

## Safety Management: A Call For (R)evolution

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**Q. Workplace Safety & Health:** Why do you call for a revolution in our nation's occupational safety and health effort?

**A. Hansen:** Because traditional safety efforts just aren't working! There's both "hard and soft" data to support this. Occupational injury rates reached a 12-year high in 1990, with workers in the private sector suffering 6.8 million occupational injuries and illnesses. Our national incident rate was 8.8 per 100, lead by construction and manufacturing with rates of 14.2 and 13.2 respectively.

Our workers compensation system is also stressed throughout our nation. John Olson, professor of management at the University of Wisconsin, Stout, recently completed a study entitled, "The Cost of Human Scrap", which clearly shows that workers compensation costs are escalating and now approaching \$60 billion annually.

The softer data deal with "opinion". If you ask those that collect all these numbers, you'll find that they clearly believe that these numbers are "far underreported"! It's obvious that "traditional" safety programs are not working!

**Q. Workplace Safety & Health:** What are "traditional safety programs" and why don't they work?

**A. Hansen:** "Traditional" safety programs are typical of what exists in most

workplaces today; programs based on safety elements including safety director, safety committees, safety meetings, safety rules, etc. These strategies place safety responsibility with staff coordinator and fail to integrate safety into the line organization.

N.I.O.S.H. studies of high and low incident rate companies clearly show no correlation between "traditional safety elements" and accident results. In fact, some of the elements typically perceived as most important (i.e., safety staff and committees) actually have stronger correlations with poor accident results. This is because staff dominated safety organizations allow line managers to abdicate their responsibilities and ignore accident prevention - safety becomes the safety director's job!

**Q. Workplace Safety & Health:** Do you feel there's need for radical change?

**A. Hansen:** Yes and no...How's that for hedging an answer? Let me explain. The philosophies of W. Edwards Deming and concepts of "Total Quality Management" (TQM) have been around for some time (Deming for 40+ years and TQM 15 years), yet many companies are just "discovering" them. To these companies, these ideas are probably pretty "radical." For more progressive companies, I would think these wouldn't be viewed as radical at all. The same holds true with safety!

**Q. Workplace Safety & Health:** What are the current safety strategies being employed in industry?

**A. Hansen:** In a nutshell, industry is pretty much committed to compliance and inspection. Professor Anthony Veltri of Oregon State University recently studied industry's current focus and identified three distinct safety strategies:

- Reluctant compliers - 77 percent: This group focuses on regulatory compliance and pursues traditional inspection activities. The safety function's job is to insulate the rest of the organization from compliance problems.

- Followers - 16 percent: This group employs creative technical approaches and frequently employs ideas and programs developed by others.

- Leaders - 7 percent: This group employs truly progressive ideas and approaches. Their programs add strategic value and build technical capabilities within their organizations. They do things significantly better than others in their industry.

As can be seen, the overwhelming safety strategies continue to be reactive and based on meeting statutory (i.e., minimum) requirements.

**Q. Workplace Safety & Health:** Why do we persist on using "traditional approaches"?

**A. Hansen:** I wish I knew. I, for one, surely don't support them. My guesses are:

1. Lack of executive knowledge - our MBA curriculum does not deal with issues critical to effective loss management. We've developed a generation of industry leaders not prepared to deal with the problem.

2. A "quick-fix" orientation - our goals are too short-term. The major paybacks from safety investments are long-term.

3. A "lemming effect" - for some reason, we just keep following the same old traditional safety activities without really questioning their direction or results. To me it's pretty clear that we're heading in the wrong direction.

**Q. Workplace Safety & Health:** Can you explain your statement that "effective safety" is both evolutionary and revolutionary?

**A. Hansen:** In my 25 years of practice, I have found that safety efforts can be characterized over three levels of effectiveness. Progression from level 1 to level 2 is "evolutionary" and results from natural reactions to loss. The step from level 2 to level 3, however, is "revolutionary" and requires Radical Organizational Change (ROC).

**Q. Workplace Safety & Health:** What are the three levels and their characteristics?

**A. Hansen:** I characterize them as:

Level 1 - The SWAMP  
"Safety without any  
Management Process!"

These companies reject safety responsibilities and perceive safety as a burden. They accept accidents as a cost of doing business, are autocratic, and have a heavy task focus which compromises safety to production demands. Planning is short-term and reactive and communications are one-way (downward) and founded in fear. These companies don't allow employee involvement and employee relations are adversarial. These companies have high insurance costs driven by frequency and severity and frequently become targets of "workplace litigation."

Companies mire in "The SWAMP" remain there until a Significant Financial Crisis (SFC) occurs - normally an increase in operating costs so damaging that management declares "we need a safety program!" With this an evolution to level 2 occurs.

Level 2 - The NORM  
"Naturally Occurring Reactive  
Management!"

At this level, companies implement safety activities without evaluating their problems or understanding their needs. As a consequence, they implement safety programs based on "what others have done." They assign safety directors, create safety committees, and employ most all of the other unchanged, "traditional" safety activities.

In these companies, line managers excuse away accidents as "employee carelessness" and there's conflict between supervisors

and the safety director. Line managers evade safety responsibilities and programs normally are visible involving slogans, campaigns, gimmicks, contests, and incentive programs. Managers issue policies but generally compromise most of them with their behavior sending a clear message to employees - "read my lips!"

Most companies remain at this level until they discard traditional principles and adopt progressive management concepts. These are the "record holding" companies identified by Veltri as "the leaders."

Level 3 - World Class

In these organizations, management drives the safety program and employees have ownership interest. Safety is perceived as good business. Managers believe that accidents are intolerable - they accept no excuses. In these organizations, safety isn't safety - it's organizational effectiveness. Responsibilities are clear and missions are shared in cooperation efforts. There are no "just add water" approaches. In these organizations, safety loses identity - there are no safety programs, there aren't many accidents - there's simply excellent management!

**Q. Workplace Safety & Health:** Are your observations borne out by other known studies or findings?

**A. Hansen:** There are two sources (in addition to Professor Veltri's study) that I believe confirm this.

The N.I.O.S.H. study referenced earlier compared management factors to incident rates and found that high correlation existed between "core management competencies" and accident experience. The study concluded: "Management commitment to safety is the major controlling influence in obtaining success."

Also, studies by Hank Sarkis, president of the Reliability Group (a management consulting firm) forms a credible database which correlates organizational factors to safety results. In a presentation entitled "What Really Causes Accidents" delivered at a Wausau Insurance safety excellence seminar in June 1991, he identified the top ten factors correlating to good safety results. They are:

- Cheerfulness of workplace
- Pleasant/stressful workplace
- Employee Selection/placement
- Job satisfaction
- Procedures - natural/awkward

- Job challenge
- Employee recognition
- Role clarity
- Equipment safety
- Procedures

This data again confirms that "traditional" safety elements have minimal relationship to results.

**Q. Workplace Safety & Health:** What needs to happen for workplace safety to improve?

**A. Hansen:** Attaining world-class performance is not a process of evolution in programs, but rather revolution in management.

World-class effectiveness can only be a reality when safety is fully integrated into the executive mission and the line management organization. This will not result from safety programs superimposed upon the organization but only when safety is fully accepted as a key management responsibility.

I contend that there's a "secret formula" for safety success and it is:

"Success = CEO"

Where: C = culture  
E = elements  
O = organization

The safety profession has developed the "elemental" activities needed -- this is where we stand today. We'll succeed only when executive management aligns the other two critical issues: Culture and Organization ... because these factors address the true causes of accidents -- our management structures.

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