

Safety Department of One:



Strategies for Driving Engagement, Balancing Competing Demands, and Increasing Your Impact



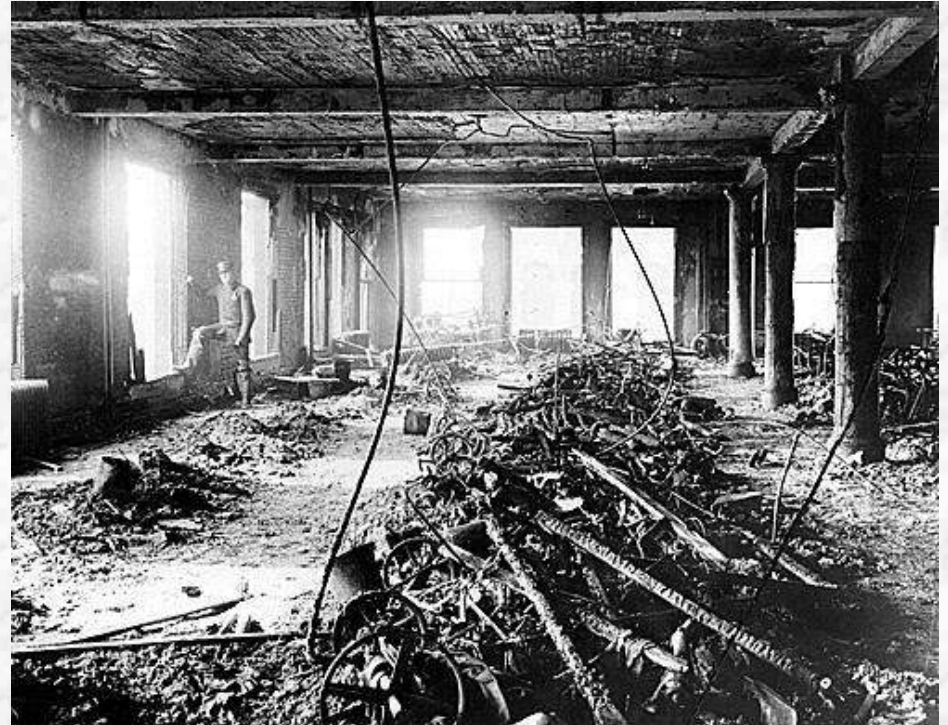
Cathi L. Marx, ALCM, COSS, COEA, CHPP
Vice President; Risk & Safety Services
Aspen Risk Management Group; a Company of TRISTAR

What we will discuss:

- How to identify allies in your organization and keep them on your side when tough decisions must be made.
- Time management strategies that help focus your time most effectively on the issues that are both strategically important and “human” centric.
- Identify opportunities to drive safety engagement by delegating responsibilities and increasing ownership among supervisors and employees.
- How to communicate the value of safety initiatives to secure needed resources.
- Utilizing outside resources that can assist you in making the biggest impact on safety.

Triangle Shirtwaist Fire

March 25, 1911



October 1911



AMERICAN SOCIETY OF
SAFETY PROFESSIONALS

NFPA
Life Safety Code 101, 1913



Secretary of Labor; 1968

“people can't see the blood on the food that they eat, on the things that they buy, and on the services, they get”.

OSHA Act: 1970



So...What is the purpose of our profession?

- To Save Lives
- To Prevent Injuries & Illnesses
- To Keep Our Organization From Financial Harm



Moral, Legal, Financial Obligations

Safety Management 101

Safety in the workplace must be managed the way any other critical business function is managed.

In addition to the cost factors, safety issues have major bearing on the perception of **your company** to the public.

Safety Professional Contributions: Moral Impact / Bottom Line

- Financial
- Legal
- Moral



Moral Impact – Investment in an “Ethics Based Safety & Health Program”

- Dr. Jan Wachter, Indiana University of Pennsylvania Safety Sciences Professor asks:

“Do you have the moral courage to embrace ethical, (not just regulatory) standards in your workplace?”

*Moral courage is the courage to take action for moral reasons **despite the risk of adverse consequences**.* Wikipedia

Ethical Safety Leadership Guiding Principles:

- To **assess hazards** in the workplace and implement controls,
- To **communicate**, educate, protect employees,
- To **manage an injury case fairly** and with sincere effort,
- To **speak to an injured** employee with respect,
- To **return that employee** to the workforce as quickly as possible,



Safety is a Value And Must be Internally Driven

Safety Should Not be Considered a Priority:

But a Value with No Compromise



A true safety culture is led by men and women committed to the principle for its own sake – not solely for compliance,

Introduction:

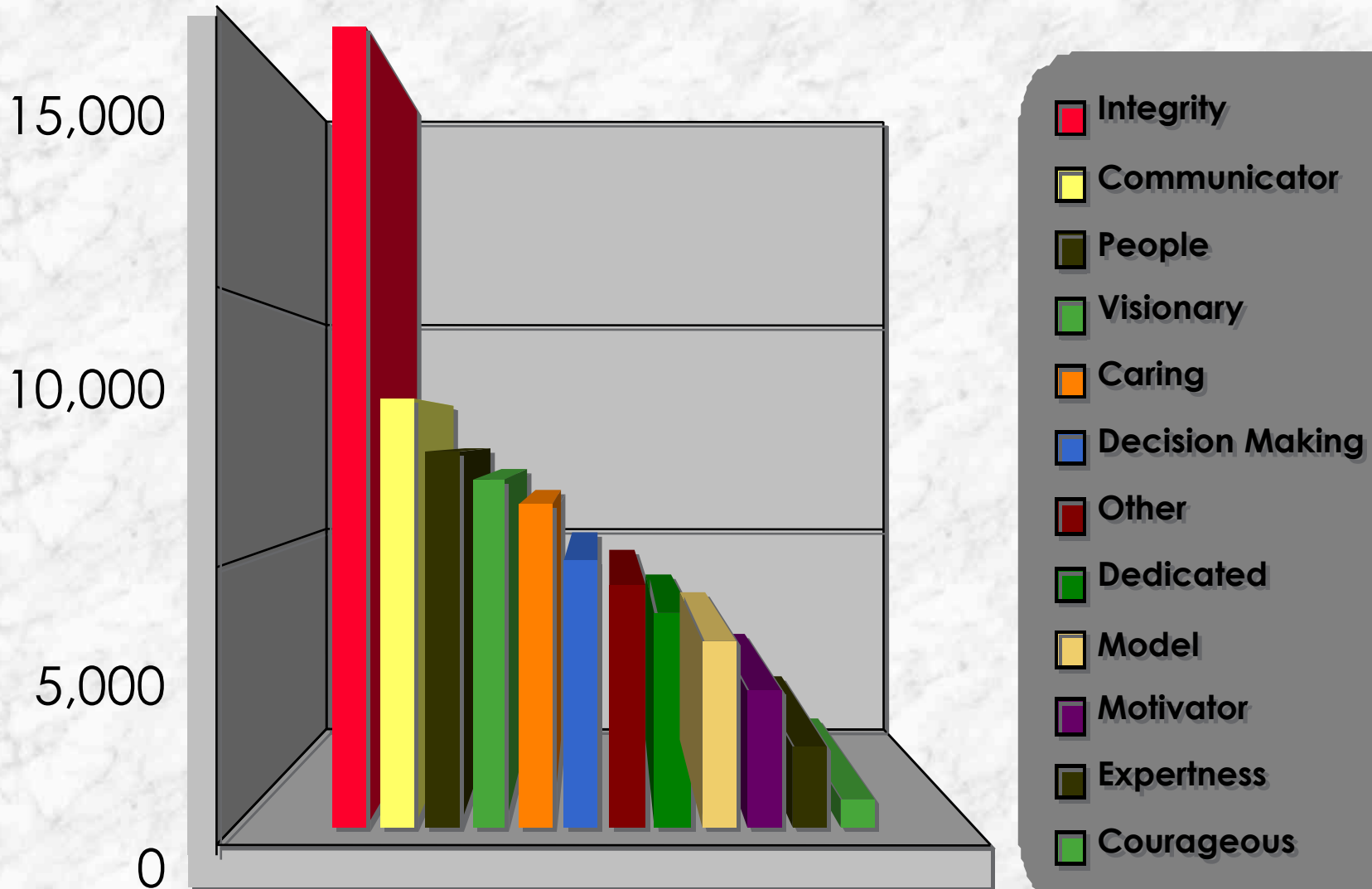
What does a Safety Leader “Look Like”



What are the responsibilities, qualities, character traits, and roles of a leader?

Valued Leadership Characteristics

54,000 Employees Surveyed



What does integrity look like?

➤ **Trust**

- You will keep their safety in mind at all times

➤ **Understanding / Empathy**

- Knowing they may have had a bad day
- Knowing they have major deadlines

➤ **Knowing what makes them tick**

- Seeing them as a human being

Legal Impact - August 13, 2015

YOU ARE HERE: [Home](#) → [Business](#) → [2015](#) → [August](#) → [13](#) → [Bumble Bee settlement: Company To Pay \\$6 Million In Employee Death](#) [UPDATE](#)

Bumble Bee settlement: Company To Pay \$6 Million In Employee Death UPDATE

Chris Tyler · August 13, 2015 · 1 Comment · Bumble Bee settlement

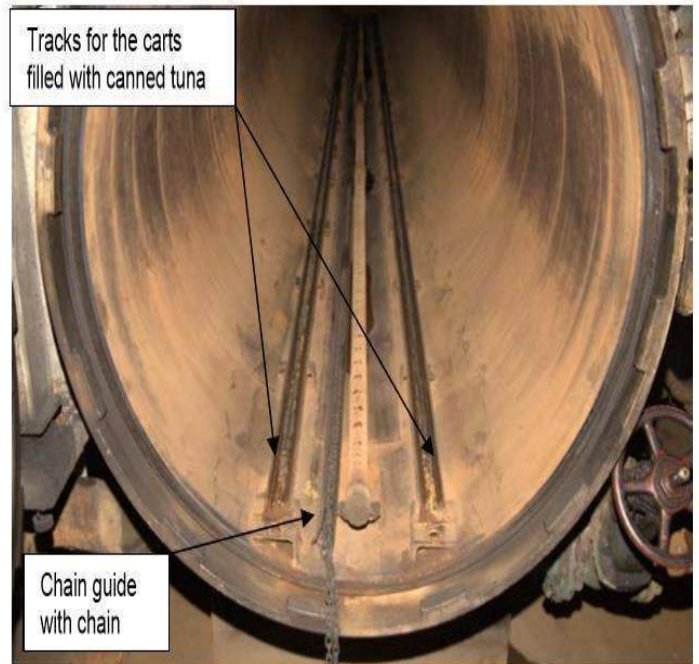
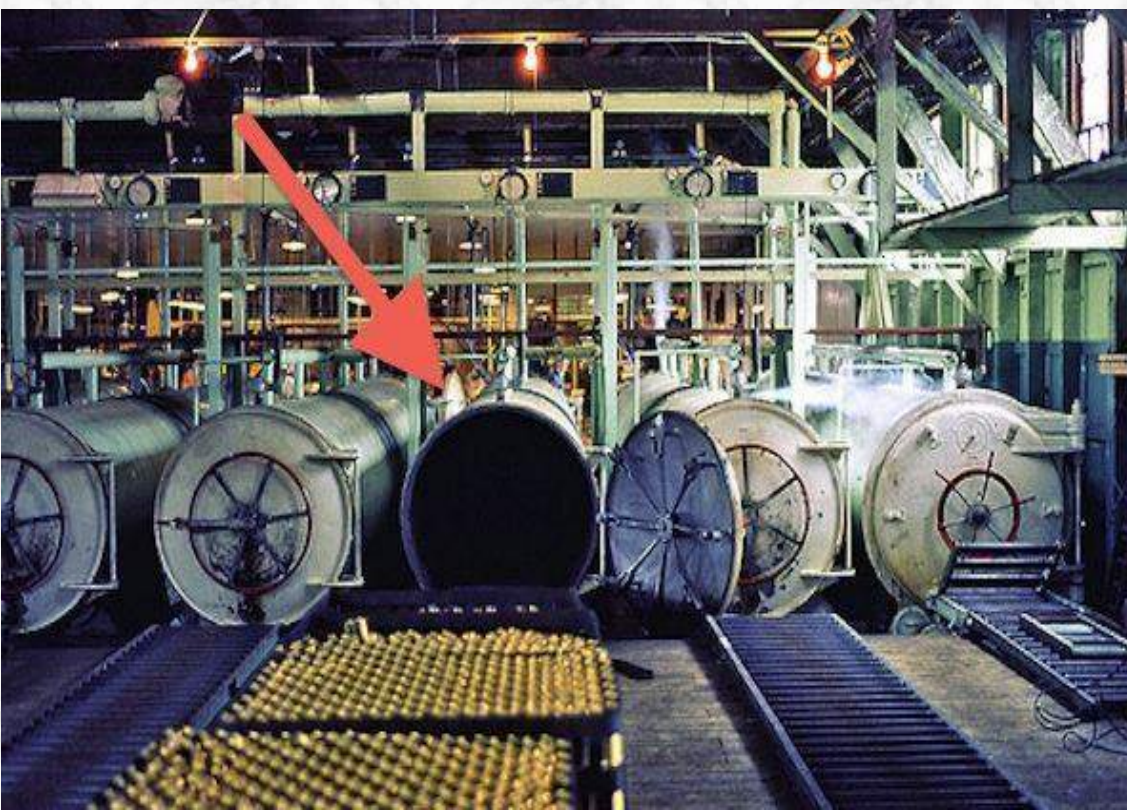


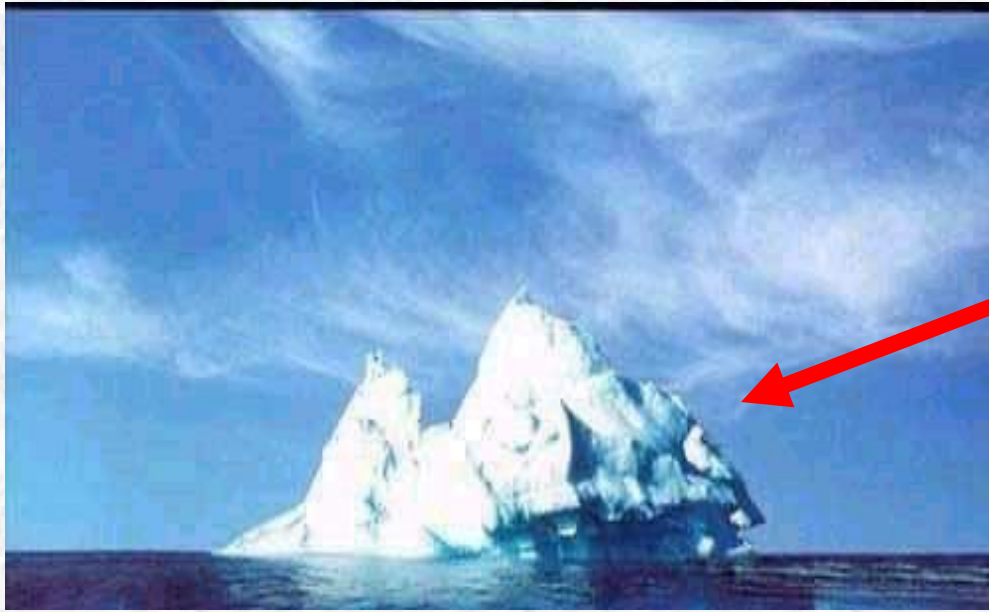
Exhibit 6. The inside of the retort showing the cart tracks and the chain guide.

Cost of Accident / Financial Impact of Injuries

- Truer Cost of Incidents
- Profit Margins
- How Insurance Works



Truer Costs of Incidents

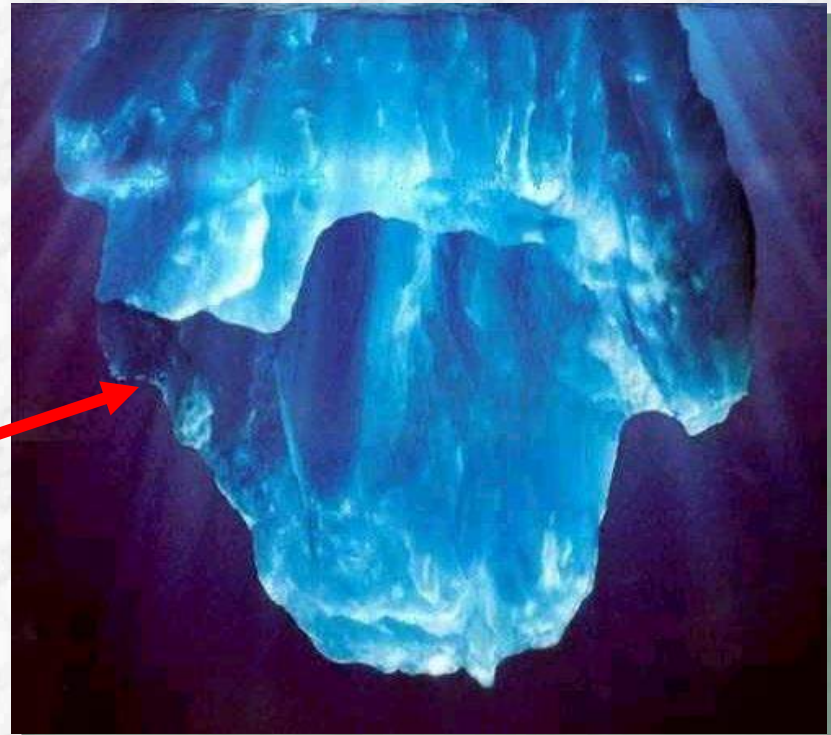


Direct = Tangible Costs



Indirect = Non-Tangible Costs

(3 to 4 x's the Direct Costs)



Sliding Ratio (One option)

Direct Cost	Indirect Cost
\$0 - \$2,999	4.5
\$3,000 - \$4,000	1.6
\$5,000 - \$9,999	1.2
\$10,000 – or more	1.1

Direct Cost x Cost Multiplier = Indirect Cost

Direct Cost + Indirect Cost = Truer Cost

\$ _____ x _____ = \$ _____

Example:

Employee Hand Injury
\$1,500 laceration (Direct Cost)



Truer Cost

- Direct Cost x Cost Multiplier = Indirect Cost
- Direct Cost + Indirect Cost = Truer Cost

Example: \$1,500 x 4.5 = \$6,750



\$1,500 + \$6,750 = \$ 8,250 (Truer Cost)

Profit Margin

Divide total profits by total sales to get profit margin



True Cost of Injury

----- = Revenue Required

Profit Margin

Revenue Required

\$8,250

----- = **\$275,000**

3% (Profit Margin)

\$8,250

----- = **\$825,000**

1% (Profit Margin)

Workers' Compensation

- Payroll
- Rate
- Experience Modification Rate (EMR, EX-MOD)

Forecasts your company future loss history to the average losses of similar companies

3 - year loss history

Example: 2017 / 2018 / 2019 / 2020 / 2021

Importance of EMR

- Pre-Qualification requirement for sub - contractor's to bid on jobs
- Lower Workers' Compensation Costs: Better bid

Is this truly an accurate indication of their safety performance?

Problems with the **EMR** System

- Variations in state programs
- Workers Compensation is a “No-Fault System”
- Discrimination Against Smaller Employers
- **Trailing Indicator**
- Insurance Payroll Auditing
- **Insurance claim reserving**
- Rating Plan Changes
- **Rising costs of medical insurance**

More Problems With the **EMR**

- **Late reported** claims
- **Negligence Acts** into the workers comp system
- **“Not at fault”** - Vehicle accidents (Third Party claims)
- Employees seriously injured while **traveling on business**
- Product defect injuries / **Lack of Subrogation activities**
- **Cumulative Trauma / Soft Tissue Injuries**

Top 5 Ways to Manage **EMR**

1. Engage a claims expert
2. Get your mod worksheet every year
3. Conduct regular claim reviews keeping in mind unit stat deadlines. **Participate in claims reviews.**
4. Verify unit stat filings prior to submittal
5. Continue safety efforts – the injury prevented is a claim that does not increase the mod!

Why controlling costs makes good business sense

- **Traditional First Dollar – “Insureds”**
 - Your auto, homeowners’ insurance
- **Self Insurance – Large companies**
- **Self Insured Retention**
 - Obtains insurance after large deductible
- **Captive Programs**
- **Insurance pool**



So...now how would you answer this question?

Question: Should Safety Professionals be involved in company finances outside their department?

Answer:

- #1 - “Safety Professionals should stick to their own budgets and not meddle in company matters like insurance, claims, human resources or risk management activities”.
- #2 - “I have seen what happens if the company safety professional does not become involved with the profitability of the enterprise. **They and safety become irrelevant.**”

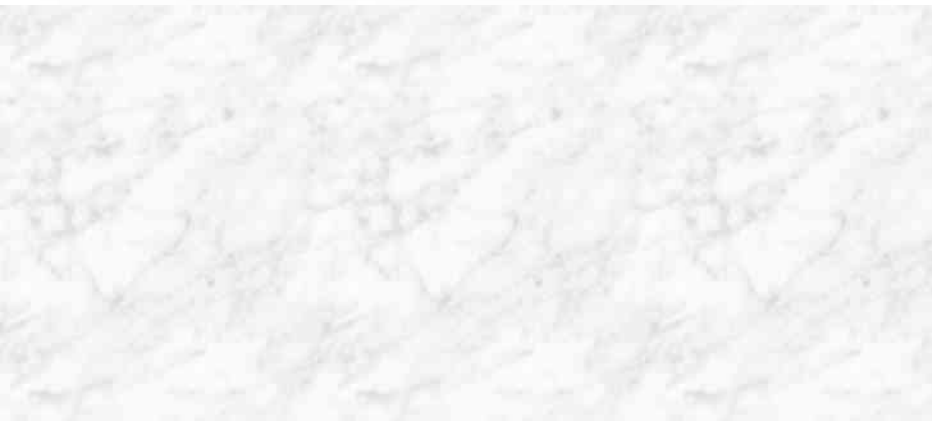
Pro's

- “Mutual accountability”
- “If we understand the ROI / ROR we can make more financially sound safety recommendations”
- “Understanding the finances of a company makes me a better and more valuable employee”
- “As our company went into the lean manufacturing process all departments were evaluated on efficiencies.”

Cons

- “It is challenging enough to run my own department. No one wants safety to meddle in their financial business”
- “Most safety professionals are fighting to keep their job along with fighting to get time and resources to do their job effectively, I say “mind your own business”.

How to identify allies in your organization and keep them on your side when tough decisions must be made



Identify Who is Who in Your Organization

- Obtain the organizational chart
- Meet with the President / CEO/ CFO
- Meet with the Director of Human Resources
- Meet with the VP / Director of:
 - Manufacturing
 - Construction
 - Engineering
 - Products
 - Risk Management
- Facilities Director is your best friend

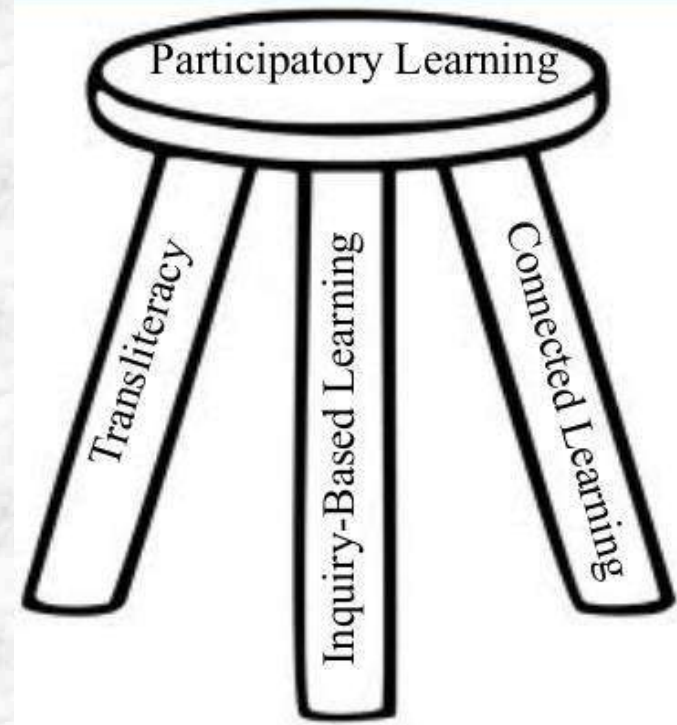


Purpose of these meetings....

- Tell your “safety story”!
- What does safety mean to you? What does it look like?
- Put your business hat on, speak the CFO’s language
- Talk in business language not safety language
 - Its not always about regulations and acronyms
- Know the company mission, goals, long term strategic plan

Go... Spend a Few Days....

- Building it
- Painting it
- Drawing it
- Walking it
- Touching it
- Being it



Be there..... Be seen being there

- Get to know employees
- Ask lots of questions

Become a valued and well-respected contributor to the company

- Attend as many strategic / departmental meetings as possible
 - Sales, budget, strategic planning etc.
- Invite senior leadership to your safety committee meetings as guest speakers
- **Nurture the relationships**



Time management strategies that help focus your time most effectively on the issues that are both strategically important and “human” centric.

Identify opportunities to drive safety engagement by delegating responsibilities and increasing ownership among supervisors and employees



Time management strategies that help focus your time most effectively on the issues that are both strategically important and “human” centric.

- Pick a day or two a week that you will be on the floor, out in the field – Stick with it
- Set a date each month (i.e. third Thursday of each month) to visit field offices or satellite locations.
- Try to meet for lunch every quarter a senior manager of a department to discuss your safety initiatives, goals, regulatory changes that may affect their business function --Set that in February 2020
- Meet annually even for 5 minutes with the President / Owner / CEO of company to make sure you are in step with company goals

Identify opportunities to drive safety engagement by delegating responsibilities and increasing ownership among supervisors and employees –

Key Word Safety Committee

- Safety Committees provide an **active and proactive** vehicle for employee involvement –
- Form of **Enterprise Risk Management (ERM)** encouraging interaction and creation of synergistic relationships with other departments – **Collective Problem solving**
- Coordination of **regulatory implementation** such as training, inspection, program and accident reviews
- Opportunity to delegate program development, review, observations, inspections, JSA development, succession planning

How to communicate the value of safety initiatives to secure needed resources.



Develop / Implement

“Your Company Safety University”

- Identify a curriculum based on job task and regulatory compliance requirements
- Include office personnel
- Use OSHA as a basis for initial and annual refresher
- Start with Safety Leadership Development
- Use your safety committee to identify topics and conduct training
- Identify subject matter experts internally and outside your organization

Utilizing outside resources that can assist you in making the biggest impact on safety.



Develop Relationships with other Safety / Risk Management Professionals

- Meet with the Insurance broker / agent of your company. Learn about;
 - Your company's insurance program
 - Meet with your insurance carrier loss control consultant
 - Meet your broker loss control consultant
- Attend ASSP Chapter meetings **(You are here Congratulations Fresno ASSP!)**
- Attend RIMS meetings (<https://www.rims.org/>)
- Join industry associations that are specific to your industry
- Offer to speak at a meeting, conference; be a subject matter expert
-

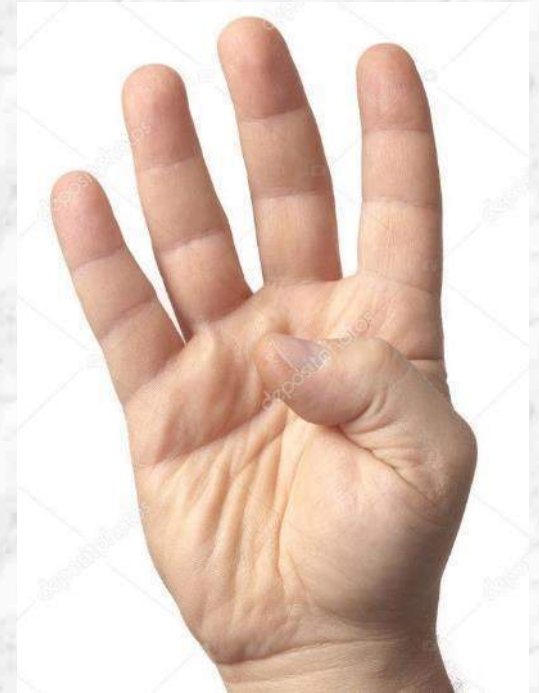
Never lose sight of the fact that You are Safety Leader

- Visionary
- Role Model
- Manager
- Mentor
- Protector



Closing Thoughts

- Implement the “Four”
- Learn three things about each employee
- Coach, mentor, listen
- Be a valued contributor beyond safety
- **NEVER be motivated by internal politics, EVER.**
- Never lose sight of the fact that employees' come first



You have a right to sit at the table



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