

## Drill Safe 2010

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### When Culture Gets in the Way of Safety

#### Opening

Good Morning Ladies & Gentleman – Let me state quite clearly we are here to put forward an argument. An argument that states quite clearly that ‘chosen’ workplace culture determines your safety performance.

My name is Simon Phin and I have worked in this field over the last ten years. I would like to introduce my colleague, Dr Stewart Hase who with a number of our team mates over the last 12 months has spent time on offshore rigs and platforms observing behaviour using a model that provides us with leading indicators in understanding the attributes that determine safety performance.

Prior to doing what we do now I was a visiting lecturer at Forces Command for the Australian Army (Australian Government) specializing in pre-deployment preparation and Stewart was the Professor of the Graduate School of Management at SCU. Stewart remains an Adjunct Professor at one US and two Australian Universities.

#### This Presentation

This presentation is research evidence. We have drawn upon published literature, published data and matching observational evidence that we have observed over 250 days of on site offshore rig engagement.

We know that culture is significantly powerful within and on organizations. Our fundamental belief is that leadership, the right leadership, will be the overwhelming force that will determine your ability to achieve desired outcomes. In our field of endeavour, safe outcomes.

#### You can tell in an instant if this rig is safe

This line we have heard on so many occasions by Operators and Contractors, Company Men, OIM's, Rig Superintendents, Drillers, indeed a lot of people we talked to. In many organizations you can walk into the workplace and know quite quickly just what people think of the operation, a drill rig is no different. Those first few minutes, the first hour, tells any visitor just what they should expect on this worksite.

Our culture is observed through the behaviour we observe.

### **On the couch: the psychology of safety and culture**

Men and women are different, we just need to recognise where these differences lie and what this means in the workplace. The evidence is substantial and has been for quite some time. This includes subject matter such as the genetic difference between the male and female brain, personality, expectation that is derived from one's own personal beliefs and the motivation each individual chooses to bring to their job.

Men and women are different for good reason. When we work on predominantly male worksites we need to understand and appreciate both the advantages and disadvantages this brings.

### **Why people are hard to change**

We are indeed hardwired not to change and for good reason. Our biological make up is wired for stability, particularly for reproduction, stability of children (yes the male and female gender) and the inherent creation of habits from a very early age. Habits provide security for understanding what we may face. For example hunting the mammoth and avoiding the sabre tooth tiger. It's these habits that can indeed protect us the majority of time. We have learnt at a young age not to put our hand near fire, cross a busy road without looking and, in later life, arguing with our loved ones when their temper is up!

The men in this photo have probably done the tasks they are about to do time and time again. They find comfort and security in their ability to perform these tasks safely and efficiently. And, they perform these tasks well. However we don't know the reasons why they perform these tasks the way they do. We don't know their religion, politics, reason for work, values or beliefs. Importantly, how they deal with a change in circumstances, environment, employer or teammate.

It is the inevitability of change that is with us. With change comes unpredictability. This is neither good nor bad, its just reality.

### **Culture getting in the way of safety (Model)**

If your goal is high performance through safe and sustainable performance, performance that can be repeated daily, then how do you achieve this? How do you know what factors will provide you with the platform to achieve this? Evidence clearly states that good culture starts with leadership; the absence of positive leadership will have a significant effect on the ability to sustain any culture that must sustain the requirement it will place on itself to perform.

The model here suggests that leadership that influences the ability to manage process systems, conduct daily rig safety standards, renew resources and bring new personnel into the team successfully will give you five leading key indicators that can be observed, and measured, in a form of ongoing continuous improvement. We suggest that leadership that is open and willing to improve, as well as a desire to achieve high standards; will result in an environment where ongoing improvement in successful operations is achievable.

## **Leadership 1**

A learning environment creates a culture of safety. Whether it is an oil & gas rig, a schoolyard, army unit or a sports team. When we create learning environments, an environment that welcomes change through learning, people feel safe to make suggestion and contribute to the learning process. In our world an excellent example of this is the Stepback 5x5 process. When we encourage this process we effectively say, 'please help us find a better way to do this'. And 'this', the task, need not necessarily more complicated.

### **Plan – Act – Evaluate -Reflect**

Dr Reg Revans is internationally recognised for his model on Action Learning, a constant cycle of continuous improvement. We plan our course of action, we act, we do what it is we set out to do, we evaluate our performance and reflect on what we do and how well we did it. Just like an athlete who reviews a performance or an engineer who reviews a task. We only learn when we review what it is we have done. So let's have a look at these five facets that will lead to sustainably safe performance in our review of 250 days of observed drilling operations.

## **Leadership 2**

Is it leadership or management?

These seven factors would suggest that our ability to develop emotional capital in our leadership skills would have a significant effect on our ability to engender loyalty and trust within our team. Do we emphasize the importance of communication? Communication that is open, welcoming and encouraging of improvement?

As leaders we need to welcome an open after action review or post job analysis. We should recognise that reward and recognition should be spontaneous and reflective of the moment at hand. Evidence is substantial and overwhelming. People respond more favourably when reward and recognition is supported in an immediate, rather than delayed, time frame.

### **Process Systems....**

Safety processes are never compromised even in downtime. We look at ways to improve them, we seek out opinion we encourage discussion and we welcome the opportunity to renew. Many of these systems listed here can assist you greatly. If they are used appropriately and with encouragement they will deliver significant rewards.

### **New Personnel & Inductions**

How you welcome people to your workplace will determine your ability to influence them more than any other factor. First impressions count, it's very difficult to recover when things don't go well from the start. Does everyone welcome the 'new kid' warmly; is their eye contact, a smile, a warm handshake?

Importantly does the induction achieve its purpose of motivating and empowering people to engage with the commitment to safety at every opportunity?

### Daily Rig Safety

Is there consistency in commitment to keep the rig safe? That is do we act pro-actively or re-actively? Is time taken for housekeeping, is the feeling, the vibe as such, on the rig floor one that is warm and welcoming or is it hierarchical with clear (but un said) pecking order of status and order that does not welcome comment, opinion or change?

Do we have open feedback loops for correction of and when required?

### Resources

Do we utilise resources appropriately and address those areas that need to be addressed in a timely fashion? Is there a global commitment? That is everyone engaged in the operation to place safety as the priority?

Prioritisation of safe behaviour will have an immediate effect on rig culture.

### Can culture change? (Observations)

The question really should be, is the culture ripe for change? Who would have thought in 2006, a few months before the Global Financial Crisis that General Motors would keenly and willingly review their approach to building larger and larger SUV's?

Consider the case of Nurses & Doctors, two groups that know from the evidence before them on the operating table that smoking is the overwhelming cause of lung cancer and alcoholism is the greatest contributor to liver cancer. Yet the medical fraternity is among the greatest abusers of tobacco and alcohol. Wouldn't it be obvious to not smoke or abuse alcohol?

Consider Starbucks for a minute. Starbucks make good coffee that is a hit in the USA, yet in Australia Starbucks has not been a success by any measure. Why? Simply a difference of coffee culture. Australia is a mature coffee market that developed its culture of coffee on the immigration of Italian's post World War Two. It's an espresso culture, not a filtered culture.

On the left we have Jac Nasser, the Australian who once headed Ford Australia before making it to the top job in Dearborn, Michigan. Nasser was a high performer in Australia who made Ford Australia a recognised and respected subsidiary. So why when just 18 months into the job did things not work out at Ford as the CEO? Quite simply he mis read the culture he walked into. Culture that was not ripe for change or the manner in the way it was led?

Let's review our initial question, 'Is culture ripe for change?' If it is, maximise it. If it is not and safety and the pursuit of safe practice are in doubt, then it is the culture that needs to be addressed first and foremost.

### Success in consistency (Our Observations)

So what key factors will contribute to a culture that puts safety first and, in doing so, creates a high performing workplace because things work and they work well safely? There are many yet we can suggest these four easily replicable practices;

- Be Consistent
- Seek to align our shared values and beliefs
- Welcome the possibility of change
- Create a positive and warm workplace.

When we do this we perform. You see it, you hear it and I can assure you, you can smell it!

Thankyou.

### Conclusion

(Questions from the floor)

*Question: You talk about character but how would you best describe it?*

Response: A quote I've heard before, 'Character is something that happens when nobody is looking' I think sums it up pretty well. I'd also reflect back on our experience in The Bass Strait over the last 24 months, particularly with ExxonMobil, would be that consistency plays a huge role. ExxonMobil have a very simple approach to business, that is, 'Nobody Gets Hurt'. If this is your vision and your culture is reflective of this, then it's quite a simple straightforward approach. But don't get simple and easy confused. It is hard work.

*Question: What is your commentary on current Reward & Recognition practices?*

Response: We think they could be improved a great deal. Its not that they are not put together without sincere intent, it's just that they don't achieve what they set out to achieve in the workplace. We did do some research into this over the last 12 months and have a whitepaper to reflect our findings. Recognition must be immediate, personal and encouraging. I should state, with respect to how Nabors run their business, this is one company that does it very well. They recognise their people well and have a strong culture of learning.