

Attachment 1

June 13, 2022, Workshop presentations



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I.19-06-014 Workshop: SoCalGas/Sempra Safety Culture Improvement Plan Update and Phase 2 Scoping Items

Monday, June 13, 2022,
9:00 AM – 12:30 PM

Hosted by the Safety Policy Division
Safety Culture & Governance Section



California Public
Utilities Commission

WELCOME AND INTRODUCTION

9:00am-9:05am



California Public
Utilities Commission

Purpose of Today's Workshop

Forum for parties and stakeholders to comment on the Phase 2 items contained in the scoping memo issued on April 27, 2022.

Today's Agenda

TOPIC	TIME	DURATION
1. Introduction and welcome	9:00 AM	5 min
2. SoCalGas/Sempra Safety Culture Improvement Plan Development Progress Update <ul style="list-style-type: none"> • Presentation (30 mins) • Q&A (30 mins) 	9:05 AM	60 min
3. Party comments on scoping items 1-6 <ul style="list-style-type: none"> • Items 1- 3, presentation by CalPA. • Items 3-6. 	10:05 AM	60 min
<i>Break</i>	11:05 AM	10 min
4. "Pitfalls of Safety Culture Improvement" Dr. Mark Fleming, St Mary's University	11:15 AM	30 min
5. Discussion and Q&A	11:45 AM	30 min
6. Closing Remarks	12:15 PM	5 min

Virtual Housekeeping

QUESTIONS AND COMMENTS: Q&A and Comment Sessions

- **Verbal:**

- Click the hand next to your name in the participant list.
- The event host will call on your name when it is your turn to speak.
-

- **Written:**

- Please type questions into chat
- Staff will try to resolve questions as they are received or will send to the appropriate speaker.
- Will follow up on any unanswered questions after the workshop

Please keep in mind we may not get to everyone but will do our best to get as many questions and comments as is possible.

WORKSHOP MATERIAL

Workshop is being recorded and slides will be sent to the service list and posted on the CPUC website after the meeting

Proceeding Timeline and Phase 2 Schedule

I.19-06-014 KEY EVENTS TO DATE

- 6/14/2019 – OII 19-06-014 issued
- 1/2022 – 2EC's Safety Culture Assessment report issued and corresponding workshop held
- 3/25 - PHC for Phase 2 held
- 4/27 – Phase 2 Scoping Memo Issued
- **TODAY (6/13) -> Workshop on Phase 2 Issues 1-6**

I.19-06-014 PHASE 2

“SoCalGas and Sempra to prepare a Safety Culture Improvement Plan to address areas of improvement identified in the Safety Culture Report.”

EVENT	DATE
Workshop(s) on Issues 1-6	To Be Determined
Deadline for SoCalGas and Sempra to file Safety Culture Improvement Plans	July 29, 2022
Workshop for SoCalGas and Sempra to present the Safety Culture Improvement Plans	Early August
Opening Comments on Issues 1-6	Within 30 days of the August Workshop
Reply Comments on Issues 1-6	Within 20 days of Opening Comments
Proposed Decision	Within 90 days of Reply Comments

SAFETY CULTURE IMPROVEMENT PLAN DEVELOPMENT PROGRESS UPDATE

Southern California Gas and Sempra Energy



California Public
Utilities Commission

**Sempra Responses to the
Questions for the I.19-06-014 Workshop
June 13, 2022**

- A brief Introduction to and participation by the consultant/s.

Sempra is in late-stage discussions with two consultants. We expect to have an agreement in place very soon.

- Description of current organizational structure, along with organizational chart, noting any changes you have made since the start of the investigation (June, 2019).

Sempra's organizational chart has not changed in a material way since the start of the investigation. The structure at the top is as follows: Jeff Martin is Chairman, CEO, and President of Sempra. Reporting to Mr. Martin are two deputy General Counsels, the Senior VP of Corporate Affairs, the Executive VP and CFO, Group President, Chief Administrative Officer and Chief Human Resources Officer. Relevant for the safety-culture team, below the Chief Administrative Officer and Chief Human Resources Officer is the VP of Risk Management. Additionally, the Environmental Health & Safety Manager reports to the Director of Compliance, who reports to a Deputy General Counsel.

- In addition to the update above the Companies' should explicitly address the following items/questions:

1. Discuss the Companies leadership's reflection on the assessment results.

Sempra is not evaluating or judging the merits of each cultural fact or observation. Rather, we are accepting the themes and recommendations because they give us the opportunity to learn and grow. Sempra also supports SoCalGas's plans and, in our oversight role, Sempra will be monitoring SoCalGas's progress on the plan.

2. Describe what immediate actions or activities the Companies have undertaken, if any, in direct response to the assessment's outcome since learning of its findings last November?

Sempra has researched experts in safety culture to find a consultant who can help us better understand findings in the 2EC report and the parent company's role and activity to support strong safety culture in subsidiary companies. The 2EC report and its findings have been presented to the leadership team, the Sempra Safety, Sustainability ("SST"), and Technology committee of the board, SoCalGas, SDG&E (for lessons learned), and the Compliance and Enterprise Risk Committee ("CERC"). The CERC has updated its charter to make clear its oversight role in safety culture. We have confirmed that SCG and SDG&E include safety culture in their respective board safety committee charters. Not due to the 2EC report specifically, but relevant to cultural facts in the 2EC report pertaining to SoCalGas, Sempra has initiated an

organizational change management forum for Sempra, SoCalGas, and SDG&E. The idea is to allow employees to collaborate, share, and learn best practices in the change-management area.

3. How are the Companies involving the corporate organizations in development of the plan?

At Sempra, we have assembled a team from the Legal, Risk Management, Safety & Compliance, and HR departments to work on opportunities arising from the 2EC report.

4. Explain the organization's strategy for disseminating and communicating the assessment's results, including:
 - a. How were/are the findings and results being communicated to the organizations, including contractors and other pertinent groups and what is the message shared?

The report was distributed to senior management and leaders from all departments at the time 2EC came to present its findings. Sempra management participated in the 2EC debriefing. The report has been further distributed within the organization since then. Sempra is planning to the report and related safety-culture-focused content to a Sempra SharePoint site as we move forward with our consultant.

- b. How are the companies maximizing the learning value to the organizations from the process of sharing results?

At Sempra, we will be moving from awareness to real learning as we work with the consultant. Sempra's role from the 2EC report is first to expand our way of looking at safety. That keystone involves work with our consultant. Sempra has shared the 2EC report with SDG&E to promote learning value across organizations.

5. What are the potential barriers and challenges to development and action that you foresee or have identified so far?

None, other than finding consultants that are experts in safety culture, organizational change, and corporate governance, particularly with respect to holding companies.

6. A high degree of engagement from those impacted by the organization's culture is necessary in order to achieve the pre-requisite commitment for successful implementation of the improvement plan. What steps are the Companies taking to achieve this level of engagement, including contractors and other impacted groups, to develop and finalize a plan?

Sempra's top leadership is engaged, as well as the groups we mentioned earlier. There is excitement about the process. There is no lack of commitment.

7. How will requisite coordination and alignment between the two companies be achieved in order to develop one coherent plan?

Initially, Sempra waited to see which consultants were hired by SoCalGas. The idea initially was to use the same consultants. Ultimately, we decided to hire our own consultant to focus on

Sempra at the holding company level. The work at the two companies will proceed in tandem. Sempra will continue to oversee the SoCalGas plan through its oversight role at the Sempra board level, Sempra management level, and through its participation on subsidiary boards.

As SoCalGas will discuss, Sempra and SoCalGas have met formally and informally to discuss safety-culture-enhancement opportunities and alignment, and SoCalGas has been briefing Sempra about its Safety Culture Improvement Plan.

8. Explain how the independent experts that will support plan development share the “comprehensive perspective on safety and safety culture” outlined in the assessment report.

This relates back to the challenge mentioned above. The key was finding the right consultants that understand safety culture and how it might be enhanced through our governance structure. We are very excited about the consultants we have found. We expect to have more to say about that in the plan SoCalGas is submitting to the Commission at the end of July.

Additional Thoughts

Sempra would like to reiterate that it is important for intervenors and CPUC Staff to recognize the distinction between SoCalGas and Sempra. The presentation submitted by the Public Advocates Office includes the name of Sempra in its recommendations, yet the cultural facts taken from the 2EC report for two of the three slides pertain solely to SoCalGas. This distinction in importation because Sempra does not manage the day-to-day operations of SoCalGas. However, in its oversight role, Sempra will support and monitor SoCalGas’s progress in these areas as set forth in SoCalGas’s action plan.



SAFETY CULTURE IMPROVEMENT PLAN

CPUC Workshop

June 13, 2022



Introduction - SoCalGas's Commitment to Safety

SoCalGas Mission

Our mission is to build the **cleanest, safest, and most innovative** energy company in America.



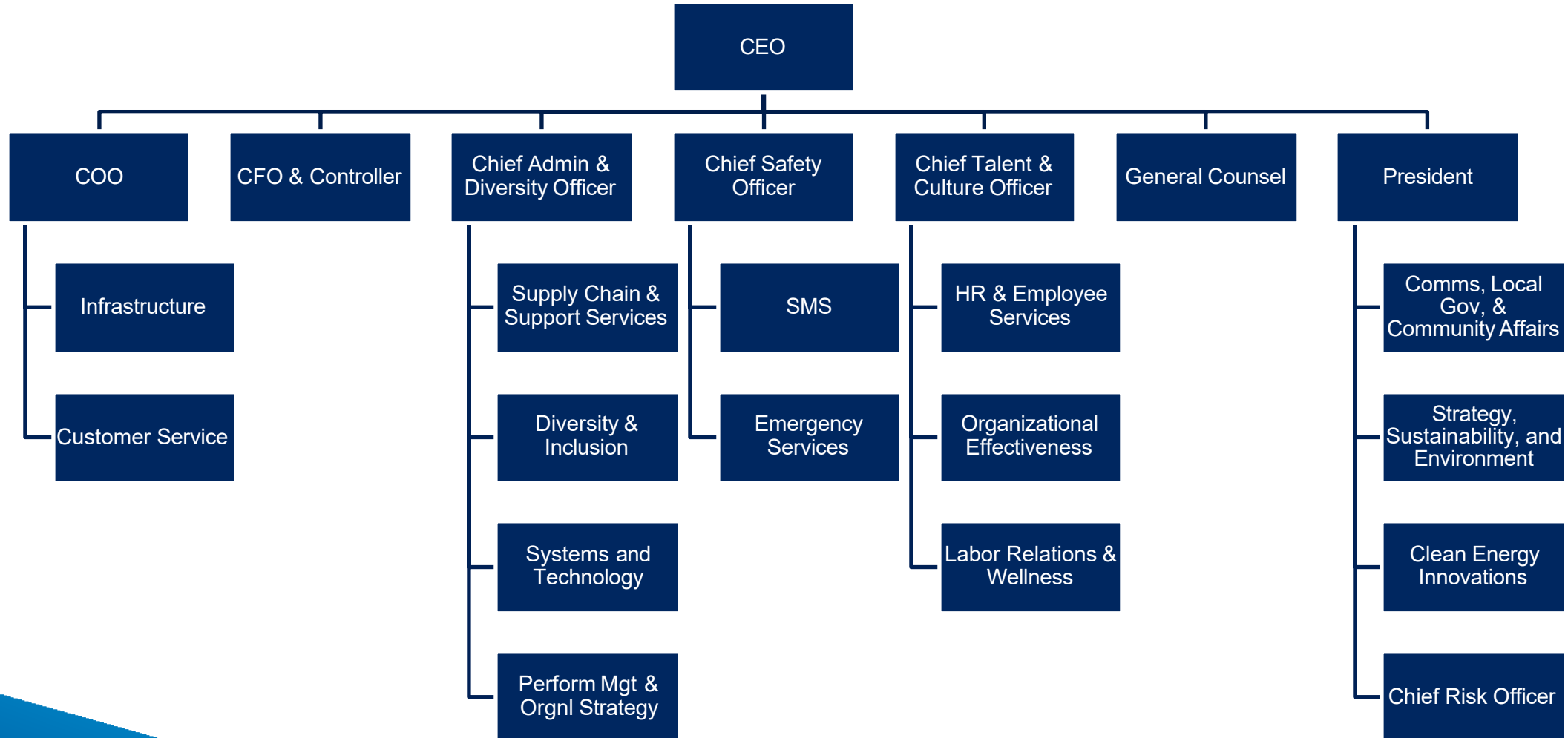
- » SoCalGas's longstanding commitment to safety focuses on four primary areas: customer and public safety, the safety of the gas delivery system, employee safety, and contractor safety.
- » Our approach to safety is built on our tradition of continuous improvement, and it is consistent with that commitment and value that we welcome and appreciate the opportunities to learn and improve presented in the 2EC Assessment.

SoCalGas Organizational Changes

Since the investigation was initiated in June 2019, SoCalGas has undertaken several organizational changes to continue to enhance and evolve its capabilities. Some notable changes include:



Current SoCalGas Organization



2EC Assessment



- » As explained in the Assigned Commissioner's Ruling Launching Phase 2 Activities, the 2EC Assessment provides observations and inspirations to support maintaining a robust safety culture at SoCalGas, with a long-term focus on and commitment to safety.
- » 2EC identifies opportunities for SoCalGas to enhance its safety culture by expounding on cultural forces that have driven success or understanding and addressing forces that may need more attention.
- » The 2EC Assessment is framed around four themes:
 - Safety is most often perceived as personnel safety.
 - Safety and risk are perceived as achieved by compliance.
 - Resources are needed to promote a healthy safety culture.
 - Learning and safety improvement require an integrated management system.

2EC Assessment – Communications and Reflections

Sharing the 2EC Assessment

- SoCalGas has extensively shared the 2EC Assessment with stakeholders, highlighting the themes, opportunities to improve, and seeking support for improvement efforts. For example:
 - Briefings by 2EC in Q4 2021
 - Email communications to employees
 - Safety Town Halls
 - “WE Lead” tour
 - Bi-weekly messages from CSO
 - Workshops with Advisory Safety Council
 - Employee focus groups
 - Community Advisory Committees
 - Contractor Safety Congress
 - Employee Safety Congress
 - Monthly Executive/Employee Dialogue Sessions
 - Joint (Union) Steering Committee Engagement

Maximizing Learning Value

- The 2EC Assessment provides important learning and improvement opportunities.
- SoCalGas is sharing early thinking on improvement opportunities and obtaining feedback from stakeholders to enhance improvement efforts.
- SoCalGas is looking to share early thinking to identify, inform, and leverage other initiatives and trainings to further enhance safety culture and promote enterprise-wide consistency, learning, and improvement.

Initial Leadership Reflections

- Continued engagement and support for the assessment as an important opportunity to learn and improve.
- Support broad stakeholder engagement and development of a comprehensive improvement plan.
- The complexity of many of the cultural facts have driven efforts to further understand the root of the cultural facts.
- SoCalGas executive team visited every SoCalGas facility to meet with employees as part of the “WE Lead” Tour. One of the key topics for these tours is safety – with specific focus on the safety culture assessment.

2EC Assessment – Actions and Potential Barriers

Immediate Actions

- Internal and external stakeholder engagement to better understand opportunities to learn about and improve our culture and lay a foundation for increased dialogue and support for the Safety Culture Improvement Plan.
- Onboard consultant resources and identify internal resources to support development and implementation of a comprehensive Safety Culture Improvement Plan.
- Establish safety culture performance goals to support safety culture enhancement efforts and deliver on the following elements:
 - Conduct organizational briefings at all major locations on assessment and action plans
 - Create formal structure or governance model to better integrate safety and risk management
 - Update leadership training programs to reflect the leader's role and impact on safety culture
 - Review and communicate portfolio of leading safety indicators
 - Create formal process for incident investigation and information sharing
 - Engage safety culture advisor directly or as participant on outside Safety Advisory Board

Potential Barriers

- Safety culture improvement is a long-term endeavor requiring time to build an understanding of the assessment and incorporate changes.
- Cultural change takes time to effectuate meaningful change, and change may be difficult to measure in the traditional sense.
- Safety culture enhancements can sometimes be conceptual requiring refinement with stakeholder input and through ongoing learning efforts.

SoCalGas Safety Culture Improvement Plan



- » SoCalGas's Safety Culture Improvement Plan will be a critical component in SoCalGas's continuous improvement journey to evolve our safety culture toward greater engagement, improved risk awareness, and enhanced interdependence – driving us towards our vision of zero safety incidents.
- » SoCalGas is developing its Safety Culture Improvement Plan to be both comprehensive and flexible, with leadership across the enterprise aligned and supporting Plan development and implementation.
- » SoCalGas has onboarded resources to drive plan development, engagement, and implementation:
 - Leveraging existing enterprise Project Management Office (PMO) to create Plan PMO capabilities.
 - Engaging the National Safety Council (NSC), America's leading nonprofit safety advocate, who has assembled a team of subject matter experts to support this effort.
 - Engaging a third-party Strategic Initiative Partner to provide expertise and project management resources.

SoCalGas Safety Culture Improvement Plan

» In collaboration with NSC, we have initially identified four stages of Plan activity:

Alignment and Understanding	Initial focus is on dialogues and engagement to achieve a firmer understanding of the observations and perceptions identified in the 2EC Assessment (<i>Ongoing</i>)
Planning for Change and Improvement Opportunities	Concurrently, begin developing an action plan to realize improvement and growth based on the 2EC Assessment, and share draft aspects of the plan with stakeholders for learning and continuous improvement (<i>Ongoing</i>)
Implementation and Progress Monitoring	Implement and monitor actions, including training, ongoing collaboration and engagement, and actions to monitor progress and identify opportunities for improvement (<i>Future activity which will be done at regular intervals</i>)
Sustaining Improvement	Verify that actions are completed, evaluate progress in reaching culture objectives, and continue conducting assessments for learning and improvement opportunities (<i>Future activity which will be ongoing</i>)

Initially-Identified Plan Goals and Objectives

- » The Safety Culture Improvement Plan is a comprehensive effort intended to drive learning and improvement.

Plan Objectives	<ul style="list-style-type: none"> • Drive a holistic view of safety • Enhance dynamic risk and hazard assessment capability • Review safety resource allocation and safety operating model • Enhance SMS integration (People, Process, Technology)
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- » Initially-identified opportunities for cultural shifts in thinking:
- Focus on Building Capacity not Managing Outcomes:
 - Safety is not the absence of incidents, it's the presence of defenses
 - Engage Front Line Employees as Part of the Solution:
 - Transition from Incident Investigations to Learning Teams
 - Increased Focus on SIF Prevention and PSIF Identification:
 - Integrate Energy Wheel into hazard identification approach
 - Standard Hazard Identification Model by Work Type:
 - Employees, Contractors, System, Public
 - Questioning Culture & Being Comfortable with Disagreement:
 - Psychological safety, breaking down silos

Stakeholder & Organizational Engagement

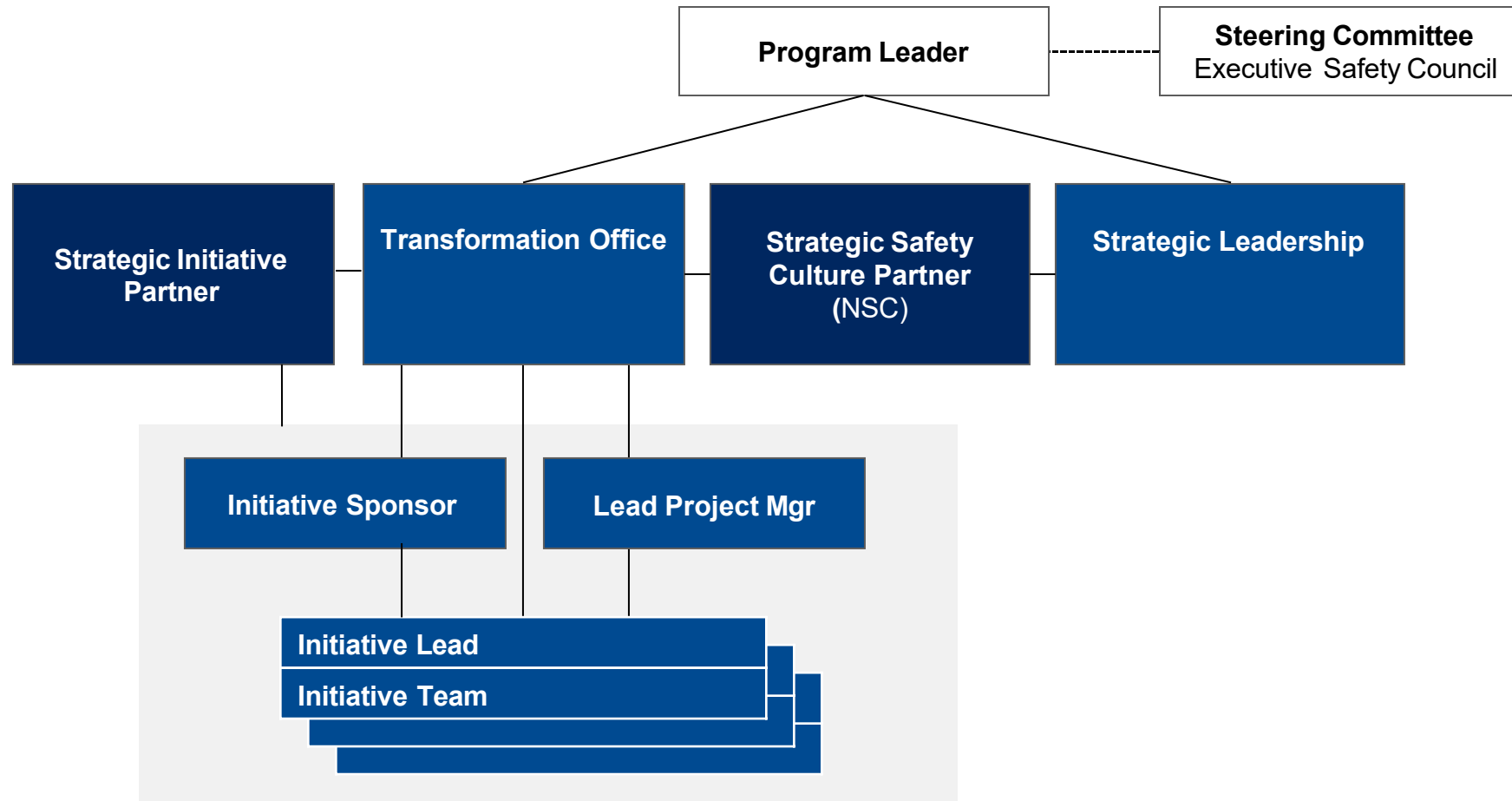
Internal & External Stakeholder Engagement

- SoCalGas is actively looking to engage with stakeholders on the Safety Culture Improvement Plan, including employees, unions, contractors, the public, our regulator, parties to this proceeding, and others.
- SoCalGas has been and intends to continue using the same communication and engagement vehicles identified in Slide 6 but expanded to capture additional stakeholders.
- Through these engagement efforts, SoCalGas is intending to learn from stakeholders, better understand different perspectives, and incorporated feedback into the plan as appropriate.

Cross-Functional Org Support

- SoCalGas is working to engage all company organizations in plan development and implementation.
- To accomplish this, the Safety Culture Improvement Plan and Safety Culture Investigation are standing items on various company engagements, including leadership meetings, operational excellence meetings, and senior management team meetings. The purpose of these standing items is to discuss status and share thinking on the assessment, plan development, and direction.
- Additionally, SoCalGas anticipates that each Safety Culture Improvement Plan initiative will have a leadership sponsor. These sponsors will be from across the organization and help to demonstrate enterprise-wide, leadership support and engagement.

Safety Culture Improvement Plan Team Structure



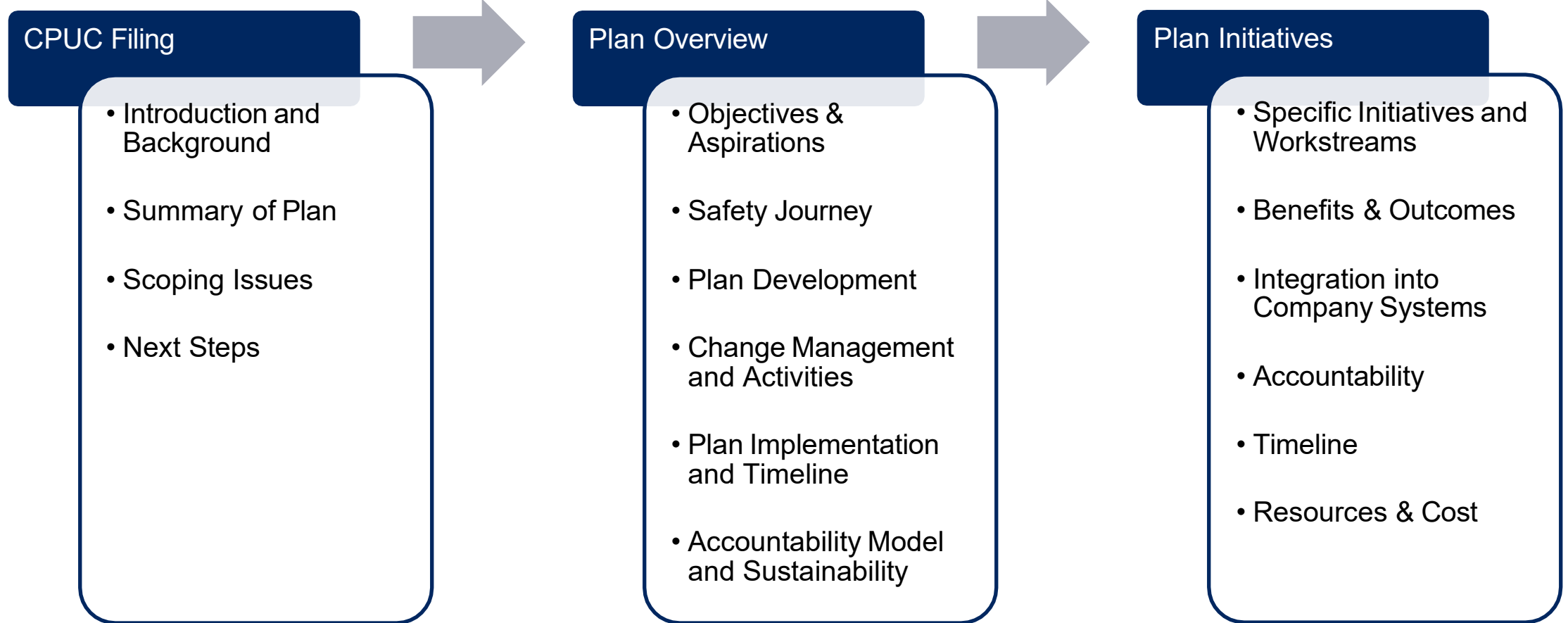
SoCalGas and Sempra Alignment

- » SoCalGas and Sempra continue to meet regularly and discuss safety culture improvement opportunities and alignment.
- » SoCalGas is in process of developing a comprehensive plan and has shared these developments efforts with Sempra. For example, SoCalGas has discussed the Safety Culture OII and Safety Culture Improvement Plan efforts through several boards and committees intended to enable Sempra to provide feedback:
 - Safety, Sustainability, and Technology Committee
 - Compliance and Enterprise Risk Committee
 - SoCalGas Board & Safety Committee of the SoCalGas Board
 - SoCalGas Advisory Safety Council

SoCalGas External Safety Culture Expert Support

- » To support plan development, SoCalGas engaged the National Safety Council (NSC), the leading nonprofit safety advocate. NSC has led and created numerous leading safety efforts over the past 100 years, including safety culture and the development of the Significant Injuries and Fatality (SIF) prevention program framework.
- » In support of the SoCalGas culture change project, NSC assembled a team of subject matter experts (safety culture, organizational psychology, safety perception surveys, training, and statistics), as well as executive-level practitioners in related industries (oil and gas, utilities, shipping, etc.) who have led similar culture change efforts.
- » NSC is conducting a deep dive into the SoCalGas organization to understand existing safety strengths and identify key levers to advance safety culture and ultimately improve public safety outcomes, drive employee and contractor engagement, and enhance system safety and process integrity.
 - Leader recognition of culture responsibility and active involvement.
 - Ability to integrate prior NSC safety culture survey information to target high impact opportunities.
 - Ability to enhance SoCalGas safety culture improvement efforts by sharing and applying lessons-learned from a cross section of industries engaged in culture change journeys.

Planned Structure for July 29th Filing



- ❖ SoCalGas acknowledges that the plan will evolve and become more refined in terms of methodologies, dependencies, and timelines as the program is implemented. For example, post filing, we plan to incorporate more guidance from our consultant as well as continually engage in additional stakeholder collaboration.

Questions from CPUC (and SoCalGas Responsive Content)

- » Description of current organizational structure, along with organizational chart, noting any changes you have made since the start of the investigation (June 2019). [Slides 3 and 4.](#)
- » Discuss the Companies leadership's reflection on the assessment results. [Slide 6.](#)
- » Describe what immediate actions or activities the Companies have undertaken, if any, in direct response to the assessment's outcome since learning of its findings last November? [Slide 7.](#)
- » How are the Companies involving the corporate organizations in development of the plan? [Slide 11.](#)
- » Explain the organization's strategy for disseminating and communicating the assessment's results, including
 - How were/are the findings and results being communicated to the organizations, including contractors and other pertinent groups and what is the message shared? [Slide 6.](#)
 - How are the companies maximizing the learning value to the organizations from the process of sharing results? [Slide 6.](#)
- » What are the potential barriers and challenges to development and action that you foresee or have identified so far? [Slide 7.](#)
- » A high degree of engagement from those impacted by the organization's culture is necessary in order to achieve the pre-requisite commitment for successful implementation of the improvement plan. What steps are the Companies taking to achieve this level of engagement, including contractors and other impacted groups, to develop and finalize a plan? [Slide 11.](#)
- » How will requisite coordination and alignment between the two companies be achieved in order to develop one coherent plan? [Slide 13.](#)
- » Explain how the independent experts that will support plan development share the "comprehensive perspective on safety and safety culture" outlined in the assessment report. [Slide 14.](#)

Questions?

Please raise your virtual hand or use chat feature



COMMENTS ON SCOPING ITEMS 1-6

10:05am-11:05am



California Public
Utilities Commission

FORMAT

a. Presentation (30 mins) b. Q&A (30 mins)	
3- Party comments on scoping items 1-6 (60 mins) a. Items 1-3 and presentation by CalPA. b. Items 4-6	10:05 AM
Break (10 mins)	11:05 AM
4- Presentation: Pitfalls of Safety Culture Improvement Dr. Mark Fleming, Saint Mary's University (30 mins)	11:15 AM

PHASE 2 SCOPING ITEMS 1- 3

The issues in Phase 2 of this proceeding are as follows:

1. Whether SoCalGas and Sempra's proposed Safety Culture Improvement Plan adequately addresses safety culture deficiencies identified in the Safety Culture Report?
2. Whether SoCalGas and Sempra's proposed Safety Culture Improvement Plan meets the Commission's required elements for those plans, as outlined in this proceeding.
3. What metrics should be adopted to evaluate SoCalGas and Sempra's progress in implementing their Safety Culture Improvement Plan?

ITEM 2: SAFETY CULTURE IMPROVEMENT PLAN ELEMENTS AND PRINCIPLES

1. Identifies improvement actions which directly respond to each of the “Overarching Themes” identified in the Safety Culture Report (as informed by the report’s findings, conclusions, and recommendations) and its associated goals.
2. Directly responds to all of the Safety Culture Report findings, including those related to corporate governance.
4. Describes the key steps for the development of a systemic approach to safety.
5. Explains how the Safety Culture Improvement Plan is effectively integrated into relevant governance and management systems, policy, processes, and plans.
6. Shows how the Safety Culture Improvement Plan is developed with the support and guidance of qualified external expertise with demonstrated experience in safety culture improvement for high hazard industries.
7. Provides for ongoing review and monitoring of implementation progress and effectiveness supported by quantitative and qualitative leading and lagging indicator and metrics.
8. Includes implementation timelines for each element of the Safety Culture Improvement Plan, as applicable.
9. Identifies mechanisms and processes that incorporate and respond to feedback from activities that monitor, review, and verify progress and effectiveness of its implementation, to refine the Safety Culture Improvement Plan.
10. Includes a cost estimate of the actions associated with implementing the elements of the plan, broken down by activity or action.
11. Includes reporting requirements.

ITEM 2: SCIP PRINCIPLES

3. Incorporates the following principles:

- a. Continually promotes and reinforces a commitment to safety that is responsive to the risk and complexity of the utility's activities.
- b. Adopts a systemic approach to safety. A systemic approach to safety considers the complex interactions of the (utility) system, from a micro through to a macro level, including the human, technical, and organizational factors at play.
- c. Reflects a robust shared understanding of the report's findings.
- d. Is goal-oriented and employs a methodical approach for continual improvement of safety culture, providing for both short- and long-term change and sustainability (e.g., utilizes management system principles).
- e. Is based on a demonstrated and thoughtful strategy that is informed by the learnings and recommendations

imparted by the Safety Culture Report and by an inclusive process throughout the organizations, including contractors, surrounding community and external stakeholders. The strategy should aim to create a shared vision of and set of goals for safety culture, including, but not limited to, roles and responsibilities to support on-going improvement.

- f. Explains how the proposals are effectively integrated into relevant governance and management systems, policy, processes, and plans.
- g. Demonstrates genuine leadership engagement, commitment, and accountability at the highest levels of the organization throughout the continuous improvement cycle (e.g., the Plan Do Check Act Cycle as incorporated in the American Petroleum Institute Recommended Practice 1173).
- h. Is widely communicated and understood throughout the organization.



Safety Culture Improvement Plan Recommendations

I. 19-06-014

Mina Botros | June 13, 2022

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Agenda

1. Contracto s
2. Work pro cesses
3. Risk assessments
4. Phase 2 i sues

2

1 - Contractors

2EC* Findings

- A. Contractors “do not always understand, and/or practice expected behaviours and actions” for SoCalGas employees. p. 29.
- B. “The reliance on contractors (60% versus 40% SoCalGas) is also perceived by SoCalGas interviewees as a way to save costs by reduced staffing levels especially when used for capital construction work.” p. 35.
- C. “Many SoCalGas respondents to the survey were not aware that contractors are involved in safety discussions.” p. 38.

Recommendation

Contractors should receive similar training compared to SoCalGas/Sempra employees and should be held to the **same** standards of behaviour.

* Assigned Commissioner's Ruling Launching Phase Two Activities, Attachment A, Independent Safety Culture Assessment of SoCalGas and Sempra Energy, A Report by 2EC, December 10, 2021.

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2 - Work Processes

2EC Findings

- A. “SoCalGas interviewees indicated that SoCalGas Management is all about budget and that each year the instructions are given to do more with less, 3% less each year to meet the Incentive Compensation Plan (ICP) budget.” p. 34. “The more management saves on budget, the better their bonus.” p.35.
- B. Perception of two cultures, “what management says and what management does.” p. 34.
- C. “Many interviewees expressed the opinion that money goes to capital expenditures more than to O&M costs, like safety.” p. 35.

Recommendation

Prioritize public safety and environment. SoCalGas/Sempra should:

- I. Use clear performance indicators that evaluate public safety and environmental performance with specific, measurable targets.
- II. Allocate resources to make public safety and environmental targets achievable.

Achieving these public safety and environmental targets should be a **condition** for management, and rank and file employees to be eligible for ICP and bonuses.

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3 - Risk Assessment

2EC Findings

- A. Attributing the job of risk assessment to someone else contributes to the lack of “a questioning attitude.” p. 31.

Recommendation

Risk assessment is a task for all employees and contractors. SoCalGas/Semptra should:

- I. Train employees and contractors to perform risk assessments.
- II. Require employees and contractors to conduct risk assessments.

Current concept

Risk assessment is “someone else’s job.”

New concept

Risk assessment is a **core part** of my job to protect myself, others (employees, contractors, and the public), and the environment.

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4 - Phase 2 issues

Issue 3

3. What metrics should be adopted to evaluate SoCalGas and Semptra’s progress in implementing their Safety Culture Improvement Plan?

Recommendation

The Commission’s assessment of progress after the adoption of the action plan should consist of:

1. A pre-assessment report at least one year from the adoption of the action plan.
2. Commission assessments three years after the action plan is adopted.
3. Commission assessments five years after the action plan is adopted.

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PHASE 2 SCOPING ITEMS 3 - 6

4. What is the appropriate Commission response for SoCalGas or Sempra's failure to meet proposed improvements in their Safety Culture Improvement Plan within the proposed timeframe?
5. Whether the Commission should allow cost recovery for activities related to the safety culture assessment, developing a Safety Culture Improvement Plan, and for SoCalGas' implementation of a Safety Culture Improvement Plan; and whether the Commission should condition cost recovery for the Safety Culture Improvement Plan on SoCalGas or Sempra's good-faith efforts to develop and implement those plans, based on a performance metric, or some other indicators.
6. What expectations should the Commission adopt in relation to SoCalGas and Sempra's flexibility to revise their Safety Culture Improvement Plan and their implementation so that continual improvement can be met without compromising accountability and transparency?

BREAK

10 MINS

Pitfalls of Safety Culture Improvement

Dr. Mark Fleming, St Mary's University

Safety Culture Improvement

Mark Fleming

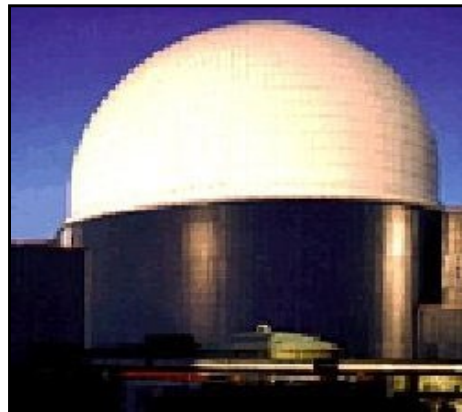
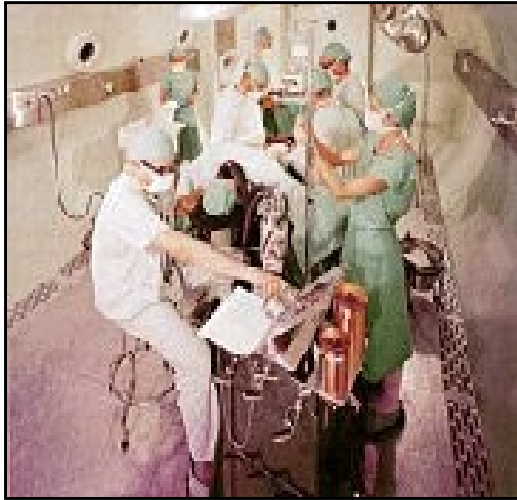
Mark.fleming@smu.ca

Outline

- ▶ Background
- ▶ Nature of safety culture change
- ▶ Improvement strategies
- ▶ Safety culture improvement system
- ▶ Traps to avoid
- ▶ Summary



Cross industry experience



Nature of safety culture change

- ▶ Safety culture change is a complex and dynamic process
 - ▶ The current culture fights back
 - ▶ A football game rather than a relay race
- ▶ The current safety culture has developed overtime to achieve objectives and respond to challenges encountered.
- ▶ Changing the culture requires changing the context so the desired culture is more effective in achieving objectives and dealing with problems.
- ▶ This involves significant commitment and resources



Safety culture growth

- ▶ **Shape culture while solving problems** (together)
- ▶ Build **shared purpose and capability** in culture change
- ▶ **Leaders** are watched closely for signals the change is real
- ▶ Leverage existing **positive examples**/models
 - ▶ Learn from others, e.g. , INPO **peer learning** in competition-free context
- ▶ It takes **time** to cultivate and try out new behaviors

Improvement process

- ▶ Specify desired cultural change
- ▶ Develop tactics to create cultural change
- ▶ Develop performance indicators to determine the success of initiatives (processes, perceptions and practices)
- ▶ Specify how existing culture may limit or resist culture change



Safety culture improvement system



Safety culture vision

- ▶ Similar to general health and safety policy
- ▶ States the desire to continuously strive to improve the safety culture in pursuit of perfection
- ▶ May include a definition of a positive (ideal) safety culture



Responsibilities

- ▶ Defines responsibility and accountability for key groups in creating and maintaining a positive safety culture
 - ▶ Managers
 - ▶ Supervisors
 - ▶ Contractor management
 - ▶ Non managerial staff
- ▶ Presents a safety culture framework



Plans and actions

- ▶ Review current practices (e.g. using safety culture planning tool)
- ▶ Sets short and long term safety culture improvement objectives
- ▶ Specifies processes to promote a positive safety culture
- ▶ Links with other aspects of the SMS (e.g. training, incident reporting)



Assessment

▶ Episodic

- ▶ Multi method safety culture assessment (e.g. questionnaire, interviews, document review)

▶ Continuous

- ▶ Safety culture indicators
 - ▶ Capturing the markers left by safety culture on daily operations (e.g. the quality of safety reports)

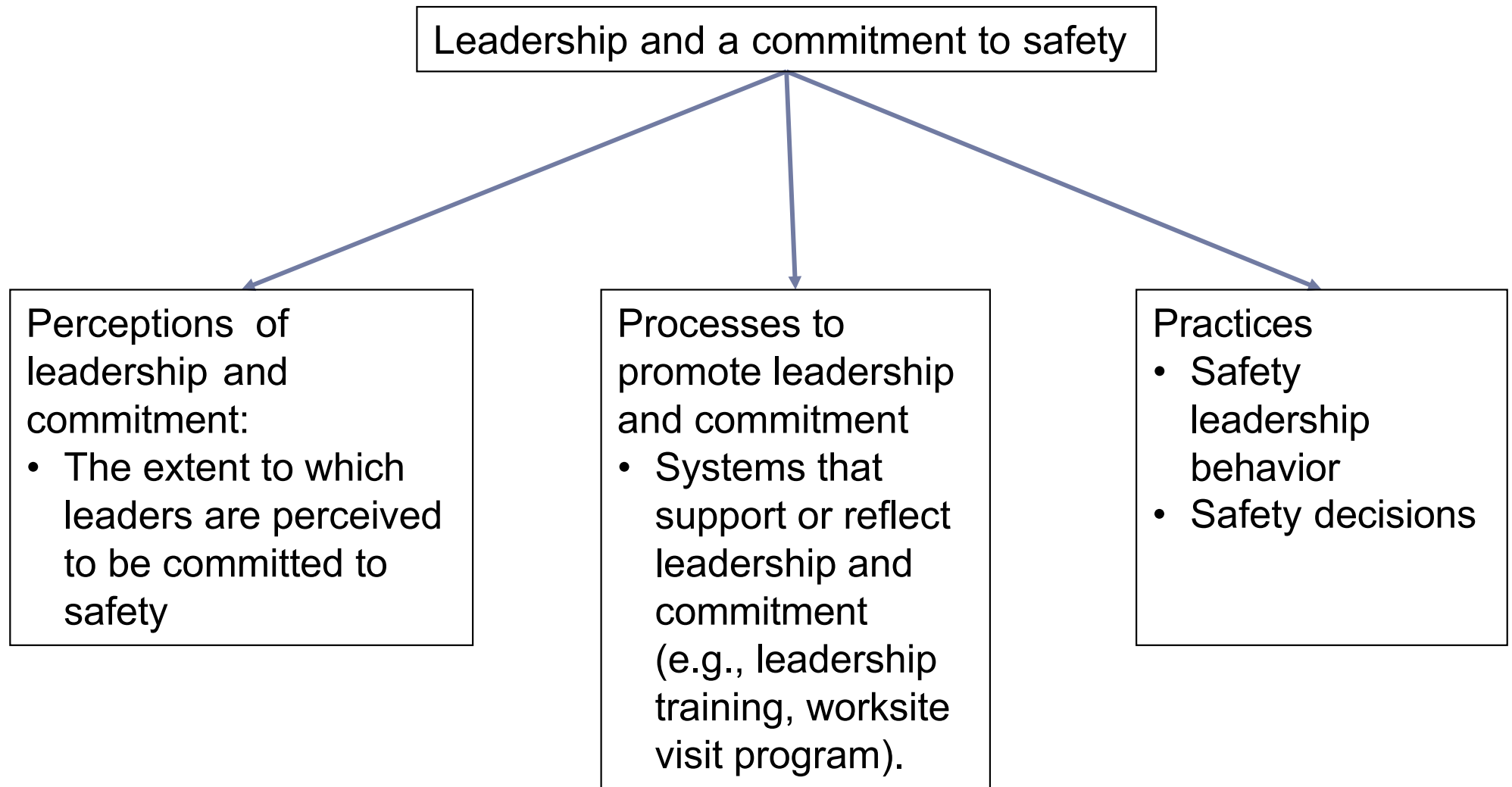


Safety culture indicators

- **Processes**
 - ▶ Policies, procedures and systems designed to promote a specific aspect of safety culture. For example, safety leadership training or manager worksite visit program.
- **Perceptions**
 - ▶ Organizational members experience of the safety culture. For example, the extent to which they perceive there is a just culture.
- **Practices**
 - ▶ Evidence of the safety culture in practice, how it is reflected in how work is done. For example, how people who are involved in an incident are treated, the depth of the learning from investigations.



Example



Audit

- ▶ Assessing the implementation of safety culture improvement processes:
 - ▶ Compliance with specified plan (e.g. leadership training plan)
 - ▶ Level of participation in plan
- ▶ Assessing the effectiveness of the processes
 - ▶ Extent to which processes are having the intended impact on the culture.
 - ▶ Change in perceptions, attitudes and behavior (e.g., increased visibility of managers in the field)
 - ▶ Change in the output of the process (e.g., improved learning from investigations)



Review and refine

- ▶ **Review**
 - ▶ Safety culture indicators
 - ▶ Safety culture assessment
 - ▶ Audit
 - ▶ Other safety performance information (e.g. incident reviews)
 - ▶ External (e.g. research, other organisations)
- ▶ **Refine safety culture management system**



Traps to avoid

1. Limited meaningful senior leader engagement (passive support)
2. Top down approach (need to work together)
Expect others to change and not themselves
3. Seeing improvement as only additive rather than replacing and changing
4. Inadequate resources provided, especially time
5. View safety culture as linear project implementation
6. Over reliance on training
7. Focus on values
Abstract and vague
Positive sounding (no one disagrees)
8. A packaged slick approach, pomp and ceremony
9. Focused implementation of initiatives and not on impact
How many people received training rather than the extent to which values and attitudes are changing
10. Lack of meaningful performance indicators



Tips for Success

1. Focus on growing and changing together
2. Have realistic expectations
3. Prepare for a Marathon not a sprint
4. Have a do-say ratio of 1
5. Maintain a focus on cultural issues overtime
6. Have a clear image of the purpose of the cultural change
7. Reduce status distinctions and maintain a sense of team or 'we-ness'
8. Avoid superficial approach and focus on tasks and activities
9. Keep a checking on how things are being experienced
10. Avoid rigid sequential process (n-steps).



Summary

- ▶ Safety culture improvement is complex and difficult
- ▶ It is a journey and not a destination
- ▶ Important to understand the drivers of the current culture
- ▶ Make the change is sustainable, by changing the context
- ▶ Do not allow leaders to passively resist or opt out of the process
- ▶ Have a game plan for set backs and how to deal with groups who do not support the change and events that undermine the change



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Questions and Open Discussion

Please raise your virtual hand or use chat feature



CLOSING REMARKS



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