

CS ENERGY PROCEDURE FOR
FAIR and JUST CULTURE
CS-OHS-47

Responsible Officer: Health and Safety Manager

Approved: GM, Organisation Development

Contents

| | | |
|----------|---|----------|
| 1 | Purpose | 2 |
| 2 | Scope | 2 |
| 3 | Responsibilities | 2 |
| | 3.1 General Managers | 2 |
| | 3.2 Managers | 2 |
| | 3.3 Site Superintendents/Supervisors | 2 |
| | 3.4 Health and Safety Manager..... | 3 |
| | 3.5 Employees | 3 |
| | 3.6 Contractors | 3 |
| 4 | Application | 3 |
| | 4.4 Commitment to a Fair and Just Culture | 3 |
| | 4.5 Fair and Just Culture, Human Factors and Design | 4 |
| | 4.6 Fair and Just Culture Application..... | 4 |
| | 4.7 Fair and Just Culture Committee Process | 5 |
| | 4.8 Fair and Just Culture Interview..... | 5 |
| | 4.9 Training..... | 5 |
| | 4.10 Record Keeping and Documentation..... | 6 |
| 5 | Definitions | 6 |
| 6 | Reference Documentation | 8 |
| 7 | Appendix | 8 |
| | APPENDIX A: Workflow Process for Applying the Fair and Just Culture Procedure . | 9 |

Version History

| Revision | Description | Originator | Date |
|----------|--|------------|----------|
| 1 | Modified Decision Chart and inclusion for Section 4.7 and 4.8 | B Johnson | 20.01.11 |
| 0 | Issued for implementation (originally Version H following development) | B Johnson | 24.08.10 |

1 PURPOSE

The purpose of this procedure is to provide CS Energy leadership with guidance on:

- (a) the application of a Fair and Just Culture procedure to incident management;
- (b) the management of incidents, near misses, hazards, and risks involving people;
- (c) the commitment to a Fair and Just Culture approach which is complementary to CS Energy's values, zero harm outcomes and the sustained delivery of a healthy "safety" culture; and
- (d) the recognition that exceptional or above and beyond team and individual performance should be acknowledged and rewarded.

2 SCOPE

This procedure applies to all personnel across all CS Energy workplaces.

It does not provide detailed advice regarding the disciplinary process, however will be used in conjunction with existing procedures such as the performance management process outlined in the procedure, Counselling, Discipline and Dismissal, CS-HR 23.

The Fair and Just Culture procedure will also be integral to the management process following incident investigations primarily where the contributing factors involve human error.

3 RESPONSIBILITIES

3.1 General Managers

The General Managers are responsible for:

- implementation of this procedure;
- ensuring sufficient resources are provided to effectively conduct the actions arising from this procedure; and
- leading the fair and just culture.

3.2 Managers

The Managers are responsible for:

- ensuring compliance with this procedure by all employees and contractors;
- leading the fair and just culture;
- conducting periodic review of process and report monthly on its effectiveness and application; and
- provision of appropriate training and support to all personnel in application of this procedure.

3.3 Site Superintendents/Supervisors

The Superintendents/Supervisors are responsible for:

- creating and leading a positive fair and just culture through actions and supporting a culture where people are accountable for their own safety behaviour and attitude;
- implementing and applying the procedure to their area of responsibility; and

- providing support to employee and contractors in the process and application of this procedure.

3.4 Health and Safety Manager

The Health and Safety Manager shall:

- assist managers and superintendents in the implementation and maintenance of this procedure;
- promote the fair and just culture;
- periodically audit each site to ensure the implementation and adherence to this procedure;
- coordinate management level training/awareness in relation to application of the procedure; and
- compile and distribute statistics in relation to its effectiveness and application across sites.

3.5 Employees

Employees shall:

- comply with the requirements of this procedure; and
- attend appropriate training and awareness sessions as directed by their supervisor or manager.

3.6 Contractors

Contractors shall comply with the requirements of this procedure.

4 APPLICATION

4.4 Commitment to a Fair and Just Culture

A Fair and Just Culture is applied with the knowledge that:

- people do make mistakes;
- people may develop unhealthy patterns of behaviour;
- reckless conduct is dealt with zero tolerance; and
- includes recognising and rewarding those people doing a good job and promoting continued good work practices.

In the event of an incident, near miss or identified risk to safety, the Fair and Just Culture approach creates an alternative to the two extremes of punitive or blame-free cultures. A Fair and Just Culture balances the need to have a non-punitive reporting and learning environment (i.e. an environment that is not focussed on attributing blame and administering punishment), with the need to hold persons accountable for their actions.

A Fair and Just Culture is an important part of a positive health and safety culture. It recognises that behaviours may fall below expectation, however the employee may not always be in the wrong.

Equally, the Fair and Just Culture Procedure recognises that there will be situations where behaviours fall below expectation and it provides a managed process (with appropriate support) for dealing with these issues transparently and equitably. A Fair and Just Culture seeks to improve the organisational culture and the performance of the organisation by

means of behavioural modification. It also encourages employees to take greater personal responsibility for their actions. Additionally, it recognises that firm actions might need to be taken in circumstances where, despite the knowledge of company safety practices and/or clear instruction given, inappropriate behaviours are still evident.

A Fair and Just Culture:

- focuses attention predominately at identifying and addressing the system/organisation factors (root causes) that impact reliability and performance;
- provides an atmosphere of trust in which people are encouraged for providing essential safety- related information (e.g. incident, hazard and near miss reports), building a healthy reporting culture;
- clearly defines where the line must be drawn between acceptable and unacceptable behaviour (see also the CS Energy procedures for Health and Safety Life Savers CS-OHS-49); and
- is a pre-requisite for the degree of openness that a learning and informed culture requires.

4.5 Fair and Just Culture, Human Factors and Design

The application of the Fair and Just Culture principles and the creation of an effective culture, is predicated on the understanding and application of “human factors science” – not only to events, but also to design for both system and human reliability.

Factors impacting system reliability and performance (knowing that systems will never be perfect) requiring consideration/management include:

- human factors design to reduce the rate of error;
- barriers to prevent failure;
- controls to capture failures before they become critical; and
- redundancy and amelioration to limit the effect of failure.
- factors impacting human reliability and performance (knowing that people will never be perfect) and therefore also requiring consideration/management include:
 - Information
 - Equipment/tools
 - Design/configuration
 - Job/task
 - Qualifications/skills
 - Perception of risk
 - Individual factors
 - Environment/facilities
 - Organisation environment
 - Supervision
 - Communication

4.6 Fair and Just Culture Application

To ensure the development and sustainability of the high trust levels necessary to create a healthy safety culture within people at CS Energy workplaces, CS Energy managers and leaders shall apply these principles in a fair, clear and consistent manner. An incident does not always trigger the use of this process.

The application of the Fair and Just Culture Procedure should only apply:

- following an investigation into an incident, event or exceptional behaviour;
- after factual information or data has been collected from a thorough investigation. The focus of investigations should be predominately on identifying and addressing system/organisational contributing factors and related causes.

Following the investigation of an incident/event or exceptional behaviour, managers and leaders should consult the workflow process in Appendix A to guide their approach. This workflow process provides a step by step approach as to how the Fair and Just Culture Decision Chart in Appendix B is applied. This procedure cannot incorporate every possible scenario or situation; however it will help managers and leaders to consider a broad range of issues so that the final decision is consistent with our values and the sense of fairness and justice that ultimately leads to achieving a zero harm workplace.

Note: With respect to the CS Energy processes for the management of alcohol and other drugs, the process to manage non-conformance by a person returning a sample outside the alcohol and other drug defined limits shall be addressed with reference to the procedure, Managing Alcohol and Other Drugs, CS-OHS-42. This procedure has clear actions for managing non-conformances.

4.7 Fair and Just Culture Committee Process

Prior to meeting with the person involved where the Fair and Just Culture Decision Chart is to be applied, sites may elect to use a committee to determine an objective outcome from the decision chart based upon factual information received primarily from the investigation.

This preparation is important by allowing each member of the committee to review the information at hand and provide their views ensuring the consistent and objective outcome required.

The committee members shall be typically selected from those in senior management roles from the site.

The decision reached shall be provided as guidance to the supervisor and manager to use in the interview process with the person involved.

4.8 Fair and Just Culture Interview

The interview process allows for the person involved to meet with the supervisor and/or manager to discuss the matter and arrive at the appropriate outcome on the Fair and Just Culture Decision Chart.

During the interview each party may have a representative to witness the meeting.

The relevant documentation shall be used which is detailed in Section 4.10 Record keeping and Documentation.

4.9 Training

Managers, superintendents, supervisors, health and safety personnel and union delegates shall undergo Fair and Just Culture training to ensure quality and consistency in the application of the model within the organisation. This training covers the following:

1. Human factors, human error and error tolerance.
2. Systemic Health and Safety incident investigation process (Incident Management CS-IM-01).
3. Background and rationale to fair and just culture principles.
4. Example case studies on how to apply the procedure.
5. Explanation of linkages to other procedures such as:
 - Minimum Health and Safety Standards for Critical Risks, CS-OHS-48
 - Health and Safety Life Savers, CS-OHS-49

- Counselling, Discipline and Dismissal, CS-HR 23
- Fair Treatment and Grievance Resolution System, CS-HR-45.

Other employees shall be provided with awareness sessions to outline the Fair and Just Culture process.

4.10 Record Keeping and Documentation

In circumstances where the Fair and Just Culture Decision Chart has been applied, the accountable manager shall ensure that a copy is kept on the employee’s file along with a record of relevant actions taken. The Fair and Just Culture Decision Chart, detailed in Appendix B, is a guide designed to be used with the appropriate box “ticked” to verify the action taken.

This process shall follow the requirements of the Procedure for Counselling, Discipline and Dismissal, CR-HR-23 and include the privacy and confidentiality requirements along with the use of the appropriate form found in that procedure such as:

- Pro forma Counselling Interview Form.
- Pro forma Disciplinary Interview Form.

Records shall be maintained on file in accordance with applicable site/industrial instrument practices.

5 DEFINITIONS

| | |
|--|---|
| At Risk Behaviour (unintentional) | The action increases the risk of an accident. |
| Blame-free | Not deserving of discipline/punitive action. |
| Culpable | Deserving of discipline/punitive action. |
| Highly Culpable Behaviour | A conscious disregard of a substantial and unjustifiable risk. |
| Human Factors | A field of scientific knowledge that involves optimising the relationship between the human operator and the environment. |
| Human Error | Occasions in which a planned sequence of mental or physical activity fails to achieve its intended outcome. |
| Fair and Just Culture | <p>Fair and Just Culture is about understanding and effectively applying the understanding of human factors, and clearly delineating the boundaries of acceptable and culpable behaviours to ensure:</p> <ul style="list-style-type: none"> - Incidents that result from honest mistakes and failures in human reliability are not punished, but rather acknowledged as failures in the organisation’s defences. - Reckless actions and violations are not tolerated and are treated appropriately. - The development and ongoing support of healthy reporting, learning and informed cultures which are the foundation blocks of a healthy safety culture and the continuous improvement journey of realising and sustaining our zero harm objective. |

Minimum Health & Safety Standards for Critical Risks

Standards that identify key risks that require the development of sound practices to eliminate serious injuries and incidents that could, in slightly different circumstances, cause fatalities.

Punitive

Intended to inflict punishment.

Reckless (intentional)

Risk-taking, where the action constituted a significant and unjustifiable risk, and was taken with a conscious disregard of consequences.

Health & Safety Life Savers

Safety rules that are fundamental to having a safe workplace and a breach of one of these safety rules will result in disciplinary action.

Shall

Understood as mandatory.

Should

Recommended but non-mandatory.

6 REFERENCE DOCUMENTATION

CS Energy Health & Safety Policy

CS Energy Health & Safety Manual, CS-OHS-M-01

CS Energy Procedure for Minimum Health & Safety Standards for Critical risks, CS-OHS-48

CS Energy Procedure for Health & Safety Life Savers, CS-OHS-49

CS Energy Procedure for Incident Management, CS-IM-01

CS Energy Procedure for Counselling, Discipline and Dismissal, CS-HR-23

CS Energy Procedure for Managing Alcohol and Other Drugs, CS-OHS-42

Marx, David. Errors: A Balance between learning and accountability.
Outcome Engineering, 2004

Reason, James. Managing the Risks of Organisational Accidents
Brookfield: Ashgate, 1997

7 APPENDIX

Appendix A: Workflow process for applying the Fair and Just Culture Procedure

Appendix B: Fair and Just Culture - Decision Chart

APPENDIX A: Workflow Process for Applying the Fair and Just Culture Procedure

Understanding Workplace Behaviour

Human error is a part of life and can rarely be eliminated entirely. In many cases, where a slip or lapse in following procedures or a mistake is made, disciplinary measures are usually not appropriate. Even when a violation is made (an intentional act not to follow established procedures) it is important to look at the organisational context of the behaviour. For example; is the violation a one-off act by an individual, or is there a culture of workforce non-compliance? Various error types are indicated in Figure 1, Error Types, with the main distinction between the *unintentional* nature of human error and *intentional* nature of violations.

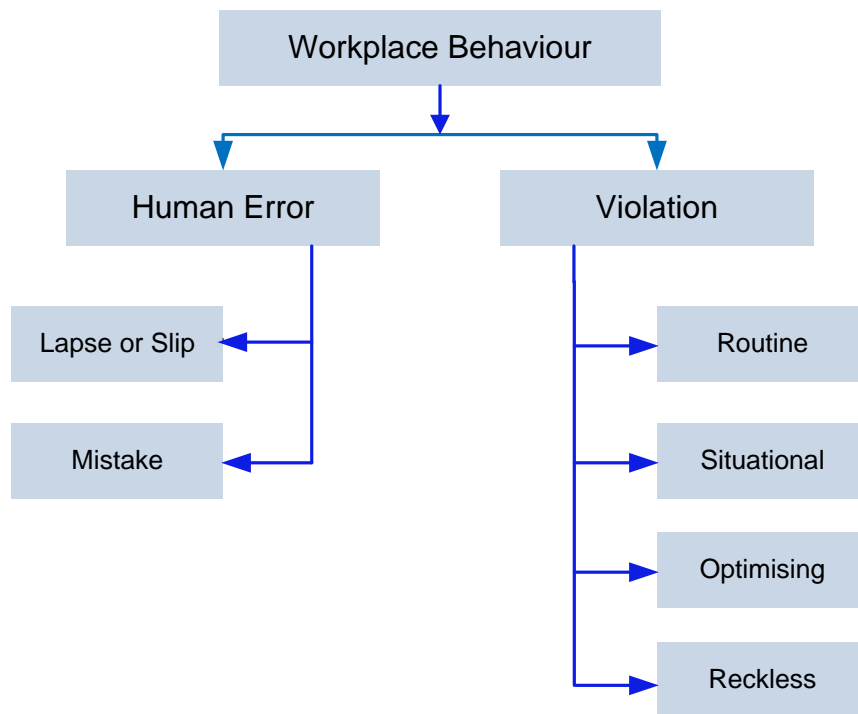


Fig. 1 - Error types

When things do go wrong, it is important to look at the underlying cause or motivation for the behaviour before deciding on a fair and just consequence.

How to use this Model

The following work flow process steps outlined in Figure 2 should be applied under this procedure:

| Trigger | Process Step | Required Action |
|---|---|---|
| <div style="border: 1px solid black; padding: 5px; width: fit-content;">Incident or event occurs.</div> | <div style="border: 1px solid black; padding: 5px; width: fit-content;">Incident Investigation</div> | <ol style="list-style-type: none"> 1. Confirm that the incident investigation has been completed? |
| <div style="border: 1px solid black; padding: 5px; width: fit-content;">Exceptional behaviour occurs.</div> | <div style="border: 1px solid black; padding: 5px; width: fit-content;">Review relevant information & findings</div> | <ol style="list-style-type: none"> 1. Identify whether any human performance issue has been identified as a contributing factor? |
| | <div style="border: 1px solid black; padding: 5px; width: fit-content;">Refer to Decision Chart</div> | <ol style="list-style-type: none"> 1. Apply to only one action/behaviour at a time. 2. In cases where there are multiple actions by an individual, each should be treated separately. 3. Use for employee first and then repeat for manager/supervisor. |
| | <div style="border: 1px solid black; padding: 5px; width: fit-content;">Move from left to right across Decision Chart</div> | <ol style="list-style-type: none"> 1. Locate the START point at the Behaviour Description column on the top left hand side of the page. 2. Determine the most accurate description of the behaviour 3. At each 'yes' or 'no' check point record the response. Each subsequent 'no' identifies increasingly culpable behaviour. 4. When the appropriate 'yes' is reached the manager moves down the matrix to seek guidance on the most appropriate consequence. |
| | <div style="border: 1px solid black; padding: 5px; width: fit-content;">Determine disciplinary action</div> | <ol style="list-style-type: none"> 1. If a Reckless Violation or Personal Optimising Violation has been identified, consider disciplinary action of the employee referencing Procedure CS-HR-23. |
| | <div style="border: 1px solid black; padding: 5px; width: fit-content;">Documentation</div> | <ol style="list-style-type: none"> 1. Document any actions determined and attach decision chart as a record on employee/manager file. |

Fig. 2 - Work Flow Process

NOTE: When team members **intentionally** break a well known rule to gain a benefit or advantage or through simple disregard for known risks and/or workplace standards, then it is reasonable that there should be a personal consequence.

The consequence for **unintentional** human error must be different to violation. An error may result from a lack of skill, training or knowledge. A violation is a deliberate act that knowingly contravenes systems, processes and policies.

Appendix B: Fair and Just Culture - Decision Chart

■ Recognition
 ■ Coaching
 ■ Initiate Discipline

| BEHAVIOUR TYPE → | Exceptional Behaviour | Expected Behaviour | Unintentional Error (Slip, Lapse, or mistake) | Routine Violation | Situational Violation | Organisational Optimising Violation | Personal Optimising Violation | Reckless Violation |
|---|---|--|---|---|---|--|--|---|
| Team Member Behaviour START → | Did the team member go above & beyond call of duty? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Were all procedures and instructions followed? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the team member think they were doing things the right way? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Do other team members normally not follow safety procedures in the same way? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the team member think the procedure was a barrier to getting the job done? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the team member think there was some benefit for the company by doing the job a different way? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the team member vary from the procedure to make it easier for themselves? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the team member intentionally not follow the procedure without thinking or caring about the consequences? <input type="checkbox"/> Yes ↓ |
| Team Member Consequence | <input type="checkbox"/> Recognition or reward. <input type="checkbox"/> Record on employee file. <input type="checkbox"/> Communicate to wider team. <input type="checkbox"/> Copy to supervisor. | <input type="checkbox"/> No action required. | <input type="checkbox"/> Does this happen often? (if yes, routine error & record for trend analysis) <input type="checkbox"/> Record type of error on file (Incident management Database). <input type="checkbox"/> Coach person on taking more care. | <input type="checkbox"/> Coach team members on importance of following correct procedures and not taking short cuts. <input type="checkbox"/> Record on file. | <input type="checkbox"/> Coach the team member on speaking up when procedures cannot be followed and delaying the job until it can be completed safely. <input type="checkbox"/> Record on file. | <input type="checkbox"/> Coach the team member on balancing work and time pressure with company values. Consider disciplinary measures where appropriate. <input type="checkbox"/> Record on employee file | <input type="checkbox"/> Formal disciplinary action in accordance with relevant procedures. <input type="checkbox"/> Consider suspension until further action required. <input type="checkbox"/> Record on employee file. | <input type="checkbox"/> Formal disciplinary action in accordance with relevant procedures. <input type="checkbox"/> Consider suspension until further action required. <input type="checkbox"/> Record on employee file. |
| Supervisor/Manager Behaviour START → | Did the supervisor/manager also exhibit exceptional behaviour? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Does the supervisor/manager lead by example by complying with procedures and instructions? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the supervisor/manager supervise think the task was being completed in the required manner? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the supervisor/manager normally ensure work is completed in the appropriate and correct manner? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the supervisor/manager know the procedure was a barrier to getting the job done however managed the matter appropriately? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the supervisor/manager authorise shortcuts or other non-approved methods thinking this was a benefit for the company? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the supervisor/manager manage the variance/behaviour on this or previous occasions? <input type="checkbox"/> Yes <input type="checkbox"/> No ↓ → | Did the supervisor/manager condone the actions of the team member? <input type="checkbox"/> Yes ↓ |
| Supervisor/Manager Consequence | <input type="checkbox"/> Recognition or reward. <input type="checkbox"/> Record on employee file. <input type="checkbox"/> Communicate to wider team. <input type="checkbox"/> Copy to supervisor. | <input type="checkbox"/> No action required. | <input type="checkbox"/> Does this happen often? (if yes, routine error & record for trend analysis) <input type="checkbox"/> Record type of error on file. <input type="checkbox"/> Coach employee on taking more care. | <input type="checkbox"/> Coaching on how to monitor & enforce procedures. <input type="checkbox"/> Safety leadership skills training. <input type="checkbox"/> Record on file. | <input type="checkbox"/> Coaching on how to monitor & enforce procedures. <input type="checkbox"/> Safety leadership skills training. <input type="checkbox"/> Record on file. | <input type="checkbox"/> Consider H&S leadership training. <input type="checkbox"/> Formal disciplinary action in accordance with relevant procedures. <input type="checkbox"/> Record on employee file. | <input type="checkbox"/> Formal disciplinary action in accordance with relevant procedures. <input type="checkbox"/> Coaching on how to recognise and deal with such behaviour earlier. <input type="checkbox"/> Record on employee file | <input type="checkbox"/> Formal disciplinary action in accordance with the relevant procedures. <input type="checkbox"/> Consider suspension until further action required. <input type="checkbox"/> Record on employee file. |