

CRITICAL ELEMENTS FOR ACHIEVING SAFETY EXCELLENCE.

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Organizations are compelled to improve safety performance usually for one of several reasons. In no particular order, they desire to improve for legal reasons, financial reasons, to gain corporate recognition or for moral / ethical / corporate responsibility reasons.

Civil Liability Avoidance

From a civil liability perspective, organizations are normally concerned with complying with the laws of the land. In some cases, they desire to comply to avoid enforcement actions of regulators. Others want to comply to avoid a second unpleasant experience with those who enforce regulations and issue penalties.

As we have witnessed in the United States, penalties for non-compliance can easily reach into the millions of dollars even for small employers. But, complying with tens of thousands of safety regulations is no easy task.

Under the federal scheme in the United States, OSHA, the Occupational Safety and Health Administration can issue penalties for serious and other than serious violations of up to seven thousand dollars per occurrence. Willful and repeat violations can cause employers to shell out seventy thousand dollars per occurrence. If a worker is killed and employers are determined to be willfully negligent, individual managers, supervisors etc, can be fined two hundred and fifty thousand dollars and the corporation can get an additional half million in penalties. In addition those in a position of authority can receive jail time. Failing to correct an OSHA cited violation could produce a penalty of seven thousand dollars a day for each day that it remains uncorrected. And deliberately falsifying information can yield ten thousand dollars per instance and may also produce jail time.

Even though employers spend significant resources to assure compliance, their efforts do not produce maximum results due to the fact that regulators set and enforce minimum standards. Last I checked, achieving the minimum in life has never produced excellence. I never send my children Lexi and Zach off to school each day and ask them to just do the minimum to get by. That would be crazy. But many corporations in this world do just that. Worse yet, many do everything in their power to pretend that these minimum regulations are optional or are meant for someone else.

Criminal Liability and Prosecution Avoidance

Another reason why employers attempt to improve safety performance is to avoid criminal liability and prosecution. This phenomenon has picked up steam over the last twenty years in the United States.

In the U.S. we have seen criminal prosecution on three levels. It all began with a prosecution of business executives for corporate murder. That case was prosecuted in Cook County Illinois by a

young assistant district attorney who found that a deceased worker was exposed to deadly cyanide gas in deplorable working conditions.

A noteworthy case prosecuted on a state level involved a fire at a chicken processing facility in North Carolina. In this case the management of the company locked exit doors to prevent workers from staling products. A fire broke out killing 25 workers when they could not escape. The owner was jailed and the company was financially ruined...creating a loss of income for those who survived.

Prosecutions can happen on a federal level too. In the longest sentence ever imposed for a safety crime, a federal judge ordered an Idaho man to serve 17 years in prison for his crimes that left a 20-year-old employee with permanent brain damage from cyanide poisoning. The business owner was also ordered to pay \$6 million in restitution to the victim and his family.

Criminal prosecutions are real and do not take a great deal to substantiate. Federal and state OSHA officials and investigators are receiving training on processing workplace accident scenes as crime scenes and are involving police agencies and the FBI to support investigations.

The Bottom Line

A third reason why organizations want to improve their safety performance is for the bottom line. Pure and simple...to save money. All incidents have direct and indirect costs and many have human costs which are not easily calculated. It is a fairly well accepted premise that for every dollar spent in direct costs; many other dollars are wasted in indirect costs for every event. Most agree that these costs can have ratios of 1 dollar direct to 2 dollars indirect and as much as 1 dollar direct to 10 dollars indirect. The bottom line can be impacted significantly whether we are able to directly measure the impact or not. And the sales needed to make up for those losses for any organization can be astonishing. For example, an organization operating with a 5% profit margin would need to amass a million dollars in sales to offset losses of just fifty thousand dollars.

The bottom line can become even more important for tighter profit margins. Preventing incidents to save costs is a good goal and some organizations just want to impact the bottom line by preventing workplace incidents. And, yes that is OK. But, in the eyes of others, organizations may need to have a higher purpose in mind. Employees are a necessary component of the improvement process. To improve for the sake of enhancing profits may not get good airplay among employees...the ones normally getting hurt.

Some organizations are compelled by their insurers to control losses for fear of losing future coverage. Many want to reduce losses to minimize the impact on future premiums. Yet there are other companies who need to control losses to retain their self-insurance status.

We must realize though that the impact on the bottom line may not be a factor compelling enough to promote change. I once worked for an organization that had 7 million dollar annual workers compensation losses when I started there. I thought that 7 million was a lot of money until I realized that 7 million didn't make the rounding in the annual budget presentations. In the

scheme of the overall multi-billion-dollar budget, it was perceived as insignificant. Focusing on improving safety for the sake of the bottom line had virtually little or no impact in that organization.

Corporate Recognition

Many companies want to improve their safety performance in an effort to improve their overall image in the community or to gain recognition of leverage in the business world. Many organizations have attained recognition from OSHA as Voluntary Protection Program qualified site showing the community, potential workers, industry competitors and strategic partners that they have excellent safety management systems operating. Many other organizations have sought certification by the International Standards Organization (ISO) setting them apart from competitors by being placed in a distinguished category in the global marketplace.

Organizations also seek excellence in safety year after year to be recognized by organizations such as the National Safety Council, industry trade groups, and insurance companies as industry benchmarks.

Regardless of the path chosen, some organizations simply want to gain corporate recognition for safety performance excellence and see tangible and intangible benefits from this form of recognition.

Moral/ Ethical/ Corporate Responsibility

In the United States, corporate greed has been fully illustrated in the news regularly by the accounting scandal of the day. As Boards of Directors address this dilemma, the issue of doing the right thing in all business facets will emerge as a primary issue. Boards will demand higher standards of excellence for shareholders and to protect their own interests and culpability.

It wasn't until this infectious greed issue broke that I finally realized why safety improvements were so difficult to achieve in business. Safety improvements by their very nature cut against the grain. By design they usually slow the production process in some way which protects workers. Also, in many cases, expenditures are needed on the part of the organization for engineering control measures, personal protective equipment, employee training, the development of a new work procedure etc. Regardless of what is done to improve safety, it costs money. The more issues resolved, the greater the impact on the bottom line profits. The less profitable the business, the more vulnerable the management for being replaced for not operating a profitable business. Consequently, safety advances in many companies are viewed by management as a direct threat to their long-term job security. This occurs mostly in companies who have not been wise enough to charge back loss costs to operating budgets of managers. Unfortunately, losses in those companies continue to be paid out of the corporate pot of gold.

In forward thinking companies, managers are rewarded for good safety performance and penalized for poor performance. Similarly, when they solve safety issues, they are not penalized financially and personally for dealing with them.

Ironically, over the last decade, I have been fortunate to personally witness many companies' change their safety cultures for reasons more compelling than any previously discussed. They made the change because it was the right thing to do. I realize that in the decade of infectious corporate greed, it is hard to believe that companies would intensify their concern for injuring and maiming workers. But I am glad to report that issues of moral consciousness, ethical responsiveness and corporate responsibility have in fact gained in significance in the corporate world despite mega-accounting glitches.

As we move into the future, moral, ethical and corporate responsibility will move center stage in the business world. Protecting workers may not be at the center of this issue but will certainly have its place on the stage. Problems of the new millennium have opened the door much wider to justify safety improvements in business. The time has never been better to make safety advances.

There are numerous elements found in organizations that achieve safety performance excellence consistently. How well and how long these elements are entrenched in the organization are directly proportional to its safety success.

Senior Management Commitment and Involvement

The first quality is senior management commitment and involvement. With respect to commitment to safety, senior managers in organizations who demonstrate it prove that safety truly does have equal billing with other business objectives. They walk the walk and just don't pay safety lip service. Senior managers have a passion for accomplishing the goal of safety excellence and everyone can clearly see it. They provide the necessary resources to achieve excellence. They also assure everyone is held accountable for achieving the goals and objectives established to attain excellence.

These senior managers not only demonstrate their commitment, but they also demonstrate their involvement. They manage the safety process by walking around by getting physically involved in conducting facility audits, employee safety observations and leading serious incident investigations. They look for opportunities to recognize and reward employees and groups for good performance. And, they regularly communicate verbally and in writing about their desire and expectation for achieving safety performance excellence. Safety becomes a "hot button" for them and eventually everyone in the organization knows it and follows their lead.

Communicated Safety Philosophy

Another quality found in organizations that do very well in safety is a communicated safety philosophy. Yogi Berra once said that if you come to a fork in the road, take it...confusing at best. People come to that same fork in the road in the business world and they too are confused. Going one way moves towards working safety and going the other way sacrifices safety for production output.

Employees need to know that the organization values safe performance. The best way to do that is through developing and regularly communicating what the organization believes about safety.

Some key statements that I have found in good safety philosophy's include: safety is equal to other business objectives, at no time is it acceptable to compromise safety, employees are the most important resources, all injuries and illnesses are preventable, line management is responsible for the management of safety, everyone is accountable for working safely and that safety is a condition of employment.

To be successful, the philosophy needs to be written, taught to employees, continually reinforced, and demonstrated daily by management's words and actions

Safety Management Structure

Another quality is that an effective organizational structure is in place to effectively manage the safety process. Safety is not delegated to a single committee or the responsibility of the safety department or staff safety professional. A cascading committee structure is established to involve all levels of the organization. It is lead by an executive safety committee and cascades downward from there. In addition, specialized ad hoc task oriented committees are used from time to time to discuss and resolve specialized safety issues.

The cascading structure concept produces numerous benefits for those who use them. They expand employee involvement in the process of managing safety. The more people involved, the more issues an organization can deal with. In addition, employees feel a sense of involvement and ownership positively affecting morale and desire to produce safe behavior. The more people involved, the better the communications will be regarding safety issues and resolutions. The more people involved, the greater the organizational linkage will be between management and workers to deal with a common win-win goal.

Line Management Ownership for Safety

Companies who have exceptional safety management processes in place utilize line management as the foundation for their success. Dupont used this concept while operating black powder mills on the Brandywine River in Delaware over 200 years ago. Not only were line managers personally responsible for start up operations at these mills, but their families were required to live adjacent to them. They learned the concept of line management ownership and accountability from a self-preservation perspective. Two hundred years later it remains the primary reason why Dupont has been consistently recognized as one of the safest if not the safest company in the world.

Line managers and supervisors not only own the responsibility for managing safety in organizations that perform well, but they also conduct specific activities to control their performance destiny. Managers and supervisors lead incident investigations to identify and address root incident causes. They perform frequent and dedicated employee safety observations to commend acceptable behavior and to correct unacceptable behavior. They perform facility safety tours to identify and correct unsafe workplace conditions. Management and supervisors communicate to their employees frequently about safety through regular safety meetings and by making personal safety contacts. They also ensure their employees have the necessary training and equipment before exposing them to workplace hazards.

Supportive Safety Personnel

Safety performance excellence is attained in most organizations by using line managers to own and manage the safety process. In larger organizations, safety personnel are normally in place to provide line manager's with support in the technical areas such as regulatory compliance, workers compensation administration, regulatory training, industrial hygiene, employee medical surveillance, and regulatory auditing. Safety staff members also usually coordinate the broad safety management program elements and consult with line managers constantly to aid them in executing their safety roles.

Safety professionals should normally be working behind the scenes and not be recognized by employees and managers as the solvers of safety problems. To accomplish line management ownership of safety, safety professionals need to be advisors and not doers.

Established and Enforced Performance Standards

Another important characteristic of organizations that outperform others in safety is the fact that they establish and enforce safety standards. The types of standards they have in place include safety rules, safe operating procedures, and federal, state and local regulations. In addition to these standards, they have clearly established and communicated consequences for non-compliance.

Imagine for a minute how rules are set and enforced in other venues. In my home state, the maximum speed limit is 65mph. The speed limit is strictly enforced by local and state police and if you are caught for exceeding the speed limit, you get a \$140.00 fine...not to mention court fees and points on your license. If you speed too many times and are cited, you lose your driving privileges. We have laws, enforcement mechanisms and consequences for non-compliance. You would take your life in your own hands driving anywhere without those three components functioning.

In the workplace, we also need the same three components to function to produce safe behavior. Most organizations do a decent job on establishing standards of performance but do a terrible job at enforcing them. To be effective, performance standards need to be established, written, communicated often, trained to employees and consistently and equilaterally enforced. A strong enforcement culture will produce a strong compliance culture. However, organizations need to be careful in assuring that discipline is not used to shift the focus away from poor leadership.

Employee Motivation

One of the first things that I learned in the safety profession was that there are only 3 ways to change people...brain surgery, psychotherapy and religious conversion. The bottom line is that workers change their behaviors and attitudes about safety themselves. However, it is up to management to provide the ongoing stimulus for producing this desired behavior.

In organizations where safety is a value, safety is considered a condition of employment...or continued employment. Some have resorted to disciplinary or corrective action to change attitudes and behaviors. In most situations negative disciplinary action is used as a last resort. In most situations the threat of disciplinary action is all that is needed to produce desired outcomes on a long-term basis. It should be clearly understood though that disciplinary action is not normally used in good performing safety organizations to terminate their workers. Conversely, it is used to avoid having to terminate them. Disciplinary action is used primarily as an educational tool and rarely needed to punish undesired behavior.

Other organizations have needed to resort to more positive motivation techniques such as incentives, recognition, rewards, and salary increases and bonuses to promote desired behaviors. Regardless of what methods are chosen, employees need some form of constant motivation to deliver desired safety results.

Aggressive but Achievable Goals

Aggressive and achievable goals and objectives are another component found in good safety processes. Frankly stated, what gets measured gets done. Numeric goals are set at the corporate level which are both realistic and achievable. Numeric outcome based performance measures and key performance activities are established at upper management levels. Middle managers have both numeric outcome based performance measures along with activity based objectives. And lower level managers have strictly activity-based goals. Outcome based goals are usually downstream performance measures and activity measures are upstream indicators of performance.

To be effective, safety performance goals need to be clearly defined, focused on problem areas, aggressive but achievable, set at all organizational levels, quantifiable, jointly developed, time sensitive and continually measured and communicated. They also need to be clearly linked to individual performance through the performance evaluation and salary review process.

Deliberate Ongoing Communications

In most organizations, employees are a direct reflection of management and their desires. If managers continually focus their communications to employees on issues of increasing production output, improving quality and costs and lowering operating costs, that is what employees will focus their efforts on.

For safety to improve in any organization, safety must be talked about deliberately and continually. Employees need to know that management feels it is important and that it is OK to work safely at the expense of production output and cost management.

What the mind attends to it considers, what the mind does not attend to it dismisses, what the mind attends to regularly it believes, and what the mind believes it eventually does. Managers need to market safety to employees and they need to use both verbal and written communications regularly to outline their expectations and desires. Ideally safety in some fashion should be called

out in every employee correspondence and discussed in every face to face contact with employees.

Ample Employee Training

Another quality found in companies, whose safety performance is above their peers, is ample employee training. Not only do they train their employees frequently but also they don't rely on the job training as a primary training tool. They use formal methods of training to assure employees know the hazards of the task and safeguards before they are exposed.

To fully understand how to work safely, employees need ample training. Safety is not common sense as some would like to believe. The vast majority of workplace incidents are caused by unsafe worker actions. In many of those cases, the employee was unaware of how to do the job safely. They did not understand the rules, procedures or regulations or they were not familiar with the task or equipment.

Employees need training regularly to keep abreast of workplace process and equipment changes. They also need refresher training regularly because of the voluminous information we are asking employees to be knowledgeable of in the information age we live in.

Unconditional Regulatory Compliance

Unconditional regulatory compliance is one more important characteristic found in safe organizations. First and foremost, they fully understand that compliance with the laws of the land is not optional. They believe that corporate citizenship is important and that paying fines to regulatory authorities serves no useful purpose. They also believe that going to jail wouldn't be much fun either.

These organizations have learned and firmly believe that most regulations have been written from the blood of previously injured workers and are not simply dreamed up by some clueless bureaucrat. They don't fight what they believe will further protect workers from injury and the workplace from property damage.

A Systematic Approach

Many companies find it difficult to improve safety performance because they are overwhelmed with injury producing incidents and controlling unsafe acts and unsafe conditions appears to be an overwhelming task. To manage safety effectively, it needs to be approached in a logical sequence. If it isn't approached that way, the task of reducing incidents will take an unorganized path and significant incident reductions will be slow.

I have learned over my career that there is no shortage of safety and regulatory compliance issues to deal with. And, as time moves forward, pressure to improve safety performance and comply with regulations will undoubtedly intensify. A shotgun approach is a sure-fire way to fail. Organizations need to turn their sights on the issues that are causing the most frequent and severe incident potentials. Once these issues are under control, the organization then needs to address

the second most frequent and serious issues and so on. Any other way to approach safety is chaotic.

Allocated resources

Critical to the success of the safety improvement effort in every organization is to allocate necessary resources. Up to this point I have highlighted numerous elements that require a dedication of labor resources. However, financial resources are also necessary for improvements. Financial resources need to be available for engineering, administrative, and personal protective equipment hazard control measures. In addition they are needed for recognition and reward of accomplishment at all organizational levels and be available for program related initiatives.

Patience

A final but very important quality found in companies who consistently perform well in safety is actually a virtue...patience.

I have had the opportunity to help significantly change safety cultures in two organizations in my career. The first was a company with about 2400 employees who wanted to move from good performance to excellent performance. It took approximately 4 years there to deliver consistent performance. The highlight of that assignment was when we set a new company and industry record for achieving a record of over 4,300,000 safe work hours without a lost time injury.

My second chance to change a culture was more challenging. The company was larger with 13,000 employees. The company had deplorable safety performance and a significant morale problem. We started the culture change initiative while digging from a hole that was deep and wide. At times I felt like we were trying to keep the Titanic afloat.

It took about 6 years to produce sustainable change at that company. By that point we rose from a 4th quartile performer to a 1st quartile performer in our industry. The company went 5 years without a worker fatality...the longest span in its history. The safety climate improved considerably and safety began to be rated the highest corporate quality in employee attitude surveys year after year.

Good things actually do take time. As I had to constantly remind myself and others in those assignments, *Rome wasn't built in a day.*

Benefits of Achieving Safety Excellence

Those organizations that have attained and sustained safety excellence have realized numerous tangible and intangible benefits. They have found that supervisors have become better at supervising, employee morale has improved, union management labor relations have been enhanced, efficiency and productivity have improved, loss producing incidents were reduced, corresponding loss costs were reduced and regulatory compliance dramatically improved. Not bad for simply doing the right thing !

Companies where the above-mentioned safety management qualities exist have also found that safety is no longer a priority but is a corporate value...which remains changed over time regardless of the changing pressures of the business world. They have also learned that success in safety performance was a journey and not a destination and that changing their safety culture took time to do. But at days end, they all realized that there wasn't anything more important to there business that protecting their employees and facilities.

Biography

Samuel J. Gualardo is currently an OSHA consultant working in the Safety Sciences Department at his alma mater, Indiana University of Pennsylvania. In that capacity, he teaches graduate and undergraduate students in their world renowned safety sciences program and provides on-site consultation services to business under OSHA's Federal Consultation Program. Formerly, Sam held several management positions with Fortune 500 companies including, Director, Corporate Safety and Health, Niagara Mohawk Power, Manager, Safety and Health, Metropolitan Edison and Manager of Safety, Hershey Foods USA. Sam also serves as president of National Safety Consultants. He consults independently and with Dupont Safety Resources. He is also a member of the American Society of Safety Engineers national education faculty and is on the faculty for the Occupational Safety and Health Administration. He has lectured extensively throughout his career both nationally and internationally.

He earned a B.S. in Safety Management from Indiana University of PA and his masters in Labor Relations from St. Francis University. He is also a Certified Safety Professional.

Sam is Past National President of the American Society of Safety Engineers where he oversaw all volunteer and staff operations for the 32, 000 member organization. He has been deeply involved in advancing the safety and health profession on a national basis for most of his professional life.