




denison
Bringing organizational culture
and leadership to the bottom line

safety CULTURE

Workplace safety is a major concern for all organizations, especially in high-hazard industries. While technological advancements and increased attention from employers, unions and safety professionals has improved safety outcomes over the past three decades, countless safety violations and injuries still occur every day—some of which escalate into large-scale catastrophes with devastating effects on human and capital resources, and on brand image.

Why Culture Matters in High-Hazard Industries

Organizational culture refers to the collective norms, values, underlying assumptions and mindsets of an organization. Over the last 25 years, our research has repeatedly proven that organizational culture will impact a company's internal dynamics and processes, as well as key performance indicators including: profitability, quality, innovation, and sales growth.

A prominent feature in many recent disasters is that the system underlying safety defenses failed, not because of the way safety was managed through policies and procedures, but because of the underlying organizational culture in which the safety management activities were carried out. When such incidents occur, organizations tend to react to the readily observable causes of these incidents, at the expense of trying to fully understand the underlying causes—those buried deep within the way an organization functions.

This reaction results in a “pendulum effect,” where the organization's collective focus oscillates back-and-forth between safety and financial performance over time. High vigilance that follows a major incident eventually gives way to increasing pressures to perform, which opens the organization up to new and different types of risks. By focusing on culture, organizations can address safety and performance issues simultaneously, thereby breaking this dangerous cycle.

Research Insights

Through our ongoing work with client organizations, our experience and research indicates a strong link between an organization's culture and safety outcomes. Several studies of organizations in high-hazard environments show the benefits of focusing on culture (in all studies, the Denison Organizational Culture Survey was used):

- Organizations that had higher culture scores had better safety outcomes, including lower safety costs and time lost on accidents
- Organizational culture was related to recordable incident rates
- Improvements in culture scores over successive years were associated with improvements in safety records

Some of Our Clients in High-Risk Industries



How We Help Organizations Create a Culture of Safety

Organizational culture is an important driver of safety outcomes and financial results. With a strong understanding of organizational culture, companies in high-risk industries can mitigate safety risks and incidents, and improve productivity and financial performance. We help clients build forward-thinking culture strategies that target the underlying drivers of safety and performance through our expertise in:

- **Safety Practice Review**

We conduct comprehensive reviews of your organization's safety tools and programs, as well as those of the competition to identify opportunities for greater impact within the organization.

- **Defining Industry Best Practices**

Our thorough review of research literature and industry best practices enables us to identify limitations of safety and culture-focused strategies that your organization may already have in place, and offer practical recommendations for improvement.

- **Knowledge Sharing & Best Practices Transfer**

In order to manage safety and its interacting parts as a total system, we involve everyone in the process, including senior leadership, and give your organizations the tools and trainings needed to ensure that consistent practices are transferred across work sites.

- **Culture & Safety Diagnostics**

Our world-class culture and safety diagnostics help you assess the aspects of your organization's culture that most directly impact performance, as well as how your culture supports safe behaviors and workplace practices.

Case Study

A multi-billion dollar global petrochemical company was wrestling with the challenge of turning around their organization's safety record while continuing to operate successfully in a financially demanding and ever-evolving environment. After years of implementing a myriad of safety tools, programs, and initiatives with mixed success across the business, the organization realized they had to re-think their approach.

One area for improvement stood out in-particular, and that was how to break the cycle of previous culture initiatives contributing to the pendulum effect inside the organization—the swaying focus from safety performance to financial performance and back again. Caught in the pendulum, the organization was constantly struggling to catch up to the most recent set of management issues while keeping their employees focused on safety.

Denison's team of experts conducted a comprehensive review of the organization's safety practices as well as those of the competition and worked with the organization to identify a new set of practical recommendations based on their review of industry best practices. Based on their findings, they recommended that the organization:

- Use a diagnostic process focused on cultural factors which are deeply rooted in the organization's effectiveness as a whole
- Involve the organization at all levels and functions in order to create a broad understanding of the culture as well as greater accountability of workplace improvement
- Build the case for the link between organizational culture, safety, and financial performance

The organization recognized that by focusing on improving their culture, they would be able to greatly reduce the number of safety incidents while concurrently maintaining their focus on financial performance. This would allow the organization to remain successful financially whilst ensuring the safety of their workers.

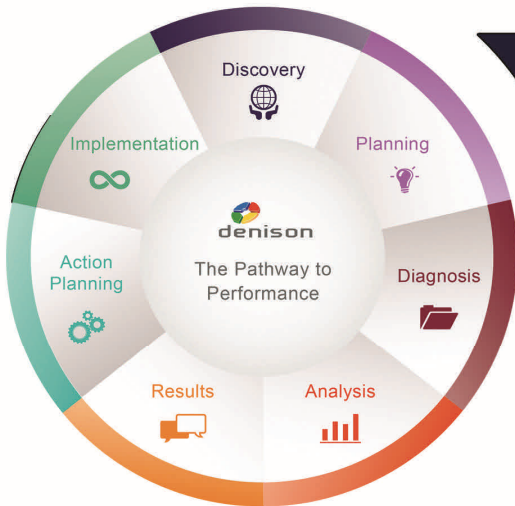
Conclusion

Organizational culture has proven to be a useful framework for understanding the underlying factors that influence safety and performance outcomes. With a greater focus on culture, organizations operating in high-hazard environments can better understand what is fundamentally healthy (and unhealthy) about the way in which they've learned to adapt, respond and coordinate their work.

About Denison Consulting

Denison Consulting is the world's leading authority on culture and leadership. We've helped thousands of organizations worldwide achieve superior bottom-line results.

We employ a variety of methods to develop a rich understanding of the 'current state' of an organization's culture, and deliver actionable recommendations for improvement. The combination of our deep change expertise with our research-based model of high-performance results in a unique and unparalleled value proposition for our clients.



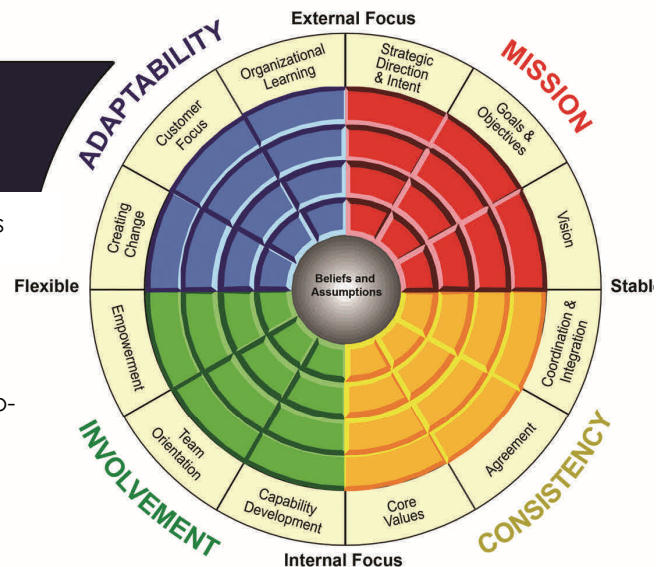
The Pathway to Performance

- Change Process designed to assure clarity of purpose and activity throughout client engagements
- Drives sustainable, impactful change
- Identifies the key cultural levers that can be used to improve your organization's performance

How We Work

The Denison Model of High Performance

- Foundation for helping clients achieve higher levels of business performance
- Based on clear relationships between key aspects of culture and important performance factors
- 4 traits of effective organizations, each broken down into 3 sub-measures or indices



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