



Briefing on the Results of the Independent Safety Culture Assessment of SoCalGas & Sempra Energy

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**What is culture?
And why is it important?**

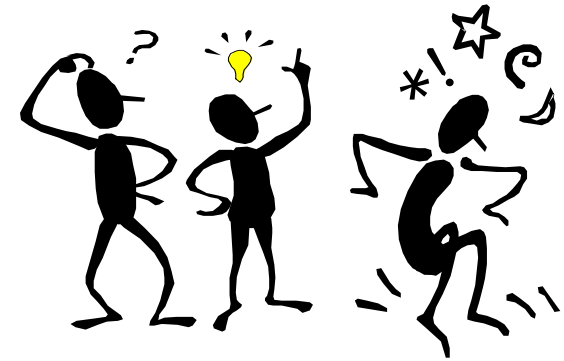
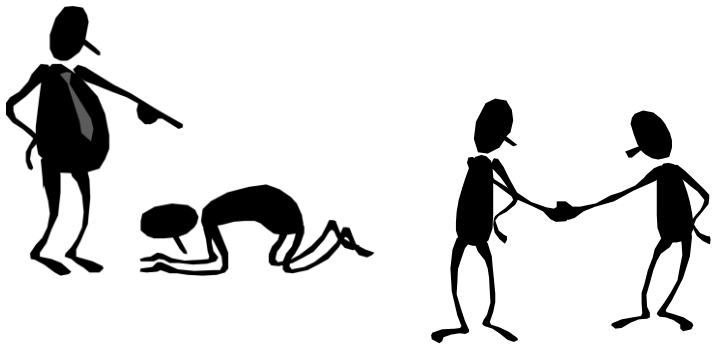


Definitions of culture

There are many definitions of 'culture'

Definitions generally emphasise either of these two:

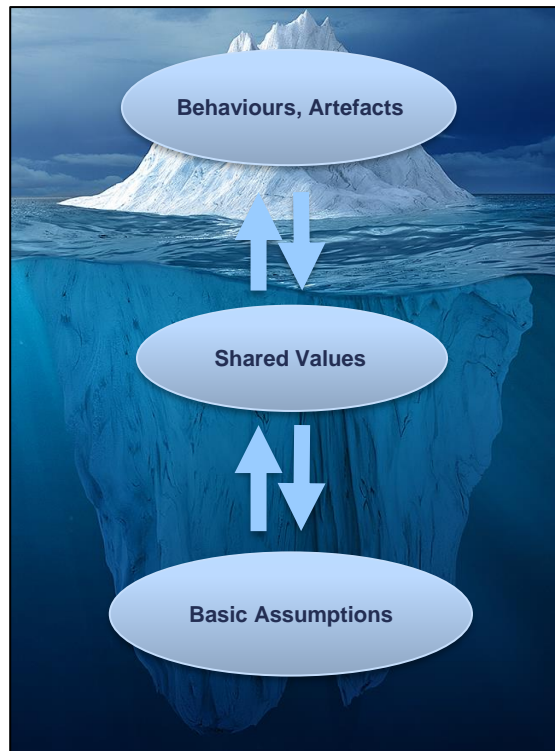
...culture as patterns of
behaviour and interaction



...culture as systems
of thought

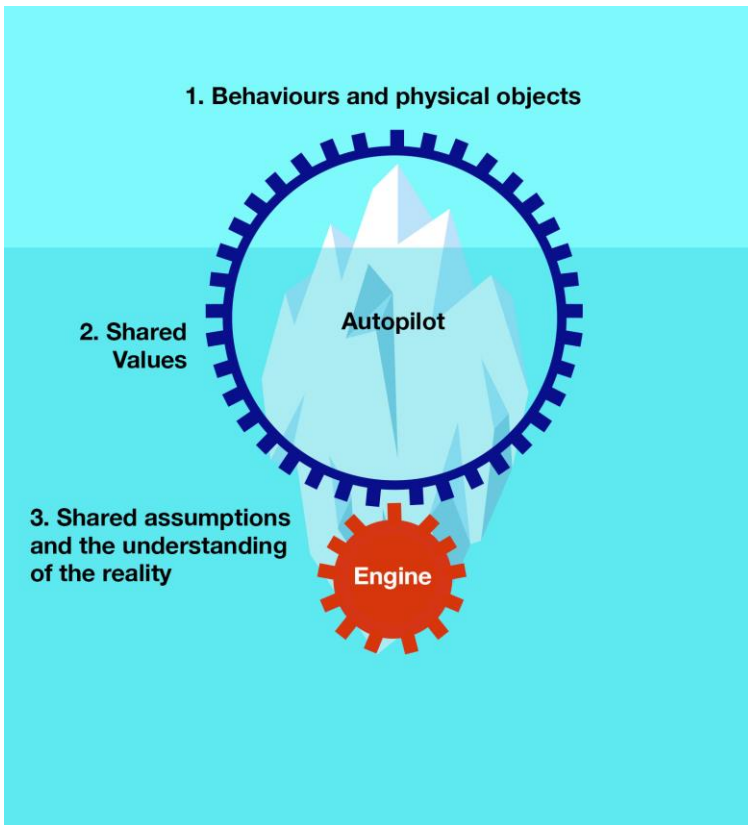
A Model of Culture

Prof. Edgar Schein's Three Levels of Culture



- What we can see is just the minor part of the culture. Working directly trying to correct behaviours is not sufficient for sustainable change.
- The larger part of the culture is beneath the "surface", such as values, norms, beliefs and perceptions. The deepest part is the basic assumptions about reality. The assumptions are shaping our values and behaviours. Behaviours also shapes our values and assumptions.

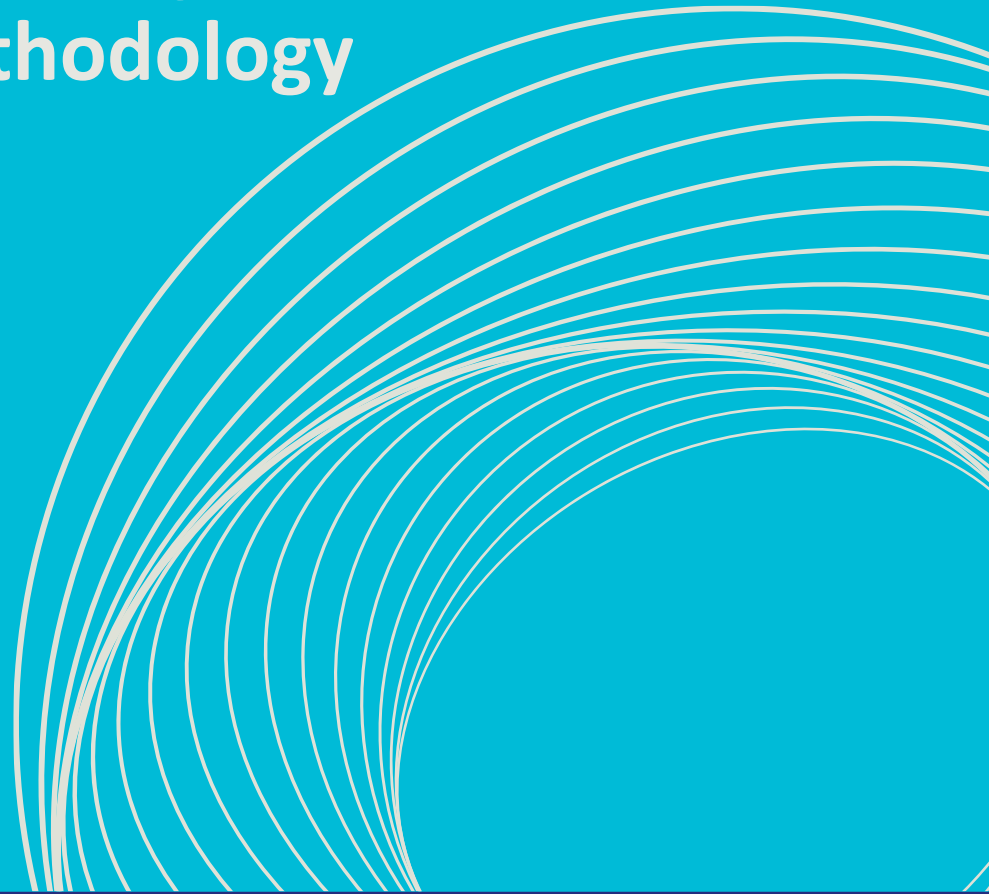
Dynamics of Culture



Metaphor: Culture as an autopilot

- The dynamics of culture can be explained as an autopilot driven by an engine.
- The autopilot is the organizational behaviours and values
- The engine is the deepest part of the culture – the assumptions (perceptions and shared understandings about the reality)

Unique Features of the Safety Culture Assessment Methodology



Division Between Descriptive and Normative

Descriptive

'is'

Based on data and
a theory of culture

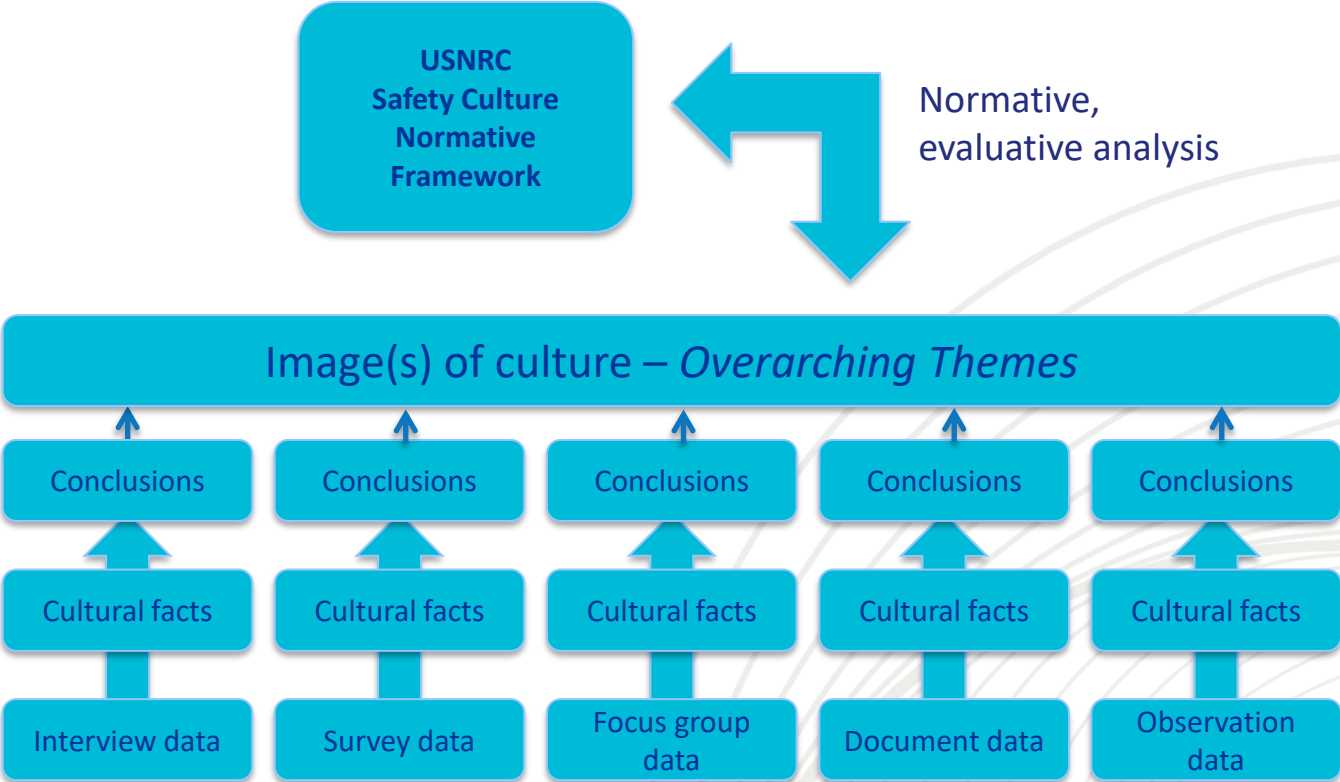
Normative

'should'

Based on data, a
theory of culture *and*
a normative
framework
(requirement)

The U.S. NRC
Safety Culture
Traits

Safety Culture Analysis Process



Normative Safety Culture Framework

- Leadership Safety Values and Actions
- Problem Identification and Resolution
- Personal Accountability
- Work Processes
- Continuous Learning
- Environment for Raising Concerns
- Effective Safety Communications
- Respectful Work Environment
- Questioning Attitude
- Decision Making

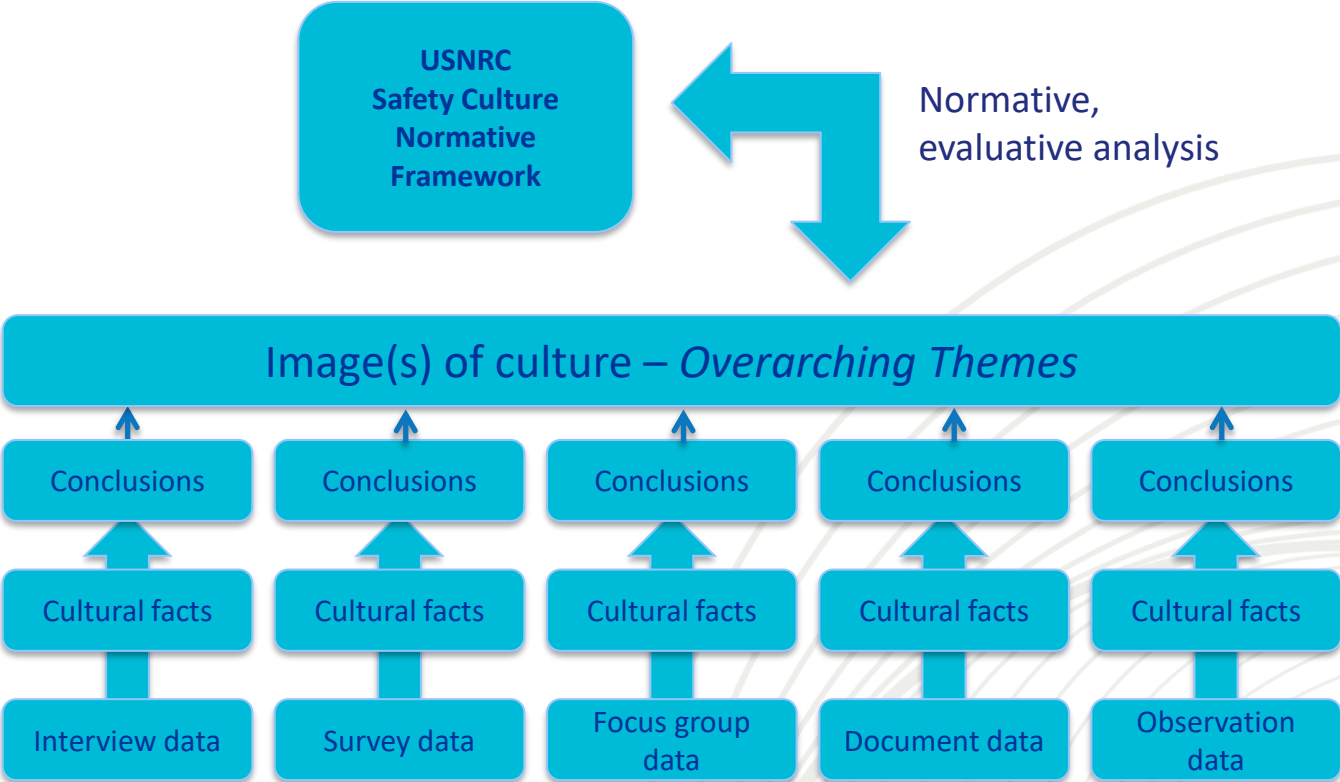
Normative Framework

- U.S. Regulatory Agency - USNRC
- Internationally recognized
- Positive aspects
 - Ten traits
 - Can be used by regulators and operators

<https://www.nrc.gov/about-nrc/safety-culture/sc-policy-statement.html#traits>



Safety Culture Analysis Process



Methodology

Data collection methods;

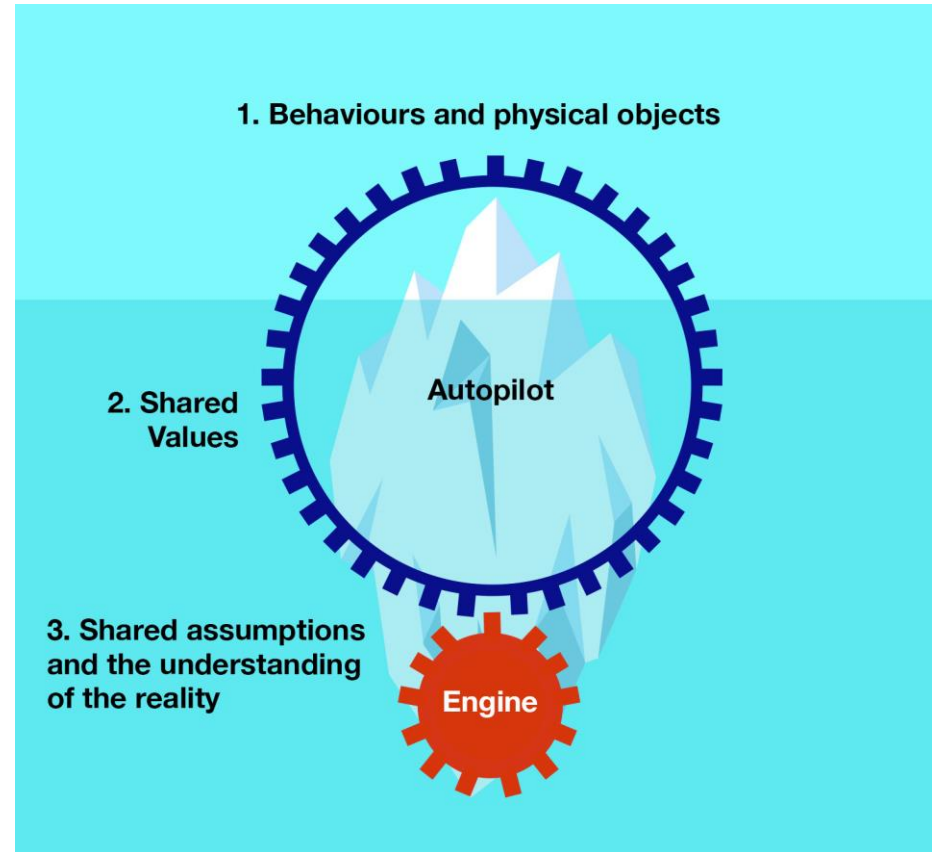
- Interviews **64**
- Focus groups **84**
- Interacted with over **700** people
- Document review – **comprehensive**
- Observations **75**
- Safety Culture Perception Survey:
 - **SCG 6841/8072** Response rate: **85%**
 - **Sempra 284/359** Response rate: **79%**
 - **Contractors 664/1160** Response rate: **56%***



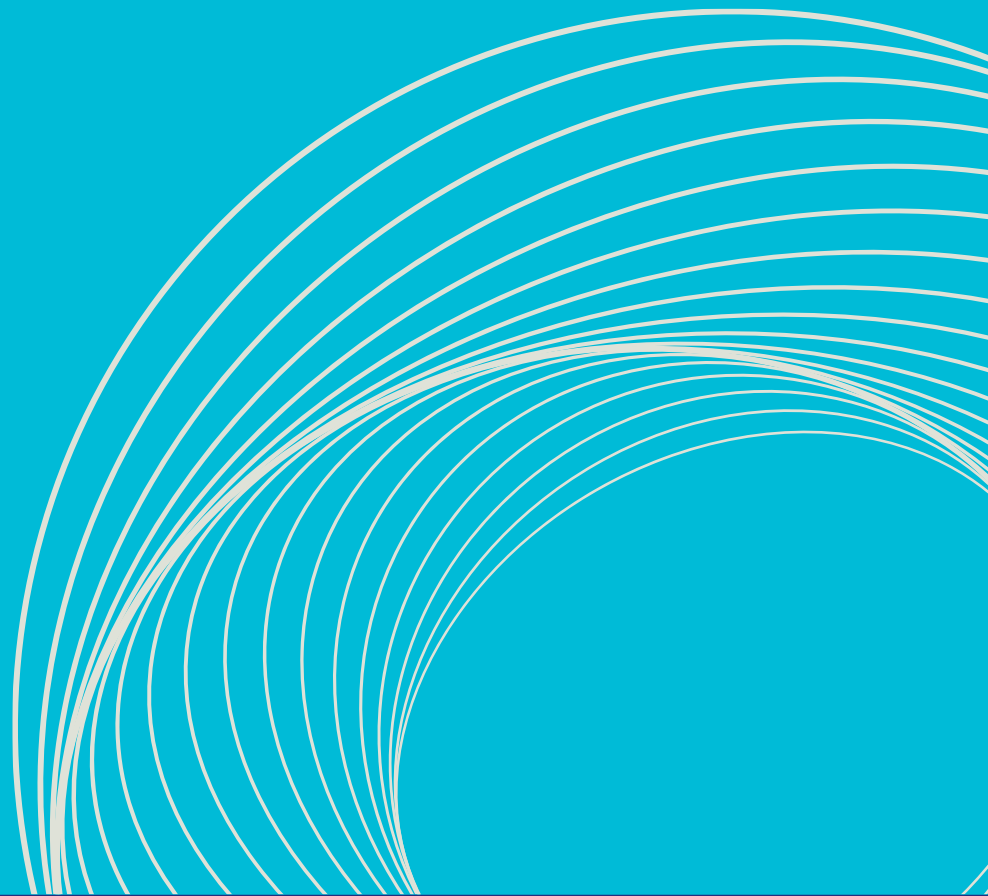
Culture for Safety Dynamics

Intent of the assessment

- Proactive measure to build awareness of what drives certain organizational behaviours
- Identify issues before something goes wrong
- To learn and continue to enhance the leadership and culture for safety



Assessment Results



Overarching Themes

Theme 1 – Safety is most often perceived as personnel safety.

Theme 2 – Safety and risk are perceived as achieved by compliance.

Theme 3 – Resources are needed to shape a healthy safety culture.

Theme 4 – Learning and safety improvement requires an integrated management system.

Normative Safety Culture Framework

- Leadership Safety Values and Actions
- Problem Identification and Resolution
- Personal Accountability
- Work Processes
- Continuous Learning
- Environment for Raising Concerns
- Effective Safety Communications
- Respectful Work Environment
- Questioning Attitude
- Decision Making

Normative Framework

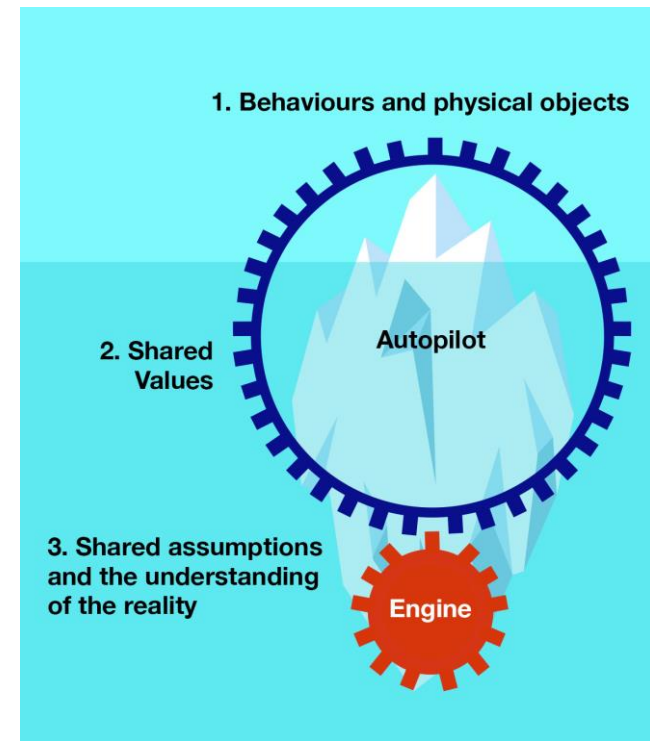
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Structure of the Observations

- **Overarching Theme # – Title of the Theme**
 - **Safety Implications (related to the theme)**
 - XXX
 - XXX
 - **Normative Traits (corresponding to the theme)**
 - XXX
 - XXX
 - **Example of Positive Observations**
 - XXX
 - XXX
 - **Areas in Need of Attention**
 - XXX
 - XXX



Overarching Theme 1 - Safety is most often perceived as personnel safety.

Normative Trait: Leadership Safety Values and Actions – *Leaders demonstrate a commitment to safety in their decisions and behavior*

Positive Observations

- Personnel Safety is widely perceived to be a value in the organization; response to COVID-19 is frequently cited as a positive example.
- The Sempra governance model of SoCalGas is perceived to ensure that safety is constantly scrutinized through a variety of monitoring techniques.

Areas In Need of Attention

- Public Safety and Security are seldom recognized in the conversation around safety.
- SoCalGas does not use an integrated and systematic process for evaluating and implementing change so that all aspects of safety are considered.



Overarching Theme 1 - Safety is most often perceived as personnel safety.

Normative Trait: Personal Accountability - *All individuals take personal responsibility for safety.*

Positive Observations

- Interviewees indicated that they understand and are trained to take a serious responsibility about their personal safety and how it impacts family, community and other workers at SoCalGas.
- Individuals identified that the Union sometimes provides checks and balances and that shop stewards will hold front line supervisors responsible for personnel safety.

Areas In Need of Attention

- Interviewees expressed the perception that a double standard exists around accountability in SoCalGas.
- Supplemental personnel (contractors) do not always understand, and/or practice expected behaviors and actions.



Overarching Theme 1 - Safety is most often perceived as personnel safety.

Decision-Making - *Decisions that support or affect safety are systematic, rigorous, and thorough.*

Positive Observations

- Safety Perception Survey respondents had positive perceptions about decision-making in both the SoCalGas and Sempra organizations.
- Decisions made to protect personnel during the COVID-19 pandemic have been praised by many of the interviewees.

Areas In Need of Attention

- Observations and interviewees indicated that a consistent, systematic approach to decision-making where risk insights are incorporated as appropriate is frequently not implemented.
- Respondents to the survey who identified as Union members had fewer positive perceptions about decision-making than non-Union respondents.



Overarching Theme 2 - Safety and risk are perceived as achieved by compliance.

Questioning Attitude – *Individuals avoid complacency and continuously challenge existing conditions and activities in order to identify discrepancies that might result in error or inappropriate action.*

Positive Observations

- Interviewees indicated that the Sempra Board uses its external Safety Advisory Board to ask probing questions to understand the implications and consequences on safety of proposed activities.
- Stop the Job is frequently identified by interviewees as a tool that allows them to stop work activities when confronted with an unexpected condition, communicate with supervisors, and resolve the condition prior to continuing work activities.

Areas In Need of Attention

- The consistent focus by interviewees in SoCalGas and Sempra on the very positive perceptions and actions around personnel safety while attributing the job of risk assessment to someone else job contribute to the lack of a questioning attitude.
- Interviewees across various locations in SoCalGas question the complacency exhibited by some leadership when gas smells are identified.



Overarching Theme 2 - Safety and risk are perceived as achieved by compliance.

Normative Trait: Environment for Raising Concerns – *A safety conscious work environment (SCWE) is maintained where personnel feel free to raise safety concerns without fear of retaliation, intimidation, harassment, or discrimination.*

Positive Observations

- Interviewees reported that few individuals were ever fired for self-reporting non-compliance.
- Interviewees indicated that the board meetings have an open climate for discussion.

Areas In Need of Attention

- Some SoCalGas interviewees indicated feeling inhibited to raise safety concerns because of fear of embarrassment or harassment by supervision.
- For Sempra respondents on the Safety Perception Survey, scores were less positive in response to the statement that criticism is encouraged and, in the ability, to challenge decisions.



Overarching Theme 2 - Safety and risk are perceived as achieved by compliance.

Normative Trait: Respectful Work Environment – *Trust and respect permeate the organization.*

Positive Observations

- Observations indicated that SoCalGas Customer Service Technicians, Field Technicians and Inspectors were very courteous to customers and respectful of their property.
- Most interviewees described SoCalGas as a good company, with good compensation, and good employees.

Areas In Need of Attention

- SoCalGas interviewees indicated that trust is not fostered among many individuals and work groups across the organization.
- Interviewees at all organizational levels in SoCalGas recognize the existence of silos and the need to build better collaboration and interaction between groups.



Overarching Theme 3 – Resources are needed to promote a healthy safety culture

Normative Trait: Work Processes – *The process of planning and controlling work activities is implemented so that safety is maintained.*

Positive Observations

- Some Senior Management interviewees perceive that the SED of CPUC trusts them and indicate that CPUC asks them for engineering advice.
- Contractor interviewees indicated that they use SoCalGas procedures.

Areas In Need of Attention

- The perception of many SoCalGas interviewees is that management does not ensure that staffing levels are consistent with the demands related to maintaining safety and reliability.
- Interviewees indicated that certain work processes do not always include the identification and management of risk commensurate to the work.



Overarching Theme 3 – Resources are needed to promote a healthy safety culture

Normative Trait: Effective Safety Communication – *Communications maintain a focus on safety*

Positive Observations

- Leaders frequently communicate and reinforce the expectation that safety is the organization's priority.
- Executive interviewees from Sempra and SoCalGas described direct communication, healthy debate, in their Board rooms to create a culture that can trickle down into their organizations.

Areas In Need of Attention

- Documentation reviewed did not include information regarding processes surrounding public input on safety and environmental issues.
- The free flow of information, openly and candidly, both up and down and across the organization and with external stakeholders is not perceived at all levels of the SoCalGas organization.



Overarching Theme 4 – Learning and safety improvement requires an integrated management system

Normative Trait: Organizational Learning – *Opportunities to learn about ways to ensure safety are sought out and implemented.*

Positive Observations

- SoCalGas provides training to maintain a knowledgeable, competent workforce and instill safety values.
- SoCalGas shares information as part of Sempra's Enterprise Dashboard on safety and upstream indicators for downstream performance.

Areas In Need of Attention

- Many interviewees when asked what lessons were learned from the Aliso Canyon event express the opinion that the most important learning was the importance of better communication with the public to avoid poor public relations.
- Many interviewees expressed the opinion that SoCalGas is a reactive organization.



Overarching Theme 4 – Learning and safety improvement requires an integrated management system

Normative Trait: Problem Identification and Resolution – *Issues potentially impacting safety are promptly identified, fully evaluated, and promptly addressed and corrected commensurate with their significance.*

Positive Observations

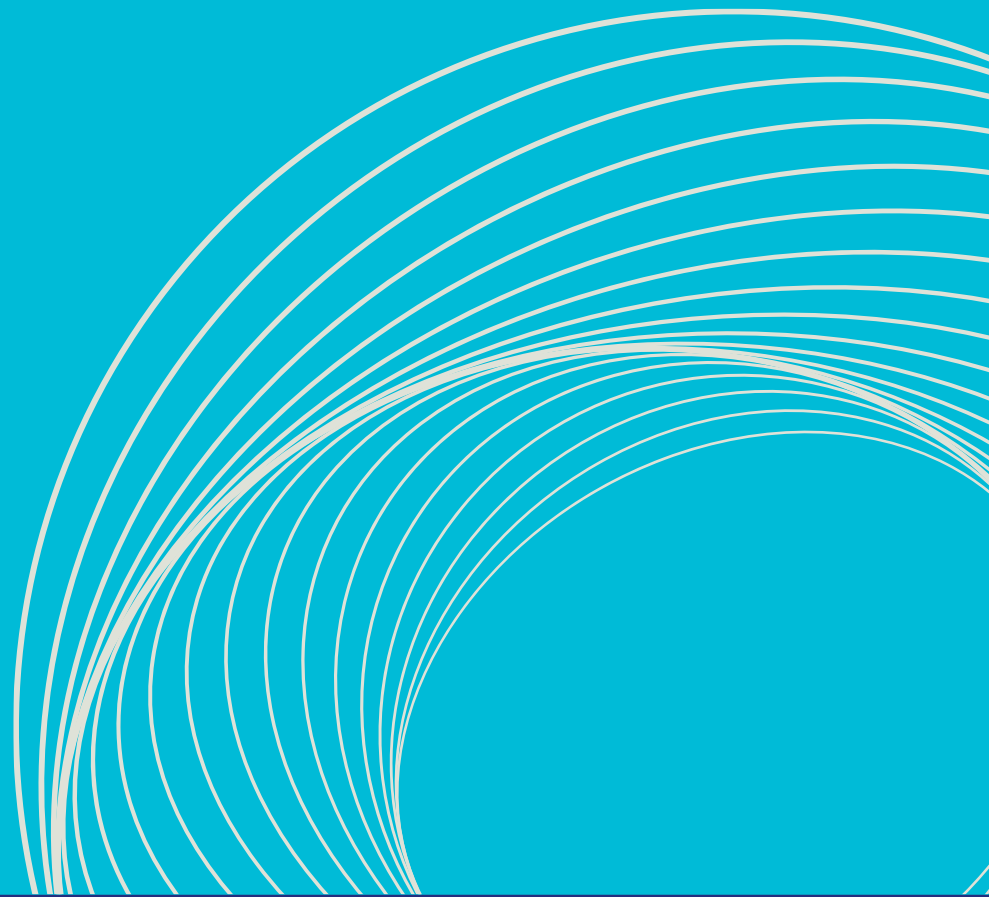
- Documentation indicates that Sempra conducts audits across the SoCalGas organization.
- Interviewees indicated that 14 current SoCalGas applications are being replaced with one common platform; questions about the transition between systems remain.

Areas In Need of Attention

- SoCalGas has not implemented a program with a low threshold for identifying issues from within its own organization .
- SoCalGas Interviewees indicated that suggestions for improvements take too long to get a response, or they do not receive a clear response.



Conclusions



Conclusions

- **Leadership Safety Values and Actions**
- Leaders espouse value of safety though clearly mostly emphasizing personnel safety.
- Need for the internalization of all types of safety – throughout SoCalGas and Sempra (from boards to frontline personnel)
- **Effective Safety Communication**
- Safety conceptualized narrowly and directed to personnel safety.
- Need to enhance the upward communication to identify field-based experiences that create potential risks.
- Cross-functional communication is needed to break silos and for addressing systemic risks
- **Decision-Making and Work Processes**
- Multiple staffing issues appear at a number of locations.
- Personnel often not equipped to make policy and procedure interpretations necessary in complex and unexpected field conditions.



Conclusions

- **Environment for Raising Concerns and Questioning Attitude**
 - Basic principles for questioning attitude, especially regarding personnel safety exist.
 - Many field personnel do not feel they can raise concerns and/or that they will be addressed.
- **Continuous Learning and Problem Identification and Resolution**
 - Lack of adequate knowledge capture and transfer processes.
 - Absence of leading indicators makes identification of evolving problems difficult and adds to reactivity of the compliance mindset.
- **Personal Accountability**
 - Need for efforts to shift blame away from oneself.
 - Compliance and rule-based behavior occur even when best judgments might suggest other choices.

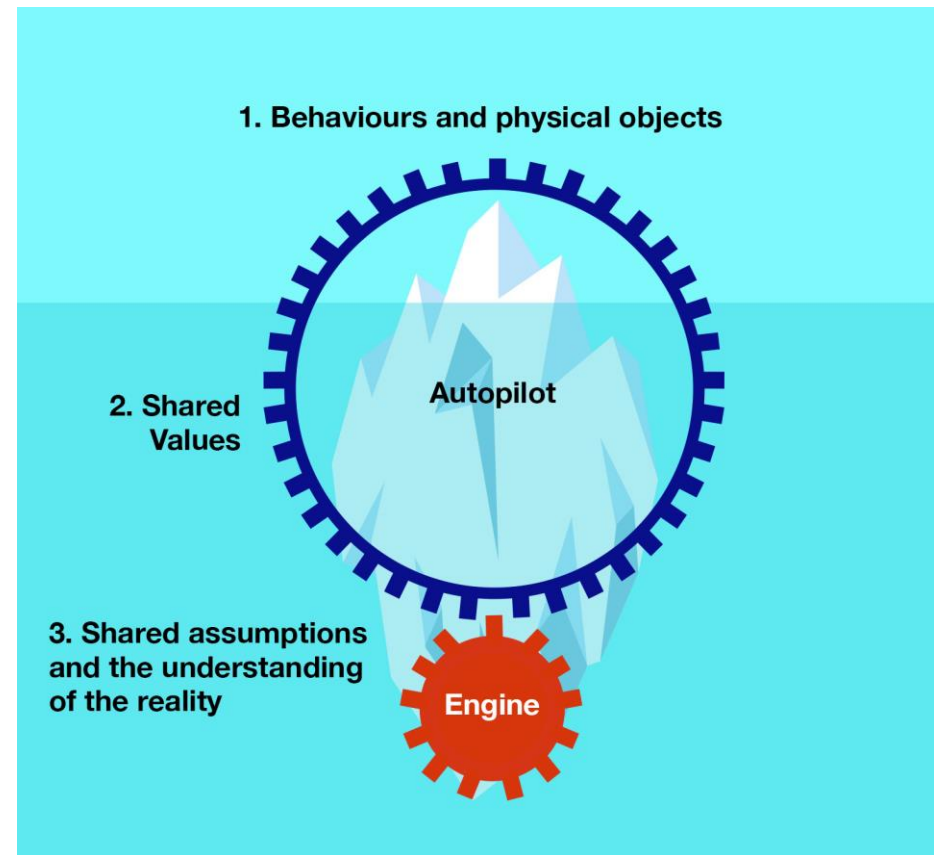


Road Map for Recommendations



Recommendations – Successful Improvements

- Improvements activities needs to impact all three levels of the culture
- Avoid discrete and fragmented corrective actions
- Strive towards systemic improvements
- Cost benefit across all stakeholders for addressing the underlying issues



Road Map of Recommendations – SEMPRA

Leadership Safety Values and Actions

Area In Need of Attention – Lack of a clear and robust concept of safety.

Recommendation - Develop policies and technology systems that support transitioning to an enterprise risk management type system that is inclusive of a comprehensive view of safety-essentially an enterprise wide safety management system.

Guidance

- Develop a shared understanding of a robust concept of safety and risk through dialogues with Board Directors and Executives that is facilitated by external and independent experts.
- Define what the ‘new’ safety means for governance.
- Provide training on new shared understanding of safety and safety culture to the organization through facilitated sessions.



Road Map of Recommendations – SoCalGas

Leadership Safety Values and Actions

Area In Need of Attention – Lack of a clear and robust concept of safety.

Recommendation - Align policies with Sempra's new guidance to support transitioning to an enterprise risk management system that is inclusive of a comprehensive view of safety. This will create a change in metrics and the development of leading indicators for SoCalGas.

Guidance

- Develop a shared understanding of a robust concept of safety and risk through dialogues with Sempra, SoCalGas Board Directors, Executives and Senior Management that is facilitated by external and independent experts.
- Conduct dialogue sessions with all levels in the organization to create a shared understanding of what the 'new' safety means for each business and organizational unit.
- Provide training with practical examples on how the new shared understanding of safety and safety culture to the organization will change the way business is done and why it is important to make the change.



Road Map of Recommendations – SoCalGas

Effective Safety Communication

Area In Need of Attention – SoCalGas is a very siloed organization.

Recommendation – Develop communication strategies that broaden the conversation around safety to the ‘newly’ shared understanding of safety through cross-organizational activities.

Guidance

- Incorporate the broader concept of safety e.g. include examples of public safety, security, into safety items on meeting agendas, in tailgates, in job hazard assessments, newsletters, etc.
- Conduct dialogue sessions with representatives from field personnel across business units on how to best communicate field-based experiences upward in the organization.
- Develop new guidance through conversations on how to make better decisions when rule-based behavior does not work.



Road Map of Recommendations – SoCalGas

Continuous Learning and Problem Identification and Resolution

Area In Need of Attention – Learning and safety improvement are hampered by a lack of an integrated management system.

Recommendation – Develop a management system that incorporates the new ‘safety’, transcends group differences and connects all organizational processes to meet the organization’s goals and desired performance.

Guidance

- The ‘new’ concept of safety dictates that certain functions that support and facilitate a healthy safety culture be centralized across the organization to ensure alignment, consistency, and learning. Examine the role of functions like Quality Assurance, Incident Investigation, Safety from an integrated perspective.
- Evaluate existing reporting systems to determine how they can be integrated and operated from a unified platform. For example incidents from personnel safety should not be in one system and those for gas leaks or pipeline issues in another.
- Ensure that all potential threats, near misses, close calls, etc. are identified, evaluated, tracked and trended so they can be proactively used to mitigate any potential risks.
- Train managers and personnel to think “what if” to enhance the individual accountability and to detect latent safety hazards



Road Map of Recommendations – CPUC

Role of the Regulator in Facilitating a Healthy Safety Culture

Area In Need of Attention – Influence of CPUC on the compliance culture of SEMPRAs and SoCalGas

Recommendation – CPUC needs to understand the influence it has on the safety culture of its licensees.

Guidance

- CPUC needs to have an independent assessment of its safety culture to establish the current shared understandings and beliefs around safety within its own organization. This culture is a driver of not only its own safety culture but that of its licensees as well.
- Similar to the guidance for Sempra and SoCalGas, CPUC needs to conduct externally facilitated dialogues around the concept of safety as understood by the results of the assessment as well as within the organization. Alignment and consistency within the CPUC is critical in its regulatory activities.
- Once aligned, CPUC needs to engage in communication strategies with its licensees around this ‘new’ safety and how it will impact its activities going forward. These strategies should include face to face interactions, dialogue sessions, and eventually formalized documents. Benchmarking with other regulators from different industries will be helpful.



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