

Safety Culture Transformation

Hong Kong Polytechnic University

Hong Kong, 5 October 2016

David Turberfield, North Asia Partner - ERM

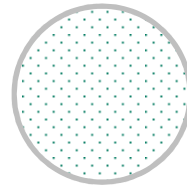


Exxon Valdez
24 March 1989

BP Macondo
20 April 2010



EHS Impact

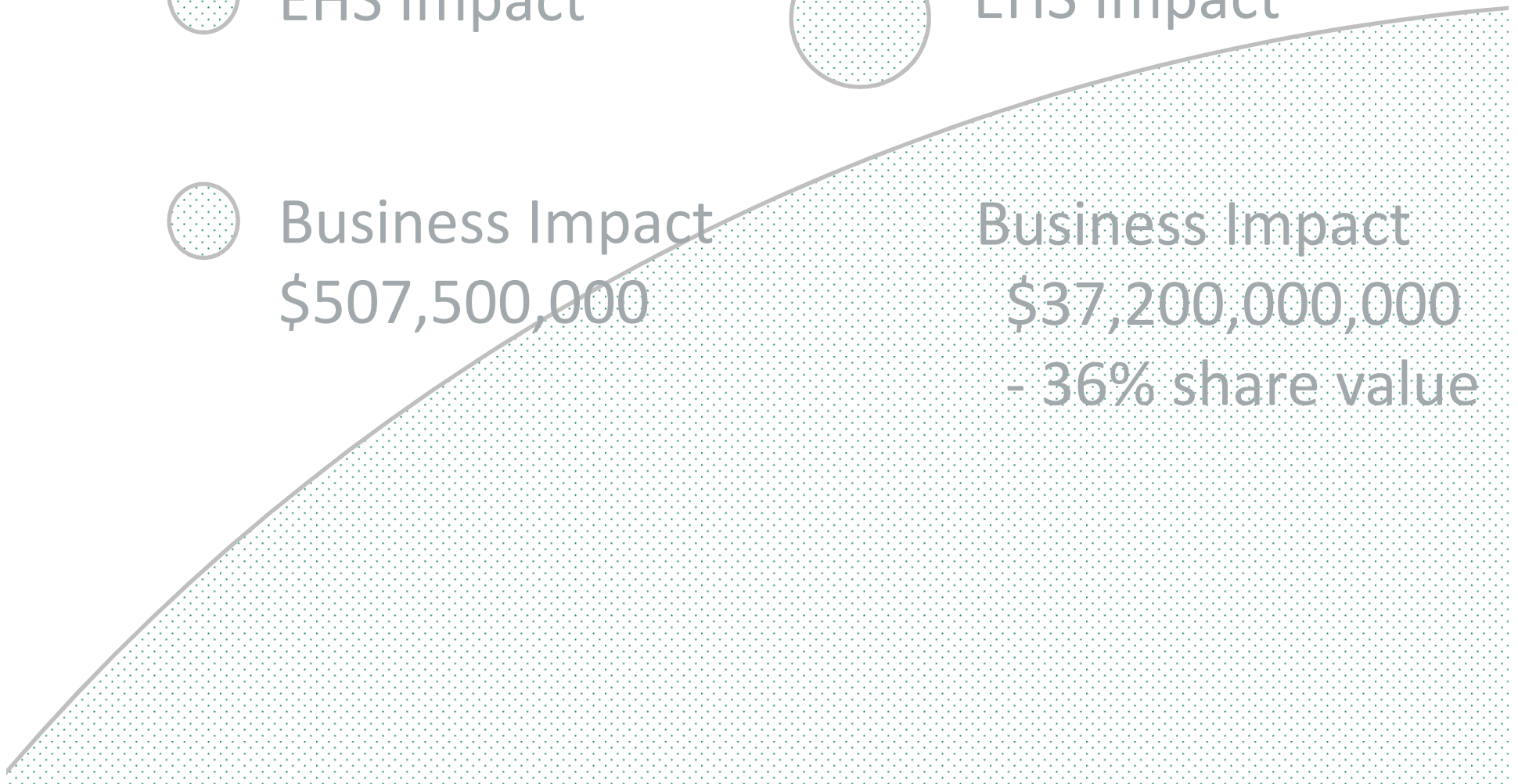


EHS Impact



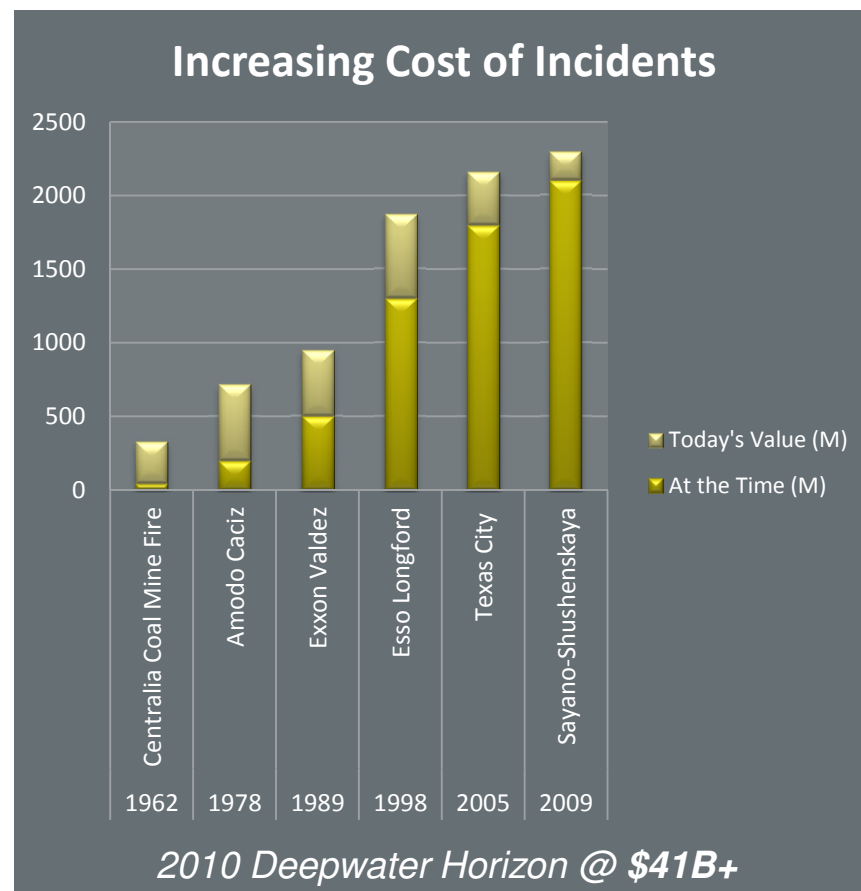
Business Impact
\$507,500,000

Business Impact
\$37,200,000,000
- 36% share value



The Escalating Consequences of Incidents

- Business success depends on innovation, cost control, timely output delivery, supplier management...
- Safety management
 - Its dynamic and a source of increasing risk to business
 - Community locally, new graduates, competitors and customers increasingly care about it
- Poor safety management
 - Taints success – of organizations and individuals
 - Can have very significant cost implications
 - Damages reputations

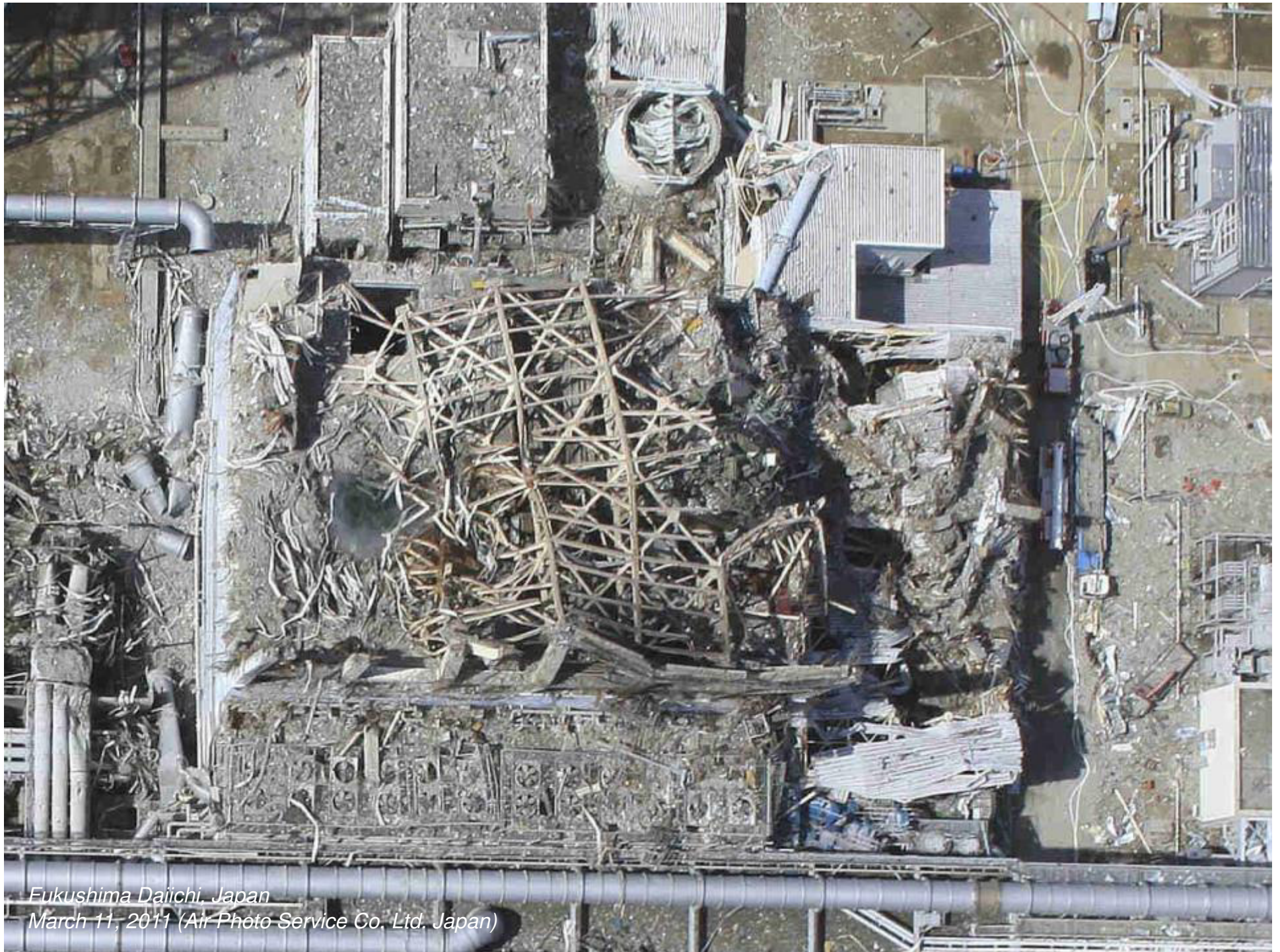




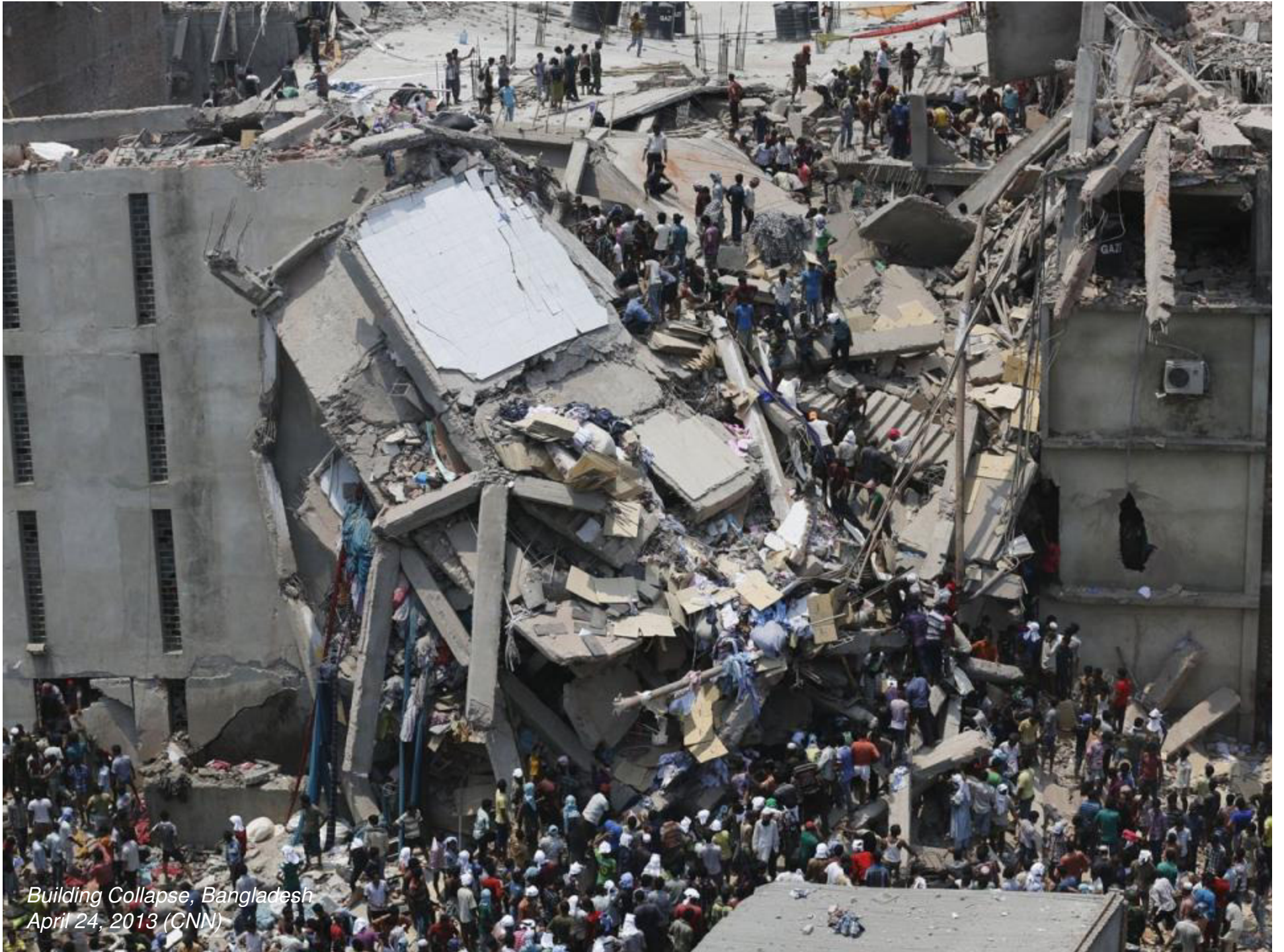
*Indian Oil Fire, Raipur, India
October 30, 2009 (NBC)*



*Deepwater Horizon, Gulf of Mexico,
April 20, 2010 (BBC)*



*Fukushima Daiichi, Japan
March 11, 2011 (Air Photo Service Co. Ltd. Japan)*



*Building Collapse, Bangladesh
April 24, 2013 (CNN)*



*Pipeline Explosion, Kaohsiung, Taiwan
August 1, 2014 (Xinhua)*



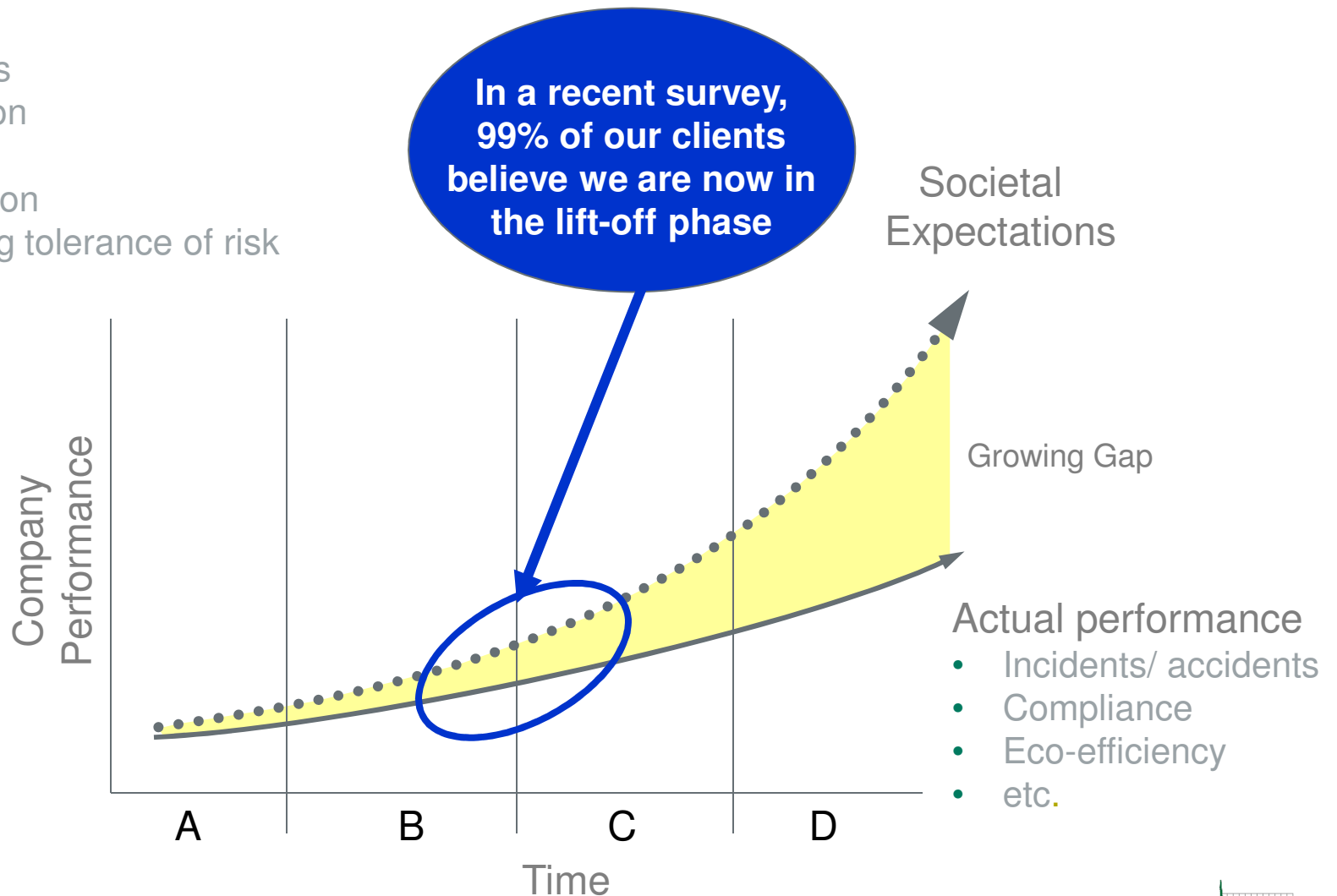
*Dragon Aromatics, Zhangzhou, China
April 6, 2015 (Reuters/Stringer)*



Tianjin, China
August 12, 2015 (BBC)

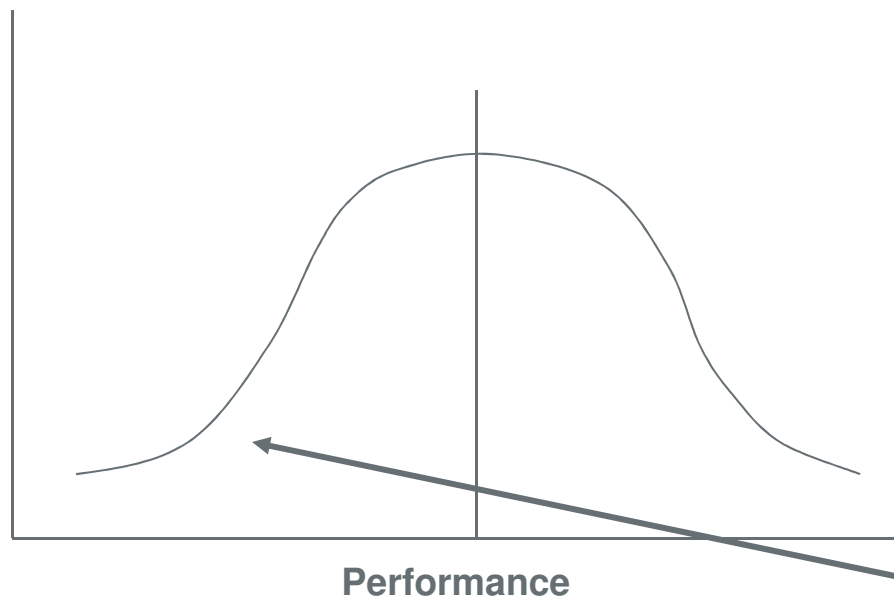
Anticipating big challenges...

- Media
- Incidents
- Education
- Science
- Regulation
- Declining tolerance of risk



A source of increasing risk to the business

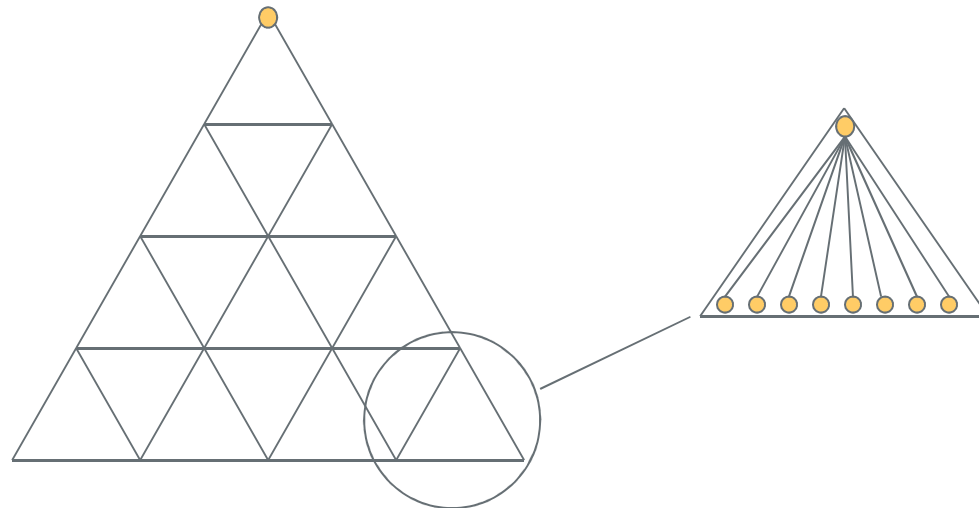
Strength defined by where its weakest

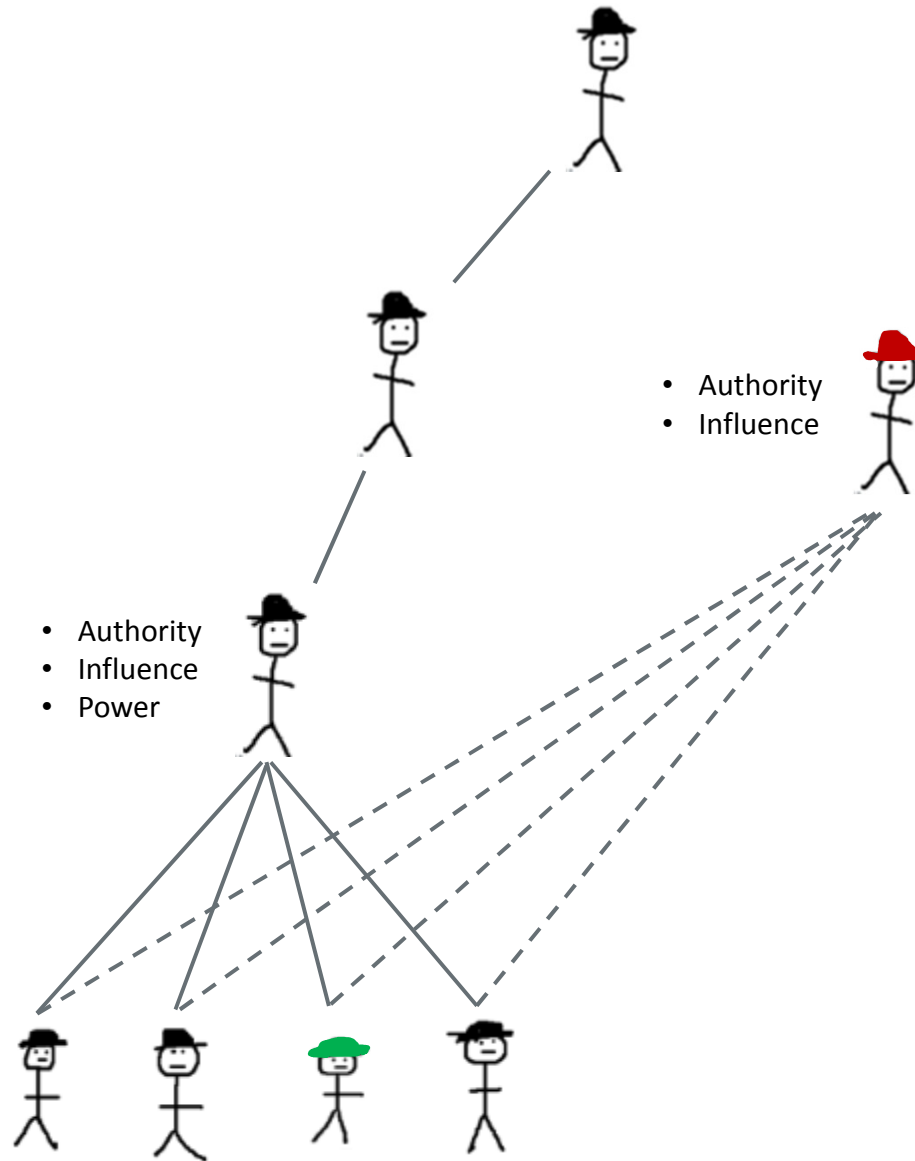


- Performance varies across teams/operating units/divisions
- Almost all organizations have areas where performance is more fragile
 - ◆ Activity specific
 - ◆ Specific regions/geographies
 - ◆ Organisational entities/departments
- If it goes seriously wrong, its most likely to do so in these areas
- Often in areas where leaders don't 'get it' ... and are resistant to changing the status quo
- Identifying these weak spots is critical

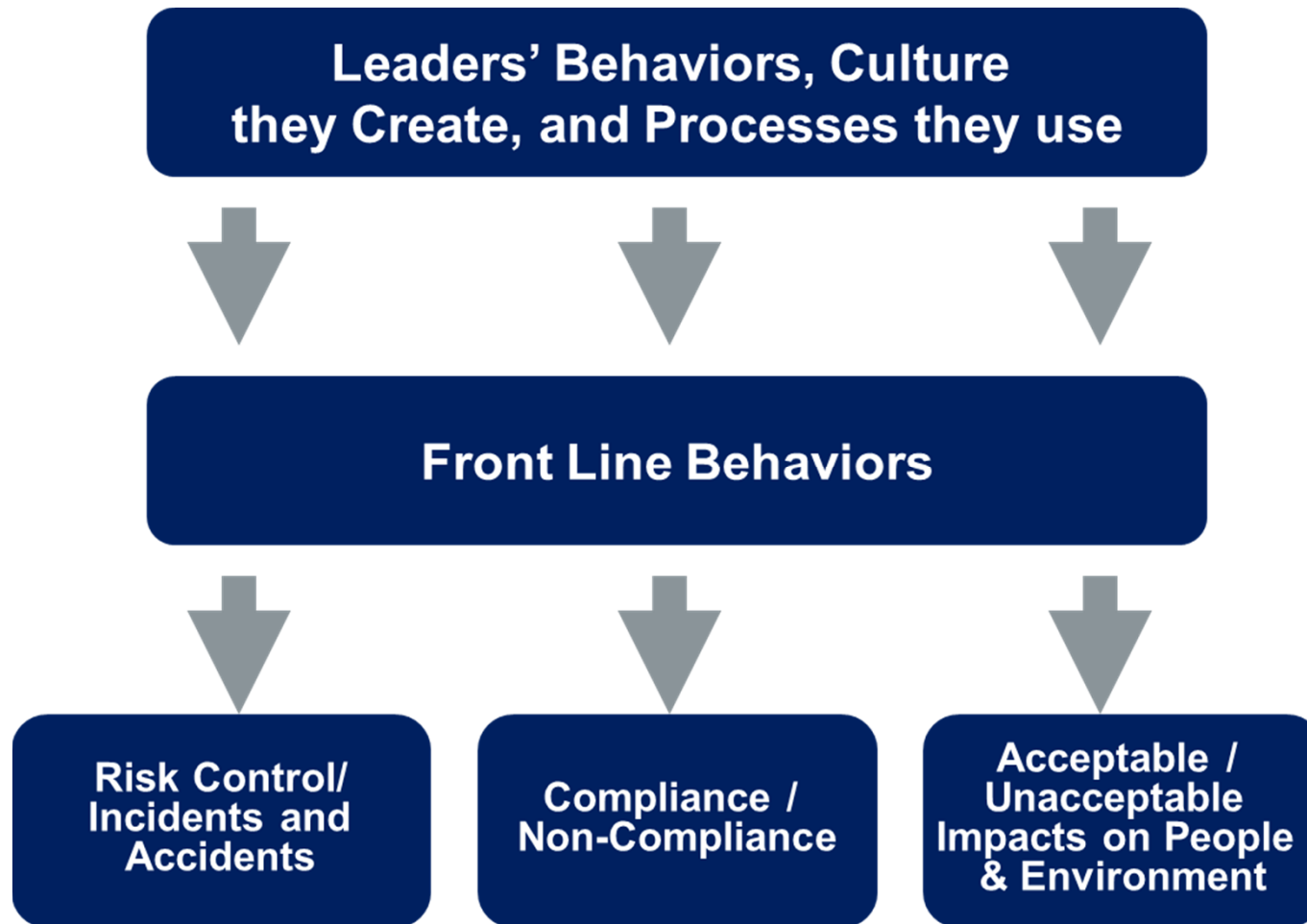
Great project teams and not so good ones

- Each and every team has its own culture, performance standards
- Culture a product of leaders' actions and especially their reactions
- Quality of leadership in the team the most critical factor by far in determining
 - Performance on EHS and everything else
 - Whether the team has accidents





Performance all depends on leaders' actions



Behaviour

Behaviour =

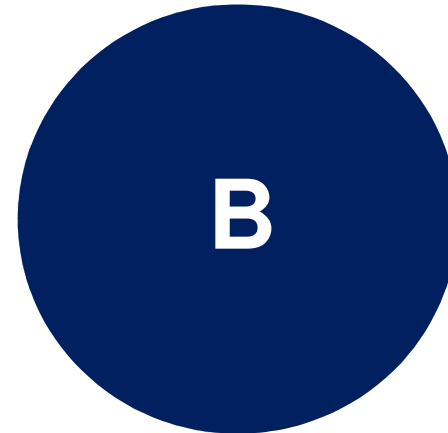
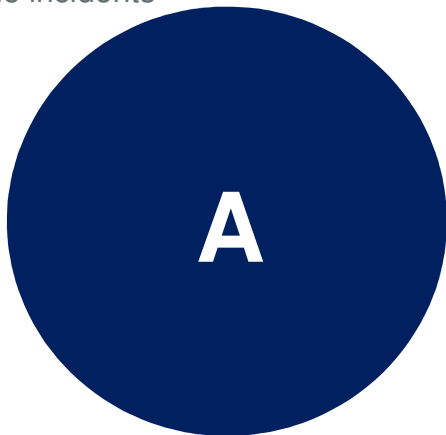
Thought

+ Action

We can only change how people act if we get them to think differently

A to B

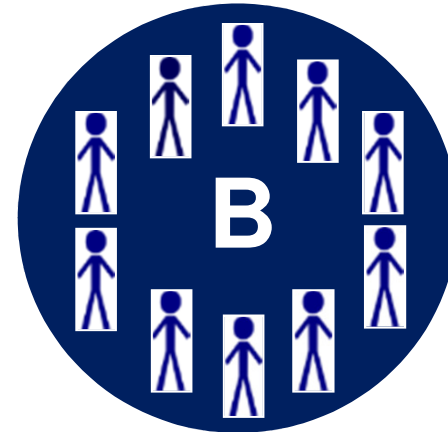
Inadequate risk assessment
More short cuts
Poor control of new workers
Poor planning of the job
Less mindful of the hazards
Failure to comply with PTW
Lax execution of higher risk activities
My buddies ignore what I do
My supervisors doesn't know what's going on
Bypassing safety equipment
Equipment that is not fit for use
In the line of fire
Less safe
People often hurt on the job often
People hide incidents



Excellent risk assessment
Less short cuts
Great control of new workers
Robust planning of the job
More mindful of the hazards
Good compliance with PTW
Disciplined execution of higher risk activities
My buddies watch out for me
My supervisors know exactly what's going on
Full use of safety equipment
Equipment that is fit for use
Clear of the line of fire
Much more safe
People rarely hurt on the job
People share incidents openly so we can learn from them

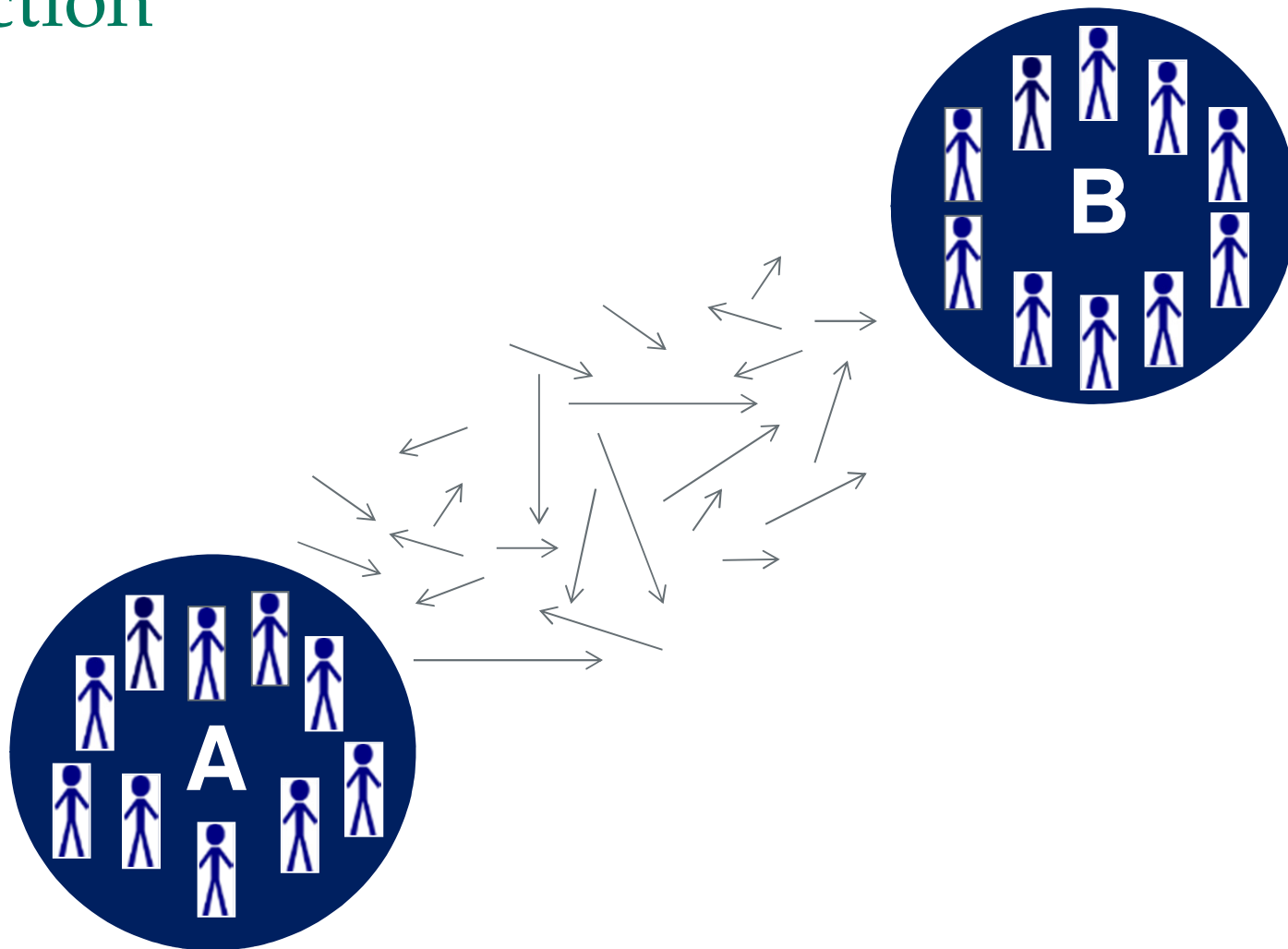
A to B... different behaviours, different outcomes

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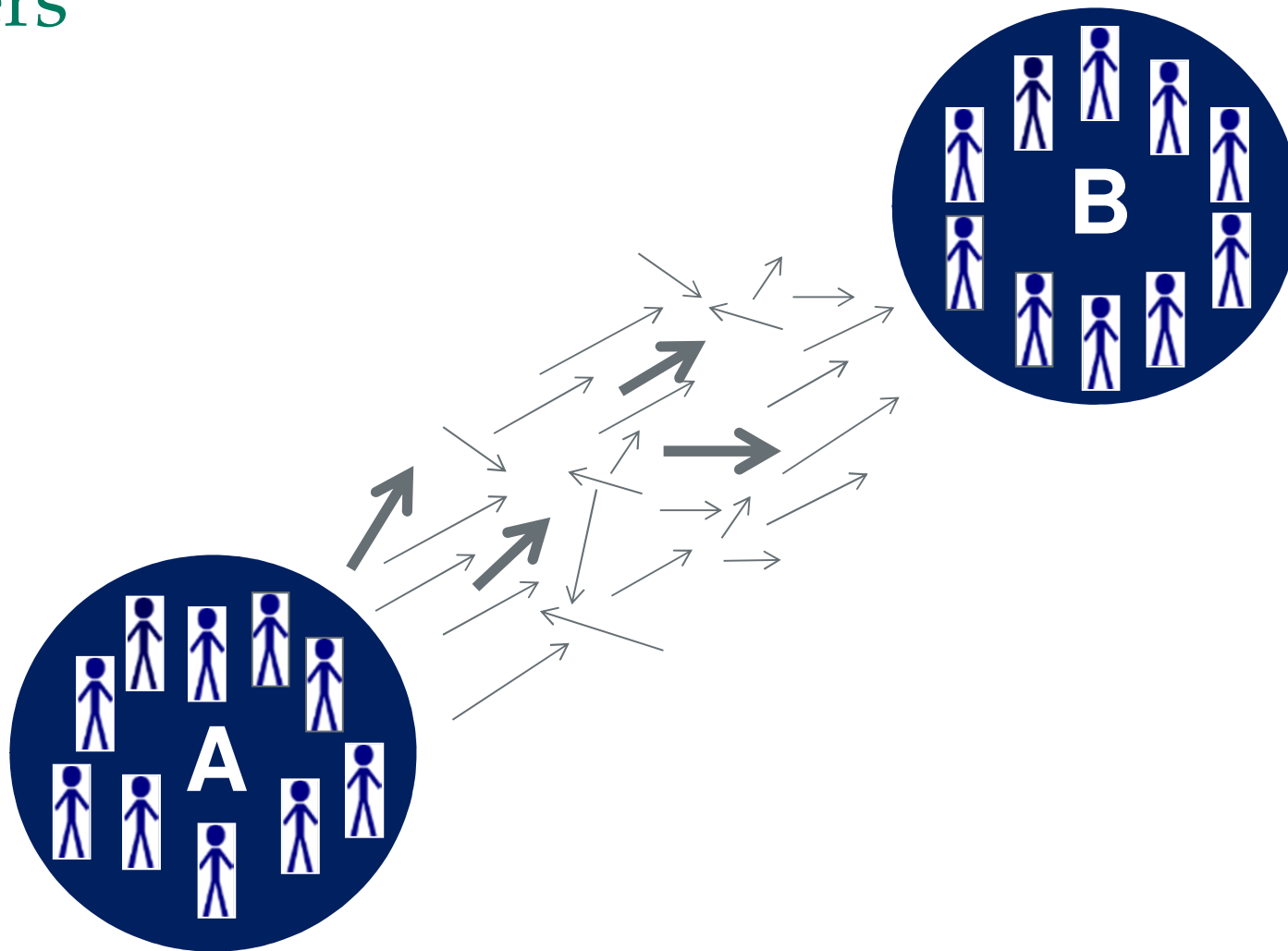


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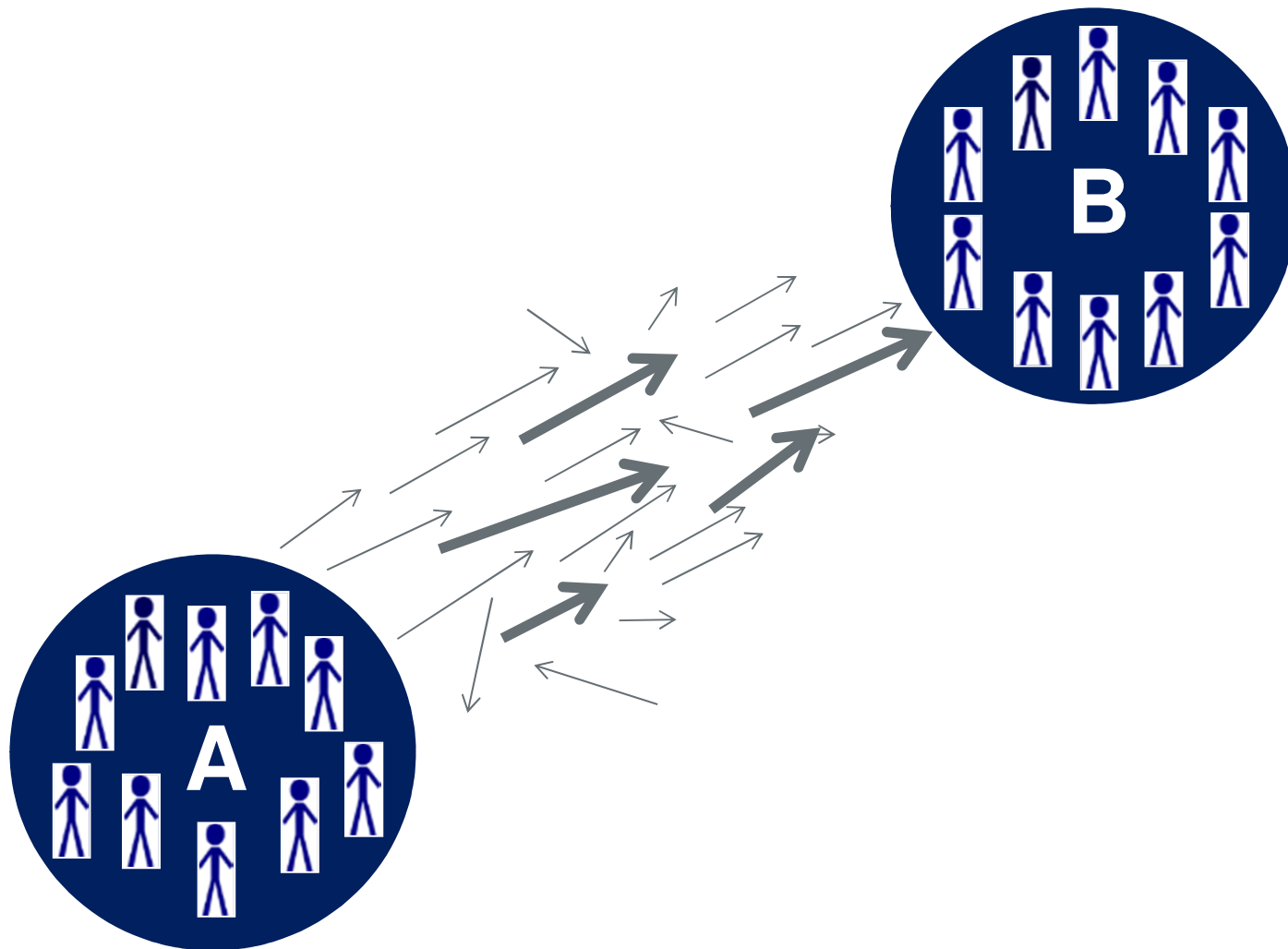
Leaders' actions like vectors: magnitude + direction



Some vectors have greater magnitude than others



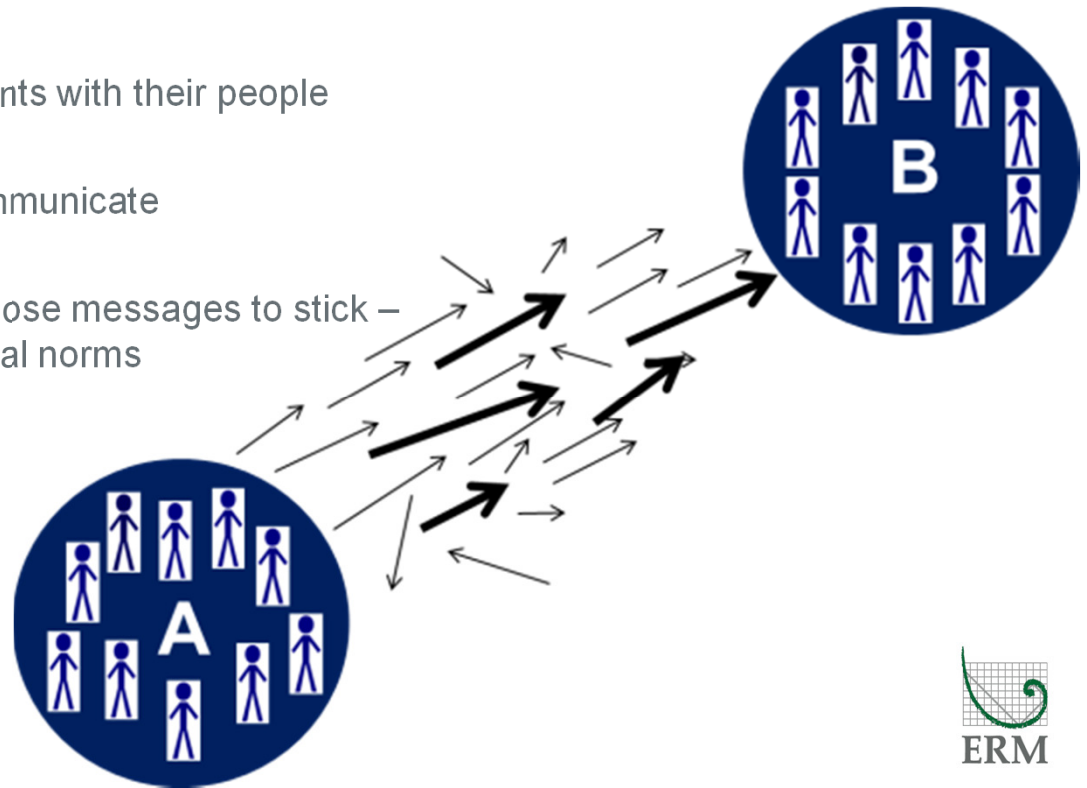
Team as a force multiplier



Team as a force multiplier

Rapid change in culture if the leadership TEAM in an organisation

- Is fully aligned in their ABSOLUTE intent to cause a change in the culture ... creating ABSOLUTE clarity on cultural norms
- Works together to address key barriers/challenges which are undermining the culture
- Are highly impactful in their engagements with their people
- Are aligned on the messages they communicate
- Use (every?) available means to get those messages to stick – to create a new set of cultural and social norms



Improving performance outcomes

Better outcomes will occur only if front line personnel change their behaviors

Behaviors on the front line will only change if front line leaders and their leaders up the line:

- Change their behaviors
- Create different culture in their teams
- Use different processes and/or use the process they have in a different way to induce behavioral change on the front line

Having the right intent is critical ... but not sufficient



Three imperatives to improve safety performance

1. Creating a personal and organizational imperative for leaders* to change and making it personal
2. Equipping leaders to deliver cultural and behavioral change on the front line not by inventing new stuff, but helping them to make much better use of established programs and processes
3. Make it self sustaining within the organization



**Frontline leaders and those they report to up the line*

Creating a personal imperative for leaders to change



Telling leaders they should change doesn't work. Need to build a data driven case for change – focused on events and actual conditions

- Use incident/ near miss data (events not numbers)
- Share observations of at-risk conditions and behaviours. Use photos. Focus on consequences
- Identify causes of failure and animate these with quotes from leaders and folks on the front line
- Help the leaders understand the impact they have on the behaviours of their people.... they get to decide if their people will have accidents

Equipping leaders to deliver change



Equipping leaders to deliver cultural and behavioral change on the front line not by inventing new programs, but helping them to make much better use of established programs and processes

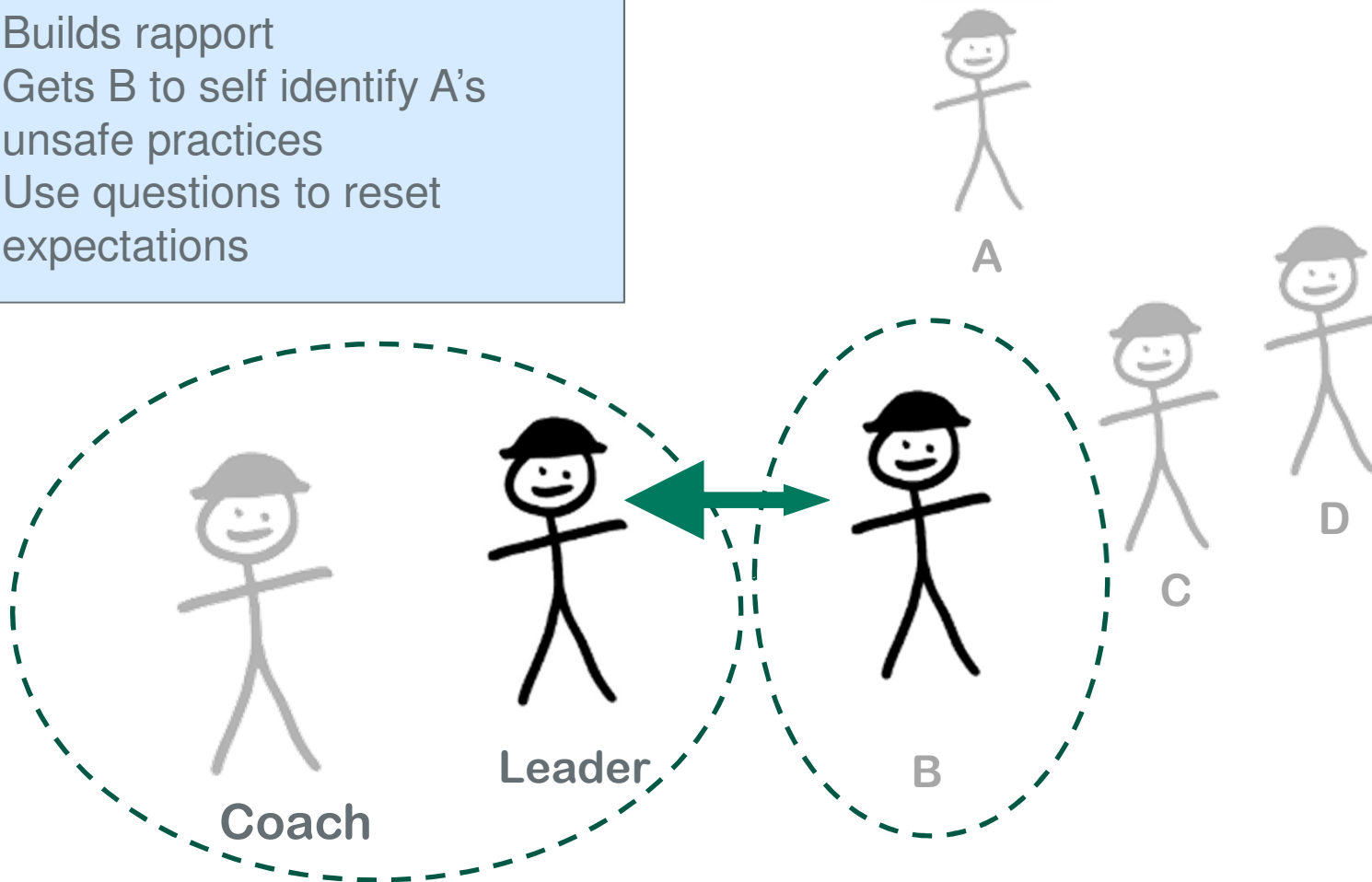
Harnessing the full weight of the approaches they use to deliver performance in the areas they are passionate about and:

- Teaching leaders to focus on areas of greatest need ... hazard recognition skills so they recognize at-risk conditions and behaviors
- Coaching them to have transformational interactions with folks in the field
- Educate them to breath life into established programs and processes
- Providing them with tools to measure their performance

A crew at work – with A working unsafely

Coach prompts Leader to engage B – asking not telling:

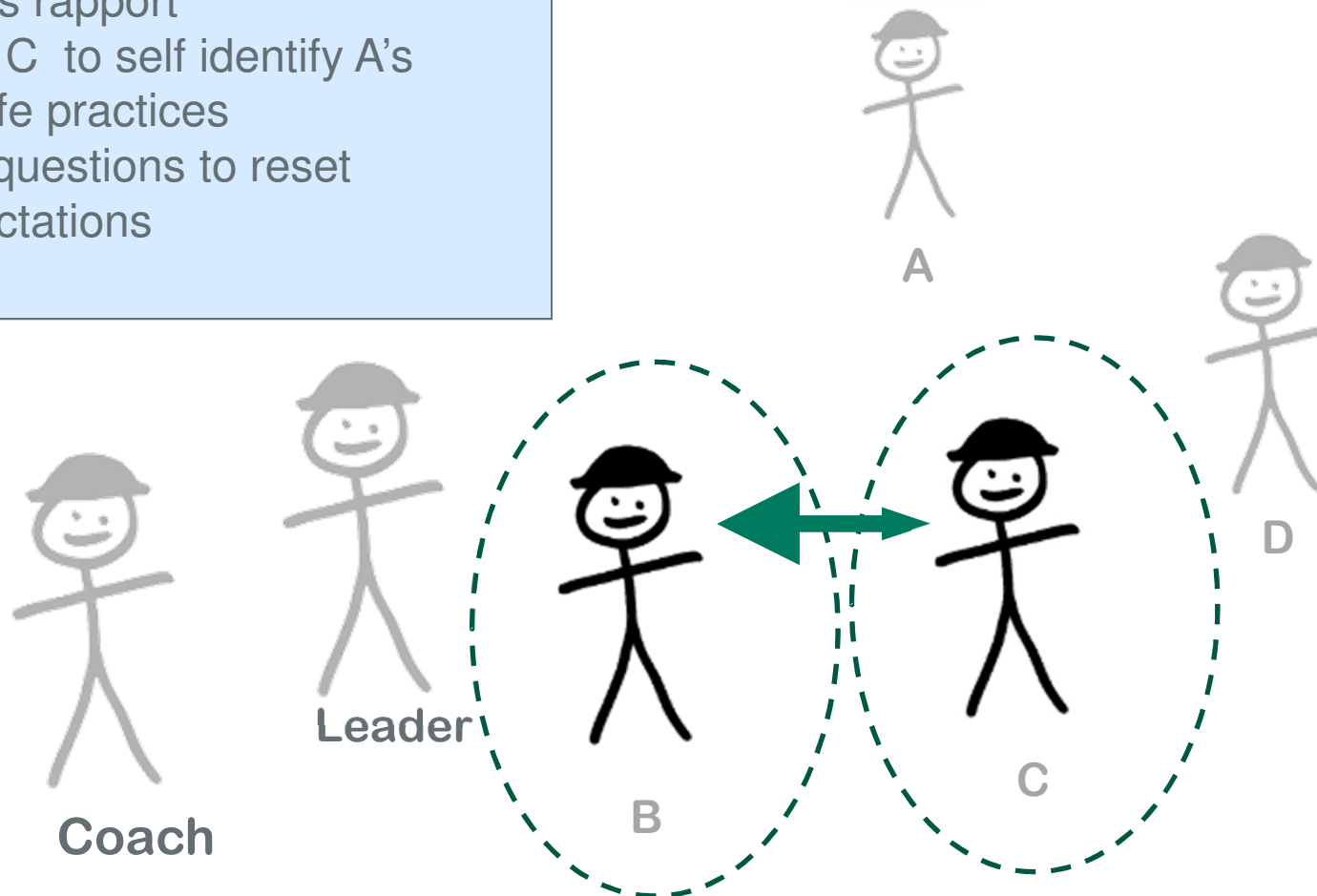
- Builds rapport
- Gets B to self identify A's unsafe practices
- Use questions to reset expectations



The leader coaches B to engage with C

B engages C – asking not telling:

- Builds rapport
- Gets C to self identify A's unsafe practices
- Use questions to reset expectations



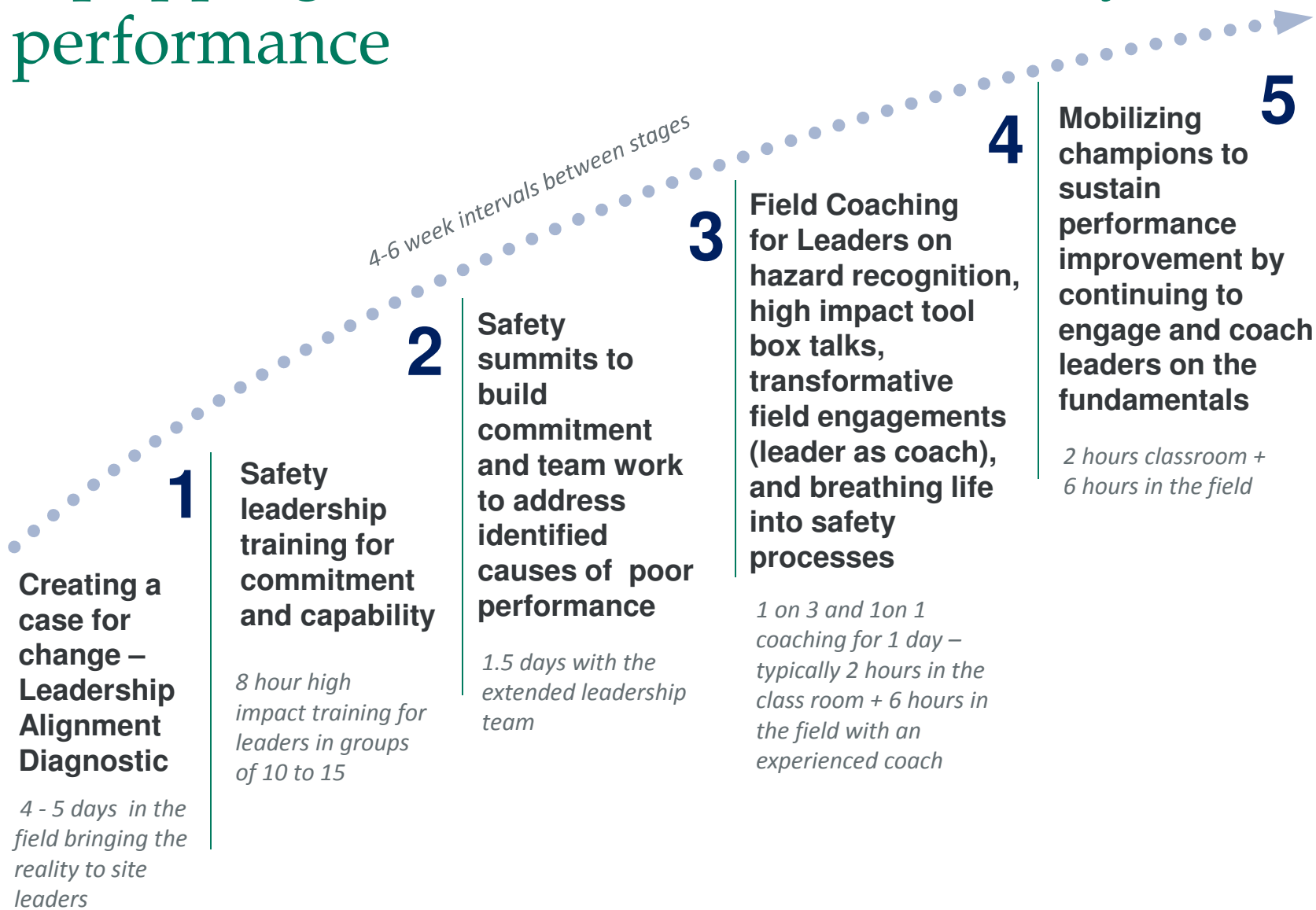
Organisational capacity to sustain improvement

Building capacity within the organization to coach leaders to engage habitually with their people in a style which will impact their behaviors:

- Carefully selected individuals plus safety functional staff
- Teaching them to target the leaders who need most help
- Working with them to develop their coaching skills
- Putting in place the tools to measure individual effectiveness



Equipping leaders to transform safety performance



What's special about this approach?

- Focus on making much better use of established process and programs
- Building on past initiatives, established language, existing infrastructure
- Focus on actual conditions in the field
- Practical skills and coaching in the field for leaders from the front-line to the boardroom:
 - Hazard recognition
 - High impact engagements in the field to cause sustained cultural change
 - Breathing life into safety critical processes

Rising to the challenge

Safety in a changing world

- A bigger issue today and a much bigger issue in future
- A source of increasing risk and opportunity for business

Rising to the challenge

- Changing behaviors in the field ... for good
- Through leaders or not at all
- Equipping them for success

Feedback from Senior Leaders

“We are doing our leadership development workshop for all leaders at Albian. I wanted to tell you that we get a great deal of positive feedback about the "ERM Training" from this crowd. They have a lot of really good things to say and invariably say the skills they learned in the training has helped them grow and be better leaders - not just in safety.”

Tom Purves , Vice President UA Special Projects, Shell

*“After ERM’s training, I changed the way I engage with people in the field, permanently and for the better. I am much more effective now” **HSSE VP***

*“If I leave this project tomorrow, this training will be something that I take with me for the rest of my life and career. It has made me a better leader and a better communicator.” **HSSE VP***

Feedback from Frontline Leaders

“I’ve been thinking about the training every night. It’s changed the way to I about coming to work and what my role is here.”

“I came into this training yesterday as a supervisor first and a leader second. I feel like I am leaving as a leader first and a supervisor second.”

“I used to think being a supervisor was just about pushing the hands. Safety was just the paperwork part of it. Now I realize that safety is the only important part of supervision. I’ve told my team that they can expect for me to really take care of them the way they deserve.”

“The best safety training I’ve seen in 35 years.”

“ERM’s approaches make me feel like a person, not just a contractor.”

Delivering results

- 72% reduction in TRCF on \$9bn US-based construction project
- 60% reduction in incidents at a refinery in Singapore
- 86% reduction in incidents at a mine site in Guatemala
- 80-90% reductions in various accident types and fivefold increase in observations in site observation program for a minerals site in Korea
- TRIR from 11 to Zero sustained for 20 months at a US Petrochemical plant (at the time of writing)
- 60% reduction in incidents on projects and a 35% reduction in incidents on the operating facility for an integrated oil sands operation in Canada



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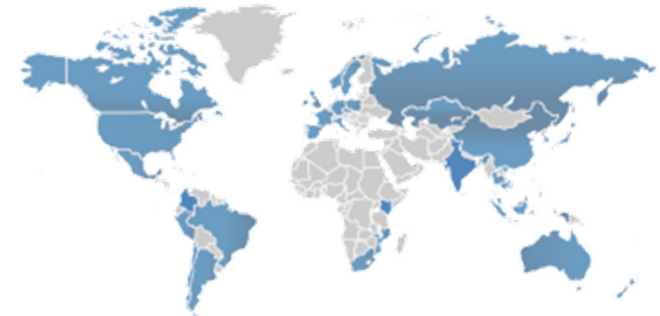


5,000+ people
and offices in
countries and
territories **40**

We work for **50%**
of
the global Fortune 500
companies in the past 3
years



We have worked in
over **160**
countries in the past 3
years



Read our latest sustainability report:
[ERM Sustainability Report 2015](#)