Safety as a lever for cultural change

Presented By: Peter Wagner
                      Peter Wagner & Associates
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Introduction

Often when we talk about Safety, we tend to think of it in its functional context. That is, we tend to view good safety practice as a way of achieving injury and cost reduction.

Whilst these are obviously important outcomes, the question also arises as to whether these are the only outcomes that can be delivered and what more should an organisation expect for their investment in health and safety strategy.

If we talk to people at all levels in organisations and ask them about their expectations of safety within the business, most often we hear two common responses. The first is that they themselves do not want to be injured in the course of their employment. And secondly, they do not want to be responsible for someone else being injured.

These responses suggest that Safety is in fact one of the very few, and perhaps only, aspect of business where all parties (boards, executive teams, employees, unions, and shareholders) are quick to reach agreement about the outcome they seek ; a safe work environment. This positions safety as a natural point of collaboration within an enterprise and creates opportunities to engage in constructive dialogue on how to improve both safety and overall business performance.

Critical to this understanding is the knowledge that Safety is an outcome, not a process unto itself. Safety outcomes are a demonstration of the interplay between culture, environment, and process.

Progressive risk management techniques focus heavily on environmental and process issues, but what about culture?

What is culture?

The term culture is used very broadly today and means different things to different people. For the most part, culture can be described as a set of values and beliefs that define the way in which a group or organisation behaves. It sets the boundaries and framework for the development of strategy and decision-making as well as guiding behaviour.

However, for our purposes, let us also look at the practical outcomes that one might expect to see in an organisation that has a positive culture.

Key elements of a positive culture might include amongst other things:

- ✓ free flow of information relevant to people's needs,
- ✓ high and cooperative interaction between the various layers,
- ✓ problem solving engaging the relevant stakeholders
- ✓ high organisational cohesiveness where there is a shared purpose and vision

Why is this important?

In 2004, IBM Business Consulting Services[1] published some research on what CEO's consider as important issues in business today. Of the 456 CEO's surveyed, 243 were located in the Asia Pacific Region indicating high relevance to the Australian context.

The survey demonstrated that CEO's have defined three broad priorities:

- *Growth* – this includes developing strategies for revenue growth (including new products/services, new markets, channel issues, customer intimacy, and diversification), cost reduction and containment, asset utilization, and risk management.

- *Responsiveness* – 85% of the study group recognized the need to improve organizational responsiveness, flexibility, and agility in order to successfully respond to changes in the market place.

- *People and Change* – people are seen as pivotal to successfully managing change. Keys issues identified include re-skilling, retention, and leadership. There is widespread agreement that this issue is potentially the most difficult priority to address.

It is apparent in this research that effective people management is key to organisations maintaining competitive advantage and that business has to look at

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[1] The Global CEO Study 2004, The Asia Pacific Market Viewpoints: A/NZ Companion Guide. IBM   Business Consulting Services © 2004.

fresh and innovative ways to embed positive culture to ensure future and ongoing success.

Where does Safety come in?

If we accept the premise that Safety is a natural point of collaboration, and that Safety is a product of culture, environment, and process, then potentially organisations have a very powerful, although largely overlooked, opportunity at their disposal.

Organisations that conduct employee climate surveys as a means of measuring culture, quickly understand what is really important to their staff. Interestingly the things that most often motivate people are things such as good quality leadership, teamwork, and the opportunity for growth and development. Lower in the priority list are things like pay, promotion, work conditions, and hours of work. In other words, employees who are inspired are more likely to achieve job satisfaction and are therefore more likely to contribute positively to the success of the enterprise.

Those organisations who include safety as one of the key survey dimensions also find that employees generally regard safety as either their number one, number two, or number three priority. This is a key revelation although not overly surprising in itself.

Employees are also quick to understand that if we are going to be serious about safety, everything must be up for discussion. There can be no sacred cows. They recognise, that to improve safety performance there must be change to work practices, both theirs and management's.

From management's point of view, however, changes in work practice need to lead to clear and definable benefits for the business. If we are to change systems of work, we need to be able to demonstrate how these changes will impact overall business performance. We all understand that for business to survive, not only must it be profitable, but also the business model needs to be sustainable and capable of future growth.

By engaging in positive dialogue between management and staff, a new collaborative approach emerges breaking down traditional, adversarial behaviours. The balance of power shifts from top down autocratic, to employee empowerment and engagement. Ultimately the organisation becomes a true employer of choice.

Case Studies

Last year, the Four Corners program aired an American Frontline documentary that compared two businesses competing in the same industry, both taking a different approach to safety. Both businesses are engaged in the manufacture of steel product.

The first business is known as the McWane Steel Company. McWane has a horrendous track record in safety, killing and seriously maiming many employees each year.

The American safety authority OSHA is continuously investigating these incidents and has attempted to prosecute McWane on several occasions.

The workforce is dispirited, staff turnover is high, and there is genuine fear for safety and employment security amongst their employees. The organisation tends to attract people whose socio economic situation leads them to take the risk with their own lives in the hope of securing their families futures.

The management at McWane is focused entirely on production as the prime objective, and people are considered secondary.

This situation is contrasted with one of their competitors, ACIPCO. ACIPCO has taken a completely different path.

Safety is considered the number one priority, above production. Employees are encouraged to identify safety issues and work with management to resolve them as quickly as possible. It is said that the only time an employee may be disciplined is where they see a safety issue and they do nothing about it.

Employees are empowered to shut down the manufacturing process anytime they believe that safety is compromised.

The culture at ACIPCO is vastly different to McWane. There is a great sense of organisational pride, employees and management work closely together to identify and improve safety as well as overall business performance. Staff turnover is very low and the injury rate is considered very low for that industry.

One observer comments that the only way to get a job at ACIPCO is to wait for someone to die or retire. The business has truly become an employer of choice.

It is interesting to note that staff retention, leadership, and skills development are also high on the list of priorities nominated by Australian CEO's.

In Coles Myer, a similar transformation is also taking place.

Whilst still very early into their journey, Coles Myer is already seeing the positive benefits that can be achieved through safety.

The business has embarked on a major strategic change that has seen the organisation move away from a fragmented, business unit approach, to a company wide approach involving all levels and stakeholders of the organisation.

Central to the strategy has been the education and re-skilling of the safety department and critically the top 5000 staff in the business. This education process will eventually flow throughout the entire business employing 188,000 staff across more than 2,500 sites.

The early results from this new approach has seen the company's Lost Time Injury (LTI) rate now half what it was 3 years ago and significant financial savings have been achieved.

Looking across the business, it was easy to see that whilst there were many areas in the business that were not performing as well as expected, there were also quite a few islands of excellence.

What made these sites different? After all, they had similar characteristics to other sites within the group, same resources, same work processes, and same business imperatives.

Closer inspection revealed that these sites also tended to have a more positive culture in place. Management and employees were engaged in working collaboratively to improve safety performance.

But of greater interest, was that these sites also tended to have lower turnover, better store standards, less waste, higher sales, and better profitability.

This is not to suggest that safety alone was responsible for all of that, but rather that there is a very positive correlation between sound business, positive culture, and safety performance. It is clearly evident that businesses that focus on achieving positive safety outcomes, also achieve great success across the broad spectrum of managerial key performance indicators. There is a high congruence between good leadership and management and all business outcomes including safety.

You can't have a great company with a poor safety record!

This seems like almost a statement of the obvious, however, it is surprising that more organisations do not make this important connection.

Business strategy today is filled all sorts of calls to arms including employer of choice, the war for talent, cultural change, organisational responsiveness, right sizing and the list goes on.

However, no matter how well an organisation succeeds at improving profitability, reducing cost, implementing family friendly strategies etc, no business can claim to have completed the job unless it can demonstrate safety leadership.

This simple idea is pivotal to our understanding of what creates a great business. Using safety as a means of collaboration allows organisations the ability to explore all opportunities for improvement and to do so in a way that unifies the business enabling optimal outcomes across the broad spectrum of managerial key performance indicators.

Creating a safe work environment is high on the agenda of all employees, regardless of position. To achieve these outcomes requires fresh thinking, new skills and different behaviours.

Among these new skills is the need for positive coaching and mentoring. Training programs alone are insufficient to change culture and behaviours. It is critical in creating substantial change, that the business creates an environment of calculated risk taking, enabling people to apply new skills, provide feedback on their application, allow staff to make mistakes, apply the learning and move forward.

Coaching can come from anywhere either inside the organisation or sometimes outside. In some cases it may be appropriate for a person to seek out several coaches to help with different aspects of the change process.

The pace of change is accelerated through continual assessment and reinforcement of the required skills and behaviours. New skills take time to acquire and perfect.

Building the right strategy

There is no recipe or simple formula for success in achieving cultural change through safety, each organisation has different needs and requirements.

However, we can learn from those businesses that have achieved remarkable success and apply this learning to our own situation.

Typically, successful organisations will put in place the following key strategies:

Strategic Positioning – identify the vision of what is to be accomplished and distinguish the current situation. The closer the current situation is to the vision, the more the focus will be on incremental change. Where the points are far apart, a radical, transformational intervention will be required. It is critical that an organisation is able to answer the following key questions:

- ✓ What is safety?
- ✓ What does it mean to us as a business?
- ✓ What do we want from it?
- ✓ What are we prepared to do to make it happen?
- ✓ Who is responsible for making it happen?

Engaging the Leadership Team and Workforce – it is essential to distinguish commitment from engagement. We need the active participation of all key stakeholders in improving outcomes.

Skills and Development – new approaches require new knowledge and skills across the organisation. Leadership teams in particular need to learn what it is they need to do differently in order to have a positive impact. Safety departments need to upgrade their skills to include coaching, influencing, business acumen, and to become facilitators of change rather than owners of the process.

Coaching and Mentoring – new skills require ongoing reinforcement. Effective coaching and mentoring enables people to get real feedback on how their skills are improving and to take corrective action where appropriate. Behavioural change occurs at the coalface, not the classroom.

Reviewing and Aligning Systems – ensure policies, procedures, training programs, campaigns are aligned to the new direction. There must be congruence between the spoken word and the actions taken.

Performance Monitoring and Review – continuously assess performance against the stated vision, not the system. Most audits focus on whether systems are in place, not the outcomes that are being delivered. It is the outcomes that are of greatest interest. Assess what is working and what is not. Make adjustments as appropriate.

A note of caution

There is a cautionary note. Organisations that decide to pursue safety objectives purely in the pursuit of greater profit or to force through changed work practices need to consider their approach carefully.

Employees are adept at distinguishing the real motives of leaders and respond accordingly. If they can be convinced that the motivation is genuine and values based, then there will be few boundaries that they will not cross to achieve the objective. After all, Safety is one of the top three things most important to them.

However, if there is even the slightest hint that Managers are simply profiteering from the process without real concern for employee safety, employees will turn off and disengage. More than likely, the business will severely harm culture and organisational cohesiveness and runs the risk of permanent damage to workplace relations. Authenticity is critical.