

The Best *Vs.* The Worst

by Mackenzie Wilson

The World's Best Safety Experts tackle the worst and most persistent safety problems.

Excellent Safety = Excellent Business. Yes, but is it Cause or (just) Correlation? by Mackenzie Wilson

It is now a given that safety excellence correlates with business excellence, but is it possible to go further and establish a causal link? SafeStart author Larry Wilson invited SafeConnection Expert Panels to consider this topic.

First however, to establish the current thinking, he canvassed speakers for their take on whether excellent safety and excellent business, whether correlated or causal in their relationship, should be treated as linked at all.

Who better to ask than companies that have achieved both safety excellence and top business performance?

As usual, candid insights were forthcoming on how safety excellence relates to business performance:

- "If you don't see the correlation then there is something seriously wrong in your organisation", says Ahmed Khalil (Director of Health and Safety, Bahrain Petroleum Company).

- David Bianco (Global SafeStart Program Manager, Epiroc) concurs, saying "the correlation piece is a bit of a given".



Data Point from Teg Matthews (Vice President, SafeStart), who conducts focus groups with leaders of Fortune 500 companies: he estimates that roughly 90% of the leaders he talks to see the correlation.

The panels then considered could we build on that correlation to find causation:

- To start, it is necessary to define what "good business is": "Is it only financial? Unidirectional?" asks Salman Abdulla (Executive Vice President, Emirates Global Aluminium).

- Or does it also involve "the wellbeing of the people, reputation in the market, reputation with investors, or the wellbeing of the plant and planet?". If so, then "yes, it's a very direct causation", he says.



Larry developed the discussion to explore whether leadership had made the connection between human error and injury causation on the one hand and human error causing quality problems or production problems on the other: do they see the direct link?

In a nutshell, do senior leadership understand that reduction of human error is the reason excellent safety equals excellent business?

- Arun Subramanian (Senior Associate Vice President & Head – HSE, Coromandel International Limited) believes that a grasp of causation is very clear at a higher level in management, but has yet to set in at lower levels.

- Anupam Bagchi (AVP/Head of EHS – Mines and Minerals, Hindalco Industries Ltd) shares that, at Hindalco's monthly safety reviews, any perception that an individual is not seeing the cause-and-effect relationship triggers counselling and observation until causation is understood.

- Though some might not see the causality, Peter Batrowny (President & CEO, PB Global EHS, Inc.) explains that leaders definitely see the value of integrating safety practices into their business processes. For example, many companies have separate incident investigations for production and quality upsets than for safety, whereas many of the best performing organisations *integrate* them.



Case Study: Etex. Alex Carnevale (President, Dynacast International) explained that when he was working at Etex as the Chief Performance Officer he and his colleagues believed that “the same things that cause good safety results cause great traditional business results”. This was not a hypothesis but an explicit principle: “engagement, attention to detail, and turning things from ideas to action. These things are pretty apparent in terms of driving good safety results”, he says, “but those are also the same things you need to do to get good quality, efficient productivity and to get advancements in your factories”. This thinking enabled leaders to powerfully convey the message that they cared about these things, with the added benefit of helping to eliminate any tension between safety practices and the rest of the business.

Are ‘performance errors’, such as delivering an inappropriate consignment, being caused by the same things that cause or contribute to the ‘injury errors’? Can we assign them to rushing, frustration, fatigue and complacency? Or a combination of these states?

- The panellists all agree that both performance and injury errors have the same kind of antecedents.

- Bipin Sharan (Manufacturing Operations Defence Vehicles, Tata Motors) adds to this by explaining that they have created a tool called “human error root cause analysis”, which, while initially created for safety incident investigations, is now being used for all activities and errors in the organisation. (Incidentally, this indicates an understanding of “cause” rather than mere “correlation” coming into play.)



good safety performance, when we went a bit deeper and I asked, 'what are those relations?', we rarely talk about human factors [and] human error". "We talk about equipment, methodology, light, ventilation... we do things towards eliminating human error, but we don't talk about it directly".

- SafeStart's Teg Matthews agrees, saying that "there's that belief on an intellectual level, but when you start drilling down and looking at it from a practical perspective people don't really know what it looks like, unless they have [passionate] leadership that makes it crystal clear throughout the organisation".

Scrutinise the inputs: Alex Carnevale emphasises the need to look at the drivers of good business performance rather than just the outcomes.

- "If you really understand what drives the business performance for your company, it's your people. People make mistakes. Mistakes cause problems, the worst of those are serious injuries. Once everyone can see it from that perspective, everything becomes much easier".

Yes, the goal is good business performance but belief in the shared causality of excellent business and safety excellence leads you to understand the drivers in play. Identify what they are and you will know which levers produce good or better results.

Why settle for correlation when you could be leveraging the cause? Why aim for Good when you could be getting Great?

Key insight from SafeStart's Larry Wilson: There is a bit more maturity around 'justice' in a safety-related instance than there is for a production or quality error. "If someone sends three truckloads of product to the second-best customer instead of the best customer, probably nothing happens other than he or she gets told if they do it again, they will be fired", he says. "But, if a worker backed a forklift off the loading dock and got seriously injured, there would be all kinds of root-cause analysis". While we all know that nobody is ever trying to get hurt, nobody is ever trying to make a production, quality, or customer service error either!"



Nonetheless, the understanding of the link between safety practices and excellent business remains unclear unless the human aspect of error is grasped:

- Pierre-Jean Paumard (EPC HSE Manager, Besix/Hitachi Zosen Inova Consortium) explains that while "we really believe that business performance comes with



Take Aways

- ✓ Take the correlation of business performance and safety excellence as a given.
 - ✓ Go further: a causation link should be embraced at all levels.
 - ✓ The key driver for both is the Human Factor.
 - ✓ Understanding your people makes everything easier!

- Based on SafeConnection panels on North America, Europe, The Middle East, India and Asia.
- All opinions expressed in here are purely those of the panelists. They do not necessarily reflect the opinions or views of SafeStart and the panelists' companies.
- For more information about the SafeConnection Expert Panels and to watch past or current sessions, please visit <https://uk.safestart.com/safeconnection/>.

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