

Governing Energy

Into the Breach

Volume 3 Number 1—January 2, 2014

At the end of the year 2013 we learned that shopping at a major US retail company could end up compromising very personal financial information and perhaps enable thieves to steal from you. Earlier we discovered that the new healthcare.gov website did not meet certain technical standards much less the expectations of the public. Finally, many gifts purchased online did not arrive before Christmas generating negative comments about both the affected retailers and shipping companies.

Cyber security and operational performance are critical in today's online society and the energy (digital oilfield) and other critical industries are no exceptions. However, as previously discussed in this blog Normal Incident Failure (NIF) theory predicts eventual failures in complex systems.ⁱ However, High Reliability Management (HRM) suggests that NIF are not pre-ordained.ⁱⁱ

Many of the notable, high profile incidents of the energy industry have also been dissected in these pages as well. In our imperfect human world public organizational shortcomings happen.

What happens next may determine how the public and governments *feel* about the incident. Crisis management and rapid response aside, a lack of honest and forthcoming information from the top levels of the affected organization is often the tipping point from a bad situation to a disastrous one.

The culture of an organization determines how it responds to adversity. "How we do things around here," dictates our instinctual response during times of crisis.ⁱⁱⁱ The trait cannot be counseled by crisis management consultants or the legal department.

Humans routinely respond in emergencies and save others from certain injury or death. These responders typically say that their "gut kicked in" or their "training" made their decision to act unconscious.

As the energy industry transitions to a culture of safety, one sign of success will be management's instinctive response to a future incident. If talking points and legalize are the first words then there is still work to be done.

What is your organization's instinctive response during crisis management?

About the Author

Dr. [Scott M. Shemwell](#) has over 30 years technical and executive management experience primarily in the energy sector. He is the author of two books and has written extensively about the field of operations management. Shemwell is the Managing Director of The Rapid Response Institute, a firm

that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management.

End Notes

ⁱ Perrow, Charles. (1999). Normal Accidents: Living with High-Risk Technologies. New Jersey: Princeton.

ⁱⁱ Holland, Winford “Dutch” E. and Shemwell, Scott M. (in press). Implementing a Culture of Safety: A Roadmap to Performance-Based Compliance. New York: Xlibris.

ⁱⁱⁱ Ibid.