



# RETHINKING *"CULTURE-FIRST"* SAFETY IMPROVEMENT



*“We stopped chasing survey scores and started chasing risk signals. Within nine months, our live-work permits dropped 12% and SIF exposure fell by nearly one-third, morale rapidly improved as a result.”*

*Sr. Director EHS*

Every year, US energy companies commission third party consultants and research organizations to measure their safety culture and help them on their ‘safety journeys’ – ideally to achieve a zero-harm state or at least achieve the highest stages on the numerous maturity models they promote. These assessments promise to “fix the culture” and shift perceptions of safety from compliance to commitment as a way to reduce occupational injuries and reduce workers compensation outlays.

The actual financial impact of safety is significant, which is why culture assessments and modeling have become so lucrative. Consider:

- Liberty Mutual's 2023 Workplace Safety Index shows that the direct costs to US employers is over \$58.61 billion and conservative estimates put indirect costs at a factor of 2 to 3X
- Arc-flash litigation can reach \$10–15 million and keep a worker off the job for 8–12 months.
- Serious motor-vehicle crashes are the largest driver of utility loss reserves, and casualty insurers now use predictive safety analytics to set premiums.
- Internal analysis by an investor-owned utility found that a one-point reduction in TRIR correlated with a 5 basis-point improvement in the firm’s weighted average cost of capital through lower insurance expense and bond-rating outlook upgrades.

Beyond the direct costs of occupational injuries, there are multiple benefits to shifting to a proactive approach to safety including increased uptime, fewer delays to planned work, regained productivity, better union relations and negotiations, protecting your brand, talent attraction & retention, and ability to execute strategy.

Cost of Inaction (Unmitigated Exposure)	Value of Proactive Safety Investment
<b>Recordable Injuries:</b> Wage replacement, medical, comp claims, supervisor time, crew downtime, lost capacity.	<b>Operational:</b> Reduces delays, outages, and safety-induced stoppages. Frees capacity.
<b>Lost Productivity:</b> Delayed jobs, shift gaps, rework, temporary backfill, and OT burn.	<b>Financial:</b> Avoids SIF costs, rework, and inefficient control spend. Protects margin.
<b>Insurance Impact:</b> Higher E-Mods, larger deductibles, loss of preferred carrier status.	<b>Regulatory / Legal:</b> Stronger audits, fewer fines, higher readiness posture.
<b>Regulatory Exposure:</b> Fines, citations, compliance investigations, PUC performance review.	<b>Reputational:</b> Protects brand promise with workforce and public; safety becomes a cultural asset.
<b>Legal Risk:</b> Liability discovery, contractor litigation, legal prep, even for non-SIF events.	<b>Cultural:</b> Increases trust, reporting, and safe behavior; reduces drift and concealment.
<b>Reputational Damage:</b> Loss of community trust, employee morale hits, media scrutiny, executive credibility erosion.	<b>Strategic Execution:</b> Ensures safety transformation supports grid modernization.

Understanding organizational culture is a challenge for companies because culture is shaped by a complex web of visible behaviors and deeply ingrained, often unspoken values, assumptions, and power dynamics. Unlike financial or operational metrics, culture isn't easily quantified or observed; it evolves organically over time and reflects the sum of individual and group experiences, leadership styles, communication patterns, new acquisitions and informal networks within the organization.

Culture suffers when there is inconsistent leadership messaging, resistance to change, poor communication, and the tendency for groups and departments to develop competing priorities or subcultures that can undermine alignment around shared values and strategic objectives. Most safety culture assessment tools only offer static snapshots of time, which often miss important nuances, evolving attitudes, and the everyday practices that actually shape culture. For these reasons, accurately diagnosing and intentionally shaping organizational culture requires ongoing commitment, openness to uncomfortable truths, and careful interpretation of both formal and informal feedback from across all levels of the organization. Things that, while important, often hinder an organization's need to pivot, respond and adapt to shifting market forces and customer needs.



# WHY THE TRADITIONAL “*CULTURE-FIRST*” PLAYBOOK PERSISTS

*“Culture is the dividend of doing the hard, technical work of risk control exceptionally well.”*

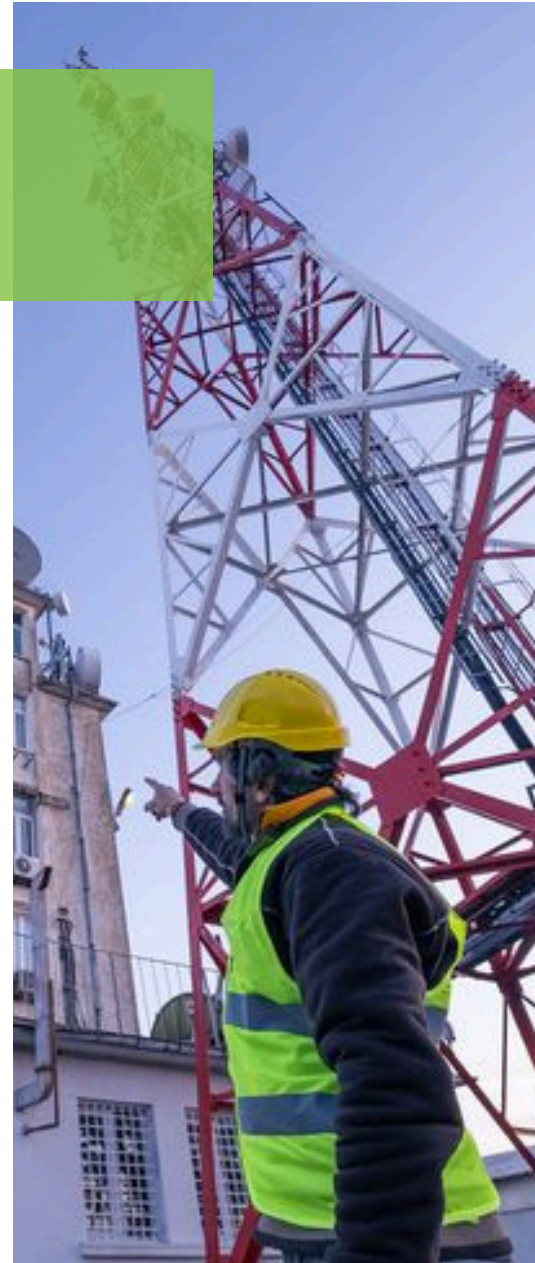
*CEO, Electric Utility*

Most utilities inherited a safety-culture narrative from the process and oil-and-gas sectors in the 1990s, when behavior-based safety and climate surveys were marketed as universal cures. Consultants still offer baseline cultural assessments that benchmark survey scores against an industry index, using invisible and ‘proprietary’ algorithms that return a long list of “soft-skill” gaps, and recommend multi-year leadership-coaching programs that only they can implement.

The pitch is an attractive one because it:

- Promises visible leadership engagement and quick perception gains.
- Suggests that perceptions influence attitudes and attitudes drive behaviors.
- Appears transferable across business units, regardless of asset mix.

Yet three decades of peer-reviewed research find only weak or inconsistent causal links between one-time culture interventions and sustained injury-rate reductions.



# CULTURE SURVEYS: *PRACTICAL AND SCIENTIFIC LIMITS*

1. Measurement Variability – There is no gold-standard survey; tool content, Likert scales, and scoring methods differ widely, blocking apples-to-apples comparison.
2. Lag Time – Perception data trail operational changes by up to 18 months; by the time culture signals anxiety, a risk pathway may already have matured into loss incidents.
3. Sample Bias – Response rates under 50% are common in utilities with dispersed field crews, skewing results toward office-based sentiment
4. Implementation Slippage – Only 27% of U.S. companies that conduct a safety-culture assessment execute >75% of recommended actions within two years
5. Over reliance on perceptions - surveys can yield superficial insights when questions are rudimentary or narrowly focused. Basing critical decisions solely on such limited feedback may result in neglecting deeper operational risks, missing early-warning signals, and ultimately failing to address the underlying drivers of true safety performance.

These limitations explain why companies often see early survey-score bumps, yet plateau on TRIR improvements within 12–18 months.

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A rigorous focus on understanding and reducing occupational risks enables companies to quickly transform their culture because it provides visible, measurable improvements that employees experience firsthand. By identifying and controlling specific hazards, organizations create a work environment where people feel genuinely safer and see that leadership is committed to their well-being. This direct reduction in risk not only lowers incident rates but also builds trust, encourages open communication, and inspires active participation—all of which are critical foundations for a positive culture.

In contrast, broad cultural change efforts without operational results can feel abstract or disconnected, leading to skepticism or slow engagement. Evidence shows that as organizations proactively reduce risks and demonstrate real progress, employees' attitudes, trust levels, and sense of shared responsibility naturally evolve, creating a virtuous cycle that accelerates both safety and broader cultural transformation.

# WHY A *RISK-BASED* APPROACH YIELDS BETTER RESULTS

Recent research suggests that the fastest, most durable gains in safety come when executives first bring to light emerging operational risks with Key Risk Indicators (KRIs).

Using these early signals to unseen or emerging risks can help to understand and strengthen the few safety-system elements that statistically correlate to lower Total Recordable Injury Rates (TRIR) and serious-injury-and-fatality (SIF) exposure.

When resources and energies are dedicated to focus on the things that are valued and effective, the employee experience shifts and measurable performance wins reshape culture organically.

So, when we talk about safety transformation, we're not talking about PPE, posters and flavor-of-the-month campaigns, we are talking about enterprise control levers that drive cost stability, reputational protection, operational speed, deeper-level accountability for safety and through these, drive outcomes that will shift your culture!



## Key Questions Executives Should Be Asking:

- Which top-quartile KRIs would have alerted us to the last near-miss or SIF?
- How many of our critical controls are monitored in real time, and do we see shifts before TRIR changes?
- What evidence shows that a given cultural attribute (e.g., trust) predicts lower exposure in our environment?
- Are we rewarding teams for finding risk (leading) or for avoiding reported injuries (lagging)?

Answering these questions typically redirects investment from broad culture programs to precise, control-strengthening actions with measurable financial upside including fewer WC claims, lower fleet liability reserves, improved insurer confidence and lower cost of capital.

## EVIDENCE THAT *RISK-FOCUSED CONTROLS* MOVE THE NEEDLE FASTER

Several recent research projects shows that across diverse sectors, having a better understanding of what efforts directly reduce risk and leveraging a small set of KRIs —permits, barrier verifications, precursor reporting—reduces exposure first, and earns buy-in across your organization by aligning safety effort with real risk, not outdated rules or consultant-led ‘transformation’ projects. In one study in 2011, a study at 11 electric utilities in the US found that a rigorous focus on verifying critical controls for high hazard tasks, reduced the potential for a Serious Injury or Fatality (SIF) by 45%. This technical focus on risks over perceptions, helped improve worker participation in and support for new safety efforts. We find that when you take this approach, your culture metrics tick upward within 6–12 months.

## FROM *“FIXING ATTITUDES”* TO *“FIXING THE SYSTEM”*

The most effective way to advance safety is to establish a system where the process itself is in control—meaning that the conditions of daily operations are designed to naturally drive safe behaviors and consistently deliver safe outcomes. When a process is in control, frontline crews aren’t forced to rely solely on individual vigilance or workarounds; instead, the work environment, procedures, and controls are intentionally calibrated so that safety is built into job design in a way that is adaptive to conditions. This proactive approach not only reduces variability and human error but also builds confidence that the organization’s safety performance is sustainable and reliable. By focusing on system improvements rather than piecemeal compliance, leaders can ensure that safe outcomes are the default, not the exception—empowering crews, preventing incidents, and supporting operational excellence at scale.



# THE ROADMAP:

## *REDUCE RISKS FIRST AND YOUR CULTURE WILL FOLLOW*

A better strategy for executives grappling with the culture challenge is to prioritize reducing operating risks as the foundation for sustainable safety excellence. When operational risks are systematically addressed, safe operations becomes the norm, which naturally drives positive changes in the organization's culture. Teams are more likely to participate actively in safety when they see leadership investing in meaningful risk-reduction efforts, and resources are directed toward initiatives that genuinely lower Total Recordable Incident Rate (TRIR). This approach optimizes both safety outcomes and capital allocation, ensuring that improvements in culture follow as a direct result of safer, well-planned work environments.

1. **Identify Weak Signals** - subtle early warnings often precede serious incidents; recognizing and responding to them enables organizations to address hidden vulnerabilities and prevent small issues from escalating into major threats to safety e.g. lag deviations,, energized-work permits per 100 jobs) before injuries occur.
2. **Leverage Higher Level Controls:** Teams leverage the Hierarchy of Controls and PtD principles to apply engineering controls that demonstrably cut exposure (e.g., automated switch-outs), producing rapid performance wins.
3. **Credible Leadership:** Crews see that leadership acts on data, improving psychological safety, which increases reciprocity and their willingness to report near misses and SIF Potential which creates a virtuous cycle of risk recognition and appropriate response across the entire organization.
4. **Involve Workers:** Engaging frontline employees in risk and hazard recognition is essential because they have the most direct knowledge of day-to-day operations and are often the first to spot emerging dangers. When employees are actively involved in identifying and controlling hazards, solutions become more practical and effective, trust and communication improve, and there is higher buy-in to safety programs—ultimately leading to fewer incidents and a safer, more resilient workplace



## KEY TAKEAWAYS



1. Safety-culture assessments remain useful diagnostics but deliver sustained gains only when tied to risk-based controls.
2. KRIs offer executives greater insight into what emerging threats pose a risk to safe operations and an actionable, finance-aligned path to justify strategic capital investments in safety.
3. When exposure is controlled, culture indicators improve as a result, not a prerequisite, of proactive risk management.
4. Calibrating your existing safety management system to eliminate ineffective and redundant elements, restores logic, builds trust and protects what matters most....Your People!
5. A Risk-Based approach helps operations leaders embed safety into day-to-day activities, work planning, and decision-making. They gain true ownership and accountability for safety outcomes rather than an overreliance on the EHS function. This embeds risk reduction into core business processes, and drives sustainable change that goes beyond EHS compliance to measurable performance improvement.

By flipping the sequence—**risks, controls, outcomes, and finally culture**—electric-utility leaders can accelerate injury-rate reductions, unlock insurer savings, and foster a safety culture built on tangible success rather than survey aspiration.

**It does suggest that performance shapes perceptions!**



**The Catalyst Group** is a risk management consultancy with a specialty focus on EHS. Headquartered in New Jersey and with a presence across the U.S., EU, and APAC and project experience in over 30 countries, we offer both worldwide reach and local expertise.

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