

Creating Sustainable Leadership Drive and Commitment for a Safety Culture

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Introduction

The sustained drive and commitment of senior and middle management is continually identified as the most critical aspect of creating and maintaining a strong safety culture. It is also the most difficult to achieve and sustain. This is reflected in circumstances where new leaders enter an organization as new hires or into new roles from internal restructures, where complacency with high levels of performance are reached in mature organizations and where an organization struggles to make its first significant strides in accident reductions. No one wants their employees injured or ill while at work, but some leaders may lack the understanding of exactly what to do and the fortitude to do it everyday, throughout all the daily business challenges.

Without continued leadership drive, even strong safety processes and employee ownership will not yield the desired safety culture and performance. As safety professionals, how can you help lead and coach your leaders to do what is needed to build and maintain a safety culture, while recognizing they still need to run a business?

To address any of the circumstances described above, the real questions are does the leadership know and understand...

- its role in driving safety,
- how integral good safety performance and a safety culture are to business success, and
- how to lead and create the needed education, tools, and processes in the organization to enable it to embrace safety, to actively get involved themselves and to drive it forward.

This paper will describe a successful approach used at Trane¹ to help create sustained leadership drive and commitment for a lasting safety culture. The specific techniques, tools and programs

¹ In 2007 American Standard separated its three businesses by selling its Bath and Kitchen business and spinning off its Vehicle Control Systems business. The company is now known as Trane and focuses on Air Conditioning Systems and Services with annual revenues of about \$7 billion and 29,000 employees.

used to lead, coach and reinforce the desired leadership actions will be presented. The challenges encountered by our leaders, which can distract them and the organization from focusing on safety, will also be reviewed, as well as the practices used to counter those forces and maintain a focus on safety. The critical role of the safety leaders is also emphasized as being the teachers and catalysts for helping our leaders realize and deliver on their role as safety champions.

As safety leaders, what do you do first? Your homework.

Only approach your leader with a problem or challenge, if you also have a solution. If you want to pursue a plan to achieve world class safety, your leaders need to know what can be done, where are you now and what are the gaps. Then, what actions are needed to close the gaps, how long will it take, how much will it cost and what are the expected results. Safety, or safety, health and environmental for that matter, are not different than any other aspect of running a business. Treat it that way, by developing strategic multi-year plans, annual operating plans, clear business and personal goals and expectations, leading metrics, budgets, tools to help the organization be successful and accountabilities for results.

1. Define a strategy

If your organization, business division or individual location doesn't already have a safety and health (S&H) or safety, health and environmental (SHE) strategy, then one should be developed. A strategy defines what is to be achieved, by when and how, which forms a high level "roadmap" for the organization. Abundant information on S&H strategies and superior performance is available from peer companies and colleagues, including from direct competitors. Benchmark not only what is done, but how and by whom the work gets done in those organizations. Most importantly, all organizations have a culture that guides policies and individual actions. Try to assess this culture in the companies you speak with and benchmark because it is the strongest influence in what gets done, how and by whom. Lastly, seek out the business results that have been achieved, as a result of superior safety performance and culture. Industry groups, such as American Society of Safety Engineers, ORC Worldwide, National Safety Council and Corporate Environmental, Health and Safety Management Roundtable, all offer opportunities to openly network and discuss your questions and issues with members, as well as with excellent guest speakers and experts on the topics.

The Trane S&H strategy was defined by a three-prong approach and was worked in parallel:

1. a strong S&H talent and resource base.
2. a preventative S&H process and foundation, with pro-active leading metrics.
3. a culture where S&H is a company value, integrated into all business processes and decisions, employees are actively engaged and leadership are driving progress forward.

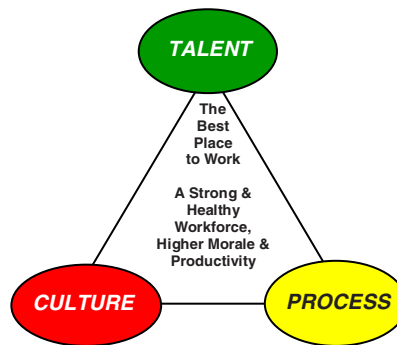


Exhibit 1. The Trane S&H Strategy

2. Define key actions over a multi-year timeline, expected results each year to drive your strategy, and the leading metrics that will be used to measure your success

If S&H is to be considered similarly to other aspects of business, then your leaders and your organization will need to understand what is being proposed and how will it get done in detail, just like a proposed business plan. Multi-year timelines, at a minimum of three years, allow leaders to see projected actions, investments and results, similar to a three to five year business strategic plan. Lasting cultural changes take five to seven years to implement. So, it is wise to think and plan ahead for several years. A maturity path tool is helpful for people to clearly see what needs to be done, by when, how the actions cascade in maturity and will help to facilitate the next levels of development.

Lastly, maintain a balanced view, considering actions for all aspects of successful S&H, like S&H processes, programs, talent, S&H data collection and analysis, and the S&H culture, which includes the roles of leadership, supporting business functions and employees.

Leading indicators allow tracking of the most important actions. They represent a measure of pro-active activities and behaviors, rather than lagging results. A good scorecard will not only facilitate this pro-active data gathering, but also its compilation for use at local sites, business units and overall organization levels. Successes and opportunities can be quickly identified, shared and worked jointly to minimize duplicate work and accelerate progress.

Without exception, I have found that superior safety is good business, both inside and outside of Trane. A good safety culture results in not only safer, but more efficient processes, producing higher productivity and quality results. Working within a strong safety culture, employees are more open to find and fix safety and other problems, which in turn creates higher employee morale and teamwork. Lower injury rates result in lower medical costs and the associated indirect costs of absences. Better safety procedures and controls can also lower property insurance premiums with loss prevention carriers. Lastly, good safety creates a competitive advantage, as the company becomes a supplier with a stronger, healthier and more reliably present workforce, and one which can more readily attract and retain talent. People want to work for a company that cares about them.

If your organization has an overall S&H strategy and key annual actions, a more specific plan is needed for business divisions and individual locations to guide and track specific actions at those

levels. Site and business cultures, unique operational issues and business challenges need to be considered for a realistic and reasonable, yet challenging, action plan and timeline.

3. Define the appropriate leadership roles and responsibilities.

Expect the logical question from your leader of “What do you want me to do?” Be ready with the answers. First, a leader’s role is to execute the strategy throughout the organization. Within each strategic element, they need to focus on providing education, tools and processes to the organization, which will enable its people to learn, grow as leaders themselves, thrive as adults and be successful in reaching new S&H goals. Leadership also needs to personally communicate and demonstrate their own commitment to S&H. This is all very good, but still may not be detailed enough to be a helpful answer to your inquisitive leader.

To help prepare for that specific answer, divide your organization into different leadership (management) levels. For instance, consider these six levels at a company:

1. CEO and the senior management team like business presidents.
2. vice presidents of operations
3. site leadership and their direct report teams
4. front line supervisors
5. employees
6. business functions, like human resources (HR), risk management, engineering, information technology (IT), communications and procurement.

Individual sites may have levels 3-6. This helps to recognize that successful S&H is not just a leadership issue, but also how well S&H collaborates and integrates with all the business levels and functions.

Now, think in terms of preparing a matrix as your organizational assessment and planning tool. For each level of the organization identified above, specify:

1. what can be...
 - the optimum role, responsibility and personal actions and behaviors to drive S&H.
 - the overall culture characteristics that drive the right, safe behaviors, actions and decisions of all people.
2. what is now...
 - the current role, responsibility and personal actions and behaviors to drive S&H.
 - the overall current company culture and business situation that influences peoples’ actions. Examples can be their personal motivations or “what’s in it for me” or “WIIFM)”, comfort zones, company culture, normal roles, geographic culture, market pressures and customer quality challenges, importance of learning in the organization, and current basis for recognition.

4. What are your gaps?

From this matrix, you’ll see the gaps in roles, behaviors, actions, processes, the larger culture issues and results. This will help you to then identify the most important issues to work first, and the needed tools and training for each level. If your organization does not have an overall strategy

now, gaps can be measured from a desired strategic approach and culture that you have learned from benchmarking other companies. If your organization does have a strategic plan, it is important that this higher plan be translated into local actions, and tailored for the unique circumstances at the business and site levels. Re-examine your leading indicators to ensure they reflect the most important actions or desired behaviors.

At Trane, world class was identified in terms of performance rates of a total case rate of 0.7 and a lost workday case rate of 0.07; sustained for a year; and successful implementation of our strategy (culture, process and talent). Based on data gathering, interviews and site visits, gaps were identified in culture, process and talent. Specific three-year plans were developed as guidance to supplement the strategic “roadmap” and to address the largest gaps in our journey to world class S&H. Three to four specific actions were then identified to consistently move the company forward, and were included in the annual business operating plans (AOP). Individual sites and businesses also had their own unique objectives, as needed. The roles and responsibilities of leadership and other functions were better defined, focusing on how they each need to provide education, tools and processes that positively impact S&H. Leading indicators were selected with a focus on culture, initially highlighting employee and leadership active roles in safety improvements and activities, and completion of basic safety programs. However, before we began full implementation, there was one last question.

What do you do next? Ask yourself, as a S&H leader, are you ready to be the leader that is needed.

The role and needed skill sets of the safety professional have changed to effectively lead and coach their business and operational leaders. The need for a traditional role of “safety cop” is gone, where safety is only compliance-based, the safety leader has full responsibility for safety and deployment is enforced through discipline. Instead, the safety leader’s new role is a teacher, guide and coach. Compliance and incident prevention is accomplished through developing a culture of prevention, employee engagement and integration with business processes. Guiding, motivating and influencing the leaders are critical to accomplish this task. So, influencing, motivating and communicating skills become paramount to leading and guiding others to your view and for helping them to take the needed actions.

Yet one personal attribute is perhaps over all others...a passion for what you do. A true passion, even love, of what you do is the ultimate motivator for yourself and others. With a commitment of the heart, you will make a stand, take a risk, do what it takes to change your world for the better. Your passion will generate energy and enthusiasm in others too, along with your new great ideas, noble principles, stretch goals, exciting challenges and a compelling vision for the future. Others will be motivated to step away from their comfort zones and old paradigms to take new steps and generate new ideas. It is a cycle that always works, as described in business leadership staples like Good to Great,² Leading Change³ and Radical LEAP.⁴ It is also the hallmark of companies with superior safety performance, where the leaders and the employees are so engaged

² Kotter, J. *John P. Kotter on What Leaders Really Do*. New York: A Harvard Business Review Book, Harvard College, 1999.

³ Collins, J. *Good To Great And The Social Sectors*. Harper Collins Publishing, Inc. 2005.

⁴ Farber, Steve. *The Radical Leap*. Kaplan Publishing. 2004.

that they forge new ground together with the S&H leaders as coaches. If this sounds too risky or cliché, and if you'd prefer to do what you are told without confrontation with or challenge by your leadership, then resign yourself to mediocre S&H performance and don't blame the leadership when they don't step up as you would like them to. We are directly in this game, and in fact, we have the play book.

At Trane, the S&H leaders initially reported into the HR organization. That was immediately changed to have them report to the highest operational person at the business or site level. Two important expectations were also set with the S&H leaders and their new business supervision...no "safety cops" were wanted and safety is no longer the safety person's sole responsibility, it is everyone's. We needed S&H leaders with good leadership, interpersonal, coaching and motivating skills. As a result, some S&H leaders voluntarily left the company or were asked to leave. Many, however, remained with renewed energy and were joined by many new leaders hired.

Now you're ready to gain or confirm your leadership commitment

Remember to use the matrix that you've created, which highlights the WIIFM's of your audience. Focus on the "people" perspective and doing what is right, based on what the best companies in the world have done in S&H. Be ready to provide the business value perspective too, if that is a motivating point for your leadership. Remember, your leader is a person, and people get energized to attack problems, especially if there is a sense of urgency, a mission worth achieving, goals that stretch people's abilities, a spirit of teamwork for a common goal, and a realistic expectation that the team can succeed. YOU create this positive energy and possibility, again based on your benchmarking and fact-finding.

If you need to, create your own burning platform for S&H excellence. Market or competitor-induced challenges, a serious injury or troubling emerging trend, or very high medical, insurance costs and absenteeism rates all create real burning platforms. A change in leadership is a prime time to create a new sense of company/location purpose and challenge...to be the "best place to work" or to be "world class in safety".

At Trane, a new CEO brought a new vision and dedication to people. New company-wide missions focused on "people make it happen", and we wanted to be the "best place to work" AND "world class in safety". Safety is one element of a people-driven company. Top support was also given to other human issues of ethics, integrity, talent development and wellness. The degree to which safety and all of these initiatives succeeded in the company is due to the drive of the functional leaders, alignment with the businesses, engagement of all employees, and provision of clear strategies and tools to help the businesses succeed.

Make it clear, easy, and desirable for your leaders to succeed

Now be prepared to help your leaders. You are the S&H leader, teacher and coach. Using the same matrix described earlier, you have identified the cultural gaps, the education and tool gaps

and the business process gaps, all of which need to be newly created or revised to better promote safe behaviors, decisions and results. These business processes span all functions of HR, engineering, operations, procurement, security, IT and communications. So engagement and ownership of the challenges, and the solutions, will only result from teaming with these business partners.

Make it CLEAR

First, people need to clearly see the new vision. The strategic roadmap is necessary to help people understand what is being sought, why, the timeline, needed actions, and their personal role and responsibilities. Clarify those actions or behaviors that are mandatory, and those actions that are optional as “good ideas”. The use of respected outside speakers adds credibility to your strategy and plans, especially when meeting with the higher leadership levels. Address the impacts of company culture on the strategy, and that some things that hinder the strategy will need to change. Geographic culture is a strong factor to also take into account, not changing it, but adapting and weaving it into the new vision and plans. Lastly, that you are here to help them with new tools, coaching and guidance.

At Trane, a strategic roadmap and timeline, overall steps in pursuit of the strategy and specific 3-year action plans were developed. The first company-wide action was to communicate and educate all employees and leaders in the new way that S&H will be addressed in the company. We needed to change the way the senior leadership viewed the business value of safety and to clarify a new leadership role of owning safety and driving the needed actions, as part of business success. Likewise, employees needed to see their new role and personal responsibility in safety too. Nine modules were internally developed, for each different level and function of the company, and translated into seven languages. However, the core messages of all modules were the same...safety is a company value, the characteristics of a superior safety process and culture, our company's new strategy to pursue world class safety and each person's new role. All 60,000 employees received such education, aiming to overcome geographic cultural barriers and old paradigms of safety. After this introduction, roles and responsibilities of leadership and supervision were outlined in personal objectives. Needed S&H actions each year are included in the goals and objectives of business' annual operating plans (AOP) and tracked with leading and lagging (incident rate) indicators.

Make it EASY

The objective is to make it easy for people to do the right thing, all the time. If it is not clear or is too hard or complicated, it won't get done well or at all. Making things easy can be done in many ways, which are described below. Integrating S&H issues and considerations into existing business processes helps to ensure that S&H culture progress will be sustained, especially in times of business challenge and change. Lastly, always recognize global geographic implications and cultural nuances when creating a company-wide safety culture or deploying new sets of policies and procedures.

Programs were developed at Trane to facilitate the desired actions, behaviors and results:

- Roles, responsibilities and accountabilities are tracked in two ways:
 - Program accountabilities and progress are tracked by reviewing the status of the annual S&H plans on a monthly basis with the business and site leaders, and on a quarterly basis with the CEO and business presidents. S&H is also reviewed as part of the businesses' qtr

- reviews of their business AOPs. Success is measured by a series of leading and lagging (incident rate) indicator metrics, tracked at the site level and are based on red-yellow-green criteria. See Exhibit 2 below for an example of a company-wide leading indicator scorecard, which is reviewed in detail on a quarterly basis.
- o Successful accomplishment of personal roles, responsibilities and behaviors are tracked in the performance reviews, using the HR processes and tools, with the integration of S&H. Safety actions are included in personal objectives and assessed in performance reviews and annual incentive programs, as well as reviews with the CEO.
 - S&H issues are integrated with other HR processes, such as recognition and reward, discipline, new employee hiring, new or transferred employee training and new leaders training.
 - S&H issues are integrated with HR and risk management groups with enhanced case review and management; restricted work program for occupational injuries and illnesses and more recently with non-occupational injuries and illnesses.

Corporate Summary Q1 2008 Safety AOP and Critical X Scorecard

SAFETY AOP / CRITICAL X SCORECARD ITEMS	27 Locations TCS MANUFACTURING		76 Locations TCS DISTRIBUTION		7 Locations RESIDENTIAL		110 Locations CORPORATE SUMMARY
	PLAN	ACTUAL	PLAN	ACTUAL	Plan	Actual	
Total number of EE at Location (Start of Year)	12253		3365		5527		26145
# of EE Planned to be Involved (Start of Year)	3903	10489	2419		2255		20154
# of EE Involved in Safety Q1	3709		3073		483		7275
RISK IDENTIFICATION AND REDUCTION - NON-ERGO							
# of Missing or Old JSHA (Start of Year)	2966				660		3646
# JSHA Updated or Created Q1	549	551			151	126	677
% JSHA completed before work Q1		35	92				92
RISK ID AND REDUCTION - ERGONOMICS							
# of Red Jahr (Start of Year)	177				53		230
# Red Jahr Eliminated Q1	44	44			10	13	57
# of Yellow Jahr (Start of Year)	3059				597		3656
# Yellow Jahr Eliminated Q1	69	67			12	12	79
Total Ergo Risks to be Reduced (Start of Year)	1732				223		1955
Ergo Risks Eliminated in Q1	395	287			23	16	403
# Techs Requiring Ergonomics Training (New or Refresher)			2502				2502
# Technicians Trained Q1			443	543			543
ELECTRICAL SAFETY							
# of Live Electrical Jahr (Production only - Start of Year)	117						117
Avg % Jahr in Compliance NFPA 70E (Start of Year)	52						52
# of live Jahr brought into compliance NFPA 70E at the end Q1	31	49					49
# Locations with NFPA 70E compliance for non-production work	15						15
Electrical % Jahr Done Live (Start of Year)			32				32
% of live Jahr done to NFPA 70E (or equivalent)			62				62
Average % in compliance NFPA 70E at the end Q1			54	89			89
TRAINING							
New Employee Hiring	24		55		5		84
Employee Orientation	20		71		4		95
Leadership Accountability	25		57		5		87
New Product Introduction	24				7		21
Process Changes	19				7		24
Discipline	23		57		4		84
Recognition	24		56		2		82
Leader Skills	22		32		5		59
Contractors	17		39		3		59
3rd Party Employees	22						27
Suppliers	17				5		22
Site Safety	24		47		5		76
Lean	21				7		28
LEADERSHIP ACCOUNTABILITY							
Leadership Safety Meeting	25		67		5		98
Leadership Safety Visit	25		67		5		97
SUPERVISOR ACCOUNTABILITY							
Supervisor Safety Mtg	25		69		5		99
Supervisor ID Risk	25		72		5		102
Supervisor Training	23		65		4		95
Supervisor Audit	24		65		5		94
Supervisor Communication	25		65		6		96

Exhibit 2. Example of a company-wide leading indicator scorecard, reviewed quarterly.

- SHE issues are integrated with operations and service activities, focusing on process, work task and equipment changes, material handling, non-routine work, maintenance and vehicle driving.
- SHE issues are integrated with engineering for product changes, identifying safer and more ergonomically-sound product and work task designs for our manufacturing plants, service activities and our customers.
- S&H basic safety programs and ensuring critical procedures are in place to successfully manage our highest risks.

Likewise, specific tools are developed for leadership to further facilitate the needed actions and attention to S&H:

- Leaders tool kits provide scripts and tips for 27 different areas, including techniques for site leaders, supervisors and employee engagement (skip levels, culture assessments, town halls, suggestions/feedback loops); and for specific behaviors and personal actions the leaders can take (to better “walk the talk”).
- Supervisor training, designed to target their unique role and practical knowledge and tips for them to use to drive S&H with their employees.
- Different approaches used to clarify and explain leaders’ roles, such as sponsor-communicate-integrate safety.
- Guidance of the key leadership actions, which address the most significant root causes of culture gaps and provide the biggest return for investment of time and effort.
- Safety and business tool linkages, as in six sigma, lean, kaizen events, management of change process, communication methods, new product design reviews, budgets, capital expenditure reviews and action plan tracking systems.
- Personal coaching sessions held with leaders at all levels, including peer meetings for sharing of best practices in personal demonstration of drive and commitment to safety, culture and management of change.
- The use of leading and lagging indicators on local scorecards to quickly track progress, successes and gaps.
- Annual global S&H workshops, where S&H and business leaders meet together to share best practices and to improve their local S&H culture and their mutual leadership roles.
- Enhanced system-based root causes and results from compliance audits and management systems reviews to better understand accident trends and identify appropriate corrective actions.

Mechanisms are in place to keep a focus on S&H even during challenging business times:

- The use of a meeting mechanic tool, called “SPACER”, so that safety (the “S”) is discussed first in all meetings
- Business planning elements of AOP, timing cycle and budget setting process.
- Capital expenditure process and S&H project reviews
- S&H accountabilities for actions, behaviors and results are tracked in performance reviews
- Communication methods with employees, like skip levels, town halls and well established web and written communication mechanisms from the CEO, business and site leaders
- S&H education and workshops continue to be held, with business and site leaders attendance
- S&H issues and considerations are integrated into 13 core business processes.

Make it DESIRABLE

S&H goals, objectives and personal behaviors are incorporated into personal objectives, which are included in the performance reviews with senior leadership and the CEO. The results directly impact bonuses and incentive compensation of leadership levels, as well as future advancement. Discipline, to the point of terminations, with leaders has been used for blatant disregard for employee safety.

At the company level, annual Trane S&H awards are given to sites which most successfully accomplish annual safety goals and meet their annual safety rate objectives. Ninety percent (90%) of the scoring is based on the pro-active actions in process, culture and talent, with only 10% due to accomplishment of the rate objective. Also, annual business awards are given for superior business, quality, customer satisfaction and safety performance. On a more frequent basis, sites are noted in weekly S&H letters from the CEO, which exemplify the desired leadership behaviors, employee engagement and resulting good safety performance.

Conclusion

“At the end of the day, you bet on people, not strategies.”⁵ This is true, whether referring to business or safety excellence. We’re betting on our business leaders, at all levels, to do what is needed. However, it is up to us, as safety leaders, to become the leaders that we need to be, so that we can partner with our businesses leaders so they may become the safety champions that they need to be.

Safety is everyone’s responsibility. Our role is to help our leaders, and every employee, realize their roles and to successfully meet their responsibilities. Provide leadership and offer help in the context of:

- Set out a clear, simple strategy to guide people’s actions and decisions.
- Make it clear, easy and desirable to make safe choices and to follow the strategy.
- Work with all business functions to design and create the education, tools and processes to facilitate making it clear, easy and desirable to make the safe choices and to follow the strategy.
- Be positive and passionate.
- Be patient, but persistent.

⁵ Larry Bossidy, CEO, AlliedSignal. Tichy, Noel. *The Leadership Engine, Building Leaders at Every Level*. Plano, TX. Pritchett Rummler-Brache, 1998.