

Leading Safety During a Financial Crisis

By Don Groover, General Manager Jim Spigener, Chief Client Officer David Musgrave, Vice President DEKRA Consulting North America

As the global communities reacts to the COVID-19 pandemic, leaders are faced with uncertainty and a recognition that their business plan for the year became obsolete overnight. Many organisations are being forced to rethink how they conduct business in order to remain viable.

A question on many leaders' minds is how to maintain the integrity of safety in this dramatically changed environment, where extreme counter pressures are likely come to play and where high levels of internal and external distractions are going to be prevalent. These leaders recognise that the pandemic is bad enough; de-emphasising safety could jeopardise their business and send a message to the workforce and others about leadership's true values. Even when not intended, leadership's response to unprecedented conditions can create a climate shift that puts a heightened focus on production and survival and therefore, by default, a diminished focus on safety. These climate shifts are "loud" to the employees and will create long-lasting memories.

Poor leadership in a disruption like the one we are currently experiencing can do damage to the organisational culture that may never be overcome. I am reminded of an assessment we did at an organisation, where 50 percent of the workforce was let go due to a financial downturn. The way that top leadership decided to let people know was to conduct fire drills across the organisation. People were hustled out the exits and sorted into two groups: those who were going to be let go and those who were going to be let back into the worksites. Our assessment happened seven years after this happened, however the scar it left on the remaining employees and the distrust they had toward management was still palpable. In listening to the employees tell the story one would have thought the event

happened only a few months ago.

Leading the organisation through troubled times while maintaining safety is both desirable and possible. During these times, leaders often have to make gut-wrenching business decisions that impact people's lives and make it easy to be in a constant state of distraction. What is crucial to get through these times is to have a passion for people orientation, meaning having empathy for what your employees are experiencing, treating people with dignity and respect throughout the crisis, and leading with safety. Leading with safety means considering the impact your decision is going to have on the beliefs of the people and culture of the organisation.

Your legacy will be cemented during this crisis. How do you want to be remembered?

This paper suggests some critical actions that leaders can do to drive safety and its value through these times of uncertainty.

CRITICAL ACTIONS

Based on our experience working with organisations for over 35 years we have identified some critical actions that leaders can take to position their companies for continued safety excellence.

1. First, be honest and forthcoming, and communicate relentlessly why safety matters even more now.

Leadership in crisis, means being out front, visible, and vocalising about the "elephant in the room." Which means talking candidly about what everyone else is already worried about. It also means listening, and avoiding the temptation to making promises that might not be fulfilled. Finally, it means

© 2020 DEKRA North America, Inc. or its subsidiaries. All rights reserved.

admitting that you don't have all the answers. Withdrawing is the opposite of what is needed.

As part of this communication, leaders who are passionate about people incorporate a strong safety message and share their commitment to getting everyone home safely. If you haven't crafted a personal safety vision, now is the time. Your personal safety vision needs to set in clear and observable terms your expectations around workplace conditions, use of protective equipment, following of rules and processes, and how people will interact with one another. As a leader, your personal safety vision should communicate what you expect to be happening every minute of every day and why you believe that if these expectations are met, everyone goes home safely.

We know that stress leads to higher levels of at-risk behaviour. This can result from front line leadership being defocused on safety; employees can unknowingly become distracted as their mind wanders and everyone becoming more inwardly focused.

We overcome this through the repetition of message with meaning. The safety message provides an opportunity to let your people know that the organisation really does care about them and needs their support to keep safety—and the business—on track. Acknowledge the real fears and anxiety that people have and reassure them that their health and safety are just as valuable in tough times as in good. Be sure your actions are consistent with this message. Communicating frequently about the current situation and the importance of employee safety during this time will help further establish safety as a value.

Just as supervisors and managers need to step up and make themselves visible in these times, we need to also encourage employees to avoid turning their focus inward. Instead, we want them to continue to be engaged in safety activities and with each other. They will if managers and supervisors model these actions themselves and praise others for doing the same.

2. Work the fundamentals.

Downturns require every area of the business to deliver well on what is most essential. For every part of the business, and for the business itself, recovery is about targeting the core elements that sustain the enterprise. In safety performance, those core elements are those activities that focus on the identification and control of exposure. It is easy to stop doing some safety critical activities because other priorities are viewed as more important. Leadership simply can't let this happen. In fact, there is a need to increase the intensity of these efforts because exposure is likely on the rise.

Management must make life altering injuries and fatalities their primary concern. Putting increased focus on the systems that identify those exposures and precursors that can result in serious injuries and fatalities is the right thing to do. It also has a positive cultural impact. While preventing all injuries is important, leadership cannot stop working systems that prevent life changing events.

Next, organisations need to keep employees engaged. In fact

a crisis is a good time to approach reluctant employees about participating in efforts to keep people safe. Organisations on the journey to a culture of high commitment or a truly engaged workforce do not want to lose the gains. It is easy for employees to reach the conclusion that participating in safety will not keep a person employed and that it is better to put your head down and produce. Leadership must give serious consideration to how they will sustain these gains and demonstrate value for and support these attributes of their culture. A disruption of this nature has the potential to erase these gains by changing the social nature of the way we do business.

3. Consider the effect of your actions on the culture.

A pandemic or disruption can be a defining moment in a company's culture. Preserving the integrity of the enterprise requires many changes in the way we conduct business and the decisions we make, as well as how we make them. Many will be unsettling for people as we will have to give up on many traditional ways or worse. The way we decide, communicate, and execute these changes will define what the organisation really is. These decisions and how we implement them will have impact on the loyalty, beliefs, behaviours, commitment, and performance of employees for years to come.

Some decisions will be unpleasant, like the reductions in the workforce. For example if a reduction is required:

- First, consider the safety implications of a reduction in force. Will changes in to the work team, create new exposure, and if so how will it be dealt with? A shift in business priorities shouldn't mean an increase in exposure to injury.
- Does the decision process used to determine who will be impacted pass a "fairness" test in the eyes of the employees?
- Are employees who are losing their jobs treated with dignity and respect in how they learn of the change and are exited?
- Are remaining employees given honest communication about what is happening and why?

Fundamentally, looking out for employees requires that as a leader you "get" what is truly important and make decisions accordingly. What's important is not what you say you value, but what you actually value—the ethic manifested in your personal behaviour. Your organisation's culture receives and hosts the effects of your personal safety ethic—your value for safety. These elements influence safety decision-making, interactions with subordinates, the priority you place on safety, and how you drive success.

You do not need to become the perfect safety leader. You just need to understand what your personal values are, and be willing to act from a position of informed commitment.

4. Rethink and refine your strategy.

When business is stable or is experiencing growth it is easy to just tweak the existing process and not focus on rethinking what it does. This can result in a myriad of one-off initiatives

2

and programs that get implemented as needs arise. In a disruption like a pandemic it becomes much more critical that you regroup and deliberately rethink what is necessary and how you can accomplish these needs in a way that moves the organisation forward given new constraints.

The key to refining your strategy is prioritisation and precision, such as:

- Looking at which systems and processes are critical.
- Looking at what constraints are now placed upon those systems and what new methods and technologies can maintain the efficacy of those systems and processes.
- Looking at which systems and processes are not high value added and maybe extraneous in the new environment.
- Looking at what leadership actions will best help the organisation embrace these needed changes and mitigate exposure and incidents.

With thoughtful and deliberate planning and action it is very possible to implement systematic improvement and optimal results.

Conclusion

This pandemic will pass. But things will be different as a result. Leadership is about not letting chaos and despair rule the day. Focus on the following to get through:

- Over-communicate and be forthcoming.
- Maintain your personal focus on safety.
- Don't allow a slippage in the performance of high quality safety activities. In fact, consider increasing the frequency.
- Have compassion and empathy about how you implement decisions that may have a negative impact on people's lives.
- As you get toward the end of the crisis, have a serious review about what was and was not important in the things you were doing.

Connect with us:

Email us: organisational-reliability@dekra.com Call us: +44 1224 766700

Website: www.dekra-uk.co.uk/en/organisational-safety-and-reliability/