

# **American Trucking Associations' Safety Management Council and Transportation Security Council's 2018 Safety, Security & Human Resources National Conference & Exhibition**

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SPEAKER: Gordon Graham

## **The Seven Rules of Admiral Hyman Rickover**

Thanks so much for again inviting me to the Trucking Association Conference to speak to you about the management of risk. It is an honor to be here with you today and I hope that my comments over the next hour will allow you to go back to your respective jobs in your transportation related organization and hopefully improve your operations.

If you have been to any of my programs over the last 40 years you know that I spend a lot of my life studying tragedies. These tragedies are sometimes caused by intentional misconduct, but many involve errors or mistakes made by our own personnel.

As I study tragedy (in any occupation or profession) I am looking for the *cause* of the tragedy. All too often, when people search for cause, they default to the event that immediately preceded the tragedy – and somehow that event is given the title of *cause*.

Here is a primer on risk management. The event that instantly preceded the tragedy can be identified the *proximate cause*. Real risk managers like to go back in time and search for *Root Cause*, or conditions or cultures within the organization – issues that really caused the tragedy.

When you do this analysis conscientiously, oftentimes you will find *problems lying in wait* that people knew about or should have known about and no one did anything about it. And to conclude this thought, when you identify root cause you can then put appropriate control measures in place to help prevent a similar tragedy from occurring again.

To be fair, not all tragedies can be prevented. If some idiot is bent on shooting a cop or a firefighter here today (like we have witnessed recently around America over the last few years), he/she is going to pull it off. It is very difficult to prevent intentional misconduct.

But almost all of your tragedies (injuries to personnel, death of personnel, lawsuits and organizational embarrassments) are caused by mistakes and thus can be addressed proactively – and you have a key role in going back to your job in your organization and establishing appropriate control measures to address the real risks you face.

What can be done to address the voluminous risks and increasing complexity of the jobs in your public agency? A little over seven years ago we witnessed all of the problems that Japan faced with their nuclear power plant that failed after the earthquake and subsequent tsunami.

That ongoing event has caused me to recall a name from graduate school – a man who was attempting a very complex and risky assignment and who faced tremendous obstacles. His name was Admiral Hyman Rickover, known to many of you as the father of the U.S. nuclear navy.

I was fortunate enough to be introduced to his work when I was a young kid in grad school in the mid '70s – and as I was impressed with what this immigrant to the U.S. in 1906 was able to do for our nation in the '50s, '60s, and '70s.

The end of the story is that he directed the building of a nuclear fleet that has not only protected our country and the rest of the free world, but that simultaneously has achieved an outstanding safety record. This impressive safety and reliability record is the result of a lot of hard work by Admiral Rickover and his staff.

He developed some rules to achieve success (read – safe operations and deployment ready) known colloquially as the Seven Rules of Rickover. One of the goals of the graduate program I was in was to learn how his rules could be made applicable to other branches of the U.S. military.

As I sat there in night school 43 years ago, I was wondering if these rules applied to my complex, high-risk job in CHP operations. And here I am 43 years later trying to spread the word on how valuable the thoughts of Admiral Rickover were – and are.

As you read these, ask how many of them apply to the complex jobs in your respective organizations. Let's take a look at each of these rules and explore the possibilities.

### **Rule 1. You must have a rising standard of quality over time and well beyond what is required by any minimum standard.**

We have to get better and better at what we do. Minimum standards are just that – minimum standards. Our profession deserves better than minimum standards. The communities you serve deserve better than minimum standards. Our personnel deserve better than minimum standards.

We must be constantly looking for a better way to do things. Status quo – we have always done it this way – is no longer acceptable. And sadly, I see a lot of status quo in public and private sector organizations around this great nation.

Continuous improvement has got to be part of the way we do business. Anything you can quantify and anything we can measure has to be identified and we must be constantly searching for the next best way.

And when we find the next best way must commence the search for the *next* next best way. And I am not talking about change for change's sake – but a bona fide effort to continually improve the way we do business.

### **Strategic Hints for Your Consideration:**

- What is the lost time injury rate in each unit of your organization and what control measures can you put in place to reduce this injury rate?
- What are the fleet maintenance costs in your organization and what can be done to reduce these expenditures?
- When was the last time your people were trained and tested on their *core critical tasks*? More on this throughout our time together, but in every job in every organization there are a limited number of events that end up in tragedy.

### **Rule 2. People running complex systems should be highly capable.**

Successful high-risk operations require people who know how to think. Fifty years ago, you did not need to be all that sharp to be in the trucking industry. Back then you had to be competent and a hard worker.

While the above attributes are still important, we must recognize that things have changed. Technology, equipment, strategies, and tactics involved in providing services to our community and protecting our nation have all changed. This is an extremely complex job, and if you hire people who can't think things through, you are en route to disaster.

If you allow the hiring of idiots, they will not disappoint you – they will always be idiots. In view of the consequences that can occur when things do not go right in your complex, high-risk job, this may end up being the cause of a future tragedy. We have learned this lesson time and time again, but somehow seem to forget it all too often.

And please don't tell me that you have nothing to do with the hiring process. Each of you has a role in recruitment and each of you has a role in the probationary process of each employee.

I could tell you stories about companies– including some just like yours – from around America who failed to weed out a loser and paid the price. Every nickel you spend in weeding out losers up front has the potential to save you a million dollars.

### **Strategic Hints for Your Consideration:**

- Do you have a background investigation process for new hires and is the process being taken seriously?
- If I were to audit two years' worth of performance evaluations, what would I find?

### **Rule 3. Supervisors have to face bad news when it comes and take problems to a level high enough to fix those problems.**

When you take an honest look at tragedies in any aspect of high-risk operations, from the lawsuits to the injuries, deaths, embarrassments, internal investigations, and even the rare criminal filing against our own personnel, so many of them get down to supervisors not behaving like supervisors. The primary mission of a supervisor is systems implementation.

If you promote people who either can't or won't enforce policy, you are en route to tragedy. To be sure, the transition from line employee to supervisor is a difficult one, but the people chosen to be supervisors have to understand the importance of their job.

Sadly, we have too many people who call themselves supervisors who have never made a successful transition from buddy to boss. Not to beat this point to death, but you show me a tragedy in any organization— including some in the news today – and I will show you the fingerprints of a supervisor not behaving like a supervisor – or a supervisor who tried to do his/her job and was not supported by management.

#### **Strategic Hints for Your Consideration:**

- What is the process you have in place to promote people? Is there a better way?
- Do you have a formal training program prior to their being promoted?
- Do you have a formal mentoring program to assist them in this transition?
- Do you analyze events after occurrence to assure that supervisors were doing their job? Just because things end up without consequences does not mean we did our job correctly. We cannot rely on luck – we have to rely on systems.
- Have you considered bringing back the best of the best to help train and mentor your new supervisors? I really like this idea and I know it can work for you.

### **Rule 4. You must have a healthy respect for the dangers and risks of your particular job.**

All of your jobs are high risk in nature, and the consequences for not doing things (tasks, incidents, events) right can be dramatic. Remember the basic rules of risk management: **RPM** - Recognize, Prioritize, Mobilize. Later, we will discuss the importance of the risk assessment process – and you have a key role in recognizing the real risks you and your personnel face.

You must recognize the risks you face. You must then prioritize them in terms of frequency, severity, potential of occurrence, and time to think. Then you must mobilize - act - to prevent the identified problem from occurring.

Also, you must fully understand that the job you have chosen is filled with risk and that there is always a potential for the unthinkable (take a look at a great book by Amanda Ripley – *Unthinkable*) event to occur in our workplace.

#### **Strategic Hints for Your Consideration:**

- Have you done a risk assessment on each job description in every job description in your organization? In your job description, how do personnel get killed, hurt, sued, fired, embarrassed, or indicted? You must know this information for each specific job description.
- Do not limit your assessment to the past history in your organization. There are thousands of public agencies around your state and throughout America, and many of them are just like yours.
- Have you developed a protocol for prioritizing these high-risk tasks?
- Do you have a process in place to identify emerging *core critical tasks*?

#### **Rule 5. Training must be constant and rigorous.**

Every day must be a training day! We must focus the training on the tasks in every job description that has the highest probability of causing us grief. These are the High Risk, Low Frequency, Non-Discretionary time events: chemical spills, medical aid, high-speed blowouts, trailer fires, or workplace violence events – these are considered *core critical tasks*.

#### **Strategic Hints for Your Consideration:**

- Do you have a daily training program that focuses on *core critical tasks*?
- Do you have a process to assure that the training is being taken seriously?

#### **Rule 6. Audits and inspections of all aspects of your operations are essential.**

Audits and inspections are an important part of your job in every organization. We cannot assume that all is going well. We must have control measures in place to assure things are being done right. This is not micro-management – it is called doing your job. We need a feedback loop in every organization.

And while I am ignorant regarding the internal workings of your specific operations – I’ve looked at too many organizations in detail – audits are either non-existent or a joke. I call these the “lip service audits” where we are very concerned about having a piece of paper in place saying we are all squared away, when in reality that is not true.

If you do not have the audits (formal and informal) in place, you will not know about problems until they become consequences, and then you are in the domain of lawyers. Then it is too late for action, as all you can do at that point is address the consequences.

And if you take the time to study the life of Admiral Rickover, you will quickly learn that he was widely despised in the navy because of his insistence on using the audit process as a tool to hold people accountable.

### **Strategic Hints for Your Consideration:**

- Do you have a serious audit process in place to assure what you say you are doing is, in fact, being done?
- Do you have audits of the audits to make sure this is being taken seriously?

### **Rule 7. The organization and members thereof must have the ability and willingness to learn from mistakes of the past.**

Analysis of past data is the foundation for almost all risk management. Sadly, every business and industry is making the same mistakes over and over again.

Here are three statements that have guided me through most of my risk management life. First is a quotation, albeit paraphrased, from the great risk management guru of the '40s, Archand Zeller:

The human does not change. During the period of recorded history, there is little evidence to indicate that man has changed in any major respect. Because the man does not change, the kinds of errors he commits remain constant. The errors that he will make can be predicted from the errors he has made.

What does this mean? We have not figured out any new ways to screw things up. We are making the same mistakes over and over again. Mines have figured out no new ways to collapse. Ships have figured out no new ways to sink. Refineries have not figured out any new ways to blow up. Restaurants have not figured out any new ways to kill people. Planes have not figured out any new ways to crash. Truckers have not figured out any new ways to get in trouble.

Please do not give me that nonsense that bad things just happen and there is nothing you can do about it. I am sick of hearing that faulty “poor me” refrain. I can show you organizations in every high-risk profession that are underrepresented in problems because they understand the principles of risk management starting with the reality that there are no new ways to get in trouble. To be sure, there are variations on a theme, but in reality it is the same stuff over and over again.

## **IDENTIFIABLE RISKS ARE MANAGEABLE RISKS**

The second statement important in my life thus far came from my mentor, professor and friend Chaytor Mason. He was a risk management guru in the '60s. Here is a capsulized version of his response when I accused him of being the smartest person who ever lived:

The smartest person in the world is the woman or man who finds the fifteenth way to hold two pieces of paper together.

My instant response when I first heard this was confusion, but then I figured it out. While there are no new ways to screw things up (Zeller) there are always new ways to fine tune and revisit our existing systems to prevent bad things from happening and simultaneously making us more efficient.

We, too, must be looking for new and improved ways of doing this most complex job, and you are the ones who can do that. There are better ways to hire personnel, and there are better ways to train them. There are better ways of doing performance evaluations, and there are better ways to track personnel to identify future problems.

Status quo (we have always done it that way – we have never done it that way) does not work. There is a better way of doing business, the 15<sup>th</sup> way, and we must constantly be looking for it. My third belief in life is a summary of the above two thoughts.

### **Predictable is Preventable**

**Well, that wraps it up for our brief time together. Thanks for all you are doing to properly managed the risks your trucking related organization faces. America is so dependent upon the work you do and my hat is off for how efficiently and professionally you get goods distributed around this great nation. I do look forward to seeing you again soon. In the interim, if you need anything, please do not hesitate to contact me anytime.**

**Gordon Graham**

[www.Lexipol.com](http://www.Lexipol.com)

[ggraham@lexipol.com](mailto:ggraham@lexipol.com)

or my personal office at:

[gordongraham@earthlink.net](mailto:gordongraham@earthlink.net)

714.374.9326