

# Escaping the Safety Performance Plateau

*Getting safety improvement back on track*



A common challenge facing organizations that strive for safety improvement is plateauing in safety performance. Executive-led safety development programs can fuel significant initial improvement in performance, with high levels of engagement, tumbling accident rates and clear, demonstrable benefits evident throughout the organization. But as the easy wins grow scarce, it becomes harder to maintain the initial levels of motivation and engagement in those managers charged with delivering improvement, and targets start to be missed. The temptation may be to push even harder from the top of the organization, but this may not work, and different approaches are required to escape the safety performance plateau.

## Why safety performance plateaus

Improvements in safety performance get tougher year-on-year, but a premature plateauing of safety performance after significant year-on-year improvements has a number of potential underlying causes. Our cross-sector experience indicates that a combination of factors is likely to play a significant role.

### Competing priorities

Maintaining strong commitment to safety improvement among the top team is an absolute prerequisite for any successful safety program, but over time, other priorities can start to compete for attention. Weakening financial performance that draws the board's primary focus away from safety can result in a loss of momentum. A loss of key leaders who were instrumental in some of the initial gains can slow momentum and put safety improvements off track.

*“Commitment to safety improvement hasn't gone off the boil whatsoever – but other important priorities are fighting for valuable airtime” – Group CEO three years into safety performance program*

### Diminishing returns lead to complacency

Early improvements are likely to be relatively easy to achieve; demonstrable benefits can be shown for a relatively limited amount of effort. This is particularly true where safety has not previously been a priority, and the starting point is one with high accidents rates. Once the low-hanging fruit is no longer available, ongoing improvements will take greater effort for

the same improvement in performance – which can be highly demotivating and demoralizing. As one of our CEO clients says, *safety is a relentless activity*, and yet, for the same or even higher levels of effort, managers feel they are achieving less. Activities that helped to close some early gaps, such as audit, incident investigation and safety briefings, can quickly become routine and be delegated down the organization as enthusiasm wanes. The default can become a question of “Are the activities happening?” rather than “Are the activities actually effecting a real improvement in safe practices, and if not, what should we do instead?”

Single fatal accidents can derail an otherwise good trend of improvement. Often, the failures that lead to both near-misses (with no one hurt) and fatal accidents are the same; it can feel unlucky to have a serious accident when the trends are otherwise positive. Understandably, this can be demotivating.

### Failing to effectively engage with middle management

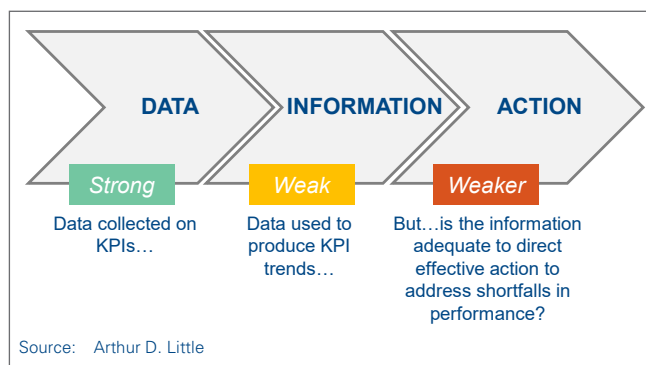
Even with exemplary executive- and board-level commitment and support, effective engagement is required at the middle-manager and supervisor layers to deliver sustained performance improvement. After all, it is the middle managers and supervisors who interface directly with staff to roll out initiatives, conduct briefings, and make sure that upgraded standards are actually being delivered in practice. In our experience, the “frozen middle” can present the biggest barrier to sustained improvement. Managers may simply lack the skills or knowledge on how to upgrade arrangements and practices. Commonly, managers have lived for years with what used to be acceptable lower standards and are hard to change. Our

own observations of the seemingly simplest improvements reveal the problem; how can supervisors bring about a change in mandatory wearing of personal protective equipment (PPE) when they themselves have hitherto accepted that it is okay to work without it? Does the vision articulated by the top team resonate with those charged with delivery in the middle layer? If the real-world attitudes of managers have not been considered, dis-engagement will be an inevitable outcome. Targeting a normalized injury rate is a good example. At board level, normalized statistics provide useful insights. However, local managers and workers will be more concerned by whether any of their colleagues have been hurt than by a normalized rate.

*“Our biggest barrier to further improvement is that our middle managers and supervisors don’t know what good looks like, having done the same things for 20 years.”*

## A lack of focus

Businesses are tasked with gathering large quantities of data with which to measure performance and hopefully demonstrate improvement. Often, however, little emphasis is given to deriving **information** that this data reveals as to the common causes of both incidents and accidents, and the reasons for any improvements in performance. Without this understanding, how can the business decide on the priority actions with which to make further gains in safety performance? When trends are heading in the right direction early on, executives can be satisfied simply by improved trends in safety performance, with little apparent need to understand what is behind any residual incidents and accidents. It is only when performance levels off that they realize they need more insight.



Choosing the “right” metrics against which to measure performance is often not straightforward:

- Failing to hit a notional absolute target can trigger a lack of motivation, and this failure itself can be causative of a slowing in safety performance improvement. This is even more likely if financial incentives are tied to absolute targets – if it is clear that an annual target will be missed early in the year, the key incentive to improve is eroded.

- Benchmarking is often used to help set absolute levels of safety performance, but this is notoriously difficult and can lead to the setting of unrealistic targets. Data that is available publicly rarely reveals **actual** accident rates. Lost-time injury rates, for example, can be masked by differences in accounting for working hours, and vehicle collision rates can exclude accidents attributed to third parties. Going outside of sector is even more problematic; what is realistically achievable for a railway operating company may not be realistic in a construction company. We have recently seen lost-time injury data for a multinational food and beverage company that suggests performance an order of magnitude worse in a European country than in its African operations; this is much more likely an artifact of HR policies and practices than of actual safety performance.
- A simplistic high-level view of safety performance that suits board-level reporting can mask important variations in performance across the business.
- Metrics reporting macro-level performance and those designed to cope with specific aspects may throw up divergent conclusions. There are numerous examples in which contentment with meeting occupational health and safety “slips, trips, falls” incidents can mask latent potential for catastrophic accidents.

## Getting back on the ladder of improvement

From our experience, we advocate five key activities that can help to surmount the obstacles in the path of further progress.

### Look beyond macro-level statistics

Plateauing of safety performance can be frustrating, but looking deeper into the causes of both successes and failures in performance is key to providing the basis for restarting improvement. There are a number of approaches available, such as open-minded accident investigations and identifying “what really goes on” at the sharp end (“Unwritten Rules”). Outside assistance may be required to reach an objective and realistic view.

### Reinvigorate any branded safety program

The launch of a second phase of the program that kicked off improvements at the outset can provide an opportunity to re-engage with staff throughout the company. This can be an opportunity to bring the commitment one level down (from CEO to divisional leader) and focus on a smaller set of more local challenges to foster engagement. An opportunity can be taken to share successes and highlight the specific activities required to go from “great to greater”. Success is more likely if the style of leadership shifts away from being predominantly top-down to more about engagement.

## Sustain leadership commitment, but re-focus where necessary

As discussed in our previous paper, *Leading for Safety*, the commitment of the top tier is key to success, but this needs to be sustained. There is a fine balance between pushing the same messages from the top, which can be fatiguing and disengaging, and being viewed as changing tack. The most effective approach can be to periodically re-focus on specific challenges, while maintaining consistency with the overall program objectives.

A key consideration is the extent to which managers (at all levels) should be incentivized to deliver safety improvement. The message that should be avoided is being seen to pay people to do their jobs, and pay them more to do it safely. If we are truly seeking a sustained performance improvement, the two should not be separated.

## Engage and develop middle managers

It is critical that middle managers share the vision set out by the executive team. Setting out a second phase of development provides an opportunity to do precisely this. If we are asking for their efforts to deliver improvement, we need to understand what can make this difficult and what would motivate them to progress.

Manager capability may well need upgrading. This can hopefully be achieved through training, coaching and re-deploying roles and responsibilities. Sometimes less comfortable decisions need to be made if it is clear that some middle managers lack the capability of living up to the upgraded arrangements that are now required. In any case, it is critical to establish *“what good looks like”* for their area of control – this could be physical conditions in a workshop or the most effective way of conducting a briefing. Middle managers need to be held to account in the same way the executive group is held to account by the CEO.

To sustain performance improvement long term, a “system-thinking” approach is more likely to deliver results. This recognizes that everything we do affects safety, rather than safety just being an initiative. Every decision, from purchasing to operations planning, to recruitment and growth, affects safety. There is therefore a need to engage the broadest range of managers, rather than just those with direct safety responsibilities.

## Independent review

An independent review can provide valuable insight into the barriers to safety performance improvement that can otherwise be difficult to identify. This is distinct from an audit; it is less constrained by what is written down, and if executed well, looks more broadly and openly for barriers to improvement and

opportunities to develop. It can inject good practices and reveal uncomfortable truths that are difficult to otherwise identify. We are engaged by a number of organizations, often on an annual basis, to report our independent review to the board.

## Conclusions

Our key conclusions on avoiding or escaping the safety performance plateau are:

- Set the right targets, avoiding unrealistic targets that can demotivate rather than invigorate.
- Take time to understand the reasons for stalled performance, looking at a broader range of indicators.
- Look to middle managers. Do they know what good looks like? Do they have the capability and competence to deliver what is being asked of them?
- Consider a second phase of the program to re-focus and re-engage.
- Consider independent review to reveal deeper insights into barriers and successes.

## Our past experience

A global construction company launched a four-year branded program to eliminate fatalities from all of its operations. This was the first time any such cross-company initiative had been undertaken, and after initial skepticism, with leadership from the center, the program got under way, and a reduction in fatalities was achieved over several years. A tangible change to business processes and management attitudes was observed. But then the organization started to lose its way – the CEO failed to reinforce the importance of the program, and fatalities occurred (albeit at a lower rate than before) without any serious leadership response. The organization then implemented a major reorganization of the way it went to market, with the branded program pushed further down the agenda. Six years after the initial launch, safety performance is better than at the beginning, but the organization is failing to make any progress in getting off the plateau.

A group CEO of an international transport company had implemented a major safety development program across all operations. This substantially top-down approach included mandating higher global standards for key areas of safety and upgrading the reporting of safety KPIs, with business leaders held accountable for improvement towards a target (with bonuses contingent). Safety performance improvements were impressive for three years, with 20% average annual improvement in most KPIs – but improvement started to slow. Weaknesses in middle-manager capability and failure to challenge sub-standard working practices were identified as in

need of attention. As such, a second phase of the program was launched, focusing on upgrading middle-manager capability, with new KPIs to track both implementation of new controls and the results.

An HSE director at an oil and gas company launched a series of process safety and culture improvement at all the company's refineries. One initiative was to assign a team of experienced professionals from the operations, process and HSE departments trained as PHA (process hazard analysis) leaders. Their objective was to perform PHA studies on small new plants and plant modifications while also acting as catalysts in their own refineries to promote focus on process safety. This initiative went off the boil within two years following a change of management, over-reliance on external resources, loss of internal competence and a drive on process-safety matters. The return of the former HSE director to a more senior position within the company resulted in renewed interest and a more proactive approach to process safety.

A supplier of safety-critical software products had followed the prescribed static design standards, but we found there was a culture of minimalist compliance that had existed for several years, resulting in a failure to improve. Multiple anomalies were found in one of their major products in operational use and as such rectifying this became a critical priority. This led to major changes in their product design processes and the introduction of a new product development strategy. The aim was to avoid similar issues with future products, and to apply retrospective action where required to identify anomalies in existing products. The standards applicable to the products had remained static for many years, while the software products designed to meet those standards had increased enormously in complexity. The movement away from a standards-compliant culture to a proactive culture of continuous review and improvement was not simple but helped the company move forward of the safety plateau. The result was a set of design processes that were much safer and more robust, going well beyond the basic requirements of the standards.

## Contacts

**Tom Teixeira, Partner**  
teixeira.tom@adlittle.com



**Marcus Beard, Associate Director**  
beard.marcus@adlittle.com



## Author

Marcus Beard

## Arthur D. Little

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