

HELPING LEADERS HEAR MORE BAD NEWS

Jodi Goodall of Brady Heywood gives some advice on what is a very necessary part of being a senior leader.

One of the most unnerving things a senior leader can face is when a significant event happens that feels totally out of the blue.

This could be anything from finding out too late about a major project in financial trouble to a serious accident that claims lives. You ask yourself things like, “Weren’t there warning signs that this was going to happen?” or “Why did the systems that we have in place not pick this up?”

Frustratingly, most of the time there were lots of warning signs of the drift towards failure, and the information was already known within the organisation. But these warning signs can be uncomfortable to raise – they feel like *bad* news.

However, receiving bad news early is like getting a head start in a race – it’s exactly what senior leaders need to hear in order to run their business reliably and safely.

Receiving bad news keeps you in touch with the real performance of your business,

and learning about that real performance helps you make informed decisions, which means you can innovate fast – without a major failure.

Bad news could be anything from a project missing a key milestone, near misses, repeat incidents, or unexplained anomalies in data. It could also be gaps in people’s risk knowledge, communication silos in your organisation, or even reports of bullying.

Individually, each of these things may seem insignificant, but together you begin to see patterns in your culture, issues with your systems, and weaknesses in your risk controls that you couldn’t see before.

As a senior leader, here are the top three things you can do to get more bad news flowing in your organisation:

1. Clarify the specific types of bad news you want to hear
2. Encourage bad news in your messaging
3. Design your reporting system to raise the bad news



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CLARIFY THE SPECIFIC TYPES OF BAD NEWS YOU WANT TO HEAR

In my experience, most leaders haven’t considered the types of bad news they need to hear. If you want to hear more bad news about your high-consequence risks, then you must have a clear idea in your own head of the early warning signs of failure so they become vivid to you. This is often described as having chronic unease.

Being specific about the types of bad news you want to hear helps your organisation reframe its view of “bad” news to “helpful” news, which also means you naturally respond more positively when it is raised.

How can you start to define the specific types of bad news you want to hear? Here are three ways:

- **Understand your major hazards, their controls and the effectiveness of those controls.** Engage with technical experts, those doing the work, and the data to get a deep understanding of the high-potential risks, their causes, how each one is controlled, and what it looks like when each of those controls is performing effectively. A good risk register or set of bowties will hold the framework for this. This will help you identify the early warning signs of failure.



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- **Socialise the question with other leaders in the business.** Ask, "What bad news do we need to hear about in order to manage our business better?" Encourage the group to consider a major failure scenario, and then consider what the early warning signs of failure could be across systems, risk controls, leadership, culture, etc. Display these lists in rooms and locations where you commonly make decisions or might hear bad news.
- **Consider previous events and others' stories of failures and accidents.** Appreciatively enquire, "What early warning signs would have helped prevent this?"

ENCOURAGE BAD NEWS IN YOUR MESSAGING

If you walk into a restaurant dreaming of oysters, a rare eye fillet and a glass of red, but only ask the waiter for "food", don't be surprised if you get soup and a beer. It's the same with your own messaging.

If you leave your communication to generic statements like "safety is our priority" then people won't really know what you want to hear. Being specific removes the ambiguity.

Messaging is everything you say, give your attention to, measure and do. Here are some ways you can encourage people to give you their bad news:

- **Carve out regular time to visit technical groups, planners, workers in the field and contractors.** Specifically, ask about

the risk controls and their relevance to your people's work.

- **Thank those who tell you openly about bad news.** Remember how uncomfortable this can be. Where appropriate, reward such action.
- **Consider what you reward.** Do your people have bonuses and KPIs that inadvertently reward for not reporting near misses and high-potential issues upwards? This sends a message to your organisation about what is important to you.
- **Reflect and seek feedback from your peers around your messaging.** Ask, "Where do my actions, words or focus seem to be in conflict with seeking bad news?"

DESIGN YOUR REPORTING SYSTEM TO RAISE THE BAD NEWS

High-consequence events happen rarely, so your reporting system needs to be sensitive to the early warning signs. Interestingly, these often have no immediate impact and can easily go unnoticed. Careful design of your system is key.

Here are some common issues I see in reporting systems that you can check in yours:

- **Is your event significance determined by "actual outcome" instead of "potential outcome"?** If you are prioritising events based on what actually happened, rather than what could have happened, your system could be burying a rich source

of failure data amid slip-trip type events. What types of events are getting the most attention, being reported to the CEO or given a full investigation? Are these injuries that couldn't have been much worse, or are they related to your major hazards? If they are the former, reconsider your definition of what is significant.

- **Is your reporting limited to incidents only?** This is often because the system is seen as a "safety incident reporting system". Beware of this situation. There are many more sources of bad news to learn from than incidents, such as hazard reports, monitoring systems detecting exceedances of performance criteria, assurance checks, or even general cultural issues raised by teams. Separating failures into different reporting systems can mean that you miss patterns. Use one system to report all control failures, cultural and system gaps to increase your learning.
- **Do your systems fail to categorise information in ways that allow it to be analysed?** Being able to sort, trend and analyse your data can help you see patterns you couldn't see before. Can your data be separated by the major hazard type? By potential risk? By control failure mode? Beware – improving these things will get you more bad news. But bad news gives you rich opportunities for learning. And those organisations who learn fastest reap the rewards. •

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