

Governing Energy

Positively Negative

Volume 4 Number 4—February 20, 2015

All of us are probably aware the people can become complacent in routine situations, no matter how fraught with risk it might be. For instance, driving at higher than posted speeds on the Houston freeway system is routine—during the non-peak hours. Indeed, driving significantly below “traffic” speed can have its own consequences.

So we become complacent and commute in a relatively dangerous situation on a daily basis. Usually, nothing happens and we arrive at our destination.

Perhaps there is another perspective on this routine behavior. In his book, *Drift into Failure: From Hunting Broken Components to Understanding Complex Systems*, the author Sidney Dekker refers to a construct, The Normalization of Deviance.”ⁱ

Put forth by Diane Vaughan who argued that risk is continuously constructed and renegotiated. In other words, potential dangers are acknowledged, rationalized and then accepted as the new normal. Under apparently similar circumstances the behavior continues.ⁱⁱ Each time the conduct is successful, the gap between the actual risk and the individual decision maker’s (or team) perspective of the risk grows.

As this reinforcing behavior continues it is easy to see why the traffic speed ‘seems to’ continuously increase. Accidents only happen to the other guy!

One can posit that we are not simply complacent but are active participants in the often dramatic changes in the “apparent” risk profile of a given activity. As the Type A individual is rewarded with each iteration; Atta Boy, bonus, promotion, etc. others may mimic this behavior.

Moreover, the details that may cast doubt of the process viability often go unreported and perhaps unmeasured or even unknown. Thus the organization’s culture becomes inherently, even latently less risk averse.

Readers may note that this blog has refers to latent variables previously. A Latent Variable is one that is not directly measureable but is inferred. Its behavior can only be measure through the observation of linked variable(s). The Structural Dynamics construct directly addresses how management can confront this quandary.ⁱⁱⁱ

Oil and gas operations are under tremendous cost and production pressure as of this writing. The specter of lower, sustained crude pricing is real. Natural gas commodity prices have been soft for years.

The temptation of The Normalization of Deviance's immediate rewards may induce organizations and even the industry to accommodate a level of risk that it does not believe it is accepting. In this game of musical chairs, the music may stop on your watch.

This New Normal may undo a lot of hard fought stakeholder value gains. Guard against too much of a 'can do' attitude doing more with less.

How does your organization assure individual and team behaviors are not changing your acceptable risk profile?

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 four 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. He has studied cultural interactions for more than 30 years--his dissertation; *Cross Cultural Negotiations Between Japanese and American Businessmen: A Systems Analysis (Exploratory Study)* is an early peer reviewed manuscript addressing the systemic structure of social relationships.

End Notes

ⁱ Dekker, Sidney. (2011). *Drift into Failure: From Hunting Broken Components to Understanding Complex Systems*. Ashgate.

ⁱⁱ Ibid.

ⁱⁱⁱ Shemwell, Scott M. (2012, June). *Structural Dynamics: The Foundation of Next Generation Management Science—beta Version of the Construct. Version 1.0*. Author.