CULTURE & SAFETY

STRATEGIC ALIGNMENT

MERGER & ACQUISITION

TRANSFORMATION & TURNAROUND

TALENT MANAGEMENT

Safety has come a long way in the past few decades due to technological advancement and the introduction of more effective procedures and practices. Still, according to reports from the International Labour Organization, workplace accidents across the globe result in death for 6000 workers each day. 10 workers globally experience a work-related injury or fatality every second. Annually, the 313 million work-related accidents that occur have an estimated combined cost of 4% of global Gross Domestic Product.

Although many safety violations may be small and go unnoticed, these incidents have the power to escalate into large-scale catastrophes resulting in injuries, fatalities, loss of resources, and loss of money. Safety failures can lead to anything from minor accidents like slip-and-falls to global catastrophes like the BP oil spill. Each work-related incident eats away at the health of the organization, costing time, money, and morale. Safety also affects the organizations' reputation and bottom lines.

Many organizations experience the safety-performance pendulum, in which an organization's priority focus moves between safety and performance. An accident often triggers an organization to emphasize better safety management practices to avoid potential accidents in the future. As time goes on and that accident begin to fade from memory, performance pressures increase and the focus shifts from safety to performance. This makes organizations and their employees most vulnerable to otherwise preventable accidents that may result in loss of productivity and loss of life.

However, performance must not necessarily suffer at the expense of safety or vice versa. Highly effective cultures can drive both. Long-term safety effectiveness is related to long-term organizational effectiveness. Safety is about good management.

WHAT THE SAFEST ORGANIZATIONS HAVE IN COMMON

They View Safety As A Culture Issue.

Looking at the most influential research and the industry best practices over the last three decades, we have identified several characteristics the safest organizations have in common. They engage safety as both an operational and a strategic issue. They have well established formal safety control mechanisms – including policies, regulations, rules, training, outreach and incentives. Perhaps most importantly, in these organizations safety is viewed as a culture issue, because culture must be managed for formal systems to work. Formal safety control mechanisms dictate what the organization and its people should do, whereas culture dictates what people actually do.

They Share Several Fundamental Cultural Characteristics.

Our own research also highlights the importance of culture. In our research, we investigated how improving overall culture might impact safety-related incidents, violations, and costs. We found that more effective organizational culture was associated with lower recordable incident rates and improvement in culture scores over successive years was associated with improvements in safety records. We also found that organizations with high performance cultures reported fewer safety violations, less lost time accidents, lower incident rates, and lower safety costs.

More specifically, four cultural aspects in particular had strong relationships with safety outcomes. First, Empowerment shifts the responsibility for creating a safe environment to the contributors on the ground as opposed to being a "management issue."

In addition, Team Orientation facilitates working together to establish and uphold safety standards and appropriate behaviors.

The safety norms of the organization are created together, as a team.

Moreover, Organizational Learning promotes an open environment in which employees can learn from mistakes and on-the-job incidents rather than one in which accidents are hidden and sanctioned.

Finally, Creating Change enables employees to respond to uncertain and complex safety situations with flexibility and adopt new and improved ways to get the work done safety.

They Engage Leaders And Employees For Effective Safety Management Practices.

The aforementioned fundamental cultural dynamics not only shape an organization's ability to adapt and survive but also influence how organizations manage safety. In the safest organizations, managers and employees support each other in the following ways to promote a healthy safety culture.

1. Leaders set the tone through their actions.

Managers are the strongest immediate point of reference that guide safety decisions. This goes beyond what managers say. What do they truly care about and pay attention to? How do they behave? To promote safety effectively, managers must endorse safety as a top priority in action not just in words.

2. Employees speak up and leaders listen up.

The power dynamic between managers and employees can help or hinder efforts to maintain safety. Employees need to feel safe "speaking up," or sharing information, and if necessary, confronting and challenging their superiors around safety issues. In turn, leaders must "listen up," or demonstrate that employees' concerns will be dealt with swiftly and appropriately. Leaders need to actively reduce the power distance between management and employees to promote open communication around potential safety concerns.

3. Reduce the boundaries.

Safety issues are not necessarily isolated to a single group of people in an organization. Many hazards are evident across group boundaries. To ensure safety, people from different parts of the organization must work together to identify and address potential safety concerns.

4. Identify and understand signals of danger.

Different industries set a different tolerance for what constitutes risk and signals fear. Effective safety management is about tuning into the right signals and really understanding how to differentiate signal from noise. What is the appropriate amount of risk for a certain industry or job? It is important to actively reduce risk wherever it occurs, but it is imperative to be able to identify the appropriate level of response to a safety concern.

5. Talk about the risks.

In high-hazard industries, where risk exposure, ambiguity, and unknowns are fairly constant, organizations must quickly wrestle with is that the ability to learn, adapt, and respond to potential threats to safety. The effectiveness of its safety management is contingent on the ability of the organization to coalesce and act on the basis of small bits of incomplete, possibly inaccurate, information brought to the table by many actors, inconsistently over a long period of time. The collective capabilities of the organization to identify and respond to danger rely on the dialogue that occurs about the risks that are faced. Organizations must keep an open and honest dialogue within and across levels to ensure that safety risks can be identified early and responded to appropriately.

6. Learn from the close calls.

It is easy to identify and track accidents have already occurred – this is how safety records are kept. It is much more difficult to understand and track the details of accidents almost occurred (i.e., near-misses). Organizations with

CULTURE-SAFETY LINKAGE

STUDY 1.
We investigated how culture was linked to recordable incident rate among 27 work units of a government agency (about 5000 employees). Units with higher DOCS scores also had more positive safety records. The safest units had significantly higher culture scores in Organizational Learning and Empowerment. Also, improvement in culture scores over time was associated with improvement in safety metrics.

STUDY 2.
 We sampled 106 organizations from utilities, mining, construction, and manufacturing industries (about 89000 employees) to examine the link between culture and safety violation records. Higher DOCS scores were associated with better safety records. In particular, clarity and alignment around Creating Change, Organizational Learning, and Team Orientation were strongly related to more serious types of violations for the year the culture survey data was collected as well as the subsequent year.

effective safety management not only track, but also learn from these near-misses. Strong safety management involves training employees to identify near-misses effectively and promoting a culture in which reporting near-misses is encouraged rather than punished. To tackle this issue, some industries have come up with anonymous reporting solutions that have an immunity policy for employees who report close calls.

DENISON SAFETY MANAGEMENT MODULE:

Denison Safety Management Module is a brief (12 items) survey measuring the following aspects of effective safety management practices:

1. Leader commitment to safety
2. Safety as priority
3. Employee ownership and involvement
4. Deep analysis of near-misses
5. Coordination around safety
6. Speedy reporting and responding to safety issues
7. Overall effectiveness of the safety management
8. We work to gain a deep understanding of all "near-misses"(or "close calls")
9. People from different parts of the organization work together in a way that ensures their safety
10. All safety issues are reported quickly to leaders and managers.
11. Leaders and managers act quickly to resolve all safety issues.
12. Considering everything, this organization is a very safe place to work.

The results are benchmarked and reported in percentile scores.

7. Get to the root causes.

Identifying the root cause of a safety failure is difficult and requires an extraordinary effort on the part of organizations and regulators. Systems failures involve a lot of moving parts and people. There is often a slow safety management degradation that occurs, but people are fundamentally flawed when it comes to noticing small and slow changes. Additionally organizations are under a great deal of pressure to penalize from the legal and regulatory environment. These factors point us to explanations that center in on the "bad apple" and vastly understate the role of context and other complexities that may have led to the safety failure. Leaders must focus on improving how the system operates at a fundamental level, as opposed to applying only "band-aid" level fixes that fail, such as getting rid of the "bad apples."

8. Study how work actually gets done.

Leaders guide safety management policy, but these practices may be ineffective if management is not connected to those on the ground who are experiencing the highest levels of hazard. The final point to make is about getting management all the way down to the shop floor to truly understand the world as seen and navigated by their people. Reducing the distance between leaders and employees can promote adequate communication around safety issues and concerns as well as steer policy and practice in a direction that is most appropriate and effective for the employees it designed to protect.

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