Drilling contractors deliver safety performance improvements through leadership, cultural change

Competitors take differing approaches to same goal

By Ross Richardson, KCA DEUTAG; John Karish, ENSCO International Inc

SAFETY IN THE workplace is an issue confronting just about every organisation involved in the potentially hazardous oil and gas industry.

So when two of the world’s leading drilling and engineering contractors moved to improve their safety performance, they took the unusual step of sharing their experiences.

KCA DEUTAG and ENSCO International realised they could learn from each other to successfully implement leadership and cultural change in their work forces.

The key motivator for this unprecedented approach was the fact that both companies independently worked with international safety performance specialists, the Enterprise Development Network (EDN). EDN is an Australian-based consultancy with extensive experience in designing leadership and cultural change programs for the oil and gas industry around the world.

While EDN worked closely with KCA DEUTAG and ENSCO to achieve the necessary change, it used different methodologies to ensure the approach was aligned with regional and company culture and conditions.

"It was a great example of two different contractors sharing their experiences about safety, and providing a roadmap for each other to further improve their safety performance," said EDN executive chairman George Siokos. “The focus for both companies was to achieve results through the development of leaders who could manage both cultural change and safety improvement initiatives.”

Like most organisations in the oil and gas sector, KCA DEUTAG and ENSCO share a common vision to create an incident-free workplace. But both companies are typical in that improvements in safety performance had reached a plateau, and driving further change was proving difficult.

They faced the challenge of a buoyant business environment in which a significant change in the work force is expected with the retirement of “baby boomers.” Highly experienced employees are being replaced by less-experienced, younger people who have quite different expectations about work and their relationships with employers.

As the replacements are promoted to leadership and technical positions, a climate is created in which achieving significant improvements in safety performance is being made more difficult.

To achieve change, Ross Richardson, group director of human resources and health, safety, environment and quality at KCA DEUTAG, and John Karish, director of safety, health and environment at ENSCO International, agreed that their companies needed to go beyond traditional behavioural-based programs. They had reached the stage where such programs were failing to address the fundamental question of safety leadership and the broader question of developing a safety culture.

To achieve their safety vision, they realised that change is dependent on a culture sympathetic to safety – an environment in which people actually believe they can make a difference in improving safety performance. They also realised that success is dependent on being driven by a consistent application of leadership philosophies and behaviour.

As a result of the challenges they were facing, in mid-2005 both companies independently decided to develop a partnership with EDN to design and deliver similar, but not identical, leading-edge programs.

The programs were designed to enable company leaders to visibly manage moves towards improved safety outcomes. They sought a whole-of-organisation involvement to ensure that the desired safety culture embraced everyone and guided their decision-making anywhere that safety might be an issue.

Even though safety culture and leadership development were shared concerns for both KCA DEUTAG and ENSCO, the focus for each program and the methodology developed by EDN differed between the two companies.
KCA DEUTAG’s Safe-2-Lead program principally targets rig management and rig crews, including leaders up to senior vice president, with support staff also involved.

During 2005 and 2006, 18 five-day programs were conducted for KCA DEUTAG with the aim of developing safety as a value across the company. Changes regarding safety were expected to be seen at both individual leader and local work site level.

ENSCO International took a “top-down” approach, with the most senior people from the CEO to offshore installation managers (OIMs) attending a five-day residential Safety, Health and Environment (SHE) Leadership Development Program. A pilot program was conducted in late 2005, nine programs in 2006 and one thus far this year.

The principle objective was to build an influential and critical mass in the short term to initiate and sustain the cultural change necessary to achieve ENSCO’s safety vision. During 2005 and 2006, about 200 of ENSCO’s international leaders attended these programs.

Common across both programs was a belief that new safety learning is far more likely to be applied if participants are committed to preparing safety improvement action plans that are implemented in the workplace.

To develop this interest and commitment among participants, the programs attempted to personalise the journey towards an incident-free workplace. These were closely aligned to each company’s vision, values and policy as the foundation and driving force to improve safety outcomes.

To support this approach, safety leadership competencies were agreed and developed as the basis to explore required leadership styles to suit different operating and cultural conditions.

KCA DEUTAG was keen to ensure the programs focused on the company’s own safety tools during practical exercises to ensure the training was relevant to each person’s particular workplace, Mr Richardson said.

“The action plans we developed were based on what the individuals perceived as being important in their own workplace,” he said. “These plans were followed up and monitored locally and centrally to assess progress and to establish the level of further support that may be required.”

Mr Karish said ENSCO International took the decision to develop a SHE Leadership Development Program to explore leadership competencies at a higher level.

“We believed this was necessary for leaders to integrate safety and safety systems with all other work processes to achieve the results we required,” he said. “These competencies form the backbone of the safety program and provide the basis around which leadership behaviours are assessed. We can then build on the strengths and opportunities for the development of each individual.”

Participants’ behavior during the programs was observed against five competencies strongly aligned with internal ENSCO competency criteria. Independent feedback reports on each participant was prepared from the observations made by a joint ENSCO/consultant faculty.

Importantly, participants were given the opportunity to analyse corporate SHE
Participants at both ENSCO and KCA DEUTAG were required to explore safety issues and lead discussions to enhance communication skills, share experiences about safety and prepare plans to make changes in the workplace.

improvement issues, and these were presented to senior management with recommendations for action. Structured follow-up activities have now begun to ensure that these recommendations are implemented.

Both companies reported significant advances in areas not normally addressed by traditional safety improvement programs.

KCA DEUTAG believes making the "obvious obvious" has been important in helping their leaders make more informed judgments about how to work with their people.

For example, everyone knows that people are different and behave differently, but recognising this when managing and leading them is sometimes overlooked.

Mr Richardson said that while people need to be treated as individuals and differences valued, a company such as KCA DEUTAG, which operates across many countries and cultures, must apply the same standards.

“This can create challenges for leaders who, while managing their operation to the same standards, must at the same time show leadership that appreciates and uses the differences in people and their cultures to achieve results,” he said.

“KCA DEUTAG’s Safe-2-Lead program demonstrates how this can be successfully achieved. Knowing the differences between management and leadership is important.”

In ENSCO International’s case, the SHE Leadership Development Program provides opportunities for the organisation to learn more about itself and its culture.

For example, the use of psychometric instruments has highlighted the need to follow up on the many ideas that its people generate. Learning from others, both inside and outside the organisation, has been recognised as an area to work on and to celebrate when it achieves positive results.

“Everyone deserves a safe workplace, and in every organisation it’s a shared responsibility to make it happen,” Mr Karish said. “This learning has been directly applied to follow-up activities that ENSCO International has designed to ensure that we maximise the benefits derived from the SHE Leadership Development Program.”

Indeed, both KCA DEUTAG and ENSCO International have active follow-up programs for their safety leadership programs.

KCA DEUTAG is tracking the status of individual action plans and has planned more programs to meet demand in 2007. To ensure it presents the programs in culturally sensitive ways, KCA DEUTAG is translating the programs into German, Russian and Arabic.

“We are determined to maintain the momentum developed by our Safe-2-Lead program and ensure that it’s relevant for everyone,” Mr Richardson said.

At ENSCO International, Mr Karish has indicated that his company is keen to maintain the momentum generated by its SHE Leadership Development Program and to address issues identified during the program sessions.

“ENSCO International will offer more enhanced coaching to people considered to be good safety role models so that they can champion further changes in their workplaces,” he said.

“We also intend to continue with the SHE Leadership Development Program to meet ongoing needs, and will follow up every participant to encourage them to continue their learning and to apply their action plans in their workplaces.”

While both programs offered by KCA DEUTAG and ENSCO International are relatively new, they have already shown some important results.

Mr Richardson said there is now a common leadership and safety language being developed at KCA DEUTAG to enhance and promote an understanding of safety across the organisation.

“We also have a single culture being introduced across the former KCA and DEUTAG entities that is gelling as one company, with improved corporate health and safety standards,” he said.

At ENSCO International, Mr Karish said the Corporate Vision was now regularly being discussed on rigs and used more frequently in decision-making.

“The SHE Leadership Development Program has been an important global change agent which has allowed issues to be raised and addressed at the corporate level and implemented globally. There is more demonstration of ‘federal’ behaviour among ENSCO’s business units to resolve what are now recognised as shared concerns.”

From a program design and execution perspective, the learning from both KCA DEUTAG and ENSCO International includes:

• The power of a vision and its corresponding values to underpin the cultural and safety leadership programs.
• The need for senior management to own and actively participate in the program.
• The need for follow-up support and coaching as an essential part of success.
• The power of networking to share learning.

And finally, given that change is constant,

• The need for ongoing leadership training and the development of a forum to discuss SHE issues as a way of maintaining momentum towards achieving a zero-incident workplace on all our rigs.

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