



# Surviving the boom: Alcoa gets proactive

As Australia's resources industry continues to boom, many companies are struggling to keep up with demand as a result of a shortage of skilled labour. **Sarah O'Carroll** looks at how Australia's leading aluminium producer, Alcoa, is dealing with this and how HR has helped the company stay ahead of the competition

**T**he booming mining sector is showing no signs of slowing down, with another 90,000 jobs tipped to be created by 2020. More than half that growth will be in Western Australia, says the Minerals Council of Australia, and sitting in the middle of the boom is Australia's leading aluminium producer, Alcoa.

With a brand new office in the Peel area of WA, Alcoa operates the world's largest integrated bauxite mining, alumina refining and aluminium smelting system. Employing about 7500 people, it has operations in WA, Victoria and NSW.

The HR team at Alcoa has been instrumental in

driving the company through these turbulent and exciting times.

"There's a certain heat in the market which is healthy," said HR director Kim Horne. "So all the major companies that are facing the same [shortage]: we're all looking for ways to maintain our people."

Alan Cransberg, managing director of Alcoa, is confident in the HR strategies being implemented by his company at this time.

"At Alcoa, we feel confident that what we're doing in relation to people management is working, because 60 per cent of our employees have worked for us for more than 10 years," he says.



## War for talent

Because Alcoa operates in some attractive locations in Victoria and WA, location has not had the negative impact on staff retention faced by many mining companies who have sites in remote locations. However Alcoa has by no means escaped the skills shortage and has still seen a higher turnover in engineers. It is trying to overcome this by various HR strategies and increasing their graduate intake.

One key strategy, according to Horne, is performance management, which is very important for retaining engineers. Instead of just pushing engineers from project to project it is important for management to stop and focus on what their worker's personal career path is.

"Everyone thinks the engineer is an engineer. Well, an engineer needs a development plan the same as a line leader does," he says.

Flexibility helps alleviate the shortage of engineers in Alcoa. While ten years ago the idea of job sharing an engineer's role would have been unheard of, Alcoa has successfully implemented job sharing arrangements – which has had the added benefit of encouraging female engineers back into the workplace after maternity leave.

According to Horne, in the past people thought of engineers as people who were well trained, intelligent, had a specific role and could look after themselves. But, given the competitive job market, he says, engineers are a scarce commodity and hanging on to them is no easy feat.

It's no longer enough just to give them a job, says Horne: what these employees need is to be given more attention.

"We're now saying: 'Well they're employees, the same as everybody else, and we should care about them the same as we care about other employees'," he says.

## Standardised performance management

An overarching strategy within Alcoa is standardising performance management. Horne believes that as the war for talent heats up, the thing that seems to make the difference is having people who believe the company is really interested in developing them as a person.

Therefore, one of the clear expectations of managers in Alcoa is to develop people. It's very important, Horne says, that each manager knows it is part of their job. However, he says that that while it is important that each manager knows what is expected of them, it must be a two-way process and a balance must be struck.

"We don't want to create the situation where people sit back and say: 'Well, the company owes me a career and needs to develop me' – but we also don't want managers saying people have to develop themselves," he says.

Development does not mean promotion in Alcoa, especially with the younger generation. What the HR

team has found, he says, is that young employees want to grow and learn, rather than just being shunted up the ladder.

"Traditionally, not just Alcoa but Australia has thought that development means promotion," says Horne. "But in today's world, development is about challenge and growth and knowledge and not just a different title," he says.

## Philosophy of care

"Alan (Cransberg, managing director) and I have a strong philosophy that you have to show people you care. It's not just about processes and documents and matrixes – it's that the leadership cares about individuals," says Horne.

This philosophy of care is not something you teach, he says. The aim within Alcoa is to incorporate it into the very fabric of the organisation.

"What we're saying to [managers] is: 'You have to actually have a care for your people. It's a way we want you to manage.'

"It can vary from person to person, in fact it should. Not all leaders are the same and not all employees are the same, but it has to be continuous and it has to be individual," says Horne.

While Alcoa believes strongly in team work, individual recognition is also important. Only through developing personal attachment, Horne

says, can you avoid the bidding war.

"There has to be a time when the boss wanders past and does know something about your family or does know something about your personal career development," he says.

"If this war for talent gets any hotter, it's not just going to be dollars and the shape or size of your office that attracts and retains people. We believe it is the personal attachment between the individual and primarily the person they work with and for."

## Employee suggestion system

Because employee retention remains a big issue for Australian businesses, Alcoa is leading the way in employee engagement, according to Cransberg. One example of this is through their employee suggestion scheme.

"Our employee suggestion scheme offers



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– Kim Horne, HR director, Alcoa

employees cash incentives if they come up with ideas which lead to cost savings to the business,” Cransberg says.

“We don’t just receive ideas which result in financial savings, though.

“Over the years we have had plenty of suggestions which have resulted in safety, environmental and energy improvements – which are even more important to Alcoa than cost savings,” he says.

“Our philosophy is that we have a more productive and engaged workforce if our employees are encouraged to make suggestions for improvement and are listened to by management and the company,” Cransberg says.

“Through the employee suggestion scheme we’ve seen that employees appreciate participating in the growth of the business. Last year, we received 10,648 suggestions in Western Australia and 2864 were accepted by Alcoa.”