

## HUMAN RESOURCES

### Case study

### Localisation programme in Tanzania

While expatriate expertise is often essential in establishing mining operations at its global sites, AngloGold Ashanti is committed to the recruitment, training and development of local citizens. Through assistance in reaching their full potential in a particular discipline, it is anticipated that these employees will, in a phased approach, reduce the numbers of expat subject matter experts at a given operation.

In this respect, Geita Gold Mine in Tanzania is guided by Clause 7 of the country's Special Mining Licence (SML) No. SML 45/99 (granted pursuant to Section 39 of the Mining Act, 1998): *'The Licensees and their contractors shall employ and train Tanzanian citizens with appropriate qualifications to the maximum extent practicable and consistent with efficient mining operations. In this connection the Licensees shall carry out an effective scheme of employment and training for Tanzanian employees at all levels of operations and management.'*

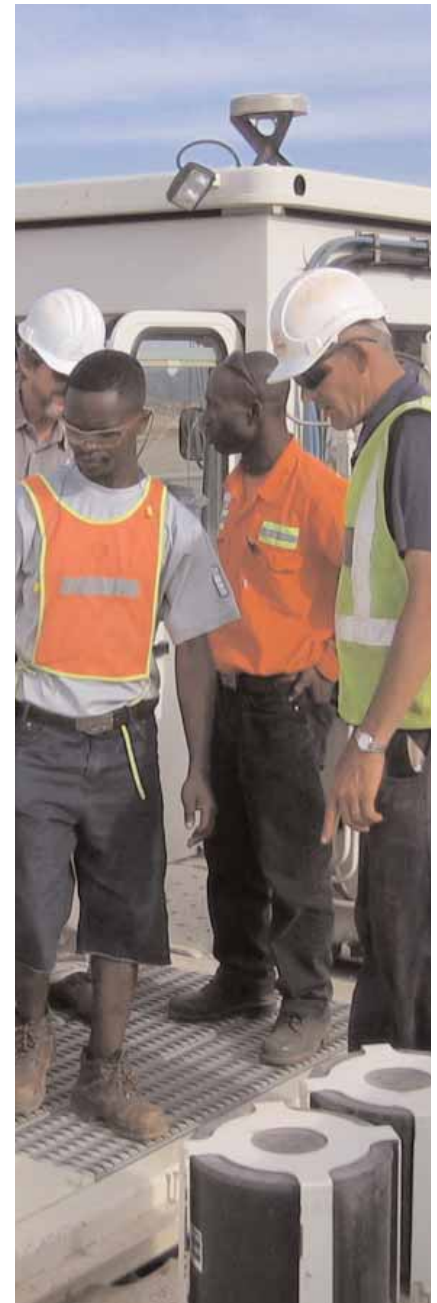
Although formal localisation plans have been slow to emerge at Geita, the focus in 2006 was on upgrading and aligning the skills of Geita's workforce with those required by the business. An engineering skills dilemma at Geita was precipitated by the move from contractor to owner mining in August 2005 when the mine's engineering complement of around 80 increased by almost 200% overnight.

The skills and abilities of a large number of the Tanzanians previously employed by the contractor, and then taken on as Geita employees, had not been meeting the requirements of a modern large fleet operation. This situation was further exacerbated by the fact that the contractor's expatriate skills were not appropriate for the Geita operation. This critical skills shortage, needed to maintain and upgrade the large mining equipment fleet, resulted in the recruitment of an increased number of expatriate employees.

To redress the engineering skills imbalance, Geita's annual local apprentice intake has increased from eight recruits in 2005 to 23 in 2007, a trend that is expected to continue for the next five years. Training is conducted in-house to ensure that a high standard of skills is maintained, and in August 2006 a total of 15 of these engineering apprentices sat for the first of five subjects to obtain the first part of the South African National Technical Certificate. Twelve of the candidates passed all five subjects, one candidate failed one subject and another two candidates failed two subjects. Their studies were made possible with distance learning study material supplied by the WestCol technical college in Carletonville, supplemented by coaching from Geita expatriate artisans and training staff.

Geita, in conjunction with the Tanzanian Engineers' Registration Board, has also embarked on the training of post-graduates across the spectrum of the engineering field. Learners are afforded the opportunity to study in a particular discipline through the mine's management trainee postgraduate programmes. Potential candidates are then identified at an early stage for possible employment and placement on Geita's supervisory and management trainee programmes, with a view to grooming potential supervisors and middle managers.

Geita also admits a number of trainees annually from the national technical training institutions for practical experience in the workplace. These trainees, once qualified through the training institutions, become the feedstock to the Tanzanian industry. Geita frequently makes use of subject matter experts to address any skills shortcomings, mainly associated with the lack of exposure to the specialised equipment/processes.



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Better liaison with Tanzanian learning institutions is making a difference to these institutions' understanding of the mining company's requirements, particularly with regard to their training programmes – which need to keep pace with changes in the industry. In this respect, a notable achievement is the forthcoming return of Geita's first scholarship holder, currently studying towards an MSc in mining engineering at Wits University, to Dar es Salaam University, where his newly found knowledge will be an invaluable asset.

Apart from the current engineering skills shortage, other challenges to the localisation programme include disagreement among stakeholders involved in the process on the potential and readiness of national candidates, be it at artisan, supervisory or management levels, often resulting in the loss of candidates. Another difficulty is that employees who have undergone training and development at Geita are often poached by other mining operations. Reluctance by expatriate employees to train subordinates for fear of losing their jobs is a further complication in slowing down the localisation programme.

Despite the challenges, Geita is nonetheless moving closer to the national norm of a 20:1 national/expatriate ratio. This is being achieved through gradual formalisation of localisation plans in each department. The mine's training and development department has, for example, earmarked 10 positions to be localised over a three-year period.

Tanzanian nationals employed at Geita who have exhibited potential for further development may enhance their tertiary education qualification(s) through the mine's in-service bursary programme. One employee is currently seconded to the University of the Witwatersrand in South Africa and one to the Curtin University in Western Australia. Another employee on the localisation development plan has been granted a three-year Rhodes University scholarship in South Africa, one of two awarded to the mine.

It is anticipated that the localisation programme will take full effect by around 2009 when the 5% expatriate complement of total employees, as prescribed nationally, should be met. Currently standing at just over 6.5%, Geita is not far short of that target. In the meantime, however, the Tanzanian Chamber of Mines has expressed its satisfaction that mining companies are moving towards full compliance with legislation. In his address at the Chamber of Mines annual general meeting on 8 December 2006, Chairman Ami Mpungwe said: *"... the mining companies are profoundly committed to training of Tanzanian citizens in all disciplines, teaching them various skills and expertise in various mining activities, including state of the art mining technology, as the industry strives to build a sustainable Tanzanian workforce."*

Expatriate and national employee figures at Geita (2006)

Department	Expatriates	Nationals
Geology	3	83
Training	12	25
Health, safety, environment	5	33
Finance	11	62
Human resources	1	330
Asset protection	6	262
Engineering	51	428
Mining	20	682
Process	13	166
Total	122	2,071

