

IMPACTS OF CULTURAL COMMUNICATION FOR THE MULTINATIONAL COMPANY

By

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Abstract

Communicative missteps often interfere with an organizations ability to smoothly take their business international and blend the work environments of different cultures. These missteps often lead to a lack of employee buy-in, an underdeveloped level of communication, and an us versus them environment. This project was developed to assist in reducing or eliminating future cultural and communicative missteps and make the integration into multinational market a smoother process. Utilizing the following research questions this study identified standards that should be met when an organization enters a new market, community, or industry.

RQ 1: What steps should an organization take to obtain employee buy-in when entering a foreign market?)

RQ2: How can the organization identify factors influencing existing (new to them) employees and local community's perceptions of them?

RQ3: What key components should be included in a social contract when operating in a new culture or country?

Through the use of a survey tool and informal conversations with participants this project produced specific recommendations for the organization used in the study as well as recommendations for future acquisitions.

I. Introduction to the Project

Background

Pogo Gold Mine, about an hour north of Delta Junction, Alaska, began operation in 2006. It is considered to be the eighth largest gold mine in the United States (Newman, 2019). Teck Alaska and Sumitomo Metal Mining were owner/operators of the mine until 2009 when Sumitomo Metal Mining (along with Sumitomo Corporation) became the mine's sole owner/operator. The most recent reports state that under this ownership the mine life was expected to extend to mid 2021 (miningdataonline.com, 2019; Ruiz Leotaud, 2018).

The Australian company Northern Star Resources, the current owner/operator of Pogo Mine, acquired its first mine in Western Australia in 2010, according to the company's website, making it a relatively young company (Gleeson, 2019). The organization acquired Pogo Mine from Sumitomo Metal Mining in the fall of 2018. Northern Star Resources is fast paced and known for their ability to extend the mine life of the mines that it has acquired in the Australian markets (Gleeson, 2019). With the projected mine life ending in mid 2021, Northern Star Resources' ability to extend mine life is both welcomed news for employees and the stressful start to a new, faster paced environment full of change.

With the acquisition of Pogo mine, Northern Star Resources has ventured as a multinational corporation for the first time. This acquisition occurred very quickly, and as a result many of the mine employees have feelings of uncertainty. This, coupled with the cultural differences between Australia and Alaska in both the workplace climate and personnel, make for an uncertain and unstable work environment because of its

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employees having trouble relating and trusting the new upper management from Northern Star. Building the connections needed to facilitate the cohesion and commitment to the mission of the new ownership and operating personnel has proven difficult (Anonymous One, 2020).

Purpose of the Project

This project will produce protocols to mitigate those cultural norms between Australia and Alaska that negatively affect worker behavior- the noncommon norms. This project will attempt to identify the differences in communicative behavior that reduce the overall effectiveness of communication and identify ways to correct this. Once these norms are identified it will result in producing a Standard Operating Procedure for the Pogo Mine site, but also for future acquisitions by Northern Star Resources of other sites in other foreign locations. Ideally assisting to eliminate or reduce future cultural and communicative missteps and make integration into multinational markets smoother.

Statement of the Problem

Cultural differences at the Pogo mine site have made the transition to being owned and operated by Northern Star Resources less smooth than would be ideal. There are trust issues that exacerbate cultural differences. Trust issues are the result of contradictory managerial communication stating that something would happen only to have to retract due to not having all the information and not being able to proceed as planned (Anonymous One, 2020). Additionally, the amount and type of communication provided by the transition team about changes the company would be making was incomplete and unclear to the existing American miners. This led to American

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employees feeling as though they were not receiving the whole picture, that concerns and comments were not being taken seriously, and the appearance of an overall arrogance from the leadership taking over positions within the organization (Anonymous Two, 2020). Conversely, the Australians felt that the amount and type of communication being made was excessive leading them to feel as though they had disclosed too much information to the existing employees (Slocombe, 2019). Communication from the top down and bottom up has been limited as a result of these issues.

Americans (U.S.) and Australians are considered low context cultures, meaning that both cultures rely heavily on explicit communication and clarity of the message to be properly understood. Both Americans and Australians also speak variations of the English language, leading to much of the miscommunication that has occurred since the start of the transition. As one interview subject states “we look the same, we all speak the same language, we must be the same” (Anonymous Two, 2020). This assumption has caused many issues regarding information transfer due to both the variants and use of the English language, and the ways in which the two cultures’ nonverbal communication are different. Nuances such as the tonal changes, eye contact, gesturing, and slang use have the potential to lead to miscommunication between the two cultures (Evanson, 2016).

Another issue that has impacted the relationship between Australian and American workers at the mine site is a lack of research about the ability and availability of

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resources to the mine. A few of the higher-level Australian managers were continually assuring employees that certain changes would or would not be made and then having to retract due to not having all the information available or not having done their research (Anonymous Two, 2020). This contributed greatly to the impression many existing employees had that the new owners were being deceptive or not following through with promises made at the time the mine was purchased. This was a major expectation violation because many existing employees were excited about the promises of change made by the new owners (Anonymous One, 2020). While many of the changes promised did occur, there were enough that didn't, and the American workers' perceptions of the organization began to sour.

Why is it a problem?

Northern Star Resources is and will continue to have difficulty with employee buy-in and organizational identification. Acknowledgement of the communication differences and an attempt at bridging the gap between them is needed to correct these issues. With the two distinctly different cultures (those of Australians and Americans) there exists an "us versus them" mentality that creates a divide between the people working at the mine. Additionally, there is also a different culture that is associated with Alaskans and an Alaskan job site. This is further complicated by the division of upper management and employees. This is not a problem that is unique to this mine site and it will potentially occur in various manifestations at organizations that transition from a local or regional entity to a multinational entity.

The cultural divides affect many things ranging from accepting change in operating procedure, buy-in to safety protocol, support for the organization in the form of pride of workmanship, and extracurricular activities such as fundraisers. Without employee buy-in and upper-level management support the change envisioned by the operators of Northern Star Resources will not occur or will not occur more than superficially. Resistance will cause issues within the organization and the change envisioned will not make positive progress.

II. Review of Literature

Cultural Norms and Identity

Cultural norms are shared expectations and rules intended to regulate behavior for people within specific social groups (globalcognition.org). These rules for expected behavior are learned through the process of growing up in social groups (i.e., communities or tribes) and observation of others in the community. The purpose of the shared expectations and rules is to determine what is acceptable behavior or action within a given situation. The norms for each cultural group and subsets within these groups often vary widely from culture to culture resulting in miscommunication and potential harm to a relationship. To facilitate business relationships internationally an organization should perform thorough research into the cultural and business norms and cognitive processes for the host country and community they intend to enter.

Another theoretical framework that addresses cultural norms is introduced by Iris Varner in the article *The Theoretical Foundation for Intercultural Business*

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Communication: A Conceptual Model (2000). In this framework Varner states that intercultural business communication should be its own rhetoric separate from that of international business or intercultural communication. This is due to the focus of much of the discourse surrounding international business (i.e., usually negotiation or expatriate selection or training) and intercultural communication (i.e., general cultural context linked to life and death or customs and not business). This theoretical model claims that traditional models that incorporate both international business and intercultural communication often assume that the sum of culture, communication, and business (i.e., religion, mining, medical) creates an interchangeable recipe for intercultural business communication by simply changing one factor (Varner, 2000). This she insists is incorrect and that much more needs to be considered when studying intercultural business communication.

Varner argued that the result of interactions between people of different cultures is the creation of a new context that includes parts of their individual backgrounds. She calls this “transactional culture” (2000. p 43). This resulting transactional culture provides grounds for intersecting business to determine what is acceptable regarding business practices to the parties involved, their governments, cultures, and organizations. It is determined in this article that taking into account national culture, general business culture, and specific organizational culture is prudent to successful intercultural business communication interactions.

The theory of *Identity negotiation* was developed by Stella Ting-Toomey. She states that this perspective stresses the connectedness of cultural values and

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selfconception of the individual (1999. p27). This is important to consider when discussing intercultural business communication and the move to expand a regional business into the multi-national marketplace. Ting-Toomey covers the importance of determining whether a culture, based on nationality or organizational identity, is individualistic or collectivistic in nature. Social groups that place emphasis on the individual over the group are deemed individualistic and social groups placing the emphasis on the group as a whole over the individual are deemed to be collectivistic. This helps to determine how a home organization may choose to do business in a host country and predict how the host country members may either support or oppose the operational changes and methods. It also provides means to predict the speed at which decisions will be made. Individualistic culture decision making is done by the individual resulting in swift decisions. Collectivistic culture decision making requires the collective to work through the established administrative hierarchy to make a decision taking an exorbitant amount of time. Americans generally do not have the patience for collectivistic decision making.

Identity negotiation theory describes four primary identity domains (cultural, ethnic, gender, and personal) as well as four secondary identity domains (role, relational, facework, and symbolic interaction) (p29). While all of these domains are important to the theory for the purpose of this paper only cultural, role, and facework will be covered. Ting-Toomey defines cultural identity as “the emotional significance that we attach to our sense of belonging or affiliation with the larger culture” (Ting-Toomey. 1999. p30).

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This is specific to regional affiliation that can be as constrictive as a neighborhood or more ambiguous such as American. Primary identities are stable traits that are often learned from birth through observation and interaction with those in our social groups (i.e., family or community). Personal identity refers to the way a person perceives sentiments and information about their individual self. Additionally, included are the personal attributes that are displayed by the individual so often that others begin to associate the attributes to them such as traits like assertiveness, decisiveness, or talkativeness (p35).

Situational identities, or what is referred to as the secondary identity domain, are malleable depending on the goals and desires of the individual in a specific situation. Ting-Toomey considers these to be less stable and affected by external situational influences (1998. p36). Role identity is closely related to the positions and titles one holds within their social groups, for example community, work, or organization, and takes the shape of norms and expected behaviors for that position. Facework identity encompasses identity related to information that relates to the social esteem or regard that an individual would like others to attribute to them. This identity is vulnerable to conflict and harm in social and business interactions. Facework is the specific communicative actions used to protect or “save” face, whether that of the individual or others. Some cultures are much more concerned with face and facework than others.

The concept of face and cultural identity is expounded on by Tadasu Todd Imahori and William R. Cupach in their Identity Management Theory. They propose that

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identity is fluid in that it changes some within a given situation resulting in what they term socially situated identity and define this as face (Cupach & Imahori. 2005). This theory relies on the defined values of positive and negative face as presented by Brown and Levinson (1978). Positive face is used as a tool to gain acceptance and approval of others and to show acceptance and approval of others. Negative face is used to encourage autonomy and avoid imposing on one's free will (Cupach & Imahori. 2005).

Us Versus Them Mentalities

Social Identity theory, first discussed by Tajfel, in 1978 and then a year later by Turner and Tajfel, is the concept of self-derived from the membership of a social group or groups (1986). The sense of self derived from these memberships is developed by comparisons to other members of the social group (in group) and those who are not members (out group). This leads to the division or segmentation, labeling or classification, and hierarchy or order of the social group. Through this process members are able to assess their standing within the social group and the implications of this status.

Based on the standing of an individual in a social group there can be influence on self-esteem, a positive or negative connotation based on the social group affiliation, impact on the individual and group behavior, and perceived status by outsiders (Tajfel & Turner. 1986). Social groups is a term that encompasses any formal or informal grouping such as sports teams, peer groups, ethnic group, nationality, or family. This can lead to an "us versus them" mentality or a phobia of those from other groups identified as xenophobia (Sanchez-Mazas & Licata. 2015).

Sanchez-Mazas and Licata discuss the larger social context of social identity theory and xenophobia in terms of the three steps that follow immigration: avoidance, conflict, and accommodation (2015). When new people come into a community or organization they are entering into a new social group. At first there may be an inclination to avoid members from the new social group and to stay socially isolated to those in their existing circle (i.e., family or transition team). At the same time or after some time there will inevitably be conflict in some form. This may be caused by differences in communication norms, developing rivalry within a professional or educational setting, or conflict with other social groups within the same area. Eventually, there will be some form of acceptance or accommodation made so that all members of the overlapping social groups can co-exist. When an organization enters into a global market it is in the avoidance and conflict stages for some time.

Existing Cultural Norms

Australian Communication Norms

Without visiting and being immersed in cultures around the world it is difficult to have a clear understanding of a culture. There are a number of resources that attempt to provide guidelines for business in various regions that also include important cultural norms for the area to avoid any awkward or disrespectful behavior. Understanding the communication norms (i.e., high context or low context), individualistic or collectivistic tendencies, use of nonverbal communication, and other specific behavioral norms (i.e., bowing or shaking hands and proxemics) will make entering into business

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communication processes easier. While Australia and the United States share the official language of English there are notable differences in grammar, spelling, meaning, and use in some instances (Morrison & Conway. 2006).

The text *Kiss, Bow, or Shake Hands* states that Australians tend to be an individualistic culture, however in business that is subject to company policy (Morrison & Conway. 2006). With business pitches there is a preference for straight to the point, and the use of low-pressure sales tactics and presentations. Timeliness is valued by most Australians and it is considered to be a careless business practice to be late in business dealings. Initial contact should include some rapport work in the form of small talk, but this should be kept brief. Modesty and downplaying title, status, education, and other types of achievements is important to Australians as they do not often feel that warrants respect on its own and must be earned. Decision making is done with top-level officials in most cases, so patience is required when conducting business transactions.

Personal and business transactions are kept very separate in the Australian culture. Morrison and Conway state that work and recreation are considered to be of equal importance so if a person is included in recreation with business partners, they should not discuss work unless their host does so first. Ribbing and debate are considered fun pastimes and should be engaged in, with caution to hot button topics such as religion or politics. Sports and other athletic endeavors as well as health are important to Australians, and a good source of conversation as such. Australians are often very proud of their Australian identity, their country, and their sports teams and

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endeavors. However, according to Richard Lewis in his book *When Cultures Collide*, Australians believe that a person should not take themselves or their national symbols too seriously or risk being labeled to have “tall poppy syndrome” (2000). Tall poppy syndrome is when a person exhibits an excessive amount of confidence or pride in personal endeavors, accomplishments, or achievements made by one’s team or membership group (Lewis, 2000).

American (United States) Communication Norms

Americans from the United States- as opposed to South America or Central America- are decidedly considered the most individualistic people in the world. As such, when it comes to business most organizations view their employees as easily replaced (Morrison & Conaway. 2006). There is not a high premium placed on recreational time and paid vacation or sick leave are not as abundant as many European counterparts. Americans in business are likely to work long hours and be interested in status, titles, and education. Most things in the United States are bigger, faster, and trendier, including people and business. Risk taking behavior is common as is relying on experts in most situations. Business decisions are often made within first meetings and in some instances contractual agreements made virtually without ever having a face-to-face meeting.

For face-to-face meetings, virtual meetings, or other business engagements, making an appointment prior to the meeting and being punctual are imperative. Americans are almost always connected to their work phones or emails through the

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internet and portable electronics which have technological advancements on a regular basis. Developing personal connections in a work setting are less likely as friendships are less likely and often occur to meet a need or desire of one or both parties involved. Friendly acquaintances are much more common in the business setting. Small talk is kept to a minimum in business dealings leaving little time to develop rapport. Rapport is developed more often through business practices and sales history.

Comparison

Australians and Americans are low context cultures meaning that communication and rules are expressed through language and often explicit with little use of contextual elements (Morrison & Conaway. 2006). Getting directly to the point and presenting the good and bad is commonly desired. However, it should be noted that Australians have a dry sense of humor and will often say the opposite of what they mean in a sarcastic attempt at a response. Americans will also do this but much more rarely and prefer to be to the point with responses. Proxemics are also a similar trait that Australians and Americans share. Privacy and space are important to both and about two feet between people during interactions is normal. Direct eye contact is also important to both cultures and failure to engage in eye contact can leave the impression of dishonesty or untrustworthiness.

The Australian concept of “cutting down the tall poppy” is ridiculing a person who proves themselves to be a braggart or otherwise goes on about their education,

qualifications, or achievements (Morrison & Conaway. 2006, Bryant 2018). Americans conversely are often prepared to put forth the best version of themselves and have a prepared elevator pitch ready for chance meetings. In business, Americans enjoy both providing and receiving the heavy sales pitch and drawing attention to themselves which is in deep contrast with the more laidback nature of Australians. Australians are a prideful culture and do not accept criticism in public easily, conversely Americans are often free to criticize. Australians also find it to be in bad form to criticize opponents in most situations whereas Americans are comfortable with the tactic and often use it in business practices (Bryant. 2018).

Existing Norms within the Underground Mining Industry

Mining Practices

There are many different methods available to operations when developing an underground mining operation. For the purposes of this work long-hole, open-stoping, top-down, and cut and fill practices will be discussed. Cut and fill refers to the practice of removing ore through horizontal slices that are removed and backfilled with some form of tails, paste, or waste rock (Fan, Feng, & Li, Diyan & Li, Xibing & Guo, Zhongping & Wang, Shaofeng & Ying, Chen. 2017).

Tails refers to the left-over rock produced after the gold ore has been removed in the extraction process in the mill. Paste refers to a mix created with concrete and tails, and waste rock is mined rock that is below the desired grade (percentage of gold content) for ore (Pliska, 2020). Based on geological surveying after each round or slice,

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the elevation follows the vein of material until the heading, a small ore vein section off the main drift or roadway in a mine, is no longer viable. Once the heading is no longer viable the equipment is removed, and the heading is completely backfilled with waste rock, tails, or paste enabling mining above and next to it.

Top-down mining refers to the practice of taking horizontal slices (sections of ore infused rock) and ramping down (creating a road) into the mine for ore haulage purposes. This is usually done in conjunction with other forms of mining off the main haulage creating stopes or smaller passages to work in (Hamrin. 1986).

Open stoping is the method of mining in which large sections of ore and material are removed leaving pillars or columns to maintain stability. This is usually done from the bottom up and filled in with paste, tails, waste rock, or cement.

Long-hole drilling is one of the most commonly used practices in underground mining. As the name implies drills bore holes that are upwards of 100 meters in a pattern specified by a geologist or mine engineer. This results in less overbreak, or rock that is broken in excess of what was needed to obtain the ore from the identified gold vein. Additionally, this method also allows for following a vein of mineral more accurately (Hamrin. 1986). Most mining operations will employ a variety of methods for mining based on the grade of the ore, dip or path of travel of the vein, size and shape of the vein, the strength of the surrounding materials, and the depths in which the mining is to take place.

Milling Practices

There are different standards and processes for milling ore used in different locations. For the purposes of this paper only those milling processes that are most used at Northern Star Resources sites will be discussed. Most of the sites described in the fact sheets from Northern Star Resources use a similar process with only some differences site to site (nsrltd.com. 2019). The ore is often encapsulated in some other material (i.e., quartz or rock) and begins in the crushing and grinding circuit. In this stage the material is usually first crushed into uniform sized pieces in preparation for the grinding circuit in the sag (semi-autogenous) mill. The sag mill uses the material itself to grind it down into small enough pieces to send it to the ball mill for grinding. The ball mill is a fine grinder that uses balls made of manganese, steel, or ceramics to further crush the material into a powder form. After the material has been through the grinding circuit the next is the gravity circuit which allows for the removal of any free gold to be removed through centrifugal force.

Once the free gold is removed, reagents are mixed into floatation cells, or tanks, that are staggered in height (Pliska, 2020). Each mining organization or site uses a different mixture for the reagents, but most use a sodium cyanide mixture that when applied to the ore breaks down the material separating the gold from the rock. This is called the floatation circuit. In this stage bubbles are created from the reagent mixture that attracts the gold. As the bubbles move from tank to tank the gold is separated from the mixture or slurry. The next circuit is the leach system. In this circuit the slurry has cyanide and

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oxygen added in order to liquify the gold. Once this process is complete it enters into the carbon and pulp or CIP tank. Carbon is used to separate the gold from the rest of the mixture. After the gold has attached to the carbon and separated the carbon is stripped from the gold. The resulting solution is then sent to the refinery for magnetic removal and then heated and poured into bars.

Safety

Training for milling processes in the United States and Australia is available in tertiary education facilities such as universities or trade schools. Additionally, each site will have training protocols in place per Mine Safety and Health Administration or MSHA in the United States and governing agencies following the Mining Act 1978 in Australia. The Federal Mine Safety and Health Act of 1977, MSHA governs mining in the United States (Mine Safety and Health Administration. n.d.). The key contributions of MSHA made an immediate reduction in fatalities within the mining industry. They require four site inspections per year for underground operations, established miner training procedures, and all underground operations to have a mine rescue team on site. MSHA ensures that proper safety procedures and health rules are being followed to reduce the risk of injury to miners. They also were created to ensure the rights of miners, although that has fallen to the wayside with the increased nature of a litigious society. At the inception of MSHA, it was rare to see any kind of liability placed on mining operations in the event of an injury or fatality. As the workplace safety laws have increased and

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employees have had increased avenues to hold organizations accountable, MSHA has not needed to step in to ensure miners rights.

Even with the protection of MSHA, there are still accidents and fatalities related to mining in the United States. In the U.S. there are reporting policies in place to track the number of incidents that occur yearly. Since the institution of the Federal Mine Safety and Health Act of 1977 mine related fatalities have fallen from a peak of 204 in 1984 to 27 in 2018. The number of lost-time injuries has fallen from more than 21,000 in 1988 to less than 4000 in 2018 (Centers for Disease Control. nd.). Failure to comply with rules and regulations set forth by MSHA can result in monetary fines, site shutdown, and imprisonment.

The Australian government does not regulate workers' health and safety in mining; rather it is done by the states or territories. The *Mining Act of 1978* or *The Mining Act* is used by Western Australia (where Northern Star Resources does most all of its business) to depict the laws as they pertain to mining. *The Mining Act* has been amended a few times, most recently in 2008 with the *Mining Legislation Amendment and Validation Act* (Western Australian Legislation. n.d.). Additionally, the mine sites in Western Australia also are bound by the *Mines Safety and Inspection Regulations 1995* that were most recently amended in 2017 (Western Australia Legislation. n.d.). In this region there is legislation and entities monitor the number of hours worked and compensated to miners as they are often paid a salary and not an hourly wage. This leads miners to being under compensated. This is known as the *Mines Safety and Inspection Levy*.

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As part of the protective mining acts in Australia, individuals who hold certain higher-level positions (generally managerial positions) are appointed and report to the Department of the Attorney General. (Western Australia Legislation. n.d.). These positions also require the individual to apply for a certificate of competency for the position in which they are being appointed. Once appointed to these positions they are held accountable for specific aspects of the mining operation and as such can be prosecuted in the event of personnel or environmental accidents and other negligent activities. The entities governing mining operations in Western Australia have a lesser capacity for shutting down operations than their U.S. counterparts, however, they do have the ability to impose fines or imprisonment.

Facilitating Change

Todd Jick, a professor at Harvard Business School, wrote in a case study “no matter how much effort companies invest in preparation and workshops - not to mention pep rallies, banners, and pins - organizations are invariably insufficiently prepared for the difficulties of implementing change” (2011. p212). His study examined business units in 93 medium to large sized firms regarding the implementation of some type of strategic change. This study identified seven issues in at least sixty percent of those responding to the survey. These include taking longer than anticipated to implement the changes, major issues were not identified prior to the implementation process, ineffective coordination of the implementation procedures, abilities of the implementation teams were not sufficient for the roles and tasks they were assigned, inadequate direction

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(training and instruction) given to lower level employees, competing issues and programs detracting from the change process, and external factors that are uncontrollable had negative impacts on the implementation process (Jick. 2011).

While Jick identified common issues in the change process he also states that there are many more that occur. As such, there is not a simple step by step guide to implementing change. Rather, he suggests what he terms “the ten commandments of implementing change” that should be used as tools in the facilitation of change (Jick. 2011). Not all of the commandments need to be used but instead a mixture of the ones that are the most advantageous and related to the change the organization wishes to implement and the situation that the organizational members find themselves in.

III. Methodology (Operationalization)

Data Collection

There were multiple methods used to collect data in order to work with restrictions created when the contact person for this project was unexpectedly removed from their position and sent back to their home country, ending the ability to continue as planned. Discussions were conducted prior to their withdrawal with several members of the organization from different levels of management in order to gauge what questions should be asked in a survey to the broader audience of employees.

A survey was created to identify areas where communication breakdowns had occurred and what expectations were violated in the transition process. The intent of the survey was to have it be distributed widely throughout the mine site. All responses

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would be kept anonymous in order to encourage honest participation. Biological sex was to be excluded as the number of women working on site is so low that it would potentially identify those who did participate. The departments participants worked in were identified in order to determine if there were differences in perception based on the conditions within different parts of the organization.

With the loss of the primary contact person came a change in how the survey could be conducted. Access to the transition team and other employees would not be available through upper-level mine management. Instead, through personal connections to employees this researcher has, responses were collected. The survey was shared through social media, email, and text messaging from one employee to another.

Additional interviews were conducted with those respondents who wished to participate and share their experiences. This was conducted as an informal interview that provided them the opportunity to express their concerns and ideas to make the environment and overall transition process more effective and productive. No identifying information was collected or recorded in order to preserve anonymity and reduce the potential for retaliation.

Analysis

In order to answer the research question (RQ 1: What steps should an organization take to obtain employee buy-in when entering a foreign market?) the researcher used a

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survey to ask questions that helped to identify the behaviors that employees found important. For example, questions such as:

Do you feel that the organization supports the local community?

Do you feel that the organization's top leadership values you as an employee?

How do you view the organization's commitment to learning American cultural norms?

In assessing answers to these questions, the researcher identified both the positive and negative actions from the organization as perceived by the participants.

To answer the research question (RQ2: How can the organization identify factors influencing existing (new to them) employees and local community's perceptions of them?) informal interviews were conducted with survey respondents willing to discuss the new ownership of the mine. These interviews were unguided except to keep on the topic of the mine and allowed participants to discuss their feelings about the new organizational culture freely. The researcher would follow up responses with the question, what makes you feel that way, as needed in order to gain insight as to why they perceived events a certain way.

In order to answer the research question (RQ3: What key components should be included in a social contract when operating in a new culture or country?) the researcher used responses from both the survey and informal interviews. Questions in the survey related to perceptions of communication and information transfer, availability

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of supervisors to discuss concerns or ideas, and understanding and respect of cultural norms we used to determine how employees of all nationalities assigned importance. During the informal interviews, follow up discussions included information discovery concerning specific incidences highlighting communication practices, interactions between employees and supervisors, and cultural missteps (as perceived by the respondent).

IV. Summary, Conclusions (analysis), and Recommendations

Summary

Northern Star purchased Pogo Mine at a time when the mine life was dwindling, and frustrations were high among employees. The employees had a lot of hope and excitement for the promise of changes that came with the new owners. They had a reputation for taking derelict mines in Australia and extracting years of additional mine life from them. Employees were hopeful that some of the harmful practices that the former owners had allowed would end. For example, nepotism, wastefulness, and good ol' boy behaviors- referring to people belonging to a group of usually older white men with close ties, mutually supportive, and archaic thoughts when it comes to minorities and women (Anonymous Five, 2020).

Entering into a foreign market there are many challenges and opportunities for the organization. Northern Star came in with great intentions for the mine but a lack of preparedness entering into a foreign market made the transition difficult. The new

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regime inadvertently created trust issues through promises left unfulfilled, poor communication, placing Australian representatives in most all supervisory positions, and splitting the workforce from one team to two. There were and are still opportunities for the company to mend these relationships and encourage employee support and commitment.

Of the estimated five hundred employees of Pogo Mine, fifty-one participated in the survey. Eight of the respondents of the survey also chose to provide an informal interview in order to share other information they deemed important to the transition process. All of the respondents except two were American, therefore, to protect identities nationality will not be used as a comparison tool. Additionally, when the departments underground, construction, electrical, geology, warehouse, administration, mobile maintenance, mill maintenance, mill operations, and safety were assessed, it was discovered that they needed to be grouped into smaller groups to protect identities. Instead, these were condensed into the following:

NSMS (Northern Star Mining Services)- underground, construction, mobile maintenance with 24 participants

NSR (Northern Star Resources)- mill maintenance, mill operations, electricians with 16 participants

Admin (Administration)- Administrative positions, warehouse, safety with 11 participants.

This followed closely to the way in which Northern Star had departments divided on site.

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Forty-three participants had been employed at Pogo Mine for a minimum of three years at the time of the transition to Northern Star. Only two of the respondents had been in the employ of Pogo Mine for less than a year. Of the fifty-one participants, sixteen stated that they were supervisors at least at the shifter (crew lead person) level. Four of these people were relief shifters/supervisors meaning they only occasionally work in the supervisory role.

After the demographic questions were answered, participants were asked questions related to their perceptions of the transition. These questions used an abbreviated Likert scale of agree, disagree, or neither agree nor disagree. The question, "I feel that I accepted the change in ownership" received forty-five agreed responses, one neither agreed nor disagreed, and five disagreed. To the question "I feel that employee buy-in occurred", thirty-five respondents disagreed, eleven agreed, and five neither agreed nor disagreed. In reference to the question "I feel that the transition went as planned". Only ten of the respondents believed this to be true, while twenty-six disagreed, and ten neither agreed nor disagreed.

Respondents were asked two questions related to the preparedness of employees and themselves during the transition. Specifically, "I was prepared for my role in the transition" and "existing employees were prepared for their role in the transition". Majority of the respondents neither agreed nor disagreed to these statements, forty-nine and forty respectively. Those that agreed with these statements

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were one and two respectively and those that did not agree were one and nine respectively.

Questions related to the communication that occurred during the transition process were asked. To the question, "I feel that communication from the top-level management down was clear and accurate" twenty-one respondents disagreed, sixteen neither agreed nor disagreed, and fourteen agreed. When asked "I feel that the communication from hourly employees up was clear and accurate," ten respondents disagreed, eight neither agreed nor disagreed, and thirty-three agreed. To the prompt, "I feel that the communication received was transparent and honest related to the transition and changes being made " nineteen respondents disagreed, eighteen neither agree nor disagree, and fourteen agreed.

In response to a conversation with Peta Slocombe (2019), the survey included a question that sought to identify where the organization could do better when it comes to communication. Respondents were asked to indicate the areas in which they felt could be improved. Areas of communication that were identified were (number of respondents selecting in parenthesis), operating expectations (13), production expectations (21), policy changes (48), employee pay and benefit changes (37), extracurricular such as nonprofit and community support (34), planning (10), clearly stating expectations (16), hierarchical structure (2), and timeliness of the communication (2).

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Following the completion of the survey, participants were given the opportunity to set up an informal interview done via zoom so that their identity would be able to be kept anonymous from the researcher. Those who chose to participate made an appointment with an assigned number (I.E. Anonymous One) and when the appointment was conducted used that name, kept their cameras off, and as they felt warranted altered their voices. Some participants chose to use the type to text option as opposed to speaking during the interview.

During the informal interviews, participants were able to share information that they felt had affected perceptions of the new owners and ideas of what could be done differently as well as what they felt worked well. These interviews were not scripted and were only guided in order to ensure that the topic remained on perceived cultural issues, perceived communication barriers, operational and production communication, the cultural environment, and similar topics.

The issue that was discussed in some way in every interview was that of the us versus them environment that has been created since Northern Star took over Pogo. The most prevalent us versus them is that of Australians versus Americans. Northern Star also separated the operations of the mine from one cohesive group to two entities, Northern Star Resources (milling) and Northern Star Mining Services (mining). This further divided the site as most crews from mill and mine no longer interact with each other. The third area of us versus them that was identified was that of management and hourly employees. This is a continuation of the Australian

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versus American as all but one of the upper-level management employees were brought in from Australia. The one American upper management employee is a co-manager or alternate. In the Northern Star Mining Services side, mid-level supervisory positions were filled in many cases with existing employees that the majority of the crews did not support, did not feel had a positive reputation, were trustworthy, and were not qualified for the positions they were placed in.

The split from one team to two, or the division of mining and mill operations has created other issues as well in many respondents' opinions. The issues stemming from this range from the ability to get projects completed, dealing with issues onsite that might require more manpower or multiple departments, to personal support and connection while being in a remote camp for extended periods of time. Particularly during the initial period of the Covid-19 pandemic when the mine site saw many employees staying onsite for much longer than anticipated the loss of camaraderie affected some employees. Members of the mining services side Pogo said that this was a larger problem as they did not feel that their supervisors were supportive, concerned about their emotional wellbeing, or concerned about when they would be able to return to their families.

Another common topic discussed by respondents was the excitement that accompanied the new owners plans for the mine. At the time of purchase, mine life for Pogo was limited and many felt that they would be looking for work elsewhere or gearing up for the reclamation process. Northern Star brought with them the promise of

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a largely extended mine life and continued production. Since taking over the mine, they have been able to add a minimum of ten years to the mining operations and there is the potential for many more.

Some promises included those of improved operating practices and conditions and were left unfulfilled. There were members of upper management that did not understand the complexities of doing this type of business in the interior of Alaska which led to having to go back on plans with great frequency. They would say that they were going to do some project and then find that due to the availability of resources, laws and regulations, or weather conditions for example that it was not possible to do. This caused trust issues for several of the respondents.

Offensive comments and practices were also discussed by many of the respondents. Words that are used as slang by many of the Australian employees and managers are very offensive in the U.S. English language. This was brought to their attention and many felt that they didn't care and continue to use offensive language anyway. Comments were made about age early in the transition and was brought to the attention of much of the workforce. Specifically, an Australian supervisor suggested that employees over the age of forty should be let go. This was not only offensive to the ever-aging workforce in the trades but also violates discrimination laws in the United States. During an interview a manager made inadvertently negative comments about the previous safety culture of the mine which was published in the local newspaper.

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During the celebration of Australia Day, the general manager asked employees if it would be okay to take the United States flag down and fly the Australian flag for the day. This created tremendous anger and offense to the employees. Many of those who discussed this felt that the Australians should have known that many American's are patriotic and that a very large number of the workforce onsite are veterans or the family of veterans. The Australian's were very confused by why this had offended and bothered the American workers. This particular event created a large rift in the Australian and American culture onsite.

Two of the people who chose to participate in the interview said that some of the negative practices that were often seen during the previous owner's time had ended. Nepotism was prevalent throughout the site and often caused issues among crews. This practice had been discontinued and it monitored much closer. The presence of a "good ole boys" environment had been dissolved as well. However, this has been replaced with the "Australian" or "accent" environment which was disconcerting for most people.

Conclusions

When Northern Star Resources bought Pogo Mine and entered into the multinational business market, it produced positive and negative results. After discussions with survey respondents this researcher has identified areas that are of concern and should be considered for future operations in foreign markets and continued operations in the United States.

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When entering into a foreign market the organization should do thorough research pertaining to the people and business they are entering into. More than just general cultural norms of a country, organizations need to consider local norms and industry standards unique to the area of operation. Knowing what resources are available (I.E. manpower or parts and equipment) in the area or by shipping is imperative when making promises of change to an existing workforce. It is also important in order to maintain business relationships with contractors or vendors in the area that the organization may need in the future. The smaller the industry or community the company is moving into is, the more important this becomes as resources are limited.

Making assumptions about the workforce or region the organizations is entering into ultimately may lead to miscommunication or offensive behaviors. In this example, the fact that English is predominantly spoken by all parties led to the assumption that understanding would come naturally. While overall communication is understood, intent and intonation were often lost in conversation. Slang and other words also affect the ability of the different cultures to create understanding.

Finally, assumptions that one operating standard will work no matter where you operate should be kept minimal. In this particular case, the difference in location is polar opposite. While some practices absolutely can be used universally, practices such as storing ore and rock piles outside until they can be processed in the mill will not work because it freezes solid in the winter making it unusable until it thaws. In industries

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where the climate affects operations, assumptions that different climates will be able to operate the same are not advised. The same can be said for laws and regulations affecting operations. One region to another has a great potential for differences. As part of the initial research when entering into a new market, specifically into a preexisting organization, identify the key employees who are influencers. These people may not be in leadership positions but are who others look to when they need guidance. They are the people that have earned the respect of their coworkers and know what needs to be done in most situations. Often the people who are working the hardest to gain new management's attention are the ones that most employees do not trust and do not feel should be in any position that influences their employment. Using caution to avoid putting these people in positions can lead to improved employee buy-in and trust in the new organization.

Upon acquiring an existing organization, evaluating the operating procedures and effectiveness of departments is important. The acquiring organization may feel inclined to change all the operations to be the same as their existing models, but this may lead to a loss of employee support and potentially the opportunity for growth. If a department in the acquired organization has a great program in place, consider at least leaving it alone if not implementing it in other locations to encourage buy-in. This shows all employees that there is value in the new organization, that there is room for growth in the organization, and provides opportunities for buy-in by both the acquired organization and existing employees.

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When an organization enters into the international market, whether it is the first time or tenth, research should be conducted every time. Each market needs to be examined for behaviors that are considered normal for the people in the community in which they are doing business, the industry itself, and the specific organization they are entering. Although the members of the organization may not pick up every intricacy and may still do something that is considered taboo, the effort will be evident and appreciated.

Recommendations

This project has produced two different sets of recommendations, one for repairing the current climate at Pogo Mine that has resulted from how the transition was executed and the other for future site acquisitions.

Pogo

There are several things that could be done to improve the current environment at Pogo Mine. One of the first recommendations would be to balance the upper management system with a minimum of equal number Americans and Australians. Ideally, having more Americans in those positions and being the face that the workers are associating with the company would occur.

Operating Northern Star Mining Services truly as a contractor consistently or absorbing them into the company and no longer a separate entity is important. As of now, they are a part of the company when it suits them and not when it doesn't. This has affected the accountability of this section of the mine and caused issues that extend

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into the others. This is fueling the us versus them mentality as well as affecting the operation of the site overall.

Northern Star should reevaluate their operating procedure in Alaska and make changes to their standards that do not work for this climate and environment. Instead of adopting the Standards of Operation or SOP to Alaska, Pogo was asked to adapt to what works in Australia. This has proven problematic in many ways and should be reevaluated. This should also include potential changes to the organization's overall SOP that would make the company as a whole more efficient.

Finally, Northern Star should work to rebuild its relationship with the Delta and Fairbanks communities. When the transition occurred, they discontinued most of the support that Pogo had contributed to programs around these communities with little to no discussion with officials. In public meetings and in published articles, upper-level management and representatives have made cultural missteps. This is particularly true with the specific words and ways that they use the English language. One manager made the comment at a public meeting after offending the majority of the group that he would just buy them a lager and it would be fine.

Future Acquisitions

When considering the purchase of other sites or entering into other global markets, Northern Star and other organizations should consider the following recommendations.

Identify the person or persons that will act like an ambassador for the organization. These people will influence those around them naturally, employees tend to seek them out for help and advice. In order to identify these people, the organization

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should attempt to connect with at least one person, multiple if the organization is large, with whom they feel they have developed a rapport. This person will be able to determine true influencers from followers and yes-men.

Utilize the local workforce in many of the supervisory positions. Do not bring in all foreign workers to fill top leadership positions and operate the entire site. It is important to use local people to fill the majority of the upper-level positions in order to develop a strong connection with the workforce and not make the existing workforce feel as though they are somehow inferior. If foreign leadership is brought in for the initial transition, have a set exit strategy in place for their positions to be filled with local employees. Communicate with the workforce what the timeline looks like and how the process will go.

Ensure that all lines of communication are left open. Free flowing information will keep workers informed and confident in where the company stands in the transition process. It also helps to alleviate rumors and reduce the uncertainty that accompanies change. All communication should be as clear, honest, and complete as possible. However, in the event that more information is needed, that is what should be said. This ensures that promises aren't made that cannot be brought to fruition.

Do complete research about the country, community, industry, and specific organization that is being entered. By utilizing print and online sources, one can determine the proper behavior for business dealings and for interacting with people from almost any culture. This research needs to go further into the specific community

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where the site is located. Mines for example, are going to be located in a rural environment but rural Nevada and rural Alaska are two very different places with different people. The mining industry itself is its own community and is very small. Understanding the intricacies of the cultures and people that the organization will be working with will help to avoid offensive behavior.

In researching the community and industry that the organization is entering into, availability of resources also needs to be examined. Some locations will face additional challenges to obtaining tangible resources whereas others may face workforce shortages. Additionally, ensure that the quality of resources is also known to the organization. This information allows organizations to negotiate contracts and cost more effectively.

Develop a strong community relationship. This will benefit the organization in times of voting for regulations and laws. It also allows the organization to recover from major events that otherwise may leave a permanent blemish on the organization. Having a positive relationship with the community can also assist in recruiting local workforce. Additionally, in smaller communities if the organization has a negative or nonexistent relationship with the community, they may be less inclined to do business with or go out of their way to help when needed.

Identify the current Standard Operating Procedures or SOP's in place at the site. Know what procedures are working well and which ones should be changed. Be prepared to compromise and keep the procedures that work. If possible and beneficial

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be willing to adapt the procedures that are perhaps working better at the new site and implement them at other locations as the new SOP for the company. Know that changing the entire system is a blow to the people who have worked for years to develop it.

Be prepared to compromise. The transition period is a negotiation process between the purchasing entity and existing employees. Existing employees who do not feel as though they are valued will exit and leave the company. Some systems in place may work better than others, use those and let the existing workforce save face. Make changes swiftly and with clear and complete communication about what the change is, why it is necessary, and how it will be implemented.

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