

# Recognizing a paradigm shift

Alcan Inc. and DynMcDermott Petroleum Operations Co.  
earn the 2006 Robert W. Campbell Award



*By Audrie Armes, associate editor*

*F*ew safety awards require the stringent analysis of the Robert W. Campbell Award, co-developed by the National Safety Council and Exxon Mobil Corp. The award, now in its third year, is presented to companies demonstrating the highest level of commitment to safety, health and environmental management. Through a worldwide network of partners, the Campbell Award serves as a catalyst to understanding the intrinsic value of SH&E in business excellence and sustainability.

“Building upon scientific rigor and using an evidence-based case study approach, the principle function of the award is to validate and capture evidence provided through real-life cases,” said Mei-Li Lin, program director for the Robert W. Campbell Award and executive director of research and statistical services at the National Safety Council.

Although the humanistic value of safety and health is well-recognized, the economic value of SH&E management is less discussed, studied or documented, Lin said. “With global competition; advances in technology and material science; the changes in work organization; and the composition of workforce, increased public awareness and augmented regulatory requirements in SH&E, management must shift from the cost-avoidance or compliance-oriented paradigm to one that optimizes the value of SH&E to

businesses,” she added. To facilitate this paradigm shift and to equip business leaders with sound SH&E practices, the Campbell Award aims to provide exemplary SH&E business operations systems and the evidence of their impact to business vitality.

“We want to recognize companies that invest in SH&E and bring that into their core by completely integrating safety, health and environmental management into their business operations,” Lin said. “Second, we want to establish a process where we can actually validate their efforts and measure the performance. Third, we want to use a rigorous review process, utilizing an international panel of expert reviewers to help us look at the applications, and help evaluate and capture the successes observed and lessons learned. Fourth is to really foster the sharing of success stories,” she elaborated.

Reviewing applications for this award is an intensive process. Candidates are evaluated by international experts from government, academia, consultancy, business and labor. After an extensive evaluation process, the companies meeting the strict criteria become finalists. After the review committee examines each company’s integration of SH&E into everyday operations and measures the links between high SH&E performance and business excellence, companies passing the test move on to a two-day, onsite assessment of their facilities and management systems.

Two companies remained standing after this year’s process: Montreal-based Alcan Inc. and DynMcDermott Petroleum Operations Co. from New Orleans. Both earned the 2006 Robert W. Campbell Award.

### **Alcan Inc.**

Founded in 1902, Alcan Inc. is a supplier of bauxite, alumina and aluminum, as well as a provider of engineered and packaging materials. With approximately 65,000 employees, Alcan is a public company with reported 2005 revenues of \$20.3 billion, according to company literature.

One aspect of Alcan’s business model that caught the attention of the Campbell Award committee was the company’s EHS FIRST environmental, health and safety management system.



**Simon Laddychuk**  
 Alcan Inc.

Simon Laddychuk, vice president, EHS FIRST and sustainability, said Alcan’s environmental, health and safety vision is “to be a recognized leader of environment, health and safety excellence in everything we do and everywhere we operate.”

The system was put in place to achieve “world-class performance” at every Alcan facility. World-class performance means attaining zero SH&E-related incidents or injuries by promoting and protecting the environment, health, and safety of employees and communities where the company operates.

## Who was Robert W. Campbell?

Robert W. Campbell was a pioneer in the safety movement in the United States. A graduate of Stanford University and Hastings College of Law, Campbell was chief of the legal staff at one of the largest steel manufacturers in the nation. In response to the growing safety problems of industrialization, Campbell was selected in 1908 to serve as the first chairman of Illinois Steel’s corporate-wide safety committee. Under his guidance, this committee organized the company’s first formal accident prevention programs, which included the sharing of information and safety practices among all company plants, the establishment of safe work practices for many jobs, and the



development of safety-training programs for workers and supervisors in several languages.

In 1913, Campbell was selected by his peers to serve as president of the newly formed National Safety Council. Campbell’s counsel and leadership in the formative days of the council were powerful aids in the development of organized accident prevention efforts on a national scale.

Throughout his career Campbell promoted gathering data, obtaining expert advice, and sharing the lessons learned and results of investigation for the betterment of others. He died in 1947 at age 72.

- The four cornerstones of Alcan's EHS FIRST system are:
- Management commitment and leadership
  - Line ownership and meaningful employee involvement
  - An aware, trained and committed workforce
  - Effective two-way communication (including knowledge growth and best-practice sharing)

New Alcan facilities must be fully compliant with EHS First within two years of their acquisition or startup. Regular monitoring, measuring and auditing of SH&E performance are integral to the program's success. This monitoring enables the company to identify key performance indicators and share best practices.

To date, EHS FIRST has delivered a minimum of \$43 million in benefits, predominantly from safety, according to the company. Productivity also has been improved by reducing employee absenteeism, streamlining processes and enhancing systems.

Laddychuk said the company continues to strive for excellence, and receiving the Campbell Award only pushes Alcan to do more. "[The award] allows discussions, pride and recognition. Individual efforts are collectively recognized and new energy is injected [into the safety program]. This award is an endorsement of what we're about," he added. Laddychuk said that within the company, prevention is a mindset. He said complying with standards and regulations is not enough; companies must take what they learn from compliance and build toward prevention. "Prevention is the highest value alternative," he stated. "Zero is possible, and we must continue to strive for zero."

The company is on the right path. According to Laddychuk, one of Alcan's Canadian facilities has worked 3 million hours without a lost-time accident; 90 facilities are currently at zero lost-time injuries.

### **DynMcDermott Petroleum Operations Co.**

DynMcDermott Petroleum Operations Co. is the management and operating contractor for the Department of Energy Strategic Petroleum Reserve, and is responsible for operating and maintaining government-owned facilities. The company credits its excellent SH&E performance during its contract tenure with the Energy Department to the use of a Baldrige-based business management model (former Secretary of Commerce Malcolm Baldrige's philosophy encompasses leadership; strategic planning; customer



**Suzanne Broussard**  
 DynMcDermott

and market focus; measurement, analysis and knowledge management; human resource focus; process management; and results), joined with the safety, health and environmental management systems of ISO 14001, EPA's Performance Track Program and OSHA's Voluntary Protection Program.

DynMcDermott's contract with DOE is performance-based; the government pays all allowable operational costs. The company generates profit from an annual award fee based on obtaining DOE mission-driven, specific targets for its service and performance results. Of the 31 DOE Performance Evaluation and Measurement Plan performance measures, 35 percent are SH&E-related. Therefore, the better the company's SH&E performance, the more profit it generates.

Since 2000, according to company literature, DynMcDermott's SH&E performance has met or exceeded 100 percent of its performance targets, enabling the company to receive 100 percent of the SH&E performance award fee. Accordingly, recordable accidents fell to four in 2005 from 34 in 1994.

Suzanne Broussard, safety and health manager for DynMcDermott, said the success of the company's safety program has a lot to do with upper management and its comprehension of safety's importance. "[Our] employees are very empowered. Management understands exactly what the safety programs are and how they work," she said.

Kirkland Jones, vice president, director of environmental health and safety, went on to say that part of the company's safety philosophy is to put health and safety first in the budget. "We believe in zero accidents. Workers should be empowered and have a right to a safe workplace," he said.

"Part of an organization's strength lies in its safety and health program," Jones explained. Both he and Broussard agreed the entire company was buzzing with excitement over winning the Campbell Award. "It gives us a way to demonstrate we go above and beyond," Broussard said. **S+H**

*For more information on the Robert W. Campbell Award, go to [www.campbellaward.org](http://www.campbellaward.org).*