

Developing SHEQ Leadership Capability

IQA-CCAA

Construction Materials Industry Conference

11-14 October 2006



Content

- A sustainable cement industry
- Cement Australia background
- SHEQ beliefs
- Safety performance
- Program outline
- Some glimpses from the program (including video extract)
- Participant's evaluations (including video extract)
- What's next?



Safety – an integral part of sustainability

“Ensuring healthy and safe working conditions for employees and contractors is a fundamental key to corporate social responsibility, and is one of the most important issues for the cement industry”

- Health and safety in the Cement Industry:

Examples of good practice

December 2004



Cement Australia operations



- 1,450 people
- 3.4 mta cement
- 4 cement plants (5 kilns)
- 1 grinding plant
- 1 lime kiln
- 8 terminals
- 10 bagging plants
- 1 coal mine
- 1 AFR plant
- 6 flyash plants
- 3 ships
- 250 road tankers
- slag JV



Cement Australia ownership

- Cement Australia commenced June 2003 with the merger of Australian Cement Holdings Limited and Queensland Cement Limited
- Ownership
 - Holcim 50%
 - Rinker 25%
 - Hanson 25%
- Holcim – brings global cement manufacturing expertise
- Rinker and Hanson – bring access to Australian markets



Our SHEQ beliefs underpin our approach

We are all responsible for our safety, health and the environment

Education and training are essential

Coaching and feedback improve performance

All injuries and incidents can be prevented

Reinforcement is important

Exposures can be safeguarded



Our integrated SHEQ management system focuses on 6 key result areas

MONITORING PERFORMANCE

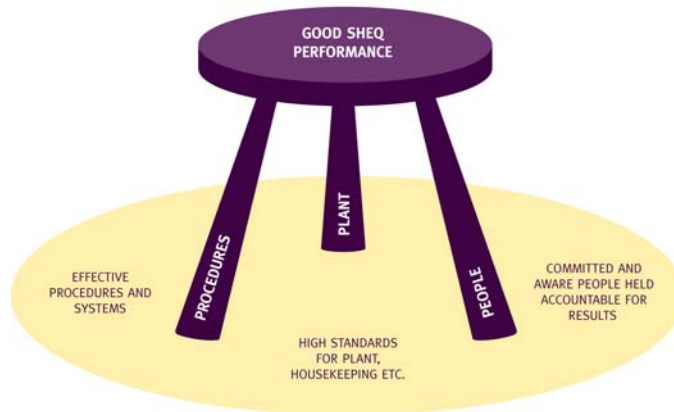
Using lead and lag indicators

PERSONAL LEADERSHIP

Personally setting standards and leading improvement

COMMUNICATING RESULTS

Learnings and good ideas

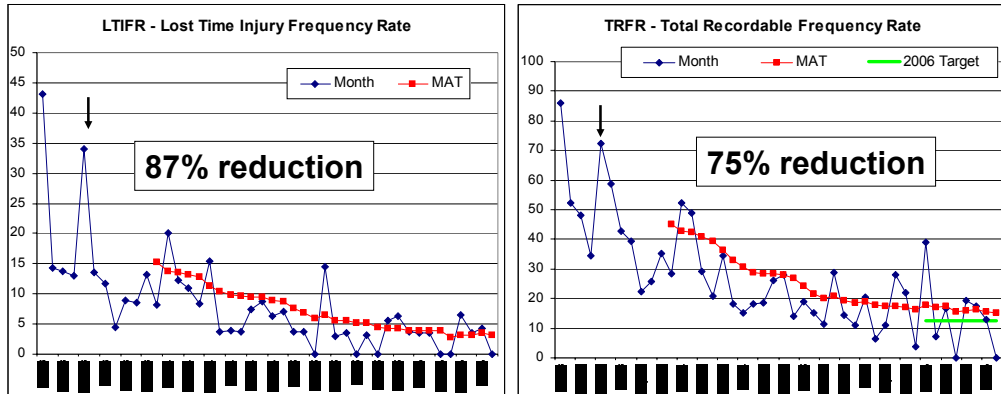


We are hurting fewer people every year

| | 2003 | 2004 | 2005 | 2006 January - August |
|-------|------|------|------|--------------------------|
| LTI's | 43 | 29 | 13 | 7 |
| MTI's | 84 | 59 | 43 | 28 |
| Total | 127 | 88 | 56 | 35 |



Frequency rates are continually improving



LTIFR – number of lost time injuries per million hours worked (employees and contractors)

TRFR – number of lost time and medical treatment injuries per million hours worked (employees and contractors)



Program objective - improve SHEQ leadership skills

To equip Cement Australia people with the leadership capabilities and skills to achieve our SHEQ performance goals through the effective implementation of our SHEQ management system



Principles

- Sponsored by CEO
- Intervention owned and led by Cement Australia line management
- Develops culture that Cement Australia people personally care about preventing injuries and incidents
- Recognizes role of leadership and behaviour
- Participants develop skills to show “felt leadership and tough love”
- Practical and user friendly



Principles continued.../

- Enjoyable and rewarding experience for participants
- Content complements future leadership development plans
- Only Cement Australia leadership program



The structure is modular to maximise retention

Pre Program Activities (3 weeks)

- Completion of safety legal responsibilities CBT
- Pre-workshop video review
- Photographs of work site illustrating SHEQ issues

Module 1 (2.5 days)

- Introduction activities
- Initial learning experience (case study)
- Structured and interactive learning activities
- Project action planning

Workplace Application (16 weeks)

- SHEQ project
- Regular worksheets (on-line learning activity)
- 360 degree feedback exercise

Module 2 (2.5 days)

- Report back on progress
- Feedback on successes and failures
- Additional structured and interactive learning activities
- Personal leadership declaration and planning



Program outline

Our History

- Case study
- Performance

Development Person Leadership

- Self insight
- Self defeating behaviours
- Workplace application
- Leadership declaration

Handling Difficult People and Groups

- Handling attacks
- Anti-social behaviour in groups
- Repeated complaints

Reinforcement

- Positive and negative reinforcement
- Building trust
- Discipline process

SHEQ System

- System structure
- Managing critical risks

Leadership Skills

- Leadership skills
- Levels of work
- Roles and role balance
- Language of language
- Appreciative Inquiry



Coaching for Improved Performance

- Coaching steps
- How not to get shot
- Verbals / non verbals
- Points of focus
- Positions

Performance Management

- Performance management system
- Why people don't do what is expected of them?

Understanding and Influencing Culture

- Culture model
- Injury triangle
- SHEQ observations
- Take 5
- TTRI
- Perceptions of risk / compliance

Giving Feedback

- DESC
- Johari Window
- Position / Person

Program commenced December 2004

- Facilitators - Bob Reid and Dave Noble (consultant)
- Participants – General Managers, Plant Managers, Team Leaders
- Ten programs to date (4 per year), 145 participants
- 12 – 18 participants each workshop
- Held at Skills Centres at Gladstone, Railton and Kandos plants, includes site SHEQ observations practice



Program commenced December 2004 continued .../

- Highly interactive – presentations, discussions, small group exercises and report back, videoing of coaching practice
- Participant material – handbook, coaching cards, reference videos, etc
- Cost charged out - \$2,500 per participant

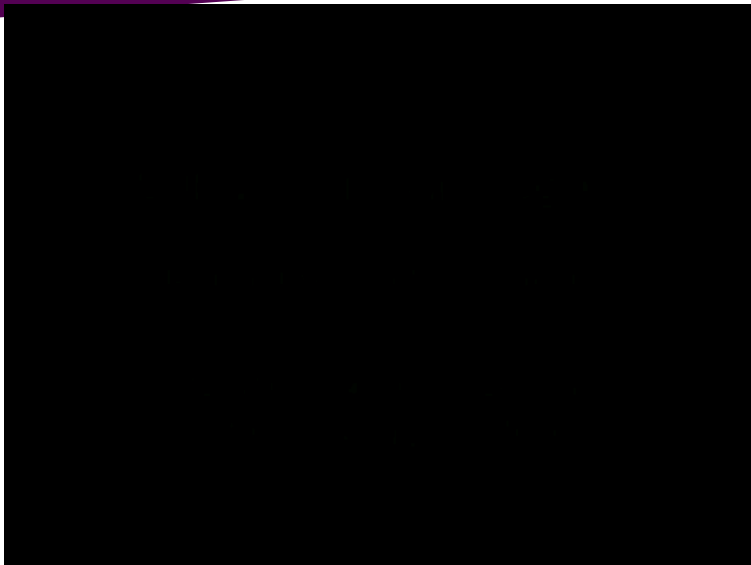


Case Study – high impact start

Employee Noel Robinson died when struck by a palletiser robot on 6 December 2000



Case study – death of Noel Robinson

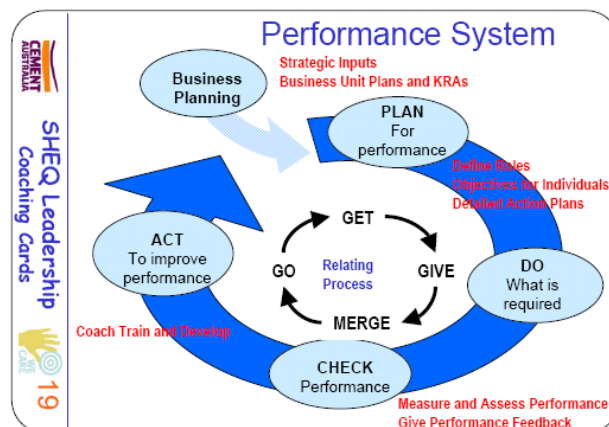


Case study – debrief

- Very confronting case study
- Small group discussions on how people feel, and discuss two questions:
 - › What are the lessons from the case study?
 - › What must we do as leaders to ensure this can never happen again?
- Full group discussion of the answers



Content - reviewing our performance management system



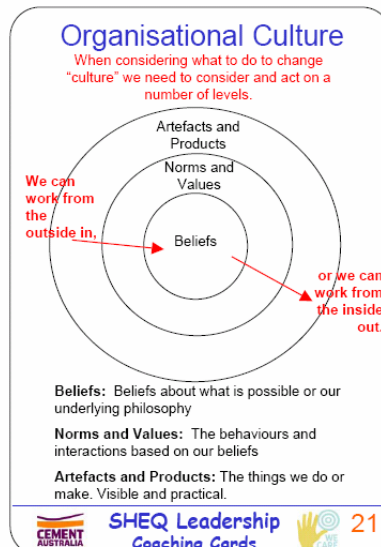
Content - reviewing our performance management system

| | Present (average rating out of 5) | Effective (average rating out of 5) |
|----------------------------------|---|---|
| Strategic inputs | 2,4,4,4,3,3 (44%) | 2,3,3,3,2,5,2 (44%) |
| Business unit plans | 3,5,4,4,3,5,4 (62%) | 3,4,4,4,3,3 (47%) |
| Define roles | 4,4,4,3,2,4 (55%) | 3,3,3,3,2,4 (40%) |
| Write objectives for individuals | 2,3,3,2,2,2 (31%) | 2,2,3,2,2,2 (29%) |
| Write detailed action plans | 1,2,3,1,1,5,1 (31%) | 1,1,4,1,1,1 (20%) |
| Measure and assess performance | 3,4,5,2,1,5,2 (49%) | 2,2,5,1,1,1 (27%) |
| Give performance feedback | 2,4,3,3,2,2 (36%) | 1,2,2,3,2,2 (27%) |
| Coach train and develop | 1,2,2,2,5,1,5,2 (24%) | 1,2,2,2,1,1 (20%) |
| Relating processes | 1,3,3,4,2,5,2 (34%) | 1,3,3,3,2,1,5 (30%) |
| Total rating (out of 45) | 19, 31, 31, 25.5, 19.5, 22 (average 55%) | 16, 22, 29, 21, 16.5, 17.5 (average 45%) |

(Participant evaluations - May 2006 Workshop Module 1)



Content – a simple model to help understand culture



Content - why don't people do what is expected of them?

Why don't people do what is expected of them?
The organisation has control of the top three windows

| | | |
|---|--|---|
| DIRECTIONAL INFORMATION Have I provided clear direction and feedback to people? ① | RESOURCES Do people have the tools, processes and people to deliver the results? ② | REWARDS / INCENTIVES and CONSEQUENCES Am I providing the right positive and negative consequences to support the right performances? ③ |
| COMPETENCY Do people have the skills and knowledge to do what is expected of them? ④ | CAPACITY Do people have the physical, emotional and mental capacity to do what is expected? ⑤ | MOTIVES Is the work a fit with their passion in life? ⑥ |

People bring and contribute the bottom three windows



 SHEQ Leadership Coaching Cards





Content - giving clear feedback

Giving Effective Feedback

Good feedback is clear and specific feedback. To say "You need to lift your game" is not telling a person what specifically needs to happen. The following is a framework for clear feedback.

The DESC Model

D – describe the behaviour or action -
 "When lifting with your back instead of your knees"

E – explain the consequences -
 "You risk long term back injuries"

S – suggest alternatives with regard to behaviour or action -
 "If you lift with your legs, or use the hoist"

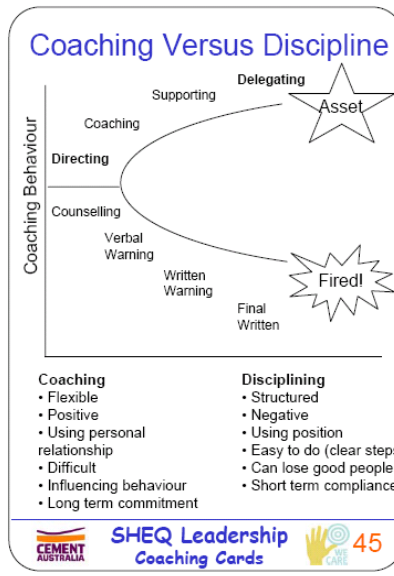
C – outline the consequences that may result from the change in behaviour -
 "You will not suffer a back injury from lifting safely"



SHEQ Leadership Coaching Cards



Content - coaching versus discipline



Four steps in coaching for improved performance

Performance Coaching Steps - the Interaction

- | |
|---|
| 1. Prepare for the Interaction |
| 2. Raise the Topic |
| 2.1 Be specific – pinpoint the issue or behaviour (one topic) |
| 2.2 Scope the issue – establish the performance 'gap' |
| 2.3 Establish Future/Change Focus |
| 3. Develop Information |
| 3.1 Drop Preconceptions (Agenda) |
| 3.2 Develop Information on problem and causes |
| 3.3 Reach Agreement and Summarise problem and causes |
| 4. Resolve |
| 4.1 Plan Future – build strategy |
| 4.2 Review and Agree commitment on next steps |
| 4.3 Affirm and Reinforce (R+) |



SHEQ Leadership Coaching Cards



Content – developing leadership skills

SHEQ Leadership Skills

Managers and team leaders are expected to personally lead SHEQ improvement. SHEQ leadership skills can be grouped into nine main categories. These skills apply to all leadership aspects, not just SHEQ.

1. Communicating the vision
2. Setting standards and expectations
3. Building effective teams
4. Motivating people
5. Effectively planning and executing
6. Monitoring and managing performance
7. Promoting change
8. Creating effective interpersonal relations
9. Leading by example



SHEQ Leadership
Coaching Cards



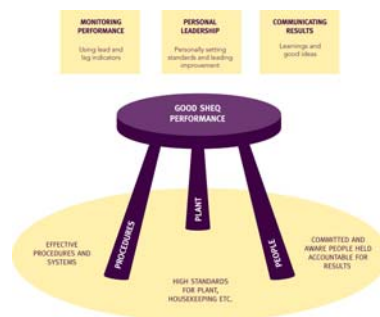
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Developed by participants in leadership workshops

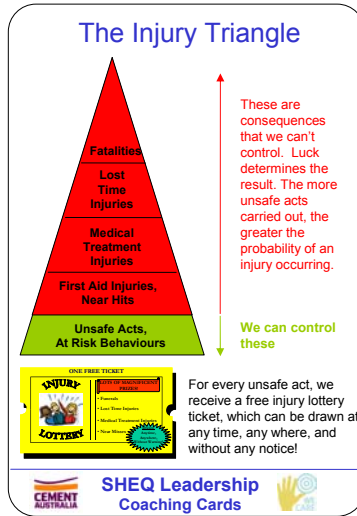
Content - clarifying SHEQ leadership roles

- Developed by participants in leadership workshops
- Provide guidance in the management activities that need to be undertaken, and examples of personal leadership actions
- Categorised into our 6 SHEQ key result areas:
- Developed for General Manager, Plant Manager, Team Leader, and Regional SHEQ Manager roles
- Can be used to develop own personal leadership plan, and to discuss leadership actions/plans of direct reports



Content - SHEQ specific skills

- SHEQ observations
- Take 5 to stay alive
- Totems, Taboos and Repetitive Interactions (a way to change culture)



(Coaching card 22)



Content – need to focus on critical risks to prevent fatalities

Fatalities 2004

14 Cement companies
139,000 employees
LTIFR 5.9

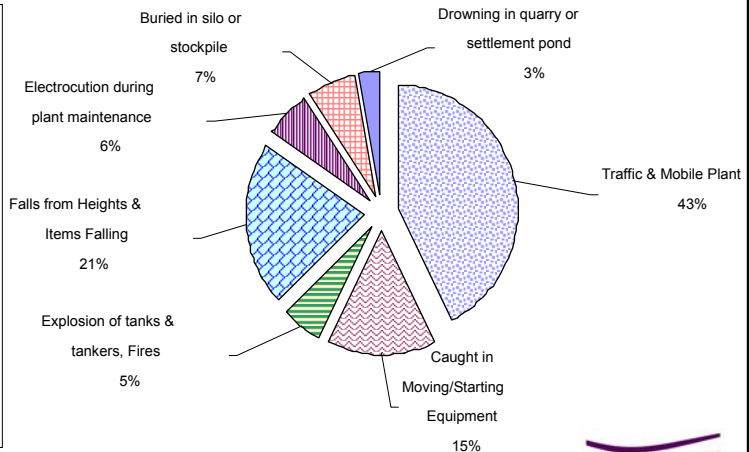
Fatalities

Employees 27

Contractors 54

3rd parties 11

Total 92



Fatality rate: 1 per 1,500 employees per year

Australian road toll : 1 per 10,000 population per year



Summarising - SHEQ leadership behaviours

- We must believe in our beliefs
- We must have a systematic approach
- We must set high standards and expectations for our plant and our people
- We must identify and control critical risks
- We must be personally involved and lead by example
- We must actively care
- We must never walk past a problem



SHEQ leadership behaviours continued.../

- We must hold our people accountable
- We must help, support and coach our people
- We must take personal responsibility
- We must work together
- We must live our guiding principles
- We must all become 'SHEQ Champions'



Progressive planning and evaluation

| | |
|---|--|
| What were the main learnings / take-aways? | |
| Comments | |
| What are the opportunities for my business? | |
| Comments | |

- Integral part of program
- Requires participants to progressively summarise learnings, and identify personal actions from each module to take back to their business



Participants evaluations, comments and suggestions

- Completed after each of the two modules
- Shows how we are going and identifies improvement opportunities
- Evaluation example (Railton workshop Module 1 August 2006)
 - Content – 4.8 out of 5
 - Presentation – 4.9 out of 5
 - Relevance – 4.5 out of 5



Participants evaluations, comments and suggestions continued.../

“Content of program was good and focused on methods to achieve the skills to be an effective leader - they were practical and usable. Format of the program was logical, smooth flowing and maintained interest. Focus on human behaviour and how to improve skills in this area was good. Application techniques are important. Location was good. It is the best course on this topic I have been involved with over the years of my experience. Well done!”

– Course Participant

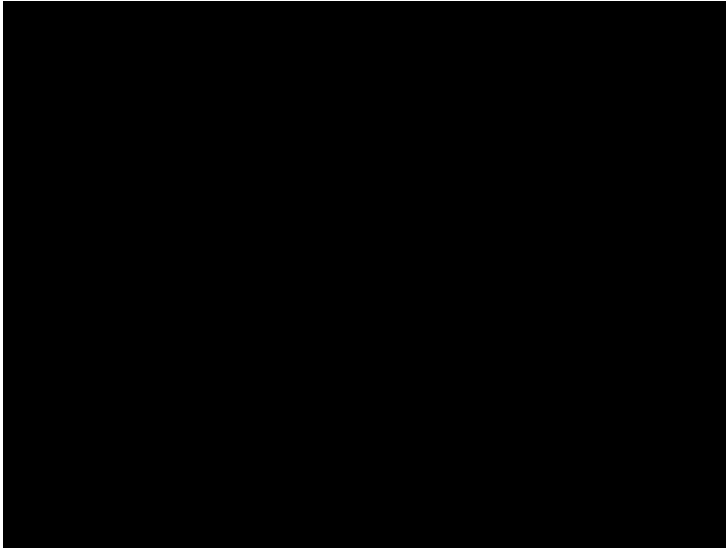


Some comments from participants

Extracts from video of participants comments at close of Workshop 8 Module 1, Kandos, 4 May 2006



Some comments from participants video



What's next?

- Development of an operator level focused program (“I can make a difference”) covering similar topics, that:
 - › Generates a similar level of understanding, and a shared belief that by working together we can prevent injuries and incidents
 - › Is in short and simple modules (2 hrs each)
 - › Is informal and highly interactive (like a toolbox talk)
 - › Is done in small groups
 - › Uses lots of video examples
 - › Provides practical tools
 - › Has a complete facilitators guide
 - › Is delivered by participants from the SHEQ leadership program

**And will help us show “we care” and achieve
our goal of ZERO HARM**



Thank you.

Questions?

