

Reinventing the Organization to Effectively Manage Safety Performance

Peter G. Furst, MBA, CSP, ARM, REA, CSI

Introduction

The first step in any improvement effort needs to be a realization and understanding that things are not as “good” as they can be, and that it is possible to change and make improvements. This is especially true in how safety is managed in the industry at large. Yes, there are companies that are doing well, and yes, there are those that are not doing as well, but, by and large, the industry as a whole certainly can do better. Some organizations have a longer “row to hoe” than others, but the fact remains that all can improve.

Improvement compared to what? The standard for comparison really is to the numbers published by the Bureau of Labor Statistics (BLS). But what does that mean? It is the average of all reporting companies within that industry. For construction, these numbers show that we injure approximately six workers per one hundred, give or take. Is a value lower than that benchmark deemed to be “good”? How much lower is “good”? What would outstanding look like? There really is no such definitive benchmark. Every company can set their own standard and pronounce that their program is “world class” upon reaching whatever value below the BLS numbers it sets. Another way to measure safety performance is to compare oneself to one’s own past performance. This may show improvement, but excellence? The traditional safety scorecard is a representation of the company’s previous year’s incidents and/or losses, compared to the BLS values or its performance against that of previous years.

Traditional Safety Practices

What generally drives the improvement effort is usually financial. The resulting losses in some way impact the cost of doing business. With efficiency as the mantra of the present business environment, the safety results and their associated costs become fertile ground for intervention. Accepting the fact that there is room for improvement, the next step is how to do this! Traditionally in safety, the interventions were driven by a review of past losses, identification of problem areas, and focus on changing those outcomes. That usually meant writing new programs, doing more training, holding more meetings, and sending out more information about whatever it was that was going to be improved; in other words, making it some sort of a priority. We know that this only works in the short term, and that lasting change does not come from addressing symptoms, or “scratching the surface.”

Safety performance is usually inconsistent. Larger companies understand that safe operations are a “money maker.” They have the resources and motivation to manage safety to an organizationally acceptable level. There are a lot of companies who are only focused on compliance. To them safety is a necessary requirement and they do just enough to get by. They have not arrived at the point where they understand the value of running safe operations. There also is the group of unsophisticated companies who do not really understand the value of safe operations and do not have the resource or knowledge of how to “get there.”

Underlying all this is the general belief that safe work is controlled by the worker, and it is they who ought to make sure that they do not get hurt. This thinking assumes that the worker is in total control. This is far from the case. Workers certainly should try to work safely and follow proper work practices. But they do not control much of anything except their own actions. It is management that controls just about everything on site. They plan the work, coordinate activities, assign the task, select the workers, decide where they work, who they work with, how fast they work, how long they work, and the list goes on. So if we are going to find a solution to our loss problem, there is ample opportunity in the management arena!

The typical solutions to control future losses are generally utilizing the same tools and techniques used in the past. These interventions include writing more program elements, or making one or two a priority; conducting more training; holding more meetings; focusing more on inspections; providing incentives; and ultimately, firing employees. These techniques have been around for decades and have never produced lasting results and, more than likely, will not do so going forward.

There is another “Trojan horse” in safety that we have to look at, and that is the fact that, in many companies, safety is treated as separate from operations. True, specialization is an organizational fact of life. Many departments need special skills to do specialized work. Accountants probably will not make good superintendents. Superintendents will not be able to provide good legal council. Corporate lawyers will not make good scheduling engineers, and the list goes on. The members of each department have their own expertise and function. But when it comes to safety, it is more cross functional in nature. Safety is more about people: people’s actions, their beliefs, perceptions, values, and so on. Safety cuts across the organizational silos. Safety should be integrated into, and aligned with, all organizational functions.

If we look at any organization at the operational level, we find three core elements. The organization produces a product or service (an output). They have internal systems, processes, procedures, plant and equipment to produce these outputs. They have people to activate, energize, manage and control the systems so as to produce the outputs. It is while this entity operates that it also produces some undesirable outcomes. At the product side, there is the issue of quality. If it is below par, it may require reworking or replacement. On the production side, the undesirable outcome may be waste or inefficiencies. On the people side, it could be lack of motivation, involvement, cooperation, support, sharing, and possibly, injuries. All of these undesirable outcomes ultimately generate waste, increase costs, and impact profitability.

To effectively address these undesirable outcomes, we need a framework that focuses on the core drivers of the undesirable outcomes and structurally changes the way things are done. This framework must have a solid foundation from which to operate, and capstone elements with which to align and create a synergistic climate so as to facilitate learning and growth as well as internal alignment.

We have recognized the fact that we are not doing as well as we can, or even should. We have accepted the fact that our safety metrics are somewhat deficient. We have accepted the fact that we treat safety in isolation from other organizational functions. We have accepted that our

interventions are not highly effective. So the result is that we need to do something to effect change. We need to reinvent the organization! So how do we go about it? How do we effect change? What do we have to do? What should we do? How do we minimally impact the operations of the organization, and yet take the necessary steps to structurally improve the problem areas so as the implement effective and sustainable change.

The first step is to map the internal processes: assess the reporting structure, and review job descriptions and accountability, performance expectations, performance metrics, management and leadership (processes), the organizational culture and climate, trust and motivation concerns, to see what is driving the employee's behavior. Their behavior usually is in response to what they think management wants or expects. So an assessment is required. Keep what is good, and change what needs improvement. What is required is to integrate safety into operations and organizational systems, foster internal alignment and system integration, and evolve into a "learning and agile organization." So we have identified "the world" as it is; and now we have to make it into what we want it "to be!" In other words, we need to reinvent the organization to effectively manage safe performance!

Foundational Elements

Safety Process

For safety to be effectively managed, the program and processes have to be the "best that they can be." Regurgitating the OSHA standards in the program does not make an effective safety program, it just bulks it up! The program and the processes have to aid in creating a safe work environment. They have to be tailor made to "fit" into the organizational systems, operational processes, and business practices. Safety has to be integrated seamlessly into everything the organization does.

Vision and Strategy

For the organization to achieve an injury-free work environment, it must have a compelling vision. This vision must be communicated clearly and effectively to the workforce. It must be captivating. It must become "real" to the people within the organization. Leadership must also craft a strategy that communicates a clear and effective way as to how to make the vision come true.

The path to safety excellence evolves from virtually little management of the safety function through compliance with the safety standards, to safety becoming a priority, to it becoming a value and, ultimately, to it becoming instinctual. At the instinctual level, safety is how things are done and how people act, and there are no questions as to working safely or not. There are no choices considered; it is not an either/or, but/and consideration! Every decision made has safety in mind.

The Pillars of Excellence Framework

The pillars of excellence framework create an innovative, excellence-driven, business-focused approach to addressing challenges in the safety management process. The framework starts with a culture that fosters and sustains excellence, incorporates leadership, requires win/win thinking, fosters empathic communication, and instills continuous improvement. These basic principles, aligned with sound business practices, create the basis for a highly effective approach to managing the safety process.

The five pillars supporting an injury-free workplace include:

1. Value-driven organizational culture
2. Principle-centered leadership
3. Business and operational integration
4. Innovation, growth and learning
5. Dashboards and metrics

Starting with a solid foundation, the five pillars will provide a framework for achieving excellence. It will provide the process of going from good performance to superior performance. One has to have a culture that fosters, nurtures, supports, rewards, and values safety; a place where it is safe to not engage in unsafe activities; where it is OK to take time to make things 'right;' to tell a fellow worker to do the right thing; where unsafe production is not acceptable; and where risk-taking is discouraged. There must be a climate that supports the flow of relevant information and worker-empowerment-making decisions, based on the organizations value system.

Value-Based Culture

The elements of a value-based culture include:

- Management that is committed and involved
- Group commitment to a common purpose
- Deeply held core values
- Leader-member exchange
- Organizational justice
- Mutual trust and respect
- Excellent communication and cooperation

Values say a lot about the organization. An organization's values are manifested in the actions and behaviors of management and employees. Values determine where it is not acceptable to have to work 60-80 hours to pull one's weight; where risk-taking is only rewarded when you win; where failure is unacceptable, even when you learn from it; where safety is only important because it costs money when accidents occur; where management says we hire bright people who know how to beat the system; or our competitors are generally stupid and are rarely better than we are; or people that quit our company are generally ones we don't mind losing; or we don't believe in communicating much with our employees about the company's future—they won't understand it, and whenever we have to reduce staff, we keep it quiet until the last minute. This kind of culture will not support or achieve excellence in any respect or category. In a value-based organizational culture, everyone leads from core principles, contributes to safe operations, is involved in and champions safety. Safety is integrated into operations and is the way business is done at that organization.

Leadership

Leadership is a key element in creating and sustaining a value-based culture, which supports excellence. Principle-centered leadership involves:

- Ethical behavior
- Causal thinking
- Inspiring a shared vision
- Enable and encourage action
- Model the way
- Challenge the organizational systems
- Leading change

Ethical behavior means leading by principles, and involves behaving fairly, ethically and with integrity. It means demonstrating concern for others as well as sharing of control, conducting meaningful communication, and providing relevant information. It empowers others to act and gives credit where it is due.

Causal thinking involves creative, strategic, and transformational thinking. Creative thinking involves coming up with new ideas, anticipating the future, improvement, and so on. Strategic thinking is about connecting creativity with value, and transformational thinking results in the ability to take radically new ideas and make them work.

Challenge the systems by confronting and changing the status quo. Recognize and remove constraints, be open to taking calculated risks, push the envelope, be a change agent, and adopt this early. Look for and create opportunities for learning and growth for others. Recognize good ideas or ways.

Inspiring a shared vision is all about getting others to believe in and act upon the organizational vision. It is about breathing life into other people's hopes and dreams, forging a unity of purpose, and igniting a flame of passion.

Enabling action means removing barriers to the success of others by supporting, involving, enabling, and sharing information. Leadership is a relationship founded on trust and confidence—and listening, listening, and listening.

Modeling the way is about setting the example. It is about genuinely paying attention by actively listening to make the other person feel appreciated and valued, working on small wins, thinking win-win in all cases, and acting with a sense of urgency. It is about being empathetic.

Encourage others to carry on. Genuinely caring for others is uplifting and fosters loyalty. Showing a person that they can win is a powerful attribute of leadership. Leaders build people's self confidence. It is about always being positive and helpful, and celebrating accomplishments.

Business and Operational Integration

Business and operational integration is crucial to the creation of an injury-free workplace. The internal systems, processes, and procedures must be in harmony and all work towards the creation of an injury-free workplace. This internal alignment means a 360⁰ focus horizontally, vertically, and inside to outside. It also implies flawless execution.

Innovation, Growth and Learning

Innovation, growth & learning are important because of the nature of modern business. Just about the only constant in business is that change is inevitable, and change is occurring at faster and faster rates. So the organization has to understand its environment and learn from it, so as to change its internal processes and procedures to remain competitive. The innovation continuum includes efficiency, evolutionary, and revolutionary innovation. Growth involves increased knowledge and understanding of the employees, thereby enabling them to effectively operate and support the internal integration and alignment necessary to create the injury-free workplace.

Dashboards and Metrics

To effectively manage, you need to measure. Senior management understands that the measurement system influences organizational behavior. Effective measurement has to be predictive as well as prescriptive in nature if it is to provide information for managing performance. Measurement is difficult because it is not an exact science. There are no hard and fast rules of how to go about it. To make things more complicated, it is difficult to foretell the impact on individual behavior, the interactions and interrelationships between existing diverse variables, and the new ones produced by the new metrics. This is because people are involved, and their actions are inherently unpredictable. Another thing that contributes to the complexity is that often, important factors are hard to measure consistently and objectively. To effectively measure this, variability must be designed out of the system.

The organizational scorecard serves to bring together into one report several important but seemingly diverse aspect of the business, such as external as well as internal focus. Any organizational scorecard will influence the thinking of senior managers and force them to consider all the important operational measures holistically. It also allows them to see if improvement in one area is gained at the expense of another. "Even the best objectives may be achieved badly." Another important aspect of the organizational scorecard is that it creates a platform for alignment within the organization. This is important to strategy deployment, as well as guarding against sub-optimization.

Conclusion

Excellence in safety can only be achieved though a strategy-driven, performance-based safety management process. The question now is: How can we devise a safety process that will enable us to take advantage of the five-pillar framework to impact safety performance? Obviously, we need to approach the process holistically. Safety should be fully integrated into the organization's operations, and safety outcomes should be aligned with business goals. Therefore, the safety process will become woven into the very fabric of the organization, and achieving an injury-free workplace will naturally flow from the operation.