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Moving Culture from Compliance to Risk Management At Multiple Plants & Locations

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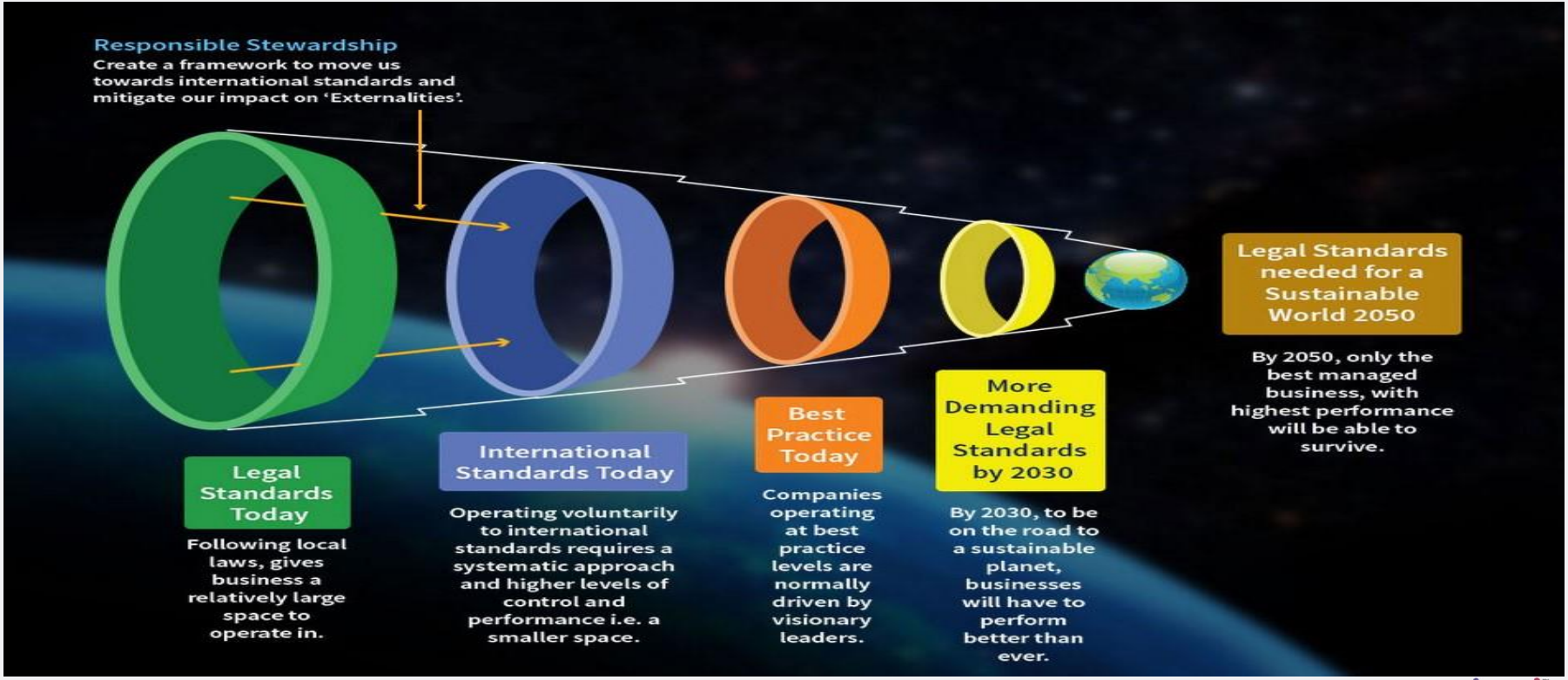
Advancing the Culture in Large Organization : Key Strategies

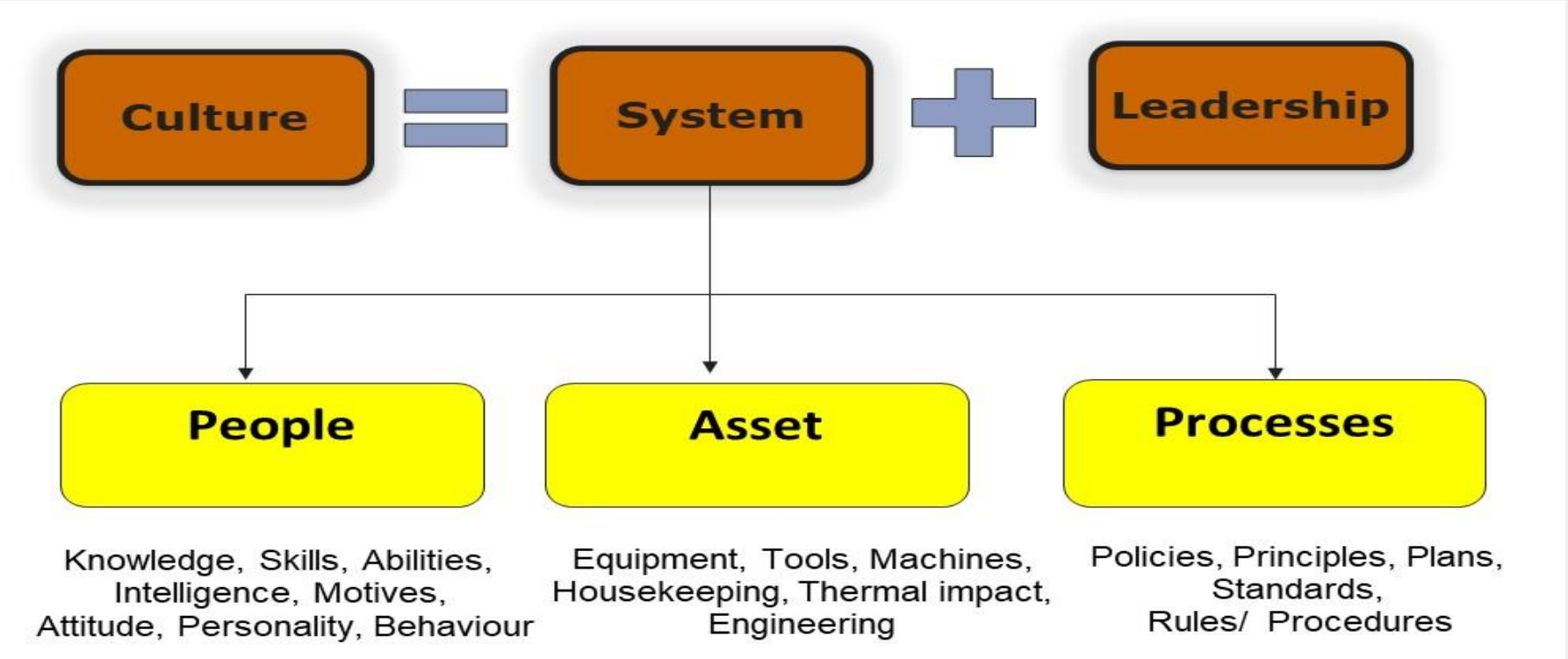
- Vision on Transformation Path
- Shift in Approach
- Facilitate culture transformation
- Strengthen Management System
- Knowing Business Process & Role at different level
- Leaders knows Risk Assessment Process and their outcome
- Robust review process

Moving from Compliance to Risk Management & Beyond

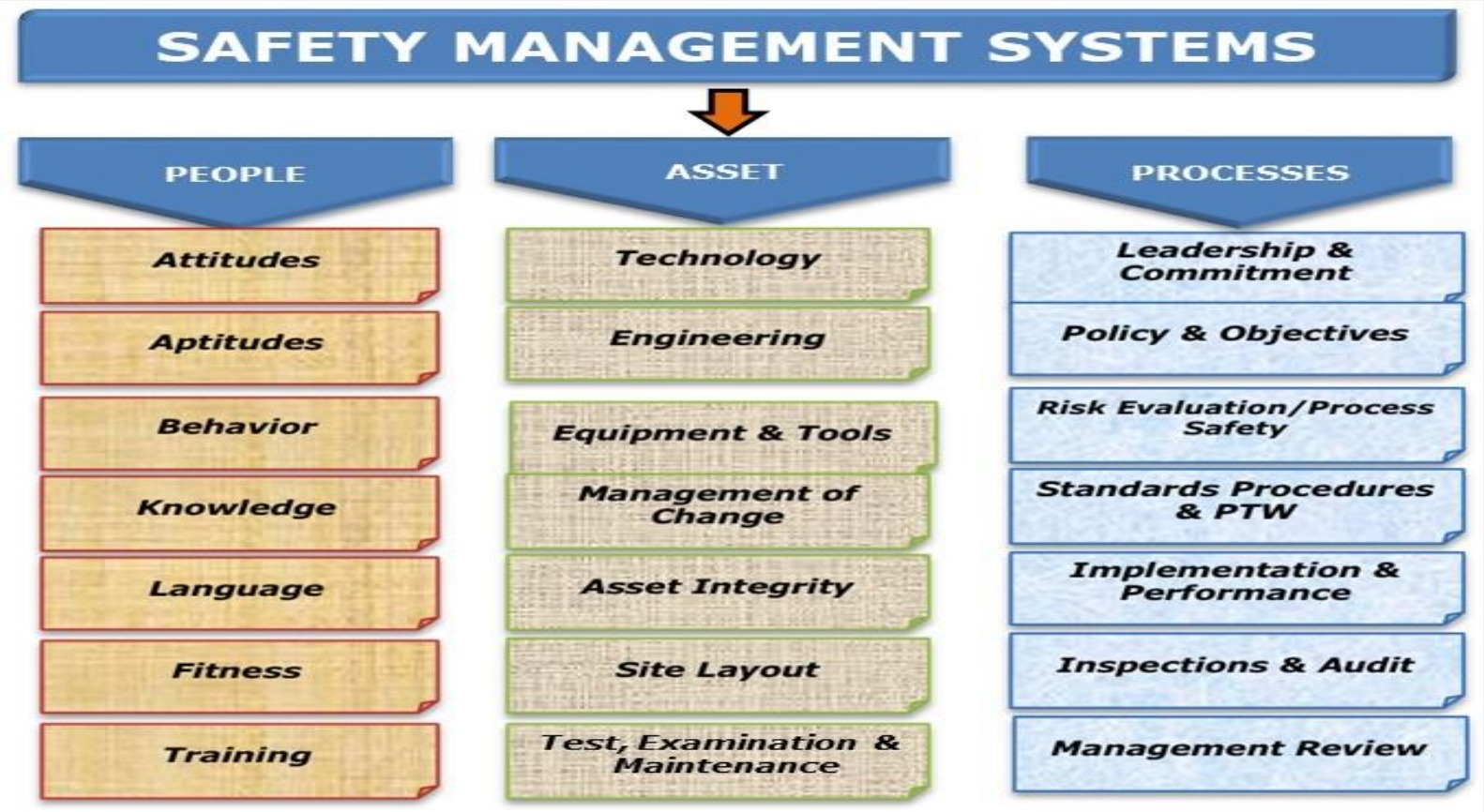


Need Shift in Approach

Need Culture to Support



Define Management System ?



Define Business Process : Line Function Knows their Role ?

Secondary System

SUPPORT SYSTEMS (Examples)

Assets	Processes	People
Asset design system	Process Engineering/Safety Systems	HR Process (Recruitment)
Maintenance system	Standard Operating Procedure	Competency & Training
As-Built Drawings	Daily Factory Tour & UA/UC Rectification	Motivation

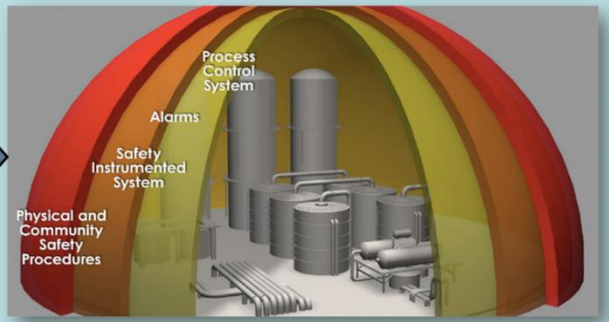
Manager's Role

Primary System

PRIMARY MATERIAL FLOW

Input Resources (Raw Material, Technology, Equipment)

Assets Processes People



Output Value Added Product

Quality Defect

Accident to People

Health Issues

Excess Pollution

Operator's Role

Tertiary System

OVERSIGHT SYSTEMS (Examples):

Strategic Planning and Finalizing the Objective	Affixing Roles, Responsibility and Accountability
Establish Management System & Review Mechanism	Resource Management
Business Risk Management	Walk the Talk
Defining Leadership Competency Criteria	Review Incident, Emergency / Crisis Management

Leadership Role

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How does Leadership understand Risks ?

Consequences (C)

C	People	Fire	Property Damage	Financial Loss (US$)	Reputation
5	Fatality	Response required from outside agencies	Massive	500,000	National and/or international public
4	LTI/Serious Injury	Response required from local fire service	Major	>50,000 and <500,000	Regional and/or national public
3	Restricted Work Case	Activation of sprinklers	Significant damage	>15,000 and <50,000	Some local concern
2	Medical Treatment Case	Minor Fire/explosion Extinguished by onsite brigade	Minor	>5,000 and <15000	No public concern
1	First Aid Case	Minor fire attended to by site fire brigade	Slight	<5000	No public concern

Probability (P)

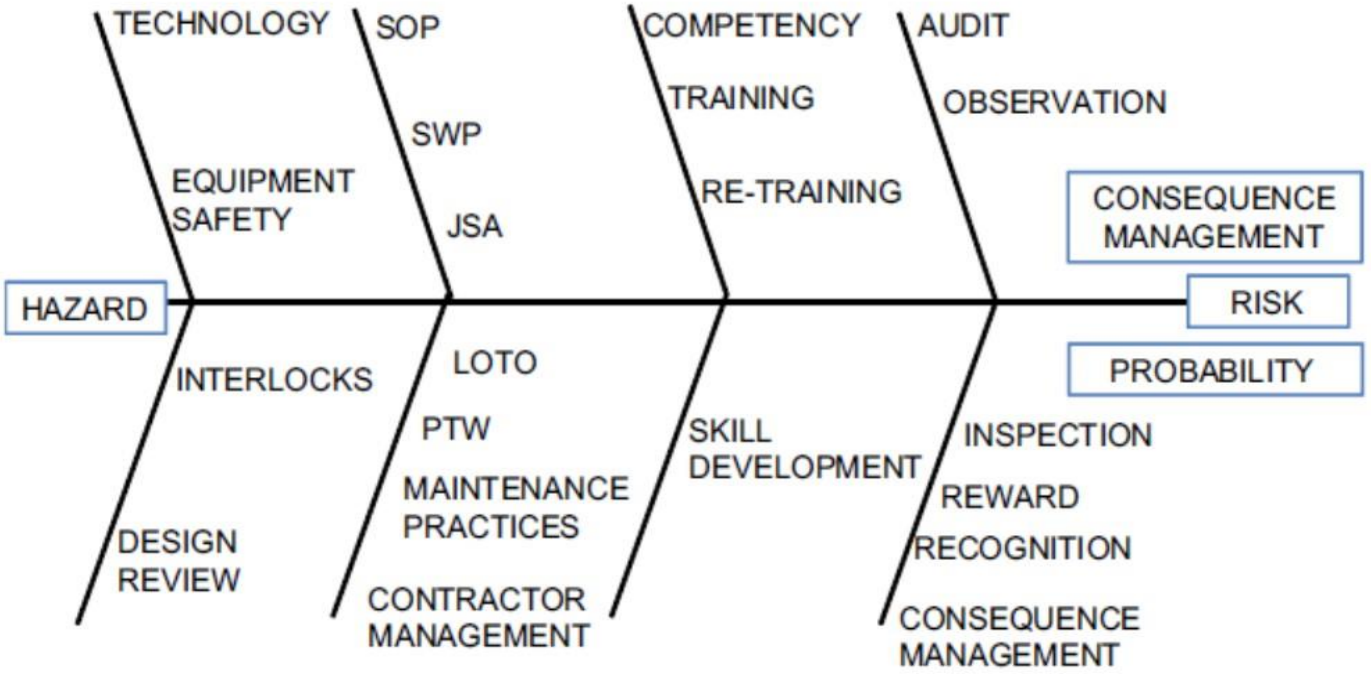
5	4	3	2	1
25	20	15	10	5
20	16	12	8	4
15	12	9	6	3
10	8	6	4	2
5	4	3	2	1

Estimated known Probability of occurring

1. Improbable - Has occurred in world-wide industry but not in ABG Group Company/BU
2. Remote - Has occurred in another ABG Group Company/ BU
3. Occasional - Has occurred in ABG Business Unit
4. Probable - Happens several times each year in ABG Business Unit
5. Frequent - Happens several times per year in same location or operation

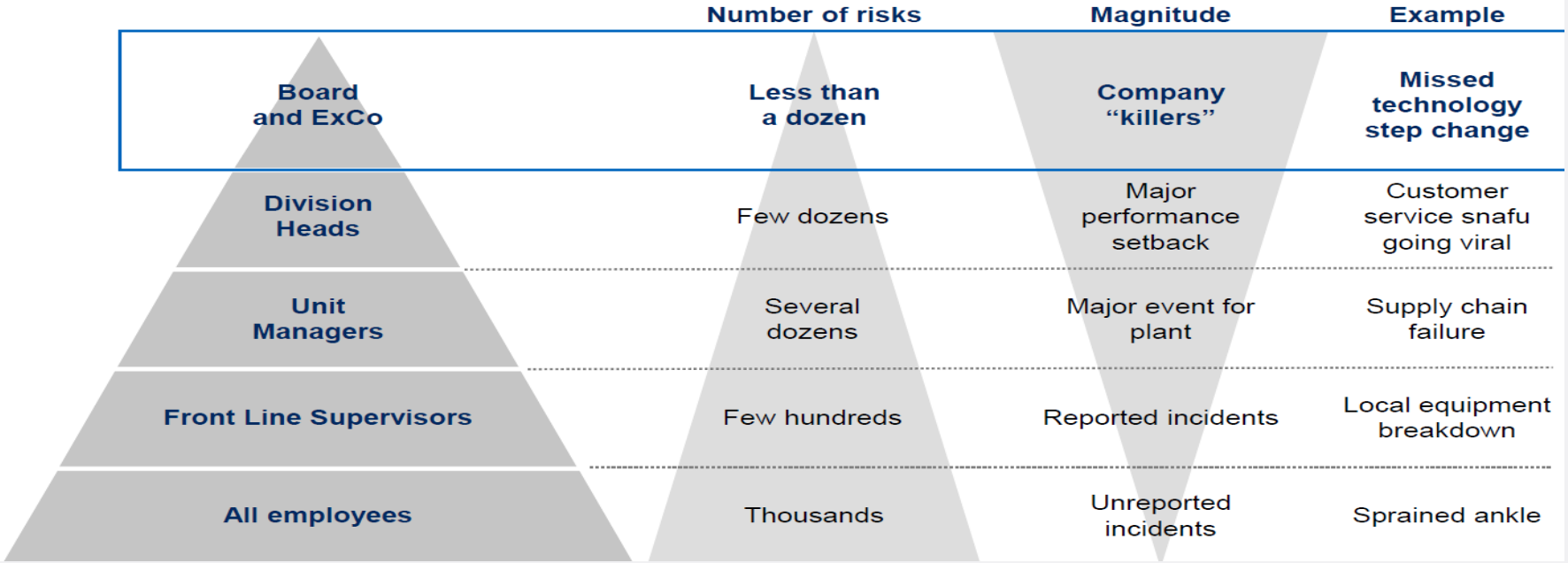
15-25	Extreme Risks	Activity should not proceed in current form. Immediate Risk Control Measures are requiredto reduce the risk to at least Medium Level. Management review is required before work commences.
8-12	High Risks	Activity should be modified or Control Measures are required to reduce the risk to at least Medium Level.
4-6	Medium Risks	Activity can operate subject to existing operational and management control.
1-3	Low Risks	No Action is required, unless escalation of risk is possible.

How risks are evaluated ?



How risk assessment results are driven inside Board Room ?

However, need to go beyond risk register to help top management and the Board focus on the real mega-risks – potential company killers



	Number of risks	Magnitude	Example
Board and ExCo	**Less than a dozen**	**Company "killers"**	**Missed technology step change**
Division Heads	Few dozens	Major performance setback	Customer service snafu going viral
Unit Managers	Several dozens	Major event for plant	Supply chain failure
Front Line Supervisors	Few hundreds	Reported incidents	Local equipment breakdown
All employees	Thousands	Unreported incidents	Sprained ankle

How risk assessment results are driven inside Board Room ?

- Risk evaluation process appreciated. Competent resources are allocated.
- Driven as a dynamic tool. Leadership owns and sign it on monthly basis.
- Results influences Planning & Budgetary Process.
- Reviewed at different level with escalation mechanism , can move up to Board of Directors.
- Reflected in assurance result from third party, investors, asset insurers and other stakeholders

Example : Deployment Strategy : Working at Height

Basic 0

- How many jobs are performed at height (>1.8m)
- What are there frequency?
- Current facilities: Safe Work Platform Access & Egress Approach Way Securing - Arrangement
- What are gaps against organizational current standard on Working at Height Std.
- People's understanding on requirement

Basic 1

- Based on frequency and risk involved, define priority
- Assess Cost Involved – Reviewed by top management
- Get budget for phase-wise expenditure
- Other infrastructure requirement
- Identify training requirement based on accountability chart
- Know list of authorized PTW issuer

Level 1

- Developing audio-visual training kit
- Deployment of infrastructure development project – Review by Top Management
- Develop Training Plan in phases for E & CE
- Identify resources to be used as Trainer
- Conduct TtT program through certified resources

Level 2

- Conduct training for Permit Issuer, Working Agency, related stakeholders as per TNS
- Developing Skill at front level employees and fixed nature of Contract Workmen e.g. Use of lanyard, tying the life line etc.
- Focused Safety Observation Process
- Critical Job Cycle Check
- Businesses Internal Audit
- Reviewed by Top Management

Level 3

- Assurance Audit and revalidation of gaps against the standard
- Rewards for Trainers, Good Citizen, PTW Issuers and violators are reprimanded
- Written assurance to Management on Eliminating Fatality Related to Working at Height
- Management get feedback through assurance process
- Cycle 1 Complete
- Next Round of Survey

Risk Management must lead to safer workforce

Otherwise we will have to intervene when somebody is showing risky behavior……

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Any Question……???

Thanks