Safety Leadership & Engagement:
Why It’s Important and How To Do It

Dr. W. E. Scott, PhD, MPH, CSP, CIH
MISSION: The National Safety Council saves lives by preventing injuries and deaths at work, in homes and communities, and on the roads, through leadership, research, education and advocacy.

› Founded in 1913
› Partners with business, government, the public
› 15+ years international service
› More than 51,000 members
› Reaching 8.5 million employees
› 5,000 Active Volunteers
› Nationwide Chapter Network
Objectives

Safety Leadership

Meaningful Employee Engagement

Journey to Safety Excellence
Activity – Time Spent on Safety & Health Daily

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Costs of Injuries (2014)

• $730.7 billion in U.S.
  – $2,400 per person

• Paid...
  – Directly out of pocket, and
  – Higher prices for goods and services, and
  – Higher taxes
Workplace Injuries

4,547 fatal work injuries in 2014
- 3,783 unintentional
- 764 homicide and suicide

Total nearly stable from 2011
U-I up 1% from 2010
Workplace Deaths by Event, 2014

- All Other: 36%
- Struck By: 9%
- Falls-LL: 11%
- Homicide: 11%
- NonHwy Veh: 6%
- Pedestrian: 6%
- Highway: 21%

November 29-30, 2016
## Essential Characteristics of Safety Excellence

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Is Safety a Key Business Value?

- Operational excellence
- Human performance
- Public relations
- Community vitality
- Environmental sustainability
Holistic Approach to Safety

Top Down
Board
Managers
Employees
Bottom Up
Delivering a Stronger Safety Culture

Driving Excellence

- Goal: Zero injuries
- Best practices
- Beyond compliance
- Best-in-class performance
- Sustainable safety culture with continuous improvement
Motivators for Safety & Health Performance

- Finance
- Humanist
- Regulatory
- Public Relations
- Employee/Labor Relations
Safety is Good Business

Continuous Improvement to Zero

Everyone is empowered
Audit to sustainable standards and continued improvement
Enhancement of reporting
Implementation of Near-Miss philosophy
Benefits of Managing Safety & Health Efforts

☑ Improved employee relations
☑ Improved productivity & reduced costs
☑ Improved quality
☑ Enhanced public image
The Economic Burden on Profits

- Cost of injuries: $500
- Profit margin: 1%

Costs

\[
\text{Profit Margin} = \text{Sales}
\]

- Sales necessary to regain lost profits: $50,000
Direct & Indirect Costs

**Insured Costs**
- Medical
- Compensation insurance
- Legal fees

**Uninsured and Hidden Costs**
- Uninsured medical costs covered by company
- Employee morale
- Time lost from work by the injured employee
- Employee’s loss in earning power
- Economic loss to the injured person’s family
- Lost time by fellow workers
- Loss of efficiency due to interrupted schedule
- Cost of breaking in a new worker
- Failure to fulfill customer commitments
- Overhead costs while work is disrupted
- Reduced company competitiveness
- Time lost defending lawsuits
- Extra cost of overtime work
- Cost of wages paid to supervisors for time spent on investigations
- Wage cost caused by decreased output of injured worker after return to work
- Miscellaneous costs
Financial (bottom-line) Impact

- $37,000 can be saved for each prevented lost-time injury or illness
- $1,390,000 can be saved for each avoided occupational fatality
- 5% Margin = Increase Revenue $740,000 or $27,800,000
- Every $1 invested in safety can have a $3 - $6 return on investment
Bottom Line Impact (cont.)

• 95% of American business executives believe that workplace safety has a positive impact on a company’s *financial performance*

• Investors increase their returns by picking stocks with strong *safety* performance
Management Leadership and Commitment
Management Leadership and Commitment

Safety is a value that governs everything we do – Accept no compromises.

Leaders/Managers are accountable to drive safety throughout the company.

Regulatory agencies create rules that meet a minimum standard. Bottom line – your safety comes down to every employee raising the standard and taking ownership of safety in the workplace.
From Compliance To Commitment
From Compliance to Commitment

Compliance

- Rules-based
- Do things to get something or particularly to avoid punishment
- Step outside of rules and procedures when I think it is expedient and I will not be injured.
- Safety is one priority of many

Commitment

- Risk-based
- Do safe behaviors because I recognize rising exposure and because I am committed to everyone’s safety
- Exhibit Safe Behaviors when no one is watching
- Safety is a core value that drives safe behaviors
Culture

- Unwritten Ground rules
- Share actions of Group or sub-group
- Core values demonstrated by the company
- Sometime culture makes the rules and not the requirements or compliance
Safety Management Is Everyone’s Responsibility

- Organization CEOs
- Managers
- Supervisors/Front-Line Leaders
- Safety & Health Staff
- Employees
Seven Steps for Executive Action

- Communicate a vision
- Integrate safety, health, & environment into business
- Define roles & responsibilities
- Require accountability from all employees
- Allocate resources
- Conduct assessments
- Take proactive measures
Meaningful Employee Engagement
Safety Leadership and Employee Engagement

What it looks like:

– Walk the talk
– Investment support
– Partnership
– 100% Engagement
Meaningful Employee Engagement Requires…

- Visible management commitment
- Individual development and capability
- Individual Engagement and influence
- Constant and varied communication
- Recognition, reinforcement, and reward
- Appropriate employee Engagement tools
U.S. Engagement Scores

20% Actively not engaged
51% Not engaged
29% Engaged

Source: Gallup Consulting
Barriers to Employee Engagement

- Lack of trust
- A climate of fear
- Lack of demonstrated commitment from top leadership
- Not allowing enough time to change
- No transition plan
- Failure to communicate what’s happening
Measuring Engagement: Employee Perception

THE SAFETY BAROMETER

Your opinions about workplace safety are important to your company!

Your answers will be kept strictly confidential.

Indicate your level of agreement with each of the following statements by marking in one circle in each row. When responding, consider only the conditions at the company where you are now working.

1. It is common for employees to take part in identifying and eliminating workplace hazards
   - Strongly Agree
   - Agree
   - No Opinion
   - Disagree
   - Strongly Disagree

2. There is frequent contact and communication between workers and management
   - Strongly Agree
   - Agree
   - No Opinion
   - Disagree
   - Strongly Disagree

3. Safety takes a back seat to production
   - Strongly Agree
   - Agree
   - No Opinion
   - Disagree
   - Strongly Disagree

4. Employees often get involved in developing or revising workplace safety and health practices
   - Strongly Agree
   - Agree
   - No Opinion
   - Disagree
   - Strongly Disagree

5. My supervisor maintains a high standard of job safety performance
   - Strongly Agree
   - Agree
   - No Opinion
   - Disagree
   - Strongly Disagree

6. Detailed inspections of the plant and facilities are made at regular, frequent intervals
   - Strongly Agree
   - Agree
   - No Opinion
   - Disagree
   - Strongly Disagree
Safety Performance Measurements
What is Measurement?

A process of assessing an organization’s activities & procedures, then assigning a numerical value.
The goal is not to analyze accidents after they happen, but to identify hazards and at-risk behaviors before they lead to safety incidents.

Development of leading indicators
New definition of “near-miss”
Higher safety improvement rate
Employee self-reporting

If You Don’t Measure It, You Can’t Improve It
Performance Measurement

• What it looks like:
  – Identifying safety indicators – leading and lagging
  – Capturing and comparing incident rates
  – Employee perception surveys

Benefits
  Sets baseline
  Allows for benchmarking
Performance Measurement

- Requires data on activities and outcomes to continuously improve
- Enables companies to:
  - Establish baselines
  - Measure improvements
  - Understand relationships
- Smart use of emerging technology
Communicating Safety Measurement Results

Share Results with EVERYONE in the organization!
The Journey to Safety Excellence
Continuous Improvement
Journey to Safety Excellence

• The *Journey to Safety Excellence* is a **cycle of improvement** that aims for a continual **reduction of risk** and has as its goal **zero harm**.

• It is a **data-centered process** that **empowers organizations** to fully integrate safety into the business to help achieve **operational excellence**.
The Four Pillars

- Leadership and Engagement (Culture)
- Safety Management Systems
- Risk Reduction
- Performance Measurement
Why It Matters

- Workers can earn a living free from workplace-related injury, illness, or death
- Organizations maintain healthy, competent workforces
A Safety Management System Is...

An organized and structured means of ensuring that an organization (or a defined part of it) is capable of achieving and maintaining high standards of safety performance.
Safety Management Systems:

What it looks like:
- Performance
- Gaps
- Goals
- Plans
- Learn Lessons

Benefits:
- Management accountability
- Competitive advantage
- Injuries and deaths
9 Elements of a Safety Management System

**Administrative and Management**
- Management leadership and commitment
- Organizational communications and system documentation
- Assessments, audits, evaluations, and continuous improvement

**Operational and Technical**
- Hazard recognition, evaluation, and control
- Facility design and engineering
- Operational safety and health programs

**Cultural Behavioral**
- Employee involvement
- Motivation, behavior, and attitude
- Training and orientation
Research: Safety Management

• Reduce injuries by 15-35% = $9-$23 billion savings

• Injury/illness programs lowered injury/illness rates between 9-60%
Research: Safety Management (cont.)

Safety management systems impact
1. Company image/reputation, productivity and capacity to innovate

2. Injury rates

3. Financial performance (sales, profits, financial profitability)
Measuring Safety Management Systems

• Assess effectiveness
• Discover root causes of deficiencies
• Include multiple points of measurement
• Build competence
SMS Standards and Guidelines

- NSC Journey to Safety Excellence – 9 Elements
- OSHA VPP
- ANSI Z10 (American)
- OHSAS 18001 (International)
- CSA Z1000 (Canada)
- ISO 9000 (International, Quality Management System)
- ISO 14000 (International, Environmental Management System)
- ISO/CD 45001 (under development – expected 10/2016)
Management and Leadership

• Management – What we do
  – *Measure through SMS Assessments*

• Leadership – How we do it
  – *Measure through Employee Perception Surveys*
NSC Assessment

• Self-assessment
• 69-questions
• Percentile ranking against a database of 500 companies
Continuous Improvement Process Model

Management Leadership and Commitment

Review and Adjust

Assess and Establish Baseline

Operational & Technical Elements

Administrative & Management Elements

Implement Strategies and Tactics

Cultural & Behavioral Elements

Plan and Set Goals, Strategies, and Tactics

Safety Management System
Activity – Time Spent **Daily** on Safety & Health

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Questions
Thank You

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