

— Rear Window

Pearls of wisdom from JS Jacques

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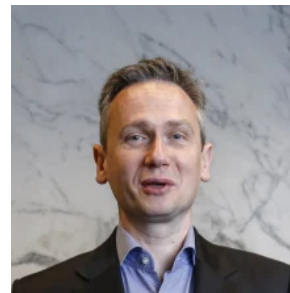


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Perhaps bored at home being unemployable, former Rio Tinto chief executive **Jean-Sebastien Jacques** penned an opinion column last month for the website of storied American magazine *Fortune*.

His piece was about corporate culture. Of all the subjects Jacques might be qualified to opine on, this certainly isn't one of them.

"CEOs should ditch fear – and play to win", it was entitled. Jacques, of course, presided over a culture of rampant fear at Rio Tinto, what an independent inquiry by **Elizabeth Broderick** found was a systemic organisational culture of bullying, harassment and racism. He commenced his tenure as CEO in 2016 by warning the company's workforce to "fit in or f--- off".



Jean-Sebastien Jacques is not exactly evoking his own record in his depictions of an ideal leader. **Bloomberg**

"Managing under the microscope of culture warriors and ESG evangelists has clearly rattled senior executives," Jacques noted of his former peers astride the corporate world, while adding disdainfully that,

"Sure, it's tempting to embrace every passing tenet of ESG and please the crowd."

Funny, because we remember Jacques saying in February 2019 that "with the sale of our coal assets last year, we are now the only major mining company with a fossil fuel-free portfolio, which means we are well-positioned to contribute to a low-carbon future".

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Oh yes, Jacques was a real crowd pleaser on ESG. He left billions of dollars of profit on the table by exiting coal but was lauded at all the best sustainability roundtables in the City of London.

He convinced a battalion of duffers in the investment community that Rio was "differentiated from our industry peers, with a fundamentally changed exposure to environmental, social and governance risks" even though Rio remained the biggest polluter in Australian mining [<https://www.afr.com/rear-window/rio-tinto-australia-s-biggest-mining-emitter-20200414-p54jppj>] courtesy of its dreaded aluminium business (they don't call it "solid electricity" for nothing).

"CEOs face decisions familiar to football players," Jacques' column continued. "They can play to win, or just play not to lose. Playing to win requires risk-taking, steady

communication, and agility. Playing not to lose means crouching into a defensive stance, trying not to rock the boat, and avoiding making the tough calls.”

Again, Jacques is not exactly evoking his own record in these depictions of an ideal leader.

Crouching in a defensive stance is precisely what Jacques did after Rio Tinto detonated the rock shelters at Juukan Gorge in May 2020. He did not utter a word for three entire weeks. He hid under his bed like a coward. Only after a series of iterative, disingenuous, pedantic and qualified apologies from the mining giant had provoked escalating anger did Jacques finally put his name to a written statement. He still did not front a camera or a microphone.

These are all important lessons on how to be a CEO from one who left a proud business in smouldering ruins – at least in terms of its community standing. Jacques put Rio Tinto’s reputation so deep in the toilet it was beyond the S-bend.

RepTrak polling for the June quarter has Rio at 57 out of 60 major Australian brands, underperformed only by the NBN, Crown Resorts and News Corp Australia. That’s two full years since Juukan Gorge, but just five months since the Broderick report lifted the lid on Rio’s “culture of silence” [<https://www.afr.com/companies/mining/rio-tinto-lifts-lid-on-culture-of-bullying-racism-and-harassment-20220201-p59ss8>].

The truth is that CEOs can learn nothing from football players. Running a company is not akin to a game. The analogy is inane, much like its author. And didn’t Rio Tinto learn that the hard way?

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