White Swan Events

Some issues are so common as to be predictable, indeed inevitable… unless competent individuals are in control. Get in charge.

by Richard MacLean

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As I write this column, the Deepwater Horizon drilling rig oil gusher continues with no end in sight. As more and more information comes out, it is impossible not to second guess every decision that led up to the worst environmental disaster in America's history. Some may even proclaim, "What were they thinking?!" With all the facts laid out in hindsight, it is easy to claim that this disaster was obvious and predictable. It was not. Disasters of this magnitude are called "black swan" events because they are so rare and unique that they are difficult to imagine and foresee with any degree of certainty.

That said, the precedents leading up to black swan events follow a well-known pattern. In this column in January 2008, and again in January/February 2010, I laid out the precursors that consistently lead to catastrophes.[1] Written long before the BP Gulf Coast oil leak, after reading these two columns it becomes all too apparent how this leak occurred. Obviously, I did not have so much as an inkling of the specifics, but the processes that were described in these columns and the conditions leading up to the disaster are eerily definite. Other disasters following these same patterns are marching on their way to commencement as you read this column.

When Disaster Hits

Just as the precursors leading up to black swan events are oh-so predictable, the processes that create "routine" environmental issues or exacerbate the resolution of catastrophes are even more predictable—as common as white swans. Most environmental issues do not attract national attention, but white swan events may ruin careers, cost millions in fines and remediation expenses, endanger or take lives, and ruin local ecosystems.

Environmental catastrophes can still occur because there may be a near total absence of information that defines the ramifications of specific substances or operating practices that later turn out to be very harmful to the environment. In the case of the BP leak, it was the understanding of the limitations of shutoff equipment operating at one mile below the surface. But most often, routine environmental issues—the white swans—are almost always the result of a lack of awareness, competency, inattentiveness, and/or an ambiguous chain of command or responsibility.

The components of a superior safety program serve to illustrate this point: responsibility for safety is relentlessly instilled for both oneself and one's fellow workers; everyone is trained and retrained; everyone has the power to immediately stop unsafe practices or operations; safety statics are vigilantly reported up through the top of the organization; near misses are observed, reported, and used as learning experiences to stop serious accidents; and management both gives out the safety awards or raises hell if the leading indicators are amiss.

Contrast this with the all-too-often conditions present within some organizations: a select few individuals are viewed as the "environmental people"; employee training may be limited to the most basic issues, such as where wastes are disposed; even top environmental managers may feel unable to stop an operation without suffering serious career repercussions; the focus is on complying with environmental regulations rather than on achieving corporate responsibility; management only monitors compliance-related metrics (which can be more of an indicator of luck and regulatory inactivity than

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any real measure of performance excellence); and management is focused on green product marketing and enhancing brand image.

If your plant, division, or company has most of these environmental precursors in play, then sooner or later a white swan event will strike. I guarantee it. And when it strikes, the aftermath may follow a predictable path: the full business ramifications of the event will not be initially apparent; some may play the blame game and/or try to distance themselves from any responsibility; the innocent/uninvolved/more vulnerable may be fired or demoted to demonstrate that prompt action has been taken to prevent future occurrences; communications channels become carefully controlled and orchestrated; the essential facts or actual reasons for the event may or may not be brought forth; what the board of directors is told may or may not bear any resemblance to the reality of the situation; the bureaucracy takes over as each group jockeys to protect its interest; and the once unengaged and disinterested management will be all over the issue.

And, of course, consultants that once were unaffordable will be hastily assembled, flown in, and fed lunch. They will provide advice that may or may not be of value before flying off and leaving implementation up to you. Years later, all the institutional knowledge will be lost and the organization will be ripe for another round…unless someone takes charge.

Taking Charge

There is a wonderful cartoon that appeared many years ago in *The New Yorker* showing a crowd of people standing around an obviously distressed individual lying on the sidewalk. Each is mumbling their concern—"Oh no," "Gosh," "Oh my," "Hummm." Some are rubbing their chin in anguish and worry. No one is taking action to directly intervene.

In the immediate wake of the BP leak, there was an eerily similar scene in which companies, government organizations, and political leaders were expressing their collective concern, but there was no clear and unifying leadership. Eventually, that

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scene appeared to shift to individual bureaucracies focusing on their slice of the issue: the U.S. Environmental Protection Agency fretted over the dispersants: the U.S. Coast Guard waited for a request for a waiver of the Jones Act of 1920; the Louisiana Attorney General battled with the U.S. Army Corps of Engineers over berms and dredging; and so on. Every aspect was considered and reconsidered by agencies focusing on their particular niche. But again, there was no clear direction and leadership.

The public grows impatient and angry as they discover that so much more could have been done if the full array of available equipment had been brought into play expeditiously. In a news report in June, John Young, council chairman for Jefferson Parish in Louisiana, states: "My experience has been frustration, too much red tape, no sense of urgency. For the state and the coastal parishes that are directly affected to put forth a plan, you have to kick and scream every step of the way to get it approved."[2]

As this scene in the Gulf evolved, there was a major medical issue with one of my close family members. I traveled across the country and would have found the situation fascinating if it were not so serious. Each branch of caregiving at the hospital was very dedicated and competent. But like the all-too-often silos present in a company or a bureaucracy, no one seemed to be coordinating and holistically directing the efforts. Meanwhile, the patient was weakening.

The physician assigned (think CEO) was not sufficiently engaged to monitor a rapidly deteriorating situation and issue the required orders; the charge nurse was busy with dozens of other patients (think VPs); the relatives were not sufficiently knowledgeable or trained to intervene (think front-line employees); the case manager hired by the relatives (think consultants) focused on soothing the relatives and running up the billable hours. I intervened.

Scenes such as these—be it a black swan, white swan, or personal emergency—all too often have the same underlying theme of a lack of cohesive leadership either just before the eruption stage is reached or in the wake of a crisis when everyone is responding. Environment, health, safety, and sustainability departments routinely deal with a broad swath of departments in their day-to-day responsibilities. The managers of these groups are in a perfect position to observe the warning signs and take a leadership position to either prevent a white or black swan event or spearhead mitigation should an issue erupt.

Unfortunately, over my career, I have seen far too many managers act not as leaders, but passive observers of the unfolding events. The most common excuse is that they have no power and control over these situations. Indeed, they often have very little. Many prefer to stand on the sidelines believing that they should try to distance themselves from what may erupt. But as the old adage goes, "Damned if you do, damned if you don't." For truly significant issues, one can be a casualty by just observing on the sidelines.

Leadership is not just a direct result of line item control over resources and organizational placement; it is about personal skill and competency. Indeed, there are far too many CEOs who have enormous power and control, but are totally useless as leaders. Considering all of the preceding, the obvious question is, "How does one go about intervening in these events when one has little power?" That will be the subject of upcoming columns and a book in the works. **em**

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