Culture Change: A Breakthrough in Safety Performance

Donald H. Theune, Principal
DONNIC Consulting Group, LLC
Narberth, PA

Culture Change Is a Win/Win:
Saves Lives and Saves Money

Companies that embrace a *safety culture change process* demonstrate their caring and commitment to employees' health and safety by implementing improvements that enhance processes while controlling spending.

I am currently talking to a company that has a 6.0 OSHA recordable rate and they want to become a safer organization. Based on my experience as a culture change professional, I estimate the 6.0 recordable rate could be reduced to 1.5 by 2009. And by 2011, the recordable rate could be down to 0.7. That's an 88% reduction over 5 years.

This company's workman's compensation is costing $2.5 million per year and that doesn't include administrative, training, and various other overhead costs. That $2.5 million could be reduced, in my estimation, to $600,000 by 2009 and $300,000 by 2011. That represents an $8.4 million savings over the 5 year period simply by implementing a culture change process.

Culture Change Focuses on People

Culture Change is not new; it has been used successfully by major corporations such as Southwest Airlines and Alcoa. In both examples, the CEOs focused on their people.

Herb Kelleher, CEO of Southwest Airlines, recognized the importance of people and their role in making a company successful. Kelleher espoused a philosophy of "treat employees well." He said, "You have to recognize that people are still most important". Southwest has posted 27 years of sustained profits.

Paul O'Neill, now retired Chairman and CEO of Alcoa, recognized the importance of people and their role in making a company successful. When O'Neill took over, Alcoa's lost time rate was one third the national average. When he retired 14 years later, the lost time rate had been reduced to less than one-twentieth; an amazing reduction by any standard. O'Neill believed that for Alcoa to be a world-class company, it first had to become the safest. He accomplished his goal by focusing on lost time injuries despite the fact that CEOs usually focus on profit margins, sales growth, and stock share appreciation.

O'Neill's emphasis on safety changed the culture. Productivity rose as did the financial results. In 1986, Alcoa posted sales of $4.6 billion with 35,700 employees. When he retired in 2000, sales were $22.9 billion with 140,000 employees.

Culture Change Requires Deliberate Effort

I recently had the pleasure of consulting with two plant managers who I will call my "plant managers plant managers". When asked why they were implementing a culture change process, their responses were the same: they wanted their people to realize that good safety is not a matter of luck or chance; it requires deliberate effort. One responded by saying "I want them to have the necessary skills to be safe". The other stated that he knew there are a number of changes that will occur in this industry and he wanted his employees to be able to maintain their focus and avoid getting injured.

People Are the Key to Success

Culture Change philosophy acknowledges that people are the key to success. Building on the conventional approach whereby employees receive training in SOPs, PPE, audits and observation, the culture change process focuses on unsafe attitudes and behaviors as well as the culture. Culture is *"the way we do things around here."*

   Since people are the key factor in achieving culture change, I am often asked "How do you reach people when most of the previous trainings have failed?" There is an excellent article in FAST COMPANY by Alan Deutschman that explains why it is so difficult for individuals to change their ways.
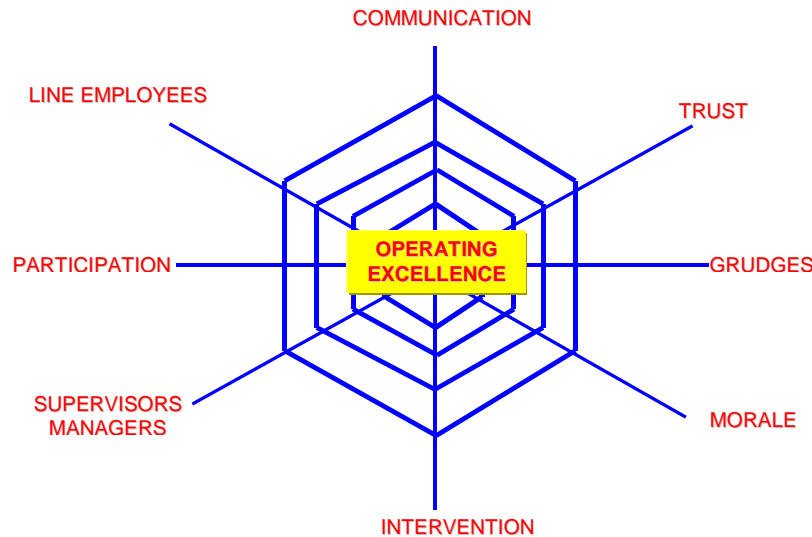Here are the 5 myths and corresponding realities that explain why many trainings and efforts fail to change employees' attitudes and behaviors.

Myth # 1	Crisis is a powerful impetus for change.
Reality	Ninety percent of patients who've had coronary by-passes do not sustain changes in lifestyles and worsen their severe heart disease conditions.
Myth # 2	Change is motivated by fear.
Reality	It's too easy for people to go into denial of the bad things that might happen to them. Compelling, positive visions of the future are much stronger inspirations for changes.
Myth # 3	The facts will set us free.
Reality	Our thinking is guided by narratives, not facts. When a fact doesn't fit our conceptual 'frames' – the metaphors we use to make sense of the world – we reject it. Change is best inspired by emotional appeals rather than factual statements.
Myth # 4	Small, gradual changes are always easier to make and sustain.
Reality	Radical sweeping changes are often easier than gradual changes because they quickly yield benefits.

| Myth # 5 | We can't change because our brains become 'hardwired' early in life. |
| Reality | Our brains have extraordinary "plasticity," meaning that we can continue learning complex new things throughout our lives, assuming we remain truly engaged. |

The Culture Cobweb

Let's examine the various areas that impact culture change and operating excellence. I developed the 'Culture Cobweb' to provide a better understanding of specific problem areas that need your attention in order to produce a culture change. Let me describe the 8 points around the perimeter that keep people trapped.

COMMUNICATION

LINE EMPLOYEES

TRUST

PARTICIPATION

OPERATING EXCELLENCE

GRUDGES

SUPERVISORS MANAGERS

MORALE

INTERVENTION

<u>Cultural Cobweb</u>

<u>Communication</u>: There is a breakdown in communication at every site. Sometimes it's between the 1st and 2nd shift. At other times it's between labor and management. Often production and maintenance have the problem.

<u>Trust</u>: Because of all the downsizing, reorganizing, and mergers, trust is at an all time low.

<u>Grudges:</u>   When people have their toes stepped on over the course of many years, grudges can last for 5 to 10, or even 20 years.

<u>Participation</u>:   Poor participation can come about from poor results or too many short-term programs: 'The Program of the Month Syndrome.'

<u>Intervention</u>: Most employees and many supervisors are afraid to intervene because intervention is one of the most uncomfortable social interactions. Yet successful interventions can be one of the most powerful tools in accident prevention. Effective intervention skills can be taught to everyone at the site so that everyone can truly be "your brothers' keeper"

<u>Supervisors/Managers</u>: They can detract from the safety efforts in several ways.

- Pushing for production
- Being a poor role model
- Being inconsistent
- Lacking long-term commitment

<u>Morale</u>: Morale drops when there's a drop in trust. Many employees react negatively when they sense even the slightest lack of commitment to their health and safety.

<u>Hourly Employees</u>: These are the people who are getting injured the most. Many injuries are caused by distraction, false pride, and risk-taking. Rushing because of production pressure and inattention also cause accidents and injuries.

How Safe Is Your Culture?

Here is a basic checklist to help you focus on your company's specific safety factors and determine the degree to which your culture is a 'safe culture'

Safety Factors	Poor	Average	Good
Frequent SOP Training			
Readily available PPE			
Adequate time for safety activities			
Adequate machine guards			
Review of near misses			
Action based on near misses			
Successful interventions			
Employee with employee			
Supervisor with employee			
Employee with supervisor			
Good communication			
1st and 2nd shift			
Labor and management			
Operations and maintenance			
Informative and engaging safety meetings			
Frequent safety meetings			
Review of accidents in safety meetings			
Complete and unbiased accident investigation			
Leaders treat employees with respect and dignity			
Leaders are skilled listeners			
Leaders take action on employee feedback			
Leaders respond quickly and fully			
Leaders 'push for production'			
Leaders 'walk the talk'			
Plant manager takes an active role in safety			

process			
Site's recordable rate			
Site's lost time rate			

Key Strategies for Success

Your entire organization is as accountable for safety performance as it is for quality and production. You need everyone's buy-in. Everyone should participate. Your entire organization should be enrolled in bringing safety to the highest levels. It's about the organization. It's about changing the culture.

- Involve and Train All Personnel: to raise safety awareness, increase personal responsibility and improve safety intervention skills.
- Leadership Group: Improve leadership and communication skills.
- Reinforce trainings and create a system and structure to promote greater buy-in and on-going participation throughout the organization for long lasting and sustainable results

Bibliography

"How O'Neill Got Alcoa Shining." *Business Week.* February 5, 2001.

"Why is it So Darn Hard to Change Our Ways?" *FAST COMPANY*, May 2005: 653-62.