

APPENDIX D

Leadership Dialogues



**SAFETY
FORWARD**

A SoCalGas Program

Initiative 1A Learnings and
Recommendations

Executive Summary

From February to April 2023, representatives from the National Safety Council (NSC), in partnership with SoCalGas's Safety Forward team, facilitated Leadership Dialogue Sessions. These sessions related to Initiative 1A of SoCalGas's Safety Culture Improvement Plan, known internally as *Safety Forward*. SoCalGas directors and executives participated.

Dialogue sessions explored participant understanding in four key areas:

- Understanding of the Evolving Energy Consortium (2EC) Safety Culture Assessment
- The current state of SoCalGas safety culture
- The desired future state of safety culture, and
- Adjustments required in the *Safety Forward* plan that should contribute to achieving the desired safety culture end state

Participants were assured that comments and ideas surfacing from the discussions would not be attributed to individuals. When all dialogue sessions were completed, dialogues were reviewed, analyzed, and mapped to common themes detailed within this report.

Several observations emerged from the discussions:

- The organizational culture was described by nearly all participants as nice, positive, collaborative, friendly, and respectful, with senior leaders strongly motivated to work together to achieve consensus. While acknowledging the benefits of a strong organizational culture, many participants concluded that there are negatives to highly nice and collaborative cultures: it can inhibit some colleagues from challenging direction and raising issues, including safety issues.
- Senior leaders understood SoCalGas's commitment to employee, contractor, infrastructure, and public safety. Examples of how SoCalGas employees interfaced with contractors and customers were provided, as well as the constant need to reinforce individual employee and team safety, given the hazards associated with the storage, transmission, and distribution of natural gas. There was discussion of how most activities and information labelled "safety" addressed personnel safety and examples of safety efforts largely pointed to personnel safety actions. It was recognized that there could be a mindset that safety is personnel safety and other actions (e.g., operations) are the "work."
- Conversations across the dialogues tended to show a lack of alignment on safety culture, with some departments more ingrained into different aspects of the culture or bringing different views and perceptions on safety and their role in directly and indirectly supporting safety.
- At the senior leader level, there is an understanding that compliance is the minimal standard, but absolutely required. Several leaders noted that, given the hazards associated with the industry and the compliance-oriented oversight of the CPUC, PHMSA and other entities, a focus on compliance was understandable.
- Leaders noted that frontline supervisors had the most difficult jobs at SoCalGas given the need to safely complete work tasks, adjust to dynamic conditions in the field, and lead large teams of employees, simultaneously managing the expectations of managers and directors. Participants

recognized opportunities to improve supervisor effectiveness through additional training, mentoring and development programs.

- Psychological safety was frequently identified as an area requiring emphasis so employees not only “stop work” when encountering unclear procedures or unsafe conditions but also freely communicate their ideas for improving work processes and procedures. Participants recognized that psychological safety is now receiving wide attention at SoCalGas but noted that action is needed to reinforce and demonstrate leadership support for employees when concerns are raised, and questions asked. It was recognized that the current company culture promotes having solutions and progress (not just raising concerns) and that this could hinder issues being raised early.
- Communications and messaging emerged as areas receiving considerable attention in *Safety Forward*, although leaders indicated more work is required to simplify and tailor messaging for supervisors and frontline employees.
- Leaders’ understanding of Safety Management Systems (SMS) was limited, as well as the linkage between continuous improvement in SMS and culture change.

Overall, participants were keenly aware that a focus on improving safety culture was underway and organizational commitment was high. While the discussions resulted in meaningful conversations and engagement, it was noted that there was a great degree of variability across the sessions and opportunities for additional conversations in the future. As a result, following these structured dialogue sessions, SoCalGas engaged in several follow-up conversations: one discussion with the larger leadership team (directors and executives) to share some of the initial themes and takeaways; one facilitated session with the Senior Management Team (SMT) was facilitated by the National Safety Council to discuss takeaways and psychological safety; and follow-up conversations with subsets of the Leadership Team (the Safety Forward Executive Sponsors, Executive Safety Council, and the Operations Executives). Going forward, SoCalGas should use the learnings and takeaways from these dialogues, to continue further structured and facilitated dialogues throughout the enterprise – future dialogues could potentially be made more impactful with a simpler stated objective up front and more open exploration of topics related to that objective.

SoCalGas (SCG) Safety Forward: Workstream 1: Initiative A

Leadership Dialogues

1.0 Introduction/Overview

Workstream 1 (Foster a Comprehensive View of Safety), included several supporting initiatives. Initiative 1A is the first project undertaken as part of Workstream 1 of the *Safety Forward* effort. The 1A Charter statement and key actions planned during the initial development of the overall *Safety Forward* plans are as follows:

1A. Dialogues with Leadership to foster understanding of the 2EC assessment and define and implement a more comprehensive concept of safety with guidance from an external expert.

This report details the outcomes of the 1A Dialogues held with SCG leaders in the first quarter of 2023.

2.0 Methodology

The SCG and NSC teams used the 1A charter as an overall guide to create and execute the dialogue sessions. The 1A team members met at least weekly to plan the overall approach to the dialogue sessions using an outline template which is included in full in Appendix 1.

SCG Team members created pre-dialogue session and post-dialogue session surveys which were electronically sent to company directors and executives. The pre-survey contained four multiple choice questions and one open ended question. The post-survey contained five multiple choice questions and one open ended question. The surveys were anonymous, and the questions were designed to gauge the participants' level of confidence in their understanding of the 2EC report, determine the areas of safety (e.g., employee, contractor, infrastructure, and public) they felt their departments impacted, and identify their understanding of their responsibilities in fostering a comprehensive view of safety.

Questions for both surveys are included in Appendix 2.

The target population for the leadership dialogue sessions included all management employees at a director level and above. The approximate number of expected participants was 86 and based upon the target participant number. Session participants included a general mix of SCG departments (e.g., staff and operational roles). The in-person, two-hour dialogue sessions were planned between February 1, 2023, and March 16, 2023, in the Executive Board Room at SCG Headquarters.

The 1A team planned the first two sessions to be conducted as pilots to allow for process adjustments and to improve the approach in the succeeding sessions. Adjustments were made at each session, but overall, the approach was consistent for all sessions. Each session utilized the full time allotted with the participants engaging in facilitated dialogue.

At least one National Safety Council (NSC) member facilitated each session and the two NSC project leaders facilitated both pilot sessions. Cultural change experts representing the CPUC and Sempra were invited to virtually observe four of the dialogue sessions. Both external observers provided feedback upon conclusion of each observed session. This assisted in further refinements in the proceeding sessions.

The facilitated dialogue explored four basic areas:

- Understanding of the 2EC report findings - specifically the four overarching themes:
 - Theme 1: Safety is most often perceived as personnel safety
 - Theme 2: Safety and risk are perceived as achieved by compliance
 - Theme 3: Resources are needed to promote a healthy safety culture, and
 - Theme 4: Learning and safety improvement require an integrated management system
- The current state of SCG safety culture
- The ideal future state of SCG safety culture, and
- How the Safety Forward improvement strategy contributes to the attainment of the future state of safety culture at SCG, and what modifications, if any, should be made to that plan.

The initial list of dialogue questions is included in Appendix 3. Not all the questions from this set were discussed at each session as the facilitators allowed the participants to carry the dialogue openly to surface participant's individually held beliefs, positions, and issues of importance to the group.

3.0 Results and Discussion

The following sections describe the results of the pre and post survey insights, the key themes resulting from the exercise and the analysis of the dialogue occurring through the ten sessions. The summarized Key Takeaways of the Leader Dialogue sessions are included in Appendix 4.

3.1 Pre and Post-Dialogue Session Surveys

Pre and post-dialogue session surveys were used to gauge the participants' level of confidence in their understanding of the 2EC report, determine the areas of safety (e.g., employee, contractor, infrastructure, and public) they felt their departments impacted, and identify their understanding of their responsibilities in fostering a comprehensive view of safety. Out of the 71 participants (Directors and Executives), 50 responded to the pre-survey, while 29 responded to the post survey. 93% of the post session survey respondents felt either extremely or very safe sharing their opinions during their dialogue session. Notably, 55% of the pre session survey respondents felt that their departments impacted all four areas of safety compared with 71% of post session survey respondents. Creating psychological safety, communicating, and educating employees on safety, and focusing beyond employee safety were consistent themes among respondents when asked about their part in fostering a comprehensive view of safety. As quoted by one respondent, "In all my dialogues with employees, I have the opportunity to help employees get the global safety understanding. I think the goals I set and the metrics I measure can also ensure that we are keeping a broad safety focus and it is not narrowly defined as employee safety. I also have the opportunity to coach people to think this way in all their different efforts." It appears the dialogue sessions helped a number of the participants understand their broader impact in areas of safety included in the term comprehensive safety.

3.2 Leader Impressions of the 2EC Assessment Report

In general, all participants were familiar with the key themes of the 2EC report, but less familiar with the specific findings. The dialogues concentrated on the four overarching themes, the view of comprehensive safety and culture at SCG. There was an acknowledgement that employee and company pride can initially get in the way of absorbing the results of the assessment. Some constructive points from the assessment were conceded, but it seemed difficult for many participants to voice overly negative conclusions relative to safety at SCG and as reflected in the 2EC report.

Of note, when participants were probed about two of the overarching themes of the report, for example "safety is most often perceived as personnel safety" or "safety and risk are perceived as achieved by compliance," there seemed to be good agreement with these themes. While not as thoroughly supported, discussion around the theme of resources raised some interesting points and it appeared participants were less clear about SCG management system efforts. These points will be further elaborated upon in the following sections.

3.3 Safety Perceived as Personnel Safety - Comprehensive View of Safety

One of the main themes surfaced in the 2EC report was the perception of personnel safety as the sole view of safety at SCG and this topic was a key point of the dialogue discussion. Participants recognized that a large volume of communication around safety at SCG focuses on personnel safety even if other types of safety are undertaken, for example public or infrastructure safety. These elements were

recognized as not highlighted in formal SCG communication materials or training programs and often the public and infrastructure efforts were labelled as “operations,” not “safety.”

Comments around safety communication being concentrated around personal safety and related metrics were common at every session. This relationship between safety and personnel safety seemed strongly ingrained. During this discussion, participants voiced their perception that employees do not fully recognize their role in contributing to the four core elements of SoCalGas’s comprehensive views of safety (personal, infrastructure, contractor, and public safety).

Positively, the understanding that the tendency by SCG leaders to consider safety as personnel safety was acknowledged by participants and various suggestions for addressing this situation were voiced during the sessions and are included in the recommendation section.

3.4 Safety and Risk Perceived as Achieved by Compliance

Discussions around risk and compliance appeared to resonate with participants in roles that have elements of risk identification/mitigation and/or compliance as part of their remit. Comments from these role-knowledgeable folks included recognition that SCG is heavily regulated and a belief that the 2EC report did not give enough consideration to the influence of the regulations and the regulators. Being compliance driven appeared to be intertwined with the requirement to conform to the regulations as an appropriate end state for safety efforts. Specifically, participants voiced that they recognized, whether consciously or unconsciously, the focus on regulatory compliance could lead to an over reliance on procedures as providing a safe harbor for actions (i.e., employee work processes). This heavy reliance on procedures can be self-reinforcing when employees see them (i.e., procedures) as non-negotiable.

Closely related to these thoughts on compliance as an end-state was the acknowledgement by participants that SCG also has to consider compliance requirements in demonstrating the reasonableness of its investment and costs on behalf of ratepayers.

3.5 Resources Needed to Promote Healthy Safety Culture

The discussion of resources during the sessions typically turned to considering the employee’s view of their ability to work safely without their “perceived” needed level of resources (e.g., tools, vehicles). The comments about resources by the participants acknowledged a negative perception by employees around financial discussions. The perceptions of some participants revealed their beliefs that financial decision making was not made clear or discussed routinely with employees. As a further illustration of the conversations, a participant mentioned that the phrase “we’ve made a business decision” often raises a red flag with employees.

One important takeaway is that full discussions or explanations with employees around resource levels will likely improve perceptions.

3.6 Learning and Safety Improvement Require an Integrated Management System

Discussion of this overarching theme encompassed points around organizational and safety culture, communication within SCG, psychological safety, and the role of supervisors. There was not a robust discussion of SoCalGas’s current SMS. Based on these conversations, there is value in reviewing

SoCalGas' SMS for improvement, and engaging in additional communications about the value of an integrated SMS.

3.7 Organizational and Safety Culture at SCG

During each of the dialogue sessions, participants were asked to rank and discuss their view of safety and organizational culture at SCG. Participants often rated organizational culture higher than safety culture, although some participants rated both highly. In terms of SCG organizational culture, the comments were overwhelmingly positive and very consistent from session to session. Organizational culture was described as collaborative, consensus driven, nice, family-like with a strong respect for and acknowledgement of the importance of tenure within the hierarchy.

When discussing safety culture, many comments were positive, but in a few cases, participants would make a case for a lower ranking and acknowledged that employees would view the safety culture lower than participants at the sessions. Additionally, thoughts such as: "We do not discuss safety culture, we just come to work and try to be safe," seemed to capture the overall impression of the participants on this topic. Participants further acknowledged a perceived difference between safety being viewed as the focus of operations and field employees working nearest the risks versus employees working in office settings. "Safety culture is in the field and organizational culture is everywhere else," was another recurring sentiment. Upon discussion, participants recognized that this perception needed to be revised and that leaders had to broaden safety discussion topics and metrics and explain the interrelatedness of each area of safety to all employees.

The concept of the SCG organizational culture was probed by the facilitators to understand deeper positions held by participants. Examples of comments include:

- Seeking consensus is strongly practiced, but sometimes slows decision-making
- 'Nice' can be a barrier to speaking up. Getting along or time pressures mean quick consensus is the goal instead of healthy disagreement and innovation
- Employee tenure is equated with knowledge and expertise
- Strong emphasis placed on being correct and sometimes a fear of getting an issue wrong
- There is a barrier to new ideas being shared from new employees or new-in-role employees; it can be difficult for new employees to assimilate (perhaps due to high regard for tenure)
- Recognition of current culture that holds "meetings" before (or after) the meeting and the need to bring forth conflict to get the best ideas

3.8 Communication and Psychological Safety

Participants had been exposed to concepts of psychological safety both through Safety Forward efforts and other ongoing efforts at SCG including programs around Diversity, Equity and Inclusion. It was apparent that participants understood the benefits of honest conversations starting at the top of the organization and of leaders throughout the organization creating an atmosphere where both new and tenured employees can bring up challenging topics. While that was noted, it was acknowledged that this is not always the norm at all levels and departments.

Participants acknowledged that the organization may need interpersonal communications skills training and/or mentoring to improve these skills. Participants voiced that frontline supervisors have the biggest

impact on safety communications with employees and that gaps exist in the feedback connection between the frontline and upper management. Recognition of the importance of visible leader engagement (e.g., communication, field visits, modeling, etc.).

3.9 Safety Forward

One of the final elements of the dialogue sessions included discussing the question around the relationship between Safety Forward and the future state of safety culture at SCG. This question gave participants a chance to discuss their views on Safety Forward, which at the time of the dialogues was underway for about six months. Some participants shared that employees could be confused between the Safety Management System (SMS) that was developed a few years ago and Safety Forward.

A further desire around Safety Forward from participants was to simplify Safety Forward messaging, to articulate it clearly for the entire enterprise and to make it simple enough for every employee to understand and explain. Through these first six months (September 2022 – March 2023), the level of communication around the effort has been increasing and teams are finding their way in the implementation of five specific initiatives. Common terminology is developing, but at the time of the dialogues, participants had concerns with descriptions related to safety culture change.

There is a great desire to have Safety Forward information distilled down so supervisors can share it with their employees and where it can be easily internalized. Employees infer that Safety Forward is for the field, but those with this view will need to know where they fit within the effort and how they affect what happens throughout the company. Several participants had the opinion that Safety Forward could be recast in a way that it would stick in the SCG vocabulary, such as the simple phrase SCG employees use with customers: “Glad to be of Service.”

4.0 Recommendations

- Leaders attending dialogue sessions recognized an ingrained focus on personal safety in communications and training at SCG. Several paths forward suggested by leaders included taking steps to relate how each SCG group or individual job is connected to the different areas of safety. These connections should be visible and vocally made through appropriate communications and conversations. Likewise, they should be tailored at the individual level so comprehensive safety will be better understood. For example:
 - Build a descriptive model of the complex parts of SCG to communicate to employees how each group of employees fit together and influence comprehensive aspects of safety, including office connections to field work and vice versa,
 - Broaden safety discussion topics (including onboarding materials) and reported metrics to add infrastructure, contractor, public, and environmental safety, and
 - Provide supervisors with interpersonal communications training, mentors, tips, etc.
 - Create processes to update internal documents, materials, and content to reflect a broader conceptualization of safety
- Beyond Compliance: SCG is in a heavily regulated, compliance-driven industry and must adhere to these requirements as a base case. Regulatory compliance is a minimum for safe operations. There is merit in reiterating the value of and description of what "beyond compliance" means.

- When developing the workstream efforts around resource levels, SCG should include consideration of employee communications and explanation around resource decisions.
 - In future Workstream 1 dialogue efforts, specifically with managers and employees, explore perceptions around resource levels and adequacy of explanations or factors influencing financial decisions.

- Organizational Culture is strong and appreciated at SCG, but could be a deterrent to innovation, change, safety culture improvement, etc. Future efforts should focus on recognizing that some aspects of cultures can be an impediment to disagreement or alternate points of view. Recognizing these barriers and working to eliminate them is important. For example, encourage, invite, and reward employees for speaking up, asking questions, and providing new views to ongoing challenges. This effort is potentially a project that can be led by the SCG Human Resources or Diversity, Equity, and Inclusion departments. For example, more work to promote “Inclusive Leadership” styles or “Humble Inquiry” methodologies.

- Psychological Safety: provide procedural and leadership training to ensure their skills are adequate for interacting with employees to create an atmosphere of psychological safety.
 - Quality engagement with frontline employees and supervisors should increase to improve upward communication and feedback.

- Focus on learning: Directors and executives at SoCalGas recognized there was a lot of focus on safety, Safety Forward, etc. Those who participated in SMT presentations were generally knowledgeable about issues like psychological safety, event learning, HOP, just culture, etc. -- because they had been previously introduced to those topics. Generally, exposure to concepts that will help improve culture needs more emphasis. The benefits of engaging employees in matters of their own safety are recognized and the company is demonstrating it is willing to learn.

- Lack of knowledge of Safety Management Systems: participants knew that there was an SMS organization but had very little knowledge of what an SMS is, what the SMS group does, and what is included in the structure of an SMS. SCG should interact with other organizations to elevate understanding of management systems that integrate operations and safety processes. It is difficult to change and mature safety culture without an SMS that is also continuously improving and recommend future focus on maturing and improving SMS.

- Quality engagement with frontline employees is required to improve communications and feedback. Conducting dialogue sessions in the form of conversations with a selection of managers, supervisors and frontline employees should be a continuing step in Workstream 1 efforts.

Appendix 1

Pre-Survey Questions

- Considering your current understanding of Safety Forward and the 2EC report, how well do you understand the concept of a comprehensive view of safety?

- The work my department performs directly impacts: (select all that apply)
 - Public Safety
 - System Safety
 - Employee Safety
 - Contractor Safety

- Considering your current understanding of Safety Forward and the 2EC report, how well do you understand the 4 overarching themes?

- What do you see as your part in fostering a comprehensive view of safety within your organization?

- I will be attending the following Leadership Dialogue Session (available session dates listed below):

Post-Survey Questions

- Considering your current understanding of Safety Forward and the 2EC report, how well do you understand the concept of a comprehensive view of safety?

- The work my department performs directly impacts: (select all that apply)
 - Public Safety
 - System Safety
 - Employee Safety
 - Contractor Safety

- Considering your current understanding of Safety Forward and the 2EC report, how well do you understand the 4 overarching themes?

- How well equipped do you feel to take the Safety Forward Message to your organizations?

- How safe/comfortable did you feel sharing your opinions during the dialogue session?

Appendix 2

Leadership Dialogues – Structure & Logistics

This template is provided for planning the initiative contents, and to describe the roll-out process and logistics support.

<u>Initiative:</u>	1A – Leadership Dialogues
<u>Who is impacted:</u>	Leadership Team (Executives & Directors)
<u>Purpose:</u>	Foster a comprehensive view of safety. Deepen understanding of the 2EC Report and continue to improve the SoCalGas Safety Culture Improvement Plan or Safety Forward
<u>Dialogue focus:</u>	<p>The dialogue sessions should focus on:</p> <ul style="list-style-type: none">• Comprehensive Safety<ul style="list-style-type: none">○ What is it?○ How will a comprehensive view of safety affect our Safety Culture at So Cal Gas?○ What are we already doing well to promote a comprehensive view of safety?○ Where do we have areas for improvement?• Further understanding of the four overarching themes of the 2EC report• Achieving greater understanding of how Safety Forward responds to that report• Elicit discussion on areas of agreement or disagreement with 2EC report recommendations• Capture participant vision for Safety Culture future state, including recommendations, topics of concurrence or disagreement – that will be considered in revising Safety Forward, or making the enterprise-wide roll out more effective• Document that the dialogue sessions to inform and influence future changes and improvement
<u>Facilitators:</u>	<ul style="list-style-type: none">• NSC consultants supporting Safety Forward execution• Co-facilitated by NSC, Nichole Bell (Initiative lead)
<u>Support Materials:</u>	NSC/SoCalGas will develop facilitator guides, and lists of questions that should be considered in conducting the facilitated discussions

Format:

Directors and above will be divided into groups of 8 - 9 people; approximately 10 discussion groups are anticipated to cover all leaders who will participate in this initiative

A dedicated conference room should be reserved for all sessions. Dialogue sessions should be conducted in person.

Room layout is important. Key people will include:

- The facilitators
- The Executives and Directors assigned to each session
- A “runner”, that will take ideas noted during the dialogue sessions and post them where appropriate on the Safety Forward overview diagram, or Workstream summaries that will be mounted on the walls of the meeting room
- A “recorder” from SMS Strategy that will summarize key learnings or comments from participants, without attribution to specific individuals. In addition to supportive comments, session comments could include: (1) dissenting views on the status of SoCalGas safety culture; (2) disagreement with the direction of the Safety Culture Improvement Plan (Safety Forward); (3) disagreement with the 2EC report findings; or (4) disagreement with the priorities, metrics, objectives and SoCalGas focus on safety.

Duration:

To maximize impact, the dialogue sessions should take place over a period of 2 hours, in-person, with the designated facilitators physically present. In the first 15 minutes after arrival participants should be familiarized with the graphics on display in the conference room.

Room layout:

Rectangular conference room and round or rectangular conference table:

- Dedicated seats for participants at the table, with name cards (table tents) with participants’ name
- Dedicated seats for facilitators
- Dedicated seats on the side of the room for runners and recorders
- Easels available for posting essential information:
 - Graphic summarizing the key findings of the 2EC report
 - Graphic(s) (flip chart) with “cultural facts” that can be used to provide examples of the 2EC content and points for discussion

Success factors:

Upon completion of the facilitated dialogue sessions, the goal is for participants to:

- Have a more comprehensive view of safety: public, system, employee, and contractor

- Understand the importance and benefits of having a comprehensive view of safety
- Have a more in-depth understanding of Safety Forward
- Be in a better position to articulate the SoCalGas commitment to a stronger safety culture to assigned employees
- Have had an opportunity to raise issues, concerns, identify barriers to successful completion, present ideas for improving Safety Forward and its roll-out; and provide practical examples of issues that may be resolved through Safety Forward
- The amount and quality of recommendations that modify, improve, or change the initiatives covered under Safety Forward.
- The quality of interactions among session participants
- Evidence of changes in understanding of Safety Forward

Outputs:

Outputs of each dialogue session

- Summary of attendees and facilitators
- Key discussion points
- “Sound bites,” – recommendations, points of agreement, and points of disagreement offered by the attendees

Potential risks:

The success of the facilitated dialogue sessions could be impacted by the following risks:

- Lack of participation by Directors and Executives assigned to each session
- Facilitator inability to inspire or lead discussions
- Lack of recommendations to improve the Safety Forward
- Disclosure by participants that communications planning, intended to support knowledge of Safety Forward has been ineffective

Appendix 3

Leadership Dialogue Session Questions Questions in 3 Segments

Group 1 Questions – Current state

- When you read the 2EC report, or reviewed the major findings -- what surprised you the most?
 - What findings did not surprise you?
 - In either category, give some examples of what made you believe the cultural assessment was accurate?
- **2EC opined that the strongest cultural force they observed was a focus on personnel safety, do you agree or disagree? How do you think that developed? How could it be influenced/changed?**
 - Is there a relationship between significant operational events that occurred in the past and the company's culture?
 - What weaknesses in SoCalGas cultural traits, if any, could lead to undesired events?
 - What does the company do well? What are your organizational strengths?
- **Does compliance equate to safety? Why or why not?**
 - If the company has a weakness – something that most people realize should be done better – what would that be?
 - If we are honest with ourselves, and after reviewing the 2EC report – what did the assessment team miss?
 - Everyone here is fairly senior in the organization – you've seen good and bad, and you've formulated your own ideas about what good culture looks like. If you were asked this question, how would you respond? “When I think about a good organizational culture, I would expect to observe the following behaviors from our managers and represented employees _____”

 - What would you expect to see as patterns – or warning signs -- of either an eroding safety culture, or something undesirable was about to happen?
 - How do you think your department/organization impacts public, system, employee, and contractor safety?
 - How do you prioritize safety when making resource (e.g., time, money) decisions?

Group 2 Questions -- Future state

- What should safety look like in your department/organization?
 - What changes in the way you speak about safety to your employees will you make or have made because of the 2EC assessments and Safety Forward?
- **What should comprehensive safety encompass? Public Safety? System Safety? Employee and Contractor safety? Environmental safety? and Safety of vulnerable populations?**
 - Based on your observations and where the company should go in culture improvement, what does the future state look like?
 - Describe what a perfect safety culture looks like.
 - What signs – overt signs, or weak signals – would you expect to see if the culture is changing in a positive direction? What will you notice?

Group 3 questions – Safety Forward roadmap

- By now you are familiar with the Safety Forward roadmap that will help SoCalGas improve safety culture. The plan is broken down into manageable components – Workstreams – and initiatives within those workstreams. Based on our discussion about the future state of culture at SoCalGas, will Safety Forward get us there?
- What workstreams and initiatives will help the most?
- What workstreams or initiatives are unnecessary?
- The company will be refining the SF plan on a periodic basis as more is learned about organizational strengths and weaknesses, signs of progress, or possibly – setbacks. What would you offer now – as an area where we should focus?
- Research has shown that companies benefit in their culture change pursuit by regularly discussing culture change topics. For leaders present in these discussions – Directors and above – what is the best way to do make the time to do this?
- It is now January/February of 2023. Over a year has elapsed since the 2EC culture assessment report was issued in December 2021. What signs have you seen that there is progress (or regression) in SoCalGas cultural development in the past year?
- What are we talking about now, that we were not doing before?
- What are we doing now, that we were not doing before?

Appendix 4

Workstream 1 Initiative 1a: Leader Dialogue Sessions Key Takeaways

2EC Assessment Impressions

- Participants were not surprised by the results of the assessment.
 - We are moving in the right direction with our culture.
 - The 2EC assessment was intended to tell us we had work to do. It was intended to be a more negative report that was toned down. We have room to improve.
 - View 2EC as a catalyst for action, not the driver of the effort
 - Gap between ratings (executives/directors vs management & frontline EE's) to be expected.
- Participants were surprised to be told we do not emphasize infrastructure safety -- in fact field people are doing the things that protect infrastructure safety.
 - How can we not have a strong safety culture -- we talk about safety constantly.
 - Successes and positive responses, we have had demonstrate we are doing the right thing for safety.
 - EE pride that initially gets in the way of absorbing the results of the assessment – initial response
- Leadership perception: personal safety as focus because of the safety climate not safety culture-measured, because the survey was taken during Covid during a time of high personal safety concern.
- Heavily regulated – consideration should have been but was not given to this concept during the assessment; the report does not account for the way our decisions are bound by the CPUC.
- Most were familiar with the report highlights and overarching themes and recognized it identified opportunities for improvement.
 - Lack of specific and details knowledge of the 2EC assessment report content
 - “I’d like to know what kind of change we need.”

Organizational Culture Impact on Safety Culture

- SCG has a collaborative, consensus driven, nice, family-like organizational culture with a strong respect/acknowledgement of the importance of tenure
 - Seeking consensus sometimes slows things down
 - Getting along or time pressures mean quick consensus is the goal instead of healthy disagreement and innovation
- Nice can be a barrier to speaking up
 - Difficult to remove poor performers at SCG
- Employee tenure is equated with knowledge, expertise, pride, and not wanting to change (*see related thoughts under psychological safety section*)
 - May not always question potentially unsafe acts because of a culture of that’s just what we do/how it’s done/how we’ve always done it/accepted behavior
 - Strong emphasis on being correct and sometimes a fear of getting an issue wrong.
 - Barrier to new ideas from new employees or new in role employees, difficult for new employees to assimilate
 - Loss of long tenured employees equates to system/procedural gaps that were plugged with personal knowledge

- Bringing up difficult problems can be an issue if solutions are also expected versus discussing the problem (competency fear, added workload fear)
 - Difficult to be a change leader as a result
 - Talking only about things the boss wants to hear
 - Meetings before (or after) the meeting, not speaking up, telephone chain afterwards
- Pockets of opportunities to openly discuss and share ideas (skip-levels or 360-degree reviews for front-line feedback)
 - Performance dialogues are not always practiced between VP and director level, which may roll down.
- We do not discuss “safety culture” we just come to work and try to be safe
- Front line employees likely have a lower assessment of SoCalGas' safety culture, because they lack perspective on how things work.
- The pace of work at SoCalGas leaves little time to think about how to influence the culture.
- Silos exist, some believe these are good for technical issues, but not around safety
 - Silos disappear during crisis situations (how to expand to normal operations?)
- There is a palpable difference between safety viewed by predominantly office employees versus employees working nearest the risks, “field” employees.
 - Safety is more for the “field” employees – the ones closest to risk daily
 - “Safety culture is in the field and Organizational culture is everywhere else”

Compliance Mindset and Views to Comprehensive Safety

- We are "compliance" driven because of the nature of regulation and the need to position our activities for rate recovery
 - CYA behavior even when better options exist, plausible deniability if in compliance
 - Leads to a procedure-based safety culture
 - Employees have policies handed to them as non-negotiable
 - The why of procedures is missing
 - Cost/Recovery tension for going beyond compliance
 - Are we spending money appropriately because we're going to be looked at vs. spending money where it will do the “most good,” risk and safety-wise.
- Regulators manage risk in a regimented (i.e., according to the written regulations) which in turn may constrain our ability to apply innovative risk management practices outside of the regulatory demands.
 - Front line people are doing infrastructure and public safety work, even if they don't call it that.
- SCG practices and training are perceived by leadership to be beyond what is required of the company.
 - Compliance is the minimum – we always go above
 - Technology will play a heavy role in improving pipeline and infrastructure safety, which in turn positively affects public safety.
- We have a department on Compliance, perhaps it should be focused on Public Safety or Infrastructure Safety as a department.
- Little participant discussion around contractor safety
 - Need to also hold contractors accountable to the same standards as SoCalGas
 - Safety elements need to go into contractual agreements with contractors.
 - Myth: SCG must be hands off with contractors
 - Little discussion or partnership, us v. them overrides

Communication Styles/Focus on Personal Safety

- Safety communication, while ingrained in the organization, has been concentrated around personal safety and related metrics
 - Influenced what SCG unconsciously thought about safety (e.g., events where an injury did not occur, not considered a safety issue)
 - Assumption safety is part of everything SCG does. It should be voiced.
 - Customers expect reliability and affordability. They assume safety-we may be taking advantage of this assumption.
 - Ideal future state: employees know about and be able to identify projects SCG has in place for public and infrastructure safety.
- Comprehensive Safety - not relating how each job is connected to the different areas of safety. If these connections are made and understood, tailored to the individual, comprehensive safety will be better understood.
 - Broaden safety discussion topics and metrics to add infrastructure, contractor, public, and environmental safety, explain the why of safety
- Style and approach to communication to expand view of comprehensive safety
 - Encourage speaking up, psychological safety efforts
 - Provide supervisors with interpersonal communications training, mentors, tips, etc.
 - Discuss financial tradeoffs with employees at appropriate level to address the perceived equation of money (e.g., tools, trucks, etc.) and safety
 - When it comes to resources, “We’ve made a business decision” often raises a red flag.
- Communication style informal in style
 - Based on relationships versus consideration of who should be aware of information
 - Covid response developed new avenues that we can use.
 - “Once a leader says something, the employees will emulate it.”
- Build descriptive model of the complex parts of SCG to communicate to employees how each group (employees) fits together and influences safety
 - Educate employees to recognize work done outside of their own ‘bubble.’
 - Staff function role/influence over safety
 - Recognition of how we all affect safety culture
- The frontline supervisors have the biggest impact on safety communications to employees
 - Safety Forward messaging is too broad; needs to be tailored appropriately
 - Mature mechanisms to capture and respond to frontline feedback.
 - Gap persists in feedback connection between the frontline and upper management
 - Decisions made at the top are hard to interpret as you move through the organization.
 - Do a better job of listening and collaborating with front line people.

Psychological Safety

- Psychological safety needs to start at the top with honest conversations
 - Level of engagement between supervisor and employee increased with associated positive reinforcement for efforts
 - Teams open up about issues once leader retires
 - Partner with successful groups (e.g., DEI) around psychological safety
- Engagement and conversation with transparency and vulnerability will help with psychological safety more than another LMS program.
 - The one made last year is great. Now, leaders need to start having the conversations.

- SCG culture places a value emphasis on tenure; however, the less time you have in a position or in the company, the less psychologically safe you feel.
 - There is an impression that you can raise a concern a few times before you have to take other routes to raise a concern
 - Hesitation to ask questions if the issue is “out of your lane”
 - People take questions as attacks and get defensive
 - It is important to bring forth conflict to get the best ideas but that doesn't always happen due to our collaborative culture.
 - Some perceptions exist that challenging a boss’s opinion or idea openly is a waste of time and “self-preservation” more important for career. Making a mistake or causing disruption could have lasting consequences
- There may be a reluctance to report near misses because employees fear being second-guessed, ‘I want to follow my boss and go about my business’, we can avoid being second-guessed if we just follow policy.

Supervisor Support and Tools

- Impression that frontline supervisors and managers have the hardest job on a daily basis.
 - Show care and concern for employees
- Frontline supervisors have training but not enough soak time to consider the application.
 - Frontline supervisor perspective: how much work will I have waiting for me if I go?
 - Concern new supervisors may not get adequate support and guidance.
 - Provide model for supervisor development and follow up (i.e., raising voice expected)
- To get needed safety-related contributions from employees, we need high engagement which we influence by the way we train, support, and communicate with them.

Safety Forward

- Articulate SF clearly, for the entire enterprise, what is it, what are the goals?
 - Simple enough for every employee to explain it
 - “Change” may not be the right word to describe what Safety Forward is trying to accomplish.
 - SF comes across as “another program” that will eventually go away
- There is a great desire to have Safety Forward information distilled down so supervisors can share it with their employees where it can be easily internalized. People currently think Safety Forward is for the field.
 - Employees need to know where they fit within the organization and how they affect what happens throughout the company.
- Communicate less about what, more about why
 - Get understanding of SF to the level of “Glad to be of Service”
 - Comes across as “cold”, move to touching the soul
- SMS/SF interaction not well explained, SMS still confusing