BP To Link Bonuses To Safety Performance

LONDON (AP) — BP employees' performance on safety issues will be the only measure for awarding fourth-quarter bonuses, the British oil company said Tuesday as it tries to tighten performance and clean up its image after the Gulf of Mexico oil spill.

In a statement sent to employees Monday, CEO Bob Dudley said the bonus policy was intended to reinforce the message that safety is the company's priority and to insure that "a low-probability, high-impact incident such as the Deepwater Horizon tragedy never happens again."

"The key to achieving that goal is the rigorous identification and management of every risk we face," Dudley said in the message.

BP spokesman Robert Wine said Tuesday that the policy applies mainly to employees in operational roles, representing the bulk of BP's work force of 80,000. Factors such as plant uptime or production volume would not be considered in the fourth quarter.

"Everyone will be completely concentrating on running a plant safely," Wine said.

The company is struggling to restore its image following the disastrous oil spill from the Deepwater Horizon platform in the Gulf of Mexico, an accident which is costing the company billions and led to Dudley replacing Tony Hayward as chief executive.

"The sole criterion for performance reward for our operating businesses in the fourth quarter of 2010 will be performance in safety, compliance, silent running and operational risk management and exhibiting and reinforcing the right behaviors consistent with these goals," Dudley said in his message, which was first reported by the Financial Times.

"For the longer term we need to achieve all of our objectives in safety, compliance and risk management in conjunction with our operational, financial and functional objectives. We are now reviewing the appropriate measures to embed into our reward systems for the longer term."

Dudley said bonuses for the previous three quarters would also reflect operational and financial performance.

On Sept. 29, Dudley announced that he was setting up a safety division with powers to oversee all of BP's operations. That unit is headed by Mark Bly, who led BP's own investigation of the Gulf of Mexico spill.

That investigation concluded that BP bore some responsibility for the disaster, but

laid much of the blame on BP's contractors, principally Transocean and Halliburton.

Source URL (retrieved on *08/01/2014 - 9:00pm*):
http://www.impomag.com/news/2010/10/bp-link-bonuses-safety-performance?qt-recent_content=0&qt-digital_editions=0