

Stop talking about safety culture and get real about risk



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## ► ACTION REPORT

# Take action: What is the missing link in your safety culture?

Clearly understanding the nuances of a company's "safety culture" and its effective communication can be difficult. Practices such as safety awards and providing mandatory "safety training" can build up a dangerous false sense of security, based on the fact that safety incidents are lower or non-existent. Too many times, organizations see low employee incident numbers as a sign that, through all aspects of safety, risk is controlled. **Instead of trying to institute a safety culture, companies should instead take steps to create and nurture true risk competence.**

The most crucial aspect of creating and nurturing true risk competence is communication. Without question, employees from all levels of the company need to feel comfortable enough to be honest about reporting potential safety problems or raising concern about something they see—and becoming part of the solution. When employees notice that safety regulations go unchecked, or feel as if their jobs are at risk if they speak up about potential problems, disaster can happen.

### What companies don't know can hurt them

A case in point is the British Petroleum (BP) disaster of 2010, a tragedy that stands to reaffirm the perils of a complacent, uncommunicative safety culture. On the day of the BP Deepwater Horizon explosion that killed 11 people, executives were at the facility to celebrate its **seventh year without an incident**. (Elkind, Whitford & Burke, 2011) The combination of data showing fewer employee injury incidents and no recent tanker incidents created the presumption of safety—and it ended in tragedy.

In the third volume of the report released by the U.S. Chemical Safety and Hazard Investigation Board (CSB), it was revealed that the "incident-free workplace" culture at BP overshadowed the management of real safety risks. BP was not using its safety program to manage risks. Instead, the company used it only to show regulatory compliance. **Celebrating the number of days without any incidents does nothing to prevent incidents in the future.**

The CSB report stated: *"Preventing incidents requires a shift in focus from past successes to current risk reduction activities. Ultimately, risk reduction efforts must be continually accounting for inevitably changing circumstances."*

### Communication is crucial

Instead of traditional, generic safety culture, companies need to evolve into a risk-competent culture. With interconnective safety as the goal, basing a culture on identifying, measuring and avoiding risk involves important communication, from the executive boardroom to the plant floor.

It is important to successfully convey front-line, everyday realities to the executive level—those individuals with a personal stake in protecting the company's reputation who can enact change. Such communication calls for a circuit approach; top-down that works in tandem with empirical data mobilized

Companies must take a realistic look and find the missing safety culture links to understand risk rather than relying on traditional employee safety measures.

### The problem with “safety culture”

The term “safety culture” has been overused to the point that it has become virtually meaningless. The false sense of security bred by this desensitized safety culture has a far-reaching impact.

One of the biggest problems with traditional safety culture solutions is that every employee may have a different risk tolerance and perception of “safe operations.” If an organization has had a run of low reporting because personal injury numbers are down, it can lead to overconfidence about a safety culture that is defined differently by each employee.

Additionally, “safety communication” means different things to various levels of employees. An executive pores over slick safety presentations and spreadsheets—and may think that a 30-minute meeting counts as “communication” with his team. The line supervisor knows she does what the company says when it comes to safety training—whether employees follow through or not—so she feels she



and provided from the front line. Understanding how work is completed versus how work is imagined can be very different. Everyone must agree on the definition of risk and know that ignoring, changing or adjusting work procedures must be part of the communication to discover how to complete work while also controlling risk. **Management must also understand that work procedures do not cover every part of an employee’s day. In fact, employee tasks often deviate from daily procedures.**

All employees from every level need a culture with honesty woven into its DNA, including near-miss reporting and a clear understanding to stop work when something becomes unsafe. An authentic understanding of risk brings the means to communicate what the real processes are and define the next steps to complete them as safely as possible.

is covered. The front-line employee thinks that the safety rules he ignores are insignificant, because he sees others doing it, too, and nobody has ever stopped them. Therefore, he checks all the right inspection checklist boxes he knows his supervisor wants him to check, and he goes back to work.

Obviously, in many operations across the country, asking an executive, line supervisor and front-line employee the following questions will produce a variety of different answers:

- What risks are acceptable?
- Is everyone following safety procedures and protocols?
- What is the likely chance of an incident?

These seemingly “little” breakdowns in communication define a company’s perception of safety. **Without a realistic, synchronized risk picture at all levels, a company’s safety culture can look great on paper while operating standards continue to slip, and safety risks continue to mount.**

Simply going through the motions and checking off safety boxes while focusing on lagging indicators may get an organization good results. However, to make a meaningful impact, understanding what real risks employees take to complete work—with a focus on potential severity—is what the industry is starting to see makes the largest difference.

**“Informed by a literature review, interviews with the principal stakeholders and focus group discussions, it includes that the workplace safety may be better served by shifting from a focus on changing ‘safety culture’ to changing organisational and management practices that have an immediate and direct impact on risk control in the workplace.”**

– Safety Institute of Australia, 2012  
The Core Body of Knowledge for Generalist OHS

### Build risk competence

A company may be following traditional standards to ensure that all facilities have an airtight safety culture—but it may not have a clear picture of actual risk. **The only way to mitigate risk is to measure risk tolerance and build not a safety culture, but a culture around risk competence.**

### DETERMINE RISK TOLERANCE

For organizations to determine risk tolerance, it is crucial first to find the right way to set the parameters that define risk.

Even when set safety measures are observed, there still may be hidden risks that have high severity. The American Institute of Chemical Engineers drafted a report demonstrating how disastrous small omissions to safety protocols—or safety holes—can be. (Ness, 2015) The report gave details about the 1990 explosion of a Channelview, Texas ARCO chemical plant wastewater tank. It was revealed that, even when complying with all safety procedures, many companies operate every day with “small” hidden risks that have the potential to cause massive disasters.

The explosion at that ARCO chemical plant was tragic—and avoidable. When the plant was shut down for maintenance, the tank exploded during a compressor restart. The nitrogen purge had been significantly reduced during maintenance. When a temporary oxygen analyzer failed to detect the flammable buildup within the tank, the flammable vapors were sucked into the compressor and ignited in an explosion, killing 17 people and costing \$100 million in damages.

While the operation may have been observing maintenance procedures, “the water tank was not considered a part of the operating plant.” This one oversight led to several poor decisions that caused a catastrophe. **Because steps were not taken to find the gaps in work as completed versus work as imagined, management was not aware of maintenance decisions, and there was not a pre-startup safety review.**

The combination of incident frequency and severity, contrasted against acceptance, are variables. These variables change within each company depending on the nature of what is being manufactured and produced, and what types of equipment are used (and require maintenance and repair). Following set regulations without question is never enough. Companies need executive-level agreements about risk tolerance to create an education-safe environment across all work areas. **It is important to identify all risks, agree on how to measure them to define risk parameter levels, and then**

### Do employees trust safety procedures?

No matter how involved in the safety culture, employees have no choice but to place their trust in safety precautions **when they may not trust who developed the safety protocols, or how the protocols were developed.**

Do employees think company safety rules are the product of lawyers and executives who they feel know nothing about life on the plant floor? Do employees believe that certain safety rules can be skirted to meet deadlines? Does a supervisor think she is a better judge of on-the-floor risk than her boss?

**Despite safety classes, posters, and awards, employees hear a lot more about deadlines and bottom lines than they do about safety.** When a manager stresses that a process needs to move faster, or deadlines are not realistic, it’s easy for employees to focus on the short-term bottom line: take what they think are small risks to meet a performance expectation. These attitudes forge a new normal of misperceived and greater risk. **This behavior is a huge component of the risk tolerance conversation in which corporate decision makers must participate.**

Companies need an assessment of what is actually known about the risk levels in each facility, and the lengths those in the organization will take to manage the expectations of their superiors.

To get a picture of real-life risk, companies need to start:

- Being honest about perception vs. reality TODAY
- Being able to admit “you don’t know what you don’t know until you investigate”
- Being ready to answer difficult questions

**The direction to a successful destination is to stop talking solely about employee involvement in a culture of safety—but to instead take responsibility, analyze, adjust and re-engage throughout the organization.**

prioritize the company's risks, while ensuring that everyone understands the actual risks that go beyond regulatory compliance. When it comes to safety and support, creating an open environment where front-line employees can easily raise concerns, expose a safety hole and be actively involved in providing and implementing solutions is crucial.

### GAP ASSESSMENTS AND DATA LITERACY

One question distinguishes the accurate evaluation of safety compliance: **Where is a company's place on the safety continuum and where are the potential gaps in that compliance?**

Once evaluated, these gaps not only can be prioritized; they can be filled. Companies do not frequently enough realize how important it is to prioritize initiatives through a risk-based approach. Too often, companies miss the importance of a gap assessment. (Krause, 2009)

#### Safety failures stem from:

- Not understanding or not questioning company data
- Incomplete evaluations of risk competence
- Never conducting a gap assessment
- Accepting the rhetoric over reality

The best and most effective practices for a safer environment are dictated by an in-depth look at what's really going on in the facility, followed by a review of how reality squares up with the company's risk tolerance. **This approach involves not just taking a closer look at "safety" data a company already has, but also understanding that data.** The next steps include identifying safety gaps and doing what is needed to close them—which can be different from organization to organization. For some businesses, it means a soup-to-nuts overhaul of how each employee views risk, clearly communicating risk tolerance and steadily building a risk competence to weave into an organization's DNA.

### PRESCRIPTIVE VS. CUSTOM SOLUTIONS

Many of today's "safety" solutions and content generated about safety fixes are prescriptive in nature, with a one-size-fits-all mentality. How many times have you heard

that all you need to do to build a safety culture is to get your employees involved? Subscribing entirely to "if this, then that" simplicity can create its own function of risk. **These confines are not enough to advance a safety agenda that works to build true risk competence.** Industries across the board miss the importance of an accurate gap assessment that looks at how work is completed versus work imagined in favor of acting in accordance with a generic list that does not apply to each unique environment.

Even more significantly, complying with a generic list can give that fatal false sense that safety measures are meeting a gold standard when they are not. Being given the stamp of approval is how employees on the production lines and company stakeholders get lulled into a false sense of security that can put lives in danger. An operation may observe every OSHA regulation and still manifest liabilities to employee safety. **Off-the-shelf, traditional solutions will not help to determine real risk tolerance, and will not foster functional risk competence.**

These types of misinterpretations breed a culture of: "We don't know why this happened and we don't know why the standards we put into place are not working."



### Get real with the risk assessment

Performing a real risk assessment requires the identification of all risks, agreement on parameter measurement and the prioritization of a company's risk appetite and tolerance. Only this mindset will ensure that all responsible employees not only understand the actual risks that go beyond regulatory compliance, but that the firm's risk competence is evident in everything they do.

## IDENTIFY TANGIBLES

Companies need to create dynamic, scheduled measuring systems that fit each unique safety culture:

- Analyze, question and understand current safety data
- Define parameters
- Set boundaries
- Prioritize and schedule each control
- Perform a review and adjust loop

Safety answers are never the same for every operation as there are variables that range from front-line expertise to the production environment. **Therefore, safety leadership is not a one-person, one-department job.** It takes a philosophical risk competence investment that is clearly communicated and is also understood and supported by decision makers.

## Stay proactive about risk, even when recordable incident numbers are positive

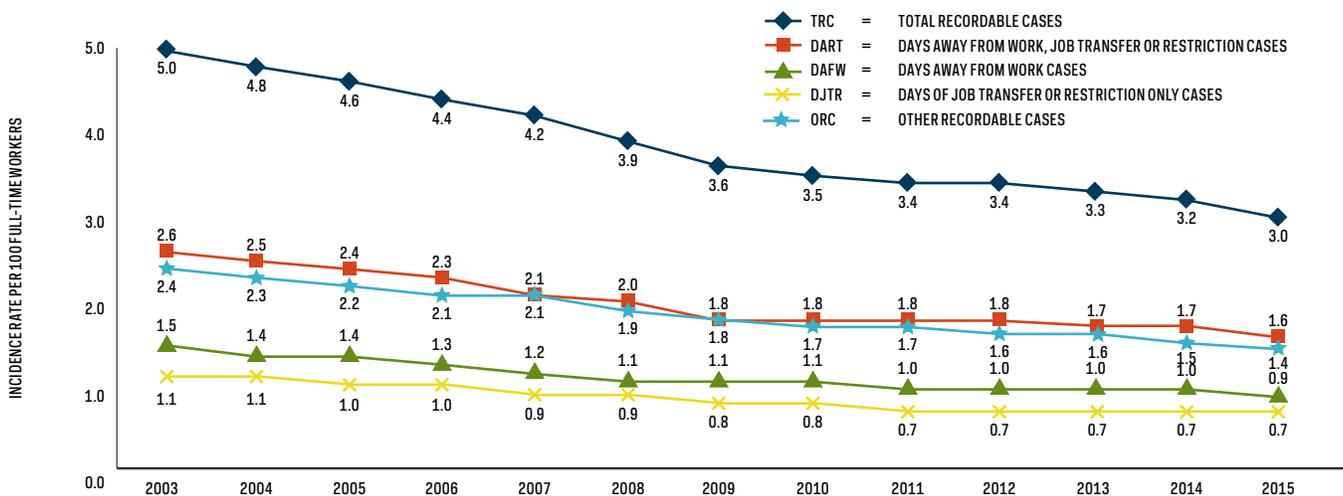
The Bureau of Labor Statistics released impressive, downward trending numbers in both the public and private sector on Employer Reported Workplace Injuries and Illnesses in 2015. (October 2016) In the private sector, there were “approximately 2.9 million nonfatal workplace injuries and illnesses reported by private industry employers in 2015, which occurred at a rate of 3.0 cases per 100 equivalent full-time workers.” This report depicts consistently declining non-fatal incident reporting over the last 13 years (apart from 2012 when numbers remained flat from 2011’s report).

## NON-FATAL INCIDENCE NUMBERS ARE DOWN, BUT FATALITY NUMBERS ARE UP

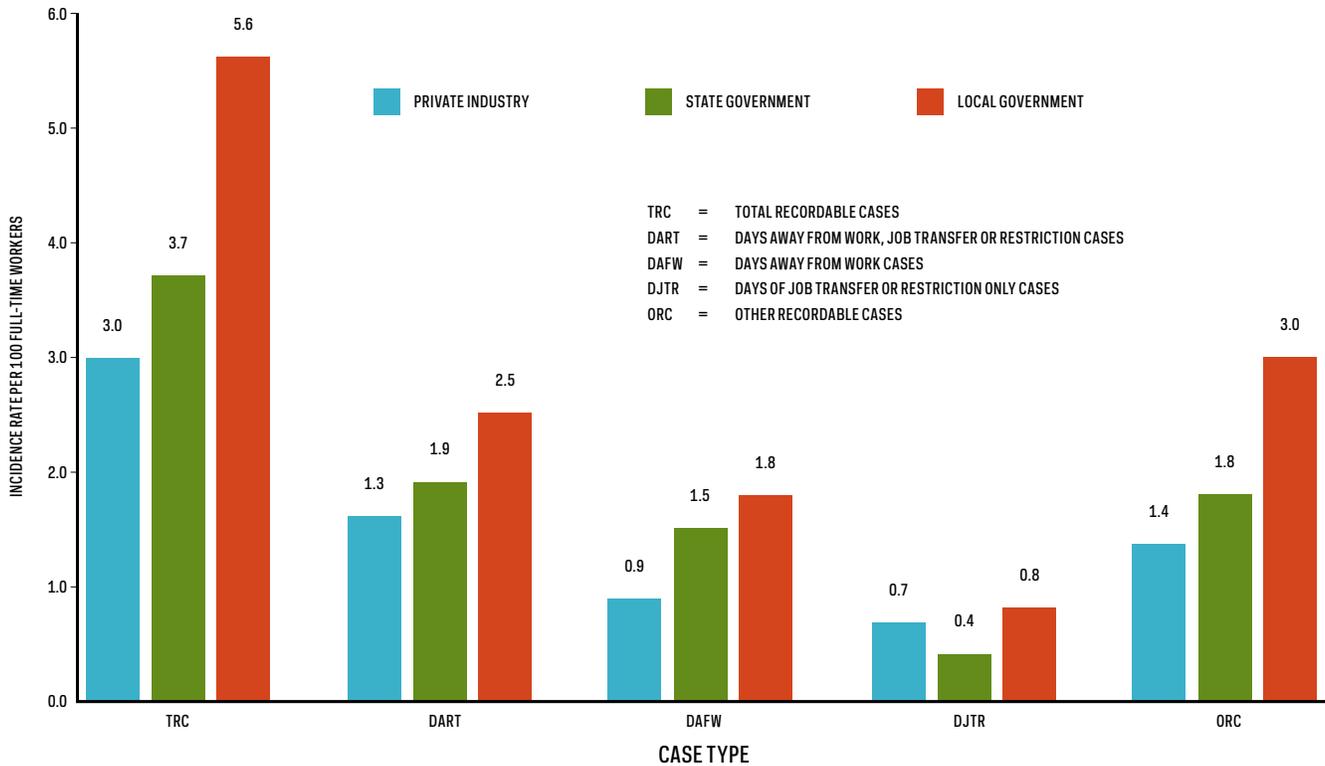
At face value, the numbers about non-fatal reportable incidents seem like a good thing. However, positive-leaning injury figures can mask the fact that the number of workplace fatalities grows each year. (BLS, 2016) Over the years, CSB investigations have proven that while companies are hyper-focused on personal injury rates, they routinely ignore or overlook potential safety issues. Fewer reportable injuries look good on paper, but this achievement comes at the expense of fatalities due to bigger things like “automatic shutoff system failures” or “loss of containment of liquids and gasses.”

A company needs to think about the integrity of the data collected to form the accurate statistics. Employees at all levels in the organizational chain have different motivations for not being 100 percent honest when they answer questions about safety. Often, it’s what seems like small, insignificant discrepancies in safety violations or incident reporting that can have a negative domino effect on safety throughout an entire plant and cause a fatality. Furthermore, when looking at corporate safety data, do stakeholders truly understand it? Is data being misinterpreted? All of this affects the integrity of the gap analysis and, therefore, a worker’s safety and a company’s risk competence.

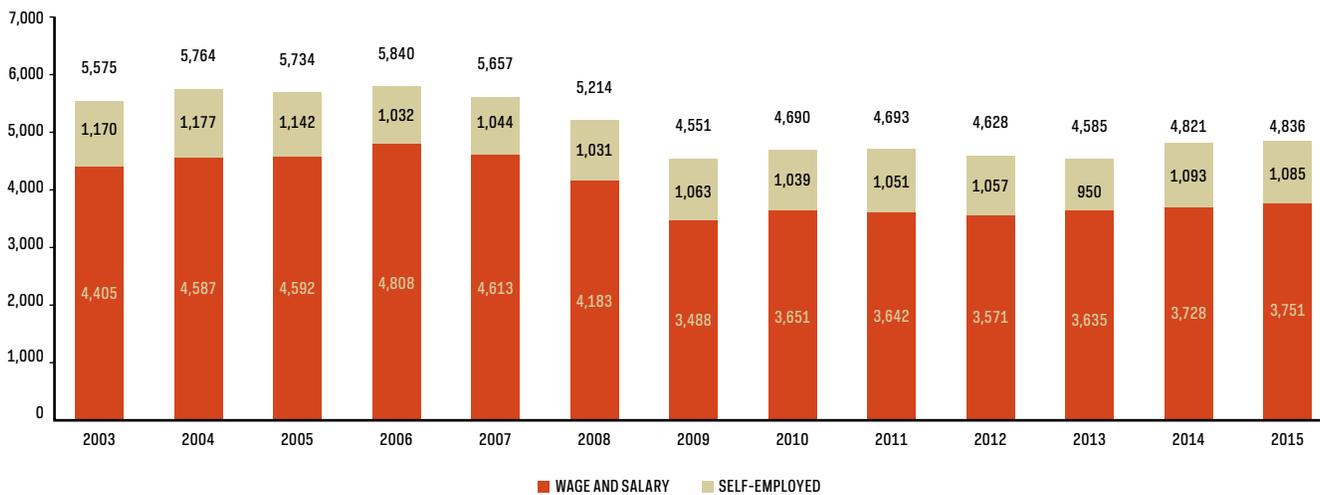
NONFATAL OCCUPATIONAL INJURY AND ILLNESS INCIDENCE RATES BY CASE TYPE, PRIVATE INDUSTRY, 2003-2015



NONFATAL OCCUPATIONAL INJURY AND ILLNESS INCIDENCE RATES BY CASE TYPE AND OWNERSHIP, 2015



NUMBER OF FATAL WORK INJURIES BY EMPLOYEE STATUS, 2003-15



A total of 4,836 workers died from an occupational injury in 2015. This number increased slightly from 2014 and is the highest count since 2008. Self-employed workers have consistently accounted for around one-fifth of fatal work injuries.

U.S. Bureau of Labor Statistics, 2016

### Get a new perspective from safety compliance and risk experts

Safety is one concept with thousands of literal and figurative moving parts—one solution cannot protectively blanket an entire operation. Instead of perpetuating the idea of a safety culture, companies need to focus on risk to avoid incidents and disaster. It starts with:

- Creating and nurturing an environment where all employees feel comfortable speaking up
- Using clear communication to ensure that everyone has the same understanding of the company's belief system
- Knowing everyone's attitude toward risk, from the top down and the bottom up
- Agreeing on the actual norms and their associated behaviors
- Understanding the motivations of everyone who contributes to risk competence
- **Communicating and consistently demonstrating that acceptable risk is not a priority, but a value**

Even after discovering holes in safety practices, many companies feel they can grow a functional risk competence internally. However, third-party experts with years of experience across many industries can often provide a unique perspective and a “fresh set of eyes” to support safety professionals. **Partnering with third-party safety compliance and risk experts can help safety professionals on their mission to turn comprehensive, customized risk assessment into real-world safety.**

When human lives are on the line, and a company's hard-earned reputation is at stake, taking chances with safety makes no sense. **Experienced industry voices can help a company tackle the challenge of taking a real look at where a company stands, and how they can best protect everyone.**

### About the author



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Danyle is an associate scientist at Haley & Aldrich. She is a Certified Safety Professional (CSP), Certified Environmental and Safety Compliance Officer (CESCO), and a delegate of the ISO 45001 Technical Advisory Group of the American Society of Safety Engineers (ASSE).



### Why Haley & Aldrich

Haley & Aldrich has the expertise to help define and assess risk so facility managers can keep employees and members of the community safe.

**We look beyond the obvious.** Companies often think it's impossible to manage and control how each employee behaves when it comes to risk tolerance. But Haley & Aldrich knows that while the task is large, creating a mindful risk competence and weaving it into a company's DNA can help organizations of all sizes not just comply with regulations, but positively contribute and become leaders.

“We look beyond the obvious to protect your people, operations and reputation in a changing world.”

Our approaches to “safety culture” challenges are innovative and efficient. Combining our methods with a deep knowledge of risk appetite and tolerance and regulatory agency criteria, we work with our clients to develop the strategies that measure risk and lead to a safer, more transparent environment.

To learn more about how we look beyond the obvious to develop and maintain the risk competence genuine to your operation, contact me at: [safety@haleyaldrich.com](mailto:safety@haleyaldrich.com).

### Contact Danyle today to see where your risk competence practice stands.

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