RUNNING HEAD: FINANCE, ACCOUNTING AND BANKING

Research Project

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# Abstract

This research paper is about analyzing two highly structured companies which are known as BHP Billiton and Newmont. In this paper, the major components and operation about these companies have been discussed like their brief backgrounds, history, their operation as well as their sustainability management and efforts towards inclusion and diversity and their management inside the companies. Beyond that, the main objectives of the research report have been achieved by deep analysis of the companies and study regarding particular objectives or concerns. Furthermore, it has been found in this course that sustainability management has a huge role in the organizational success of any organization, company or business as well as inclusion and diversity play vital role and have crucial impacts on the operations and performance of every kind of organization. In terms of significance, this study has huge importance because it deals with the most critical things about particular companies. These things or factors are their sustainability management, their efforts towards inclusion and diversity management inside the organizations and how they handle these factors as well as how much they are engaged in sustainability or their engagement in sustainability.

# Introduction

In this research paper, there are two companies (BPH also known as BPH Billiton and Newmont) will be discussed as well as a deep analysis of the companies will be done to study and discuss every related point and aspect of the companies regarding the paper. The main and major objectives or aim of this paper is to introduce BHP and Newmont in all possible aspects as well as their operations, their engagement in Sustainability Management, how they ensure their management towards sustainability, social issues they face and how they or they will manage or handle and their engagement in Management Accounting and related operations. There are several reasons which have been found as potential reasons because of which BHP and Newmont have been selected or chosen as companies to be analyzed in this research report. These reasons are but not limited to;

* History and backgrounds of the companies
* Financial pictures of the companies
* Culture and Management of the companies
* Their operations and activities towards Sustainability Management
* Information about them in the public domain

# BHP versus Newmont

* In terms of market/marketing strategies for their products, both the companies have been found excellent
* Newmont continuously having strong cash flow all the tile while BHP has strong record In terms of merger and acquisition
* BHP has a good return on its capital expenditure and performing well in this aspect while Newmont has a strong record in new product development and innovation.

The thing they both need to improve is they need to invest enough for adopting new technologies for enjoying successful business operations.

# BHP

BHP Billiton is one of the leading is an Anglo Australian multinational corporations that deal in the metals, mining and petroleum industry. It majorly operates in processing gas and oil production operations and mining and to meet highly growing demand in the emerging and potential economies. Headquarter of the company is in Melbourne Australia, while they are the largest diversified resource company and one of the top major minerals producing company. In the current time, BHP is the leading supplier of materials for steelmaking with the status of worlds, second largest producing company of copper as well as second largest in the world as an exporter of energy coal ([Terence, 2019](#_ENREF_2)). In the production of uranium and aluminium, BHP is leading in fourth and fifth number in the entire world.

In 2015, BHP was the fourth largest company of Australia based on the measurement on market capitalization. The company was firstly headed by Andrew Mackenzie as the CEO with the provision of employment to around 130,000 individuals and contractor in the world. The operation of BHP meets about 26 countries around the globe that include UK, USA, Canada, Brazil, Colombia, Pakistan and Brazil etc.

## Engagement of BHP in Sustainability Management

BHP is one of the highly engaged companies toward sustainability management. According to the organization (BHP) sustainability is at the heart of everything we do and operate (Schaltegger, 2011). In our work and operations, we put safety and health on the first ever, we are highly environmentally responsible, and we value and respect human rights as well as all hosting communities.

Plus, they ensure that their management sustainable through ensuring human rights inside the organizations as well as they ensure the communities they operate in (Carroll., & Buchholtz, 2014). So based on these things they ensure that their overall management is sustainable and in the current time (based on inside information about BHP) their management is fully sustainable in even all terms.

## Inclusion and diversity

For managing inclusion and diversity inside the organization, Global Inclusion and Diversity Council of BHP has recommended four potential priorities for accelerating the delivery of a highly inclusive work environment and enhancement of workplace diversity. These recommendations are;

* Embedding Flexible Working
* To enable our supply chain partners to support us in our commitment to inclusion and diversity
* Taking steps towards mitigating potential bias in systems, policies, processes and behaviours.
* Ensuring that our brand and working industry are fully attractive for a diverse range of people or groups.

In one and single way, it can be found that BHP is serious towards accounting management because they are working on some crucial things (Shore., et.al, 2011). One of these things is they work on risk management which proves that BHP is serious towards management accounting and put efforts towards adapting this thing.

# Newmont

Newmont Mining Corporation is one of the leading gold and copper producers around the world. Newmont has been found in 1921 and publically traded in the middle of 1925. Newmont is based in Greenwood Village Colorado with having 20,000 employees and contractors in their five operating countries in the world. The main business operations of Newmont are attached to the production of gold and most of their strategies are associated with this thing ([James, 1998](#_ENREF_1)). Their business strategies guide their approaches to becoming one of the most profitable and highly responsible gold producers. These strategies of Newmont are;

* Secure all of the gold franchises through running the business more effectively
* Strengthen and empower the particular portfolio by developing a long life and low-cost portfolio ([James, 1998](#_ENREF_1)).
* Enabling strategy by competencies and systems to gain a competitive advantage in the industry.

## Engagement of BHP in Sustainability Management

Newton engages in sustainability management by ensuring their performance of core and key employees as well as the overall performance of their operating branches around the globe. Furthermore, Newmont ensures that their existing management is sustainable because they think that they are progressively and continuously growing with capturing new markets and enhancing the current level of revenues (Carroll., & Buchholtz, 2014).

## Inclusion and Diversity

A social issue like Inclusion and Diversity exist inside Newmont. They manage this social issue inside the organization through their introduction of formal global Inclusion and Diversity strategy that accelerate efforts for developing highly diverse team and talent pipelines well as highly inclusive work environment (Shore., et.al, 2011). This strategy is shaped by leading practices and past expertise.

After the deep analysis of overall business operations and activities evaluation of Newmont, it has been found that Newmont is engaging in Management Accounting but somehow they are still economically driven while they are taking strong steps towards high-level Management Accounting.

# Comparison of BHP and Newmont

After the comparison of Newmont and BHP in terms of sustainability management, the only one and core difference has been found. The difference is that BHP ensures its sustainability management by empowering the human rights which include all people or individuals which are associated with BHP in any way(s) as well as they look at and put health and safety at the first priority in their business operations. Beyond that, BHP also believes that their sustainability management is dependent on the host communities where they operate. While according to Newmont, sustainability management is associated with the performance of all or key individuals or employees of the company as well as their performance. Furthermore, according to Newmont, sustainability management can be ensured by the continuous growth of the company and market expansion.

Yes! Newmont decides their sustainability management on the basis of their organizational performance as well as on the performance of its key employees which is a good sign for the success and growth of the organization, so BHP should adopt this concept too. But looking at the positive aspects of BHP, they focus on the society and human rights which is an impressive act of the company so Newmont has to adapt and give focus to this concept.

# Critique and Analysis

Sustainability management is a progressing way which has been adapted and adapting by the companies rapidly. Companies adapt sustainability management because it helps companies in two major and most crucial things; which are the identification of a gap in the organization and the compliance (gap of competitive advantage).

Companies measure their sustainability efforts by three main indicators which are; evaluation of the performance of resources, communication of info with stakeholders and improvement through gap identification.

There are number of advantages you or the company will enjoy if they act in sustainability. Some crucial benefits are;

* Enhanced market opportunity/advantages
* Overall cost reduction
* Engagement of employees
* Access to investment capital
* Ability to build an innovative platform

# Conclusion

After the deep analysis of the paper and the chosen organizations/companies (BHP and Newmont) is has been concluded that the operation of these companies towards sustainability management are enough impressive while they put their efforts towards inclusion and diversity and their management. For the purpose, they have developed several strategies and tactics to handle and manage these factors which may affect their operations negatively (if not handled and managed well). The core importance of this paper is it clearly and very concisely explains the operations and background of the particular companies while giving a brief view of all important aspect of the organization and their success.

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