

O'Neill Exemplifies Safety Leadership

Josh Cable | Oct 03, 2013

Driven by the philosophy that putting profits over people is "always a stupid idea," former Alcoa CEO Paul O'Neill proved that a lasting commitment to workplace safety must start at the top.

Advancements in information technology give us the opportunity "to transform our society," particularly when it comes to environmental, health and safety efforts.

That was just one of many pearls of wisdom that former Alcoa CEO Paul O'Neill offered to an appreciative audience Tuesday at the 2013 National Safety Congress and Expo in Chicago.

O'Neill, who received the National Safety Council's President's Award at the event, said the development of a safety-data system at Alcoa was a catalyst for dramatic improvements in the company's safety record during his 13-year tenure.

Shortly after O'Neill took the helm at Pittsburgh-based Alcoa in 1987, he tasked several Carnegie Mellon University graduates to develop the IT infrastructure for a real-time safety-reporting system. O'Neill's vision was to have Alcoa facilities post all injuries and incidents within 24 hours after they occur, along with the corresponding root-cause analyses and corrective actions.

Much to the chagrin of Alcoa's legal counsel, O'Neill wanted the reports to include the names of the employees involved.

"Because one of the things I've learned is if you're managing numbers, it feels a lot different

than if you're dealing with individuals, human lives and injuries to people," O'Neill said. "So if somebody got hurt, I didn't want to penalize them by calling their name out. But I wanted their co-workers to know, 'My friend got hurt. This is another human being. This is not about OSHA recordable rates or something – this is about individual human beings who are part of our family.'"

O'Neill emphasized that the health care industry – which has an abysmal worker-safety record – would benefit greatly from the same type of transparency in its reporting of workplace injuries as well as patient-care performance.

O'Neill, who served as the secretary of the U.S. Treasury for two years under President George W. Bush, wrote a letter to President Obama this past December. In the letter, O'Neill urged Obama to direct all VA hospitals and U.S.-based military hospitals to begin reporting all hospital-acquired infections, patient falls, medication errors and caregiver injuries within 24 hours of their occurrence.

"Think about what it would be like if we, as consumers, all had real-time information about the quality or lack of quality of the institutions that are supposed to create better health status and medical outcomes, and we could see how they're doing by their work force," O'Neill said. "I believe it would mobilize our society" to improve safety and quality in our health care system.

Safety Is 'Like Breathing'

O'Neill's belief in the power of transparency is an outgrowth of his conviction that an injury-free workplace "is a precondition – not a priority."

"It's like breathing: You can't do much else if you don't remember to breathe pretty frequently," O'Neill said. "And we should have the same attitude toward the safety of our workforce."

As the CEO of Alcoa, O'Neill put his money where his mouth was. When the company's legal counsel fretted that displaying the names of injured employees would embolden tort lawyers "to sue the hell out of us," O'Neill pledged to pay any damages out of his own pocket.

"In the 13 years I was there, there never was a lawsuit," O'Neill said.

During his 13-year tenure, Alcoa's lost-workday rate dropped from 1.86 to 0.23, while its market value ballooned from \$3 billion in 1986 to \$27.5 billion in 2000. (As of Oct. 2, the company's lost-workday rate for 2013 stood at 0.085, according to Alcoa's website.)

The company's safety and financial success under O'Neill served to undermine the longstanding assumption that injuries and accidents were inevitable byproducts of the quest for profits.

"People confused the idea that customers and production were the most important thing with the idea that workers had to put themselves at risk for the greater good of the company," O'Neill said. "It was always a stupid idea. But it took a while to get people to believe that it was neither right nor necessary."

Walking the Talk

At Alcoa, O'Neill personified the tenet that a culture of safety is built on unwavering management support.

"Only a leader can establish aspirational goals," O'Neill said. "And if your leader doesn't say it and mean it, that 'people who work here should never be hurt at work,' it's really hard to get that from the bottom up."

Early on in his tenure, O'Neill showed that he wasn't just paying lip service to safety. He visited a number of Alcoa plants to reinforce his safety message: "Every human being here is equally important. It doesn't have anything to do with your pay or your rank or your union membership or not. None of that makes a difference."

He recalled visiting a plant in Tennessee where the Pinkerton Detective Agency – the infamous paramilitary group that squashed labor uprisings – shot some workers in 1935. During lunch with a group of managers, supervisors and hourly union representatives, O'Neill said he "set out to unwind 50 years' worth of learned disrespect for each other." He told management: "As soon as anyone in this organization identifies a condition that could cause anyone here to be hurt, I want you to fix it."

"And you should know from now on that we're not going to budget for safety at Alcoa. As soon as we identify a risk condition, it will be fixed, and I will figure out how to pay for it." Then O'Neill gave his home phone number to the hourly workers on hand, instructing them to call him if they saw any hazardous conditions that haven't been addressed.

A few weeks later, O'Neill received a phone call late at night. It was an hourly representative from the Tennessee plant, who told O'Neill that a section of the plant's roller conveyor system was broken. The caller said that he and other hourly workers had to carry 600-pound ingots where the conveyor was broken, and the workers were "'terrified'" that they were going to get hurt.

After he hung up with the worker, O'Neill called the plant manager and instructed him to fix the conveyor. Around 4 a.m., the plant manager called O'Neill to tell him that it had been repaired.

At that point, word spread throughout the company that O'Neill was serious about safety. "So I didn't have to go do that at every plant, because the people got it," he said. "Over time, there were some other learning experiences like that, that had a profound effect on people's belief that they truly were important, and that they should never put themselves at risk."