



Case Study May 2010

A Multi-Faceted Approach to Literacy Skills Development at De Beers Canada

NAME OF PROGRAM

Literacy and Educational Training

DATE ESTABLISHED

2002

SKILLS DEVELOPED

English verbal and written skills
Communication and teamwork skills
Transferable and job skills

CONTACT

Kelly Arychuk
Manager of Human Resources and Administration
De Beers Canada Inc.
300-5102 50th Ave
Yellowknife NT X1A 3S8
Tel.: 867-766-7307
E-mail: kelly.arychuk@ca.debeersgroup.com
Website: www.debeerscanada.com

OVERVIEW

Canada is the third-largest diamond producing country, by value, in the world. Presently, there are three diamond mines in operation in the Northwest Territories (NWT), and exploration is ongoing. The combined output of all three NWT mines represents an estimated 15 per cent of the world's diamonds. De Beers has been involved in the diamond business since 1888, and although the industry has changed dramatically over time, De Beers is still recognized internationally as an industry leader. In the early 1960s, the company began explorations in Canada and currently operates two mines within Canadian borders. Snap Lake Mine in the Northwest Territories "... is De Beers' first [diamond] mine outside of Africa, ... and Canada's

2 | A Multi-Faceted Approach to Literacy Skills Development at De Beers Canada—May 2010

first completely underground diamond mine.”¹ The Victor Mine in Northern Ontario is that province’s first diamond mine.

De Beers Canada Inc. employs approximately 175 people in its corporate office in Toronto. When in full production, Snap Lake Mine employs 417 De Beers’ employees, and 150 contractors. There are 250 people working in shifts on-site at any given time. When in full production, Victor Mine has 375 full-time employees, with just under 200 employees on-site during any given shift. De Beers has entered into voluntary impact and benefit agreements (IBAs) with a number of Aboriginal communities. These IBAs establish the framework for the relationship between the company and Aboriginal communities affected by the company’s operations. In addition to financial benefits, components of the IBAs generally include establishment of hiring priorities, training commitments, business opportunities, and collaboration around promotion and preservation of culture in the communities in which De Beers operates. De Beers’ efforts are part of a long-term business strategy to ensure a stable Northern resident workforce and minimization of environmental degradation.

SNAP LAKE MINE

De Beers owns and operates Snap Lake Mine, which is located about 220 kilometres northeast of Yellowknife. The mine is situated in an area that has been used traditionally by several First Nations and Métis groups. In the Northwest Territories, a socio-economic agreement with the Government of the Northwest Territories and environmental agreements with the federal and territorial governments and Aboriginal communities that are impacted by the project were requirements for the issuance of permits. The socio-economic agreement includes a commitment by De Beers to guarantee that, during the operations phase of the mine, 60 per cent of its employees will be NWT residents, and to ensure that at least 70 per cent of its business expenditure will be spent on NWT businesses. The company’s socio-economic and environmental agreements were signed in May 2004 and permits were issued shortly thereafter.

Working to ensure that benefits from the mine extend to those communities located close to the mine, De Beers also signed four IBAs with Aboriginal communities and governments near the Snap Lake Mine. These include the Tlicho Government, Lutsel k’e Dene First Nation, Yellowknives Dene First Nation, and the North Slave Métis Alliance.

De Beers’ efforts are part of a long-term business strategy to ensure a stable Northern resident workforce.

Travel for employees to Snap Lake’s remote location is only possible by airplane. De Beers provides 10 pick-up points for air transportation in the NWT, and offers a travel allowance for its employees living outside of those pick-up points to ensure access to employment for NWT residents. Supplies are flown in year-round, except during the “winter road” season when an ice road allows fuel and supplies to be trucked in over a period of about six to eight weeks.

VICTOR MINE

The Victor Mine is located in the James Bay Lowlands of Northern Ontario,² 90 kilometres west of Attawapiskat. Attawapiskat is home to the Mushkego or Omushkego James Bay Cree. The mine, with an expected life of 12 years and a total project life of 17 years, is supported by winter road access for the transportation of equipment and supplies. Personnel are transported to and from the site by air, with pick-up stops at coastal communities and Timmins, Ontario. The site facilities include an open-pit mine, processing plant, workshops, warehouse, offices, fuel storage, pit dewatering system, accommodation complex, and an airstrip. Staff accommodation at the mine site includes 264 single rooms in the permanent dorm, recreational facilities, a library, and Internet access.

Health and safety is tied into everything at De Beers because the company’s success is dependent on a safe operation. Mining is new to the North and safety is a concern of local residents and employees. Risk increases

1 De Beers Canada. “About the Snap Lake Mine” [online]. Website content. Toronto: Author [cited September 30, 2009]. http://debeerscanada.com/files_3/snap-lake-mine.php.

2 De Beers Canada. “About the Victor Mine” [online]. Website content. Toronto: Author [cited September 30, 2009]. http://debeerscanada.com/files_3/victor-mine.php.

in the absence of commitment to health and safety training. From a community and a business perspective, no organization wants its employees to operate in an unsafe environment. To maintain a stable, committed workforce, De Beers strives to ensure that employees are able to follow safe operating standards.

OBJECTIVES

As a business leader, De Beers recognizes the value of a skilled workforce. The company willingly partners with other organizations to develop educational programs or tools that will help improve the skills of its workforce. Management takes the “500 foot view”: challenges are not only tackled immediately, but long-term solutions are also sought to prevent a challenge from arising again in the future.

In underground mining, the majority of jobs are categorized as semi-skilled and skilled. De Beers’ long-term goal is to increase the skills of the permanent workforce and train Northern residents to take higher-level jobs.

As part of its commitment to the local environment, De Beers strives to leave the communities in which it operates better-off than when it arrived. Due to a variety of reasons, low rates of work experience and literacy in Northern communities are compounded by social issues. Recognizing the need to address literacy and basic skills within De Beers’ potential workforce, management decided on a multi-faceted approach to building capacity by addressing literacy issues on-site and in local communities.

In underground mining, the majority of jobs are categorized as semi-skilled and skilled. De Beers’ long-term goal is to increase the skills of the permanent workforce and train Northern residents to take higher-level jobs. De Beers tracks internal job movement by gender, ethnicity, and Northern location.

TARGET GROUPS

The makeup of the De Beers workforce can be classified into five distinct categories: unskilled (mostly Northern residents), semi-skilled (mostly Northern residents), skilled (mostly Southern residents), professional (Southern residents), and managerial (mostly Southern residents). The workforce is primarily Canadian, with a handful of South African employees on secondment from the parent company.

Mining companies are able to provide opportunities for employment, partnership, and business development to local Aboriginal peoples.

—Jim Gowans, President and CEO, De Beers Canada

All De Beers employees are required to undergo work-readiness training, which encompasses health and safety as well as job-specific learning objectives. Individuals who require basic skills training or skills upgrading are found in all types of work areas of the mine, but most come from the unskilled and semi-skilled sectors. For example, some individuals work in the kitchen, some in heavy equipment operations, and some as coordinators.

ACTIVITIES

De Beers offers educational programming to enable people to further their education. Both the Snap Lake and Victor mine sites offer a variety of evening classes in English, math, computer training, and General Educational Development (GED) equivalency. Most of the basic skills training instruction takes place on a one-to-one basis. A workplace instructor develops a customized training program for individuals, based on each student’s particular needs. If an employee wants to enrol in an apprenticeship program and needs to pass specific examinations, the instructor helps him or her achieve the appropriate level of skill by setting objectives

4 | A Multi-Faceted Approach to Literacy Skills Development at De Beers Canada—May 2010

and assigning targeted coursework. Self-study, with the guidance of a workplace instructor, is the most common delivery method for basic skills training on-site. There are fully equipped learning centres at both the Snap Lake and Victor mines, which contain classrooms, computer labs, and private study rooms.

RESOURCES

De Beers partnered with other mines to form the Mine Training Society, which has provided training and skills development opportunities to more than 500 Aboriginal people leading to careers in the Northwest Territories' mining and mine service sectors to date. The Mine Training Society receives funding under the federal government's Aboriginal Skills Employment Program (ASEP). ASEP is helping improve employment opportunities for Aboriginal people by providing valuable skills development, on-the-job work experience, and long-term employment opportunities in the Northwest Territories mining sector.

De Beers' on-site learning centres are staffed by fully qualified adult educators who specialize in literacy issues. They work to develop literacy programs that are welcoming, accessible, and relevant to the needs of employees. The focus of the literacy and basic skills initiatives is to improve capacity in the mines while maintaining safe operations.

SNAP LAKE MINE

To help build literacy skills in Aboriginal workers, the company introduced the De Beers' "Books in Homes" program in 2003. Since then, the company has supplied about 21,000 new books to an average of 1,030 students annually in Aboriginal communities close to the Snap Lake Mine. De Beers' employees visit the communities, promoting the importance of reading and staying in school, and Aboriginal employees act as reading role models. To date, the company's investment in the books for NWT students has reached \$420,000. Encouraging children to read at home helps employee learners bond with their families and contributes to a community of readers and learners.

VICTOR MINE

The company's efforts to build the literacy and basic skills of the workforce begin prior to recruitment. For example, De Beers funded the construction of an \$800,000 training centre in Attawapiskat in 2002 to assist community members to prepare for employment at Victor Mine. The training centre now contributes to Attawapiskat's economic viability, resource employment, and community development. A training centre committee manages the facility and its programs. De Beers continues to work with the community and the training centre committee to implement and develop education and training plans that maximize employment opportunities for community members.

Encouraging children to read at home helps employee learners bond with their families and contributes to a community of readers and learners.

INNOVATIONS

De Beers routinely contributes to a variety of corporate and social investments in training and capacity building initiatives for NWT residents. For example, in 2003, De Beers partnered with Yellowknife Catholic Schools and provided \$500,000 to help with the construction of the Kimberlite Career and Technical Centre (KCTC). In 2006, De Beers added another \$100,000 and brought industry partners together with the Government of the Northwest Territories to make a \$1.5 million expansion of the facility possible. Today, the KCTC offers pre-trade training opportunities to high school students and adult learners.

De Beers is also working with industry and community partners to support the Northern Women in Mining Oil and Gas program offered by the NWT Status of Women Council. In the North, progression in trades and higher education often requires students to leave home to study. Recognizing that this is a challenge for young adults, the company provides financial support to the Northern

Student Education Initiative, a program that provides a support worker to assist NWT students in Edmonton who are completing post-secondary education in trades or other training.

De Beers strives to develop Northerners as team leaders and supervisors. In support of leadership development programs, the company invested in a simulator at Aurora College in Yellowknife to train people on advanced, technical equipment used in high-tech jobs.

CHALLENGES

Diamond mines operate 24 hours a day, seven days a week. Most shifts are 12 hours (day or night) and workers are on a rotation of two weeks on-site followed by two weeks off-site. The constant flux of employees posed some training challenges. In addition to the difficulties in establishing an efficient training schedule for the rotating shifts, it was not easy to motivate individuals to participate in learning activities immediately after they had finished working a 12-hour shift in the mine. Also, with such a large employee base, it was difficult to ensure that all staff are aware of training opportunities available to them at De Beers.

To assist employees who are reluctant to return to a “classroom” training setting, one-on-one instruction is provided. Training is customized to meet individuals’ skills needs.

At De Beers, the official language of work is English. One challenge De Beers faces in working with a Northern population is that English is not a first language for many of the local residents. Consequently, many new hires from the regions surrounding the mines face language barriers at work. In a potentially dangerous environment, such as a mine, it is vital that workers be able to follow verbal or written instructions in case of an emergency; read and understand safety manuals, posters and pamphlets; and communicate easily and quickly with their co-workers.

Most individuals with low literacy and basic skills are reluctant to self-identify for fear of losing their job or of the stigma attached to low literacy. Therefore, participation in literacy training programs relied on overcoming employees’ negative attitudes and perceptions of such training.

SOLUTIONS

De Beers offers a work-release program to its employees, which matches paid time-off for any personal time that an individual contributes to learning. In other words, for each hour of their time that employees give up to study, they receive an hour of paid work-time release. This is intended to motivate employees and to give them incentive to move forward and take that extra step to improving their skills.

Internal communications efforts strive to ensure that all employees are aware of training opportunities. As each work day begins, various departments hold a 15-minute safety discussion or “Toolbox Meeting” with employees. Each member of the training department’s staff attends a different Toolbox Meeting to make themselves visible to employees, to identify training needs, and to communicate training offerings. Monthly newsletters are also used to share information on training with employees and supervisors.

For those employees whose first language is not English, the company employs two Aboriginal employees who speak Chipewyan and Tlicho and can assist with language difficulties. Aboriginal workers are given special help in learning English, and particularly in learning to master the health and safety training modules.

To assist employees who are reluctant to return to a “classroom” training setting, one-on-one instruction is provided. Training is customized to meet individual skills needs. Supervisors also collaborate with the trainers to identify areas of need. While employees are participating in literacy and basic skills upgrading initiatives, supervisors ensure that these employees are partnered with another worker on the job to prevent any health and safety issues from arising.

OUTCOMES

DeBeers' long-term plan is to ensure that its presence in Northern communities has a positive impact on the people who live there. The impact of the educational initiatives put into place by De Beers will be felt for many years to come—and long after the mines have closed. A culture of learning is being established, helping Northern residents fully realize the benefits of reading and literacy skills. These skills will help these communities carry on and prosper after De Beers leaves.

De Beers' mines in the North are expected to have very long "lives." Employees may work there for their entire career, as opposed to the two-to-three-year life of a typical mine. Through education and skills development, Northerners have the opportunity to take on a variety of roles within the mining industry.

Working with De Beers will provide a catalyst for our community to build capacity through developing business, employment, and training opportunities.

—Dwight Sutherland, Chief of Taykwa Tagamou Nation³

IMPACTS AND BENEFITS

De Beers has invested a great deal of time, money, and effort into developing the skills of Northern residents in preparation for employment in the mining industry. The benefits of this type of strategy do not end with the mining industry, however. Helping employees develop their skills benefits the company by building local capacity, and benefits the employees by building their confidence and their career prospects. The skills learned and knowledge

gathered while working at De Beers is transferrable to other organizations and industries. Consequently, the capacity of the Northern labour force as a whole is being positively impacted.

Young people now benefiting from the De Beers' educational initiatives will eventually form a stronger Northern labour force.

The underground mining workforce is aging, and there is a critical need to pass its skills on to a younger workforce. As skilled miners retire, Northerners are able to take their place with the help of the educational initiatives De Beers has put into play. For the next two to three years, the face of the workforce is not likely to change. However, in the long run, the target of a 60 per cent Northern workforce at De Beers is achievable.

Anecdotal evidence has noted that De Beers' strong emphasis on health and safety at work has permeated local society: health and safety initiatives have moved into the community and have made a difference in people's lives. It is in Northerners' best interest to keep their workplaces and communities safe. They have a chance to make a difference—by ensuring that the company they work for maintains its commitments to the environment and the local people.

ABILITY TO BE USED AS A MODEL

While other organizations have provided Northern communities with social support, such as low-income housing, etc., De Beers has focused on establishing programs that will provide longer-term benefits to the North. Literacy rates are on the rise in the North, and while it is not possible to make a direct causal link to De Beers' Books in Homes program, community Elders attest that the programs have been an important contributing factor. Young people now benefiting from the De Beers' educational initiatives will eventually form a stronger Northern labour force.

3 "Taykwa Tagamou Signs Deal With De Beers." *Wawatay News* [online]. News brief. May 27, 2005 [cited August 15, 2009]. www.wawataynews.ca/node/11349.

De Beers continues to model initiatives that will positively impact the Northern labour force and communities. For example, De Beers is working closely with competitors in the area to develop a “Health and Safety Passport,” which would be valid for workers who move to jobs in other companies. This qualification would be valid not only in mining, but also in other sectors that require core health and safety training, such as construction and manufacturing. De Beers is working with other

organizations to agree to a curriculum, with a view not only to reducing its own training costs but also to better equip the Northern workforce with the tools needed to remain successful.

De Beers has recognized, and acted upon, the idea that an increase in worker satisfaction, commitment, empowerment, safety, efficiency, and productivity leads to a better bottom line.

About the Organizational Effectiveness and Learning Case Studies

The Organizational Effectiveness and Learning case studies examine outstanding education and lifelong learning programs and initiatives. This case study addresses the impact of workplace literacy and essential skills on workplace health and safety.

Acknowledgements

The Conference Board of Canada wishes to acknowledge the efforts of Frontier College and the National Adult Literacy Database (NALD), whose staff acted as external reviewers for this case study. All errors and omissions are solely the responsibility of The Conference Board of Canada.

A Multi-Faceted Approach to Literacy Skills Development at De Beers Canada

by *Joanne Ness*

About The Conference Board of Canada

We are:

- The foremost independent, not-for-profit, applied research organization in Canada.
- Objective and non-partisan. We do not lobby for specific interests.
- Funded exclusively through the fees we charge for services to the private and public sectors.
- Experts in running conferences but also at conducting, publishing, and disseminating research; helping people network; developing individual leadership skills; and building organizational capacity.
- Specialists in economic trends, as well as organizational performance and public policy issues.
- Not a government department or agency, although we are often hired to provide services for all levels of government.
- Independent from, but affiliated with, The Conference Board, Inc. of New York, which serves nearly 2,000 companies in 60 nations and has offices in Brussels and Hong Kong.

Publication 10-253
E-Copy: Complimentary

The Conference Board of Canada
Insights You Can Count On



255 Smyth Road, Ottawa ON K1H 8M7 Canada
Tel. 613-526-3280 • Fax 613-526-4857 • Inquiries 1-866-711-2262

The Conference Board, Inc. 845 Third Avenue, New York NY 10022-6679 USA *Tel. 212-759-0900 • Fax 212-980-7014 • www.conference-board.org*
The Conference Board Europe Chaussée de La Hulpe 130, Box 11, B-1000 Brussels, Belgium *Tel. +32 2 675 54 05 • Fax +32 2 675 03 95*
The Conference Board Asia-Pacific 2802 Admiralty Centre, Tower 1, 18 Harcourt Road, Admiralty Hong Kong SAR *Tel. +852 2511 1630 • Fax +852 2869 1403*

©2010 **The Conference Board of Canada***
Published in Canada • All rights reserved
Agreement No. 40063028
*Incorporated as AERIC Inc.

For more information about this case study, please contact us at the numbers listed above.
Case studies summarize the key findings of Conference Board research and outline the implications for member organizations.

Forecasts and research often involve numerous assumptions and data sources, and are subject to inherent risks and uncertainties. This information is not intended as specific investment, accounting, legal, or tax advice.

