Operational Excellence—Many Seek It, but Few Achieve It!

Opinion Editorial by Paul Hurysz, Junior Manager of Transmission of ROW, Duke Energy

What does operational excellence mean to you? Life is full of choices and our work life is no different. Success in our industry depends on outstanding human performance. So why do leaders in our industry struggle with how to place a value on safety in an operational setting?

This problem cannot be solved in 800 words or less, but hopefully it will initiate discussion within the industry on how to define success in the best way, with safety at the forefront.

Results are what we are all after—desired outcomes. With that said, no project can be considered a success if someone working on that project doesn’t go home in the same or better condition than how they arrived. Before we can deliver results alongside a culture of safety, we must first have leadership. Leadership defines the beliefs and behaviors that drive that culture and help mature safety as a value in the minds and hearts of all within your organization. Without strong leadership, we will not see strong results.

In my opinion, operational discipline is defined as the act of performing the right task, the right way, every time, which is achieved through leaders who set clear expectations of performance and a workforce that is personally accountable to achieve the desired results. As leaders, if we fail to maintain the discipline to achieve safe results, then we have failed in several respects to achieve success:

- We have allowed for a procedural drift to infiltrate our organization that potentially creates new norms and undesirable or unsafe results.
- We have created or maintained a culture within our organization that treats safety more like a priority, and less like a value—priorities can change, but values don’t.
- We have set a precedent within our organization, project, and our industry that establishes an undesirable legacy that it is okay to accept procedural drift for our next generation of leaders.
- We have potentially accepted that accountability for unsafe work practices can easily be excused as bad luck or accepted as “normal risk” in our industry.

This graphic [at left] is a good visual representation of why it’s important to have a healthy mix of results and operational discipline in order to obtain operational excellence. Believing that luck is sustainable or that safe operations are inherently unproductive is not an option.

The following is a short list of words that I use to measure progress with my team:

- Compliance: Do you train your people for fluency on the tasks they perform or do you train them solely for awareness? Compliance check boxes get us in trouble sometimes—fooling organizations into believing they are well trained.
Increased Reliance on Contractors Raises Concern of Risk Mitigation

Opinion Editorial by Richard Cerenzio, Senior Director, Health, Safety, Environmental, & Quality Review and Verification Services

If you’re a contractor company, there’s a lot to look forward to in the year ahead. In a contractor management strategy survey ISN recently conducted, 42 percent of the 161 organizations reported that they expect to see an increase in the outsourcing of work to third-party contractors in the next 12 to 18 months.

Although a trend toward increased outsourcing is great news for contractor companies, an increased workload for contractors in capital-intensive industries might lead to greater risk exposure for contractors and their employees. Contractors accounted for 65 percent of total work hours in 2000, increasing to 77 percent in 2016, with contractors having a 30 percent higher total recordable incident rate than company employees in 2016.

The Challenge

Even with progress, the survey identified continued challenges in finding qualified contractor companies and ensuring that work conditions remain safe. Additionally, 90 percent of those who reported having mature contractor management processes also reported having a documented strategic plan for their contractor management goals. By comparison, only 60 percent of the responding organizations that described themselves in the survey as having less mature processes reported having a documented strategic plan for their contractor management goals.

A contractor management process needs to ensure that subcontractors are included along with the prequalification of contractor companies. One of the primary concerns identified in the survey was ensuring the competency and compliance of second- and third-tier subcontractors hired by prime contractors.

Raising the Bar in Contractor Management

With the new year in full swing, it’s a good time to engage in initiatives to improve current contractor management processes. Improving the safety performance of both contractors and their employees was identified as the top priority driving an organization’s contractor management goals. In addition, improving business continuity and operational excellence was also ranked as a key driver for meeting their contractor management objectives.

We are all familiar with the phrase “what gets measured gets done.” A lot is changing in the industry and companies must stay ahead of the risks associated with these changes. Using objective data to measure contractor performance is critical to improving the management and overall performance and compliance of contractors.

Commitment to Safety

In summary, companies may think that maintaining high safety standards is a given in today’s day and age. But when it comes to demonstrating that commitment to safety, there’s no substitute for a strong contractor management program that incorporates transparency, performance measurement, clear communication, and a well-designed strategy for staying compliant with all the necessary regulations.

To access the Contractor Management Strategy White Paper and additional ISN Analytics Publications including those referenced in this article, please visit https://www.isn.com/newsroom/publications.

• Communication: Do you have crucial conversations with your employees? Is feedback considered a gift, whether it is given or received? Are negative consequences associated with challenging the status quo within your organization? Do your employees have the courage to save a life today, or do they choose to look the other way?
• Commitment: Is there a commitment within your organization to treat safety as a 24/7 expectation and as a value instead of a priority? The right and wrong habits will bleed into your organization. The choice is yours.
• Collaboration: Do you consider safety a competitive advantage or do you share and collaborate with your industry peers to continuously improve our industry standards and expectations around safe work practices? How frequently do you share near-miss and good-catch reports with your company or industry peers? No one likes to admit to making mistakes, but if we want to change our results, we need to change our habits.
• Complacency: Do you consider it your personal mission to stamp out complacency in any form? If you don’t believe that complacency can be harmful to even the best organizations with the best records, you need to watch the movie “Deepwater Horizons” and rethink your position. You are only as good as you were yesterday. If you have a fatal accident tomorrow, no matter how good your safety performance was, how much will you value those safety milestones after a tragic incident?

I’ll end with the beginning in mind. We have been given the ability to choose. What choices around safety and operational excellence will you make tomorrow to define your success?