

## Executive Leadership is the Key to Creating Incident-Free HSE Performance

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Improvements in workplace safety have been driven by contractors and owners who reacted to the 1980 Business Roundtable publications and made major subsequent contributions to CII (Construction Industry Institute) task force activities. These efforts resulted in marked improvements driven largely by formalized procedures, utilization of improved prevention devices and tools, and focused employee training programs; however, performance has flattened. The dominant theme of improvement techniques driven by management the last fifteen years has focused on reaction to events and prevention through procedural check lists and police action designed to obtain compliance through “carrot and stick” applications. While such techniques have led to improvements for those who have implemented them, they have an inherent limitation in their basic approach. This is derived from the fact that management must think of every conceivable circumstance to provide the prevention action, and improved performance is achieved by increasing or decreasing the “carrot” value or the “stick” action. Consequently, performance results are not based on behavioral changes, but rather on the application of procedures, training, and prevention methods, and if any one of these elements is compromised, performance reverts back to the previous level.

This phase of improvement is driven by the economies to be gained from the effort and is evaluated on the statistical analysis of return on capital investment (ROI). The ROI focus gives rise to threshold management whereby organizations that have achieved marked levels of improvement question the return on further investment required to eliminate incidents or injuries from the workplace. Even for mature organizations that desire an incident-free worksite, the application of the “carrot and stick” technology will not cause the behavioral changes required to elevate the organization to the next level—a level of improved and lasting change.

Organizations seeking to make this transition must shift from a compliance-driven, results orientation to one in which individuals are committed to safety. Leadership by most definitions refers to visionary changes driving change, and creating environments that harness employees’ creativity and lead to a feeling of empowerment. Achievement of this evolution requires fundamental changes by both contractors and owner executives.

Contractors’ executives must create a culture for safety leadership that exists independent of any individual or personality. The quest for incident-free work environments must not be solely dependent on the owner’s commitment. Additionally, the contractor executives must embrace safety as a values-driven process that is not subject to vertical arrangement as a priority. Contractors must align on a common definition, understanding and commitment to the possibility of incident-free worksites throughout their organization. All future actions must be a result of this commitment, not a reaction to events.

Owner executives must acknowledge the passing of the baton to the contractor in terms of leadership and accept that the contractor’s commitment may call for better results. In turn, owners must support the contractor’s processes and philosophy, even agreeing to be silent and defer when alignment to the possibility of an incident-free environment is not possible; allowing the contractor to utilize their processes over the demand to follow the owners.

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Further, owners need to refrain from conducting “safety courts” by reacting to events and recognize that the contractor’s commitment will develop, and instead implement solutions to overcome the breakdown.

Finally, the owners must acknowledge the “expense” of leadership and ensure that contractor’s compensation aligns with the results desired. Working safely is deeply rooted in morale, which leads to elevated performance in craft productivity, improved work quality, lower absenteeism and turnover. Contractors focus on safety affects everything

that is important to the contractor's organization, and many commercial arrangements create a windfall to the owner's accounts as a result of the benefits from the contractor's safety commitment.

## From Commitment to Action

While it would be a comforting thought to believe that everyone is really committed to safety, the issue is how to ensure the commitment then to convert that commitment to action in a manner that establishes the possibility of an incident-free industry. A foundation of sound safe practices, compliance procedures, and innovative programs is necessary to allow the organization to visualize the next step. The owner and contractor community must begin the transformation to the possibility of incident-free worksites with a fundamental shift from implementation (of practices, policies and programs designed to outline minimum requirements of compliance and police action as the basis of achieving results) to a process that modifies the behavior of the participants and gives them the judgment and desire to do the right thing. Beginning at the executive level, the initiative must permeate the organization. Failure to continue to enroll the entire organization will cause the transformation and potential results to plateau.

Ownership of the four fundamentals of the transformation process is the responsibility of the contractor's organization:

1. Commit to establishing a culture of safety leadership that exists independent of personalities or individuals;
2. Align all components of the organization, from task execution to senior management, with the fact that health, safety and environmental (HSE) performance is a values-driven process;
3. Create a common definition, understanding and commitment to the possibility of incident-free performance; and
4. Develop an ownership of incident-free results by the operations function.

Contractors must accept the responsibility for safety leadership from the owner community. The drive for incident-free performance originates from the contractor's commitment—not from the owner's process or desire, or the bid document requirement. The only way to achieve consistent incident-free performance is through a cultural change in the contractor's organization such that the owner's commitment and process is additive to the contractor's beliefs and values.

The culture of safety leadership must reside with the operations group in the contractor's organization. It must not be "subcontracted" to the safety professional or another support organization within the company. Sponsorship of a compelling vision for incident-free performance and a passion for the transformation of the organization's cultural must come from the most senior representative in the operations group. As a result these changes are internalized in the operations execution processes. The individuals in the organization need to take personal ownership of the implementation plans and communications around the vision of an incident-free workplace.

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## Aligning Actions

A key to success is the alignment of actions and communications about what should be and is being done in the workplace. The executive branch needs to develop a sense of and take ownership of how their actions reinforce the verbalization of the vision. Operations teams will realize that the value for safety and the possibility of an incident-free workplace will be embedded in the culture. This means it will show up in every assignment, instead of being affiliated with one project or in a particular leadership body and thus changing from one project to the next.

When individuals take a public stand for the possibility of creating incident-free worksites, the result is initiative builds for HSE performance to become a value not to be compromised. Contractors in the engineering, construction and maintenance industries “will always” be in the cost and schedule business. Those able to deliver the fastest schedule at the lowest cost will have the competitive advantage for the business, and will have a differentiated service to sell. The challenge is to ensure that the organization has a clear and deeply embedded commitment that the value for safety will not be compromised for cost or schedule. This commitment must be widely communicated so that all involved understand that one of the criteria to be factored into the contractor's business acquisition process assesses the probability that the owner's culture of safety leadership will support safety

as a steadfast value in service of an incident-free worksite. Actions must be consistently aligned and reinforced by value for safety over production and cost. As a senior manager for a contractor's organization, one must be clear with the organization that the only performance argument you cannot win for the operations team is one in which safety, health, or environmental excellence is compromised.

## A Values-Driven Culture

Over time the organization will mature so that it acts on the commitment for a different future and value for safety instead of reacting to the circumstances, event or emotion of the moment. The difference in action is that one is driven by a desire to create a different result versus being reactive to the numbers. When management fails to create an environment that promotes the possibility of working incident-free and manage the pressure of costs and schedules, the employee finds it difficult to make values-based decisions.

Organizations must dismantle barriers preventing them from creating environments that allow employees to openly express differing ideas, views and opinions without fear of retaliation. Values-driven safety action is dependent on the ability to examine such issues and work toward creative solutions, rather than being confined to reacting to what's wrong, or even preventing what could go wrong.

Executives' alignment on the definition, understanding and commitment to the possibility of working incident-free is key to organizational transformation. To achieve incident-free performance, we must work upstream of today's statistical standards to identify at-risk behaviors and create opportunities that neutralize the risks. This action is ten-fold more powerful than prevention that focuses on causing something "not to happen," and a thousand times more powerful than reaction focused on damage control and a hunt for the "guilty party". The priority and commitment should be designed around results at the organizational level not at the project level.

## Conclusion

A declaration of commitment to organizational results must be the responsibility and accountability of the entire organization. This ensures that organizational resources, competencies and innovation are managed from the bottom up. Being committed to performance at all levels of the organization compels management to consistently implement programs and process from their own commitment rather than from a need to comply with executive directives.

Operation's ownership of HSE results is critical to the possibility of creating incident-free performance. Such ownership establishes cooperation for reporting and analyzing incidences versus it being a compliance issue. Integrating HSE solutions into product or service development, strategic planning or execution processes is the responsibility of operations, and ownership of HSE results is the most efficient, powerful motivation.

In order to create a different result, HSE professionals must be viewed as a vital part of operations and have direct reporting accountability to operations, causing an inseparable and cooperative partnership. Scorecards for operating results need to be a balance between HSE performance and profit margins. Too often, operations managers are promoted based on high-margin yields, often creating organizational exposure from lack of HSE values that may take years to surface, or a "body count" of injury or health incidents that are not factored into the performance equation.

**“ Contractor’s executives must see...that the only performance argument you cannot win for the operations team is one in which HSE excellence is compromised. ”**

In conclusion, creating the possibility of an incident-free workplace is an achievable goal, requiring commitment from executive leadership. Change is about employee's behavior and culture that needs to be the norm. Leadership is a way of being, and we need to ensure that our words and actions are congruent, and the organization reads and believes both as evidence of our value for HSE. When focused on HSE issues, you are working on everything that is ultimately important to the company.