

Protecting Your Workers & Yourself

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■ Introduction

Managing loss is as much improvement as maximization of profit

Louis Allen

The first duty of business is to survive and the guiding principle of business economics is not the maximization of profit, it is the avoidance of loss

Peter Drucker

Mr. Allen received the McKinsey Award by the American Academy of Management for his contribution to the advancement of the practice of management. He has written the following books, *Management and Organization*; *The Management Profession*, *Professional Management* and *The New Leadership*.

Mr. Drucker is best known as an authority on corporate management. He has written more than 30 books including *The End of Economic Man*, *Future Of Industrial Man*; *The Practice Of Management* and *Management Challenges for the 21st Century*.

Both of these gentlemen have recognized the value of reducing the loss potential within a business. Most often, businesses accept losses as “just part of doing business” and don’t take the time nor energy to try and focus in on the cause of their losses to avoid a reoccurrence.

Injury of employees is only one area within a business that can produce a significant loss. Studies have indicated that for every direct dollar spent on injuries, there could be up to \$20 lost through indirect costs such as loss of production, equipment damage, replacement wages, wages for incident

investigation and injury management. Combine the loss from injuries to the other losses a company can experience and the dollar figure can be huge.

Safety is now becoming recognized as only one part of a larger effort to manage all losses within a business.

■ Loss Prevention

Steps that are critical to successfully eliminate or reduce the risk of loss need to include:

- Hazard identification
- Hazard management
- Training
- Incident management
- Audits
- Accountability
- Administration

Hazard Identification

Businesses now have a good handle on quality control. It wasn't too long ago when North American business accepted a lower level of quality than what was expected from our Japanese neighbours; in particular Sony and Toyota. It took identifying what reduced the level of quality and managing those threats. Our attention to reducing employee injuries is now where our level of understanding was in the mid eighties regarding the quality of our products.

We now understand that to reduce the risk of injury to our workers, we first need to identify all the hazards that threaten us. A thorough hazard analysis of both the work environment and work tasks provides the foundation to our safety program. Even though many times we understand the hazards that threaten us, it seems that our workers continue to get injured. We need to ask "WHY?" Chances are we prepared inadequate work procedures, provided insufficient training, lacked in our supervision nor held workers accountable and sadly never learned from our mistakes. This is one case where we have accepted injuries as "just a part of doing business". This belief is far from the truth that all injuries and incidents are preventable.

So to start, have your workers assigned to list the steps in the tasks they do and identify the hazards within each of the steps, along with what controls are or should be in place to reduce the risks. When considering other losses such

as fire, theft, production, quality, etc. the same procedure will help to identify the risks and develop solutions to reduce or eliminate the risks.

Hazard Management

As mentioned previously, it took focusing in on what threatened quality and addressing those issues to improve the quality of our product. The same is true when trying to reduce injuries to our workers. We identify what threats exist, then address each one of those threats to either eliminate or reduce the threat to an acceptable level.

Placing a guard around a moving shaft or locking out a piece of equipment eliminates a serious hazard and reduces the energy required to protect our workers from this hazard. When we can't eliminate a hazard, we need to take steps to reduce the risk from a hazard to an acceptable level. Reducing the risk could include:

- **Redesign of Equipment;** Ergonomics in the work place tries to design the workstation allowing the worker to maintain their activities within their normal range of movements. This is critical in having a significant reduction in the wear and tear on the worker.
- **Development of Safe Work Procedures;** Written procedures addressing the hazards with appropriate actions that a worker needs to follow to ensure their safety is vital. Having them written provides a consistency for employee orientation.
- **Administrative Controls;** Worker rotation through the more physically demanding tasks can reduce their exposure to an acceptable limit. Workers are now being identified as industrial athletes. It is a known fact that athletes need to stretch before their activities to reduce the chance of injury; workers are no exception to this and need to stretch at the start and half way through their respective shifts.
- **Personal Protective Equipment;** Personal protective equipment provides a barrier between the worker and the hazard. Having PPE does not remove the need to develop safe work procedures or the other attempts to reduce the risk. It is considered only after all other methods of reduction and elimination are done. Since PPE is only a barrier between the hazard and the worker, ensuring that the worker is adequately trained in the adjustment and use of the PPE is important to maximize the protection the equipment offers.

Training

Initial and refresher training of workers is important to ensure the interests of the business are maintained. Losses occur due to the workers not truly understanding the procedures to follow. They had received initial training, but the training system may be inadequate to guarantee competency.

Depending on the level of risk for loss, the company needs to be assured that the worker understands and follows the procedure as expected. The procedure needs to be presented clearly and thoroughly to the worker. Review, demonstrate, observe is an example of a format to follow to ensure that the employee has a thorough orientation to a particular task.

- **Review**; the employee needs to review the written work procedure for a particular task.
- **Demonstrate**; the trainer or supervisor needs to walk the trainee through the steps of the job, emphasizing activities of the procedure that are important to safety and quality.
- **Observe**; have the employee walk through the task explaining the steps and the activities that need to be followed and why? Next, under a watchful eye, have the trainee begin to perform the procedure outside the production demands until they become proficient. Once the trainee seems to be competent in performing the task, the worker then signs off on the task and is supervised in the normal manner.

We can all fall victim to complacency, therefore at times dependent on the level of risk involved, refresher training is important to ensure we are continually reminded of the risks and the standard expected.

Incident Management

The saying, "hind sight is 20/20" is true when relating to incidents that have or nearly have caused a loss to a business. Businesses that take incident investigation lightly are prone to having losses occur again and again. Incident investigation is one of the most valuable tools your business has to prevent loss.

All incidents and near misses need to have a level of investigation occur to identify the underlying causes "root causes". Investigation provides valuable information regarding failings and complacency within our current procedures and practices. By determining what corrective actions are required and following through by implementing those actions will greatly reduce the chance of similar occurrences. Alerting the employees to the incident and the failings is beneficial as a reminder to the risks involved.

Studies have shown that for every one fatality or serious injury, there is usually 10 medical injuries, 30 first aid or minor property damage and 600 near miss incidents. The theory to prevent the more serious injury or loss is to focus in on reducing the near miss incidents. Near misses haven't produced a loss, but have a potential to do so. We can learn our failings without any cost if we can report and investigate near misses. Near miss reporting is very difficult to have

your work force participate in. It takes an good understanding of the benefits that can be gained by investigating near misses and requires support at all levels of management.

The purpose of incident investigation cannot be to find “BLAME”. It needs to be stressed to all that investigations are to prevent reoccurrence.

Audits

Observation of the procedures and practices being allowed vs. those that are expected is vital to ensure the company’s standards remain high. Observation starts with supervision knowing and ensuring correct procedures are followed. Higher levels of management need to observe the business activities to monitor the effectiveness of the supervision in maintaining the expected standards. External / internal auditors will determine if the “talk matches the walk”. A wise manager will take to heart not offense at the internal auditor’s observations.

“things not measured, aren’t considered important”

Audits can include the effectiveness of changes to procedures ensuring the changes meet the expected outcome.

Accountability

Many systems fail because we are lax in holding people accountable for their actions. Whether at the work site, raising a family or our justice system, if people aren’t held accountable for their actions, their behaviours will continue to deteriorate. When considering a work site, inappropriate behaviours can increase the losses within a business to the point of that business struggling to survive or failing completely.

Workers need to be held accountable for not following procedures. The company’s disciplinary system needs to be followed and not put off. This sends a message as to the importance of the worker’s following procedures correctly.

Supervisors need to be held accountable for the behaviours displayed by their workers and the supervisor’s commitment to following expected practices and procedures. Supervisors soon realize what is important to their manager’s by what is measured and addressed with them. Bonuses or discipline will motivate the supervisor to meet the standard expected.

Managers need to realize the importance to holding their staff accountable to reduce the potential for loss within their operation.

Orientation and training in Loss Management for the various levels of leadership within a business is a wise investment and will pay healthy dividends.

Administration

Record keeping of a loss prevention program doesn't have a direct benefit to preventing loss. What is important is to be able to prove due diligence if a serious incident brings legal action towards the employer. If you can't provide written proof, it may be viewed as not done. Training records and acknowledgments by the workers as to their understanding of hazards and the correct procedures to follow are vital to prove the employer's efforts to safe guard employees.

The OH&S regulations expect the same efforts of making contractors aware of the hazards and the expected procedures they are to follow. All employees of contractors entering your work site need to acknowledge their understanding of the hazards they are exposed to and the procedures they must follow while on your property.

■ Conclusion

Research has shown that all costs related to preventing loss is an investment that will pay healthy dividends. Businesses that have a good loss prevention program are found to be more productive and run far more efficiently. Isn't that the desire of any manager or owner to accomplish?

As leaders, let's:

- Lead by example
- Lay out expectations
- Supervise
- Address behaviour issues immediately
- Follow through with incident management

■ Reference

Bird, Frank E. Jr. and Germain, George L. (1996) Practical Loss Control Leadership, Revised Edition, by Det Norske Veritas (USA), Inc. August 1996, pages 8 and 27