

Creating a Culture of Safety

By Graham Chandler

What corporate culture consistently pays dividends in lower cost of capital, less regulatory scrutiny, favourable concession terms, improved strategic focus, higher worker productivity, increased brand equity and value? These, says Mazen Skaf, are what a company reaps by maintaining a safe and accident-free operation.

Skaf is the Managing Director, Europe and the Middle East, for the California-based Strategic Decisions Group who maintains offices throughout the world. His specialties include strategy development and financial risk management in the energy sector. In his experiences working with international oil majors such as Shell Offshore in high-risk and capital-intensive environments, he has seen, first-hand, the value of making safety a part of a corporation's culture and even part of its mission statement.

For a company that currently lacks such a culture, how does it go about creating one? It demands solid commitment from every level says Skaf. To that end, he offers six critical elements.

"First of all, I would start at the top," he says. "Secondly, I would do it as part of an overall enterprise risk management program rollout and ensure safety is under operational risk management." His third pillar is emphasizing that everyone in the company needs to be involved, from strategy and design to operations. "That means everyone," he says. "[Everyone] must know the role of safety and the way they can all contribute to safety." The fourth thing he would do is to link reward systems to overall safety performance. "A lot of these should be team reward systems because everyone is involved," he says. "The fifth element is to create an open culture that encourages learning and rewards early warnings of potential risks—for example, something that may undermine the safety of a group, team, or operation."

"Every energy company pays heed to safety. However, the real dividends come when safety is part of corporate culture." A senior international consultant shows how.



This strategy will be enhanced by letting people know about each other's jobs, which helps create the safety mindset and risk management mindset. "It's where you see opportunities for improvement," says Skaf.

And sixth, its position on the list belying its importance, is communication. "Communication is a key element of safety," says Skaf. "For example, there are studies about pilots and co-pilots landing in adverse weather conditions where, oftentimes, lack of communication has led to unsafe operations." He reckons that once people have the safety mindset, their approach to communication changes, and vice versa. "And particularly when dealing with unique situations, for instance, you can't just use email—you have to follow up with a phone call or verbal communication," he adds. "Communication is an element that is often overlooked when people are rolling out a new set of safety procedures, but it needs to be highlighted as an enabler of a safe environment."

In his experience, with these six elements in place, "leaders have ended up creating very safety-oriented corporate cultures," observes Skaf.