

WHOSE RISK IS IT ANYWAY?



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Consulting

Merging industries model

It could be considered that the growing participation in the offshore wind and marine energy sector is a merging of resources from other industries, notably maritime, oil and gas, civil construction and utilities (Figure 1). There is use of conventional equipment, managed risks and defined competencies transferring from established market segments that fit neatly into the jigsaw of this new, complex business environment. This typically applies to larger established organisations with key duty holder roles e.g. developers and principal contractors.

In human terms, we can compare the sector to an adolescent: someone with a strong personality but not yet independent of their parental origins.

Emerging industry model

There is also new equipment, unknown risks and inexperience. The emergence of new organisations offering products and services to fill the void demonstrates a high level of innovation and entrepreneurship, not only in the UK but also the wider European market. Whilst it is likely that many start-ups will find quick success and short-term profitability, this 'wind rush' to be part of the offshore jigsaw evolution will inevitably lead to some pieces being fitted together through mergers and acquisitions; some pieces competing to occupy the same place, and some not fitting the picture at all. This typically applies to contractors and sub-contractors and develops into confusion, disharmony, lack of responsibility and price wars, leading to cost-cutting, personnel demotivation and erosion of safety performance.

Evolving identity

In both models presented, the industry cannot be described as mature or immature. It should also be recognised that both models are operating simultaneously, interacting and very dynamic. In human terms, we can compare the sector to an adolescent: someone with a strong personality but not yet independent of their parental origins. It requires a holistic overview of the whole picture to really understand where the risks are and how they can be controlled. Unfortunately, this jigsaw didn't come with a picture on the box cover! However well managed, making the wrong choices based on an unclear picture could increase risk exposure and have unintended consequences (Figure 2). Doing the right thing and doing it well is usually the safest and ultimately most cost-effective option.

Wider implications of adolescent behaviour

In many workplaces it is recognised that the young and inexperienced pose higher risks to themselves and others. Additional controls are often necessary in these circumstances. Induction programmes deal with the immediate needs, but competence development takes time with both organisational and personal effort. The same principles apply to the offshore wind and marine energy sector. The implications of using inappropriate equipment, wrong techniques and ill-defined competencies could be disastrous. It's not just the personnel involved who are affected – their families, employing company and the whole sector can suffer the consequences. There are several observers who relish the failure of renewable energy activities and make no differentiation between wind, wave, tidal or solar businesses. The UK Health and Safety Executive does not consider this sector as high risk', but investors would be very cautious of backing ventures with a fragile safety reputation.

'Standard' assessment of safety management systems

The traditional approach to assessing an organisation's safety performance is mainly based upon examination of the safety management system. This is usually achieved through third-party certification to a recognised Standard e.g. OHSAS 18001 or through an industry-approved verification service. Additionally, the application of the Construction (Design & Management) Regulations 2007 provides guidance on core criteria for demonstration of duty holder competence. For many suppliers and purchasers, certification is perceived as the ultimate end-game, but it can allow organisations to ignore human behavioural aspects. Standards are just sets of minimum requirements for a particular aspect of business that are often not integrated into the larger whole. A framed certificate on the Chief Executive's wall gives no indication of good safety, quality or environmental performance in the future. "What got you here won't get you there." (Marshall Goldsmith, author and executive educator).

The added value of implementing this dynamic and responsive system is the ability for an organisation to build in resilience for current and future achievement of results as it grows.

Safety Integrated Management

Using a systemic approach to safety management requires a new mind-set for understanding the complexity of organisational functions. Management requires a process architecture focused on design, control and development of purpose-orientated social and commercial systems. It ties the particular aspects together and puts them into the overall context of the organisation's business, i.e. a way of turning business policy into results (safety performance) by recognising that people are the root cause of success.

Background
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An effective model² to achieve this transition to safety integrated management is shown in Figure 3. A significant difference over the static Plan-Do-Check-Act model is the orientation between the organisation and individual, short and long-term aspects. This shows the requirements of OHSAS 18001 are limited to the process boxes shaded green (dominantly on the organisational side); the boxes shaded blue are where behavioural safety is influenced (short-term individual action); and the system completed and closed at the long-term individual level i.e. human resources management.

Application for small and medium enterprises

Demonstrating conformity to OHSAS 18001 through the standard certification or verification route can put significant additional workload and a financial burden onto entrepreneurially managed enterprises, with limited benefit. Assessing management effectiveness using the Safety Integrated Management System quickly and efficiently highlights the hot-spots where action is needed. The added value of implementing this dynamic and responsive system is the ability for an organisation to build in resilience for current and future achievement of results as it grows. In that way, good safety performance becomes a by-product of business success.

Charles Darwin is often misquoted for saying "survival of the fittest", but the full quote states, "It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

Conclusion

All participants in the supply chain from sub-contractors to major offshore developers and operators have legal, contractual and moral responsibilities to their employees, customers, landlords and interested parties. The smallest contribution to the whole adds to a safer, more efficient and cost-effective industry. Therefore it could be considered that any significant corporate risk is a risk to the sector. With resources under pressure it's critical to direct the effort into useful and meaningful results, not chasing after third-party logos

for a webpage. Innovation isn't just for technological aspects; it's also the way we should look at management processes to create profit from safety.

With resources under pressure it's critical to direct the effort into useful and meaningful results, not chasing after third-party logos for a webpage.

References:

1. www.hse.gov.uk/eet/about-eet.htm
2. The Safety Integrated Management System is based on the Malik Integrated Management System[®] as described in 'Management: The Essence of the Craft', 2010, Fredmund Malik, ISBN 978-3-593-39129-8

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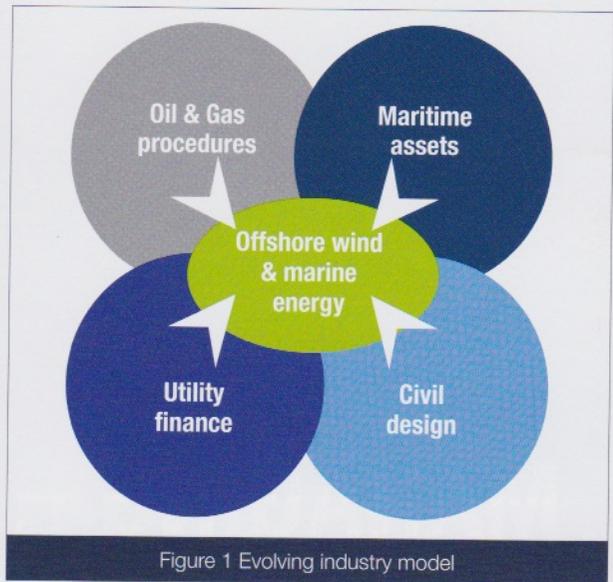


Figure 1 Evolving industry model

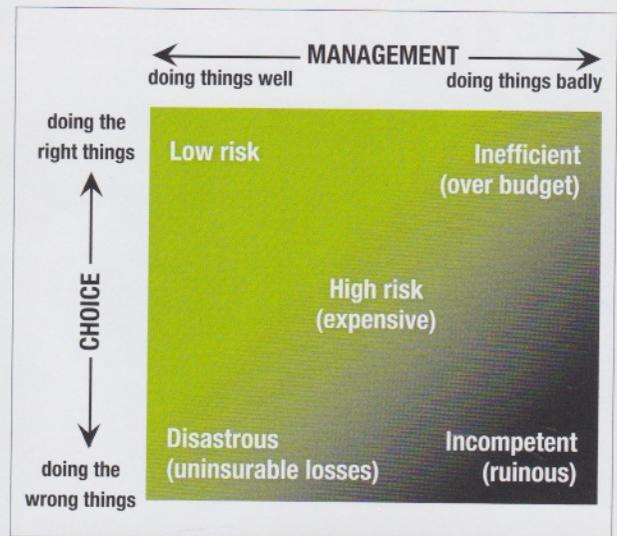


Figure 2 Good and right management

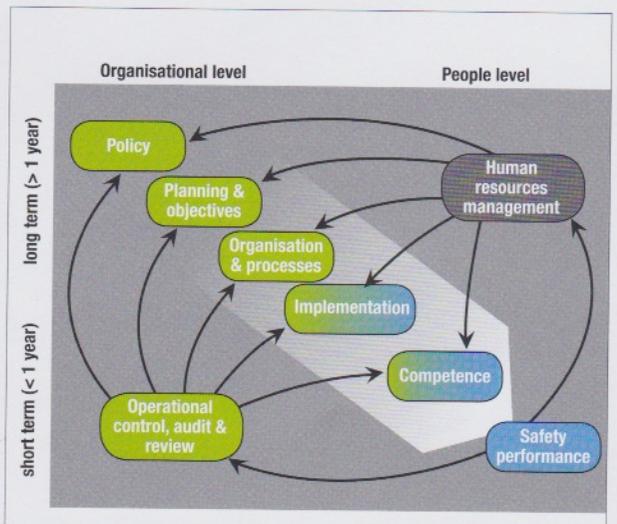


Figure 3 SIMS summary