

**Arthur D Little**

# How can leadership understand and influence safety culture?



11 March 2018



- **Commitment to safety** reduces risk-taking behaviours and violations and increases learning from safety events
- **Safety policies and procedures are enforced and consistently implemented** reduces under-reporting of incidents and generates higher levels of satisfaction with the organisation
- **Support for safety and openness to safety suggestions** increases employee willingness to raise safety issues and long-term improvement in safe working practices
- **Safety communication** between management and the workforce reduces risk-taking behaviours, and promotes positive safety behaviours
- **Active involvement in safety (leading by example, motivating staff to work safely)** improves safety culture and increases employee responsibility for safety

Professor Andrew Hopkins, Australian National University



## Safety responsibilities of senior management are usually described in safety management systems

These often include:

- Safety leadership
- Ensuring compliance with the safety management system
- Setting strategic safety direction
- Setting safety objectives
- Monitoring safety performance
- Reviewing effectiveness of safety management system operation
- Communication

▶ These support the Institute of Directors' publication "Leading health and safety at work"

# Leading Health and Safety at Work

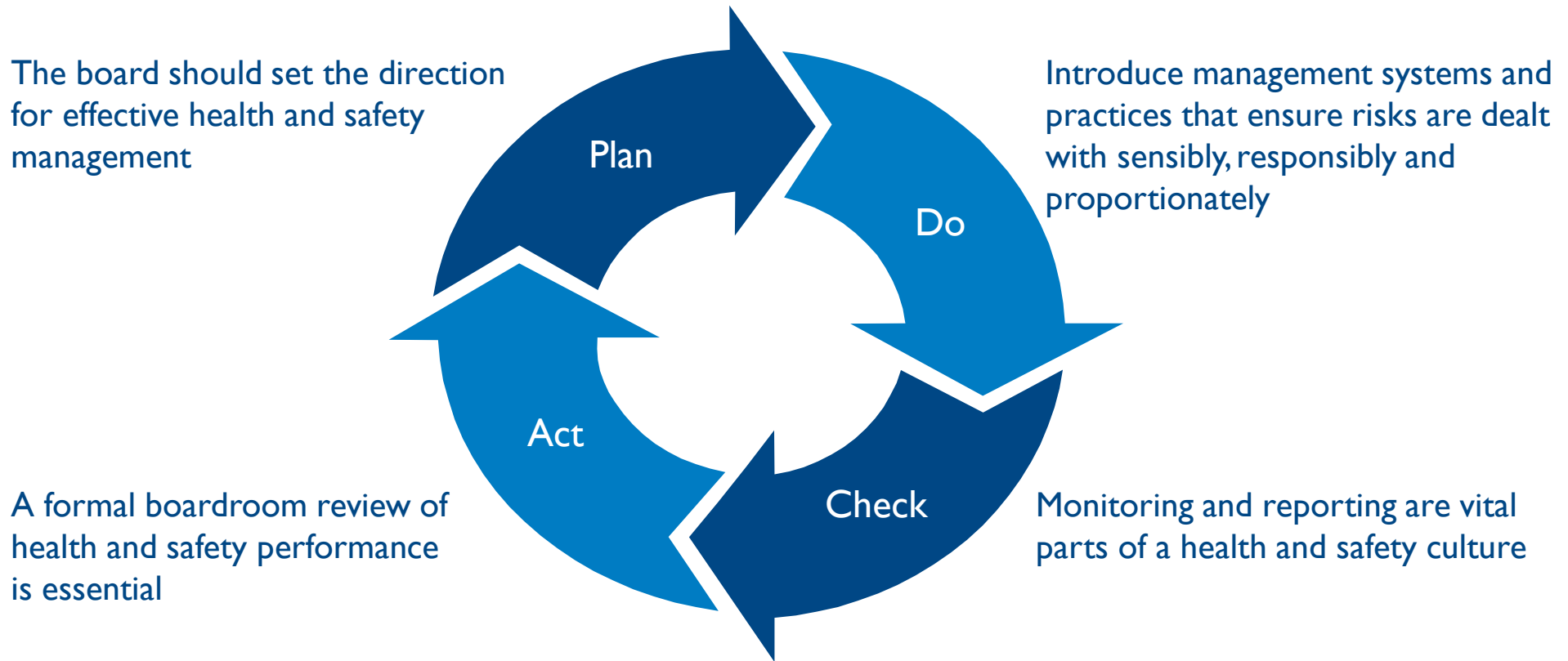


- ▶ The essential principles and four actions points are given in the following slides

## The Institute of Directors in its guidance document 'Leading health and safety at work' have proposed the following three essential principles

- Strong and active leadership from the top
  - Visible, active commitment from the board
  - Establishing effective 'downward' communication systems and management structures
  - Integration of good health and safety management with business decisions
- Worker involvement
  - Engaging the workforce in the promotion and achievement of safe and healthy conditions
  - Effective 'upward' communication
  - Providing high quality training
- Assessment and review
  - Identifying and managing health and safety risks
  - Accessing (and following) competent advice
  - Monitoring, reporting and reviewing performance

The Institute of Directors in its guidance document 'Leading health and safety at work' have proposed the following four point agenda:



Could you rate your organisation against the Institute of Directors' checklist?

	IoD Checklist	Good and being delivered	Plan in progress	Poor or no action
<b>Plan</b>	1. How do you demonstrate the board's commitment to health and safety?			
<b>Do</b>	2. What have you done to ensure your organisation, at all levels including the board, receives competent health and safety advice?			
	3. How are you ensuring all staff – including the board – are sufficiently trained and competent in their health and safety responsibilities?			
	4. How confident are you that your workforce, particularly safety representatives, are consulted properly on health and safety matters, and that their concerns are reaching the appropriate level including, as necessary, the board?			
	5. What systems are in place to ensure your organisation's risks are assessed, and that sensible control measures are established and maintained?			
<b>Check</b>	6. How well do you know what is happening on the ground, and what audits or assessments are undertaken to inform you about what your organisation and contractors actually do?			
	7. What information does the board receive regularly about health and safety, e.g. performance data and reports on injuries and work-related ill health?			
	8. Do you compare your performance with others in your sector or beyond?			
	9. Where changes in working arrangements have significant implications for health and safety, how are these brought to the attention of the board?			
<b>Act</b>	10. What do you do to ensure appropriate board-level review of health and safety?			

Source: IoD 'Leading health and safety at work'



## When completed this can provide valuable information on the safety culture of the organisation

EXAMPLE

IoD checklist	Assessment	Comments
1. How do you demonstrate the board's commitment to health and safety?		Board appear committed to health and safety, but this is not being clearly communicated throughout company
2. What do you do to ensure appropriate board-level review of health and safety?		Whilst the Board regularly consider reactive performance data we have found no evidence of board-level review
3. What have you done to ensure your organisation, at all levels including the board, receives competent health and safety advice?		Board is provided with operational performance information, provision of strategic H&S advice is weak
4. How are you ensuring all staff – including the board – are sufficiently trained and competent in their health and safety responsibilities?		All operational staff receive health and safety training on specific topics, but there are concerns regarding its effectiveness. Safety leadership and management training needs to be updated
5. How confident are you that your workforce, particularly safety representatives, are consulted properly on health and safety matters, and that their concerns are reaching the appropriate level including, as necessary, the board?		Problems are reported with employee consultation – the process is in place but feedback is often delayed or absent, reducing confidence and on-going engagement
6. What systems are in place to ensure your organisation's risks are assessed, and that sensible control measures are established and maintained?		Risk assessments are maintained, but have limited impact on effectiveness of control measures through activity planning and procedures
7. How well do you know what is happening on the ground, and what audits or assessments are undertaken to inform you about what your organisation and contractors actually do?		Management system audits scheduled and completed on time. Directors routinely visit operational locations
8. What information does the board receive regularly about health and safety, e.g. performance data and reports on injuries and work-related ill health?		Reactive H&S data considered by Board – lack of proactive H&S data and strategic interpretation
9. What targets have you set to improve health and safety and do you benchmark your performance against others in your sector or beyond?		No evidence of health and safety targets or benchmarking
10. Where changes in working arrangements have significant implications for health and safety, how are these brought to the attention of the board?		No evidence of systematic process to bring changes to board – this occurs on an ad-hoc basis



LEADERSHIP is undoubtedly THE MOST IMPORTANT ELEMENT in influencing safety culture

SAFETY LEADERSHIP

..is the primary influence on ...

SAFETY CULTURE

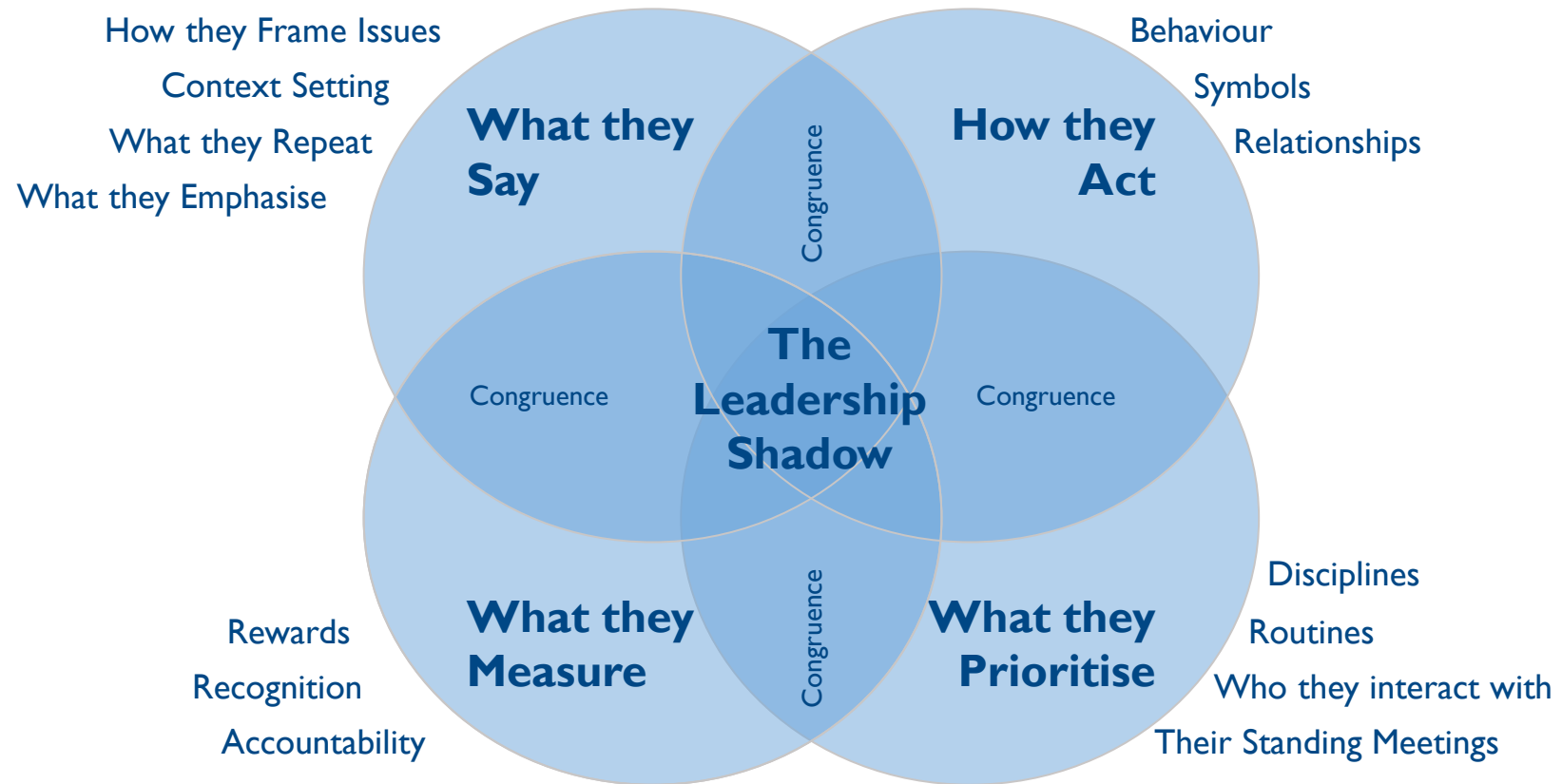
which drives the.....

CONTROL ARRANGEMENTS

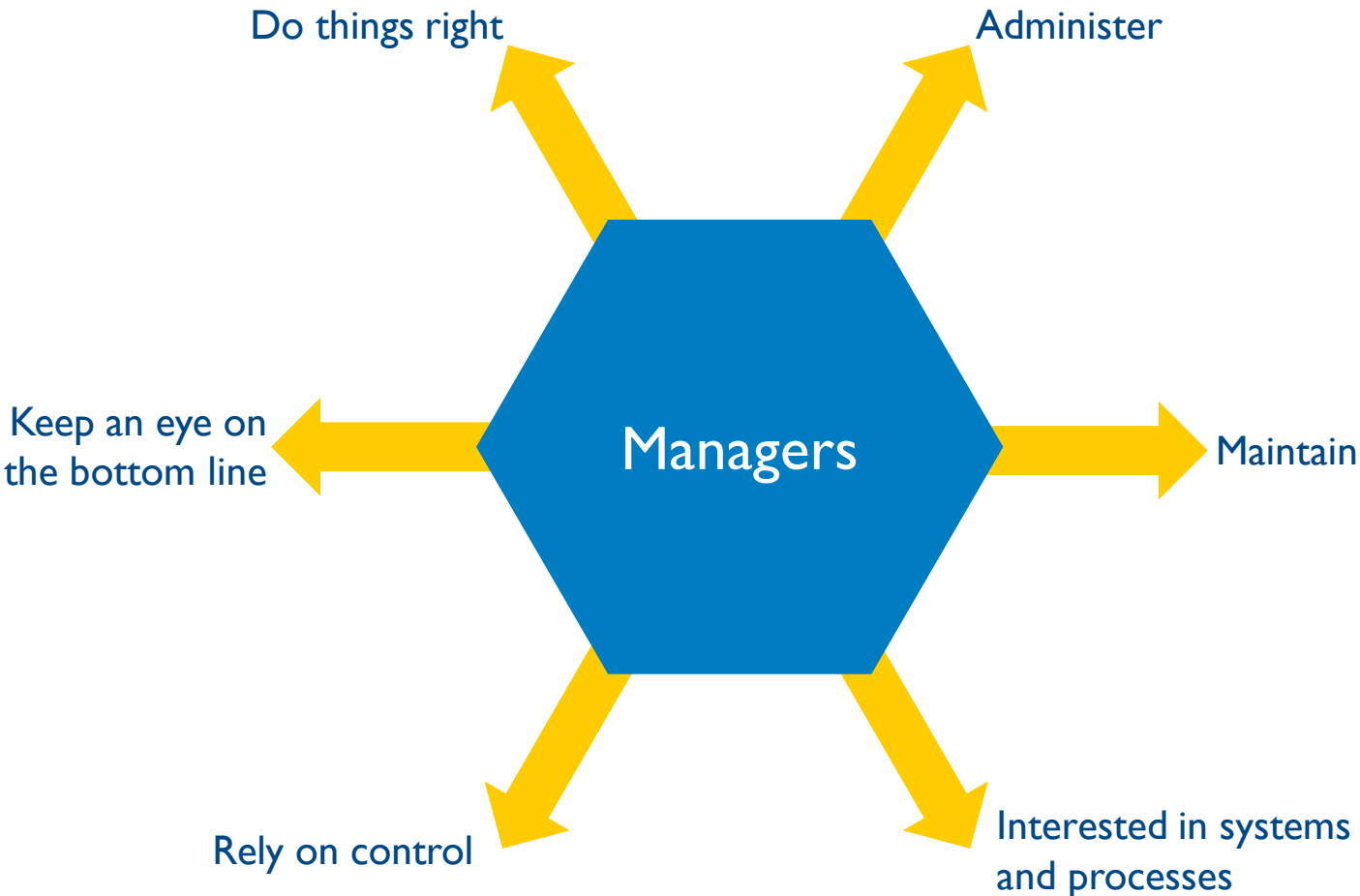
to control.....

RISKS

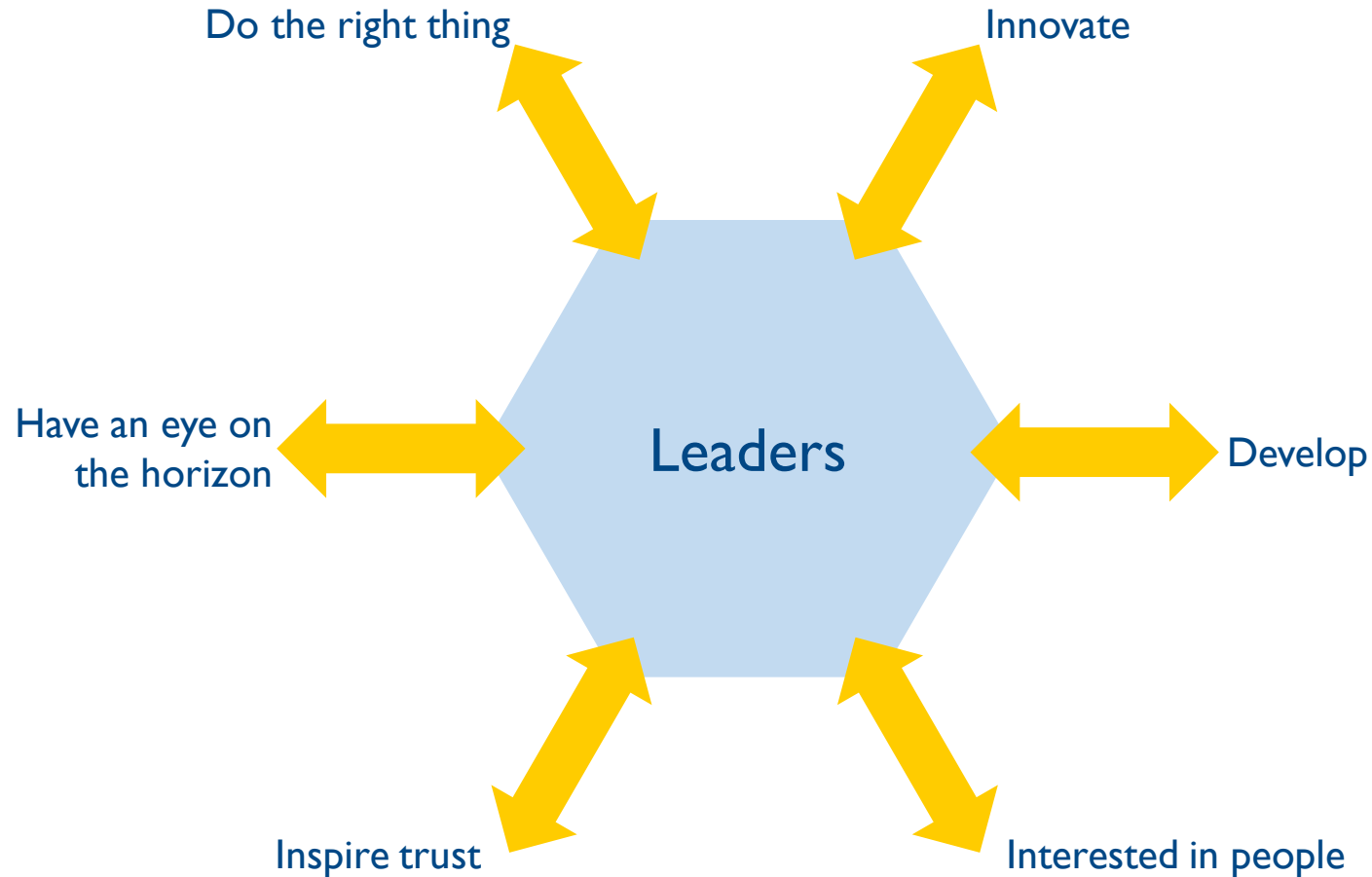
The impact that leaders have on their organisation comes from four sets of behaviours that together create a 'leadership shadow'



## Classical research on those that “manage” shows six typical activities

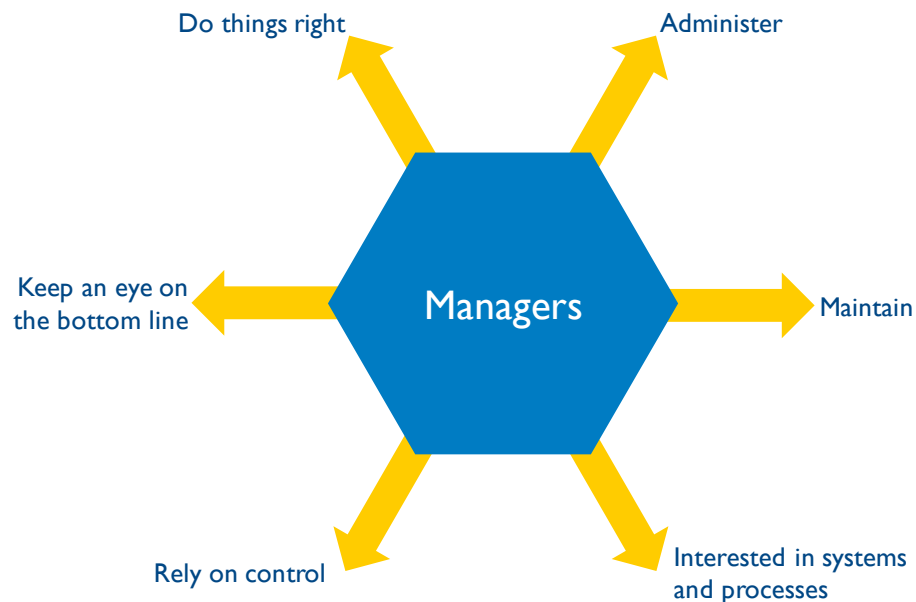


... while it identified six different activities that leaders do

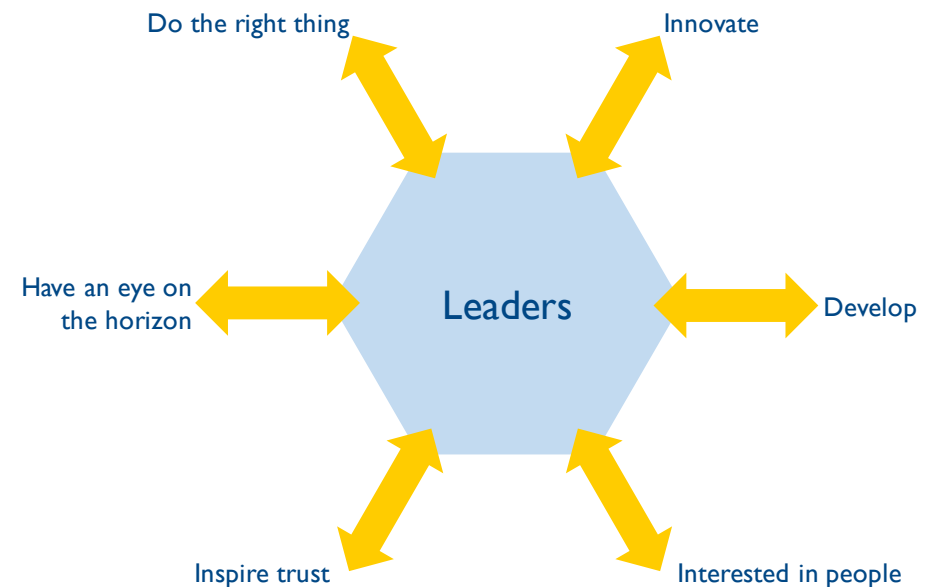


# You are Directors and Managers, but most importantly you are leaders of safety....

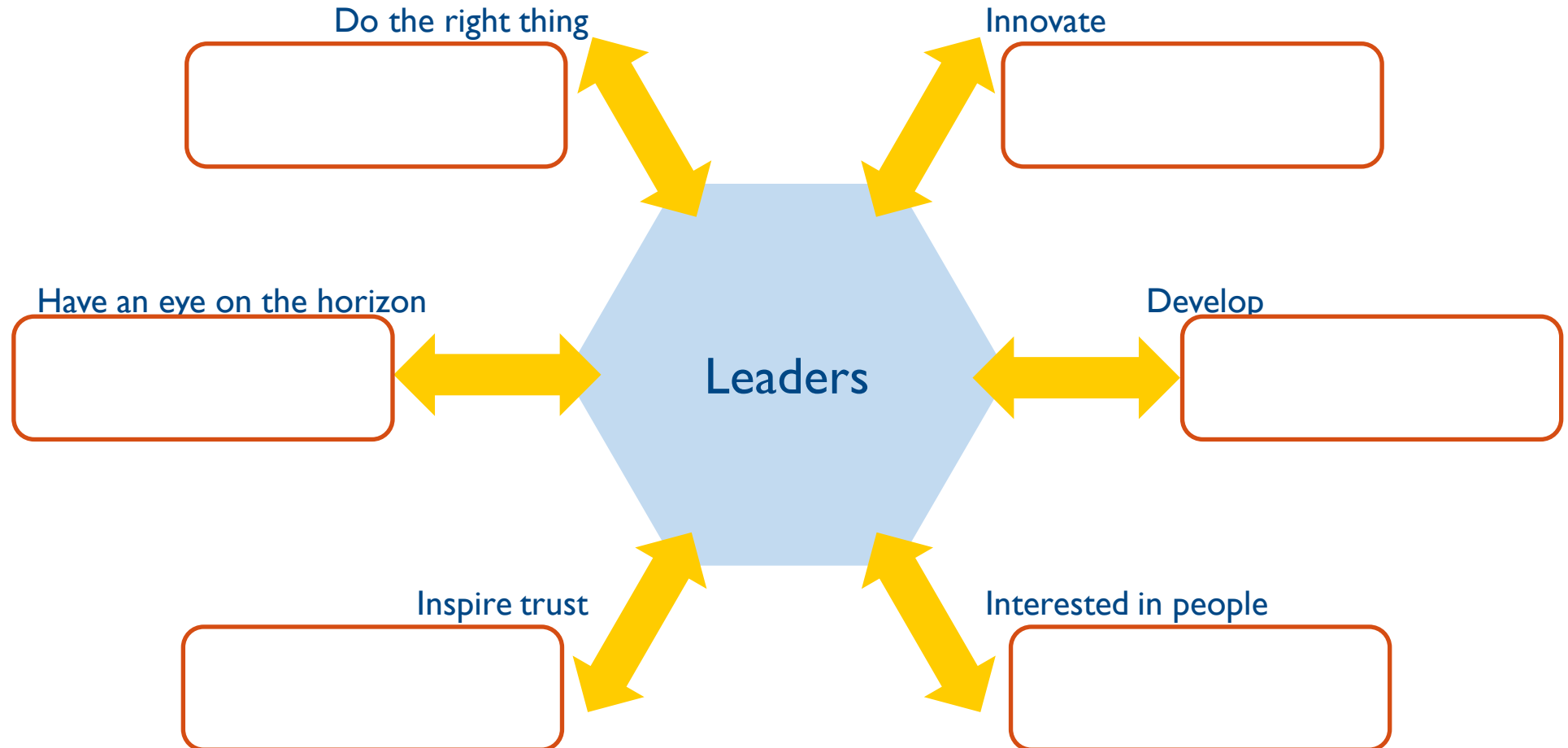
## Directors & Managers



## Leaders



## What do you do to provide leadership of safety?



Research into leadership has identified six distinct approaches – called styles

**Visionary**  
Inspire

**Democratic**  
Consult

**Coaching**  
Listen

**Pace setting**  
Set high standards

**Affiliative**  
Empathise

**Commanding**  
Tell



Research has demonstrated that leaders in organisations that are “built to last” are able to use a range of leadership styles

**Visionary**

**Democratic**

**Coaching**

**Pace setting**



**Affiliative**

**Commanding**



- How can you and your colleagues avoid your safety tours falling into the same trap?

## There are a few common Do's and Don'ts that can help improve the effectiveness of safety tours

### Do's

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- ✓ Clearly define and communicate the scope of what you are looking at– and not looking at...
- ✓ Assess employee behaviours
- ✓ Put people at ease and engage them in conversation – try to determine their values and attitudes
- ✓ Be aware of potential significant issues or concerns that were raised previously by employees or through audits, incidents or performance reports
- ✓ Make enquires if you are unsure of whether tests/safety checks are being carried out efficiently, be inquisitive
- ✓ Stay alert – look out for bad habits
- ✓ Give praise where it is appropriate
- ✓ Give employees involved and their supervisors open and honest feedback
- ✓ Ask questions about what rules/procedures cannot be followed

### Don'ts

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- × Rush the tour
- × Announce all safety tours so that real day to day operations are observed
- × Pronounce on areas outside your competence or walk past people or things that may be wrong without asking questions
- × Cause any risk when approaching someone to talk to them
- × Give lectures, instead have meaningful discussions
- × Disturb staff undertaking hazardous activities
- × Ask leading questions
- × Be seen as a VIP
- × Do not interrupt employees during urgent or safety critical tasks to talk to them

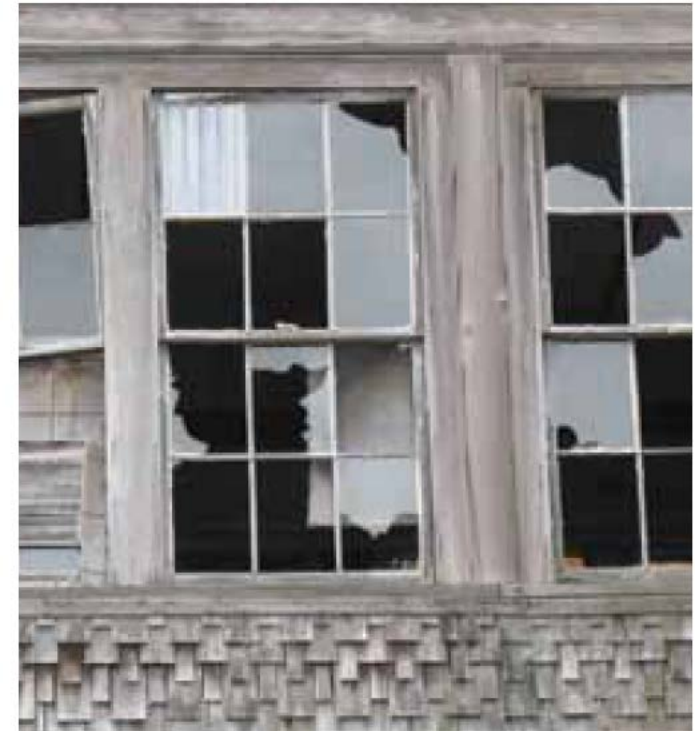
If you see this at a company location, what does it tell you?



## Criminologists Wilson and Kelling argue that crime is a result of disorder

### Broken windows theory

- If a window is broken and left unrepaired, people walking by will conclude that **no one cares** and **no one is in charge**
- Soon more windows will be broken, and a sense of anarchy will spread
- In a city, relatively minor problems (such as graffiti and public order) are the equivalent of 'broken windows' – invitations to more serious crimes
- Tackling these 'broken windows' was the approach used to underpin the rebuilding of the New York subway system (graffiti was ruthlessly tackled before reliability) and later 'Zero Tolerance' policing in New York



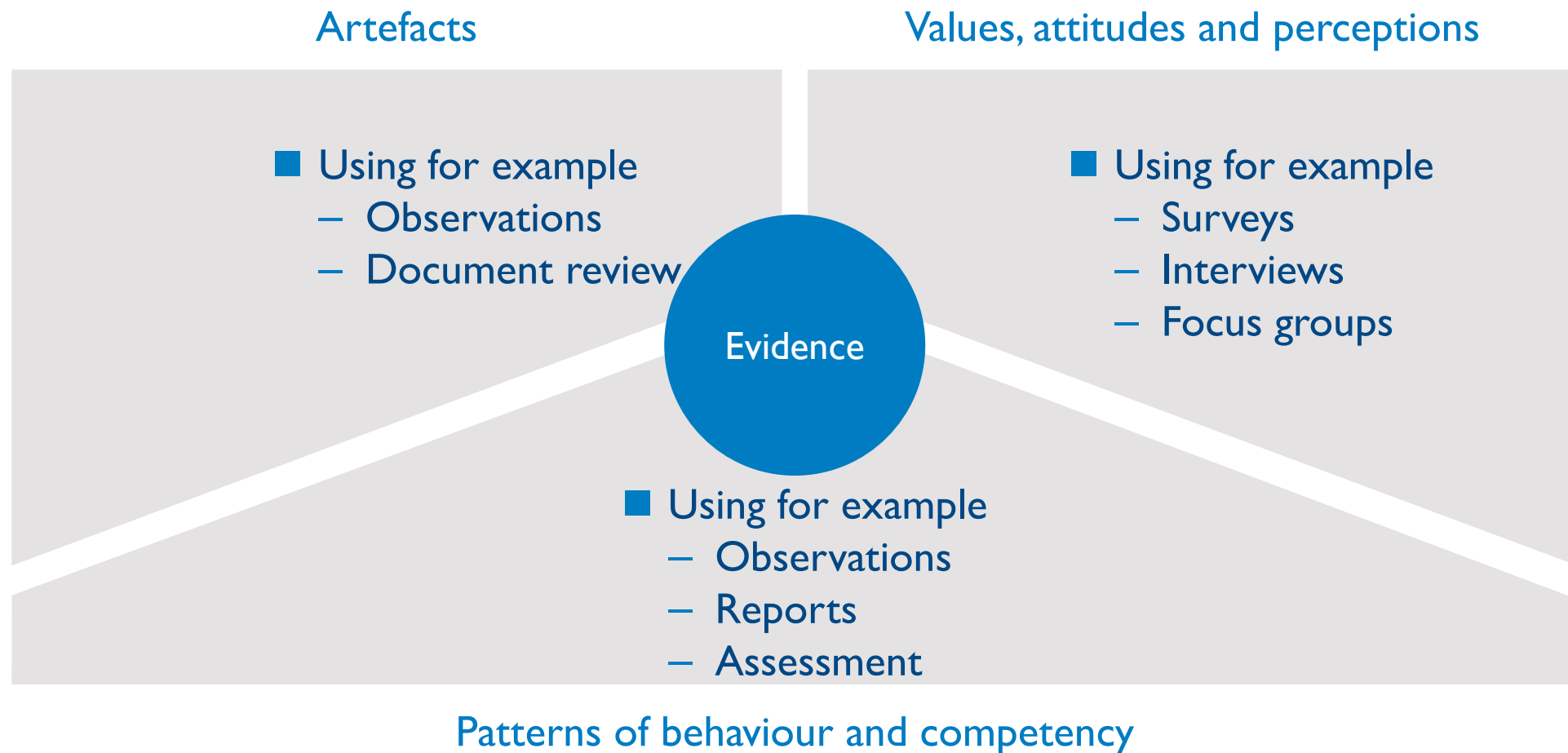
## What are the safety 'broken windows' in your organisation and how do you tackle them?

### Broken windows

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- What are the 'broken windows' for safety in your organisation?
  - Processes and procedures
  - Asset condition
  - Appearance and housekeeping
  
- Who is responsible for identifying and tackling these 'broken windows'?
- How is this monitored?
- As leaders, what we can do?

We can gather evidence on the state of the safety culture from a number of sources





## Observing behaviour

- | Observational checklist                  |      |        |
|--|------|--------|
|  | Safe | Unsafe |
| 1. Use of PPE                            |      |        |
| 2. Comply with lockout/<br>tagout        |      |        |
| 3. Verbal/non verbal<br>communication    |      |        |
| 4. Visual focusing<br>(focusing on task) |      |        |



## Arthur D Little

## Observation is essential to understand how real life operations differ from the documented risk assessment and method statements

### Observing behaviour

- Unannounced/unexpected observations have a greater chance of finding out 'what really goes on around here'
- In one company, contractor risk assessments and method statements were clear and thorough but this photograph shows that one contractor is not wearing the required buoyancy aid...



...but he put it on as soon as he realised he was being observed

# Safety documentation is not always an accurate reflection of operations

## What the risk assessment says

No	Hazard	Existing Controls
02	Injury from pedestrians using yard as throughway through vehicle entry/exit gates	Signs in place. Staff to challenge
03	Pedestrians and moving vehicles in same area	Marked walkways, staff supervision, marked through vehicle lanes, speed restrictions
12	Pedestrian Entry/Exit from terminal building	Marked walkway to passenger gangway by signage
13	Pedestrian movement to parcels office	
14	Pedestrian movement to passenger gangway	Signage, segregated, free of trip hazards, adequate lighting
27	Pedestrian movement within HGV parking area	Public car traffic kept in lower lanes to avoid necessity of foot passenger movements in trailer area, staff vigilance, correct marshalling
28	Vulnerability of cyclists within Yard	Speed restrictions for vehicles. Cyclists to dismount before boarding.

## What actually happens



Here the risk assessment fails to reflect reality – the efforts to enforce the ‘existing controls’ appear weak and inconsistent



Behaviour gives key insight into people's attitudes to risk. See how little attention this pedestrian pays to the warning signals at this level crossing





Leading by example is important for enforcing safe behaviour, and conversely, setting a poor example encourages others to ignore safety too

What the staff do...

Staff at this coach station show no systematic use or enforcement of the existing marked pedestrian walkways...



... what the customers do



... is it surprising that the customers do not either?

What would you think about the safety culture if you saw these things on site?



1. Missing drain cover gathering rubbish
2. Suspected fly tipping within the Depot



What would you think about the safety culture if you saw these things on site?

3



4



3. Unsecured gas cylinders close to entrance of workshops (for more than a week) – no action taken even when raised with site personnel
4. Cars parking in 'No Parking' area – cars belonged to site leadership team members



This is a real example of one of my construction sector clients



Balfour Beatty is construction company with a London headquarters and listed on the London Stock Exchange



In the past 15 years it has transformed itself into a leading international infrastructure group with a strong commitment to safety through the Zero Harm campaign launched in 2008

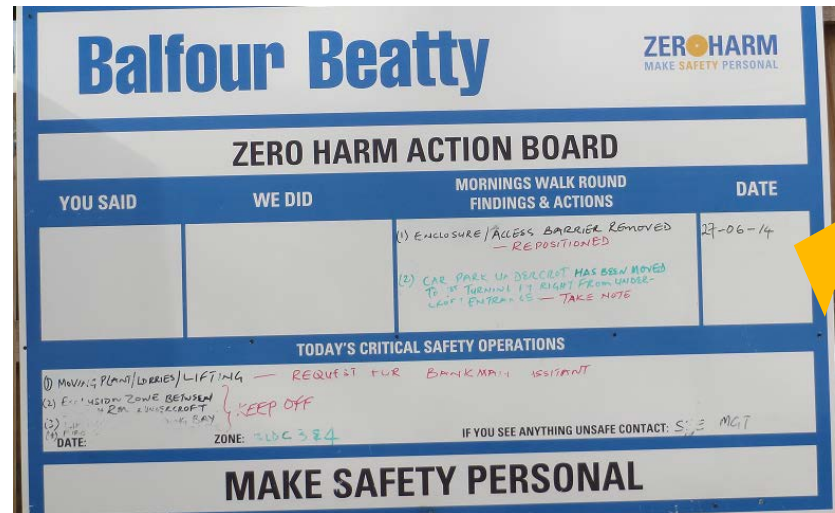
## What does this signage and information display tell you?



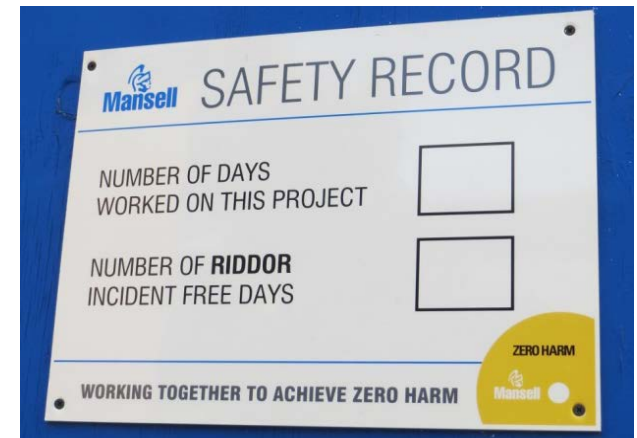
And these?



Permit board completely empty



Date unchanged for several weeks prior to our visit



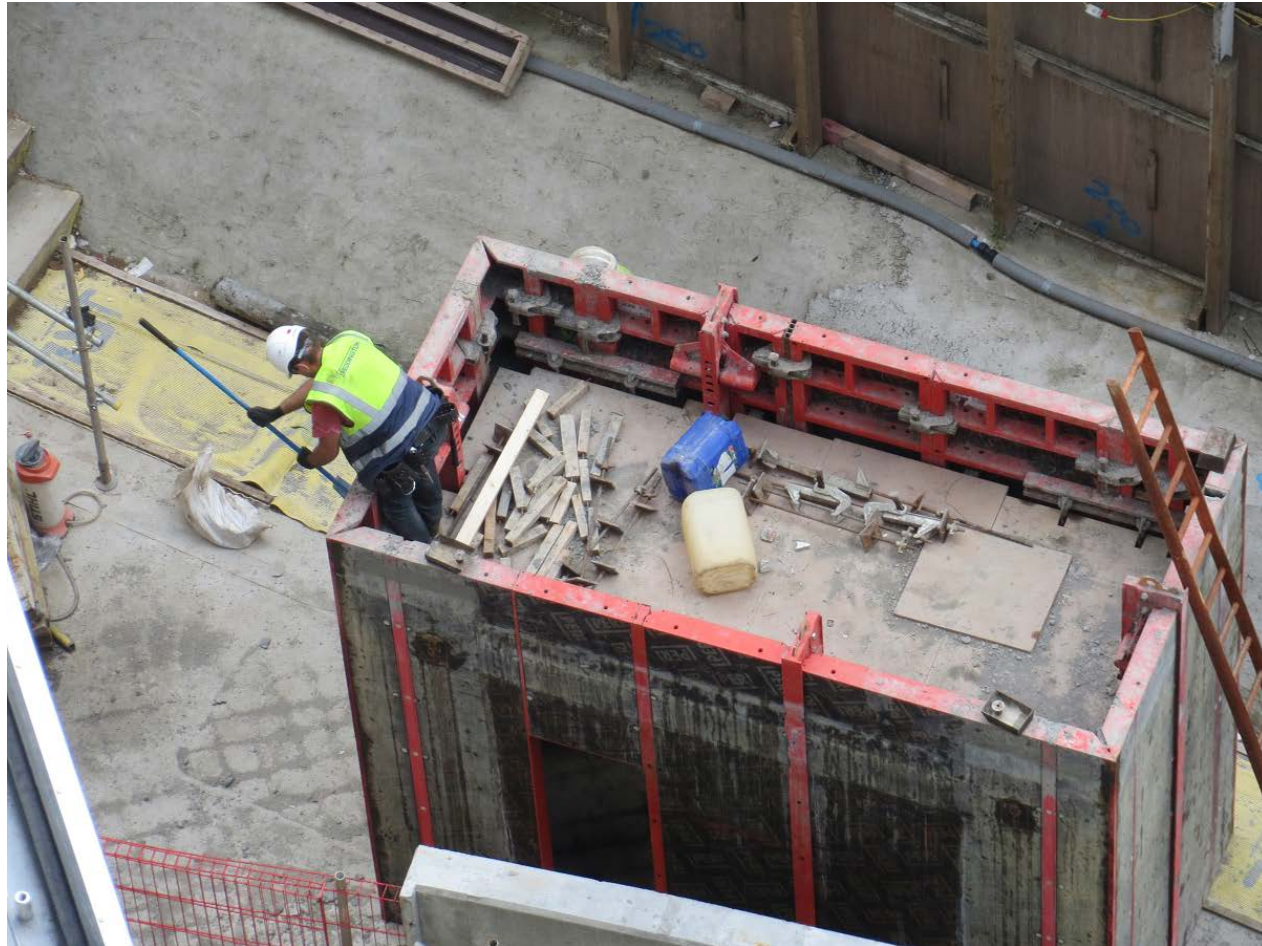
Old company name signage



An operative had been in this excavation past the protection – he was observed and stopped by visiting Balfour Beatty senior manager



Uncontrolled working at height risk — the risk assessment said the job was to be done from ground level and ladders are not permitted on-site





At this project, one subcontractor supervisor was working under the jib while the excavator was continuing to dig



## Non-compliance with project/site PPE requirements – and these were often not challenged by site management staff



Rigger boots being worn on site, after being told they were not allowed in the induction



Safety trainers being worn (rather than safety boots) despite being told in the induction they were not permitted



No eye protection being worn despite being a project requirement



Examples of poor housekeeping were observed giving the impression that this standard was acceptable

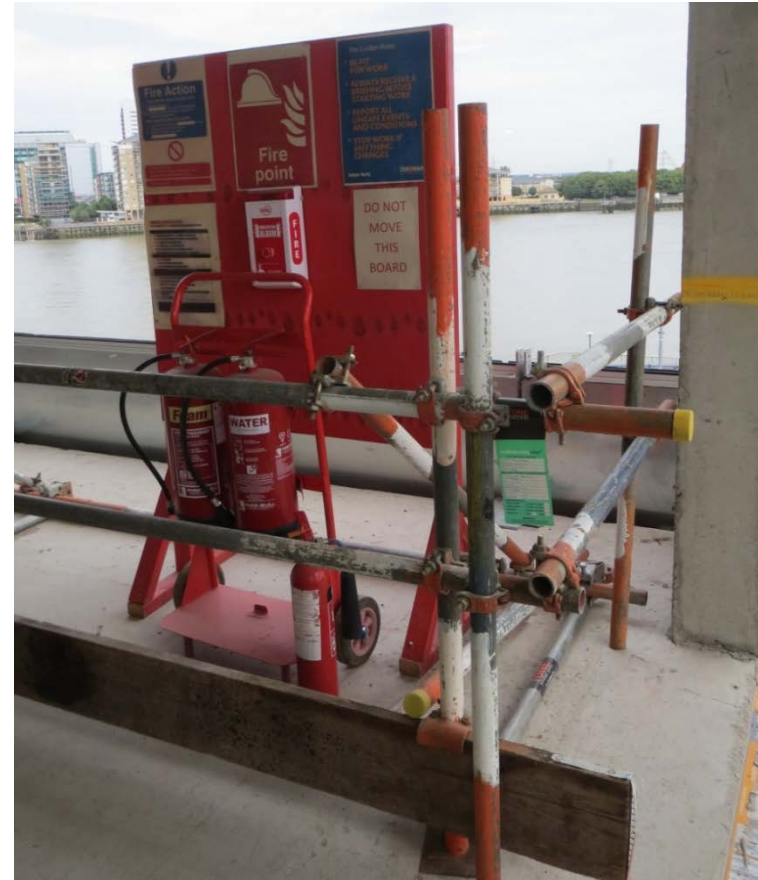


▶ The lowest standard YOU accept, is the highest standard that will be achieved

## Examples of poor housekeeping were observed giving the impression that this standard was acceptable

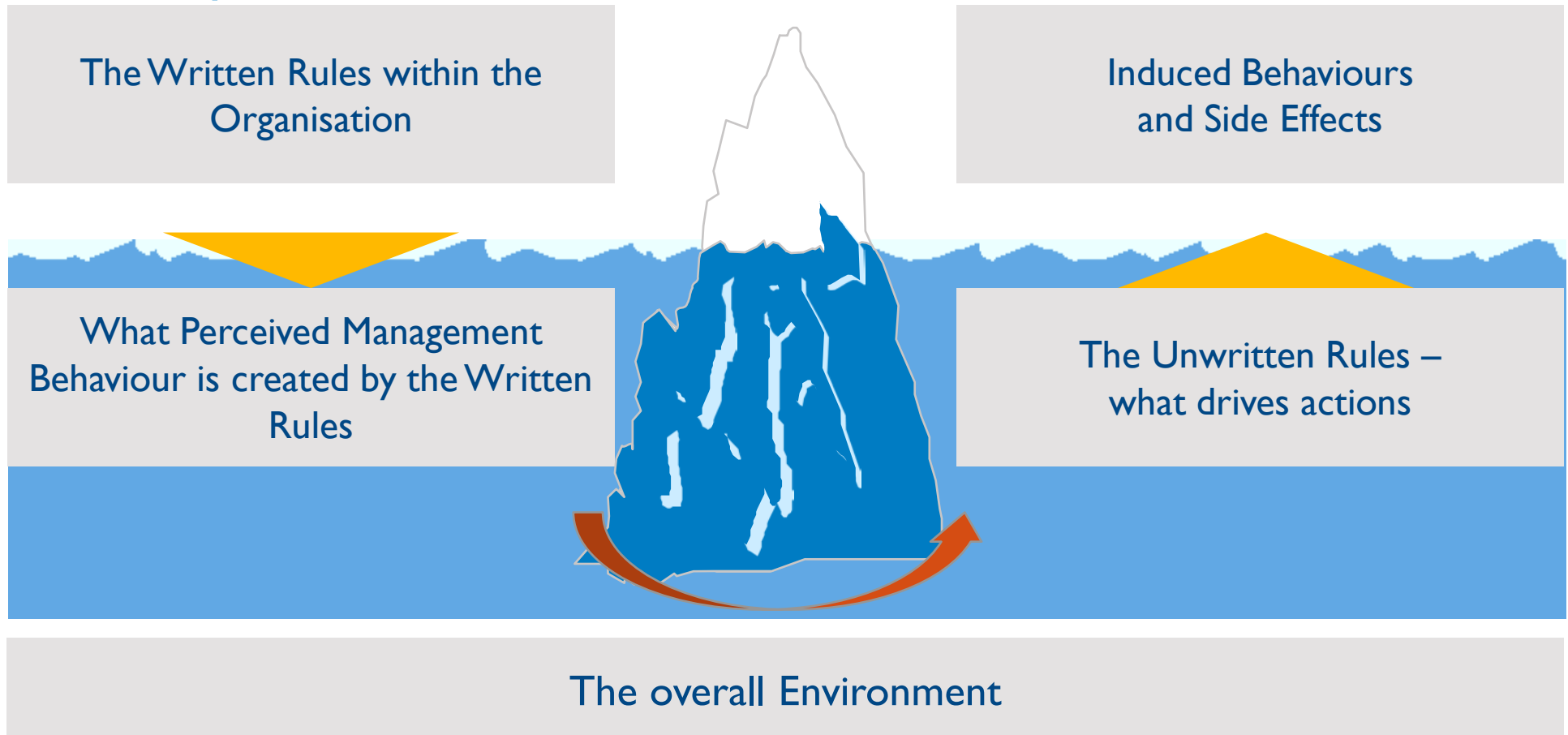


Damaged barriers in place too near the edge of a trench



Edge protection scaffolding erected around fire point

We frequently use our Unwritten Rules of the Game™ methodology – note that “perceptions” are subjective opinions as reported and not necessarily correct or true!





## There are a number of good practices which can make safety culture interviews effective at uncovering unwritten rules

### Good practices

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- Explain overall aim briefly, and stress confidentiality
- Take time to establish rapport
- Ask open questions, e.g.:
  - Tell me about ...
  - How do you feel about ...
  - Why do you think this ...
  - How easy (hard) is it to ...
  - What is important to you ...



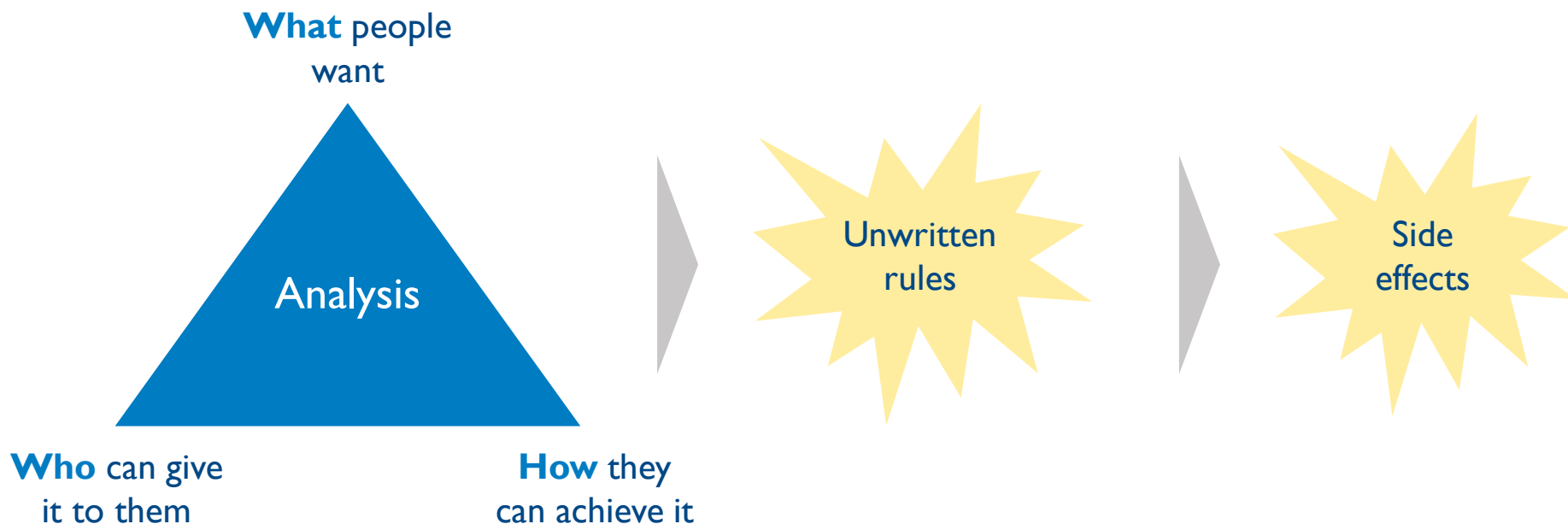
- Try not to break the flow, allow silence
- Record quotes where possible
- Towards the close, use some more probing/confirmatory questions, e.g.:
  - Is it true that ...
  - Earlier you said that ...
  - Would you say that ...
- Take about 2 hours for an interview



A good way to uncover unwritten rules is to consider *What* people want, *Who* can give it to them, and *How* they can achieve it

### Analysis – Management level

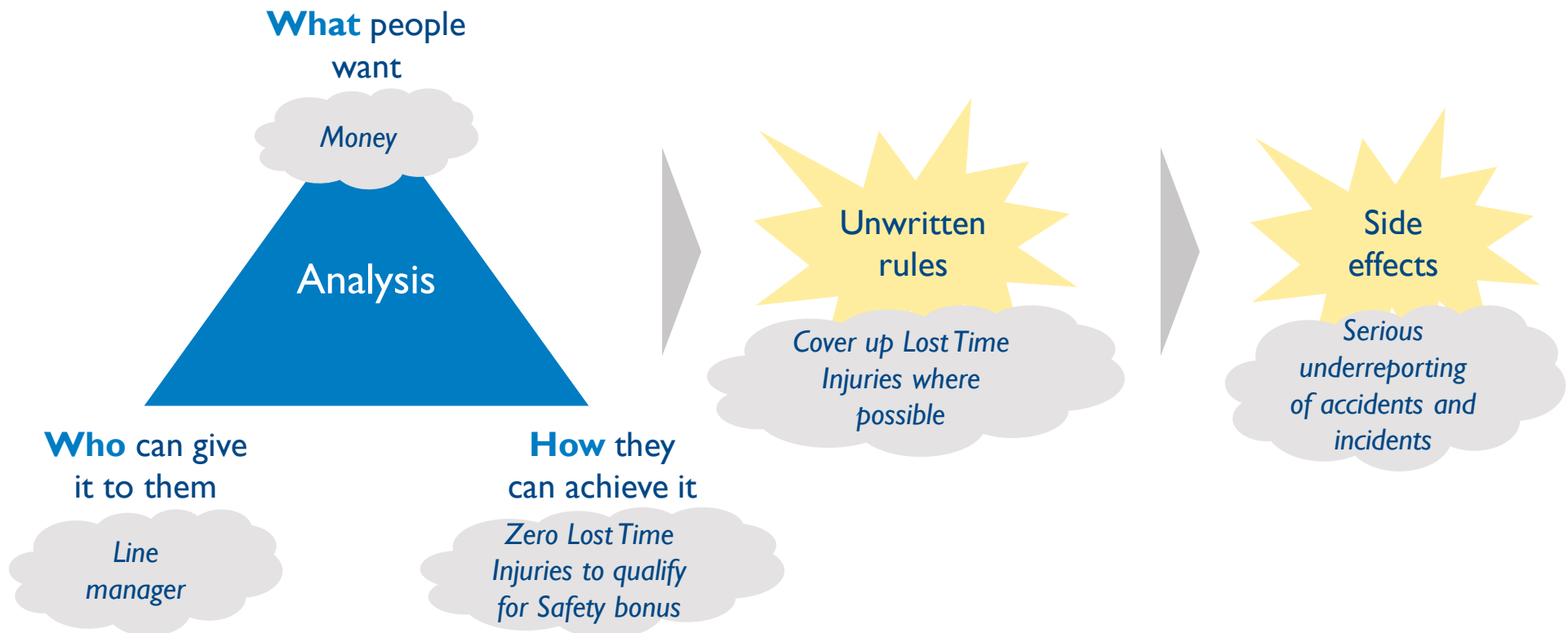
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An example of this is the factors underpinning the unwritten rules that can sometimes lead to under-reporting of accidents and incidents

EXAMPLE

### Example of analysis at management level

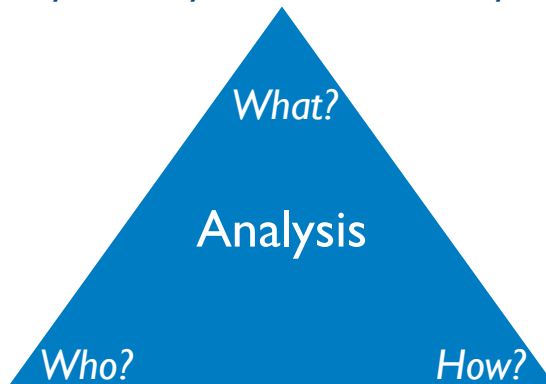


## Using this structure can help to formulate the types of questions to ask to uncover the unwritten rules

EXAMPLE

### Example of analysis at management level

- “What is important to you?”
- “Why do you feel this way about X?”
- “Why should you care about safety?”



- “What does your boss say about X?”
- “Who else is interested in your safety performance?”

- “What do you have to do to achieve X?”
- “How do you keep your boss happy?”

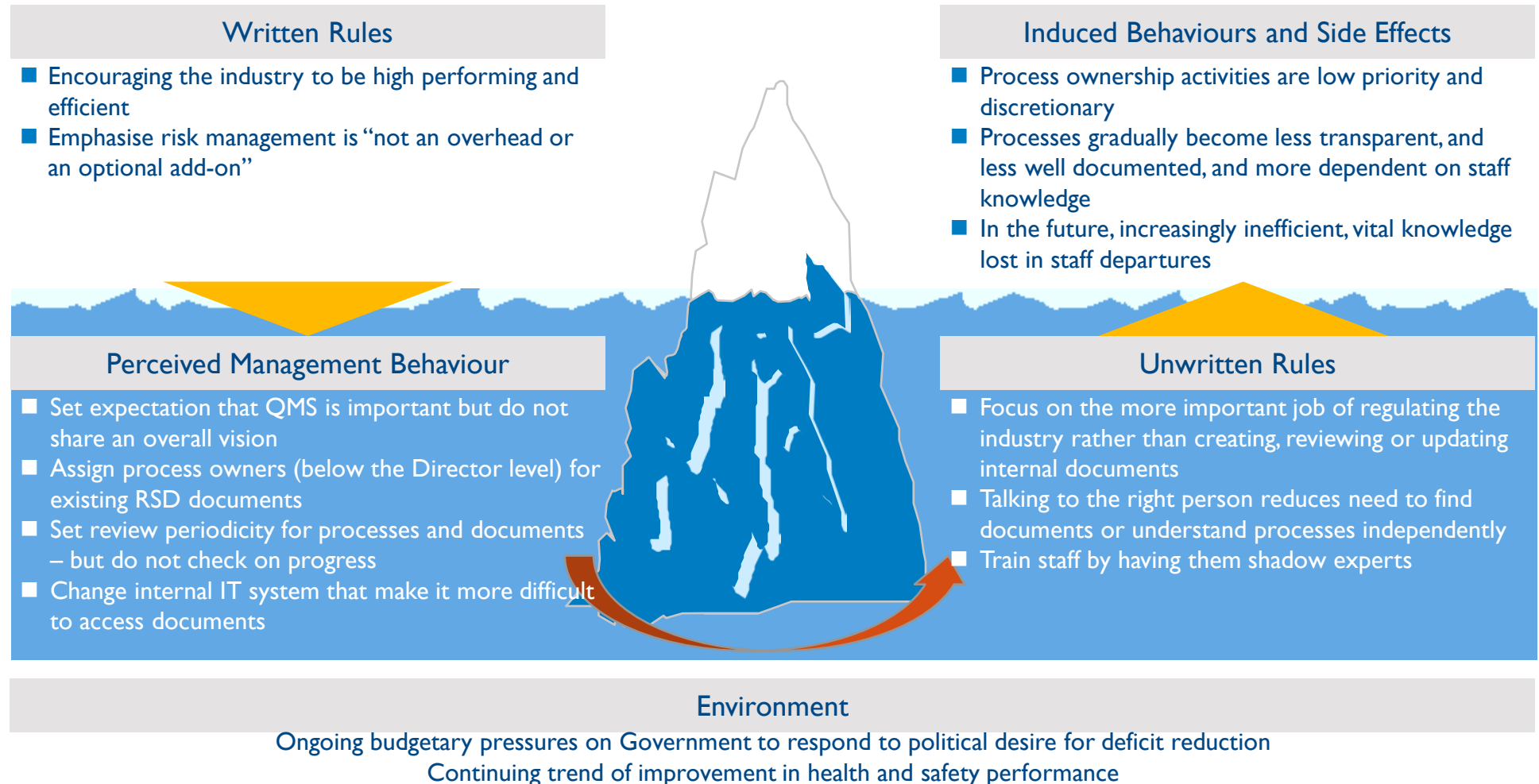


- “How would you summarise the attitude towards X?”



- “What effect does this have on safety?”

# The staff at the Regulator agree with the aspiration to create a formal quality management system, but other activities are higher priority





# At site level the belief is that “Safety is not really a top priority for senior management”

### Written Rules

- Senior managers conduct regular safety tours at all sites
- Site managers are always on site when work is going on
- Management are open to concerns and will intervene when issues are brought to their attention

### Induced Behaviours and Side Effects

- Operatives on some sites do not follow procedures and unsafe situations go unnoticed and/or unchallenged
- Project sites become heavily reliant on the quality of individual site based staff for the delivery of safe construction work
- Senior managers are not trusted by site staff and subcontractors

### Perceived Management Behaviour

- Fatal risk working groups have been discontinued
- Some managers are seen as weak and not receptive towards receiving “bad news”
- Senior managers only visit sites when something goes wrong
- When issues are reported to senior managers there is no action taken

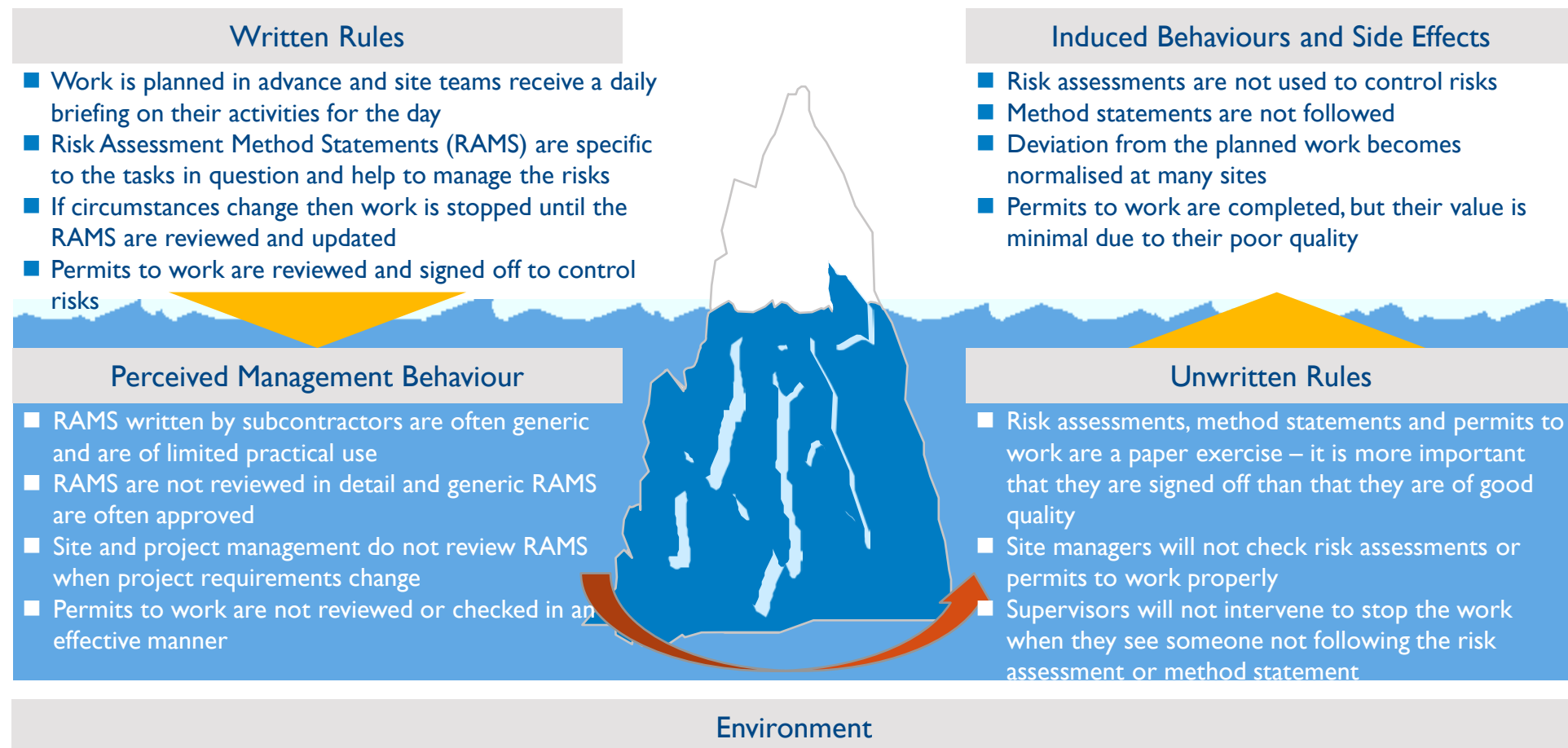
### Unwritten Rules

- Safety is just a slogan put on safety posters
- Multiple demands on delivery teams – even if the Project Director states “safety is priority” there is a view that middle management are “only playing lip service”
- Do not engage with senior managers as it will simply create more problems and nothing will improve

### Environment

Culture of fear among management and employees  
Increased pressure on project budgets and timescales

## “RAMS and Permits to Work are only used by management to cover themselves in case something goes wrong”



Subcontractor supervisors and site & project management are often working excessive hours  
 Culture of fear among management and employees  
 Pressure on project schedules due to requirements for increased margins

# Arthur D Little

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Our consultants have strong practical industry experience combined with excellent knowledge of key trends and dynamics. Arthur D. Little is present in the most important business centers around the world. We are proud to serve most of the Fortune 1000 companies, in addition to other leading firms and public sector organisations.

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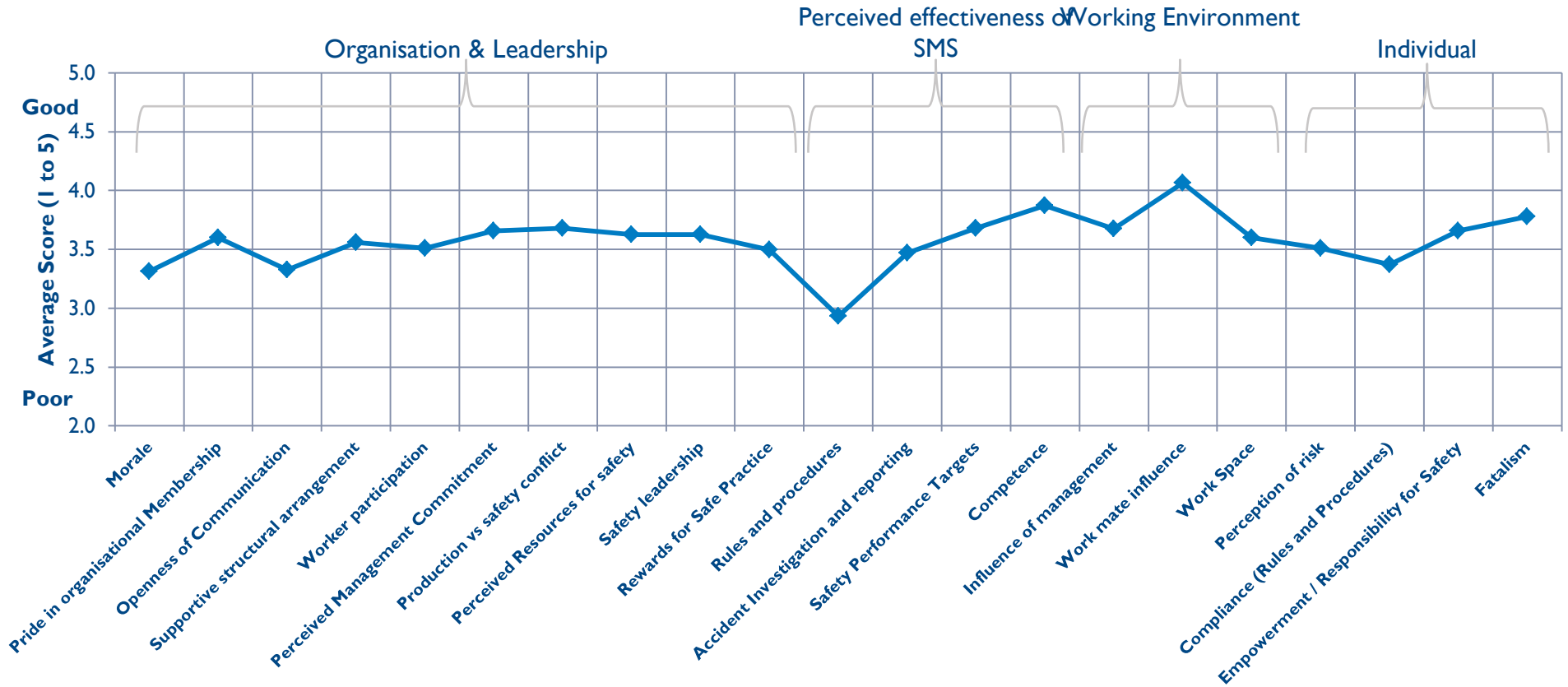
# We were asked to undertake a review of a passenger ferry business

## Project scope

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- Two recent incidents have raised broader concerns about health and safety management overall at Company X and have triggered this review
  - A hatch was left un-barriered during a refit, which a member of staff then fell through and was badly injured
  - A planned MCA inspection of one of the ships identified multiple defects and could have resulted in Company X not being granted a permit to operate the vessel
- The business has a long history and has developed a healthy working relationship with the Maritime and Coastguard Agency (MCA) underpinned by strong compliance with International Safety Management Code and MCA requirements
- The objectives of the study were to:
  - Assess whether Company X are providing the appropriate arrangements for effective control of health and safety risks throughout their operations
  - Assess the extent to which such arrangements are working in practice to provide effective risk control
  - Assess whether the culture at Company X is providing effective support to the management of health and safety
- The approach taken to the review used a variety of information gathering and analysis activities, including interviews, observations and document review, have now been completed

Rules and procedures were identified from the culture survey as an area where focus is required



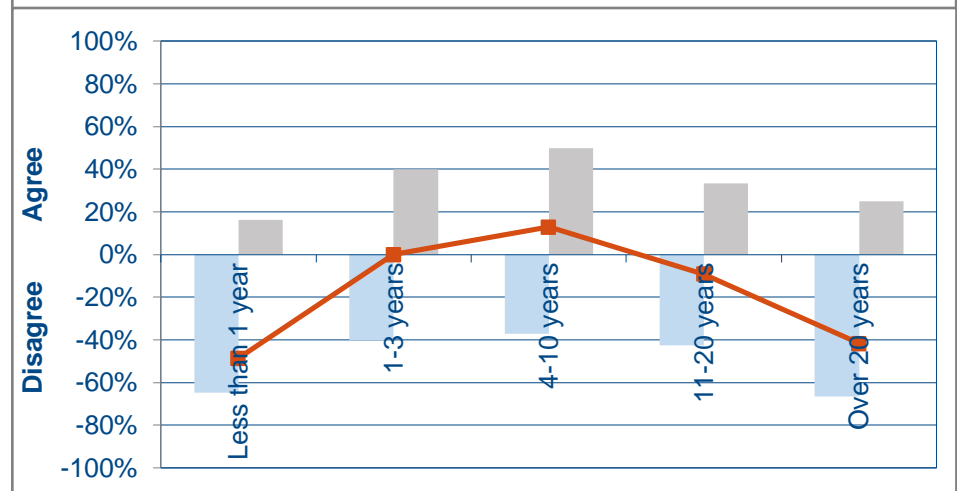
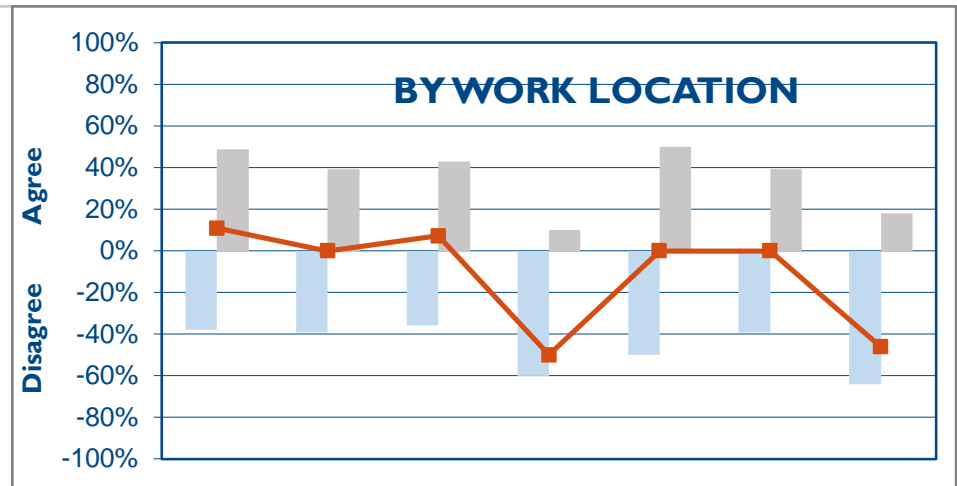
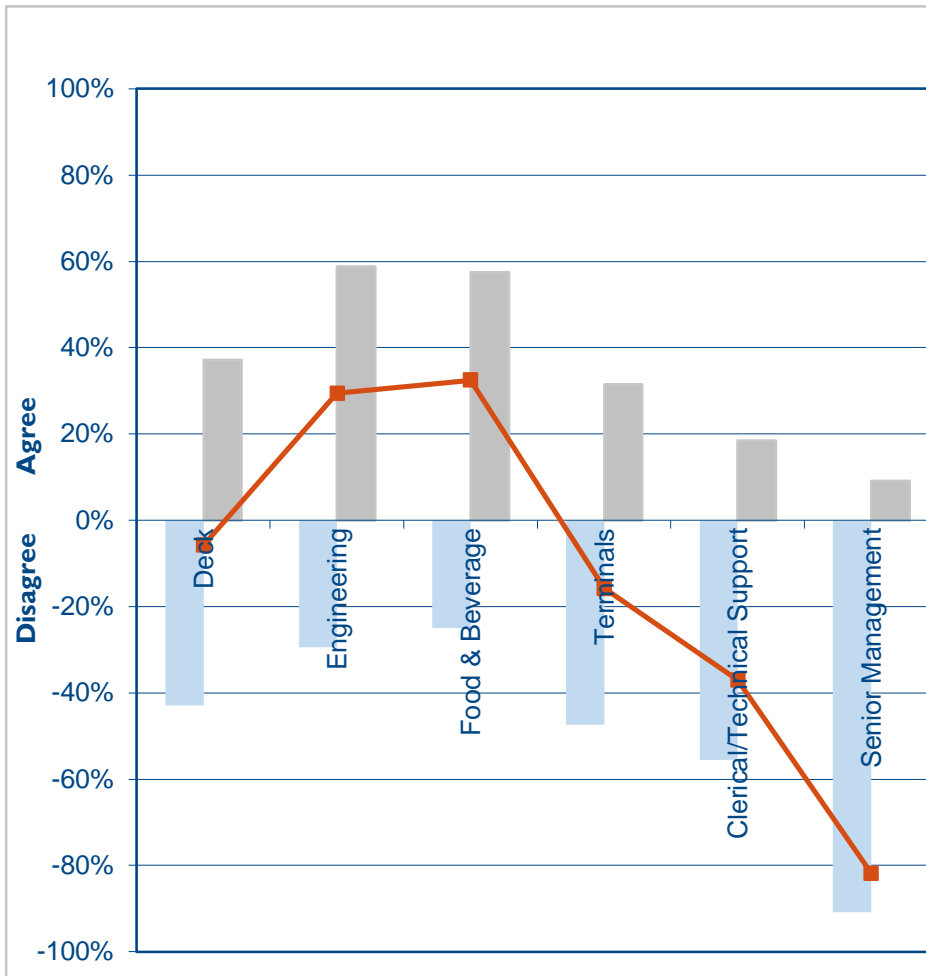
# The results of the survey suggest that in order to further Company X's safety culture the perceived disconnect between senior management and operational staff needs to be resolved

## Culture survey

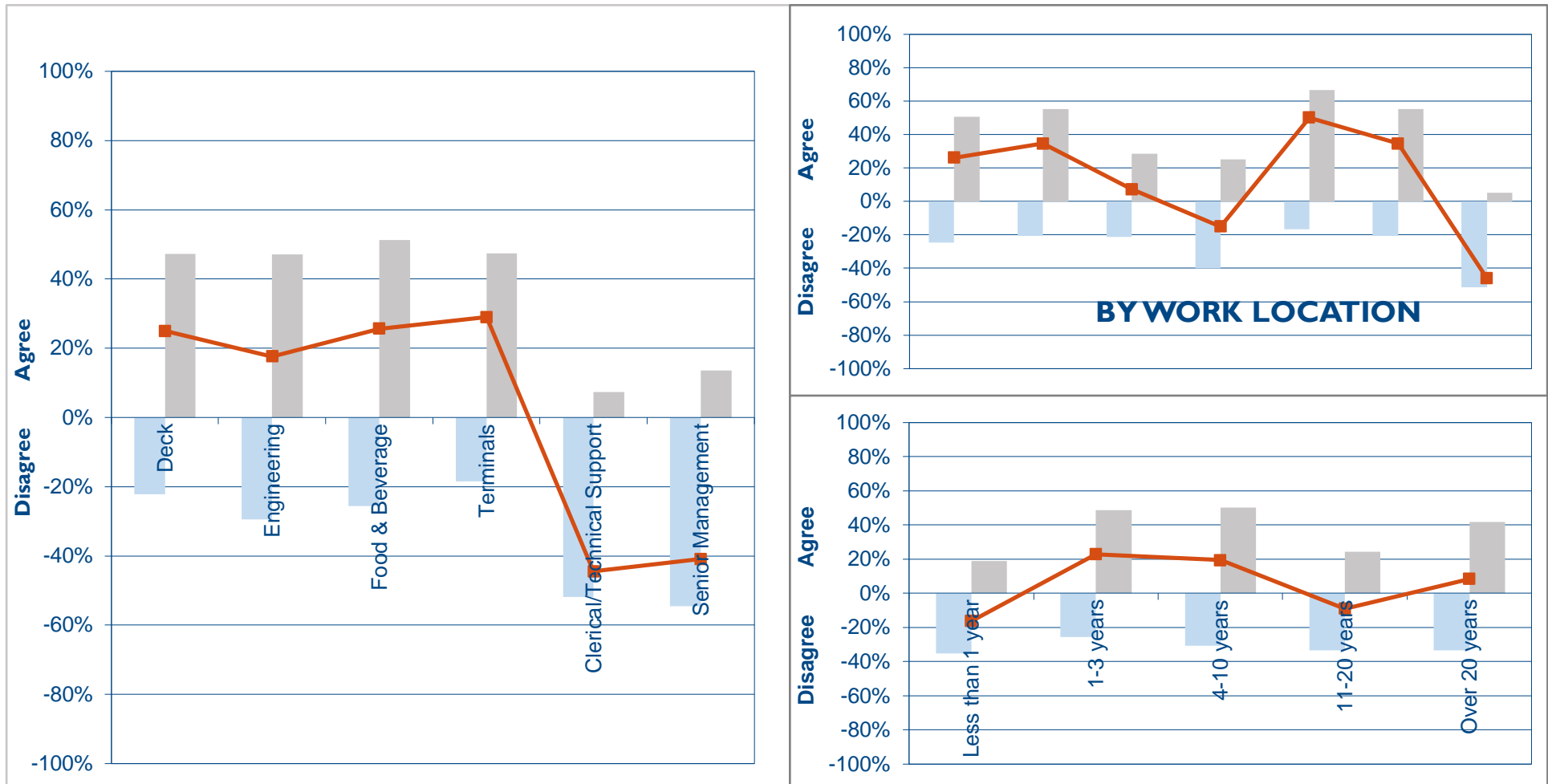
- Whilst organisation and leadership are generally regarded as strong there are specific areas of concern
  - Management is recognised as being involved in safety and they are perceived as supportive and communicative
  - Morale among Food and Beverage (F&B) and engineering staff is a cause for concern
  - F&B staff have indicated that there is a clear disconnect between themselves and senior managers in many leadership elements
  - Staff acknowledge that communication is two-way and that their participation and ideas are important
- Safety management at Company X is seen as being effective: safety is part of performance indicators, staff receive training and a reporting system is in place, though more could be done to ensure that all near misses are reported
- The overall working environment was recognised as the strongest element of culture in Company X; work mate influence is perceived to be strongly positive, with a clear view that all staff should look out for each other and that management have a positive influence on staff
- At an individual level employees feel responsible for safety and that there is not a culture of fatalism in Company X
- Elements of safety management associated with the rules and procedures in place are the weakest element across all departments and job roles – there is a view that the people who write the procedures do not always understand how the job is really done

## Results from some of the safety culture questions:

### 4. I am aware of a bad atmosphere/low morale at work



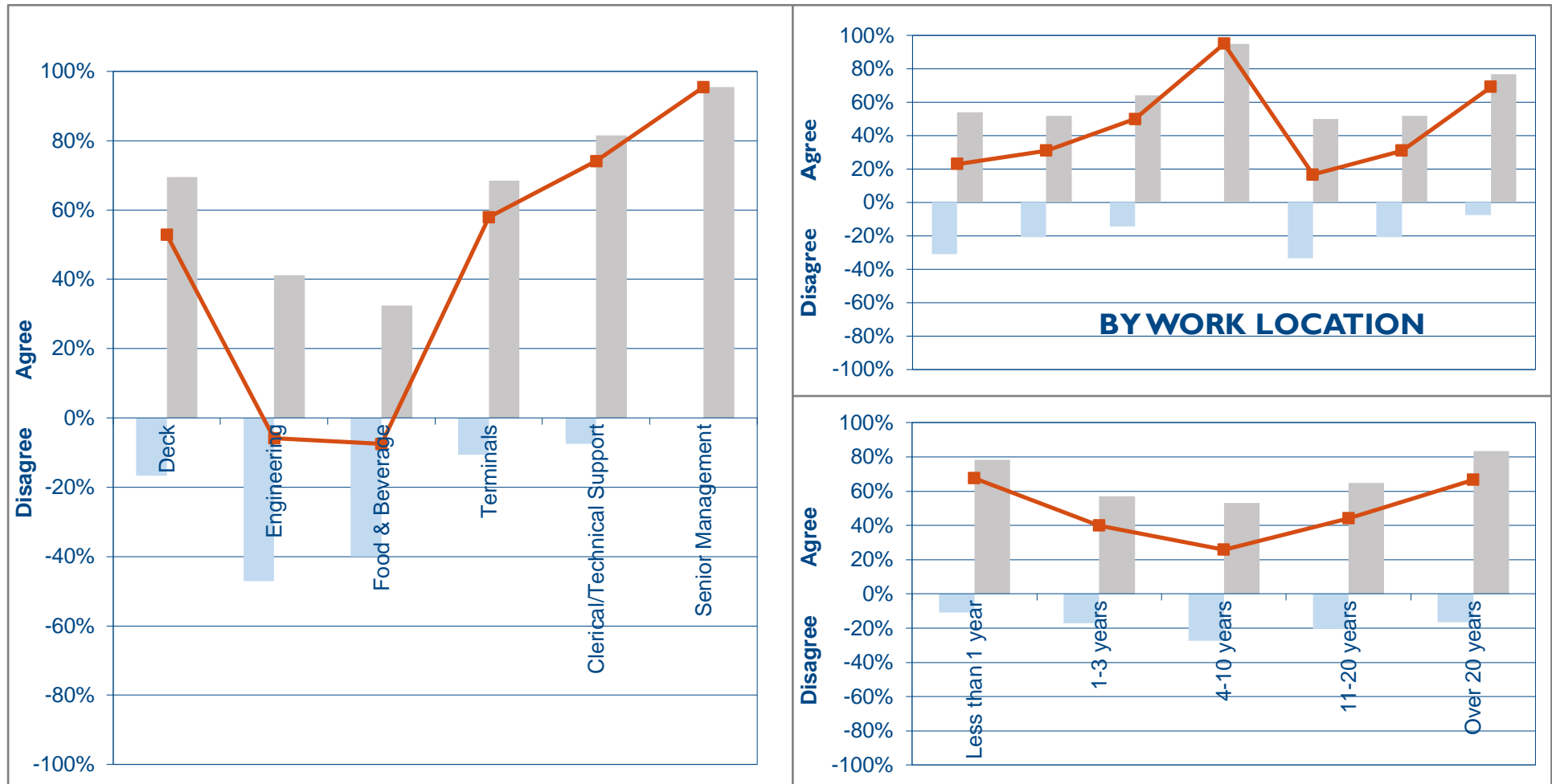
## Results from some of the safety culture questions: 8. *The people who write rules and procedures do not understand how I have to do my job*





## Results from some of the safety culture questions:

### 17. The morale of the workplace is good



This disconnect between management and the operational staff varies significantly between departments and job roles - with F&B & Engineering the least positive overall

### Management & operational disconnect

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- The biggest deviations from the senior management perspectives occur in morale, worker participation and rules & procedures
- Given the low level of morale among F&B staff this could itself be driving the poor results in other cultural elements, or it could be the result of other issues and further investigation would be required to diagnose the precise causes
- Openness of communication is not regarded as a strength among the F&B and engineering employees, echoing our analysis from the other components of this review, that front line staff commonly feel that they rarely receive feedback on suggestions and near miss reports that they make
- Front line staff all have very different views from senior management on certain topics that correspond with the findings from the rest of our review
  - Rules and procedures are not perceived as being written by people who understand how people have to do their jobs
  - Morale is a serious issue for F&B staff and, to a lesser extent, amongst the engineering staff
  - Our findings from the remainder of the review regarding the disconnect between Bugle Street and front line staff are supported by this
- In contrast to other job roles F&B employees view the organisation & leadership of safety as the weakest area of safety culture

# The culture at Company X is still influenced by historic factors, particularly the previous leadership and communication style at the top of Company X

## Historic company culture

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- There was a clear perception among employees who have been at Company X for an extended period of time that in the past there was a lack of investment in equipment and facilities that has only begun to be corrected over approximately the last five years
- There was a heavy focus on promoting Company X as a leisure company in contrast to a marine company, due to emergence of a culture of complacency on the marine side of the business
- This resulted in significant staff cuts. Due to the leadership style used and the lack of engagement with the workforce, a blame culture and distrust developed
- There are still remnants of the old blame culture in some areas of Company X that have not fully been rectified since the changes in leadership over the previous 12 months, particularly within F&B and Engineering, as demonstrated by the results of the culture survey
- Given the length of time between permanent CEOs being in position (likely to be around 15 months) this shortfall of health and safety leadership has become protracted
- Yet many staff report a “can do” culture and appear to be hungry to be directed and better engaged - there is an opportunity for a significant cultural shift towards a risk management based approach to be developed, with a corresponding improvement in strategic management of health and safety