

# LEADERSHIP INSIGHT

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## Toxic Workplace Culture

### Lessons from Rio Tinto

By Dr Linda Risso (CAL)

In February 2022, Rio Tinto published a damning report into its culture and behaviours. The document makes a compelling read for anybody with an interest in leadership – including Army Leadership – and toxic workplace culture.

In 2020, Rio Tinto's reputation was badly tarnished following the destruction of the 46,000-year-old Juukan Gorge, a site in Western Australia whose ancient rock shelters were sacred to indigenous people. The outcry that ensued and the withdrawal of investment from appalled shareholders forced the CEO to resign and the company to launch efforts to change the organisation's culture (BBC, 2021).

There is a wealth of evidence that shows how a positive work culture drives productivity and innovation and how it enhances a company's reputation, thus fostering investment (Helm, 2007; Rudolph, 2014; Seppälä and Cameron, 2015; Mirza, 2019). Following the Juukan Gorge's outcry, Rio Tinto showed a genuine commitment to radical change that went beyond mere box-ticking. It launched an in-depth internal investigation, which was carried out by former Australian Sex Discrimination Commissioner, Elizabeth Broderick.

Over the eight months that followed, more than 10,000 people shared their experiences via online surveys, group listening sessions, confidential individual meetings, and written

submissions. The findings included in the Report make for a harrowing read and Rio Tinto should be commended for publishing the undiluted results in full.

## **Findings**

According to the Broderick Report, almost half of the respondent reported severe bullying and sexism across Rio Tinto worksites and departments. Two in five Australian Aboriginals and Torres Strait islanders employed by the company experienced racism. Almost a third of its female workers suffered sexual harassment, with 21 women reporting an actual or attempted sexual assault. Abuses were not limited to mining sites but were rife across the company. For example, while the highest rate of sexual harassment was found in the firm's iron-ore division, the Strategy, Sustainability and Development Group came a close second. It is interesting to note that the data on sexism and sexual harassment at Rio Tinto are not far from those recently reported in the Atherton Report (2021) on the experience of women in the British Armed Forces.

A silencing culture was widespread and so was a deep-rooted suspicion of the company's internal reporting procedures and lack of accountability. Respondents thought that the company regularly promoted high performers irrespective of their behaviour and those who reported bullying and harassment were side-lined and silenced. Many claimed that bullying was effectively seen by senior leaders as a sign of commitment and personal drive. Harmful behaviour was often tolerated and normalised.

Rio Tinto's organisational culture is partially linked to the nature of the mining industry itself, which is not too dissimilar from the Army. Its workforce is 79% male, and the worst behaviours occurred on remote mining sites where employees stay for several days or live full-time in company housing. Remote, shift-based operations in isolated mining towns allowed toxic behaviours to grow unchallenged. In addition, it is not uncommon for the mine manager to double as de-facto mayor of the site as well as the person in charge of hitting production targets. This means that employees are on company's time and close watch on a 24/7 basis, at the mercy of their senior leaders. This echoes the experience of members of the Army in barracks and on operations.

There also some company-specific characteristics. Broderick's report speaks of Rio Tinto's technically minded approach that prioritises processes rather than people; a hierarchical, male-dominated structure; a culture of machismo, sexism, and racism; low appreciation of the challenges faced by a diverse workforce; and a performance-driven culture that prioritises targets and outputs above anything else.

## **Recommendations**

The Report's Framework for Action sets out clear priorities:

1. The Report calls for "Caring, courageous and curious leadership". Leaders at all levels of the organisation should acknowledge and internalise the extent of the problem. At the time of the publication of the Report, Rio Tinto's CEO Jakob Stausholm wrote a candid apology and admitted that "The findings of this report are deeply disturbing [...] I feel shame and enormous regret to have learned the extent to which bullying, sexual harassment and racism are happening at Rio Tinto" (Gosden, 2022). The proactive commissioning of this report and its unadulterated publication demonstrate a commitment to increased transparency, accountability, and action. There are other encouraging signs, Broderick said that "In my interactions with the Rio Tinto leadership team, I have observed a strong desire for transformational change, as well as to make positive contributions to the societal shifts that we need to see." (Rio Tinto, Press Release, 2022).

Second, the Report indicates that leaders at all levels are key to ensuring that the organisation lives up to its values. The Report recommends therefore that candidates for all recruitment and promotion processes must demonstrate strong people management abilities and effective interpersonal skills as much as in-depth subject matter expertise required for the role.

2. The Report recommends a greater focus on the prevention of harmful behaviour. The organisation must inculcate a positive onus on all employees to prevent harmful behaviours. Rio Tinto must develop core values and code of conduct, which should be enshrined in a new global policy, something reminiscent of the Army Values and Standards. The policy should be included in a guidebook easily accessible to all employees and it should be contextualised to fit local requirements. Rio Tinto should also provide specialist training and education programs to raise awareness across the organisation about the nature and impact of harmful behaviours and about appropriate prevention strategies and responses (Hodgins and Mannix-McNamara, 2020; Nielsen and Einarsen, 2018).
3. The Report recommends the establishment of an independent, confidential and accessible Discreet Unit to receive and respond appropriately to reports of harmful behaviour across the company. The Discreet Unit stands out for three reasons: First, it should be managed by trauma-informed specialists to offer end-to-end support and case management. Second, it should enable employees to make confidential disclosures and reports without having to proceed to an investigation. Employees should be allowed to elect to have their matter investigated later. Psychological safety and the ability to report inappropriate or unacceptable behaviour without having any additional pressure exerted on employees is essential to build trust and openness (Mayhew et al., 2004). Finally, the Unit should have the ability to capture data from all types of reports, disclosure, advice, and follow-up procedures into a central database while preserving workers' psychological safety. This information will enable the analysis of all harmful behaviour reports from across the organisation, the identification of patterns of behaviours, and the analysis of trends and gaps (Delizonna, 2017; Neilson, 2021; Edmondson, 2018). The key purpose of the Unit is to encourage reporting at a much greater rate with the awareness the initial rise in reports will be a measure of success, not an indication of a rise in incidents (Douglas et al. 2014).
4. Going into more practical measures, particularly as mining sites are concerned, the Report recommends that Rio Tinto ensures that all sites have appropriate facilities to increase safety and inclusion for all employees. The Report shows a widespread lack of privacy, sufficient lighting, and hygienic facilities, which is an acute problem particularly for women. Camp Councils should be established at each site and include diverse members. They should act as listening circles to ensure that the lived experience of everybody working on the site is well understood and recorded.
5. Finally, the Report acknowledges that Rio Tinto's cultural reform will take time and it will also require continuous monitoring and evaluation. The Report recommends re-administering the survey developed for this project every two to three years through an independent provider to track of key indicators of progress and identify new problems. It also recommends an independent review of progress in relation to the implementation of these recommendations within two years.

## **Conclusions**

The key question is whether a deep and enduring cultural shift is realistic and feasible.

Rio Tinto's problems are extreme, but they are not unique. In opening up about its corporate culture, Rio Tinto has showed commitment to change and to transparency. The company can also look back with confidence at past achievements. A couple of decades ago, the mining sector – Rio Tinto included – successfully made a radical cultural shift around safety. Mining companies used to treat fatalities as the inevitable costs of doing their business. Today, Rio Tinto has had three zero-fatality years. This shows that – when it wants to – the company can indeed bring radical change. However, at the same time, the same record also suggests that Rio Tinto's operations are not lightly managed, uncontrolled endeavours. If safety has improved while toxic behaviours were allowed to grow, then it means that over the past decades the company purposely overlooked, tolerated and excused such issues (Hodgins et al. 2020).

Strong leadership and organisation-wide commitment to change are essential to stamp out toxic behaviours in the same way that they improved the company's health and safety record. Psychological safety, commitment to diversity, and a system for recording and collecting data on unacceptable behaviours will provide an enduring pathway for change and will allow the company to monitor progress and to plan future reforms.

### Questions

1. Why is psychological safety essential in stamping out unacceptable behaviours?
2. What can the Army learn from the Rio Tinto's response?
3. Can an organisation "inculcate a positive onus on all employees to prevent harmful behaviours"? How?
4. Do public apologies from CEOs and senior leaders have long-term value or are they just a publicity stunt?

### Resources

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