



18. Create an open culture of error

Challenge

The aim of this tool lies in creating a culture in which mistakes are reported in order to learn from them – the so-called “learning from mistakes” culture.

Organizations (and people) are mainly set on success stories. What are the sales figures, , what successes have been achieved? Although this is relevant, an organization should also have an eye for the situations in which things went wrong. It is important to consider , how the organisation dealt with the mistake and what was learned from it as that’s where the real profit can be made.

This can rightly be seen as a challenge, because reporting errors does not happen spontaneously. Multiple reasons can be identified why reporting an incident might be challenging; no one likes to make and admit a mistake, and the reaction to reporting a mistake might be dreaded by the employees. The way in which leadership deals with mistakes is very important in building trust in employees that it is safe to report and that the organisation will use the report to learn and improve for the future. If an organization really wants to learn from mistakes, reporting and dealing with mistakes needs to be well organized.

Why is learning from mistakes so important?

The AFM writes the following (<https://www.afm.nl/nl-nl/nieuws/2017/okt/onderzoek-open-foutencultuur>): “Scientific research shows that more is learned in organizations with an open error culture, which contributes to (1) ethical behavior of employees, (2) a better quality of service to the customer and (3) better performance of the company. Making mistakes and learning from them therefore offers a unique opportunity to increase the learning capacity of an organization.”

Solution

‘Dare to share’: be honest about where it (almost) went wrong. In appropriate cases, let an employee who unconsciously and/or incompetently made a mistake share his story and let the organization learn from it. It is important to start with an inventory of the current situation. This can possibly be done in the first instance in a (small) team, to become familiar with sharing errors. How do you deal with mistakes now, are they discussed? What consequences has making a mistake? Are mistakes being learned from now? Or are mistakes only punished? The compliance professional may have to conduct a number of interviews for this, both with managers and with employees and with HR.



If mistakes made in the past were 'rewarded' with substantial (negative) consequences for the employee(s) involved, other employees will not be inclined to report errors. It may be necessary to correct these 'erroneous' reactions from the past. This will take a lot of management's time and energy, but it is necessary to regain trust. It goes without saying that it is important to take measures against employees who have tried to hide mistakes made, see also the tool 32. "Disciplinary action" (Enforcement). In those situations, where employees have intentionally committed fraud, the relevant corrective actions should be taken. However, errors are often not intentionally and should therefore be treated differently.

So, what is necessary to foster this open culture?

The behaviour and attitude of (top) management is decisive in creating an open culture of mistakes. An example:

"Although Thomas Watson died in 1956, his legend of embracing failure and mistakes lives on. You may have heard the story of a 1940's IBM employee who made a mistake that cost the company about one million dollars. Knowing that he was about to be fired, the employee typed up his letter of resignation, and handed it to Watson. Watson responded: "Fire you? I've just invested one million dollars in your education, and you think I'm going to fire you?"

For a thorough approach to reporting errors, we propose the following:

1. Train employees in discussing and reporting (and receiving!) errors. This is best done in a team. Everyone makes mistakes and the trick is for managers to create an environment so that this can be discussed openly in the team.
2. For managers, it is good to realize that he / she must accept that mistakes are made and that we learn from trial and error. To lower the threshold, it might be useful if the manager him or herself starts by mentioning their own mistake of last week / month according to a number of predetermined questions (these can differ per team). Reporting and discussing errors should be as easy as possible and accessible. It is possible to use tools, such as an app. The handling of errors must be done carefully; set up a thorough process for this, on which agreement has been reached in advance (also) with the management.
3. As soon as an error lends itself to a so-called 'cause analysis', this is organized and recorded with those involved. Templates for 'root cause analysis' can be found on the internet.
4. Share lessons learned as much as possible with each other, for example in presentations or in publications. Make sure that an appropriate tone is used in the utterances, which does not punish the creator of the error, and which will not deter others from reporting errors and learning from them.



Proposals for action:

1. Together with Utrecht University, the AFM has conducted extensive research into the creation of an open culture of error. Based on this, a questionnaire has been drawn up to properly inventory the current situation. Foreexample, the AFM's research methods and the report on an open error culture: <https://www.afm.nl/nl-nieuws/2017/okt/onderzoek-open-foutencultuur>.
2. An opportunity to review mistakes made and learn from them is offered in the 'After Action Review' approach. In this attached article by Ben Tiggelaar in the NRC of 13 April 2018, this is further elaborated: <https://www.nrc.nl/nieuws/2018/04/13/samen-leren-van-fouten-hoe-dan-a1599340>

Some creative ideas:

- In Rotterdam (and who knows elsewhere in the country) so-called 'Fuck Up Nights' have been organized for some time now: Meet Ups, in which people talk about their most failed business projects.
- In the words of the AFM: "Celebrate the mistake!". Put the person who makes a mistake negotiable and thinks along about improvement opportunities in the spotlight. At the AFM, they celebrate the mistake of the employee who was able to tell this the best. Here the tone at the top is very important: keeping mistakes in front of you is negative; reporting it is positive.
- There are companies that award an IPSE award (Interesting Project Success With it, not infrequently it concerned projects that you received from a colleague). This award is presented annually to the most failed project. The idea behind this is again: you often learn more from things that fail than from your successes.
- Also, take a look at what the Institute for Brilliant Failures does with failures/mistakes. See <http://www.briljantemislukkingen.nl/nl/>.

A related tool is tool 27. "Have a speak-up procedure". However, the tool described here is mainly about creating an open culture. And that is a prerequisite for making the speak up procedure effective. A good open error culture can lead to less need to use the speak up procedure.

To paraphrase John C. Maxwell: "A person must be big enough to admit his mistakes, smart enough to profit from them, and strong enough to correct them." Do your senior leaders take risks, make mistakes, publicly own their mistakes, and determine a plan for what they will do differently?

Actors

Everyone



Techniques

Reporting point or tool/app – It helps enormously if reporting errors can be done easily and easily. So make sure you have simple, accessible systems for reporting errors. Furthermore, clearly state that everything can be reported. Preferably set up a central reporting point for errors, incidents and the like.

Communication – It is of great importance that within the organization, within teams, there is an open and safe working environment in which mistakes can be discussed. It is also necessary that a potential reporter knows where he stands as soon as an error is reported. When is he allowed to report (always, as long as it is done in good faith, so as long as it does not happen to deliberately put employees in a bad light)? How and where can you report an error? What happens next with the notification? What are the rights and obligations of the reporter? Compare the speak up procedure for this. Emphasize the protection of the reporter in case of good faith. Also think of good instruction for managers, so that they can deal well and constructively with (discussing) mistakes within their team.

Role Compliance Professional

Facilitating, stimulating role towards managers, coach of those involved in this process.