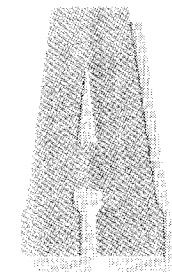




# Conrail cuts the risks in risk management

*By changing risk management training from reactive and regulatory-based to proactive and customer-focused, Conrail's work force has developed a better way to identify, assess, and manage risks to employees, customers, and the communities in which the railroad operates.*

**By Harvey B. Lermack,  
Director, Risk Management and Technical  
Training, Conrail, for  
Railway Age**



As highly regulated businesses, railroads are required to provide training as dictated by such agencies as the Federal Railroad Administration, the Environmental Protection Agency, the Federal Highway Administration, and state and local agencies. This training covers many areas, including personal safety, environmental, industrial hygiene, hazardous materials management, and vehicle handling.

Traditionally, this training has been provided by experts competing for limited time, student availability, and funds.

At Conrail, we are employing what we believe is an innovative approach to leverage limited resources while maximizing impact—one based on the application of adult-learning and educational theories that have rarely been applied to risk management.

The training approach is designed to instill a thorough understanding of risks and hazards that arise in railroading. As such, the subjects are a combination of regulatory-required training and customer-focused, proactive topics.

#### **THE "COSTS OF RISKS"**

The consequences of injuries, claims, environmental hazards, and other risk-related issues have a significant impact on our people and their quality of life, as well as on Conrail's profitability. In the past, railroads

BURK UZILE/CONRAIL

have viewed the related financial aspect—the “costs of risk”—as necessary costs of doing business. This, we felt, need no longer be the case.

To address the potential risks, Conrail in 1994 created a Risk Management Department within Operations to focus on the key sources of risk: environmental quality, safety, health services, hazardous materials management, transportation quality, and insurance and claims services. The new department was charged with identifying and implementing ways to reduce incidents, injuries, and risk-related costs, and their potential impact on our employees, customers, and the communities Conrail serves.

To attain those objectives, it was clear that Conrail’s operating departments had to take ownership. Senior management designed and implemented a full range of performance management techniques to integrate attainment of the risk management goals into the responsibility and reward processes and structures throughout the corporation. They also took an active role through personal involvement in that process.

However, it became clear that attainment of these rigorous objectives was dependent on the risk identification, assessment, and control skills of our entire work force. Key to obtaining those goals was to focus training efforts on providing those skills to our workers.

#### A NEW DIRECTION

Conrail established a new training direction with the following objectives:

- ☛ To integrate and focus risk management training.
- ☛ To build on previous training and experience.
- ☛ To optimize performance by spending training money wisely, as measured by the overall impact on injuries, incidents, and costs.

The Risk Management Department then coordinated a three-pronged approach:

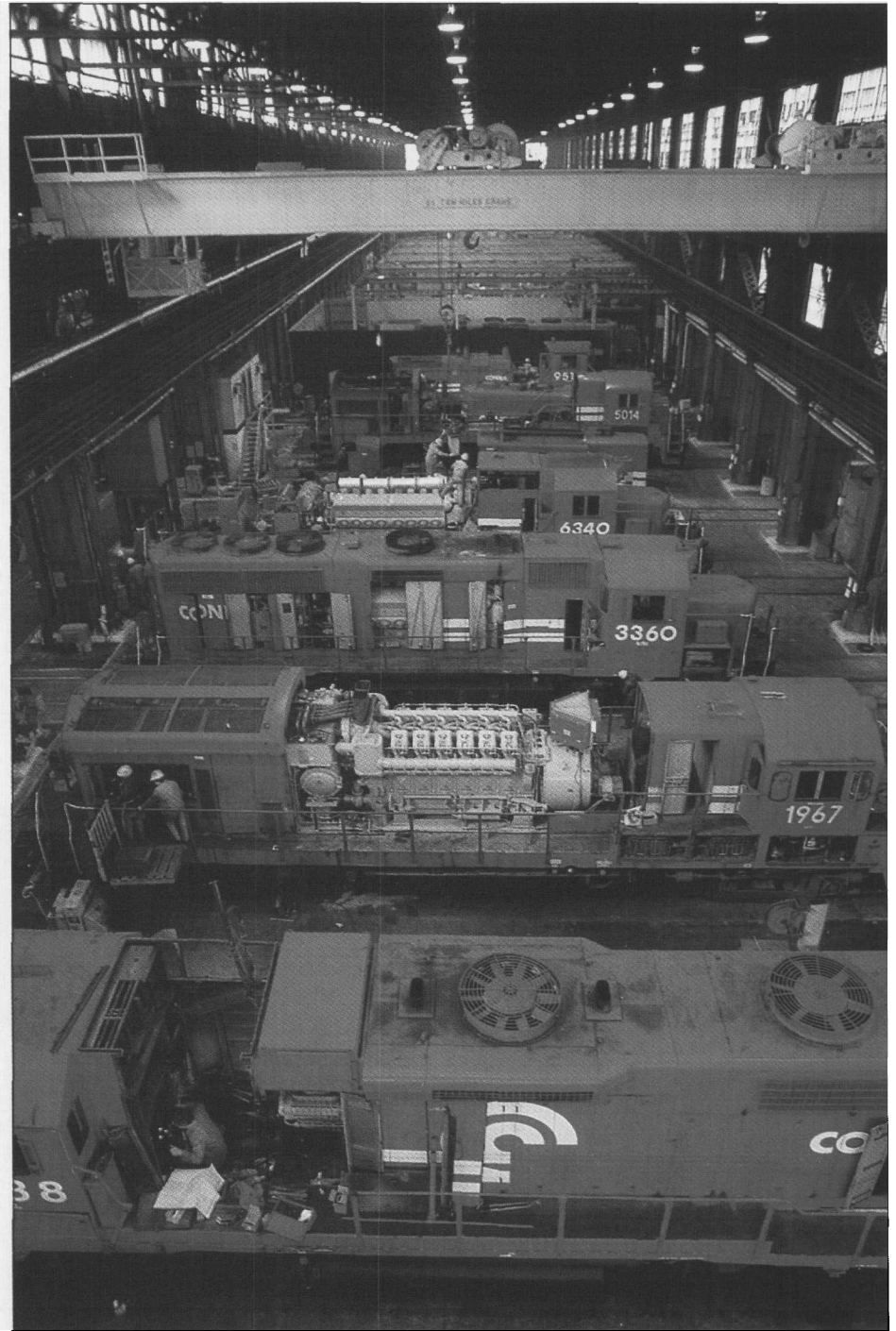
- ☛ Develop a risk management curriculum to build on previous experience and training.
- ☛ Expand task-specific and regulatory training.
- ☛ Introduce behavioral safety techniques to reinforce application of learning to the job.

#### MAXIMIZING PAST EXPERIENCE

We developed a separate, annual Risk Management training curriculum for each of the three major job families within Conrail (train and engine ser-

vice, engineering, and mechanical). This consists of one to two days of in-depth analysis of various risk-related issues inherent in each craft. Highly interactive, it is focused on how employees can go about identifying, assessing, and controlling risks in their own job environment. Students practice risk identification and assessment by analyzing interactive job site scenarios. They discuss such proactive topics as job briefings, injury prevention, alertness, and behavioral safety. Employees learn at their own pace through discussion, brainstorming, role play and case studies, and other participatory activities related to actual job situations.

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Training includes participatory activities related to actual job situations, such as locomotive repair and overhaul.

The training format is based on the cognitive model, which assumes that learning is most effectively gained when integrated into the learner's previous education and experience base. Thus, our goal is not only to help employees acquire new information, but to assimilate it and put it into context.

Over a period of three years, we have introduced this annual training approach to the three departments with good results. The feedback from the field has been positive.

### THE POWER OF TEAMS

At Conrail, many key programs are developed and implemented with cross-functional teams. In the case of risk management training, such teams have given us the opportunity to involve more people, enabling us to provide more-relevant, effective programs.

A good example of this approach is the annual risk management training curriculum. Each departmental program—developed by a team of Risk Management Department subject-matter experts, members of the client department, and courseware development experts from the Training Department—is updated annually. Team members receive course development training together, and work closely to assure that new programs not only fulfill requirements, but are specific to the work of the client department.

Implementation teams on each operating division include

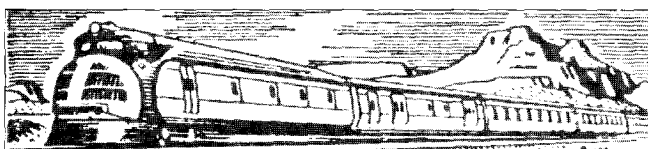


ART WILKINSON/CONRAIL

**Each job family—engineering, train and engine service, mechanical—has its own curriculum.**

field representatives from Risk Management, the client departments, and the Training Department. They work together to arrange for facilities, schedule classes, select, prepare, and schedule instructors, and ensure that all training is documented and evaluated.

Instructors have been recruited from Conrail field operations, including foremen and supervisors, peer trainers, and safety com-



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Edited by  
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### TASK-SPECIFIC REGULATORY TRAINING

During 1996, a cross-departmental team identified task-specific regulatory training requirements for each department. A matrix was developed for district job families; that matrix forms the regulatory training prescription for Conrail's work force.

Each department is responsible for implementing these programs and maintaining complete training records in Conrail's computerized Work Force Information System (WFIS). They work closely with Risk Management to assess the viability of current programs and implement new programs. We are now able to prioritize development and delivery of new programs, avoiding overlap and redundancy. Many new programs are developed by cross-functional teams similar to those discussed above.

### PUTTING TRAINING TO PRACTICAL USE

It is crucial that the learning is transferred to the job. To accomplish this, we have implemented the concepts of behavioral safety and performance management across the Conrail system.

Field implementation teams partnered with consultants from Aubrey Daniels and Associates, Inc., of Tucker, Ga., to implement the B-Safe program. The relevant steps in the process are:

- We train employees in B-Safe principles, and in observation and reinforcement techniques.

- Local teams identify key behaviors, or "pinpoints," that need to be reinforced.

- Workers observe each other's compliance to these pinpoints, freely utilizing positive reinforcement to encourage continued good performance.

- Local teams post measurement displays of compliance levels, and celebrate success.

The field teams worked closely with Aubrey Daniels and Associates to tailor the training to Conrail's needs and present it to the entire work force. The concepts are well-suited to ensuring and measuring transference of key safety, environmental, and risk management training to the work site.

This process has been well-received. All levels at Conrail, starting with senior management, have contributed to the program's success. Employees enjoy it. They recognize the importance of attaining high levels of safety compliance, and appreciate the emphasis on positive reinforcement, which we feel is a powerful opportunity to improve Conrail's overall system performance.

### RESULTS AND MEASURES

Since 1996, we have provided over 11,000 Conrail employees with at least two days of risk management training in addition to job-specific regulatory training.

This training has contributed to our safety improvement while reducing risk-related costs, and has enhanced the cooperation of the work force to improving our safety, environmental, and hazardous materials management performance. Participation in risk management training should reach 15,000 people this year.

Over the long run, we believe the benefits of this program will far outweigh its costs. We also expect related performance improvements in addition to reduced incidents and costs. 