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OPERATIONS

Fixing a Weak Safety Culture at General Motors

by Amy C. Edmondson

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On Monday, GM CEO Mary Barra apologized for 12 deaths and 31 accidents linked to the delayed recall of 1.6 million small cars with a defect in the ignition switches, saying the company took too long to tell owners to bring the cars in for repairs. The switches could, if bumped or weighed down by a heavy key ring, cut off engine power and disable air bags.

The question I ask here is not how and why did this dangerous defect occur, but rather what kind of company culture allows passenger safety to be so badly compromised?

Let's start with the facts as we can glean them.

Fact 1: Broken communication channels. Reports on exactly when (and how) GM's top executives learned about the switches vary. According to one report: "The company has acknowledged it learned about the problem switches at least 11 years ago, yet it failed to recall the cars until last month." According to another, "GM has said the issue was discovered as early as 2001, and in 2004, a company engineer ran into the problem during the testing phase of the soon-to-be-released Chevrolet Cobalt."

Fox Business reported, "Barra found out about a review of the Cobalt in December, when she was still head of GM's global product development." In an article on the recall in *The New York Times*, Barra claimed she didn't "know the serious nature of the defects until Jan. 31," two weeks after she became CEO, "when she was informed that two safety committees had concluded that a recall was necessary."

This unawareness at the top would be impossible in an organization with a strong safety culture. In fact, the single-most-important attribute of such a culture is proactive and timely voice related to failures, a topic I have studied and written about extensively.

This willingness to speak up is especially true for the small and seemingly inconsequential discrepancies that can, when unreported, give rise to catastrophic failures later. Any organization can detect big, expensive failures! It's the great companies that detect the small ones that otherwise go unnoticed. And, when news related to potential failures is withheld as long as humanly possible, safety is the first victim. Although all too human, the tendency to withhold — to wait and see — is driven out of organizations with strong safety cultures.

Fact 2: A recall. GM has recalled 1.62 million vehicles globally.

Certainly, the right thing to do is to show concern and to solve the problem. But that's hardly a choice at this point.

Fact 3: An apology. Meeting with reporters, Barra said: "I want to start by saying how sorry personally and how sorry General Motors is for what has happened. Clearly lives have been lost and families are affected, and that is very serious." In a video to GM employees, Barra apologized again, saying, "Something went wrong with our process in this instance, and terrible things happened." David Cole, the former head of the Center for Automotive Research in Ann Arbor, Michigan, and the son of a former GM president, said it was the first time in his memory that a GM CEO has apologized for a safety problem. In fact, it's more dramatic than that. As *The New York Times* reported, "corporate chiefs routinely avoid talking about recalls [period] unless subpoenaed by Congress."

Barra's apology is thus a strong and powerful step in the direction of building a safety culture at GM.

Fact 4: A new safety leader. On Tuesday, March 18, Barra named a new head of global safety, Jeff Boyer. She pledged to meet with him on a monthly basis and offered this description of how he would function in the organization: "Jeff's appointment provides direct and ongoing access to GM leadership and the Board of Directors on critical customer safety issues… This new role elevates and integrates our safety process under a single leader so we can set a new standard for customer safety with more rigorous accountability. If there are any obstacles in his way, Jeff has the authority to clear them. If he needs any additional resources, he will get them."

Creating a new leadership position focused on safety is a double-edged sword. On the one hand, it shows seriousness of purpose. On the other, it risks compartmentalizing safety — which needs to be everyone's job.

Fact 5: Product assurances. Barra further promised to repair all broken vehicles (and to double the number of product reviews). She has offered a $500 cash allowance to owners of recalled vehicles and asking dealers to offer loaner cars while their vehicles are in the shop for repairs.

This builds goodwill among customers, but doesn't directly build a culture of safety within the company.

Fact 6: An internal investigation. Barra has launched an investigation internally at GM, which is expected to take about seven months to finish.

Learning from failure is one of the most important activities that occurs in great organizations, so this step is essential. But, of course, how the investigation is handled can make or break its usefulness. Is the point to find the culprits? Or to find out what happened, and what the company can do to make sure it never happens again.

All the actions that Barra has announced are good. Yet questions remain — including how could someone as product savvy as Mary Barra have had no prior knowledge of these issues?

Clearly, GM's safety culture is, and has been for quite some time, badly broken. A strong safety culture stems from *psychological* safety — the ability, at all levels, to speak up with any and all concerns, mistakes, failures, and questions related to even the most tentative issues. Simply appointing a safety chief will not create this culture unless he *and the CEO* model a certain kind of leadership.

Consider the case of Allan Mulally. Soon after being hired as Ford's CEO, Mulally instituted a new system for ensuring that he learned about problems. Understanding how difficult it is for bad news to make it up the corporate hierarchy, he asked managers to color code their reports: Green for good, yellow for caution, red for problems. He was frustrated when, during the first couple of meetings, all he saw was green. It took considerable prodding before someone spoke up, tentatively offering the first yellow report. After a moment of shocked silence in the group, Mulally applauded, and the tension was broken. After that, yellow and red reports came in regularly.

The failure to speak up about safety and other problems is not unique to car companies. Silence and shooting the messenger remains the norm in far too many companies, and this won't change unless leaders proactively invite and embrace messages of small, large, and potential failures. To do this, leaders need to override human nature by practicing two crucial behaviors that keep bad news coming early and often:

Embrace the messenger. In a strong safety culture, leaders understand the risks of unbridled toughness. A punitive response to an employee mistake will be more effective in stifling future news of problems than in preventing them. A company's ability to detect and solve problems is absolutely crucial to its ability to learn about them.

Reward problem detection. Failures must be exposed as early as possible to enable learning in an efficient and

... General Motors. In an interview with the *McKinsey Quarterly*, Mulally illustrated the shift this entails: “For example, an employee decides to stop production on a vehicle for some reason. In the past at Ford, someone would have jumped all over them: ‘What are you doing? How did this happen?’ It is actually much more productive to say, ‘What can we do to help you out?’ Because if you have consistency of purpose across your entire organization and you have nurtured an environment in which people want to help each other succeed, the problem will be fixed quickly. So it is important to create a safe environment for people to have an honest dialogue, especially when things go wrong.”

These behaviors go a long way toward building the robust climate of *psychological safety* that is the foundation of a strong safety culture. Companies that have this are far less vulnerable to physical safety failures that can harm customers, employees, and communities.

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hamish_brown 4 years ago

Great first up question, and article thanks. The research says 80% of culture is attributable to leadership, and 60% of

performance is attributable to culture. While encouraging to see the response to passenger safety issues I hope this translates into workplace safety - I guess once the coloration between workplace safety, and market reputation and profitability is recognised by senior executives, the culture will start to change.

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