



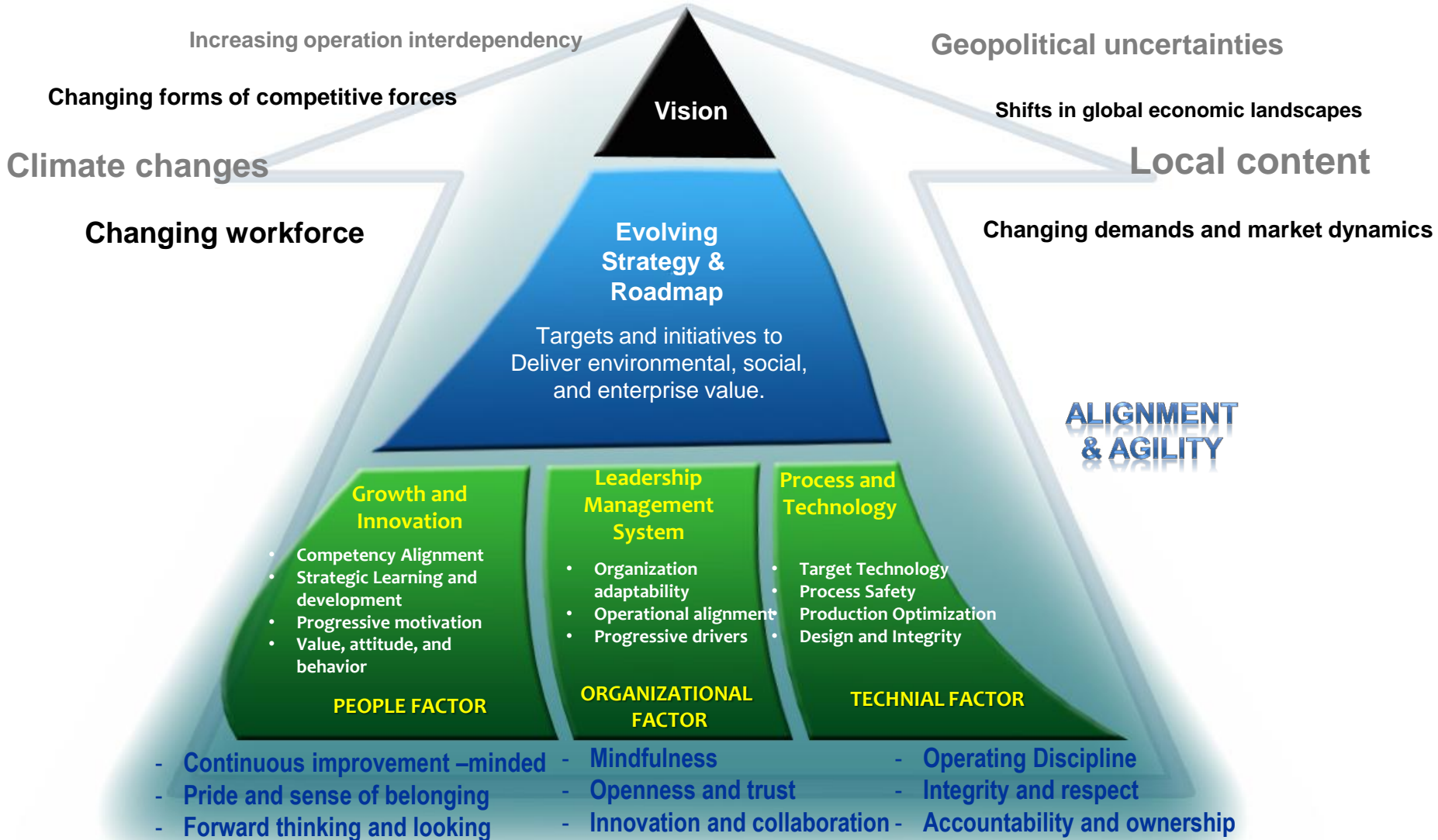
Building a Learning-Minded and Enabling Culture

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An integrated approach for sustainable growth

- Operating Dexterity



Leaders' Lens



Risks & Threats

Rewards & Profit

New Opportunities



Adaptive:

Being able to make decisions and execute them in real time based on information readily at hand in order to produce the best outcome at the time.

Change Requires Leadership *and* Management

MANAGEMENT

- Planning and budgeting
- Organizing and staffing
- Controlling and problem solving

LEADERSHIP

- Establishing direction
- Aligning people
- Motivating and inspiring



The larger the change, the more leadership is required.

Expectation, Order and Discipline

- Examples of Oil and Gas OE Management System








		ExxonMobil	 Statoil	PETROBRAS
Health	Security of Personnel	Leadership & Accountability	Safety	Leadership & Accountability
Personnel Safety	Facilities & Design Construction	Risk & Asset Management	Security	Regulatory Compliance
Process Safety	Safe Operation	Facilities Design & Construction	Sustainability	Risk Assessment & Management
Security	Management of Change	Information / Documentation	People	New Projects
Environment	Reliability and Efficiency	Personnel & Training	Communication	Operations & Maintenance
Product Stewardship	Third Party Services	Operations & Maintenance	Risk Management	Management of Change
Projects	Environmental Stewardship	Management of Change	Finance & Controls	Procurement
Transport	Product Stewardship	Third Party Services	Procurement	Training, Education & Awareness
Contractor HSSE Mgt.	Incident Investigation	Incident Investigation	Ethics	Information Management
Social Performance	Community Stakeholder Engagement	Community Awareness & Preparedness	Management Information	Communication
HSSE & SP Management System	Emergency Management	Operations Integrity, Assessment, & Improvement		Contingency
	Compliance Assurance			Community Relations
	Legislative and Regulatory Advocacy			Accidents & Incident Analysis
				Product Stewardship
				Assessment & Improvement

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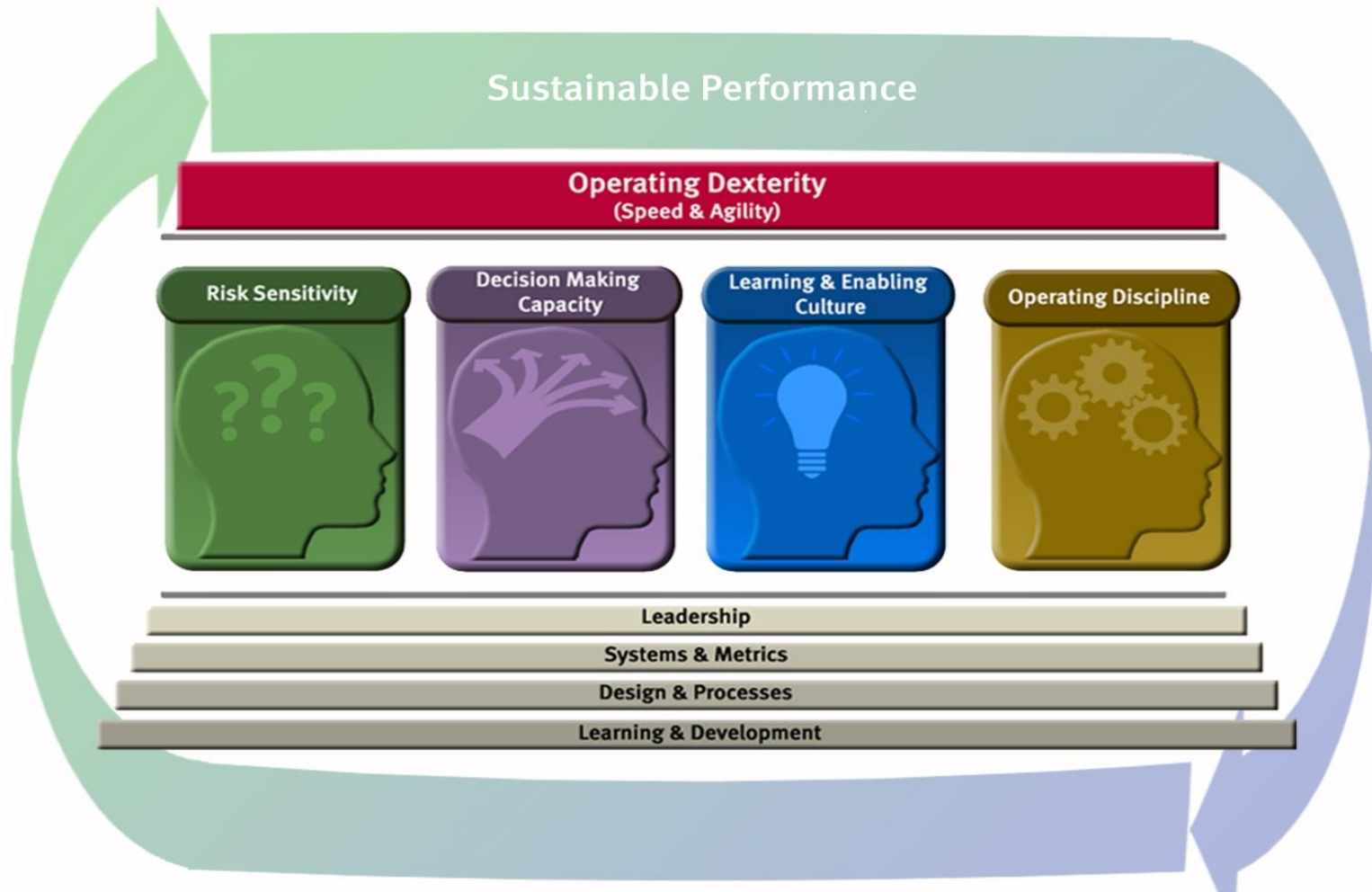


				
Roles, Responsibilities and Accountabilities	Legal and other requirements	Environmental Protection	Leadership & Accountability	Leadership & Accountability
Risk Management	Hazard identification and risk management	Process Safety	Risk Management	Risk Assessment and Risk Management
Emergency Preparedness and Response	HSEQ Management improvement planning	Emergency Response	Legal Requirements and Commitments	People, Training and Performance
Compliance Management	Organizational resources, accountabilities and responsibilities	Product Stewardship	Goals Targets and Planning	Working with Contractors and Service Providers
Contractor, Supplier and Partner Relationships	Training, competency and awareness	Occupational Health	Management of Change	Facilities Design and Construction
Stewardship and Community Relations	Supplier and contractor management	Occupational Safety	Structure, Responsibility and Authority	Operations and Maintenance
Goal Setting and Performance Measurement	Documentation and document control	Transportation and Distribution Safety	Learning and Competence	Management of Change
Incident Reporting and Investigation	Communication and consultation	Communication	Asset Life Cycle	Information and Documentation
Assessment and Management System Review	Operation control	Security	Contractor Management	Customers and Products
	Management of change		Data, Document and Information Management	Community and Stakeholder Awareness
	Business resilience and recovery		Emergency Management	Emergency Management and Crisis Communications
	Measuring and monitoring		Communication and Stakeholder Relations	Incident Analysis and Prevention
	Non-conformance, incident and action management		Quality Assurance	Assessment, Assurance, Compliance Audit and Continuous Improvement
	Data and records management		Incident Management	
	Performance assessment and auditing		Audits and Assessments	
	Management review		Corrective Actions	
			Management review	

Change Requires Leadership *and* Management



Operating Dexterity: The Ability to Adapt





The Four Ingredients of Operating Dexterity

- **Risk Sensitivity:** What risks or threats are created by the change or are hidden within the complexity of the operating system?
- **Decision Making Ability:** Can individuals within your organization make the best decision in real time based on information at hand at the time?
- **Learning and Enabling Culture:** Are individuals within your organization have the desire to learn , given the opportunity to learn, and empowered to exercise what they learn?
- **Operating Discipline:** Have individuals within your organization mastered their tasks and will they perform their tasks the right way every time?



Where Do You Start?

DuPont Conference Board Safety Survey

- “Learning is the most distinct characteristic of the top performance companies.”



2. Engage Grassroots Leaders

The 2012 the Conference Board - World Class Safety Survey of Top Executives [N=115]

Please select the top three attributes that you think a world-class safety organization must have.

Attributes	Reactive	Dependent	Independent	Interdependent
Has critical attention to and constructive communication on culture, attitude, behavior, and expectations		2	3	4
Has a culture that people would point out safety issues and behaviors without hesitation		1	1	1
Has a disciplined workforce with good decision making ability to manage unexpected events		3	3	5
Sensitive to emerging organizational and operational issues that may affect safety		6	6	8
Embrace both top and grass-roots leadership to drive safety		4	2	2
Align and reinforce safety core values with learning and development strategy		7	5	3
Focus on process excellence for managing changes in technology, subtle changes, and personnel		8	6	5
Management demonstrates a sense of social responsibility and encourages partnerships with local organizations to promote safety		6	8	7

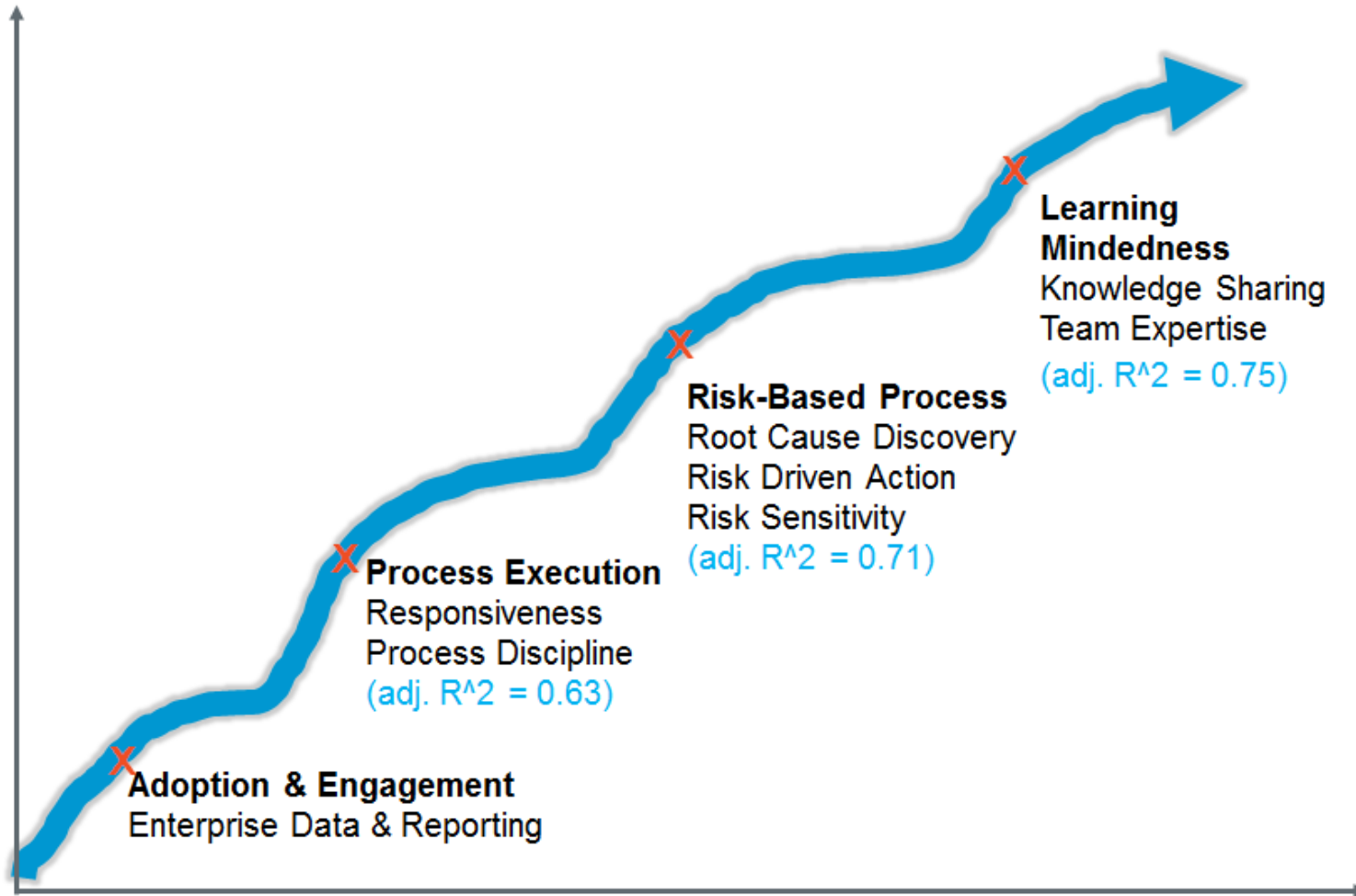
IHS Research Team Multiple-Company Studies

- “Math-proven progressive predictive modeling indicates “learning-mindedness” as the critical attribute for high maturity organizations.”



Progressive Predictive Modeling

covering over 1.2 billion work hours with more than 84,000 incidents in the Energy Industry





Developing a Learning-Minded Culture

The power of genuine and humble inquiries

- be curious, ask questions to leverage the power of data and collective knowledge and experiences

Peter Senge

- “People don’t resist change. They resist being changed.”



**What questions did you ask in the past?
Are there better ways to ask those questions?
Did you get the answers you want?
Or did you rather get the answers you need?
What were the reactions you get?**



1. What do the Grassroots Leaders think?

Who are they?

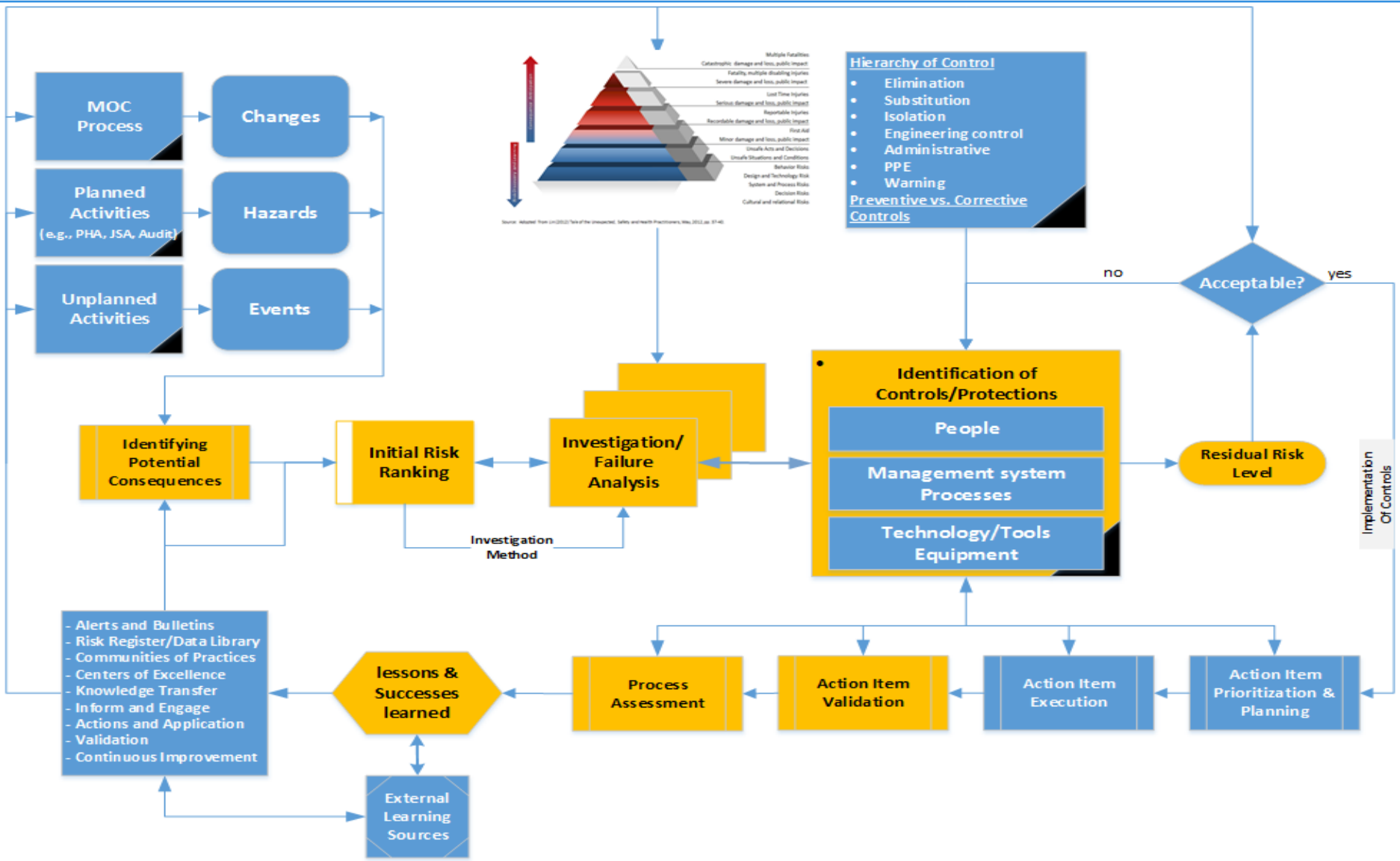
- They are the everyday leader and the social powerhouse.
- They are the means to reduce the power distance and relational risk.
- They are perceived by peers as:
 - Credible, honest, Respected and courageous
 - Front line independent thinkers
 - Trusted for knowledge and judgment

What questions do they have for you?

If you have their full attention and completely trust for a day, what would you like to know from them?

2. In the Everyday Life

- Where are the weak links? Where are the opportunities?

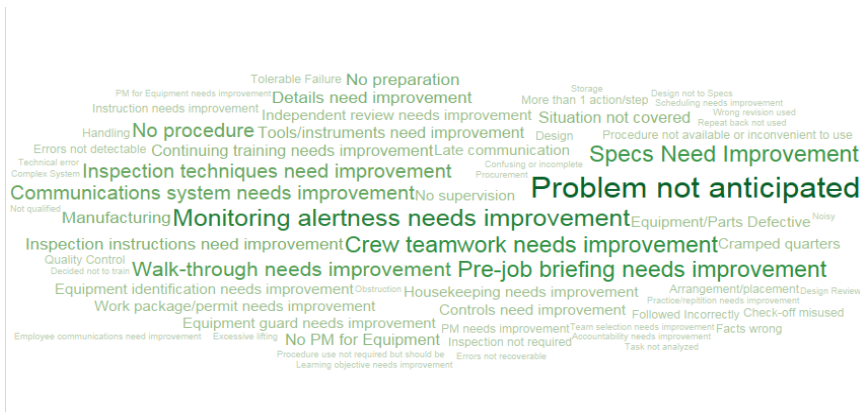


3. How Do You Process Information?



- ✓ What questions will you ask?
- ✓ What conversation would you like to start?

Root Causes of Drop Objectives



Root Causes of Fire and Explosion



Root Causes of Personal Injuries



Root Causes of High Potential Events



Ev Root Cause (RootCause (Copy of Hess_BigDataDump_2010_2014-Feb09_2015_processing)). Color shows sum of Number of Records (RootCause (Copy of Hess_BigDataDump_2010_2014-Feb09_2015_processing)). Size shows sum of Number of Records (RootCause (Copy of Hess_BigDataDump_2010_2014-Feb09_2015_processing)). Details are shown for Ev Root Cause (RootCause (Copy of Hess_BigDataDump_2010_2014-Feb09_2015_processing)). The data is filtered on EvCustActSeverity - Personal Injury (RootCause (Copy of Hess_BigDataDump_2010_2014-Feb09_2015_processing)), which keeps Null, Severity 1, Severity 2 and Severity 3.



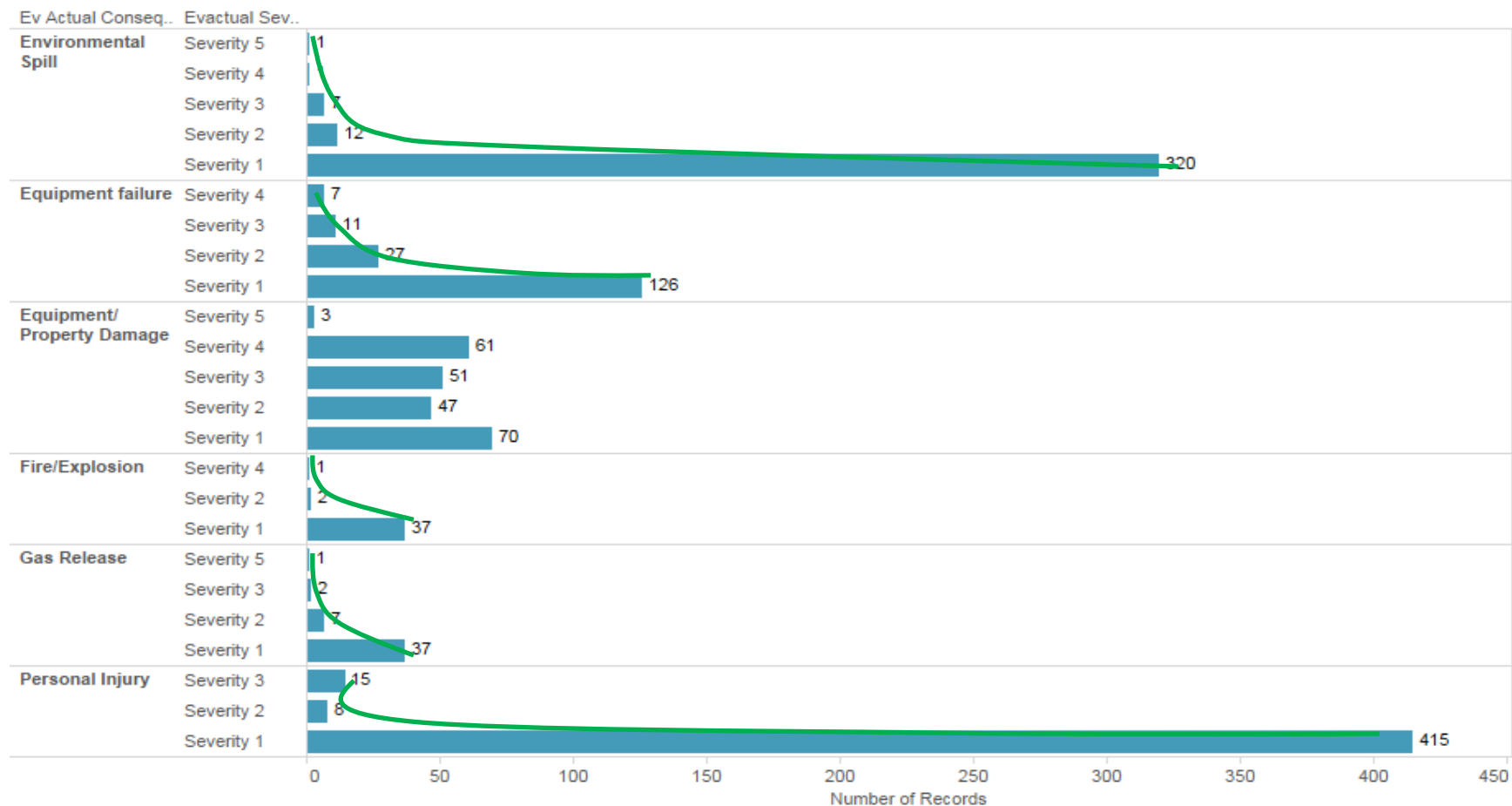
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What are the critical messages? What does not look right?

Actual Consequence_Severity Level

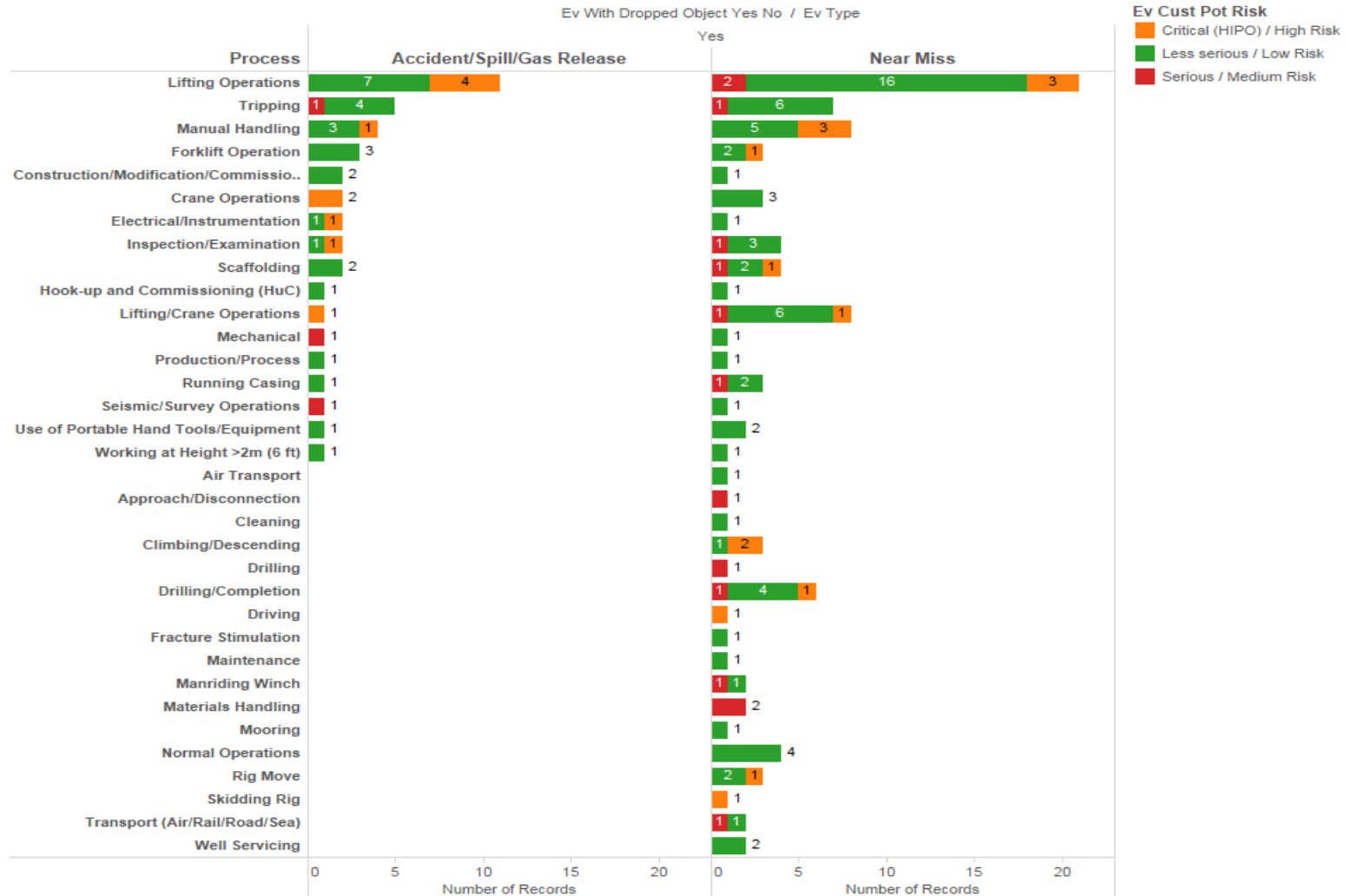


Sum of Number of Records for each Ev Actual Severity broken down by Ev Actual Consequence Type. The view is filtered on Ev Actual Severity and Ev Actual Consequence Type. The Ev Actual Severity filter keeps Severity 1, Severity 2, Severity 3, Severity 4 and Severity 5. The Ev Actual Consequence Type filter excludes Company Reputation, Production / Productivity Loss and Vehicle Incident.

What does this mean to operations? What changes can be made?



Drop Object_Risk Potential_Process



Copyright Sum of Number of Records for each Process broken down by Ev With Dropped Object Yes No and Ev Type. Color shows details about Ev Cust Pot Risk. The view is filtered on Ev With Dropped Object Yes No and Ev Cust Pot Risk. The Ev With Dropped Object Yes No filter keeps Yes. The Ev Cust Pot Risk filter keeps Critical (HIPO) / High Risk, Less serious / Low Risk and Serious / Medium Risk.

4. How Do You React to Failure?

The Truisms that Impact All of US

At the Individual Level –

- The human operate out of habit most of the time.
- Our conscious processing capacity is extremely limited and even less when stressed.
- People adapt and absorb small or moderate changes into norm.
- Negative emotion far outweighs their positive counter parts in their impact to our information processing capacity. Trust is difficult to build, but easily undermined.
- People do not resist change, they must exercise their willpower to change and sustain it.





Error is Reality and Failure Does Happen



Focus on the story. Construct the story accurately

– *Prepare for learning*

Embrace the messengers (don't shoot them)

– *Learning minded*

Acknowledge limits

- *Creating a non-threatening environment*

Invite participation

– *Engage. Motivate.*

Set boundaries and hold people accountable

– *Clear expectations and purposes.*



Learning-Mindedness as a Keystone Habit

- Simple changes can make a process much more complex
- Decision-making in real-time is not easy; team decision in real-time is even more difficult
- We process information and learn differently
- If changes are forced (onto me), learning is compromised
- Learning is happening every day anyway
- As leaders, we often look at things from the top. The minor (may seem negligible) changes happen all the time – some for the better and some for the worse – but as a leader, you often do not have the visibility
- Learning requires an open platform where perspectives can be shared, without fear.





Questions? Thanks!



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