Critical Perspectives on Accounting xxx (2016) xxx–xxx

Contents lists available at ScienceDirect

Critical Perspectives on Accounting

journal homepage: www.elsevier.com/locate/cpa

CEO speeches and safety culture: British Petroleum before the *Deepwater Horizon* disaster

Joel Amernic[a,*], Russell Craig[b]

[a] *Joseph L. Rotman School of Management, University of Toronto, Toronto, Canada*
[b] *Portsmouth Business School, University of Portsmouth, Portsmouth, UK*

ARTICLE INFO

Article history:
Received 20 August 2015
Received in revised form 13 November 2016
Accepted 23 November 2016
Available online xxx

Keywords:
Safety culture
BP
CEO speeches
Annual general meeting

ABSTRACT

This paper explores the relationship between leadership language and the safety culture at British Petroleum [BP] prior to the April 20, 2010 *Deepwater Horizon* explosion in the Gulf of Mexico. The discursive construction of important aspects of safety culture in a large, risky, global company such as BP is a central feature of the CEO's role. Using a social constructionist perspective, we conduct an interpretative close reading analysis of the speech of BP's [then] CEO, Tony Hayward, at the Annual General Meeting of BP on April 15, 2010. We also analyse the transcripts of 18 other speeches Hayward delivered before the *Deepwater Horizon* explosion. We find that the language used contributed rhetorically to an ideology of economic efficiency and cost control, in a manner that was inconsistent with an enduring safety culture. We highlight important insights that close reading analysis of the narrative in CEO speeches can provide to help understand a corporation's ambient safety culture.

1. Introduction

At 9:45 pm on April 20, 2010, an explosion rocked the British Petroleum [BP] *Deepwater Horizon* oil drilling platform anchored about 41 miles off the coast of Louisiana in the Gulf of Mexico. Eleven workers were killed and many others were injured (Elkind, Whitford, & Burke, 2011). The resultant oilspill from the ruptured wellhead was described by [then] U.S. President Obama as 'the worst environmental disaster America has ever faced' (Obama, 2010).

In this paper we explore roles that CEO language played in contributing to, or detracting from, the ambient safety culture at BP preceding the *Deepwater Horizon* disaster.[1] Directing attention to CEO language is consistent with the view that 'the words used by a CEO constitute an asset' (Leibbrand, 2015; p. 45) in strategic communication. Even more importantly, they can reveal important aspects of the CEO's leadership-through-language (Amernic & Craig, 2006). We focus particularly on the prepared speech of the CEO at BP's annual general meeting (AGM). In doing so, we offer an example of the benefit of according serious attention to a neglected medium — a CEO's AGM speech. We refer to CEO language as *CEO-speak*, consistent with the terminology of Amernic and Craig (2006).

* Corresponding author.
E-mail address: amernic@rotman.utoronto.ca (J. Amernic).

[1] Although the physical platform was legally owned (and to an extent) serviced by legal entities other than those in the BP group, BP was the controlling power in the supply chain. This paper focuses on the tone set by the CEO of the dominant business entity involved, BP, regarding the discursive construction of safety.

http://dx.doi.org/10.1016/j.cpa.2016.11.004
1045-2354/

Our primary focus is on the speech delivered by BP's CEO Tony Hayward to the company's 2010 AGM, held five days *before* the disaster. In doing so, we draw attention to a particular accounting-related aspect of the narrative: the tension between economic efficiency (including cost control) and the desire for a strong safety culture. Though Hayward claimed that his 'number one priority' was safety, perversely 'safety' is hardly mentioned at all, while cost cutting, financial matters, and organizational efficiency dominate. We highlight Hayward's strong focus on cost cutting, financial matters and organisational efficiency. We also compare the intertextual dynamic between Hayward's speeches during his tenure as CEO of BP *before* the 2010 AGM, and the speeches of his immediate predecessor from 1997 to 2007, Lord Browne of Madingley.

The specific research question we address is: 'Did the language used in the AGM speech by BP CEO Hayward five days prior to the *Deepwater Horizon* disaster reflect a tone at the top of BP that was inconsistent with an enduring safety culture?' Our interest centres on understanding how *CEO-speak* influenced, or reflected, BP's safety culture at the time of the explosion.

We respond to calls by Beelitz and Merkl-Davies (2012),Brennan and Conroy (2013), Craig, Mortensen, and Iyer (2012), and Amernic, Craig, and Tourish (2007), for close analysis of the written and oral discourse of powerful business leaders. Additionally, we are motivated by the prospect that analysis of the 'organizational talk' (Rasmussen, 2011) of CEOs of major corporations (such as in their public speeches) can 'provide a window on the culture [of an organisation] and its approach to safety' (Ocasio, 2005; p. 118).

A focus on safety seems long overdue in the accounting literature. The substantial literature on social and environmental accounting features many references to the importance of safety-related disclosures and accountability. Yet, a search using *Google Scholar* reveals that the word 'safety' does not appear in the title of any article published in a major peer-reviewed scholarly journal in accounting.

Nonetheless, the accounting-related literature on safety is not silent. For example, in the business ethics literature, Beelitz and Merkl-Davies (2012) analyse how CEO discourse was used to restore legitimacy after a major accident at a nuclear power plant in Germany. Amernic, Craig, and Tourish (2010) explore language and leadership (including safety) issues at BP through the lens of the BP CEO's annual report letters to shareholders from 1998 to 2006. Amernic, Craig, and Tourish (2012) discuss pre-disaster financial reporting implications for a reporting entity (BP) with an inapt safety culture.

In the decade prior to the *Deepwater Horizon* explosion the language of BP's top management did not reflect a strong safety culture. Interest in safety at BP was linked inextricably with, and subsumed by, a broader organisational culture that stressed achievement of operational efficiency. BP's broader organisational culture arose from a strong emphasis on the pursuit of cost efficiency and profits. The discourse of BP CEOs Hayward and Browne suggests that BP paid only trivial attention to safety.

This paper is organised as follows. Section 2 reviews relevant literature, proposes a working definition of safety culture, and proposes metaphor, ideology and rhetoric as an analytical framework. Section 3 explains some relevant aspects of BP's context at the time of the *Deepwater Horizon* disaster. It also links the potential influence of *CEO-speak* to the safety culture of a complex organization, and highlights the importance of the CEO's AGM speech. Section 4 explains the research method and data sources. Section 5 analyses Hayward's speech at BP's AGM in 2010, and links our observations back to theoretical concerns with metaphor, ideology and rhetoric. Section 6 discusses the results further and offers some conclusions. Throughout the paper we adopt a social constructionist perspective, with the intent to highlight three constructs (ideology, rhetoric and metaphor) and the interplay among them.

2. Analytical framework: safety culture, metaphor, ideology and rhetoric

2.1. Safety culture

'Safety culture' has been defined in numerous ways. Turner and Gray (2009, p. 1259) observe that although 'safety is largely characterize[d] ... as a disembodied, tangible and easily quantifiable phenomenon' there are many 'contested meanings of safety' (p. 1261). Edwards, Davey, and Armstrong (2013), Choudhry, Fang, and Mohamed (2007), and Guldenmund (2000) reveal the ambiguity and contestability of the general concept of 'culture', and 'safety culture' more particularly. Antonsen (2009, p. 184) has drawn attention to the 'considerable [on-going] disagreement and confusion about what safety culture really is ... ' Ocasio (2005, p. 120) points out that the Columbia [space shuttle] Accident Investigation Board Report in 2003 did not define the terms 'safety' or 'safety culture.' Rather, in a simplistic and perhaps naïve way, it treated these terms implicitly as 'objective and unproblematic.' Below we review recent debate regarding the definition of 'safety culture.' We then propose a working definition.

Silbey (2009, p. 343) conceived safety culture as 'causal attitude', as 'engineered organization', and as 'emergent.' She argued that the first two perspectives '... reproduce individualist and reductionist epistemologies that are unable to reliably explain social or system performance' (p. 343). As a consequence, she noted that safety culture 'is often ... measurable and malleable in terms of the attitudes and behaviors of individual actors, often the lowest-level actors, with least authority, in the organizational hierarchy' (2009, p. 343). Silbey's third conception of safety culture, as 'emergent', envisages a complex system involving '... cultural conflict, competing sets of interests within organizations, and inequalities in power and authority' (2009, pp. 343-4). This conception seems consistent with Haukelid's (2008, p. 417) view that 'safety culture should not be something separate from — or in addition to — an organizational culture.'

Please cite this article in press as: J. Amernic, R. Craig, CEO speeches and safety culture: British Petroleum before the *Deepwater Horizon* disaster, Crit Perspect Account (2016), http://dx.doi.org/10.1016/j.cpa.2016.11.004