial crisis has significantly affected the mining sector and Lonmin is no exception. The year 2008/09 saw significant budget cuts and layoffs in the company. The Lonmin-IFC Women in Mining Program continues, although it has shifted some of its priorities. The following plans are in the pipeline for the coming year:

**Career development support:** This involves creating greater awareness about the potential jobs for women among existing staff, as well as the community, for new recruits.

**Communication and training campaign:** This will be carried out through diversity management trainings and trainings on sexual harassment procedures and WIM policies for line management and employees.

**Feedback/dialogue mechanism:** This involves greater organizational support to women structures.

**Lifestyle support and contribution to female retention:** Carrying out a needs assessment for the development of a childcare centre, either onsite or offsite, will also be conducted as a retention strategy.

**Expanded opportunities for women:** This includes community development and local supplier development to support more women.

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*Women Trainees  
- Saffy Sbaft*

## About Lonmin

Lonmin is the world's third largest platinum producer, focusing on the Platinum Group Metals. The centre of operations is in the Marikana area, east of Rustenburg in South Africa's North West Province. There are two interlinked operations, Western Platinum Ltd. and Eastern Platinum Ltd., which include 13 major shafts and eight concentrators, plus a smelter and Base Metals Refinery. Lonmin also operates a Precious Metals Refinery at Brakpan on the East Rand area of Johannesburg in the Gauteng Province. Development of these mines started in 1971 and today they employ around 21,000 individuals.

## About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled \$14.5 billion in fiscal 2009, helping channel capital into developing countries during the financial crisis. For more information, visit [www.ifc.org](http://www.ifc.org).