

## Moving up the Culture Ladder

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### Patrick Hudson speaking:

Accidents happen because of a culture. Every recent big accident such as BP's Texas City and Deepwater Horizon disasters, Longford and NASA's shuttle disasters has been directly linked to poor safety culture. When we look back, it always was the culture. Not just the big accidents but most of the smaller ones as well. People are trying to get the job done - so all too often, they were allowed to get away with dangerous behaviours.

When things go well, like Qantas QF32 or the Miracle on the Hudson, we get to see just how big a role a positive culture plays in averting disaster. Culture plays both ways. So a better culture is the place to be especially when danger is your business. The best organisations know this. They look at their own cultural of safety. They ask how they can improve. That is what I want to talk about today.

My name is Patrick Hudson. I was Professor of the Human Factor in Safety at Delft University of Technology in the Netherlands and have been working in the safety business for the last 28 years, mostly in oil and gas, aviation, mining and pharmaceuticals. There's a list of what makes a good culture culled from numerous studies such as Jim Reason's seminal study and my own work with companies such as BHP, Shell, BP and Exxon.

These are, first of all, leadership. Leaders are not afraid to do difficult things. Everyone knows where leaders stand on managing risks - either taking the risks or running them. Secondly, respect. Individuals are respected as are the dangers they face. Experts are listened to, even when they are low in the hierarchy. This leads to being informed. Managers know what is really going on and the workforce is willing to report their own errors and near misses - which is pretty hard for them to say and for managers to hear. These create a culture that is mindful. Everyone is wary and always ready for the unexpected.

Also, a respectful culture is one that is just and fair, a culture with clear lines between what is acceptable and unacceptable, ones that everyone agrees upon. What makes it just, is that there are well understood consequences, both positive and negative. What makes it fair is everyone from top to bottom agrees where the lines are drawn and the consequences of crossing them. Finally, the organisation is learning. Willing to adapt and implement necessary reforms even when they feel expensive and even when holy cows have to be overthrown based upon what they've learned.

Organisations with these characteristics have many clear advantages, not only in safety but also commercially. The advantages are that such organisations are flexible. They operate according to need rather than tradition. Reliable - they always deliver on time, on quality, on demand because they manage the risks better than anyone else. This makes them profitable. All their stakeholders benefit. Finally, people like working in that sort of organisation. The problem is this is a daunting list for leaders. How can they do this?

Most studies of safety culture wind up with something like this, such as the High Reliability Organisation program. The problem is that most organisations are nowhere near this level and if they were, they wouldn't need help and advice. Most organisations that want to achieve this list need a roadmap. This is what the safety culture ladder offers - providing a structure to help decide:

- where you are now;
- where you want to go to; and
- support the process of getting there.

We can describe a sequence of distinct cultures that differ in many ways, including how they regard safety. First and definitely not a culture of safety, is the pathological. Safety seems a problem caused by workers. The main driver is the business and a desire not to get caught by the regulator. Then we have four levels of increasing improvement often called 'maturity', starting with the reactive. Organisations start to take safety seriously but only after incidents is there action. Whenever they see a problem, they want to fix it. Then, we progress to the calculative. Safety is driven by management systems with much collection of data. Safety is still primarily driven by management but all agree, systems are the way to go.

Beyond that however, there's the proactive. With improved performance the unexpected is more of a challenge. Workforce involvement starts to move the initiative away from a purely top-down approach. And finally, generative. There is active participation at all levels. Safety is part of the business and organisations are characterised by chronic unease - "We're doing so well. What are we missing?"

I have learnt that this ladder is very attractive to those who want to do their best but it turns out to be more difficult to improve than most people imagine, which I have to admit can be frustrating, especially when the organisation's leaders want to get to the top, and quickly - an admirable attitude but one that needs to be tempered lest it be doomed to failure. The good news is that knowing how to proceed, can help to speed things up quite a lot.

The first lesson people need to learn is that fine speeches and motivational speakers don't really help. The feel-good factor they create usually has a very short half life and dissipates maybe by the next morning. Furthermore, they create unrealistic expectations, possibly making things worse rather than better. The good news however, is that that the motivation is already there.

In my experience of asking many companies in different industries, ranging from oil and gas and mining to pharmaceuticals, to aircraft engineering, is that people can recognise where they are on the ladder and always want to be higher. From top to bottom. In all such organisations, there's a built-in desire to be better. The problem is day-to-day reality. They have good values and impeccable attitudes when surveyed but their behaviours are what let them down. One of the common simple definition of culture is "how we do things round here". This is where aspiration meets reality - where the rubber meets the road.

What I have found does work is discovering what they could do or change ie, their activities, processes or systems which would first, be characteristic of more advanced safety cultures. Secondly, be fairly easily be made to be how things are done and by using standard management skills for ensuring change takes place. When people say, "We could certainly do that," then we can use standard management approaches with deliverables and accountabilities that nevertheless impact on the culture. If they behave this way for long enough, they become what they wanted to be.

To help in the process of going up the ladder, I made a discovery that can help. I found talking to many organisations, not only did they think they were higher up the ladder than I suspected them to be but when challenged they'd say, "But we have this in place and that in place," and I realised that they thought having things like reporting systems or communication strategies in place, was going to be enough. Certainly, they were reacting to demands from regulators, the industry and internally to be compliant with the requirements and often, having things in place kept the auditors happy. But I realised that actually putting them into operation was a distinctly new challenge that will be characteristic of having the management system actually running. So the first stage was rather typical for reactive cultures, while calculative cultures actually both have a process and used it.

For example, a country's aviation regulator set up an aircraft accident investigation bureau which in turn, put a confidential reporting system in place for their aviation industry. At the end of the first year, there were two reports. In place? Yes. Operational? No. They passed the audit.

So putting processes and systems in place is what happens when a pathological organisation makes the move to becoming reactive. Along with this is a tremendous commitment to safety, the decision to mend one's ways and do the right thing. Here, we already measured good attitudes and optimistic beliefs. To make the transition from a reactive to a calculative culture however, requires actually putting these processes and systems into operation - making them work.

But what next? The transition to becoming a proactive organisation becomes clear. It involves making the processes and systems that are now in operation truly effective because often they're not, or they no longer have the impact that was expected when they were put in place. What may have worked at first no longer has the effect originally intended after the kick-off effect. For instance, the first reports may have a great impact, "Wow, do we do that?" but they just become reports to be counted, giving numbers to be reported quarterly.

On the Deepwater Horizon, 110 staff on board were submitting an average of over 100 stock cards every day - nearly one per person, per day - not that it helped. This transition to a proactive culture is hard, harder than people imagine, including myself - and I'm going to come back to this.

Finally, it's essential to ensure that what has become a number of effective habits generating stellar safety performance as well as environmental and quality outcomes, become permanent. Only then can we speak of "How we do things around here" in ways that mean that the organisation has become a true culture of safety. This is when the best habits are ingrained so operations are more than safety first. Safety is no longer a priority but the true value, meaning far more than just an answer in a survey. At the generative level, safety overrides the temptations for both workers and managers to do it dangerously, "just this once".

There are challenges to both going higher up the ladder and staying there if you got there in the first place. The safety ladder has snakes. One of these, from my own experience, was when a very advanced organisation, an Australian coal mine, was taken over by a foreign company that insisted that they throw away their old processes that worked really well for them and replace them with their own that objectively were actually not producing such good performance elsewhere for the new owner. Fortunately, the culture was strong, the processes embedded and they carried on, but quietly.

Another problem is when success in part of an organisation means they no longer get the senior management attention that was helping them be good in the first place. This can lead to reversion and in the worst case, a drop from the top right down to the very bottom. The case reported in the Harvard Business Review of the Nut Island sewage works in Massachusetts that went from the best, to actually pumping out raw sewage into Boston Bay, is also a story we need to hear.

The simple sequence in place, in operation, effective, permanent can be mapped onto the transitions of the ladder from pathological right up to generative, so wherever we are, what's stopping us. The first transition requires getting out of the pathological mindset. I don't want to say a lot about this here, but uncompromising regulation, messages from the markets or, unfortunately the most frequent impulse, a big disaster - Exxon has never been the same since the Exxon Valdez - these can be enough to get things in place, change attitudes, instil some values that this safety stuff is worth taking seriously. It is not enough to achieve stellar goals but represents the hardest change of all.

The next stage is still really hard because reactive organisations already have good attitudes. Their problem is a shortage of managerial skill to get the performance they, and others might demand of them. The fight is between how things get done and the systems that are in place but may not be used. This means that the major driver has to come from management, right from the top. Management has to concentrate on ensuring that everyone – and this includes top management themselves – gets into the habit of doing things the way they say they should. They have to have the discipline to keep on using processes and systems until they become the norm. That's another word for culture. Self-discipline has to be applied by senior managers to ensure that everyone else becomes disciplined as well. This is hard. The temptations to backslide, "just this once" are many but disastrous for progress in the right direction.

Nevertheless, many organisations have done this and are predominantly calculative nowadays. They can invariably be recognised by their performance as well as how they do things. What I have found, time and time again, is that the best of these calculative organisations recognise that there is such a thing as being too system driven and they want to make the move to becoming a proactive culture. This is where it gets really hard and I find a metaphor useful to understand why the transition to a proactive culture is so difficult.

I see calculative organisations as being like caterpillars. Steadily munching their way through the leaves, very organised and efficient but the caterpillar looks up to the sky and sees a beautiful butterfly floating past and thinks, "I wish I could be like that." Little does the caterpillar know that a caterpillar is the resource that's needed. How would you know? Where in a caterpillar are the butterfly's wings? What do all the legs become? When the caterpillar has become large enough, a miracle occurs – pupation, when the caterpillar turns into butterfly soup. You have all the ingredients. What you need to do next is to change to become something completely new.

The lesson for organisations is that to make their safety systems effective, everything has to be challenged and re-examined. What was good enough for a reactive culture and appeared to operate for a calculative one, is no longer good enough. What worked to get you there is no longer enough to take you further. For instance, the knowledge accumulated by a calculative culture, aggregated at the corporate centre, has to be pushed back out to be used by managers and workers, not just hoarded. Those individuals require a radically different sort of training and the expansion of roles and responsibilities in a proactive organisation. Top management can feel comfortable in having got their safety management systems to work. Now they'll have to make themselves deliberately uncomfortable learning to resist the cry that, "It was working fine. Don't change it."

Let's take an example of an incident database. This is crucial for creating an informed culture. It is the repository of the reports from a reporting culture and provides the data for a learning organisation. First, you need to have a database available with ways of getting incidents in and information out, but people may be loathed to report. Investigations may be summary to the point of useless except for counting purposes. Still, it's in place. Next, you need to operate the database by ensuring that people actually put incidents and reported hazards into the database. This is the discipline senior managers must exercise.

You also need to train the workforce so that people know what's worth reporting and how to both investigate and also analyse incidents usefully. Often we want, or we even have a confidential reporting system required but we have to show that reporting leads to change rather than blame, if anyone's going to report at all. The database and associated processes may, nevertheless only serve superficial requirements. To be truly effective, the data inside has to be turned into information. Especially, it must have the opportunity to surprise us, "I didn't know we were working like that" and properly inform our decision-making processes, "Where do we spend our resources?" Not just justifying decisions after the event. Finally, the system has to become standard. No alternative is envisaged.

This may all sound unnecessarily complicated but consider that the financial culture has usually got all these facets long in place, in operation and effective for financial information which is more than just the raw finance data. Consider what happens to your expenses claim. Does a change of manager change that system? Maybe a good safety system should learn from the success of the financial systems within organisations.

So, what's hard about becoming generative then? Wasn't the hard bit just becoming proactive? In the generative culture all these elements come to fruition. In the proactive culture, the top of the organisation is still driving safety but have created the potential to let those who are the subject matter experts take responsibility and accept it as well. Thinking about generative organisations and the very few I have seen and heard about, I realised that they could be described as saying that the lunatics are running the asylum. Top management stood back and it looked as if they had nothing to do as far as safety was concerned or indeed, in production either. But then I realised that they have the hardest job of all - designing asylums to be run by lunatics.

This captures the deck crew on USS Carl Vinson where the officers watched but could not intervene. This was what the General Manager of the coal mine intended when he set up operations so the miners had to use their brains, all day long. This can be hard for senior managers to let others stand out and often take the glory. Pathological leaders use the organisation to polish their glory. Generative leaders glory in the achievements of their workforce.

So, when we ask where we are on the ladder, we can pose a number of challenges about the safety processes and systems, and we do safety. "What are you actually doing?", "Are things just in place or in operation?", "How would you know if it was working?", "Is it data or information?", "What would people

do if you stopped right now?" A takeover may change everything. A new broom can sweep clean and clean away. "Who's behaviour are we talking about? Is it just the workers, the managers, the executive management or everybody together?" But this shouldn't be that hard. So why don't more people or organisations get to the top of the ladder? People don't believe cultural change is like this. Surely, we have to win hearts and minds? Yes. The best way to win hearts and minds is by proven success by yourselves not by others.

Success requires implementation, actually doing what you decided to do. Many organisations however, see strategic planning as having a higher status than mere implementation. Events overtake plans and we discover that the senior management commitment was not as strong as it was during the opening speeches of the culture initiative. Cultural change takes time. Senior managers are impatient and may be moved on before the fruits ripen. It probably takes two years at a minimum to change from old, bad safety habits to new and better ones.

Another set of disablers include authoritarian leadership styles who cannot give away hard-earned power:

- corporate loss of nerve shown by withdrawal of permission to try new things;
- imposition of top-down control because of a lack of trust;
- a fear that the workforce will run away and be irresponsible;
- managerial failure to learn to like bad news - an essential part of their diet;
- corporate flexibility and possibly regulatory inflexibility as well.

The benefits are clear because the kind of organisation that makes it to the proactive level runs better. The people who work enjoy it more, staff turnover is less. Another advantage of the advanced culture is a consequence of increased trust, "You do your job and I'll do mine," that results in reduced supervisory costs and increased flexibility in operation. Finally, having fewer incidents help keep costs down as well but advanced cultures do spend more to glean the maximum information from the few incidents they have.

The most important ingredient in moving up the ladder is the commitment and actions of leadership, primarily senior leaders, but also those safety leaders throughout the organisation who together develop the trust that things will be done properly, both top-down and bottom-up.

In my next talk I'll cover leadership, safety leadership in particular and how leadership and culture are intimately intertwined.

In conclusion, it's possible to climb the ladder but it's hard and probably harder than people expect when they start. The good news is that I have never found anyone who wanted to go down the ladder but lots of people at all levels who wanted to go up.

Finally, if you do make it up there, everyone benefits – commercially, environmentally, socially and you all get to go home in one piece - every time.

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