What to Say and Do to Demonstrate Commitment

TAKING SAFETY FROM THE EXECUTIVE OFFICE TO THE FRONTLINE
What to Say and Do to Demonstrate Commitment

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Caterpillar Safety Services
INTRODUCTIONS

Caterpillar Safety Services
CATERPILLAR RECORDABLE INJURY FREQUENCY

OUR SAFETY JOURNEY // 2003 – 2016

92% RIF IMPROVEMENT

58% INCREASE IN WORKFORCE

INJURY RATE REDUCTION = 72,367 INJURIES PREVENTED

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THE CURRENT STATE OF LEADERSHIP

$1m

Average organization is forfeiting over $1 million per year in untapped potential due to weak leadership practices.

$550b

Disengaged employees cost the US economy up to $550 billion a year due to lost productivity.

$86b

Of that, $86 billion annually in losses results from disengaged leadership.

The Ken Blanchard Companies, The High Cost of Doing Nothing
Gallup, State of the American Workplace
Gallup, State of the American Workplace
There are certain leadership characteristics that, when present in an individual, enable that person to effectively lead and sustain safety excellence.

For an organization to achieve safety excellence, its leaders need to live out these characteristics so there is alignment and like-mindedness throughout the organization from top management to front-line supervision.
ELEMENTS

• Learn the cultural trademarks of world class safety organizations

• Understand how to demonstrate visible commitment to safety

• Gain perspective on how to positively hold employees accountable
ELEMENT #1

What does good look like?
HOW DOES LEADERSHIP INFLUENCE SAFETY PERFORMANCE?
IT IS A GAME OF FOLLOW THE LEADER

CEO

VP
Manager
Supervisor
Craft/Hourly

VP
Manager
Supervisor
Craft/Hourly
COMMON CHALLENGES IN ENGAGING EXECUTIVES

1. Compliance and/or reactive approach to safety management
2. Focus on hazards vs. behaviors
3. Lack of proactive safety accountability
4. Satisfied with status quo
TRADITIONAL INCIDENT REACTION CYCLE

Injury occurs . . .  
Management reacts

Back to “business as usual”  
Activities increase . . .
REACTING TO NUMBERS

Recordable Incidence Rate

- Graph showing the recordable incidence rate from 2013 to 2017.
WHY INCIDENTS OCCUR: CONDITIONS OR BEHAVIORS?

What causes most injuries?

Hazardous Conditions or At-Risk Behaviors?

90% Risky Behaviors

10% Unsafe Conditions
CONDITION OR BEHAVIOR?

- Government Regulations
- Safety Policies & Procedures
- Employee Training
- Audits/Inspections
CULTURE – LEADERSHIP – BEHAVIORS

Root Causes

CULTURE

NORMS

ATTITUDES
BELIEFS
IDEAS

AT-RISK
BEHAVIOR

INCIDENT

[Image of a flowchart showing the relationships between culture, leadership, behaviors, norms, attitudes, beliefs, ideas, at-risk behavior, and incidents.]
SIX CRITERIA FOR SAFETY EXCELLENCE

1. Top management is visibly committed
2. Middle management is actively involved
3. Front-line supervision is performance-focused
4. Employees are actively participating
5. System is flexible to accommodate the culture
6. Safety system is positively perceived by the workforce

— Dan Petersen Ed.D.
**EXERCISE**

**RATE YOURSELF ON THE MATURITY GRID**

<table>
<thead>
<tr>
<th></th>
<th>1 - Traditional</th>
<th>2</th>
<th>3 - Progressing</th>
<th>4</th>
<th>5 - Best in Class</th>
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- **Top management** is visibly committed
- **Middle management** is actively involved
- **Front line supervision** is performance based
- **Employees** are actively participating
- The safety system is **flexible**
- There is **positive perception** by the workforce
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<tbody>
<tr>
<td>No safety actions unless there is a serious incident or injury.</td>
<td>Safety included in some business discussions.</td>
<td>Safety included in all business conversations.</td>
<td>Demonstrate visible commitment with actions that reduce injuries.</td>
</tr>
<tr>
<td>• Safety is not part of the regular business discussions.</td>
<td>• Hold middle managers accountable for injury rates.</td>
<td>• Hold middle managers accountable for injury rates.</td>
<td>• Safety included in all business conversations.</td>
</tr>
<tr>
<td>• Hold middle managers accountable for production and quality only.</td>
<td>• Regularly encourage safe work.</td>
<td>• Hold middle managers accountable for safety activities/results and recognize top performers.</td>
<td>• Hold middle managers accountable for injury rates.</td>
</tr>
<tr>
<td>• Injuries are a part of doing business.</td>
<td></td>
<td>• Viewed as safety champions and regard safety equal to production and quality.</td>
<td>• Regularly encourage safe work.</td>
</tr>
<tr>
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| No safety actions unless there is a serious incident or injury  
  • Safety assigned to the Safety Department  
  • Manage safety by injury results  
  • Production, quality and budget are the focus for success | Talk about safety but rarely walk the talk  
  • Have safety expectations, but they are unclear  
  • Hold supervisors accountable for injury rates and some safety activities  
  • Experiment with positive recognition | Support safety with actions that reduce injuries  
  • Include safety in all business conversations  
  • Hold supervisors accountable for completion of safety activities and recognize safe behaviors  
  • Viewed as safety champions and support stopping work for safety concerns |
### FRONTLINE SUPERVISORS

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| Turn over safety activities to the Safety Department  
  - Safety activities are not part of the supervisor training program or performance evaluation  
  - Ignore unsafe employee behavior  
  - Allow employees to take short cuts to get the work done | Talk about safety but rarely walk the talk  
  - Safety activities are clearly defined but are not checked or evaluated  
  - Sometimes stop unsafe work, other times ignore it  
  - Beginning to recognize safe behaviors | Accept responsibility for safety of all team members and model safe behavior  
  - Have clearly defined safety performance activities for themselves and their employees  
  - Support stop downs by employees when the work is not safe  
  - Recognize safe behaviors |
### EMPLOYEES

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<tr>
<td>(1)</td>
<td>Stay in the background and try to avoid being noticed</td>
<td>Will join a safety continuous improvement team but reluctant to accept any leadership</td>
<td>Actively participate within safety continuous improvement teams</td>
</tr>
<tr>
<td></td>
<td>• Complain about unsafe work but do nothing to improve it</td>
<td>• Will engage in some safe work but slip back into old habits</td>
<td>• Follow safety policies and procedures</td>
</tr>
<tr>
<td></td>
<td>• Actively resist any change to the way it is</td>
<td>• Reluctant to ask questions/engage with management about safety</td>
<td>• Speak up when they see others (including managers) working unsafely or not following procedure</td>
</tr>
<tr>
<td></td>
<td>• See managers as the cause of the majority of the problems that occur</td>
<td>• Engage in some positive changes in safety</td>
<td>• Speak up and lead in team safety meetings</td>
</tr>
<tr>
<td>(2)</td>
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| This is a rules based safety culture  
  • Just follow the rules and supervisors and managers will leave you alone  
  • The regulations set the standards, the safety department enforces them  
  • Safety gets in the way of production | Cross functional teams are finding solutions  
  • When employees get involved in developing solutions, everyone benefits  
  • Employee’s practical approach to safety, combined with the safety department’s technical knowledge is improving the entire workplace  
  • Safety is becoming integrated into our daily work | Partnering together in safety has changed the work environment  
  • Dozens of safety issues have been solved by working together  
  • Every level of the organization is involved in self-sustained continuous improvement  
  • Everyone keeps volunteering to work on the next thing that needs improvement |
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<td>Safety is a negative and everyone blames others for the injuries</td>
<td>Some work groups are beginning to take responsibility for improving their own safety</td>
<td>Senior/middle managers, supervisors, and employees are all engaged in continuous safety improvements</td>
</tr>
<tr>
<td>• Injuries are viewed as bad luck</td>
<td>• Managers are beginning to support the safety efforts</td>
<td>• Downstream injury statistics are reduced and upstream leading indicators are excellent</td>
</tr>
<tr>
<td>• The only employee acknowledgement is for meeting production quotas</td>
<td>• Some recognition for low injury rates and those working to achieve this kind of performance</td>
<td>• People are proud of their safety performance and recognize each other for safe work</td>
</tr>
<tr>
<td>• Safety department members looked on as ‘safety cops’</td>
<td>• The safety department is improving their image by engaging in assisting</td>
<td>• Safety is fully integrated into the culture as “The way we work around here”</td>
</tr>
</tbody>
</table>
How do we demonstrate that safety is a value?
51.2% of employees believe management expects them to take unnecessary risks to get the work done.

-CSS Safety Perception Survey Global Database
EXERCISE

WHAT DOES “COMMITMENT TO SAFETY” MEAN?

How would you complete the following statements?
<p>| | |</p>
<table>
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</table>
| 1. | SENIOR LEADERS EXPRESS APPRECIATION FOR EMPLOYEES WORKING SAFELY.  
   |   |
| 2. | CORRECTIVE ACTION IS TAKEN FOR EMPLOYEES WHO DO NOT CONFORM TO ESTABLISHED SAFE WORK PRACTICES.  
   |   |
| 3. | SAFETY PERFORMANCE IS AN IMPORTANT CONSIDERATION FOR PROMOTION.  
   |   |
| 4. | EMPLOYEES HAVE ACCESS TO ALL NECESSARY RESOURCES TO KEEP THEMSELVES SAFE.  
   |   |
| 5. | EACH EMPLOYEE IS WELL TRAINED TO DO THEIR JOB SAFELY.  
   |   |
| 6. | I FEEL PERSONALLY RESPONSIBLE AND ACCOUNTABLE FOR SAFETY AT OUR ORGANIZATION.  
   |   |
| 7. | EMPLOYEE CONCERNS ABOUT SAFETY ARE RESOLVED.  
   |   |
| 8. | I DISCUSS SAFETY WITH SENIOR LEADERS IN OUR REGULARLY SCHEDULED BUSINESS MEETINGS.  
   |   |

(1=STRONGLY DISAGREE TO 5=STRONGLY AGREE)
<p>| | |</p>
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<tbody>
<tr>
<td>9.</td>
<td><strong>EMPLOYEES ARE INVOLVED IN ESTABLISHING WORK PROCEDURES.</strong></td>
</tr>
<tr>
<td>10.</td>
<td><strong>WE BELIEVE INCIDENTS AND INJURIES ARE A NORMAL COST OF DOING BUSINESS.</strong></td>
</tr>
<tr>
<td>11.</td>
<td><strong>I'M PERCEIVED AS SOMEONE WHO CARES ABOUT EMPLOYEE SAFETY.</strong></td>
</tr>
<tr>
<td>12.</td>
<td><strong>ALL LEADERS FEEL FREE TO BRING ME INFORMATION - EVEN IF IT MAY BE HARD TO HEAR.</strong></td>
</tr>
<tr>
<td>13.</td>
<td><strong>SAFETY IS A CORE VALUE.</strong></td>
</tr>
<tr>
<td>14.</td>
<td><strong>I CLEARLY COMMUNICATE THAT I DO NOT EXPECT PRODUCTION AT THE EXPENSE OF SAFE WORK PRACTICES.</strong></td>
</tr>
<tr>
<td>15.</td>
<td><strong>OUR COMPANY'S REPUTATION HAS BEEN BUILT IN PART BECAUSE WE ARE A SAFE COMPANY TO WORK FOR.</strong></td>
</tr>
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**UNDER MY LEADERSHIP…**

(1=STRONGLY DISAGREE TO 5=STRONGLY AGREE)
DISCUSSION

What are some mindsets, practices, or operational barriers that keep you from demonstrating commitment to safety today?

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________
TACTICAL ACTIVITIES FOR EXECUTIVE LEADERS

- Develop/maintain/oversee overall business strategy with safety as a critical component.
- Integrate safety into the regular business conversations with everyone, including direct report meeting agendas, regular company communications, etc.
- Demonstrate the same PPE expectations as your employees.
- Show up at safety meetings and training sessions occasionally to demonstrate support for the effort. Recognize those doing great work.
- Open training sessions with a word of support/encouragement/expectations.
- Ask employees open-ended questions about safety concerns, victories, and work processes.
- Spend more time talking about what employees have done right than what they’ve done wrong.
ELEMENT #3

How do we drive change?
The ability of a leader to drive accountability is the strongest predictor of creating a safe place to work.

-CSS Safety Leadership Assessment Results
SAFETY LEADERSHIP DOMAINS & ELEMENTS

Accountability
- Define expectations
- Train to enable
- Measure performance
- Provide feedback
- Provide resources

Credible Consciousness
- Demonstrate knowledge
- Demonstrate reasoning

Connectivity
- Involve employees
- Share information
- Integrate safety

Trust
- Demonstrate care
- Value safety
- Communicate openly
- Interact effectively
ACCOUNTABILITY

When a leader creates a culture of strong safety accountability . . .

- Everyone knows what's expected and how it is measured.
- High quality training is provided to ensure the ability to execute.
- Appropriate feedback, both positive and developmental, is provided to steer employees toward safe performance.
- Everyone has the resources they need to work safely.
THE FIVE ELEMENTS OF ACCOUNTABILITY

- Define
- Feedback
- Train
- Measure
- Resources

Accountability
How is success in your business measured?

In your business, how is each role accountable for that success (what do they do to achieve results):

Executives?

Middle Managers?

Front-line Supervisors?

Front-line Employees?
How is success in safety measured?

In your business, how is each role accountable for that success (what do they do to achieve results):

Executives?

Middle Managers?

Front-line Supervisors?

Front-line Employees?
RESULTS WE CAN INFLUENCE

The Safety River

- Improve contractor selection
- Train employees fully on safe operation
- Wear proper PPE
- Pre-shift safety briefings
- Hold employees/subs accountable to work safe
- Near miss investigations
- Equipment inspections
- Regular safety inspections

Set expectations around what people can control

PRO-ACTIVE ACTIVITIES we can implement

- Get employees home safe everyday
- No fatalities
- No recordables
- Zero lost-time incidents

RESULTS we strive for
Focus on the Positives – Catch people *doing things right*!

As a percentage, do your employees do more things right or wrong?

**Doing Things RIGHT**

Need to focus here; at a ratio of 7:1

**RECOGNIZE**

**Doing Things WRONG**

Most leadership activities focus here

**COACH**
List five characteristics of positive recognition.

1. Timely
2. Relevant
3. Sincere
4. Confirmed
5. Frequent
REMEMBER, THERE IS NOTHING SO URGENT OR IMPORTANT THAT IT IS WORTH SOMEONE’S LIFE.

EMPLOYEES WILL DO WHAT THEY PERCEIVE THE LEADER WANTS FROM THEM. ALWAYS DEMONSTRATE YOUR COMMITMENT.
RESOURCES FOR FURTHER STUDY

- Collins, Jim, Good to Great & Built to Last
- Covey, Stephen, Principle-Centered Leadership
- Covey, Stephen M.R., The Speed of Trust
- Crouch, C. David, The Excellent Experience
- Kotter, John, Leading Change
- Lencioni, Patrick, The Five Dysfunctions of a Team
- Maister, David H., The Trusted Advisor
- McChesney, Covey, Huling, The 4 Disciplines of Execution
- Northouse, Peter, Leadership, Theory & Practice
- Patterson, Kerry et al, Crucial Conversations
- Petersen, Dan, Authentic Involvement
- Pink, Dan, Drive