



The Safety Journey Following the Acquisition of NORDEX Explosives in Canada

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Abstract

Does behaviour lead the culture or does the culture lead the behaviour? This is a question that can be asked in any business but one that is especially prominent during a business acquisition.

This proposed paper will highlight the safety culture that existed in a Canadian independent explosives manufacturer “Nordex Explosives” and discusses the changes that occurred as it transitioned over the first two years of becoming part of the EPC Groupe as EPC Canada.

Culture is the cumulative values, beliefs, perceptions and attitudes that exist with a group of people, but every employee as an individual contributes to that culture. The journey travelled by individuals differ from one person to another and this paper aims to tell of the challenges that faced them and the hurdles that needed to be overcome.

Introduction

The EPC Groupe, with its head office in Paris, France, comprises of 42 individual companies, located in 24 countries and 5 continents. The cultures within each of these are diverse but intrinsically connected by the importance of ensuring that everyone goes home safely every day.

Early in 2016, an opportunity arose for the EPC to acquire an explosives manufacturing company in Ontario, Canada. A manufacturing and storage site on the outskirts of a small town of less than 10,000 people called Kirkland Lake, 350 miles north of Toronto. Due diligence was carried out and a successful bid resulted in Nordex Explosives becoming part of the EPC Groupe. Responsibility for EPC Nordex as it became known (EPC Nordex further became EPC Canada in 2018) was assigned to the Atlantic Area Manager. A common language (English) with most employees being bi-lingual (French) greatly assisted in the integration process.

This paper provides an insight to the challenges faced following a successful acquisition process and the changes brought about as a result of working collaboratively to achieve a safer working environment and an improved safety culture.

The paper is about safety culture which is in itself complex. There are many definitions of what culture is but fundamentally it can be understood as “the way we do things around here”, or



alternatively “the way things are done when it is thought that no one is watching. It is the cumulative “default position” or how people in an organisation are “hard wired”.

On acquiring Nordex Explosives, the announcement within the company itself induced an understanding that change was on its way. This conditioned the management and staff. Depending upon where you view change from, it is either positive, something to be apprehensive of or both. Change to most of us is seen as positive, as long as it isn't going to affect me!

From a safety perspective, the management and staff perceived a positive impact. EPC Groupe is long established and at the outset, the message that operating safely is key to the success of the company resonated with everyone. There was therefore a common aim and objective for us to work and succeed together.

Visits to view the company operations both on site and at customer sites were conducted within a very short space of time after the acquisition. These provided an understanding of the differences in practices and culturally and enabled a plan with resources assigned to be agreed and implemented. An initial presentation was delivered to all employees providing an introduction to the EPC Groupe, our SPIRIT Values (Safety, Passion, Integrity, Respect, Innovation & Teamwork) and an understanding of our products and operations. At the end of the presentation, all employees were invited to sign up to a Safety Charter, that in effect is a commitment to adhere to and live by the SPIRIT values.

It was important at the very early stage of the acquisition to create new standards of working and also to gain an appreciation of how things had been done there in the past. The opportunity was taken to undertake a safety culture survey. This hadn't been previously so team briefings prior to the survey were conducted to provide a reassurance that confidentiality was assured. The UK's Health & Safety Laboratory's online “Safety Climate Tool” was chosen and rolled out over a 5-week period in November 2016 for all employees to complete. All 42 employees (ie 100%) completed the survey. The survey was structured into 8 separate areas that were;

1. Organisational commitment
2. Health and safety orientated behaviours
3. Health and safety trusts
4. Usability of procedures
5. Engagement in health and safety
6. Peer group attitude
7. Resources for health and safety
8. Accident and near miss reporting.



The responses when compared to previous culture surveys conducted within EPC showed significant opportunity for improvement. At a high level, these were;

2016 Safety Culture Survey POSITIVES	
Resources for Health & Safety	The H&S equipment works well (70.7% Agree / Strongly Agree) People can always get the equipment (68.3%)
Usability of Procedures	There are too many procedures (63.4% Disagree / Strongly DA)
Areas for IMPROVEMENT	
H&S Orientated Behaviours	Some pay little attention to H&S (70.7% Agree / SA) Not all procedures are followed (70.7% Agree / SA) Suggestions are not always acted upon (63.4% Agree / SA)
Organisation commitment	My Supervisor doesn't do enough for H&S (41.4% Neutral)
Resources for H&S	I can get more people to do job for H&S reasons (46.3% Neutral)

Management considered all of the data and agreed what could be done to improve the safety culture. A follow-up presentation was prepared to thank everyone for participating and to deliver the results of the survey along with what were the next steps.

Using the survey results as an initial benchmark, we were able to clearly articulate WHAT needed to be achieved. This was to;

- 1 Improve our COMMITMENT to Health & Safety,
- 2 Modify our BEHAVIOURS,
- 3 Build TRUST,
- 4 Gain greater ENGAGEMENT in H&S at ALL LEVELS,
- 5 CHALLENGE each other to do the right thing
- 6 Improve health & safety RESOURCES,
- 7 Introduce Near Miss REPORTING and improve INCIDENT INVESTIGATION



HOW this was going to be achieved was also communicated back to the workforce in the same presentation. The following was specified as the plan for going forward;

- a Achieve compliance with EPC Groupe SHE Standards,
- b Train all operational managers to minimum occupational health & safety standard,
- c Train all relevant personnel to a minimum level in Process Safety,
- d Introduce Behavioural Safety,
- e Commence risk assessing all activities that present a high level of risk,
- f Introducing adequate and sufficient control measures to reduce the risks,
- g Promote the reporting of Near Misses and all incidents on reporting system,
- h Introduce management STOP Audits,
- i Introduce Safety Pauses and regular Team Meetings (PDR's),
- j Regular dedicated Safety Management Meetings.

The Atlantic Area Health & Safety Manager was assigned for one week every month to work locally with the EPC Canada team to deliver plan. The company had experience of operating an ISO 9001 quality management system but had no safety management system in place. Using the EPC Groupe Standards and the EPC-UK procedures, a program of adopting and implementing procedures was initiated. Priority was given to the higher risk activities such as the Burning Ground, Disposal of time expired products, Permit to Work, Control of Contractors, Emergency preparedness, etc. Rather than simply providing the procedures, they were each discussed in detail, the actual working practices and conditions on site considered and a method adopted that was suitable to their requirements. Training was provided as appropriate and gradually, a safety management system emerged that satisfied the Groupe Standards.

The management of health and safety within Canada, and particularly the province of Ontario, is a collaborative effort. A Joint Health and Safety Committee is a statutory requirement within every company and legislation defines how this operates and is governed. The Committee is made up of equal number of employees to management and all committee members must complete mandatory health and safety training to be a committee member. The JHSC had operated prior to EPC Groupe's acquisition but achieving results appeared to be slow and to an extent, was frustrating progress. The new Senior Vice President on EPC Canada took a seat on the JHSC to demonstrate the importance that he places on safety. In addition to this, all operational managers and supervisors were required to attend the JHSC 4 days of training to ensure that they understood their legal responsibilities. This was the first formal safety training provided to managers in the company.

Understanding the hazards associated with the processes that we operate is a fundamental requirement to operating plants safely. It is also important to appreciate the consequences of major accidents, the control measures that need to be in place and the mitigating measures that prevent the likelihood of an event escalating. All personnel undertook the Cogent Skills 2-day Process Safety Management for Operations course to increase their awareness of the importance of process safety and the part that each role has in ensuring the major accident hazards are controlled.



Culture is very difficult to change unless the workforce believe senior management is committed to change. In the short timeframe that Nordex Explosives had transitioned to EPC Canada, none of the employees were left in any doubt as to EPC Groupe's commitment to safety. While "Behavioural Safety" has the greatest impact in companies that have most of the necessary plant and processes already in place, staff in EPC Canada could see the commitment to putting the requirements into place and therefore were able to buy-into the concept of Behavioural Safety. This is about changing people's perceptions and attitudes such that they act in a manner that is aligned to Values. They gain an understanding as to why behaviours change and the impulses that are acting upon them. If they are conscious of these impulses, they check them as they know not doing so is likely to deliver an unfavourable (and less safe) result. The EPC "Esprit d'Equipe" program was introduced with 3 volunteers attending a 3-day behavioural safety training course in Toronto and taking on the roles of Safety Ambassadors. They took the knowledge that they acquired back into the company and delivered presentations and a program to change attitudes.

Legislation did not exist within Canada until mid-2017 that required formal risk assessments to be undertaken. The concept was introduced, and a process developed from that used within EPC-UK. The link between identifying hazards and assigning appropriate control measures was quickly adopted and taking a team approach to completing these. This process introduced a systematic approach to progressive risk reduction and was bought into with a wide range of risk assessments being produced and aligned with the work instructions and communicated as they were introduced.

Reporting of near misses within Nordex Explosives wasn't something that had been considered. Records only existed for actual injuries. Two lost time accidents occurred within the first two months of the acquisition. These were thoroughly investigated, and the process given a high profile so that all employees witnessed the seriousness with which injuries are given. Having not had a safety management in place previously, the relevance of being proactive in identifying hazards and reducing the likelihood of re-occurrences hadn't been realised. Training was provided to management to explain how the identification of and response to near misses, unsafe conditions and unsafe behaviours will reduce the actual injuries. They in turn communicated to the workforce and invited the reporting of all incidents that didn't result in injury. An electronic software system was introduced for capturing these and all employees were encouraged to become proactive in observing and correcting unsafe conditions. This has worked but need to be regularly reinforced by management to demonstrate the importance of this.

The DuPont "Safety Training Observational Program" (STOP) was introduced to EPC Groupe in 2008. This requires senior managers to report on their engagement with employees to demonstrate how safety is important to them. Training was provided to EPC Canada managers and a requirement placed on them to complete 1 per month. The reports submitted are reviewed to ensure that the conversations reported are meaningful and convey the message that safety is important to them. This is part of changing the culture in that if safety is seen to be important to our leaders, then it is more likely to be seen by us as important.



Regular and consistent conversations on safety also contribute to the message that safety is important here. Safety pauses are prepared and delivered at the start of all meetings. Attendance at them is noted and the number of pauses prepared and delivered is monitored and reported on. The subject of the safety pauses is varied but relevant to the employees attending. As an example, all relevant SAFEX incidents are communicated as safety pauses as and when they are received.

Quarterly safety management meetings are a Groupe requirement. These were introduced with an appropriate standard agenda to cover a wide range of topics to ensure matters are raised, addressed and reviewed prior to closing out.

Having advised all employees after the 2016 safety culture survey on the issues that had been identified and the plan to address those, another safety culture survey was planned for 11 months later. Prior to the 2nd survey, all employees were reminded at a briefing of the findings from the 2016 survey, what was planned to have been done and what was actually achieved. They were then invited to participate in the survey again between 13th and 24th November 2017 to provide us with an indication of progress and what needed to be done next. 33 employees responded (100% participation at that time).

The results indicated significant improvements across all 8 areas of safety culture being measured. The unfavourable scores had been improved by 20% on average, with the greatest improvement seen in "Health & safety orientated behaviours". Favourable scores were improved by 23% overall, with "Organisational Commitment" indicating the greatest improvement by 36%.

Conclusions

Merging safety cultures in high hazard industries is key in the overall success of acquisitions. Despite the financial and operational challenges faced during any acquisition, safety and the development of an appropriate culture contributes to that success. The time taken and the process followed in the case of EPC Canada delivered significant improvements. The number of injuries has reduced dramatically, the level of knowledge has increased and the processes in place provide a platform from which they can progress in the future.

In returning to the question posed in the Abstract, "Does behaviour lead the culture or does the culture lead the behaviour?" The answer is "It depends!" From our experience, it is the author's opinion that behaviour is part of and an output of culture. Leaders have the opportunity to craft safety culture and therefore the acceptable behaviours displayed. In the absence of good leadership, others will display behaviours that will impact upon culture and shape it.

The safety culture of a company can only ever be improved upon. During the short period that modifications have been implemented following the acquisition, the culture has been able to be embraced and allowed to flourish, but still requires a daily effort on the part of all employees.



Take Home Message

Safety needs to be considered and addressed within the acquisition process. Companies being acquired require clear leadership, standards and direction. The safety culture is what defines how things are done. Developing it is crucial.