

# Barrick gold and the mine at the top of the world

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**Barrick Gold and the Mine at the Top of the World Introduction** The purpose of this case analysis is to identify the main communication problem that the world's largest gold mining company, Barrick Gold, is facing in the midst of their major Pascua-Lama developmental project. The following paper discusses the causes of the communication problem and resulting symptoms, along with the key stakeholders that are affected and their concerning issue. Finally, this paper will provide a solution using all the steps of the communication model on how Barrick Gold can deal with all the key stakeholder groups.

**Main Body** Barrick Gold's main communication problem has been formed by Barrick saying one thing, then doing something else; this inevitably caused a lack of trust between its stakeholders and the company. The problem has created hidden agendas and guarded communication, thereby slowing decision making and productivity. For example, Argentina passed a law that protected their glaciers and permafrost, " which looked as if it might prevent the Argentinian part of the project from going forward. " (Barrick Gold case, pp. 11).

The cause of the problem stems from Barrick Gold not keeping their promise. They proposed to transport the most affected glaciers farther away from the mining site, but did not live up to that promise. The symptoms of the problem include the farmer's unhappiness with the company and the mayor for supporting the mining project. Another symptom is the fact that the Argentinian national legislatures passed the law protecting the glaciers. This desperate move shows that Argentina has a lack of trust that the company will follow through on their promise to deal with the melting glaciers.

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The 5 main stakeholders include the Chile and Argentina governments, the local farmers, residents of the valley, and the shareholders of Barrick Gold. Each of these stakeholders have separate issues they are concerned with. The Chile government is concerned with waste the mine is dumping into the river that runs through the Huasco Valley of Chile, specifically cyanide. The Argentina governments concern is based on the fact that the royalties they receive from the mine are ? of the total

GDP of their poor San Juan province; once the mining is finished this will regress back to zero and devastate the economy. The local farmers are concerned with the explosions that cause dust to settle on the glaciers and accelerate its melting; the effects are devastating to the whole surrounding ecosystem. The resident's of the valley share the same concern as the Argentinian government, that once the mining ceases their income will revert to zero. Finally, the shareholders of Barrick Gold are concerned with the idea of huge opposition and lack of productivity that ensued because of it.

In dealing with the afore mentioned stakeholder groups, Barrick Gold can use all the steps of the communication model, including: sender, encode, channel, receiver, and feedback. First off, the Chilean government: Barrick Gold (sender) needs to think of a method that allows cyanide to be removed from the river (encode), and this idea needs to be presented face-to-face (channel) to the Chilean government (receiver); once the idea is received, Barrick Gold needs to allow for feedback (positive or negative) from this stakeholder.

Secondly, the local farmers: Barrick Gold (sender) is responsible for devising a plan for decelerating the melting of the glaciers (encode) and portraying this plan, either in a proposal or in a meeting (channel), to the local farmers (receiver); the farmers need to provide their response of how the government is doing (feedback). Conclusion

In conclusion, Barrick Gold has a communication problem that could potentially destroy its whole project. How the company deals with its stakeholders is very important to its future success in Chile and Argentina. To mend the problem it is of the company's best interest to follow the communication model and make all attempts to repair the damage already done by not keeping their promise.