



# Good Faith, Good Business: Four Strategies for Building a Strong Safety Culture

Good faith is a currency that's difficult to build and easy to squander. It is the foundation upon which all healthy, long-term relationships, including business relationships, are built. When it comes to workplace safety and health programs, good faith—the sincerity and honesty that builds real trust between workers and management—can be the key element that transforms your safety program from a binder full of onerous rules and policies into a way of life and an integral part of your corporate culture.

This whitepaper examines four key strategies to help your company create and maintain a strong safety culture:

- Measure Safety
- Talk Safety
- Model Safety
- Reward Safety

## Measure Safety

It's always important to know where you're starting from so that you can determine what your goals should be. Should you be working to support a safety culture that's already strong? Or do you need to build a strong safety culture from the ground up? Collecting some key safety metrics will help you make that assessment, give you an idea where you should start working, and enable you to demonstrate that a strong safety culture is good for business.

Tracking leading indicators is one of the most effective ways to judge whether safety is firmly embedded in your overall business model, because these factors indicate future value or direction of performance. Leading indicators will give you the opportunity to get ahead of incidents and enable you to connect your interventions directly with their impact on the business. A 2016 study by Dodge Data & Analytics looked at the performance of 254 U.S. contractors on 33 leading indicators of safety culture and compared the findings with a previous study conducted in 2012. The research revealed wider use of safety management practices in the construction industry and found benefits for contractors on the high end of the safety culture scale, compared with those at the low end.<sup>1</sup>

You can use leading indicators to measure and track the business impact of:

*Your safety program.* The most basic way to assess the strength of your safety program and track its impact on your business is to track and analyze trends directly connected to the program, including:

- *Training.* What is the percentage of actual employee participation in training, as compared to expected participation? Are they passing written and practical tests?
- *Periodic inspections.* Inspections are an important tool for identifying issues and dealing with them before they have an impact on safety. What is your percentage of scheduled vs. completed inspections?
- *Near-miss reporting.* Near misses are a critical tool for identifying potentially deadly hazards, but workers won't report near misses unless they feel that management can be trusted to address them without blaming and punishing the workers.
- *Closing of action items.* If you closely track the amount of time it takes to respond to, resolve, and close reports of hazards generated by incident reports, job hazard assessments, inspections, and audits, you'll have a good idea how effective you are at resolving safety issues.

*Employee engagement in safety.* Companies with a strong safety culture report high levels of employee engagement in safety. How can you measure employee engagement? Keep track of:

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<sup>1</sup><http://safety.blr.com/workplace-safety-news/safety-administration/safety-attitude/Report-makes-a-strong-business-case-for-safety-cul/>

- *Safety communications.* Do workers report safety concerns to their supervisors—and are those concerns dealt with?
- *Safety committee activities.* What has your safety committee done lately? An active safety committee is a good indicator of a strong safety culture.
- *Observed safe behaviors.* When you walk through your facility, do you see workers following safe work rules? If you're seeing high rates of noncompliance, workers have not internalized safety as a company value.
- *Third-party certifications completed.* Third-party certifications may be completed by the facility or by individual workers; the number of safety-related third-party certifications is a measure of worker commitment to the program.

*Management commitment to safety.* Leading indicators that will tell you how committed your leadership is to safety include:

- *Responsiveness to worker suggestions.* What percentage of safety suggestions from employees are actually implemented by management?
- *Participation in safety initiatives.* Are managers participating in safety training, critical design reviews, and other safety initiatives?
- *Employee ratings of management personnel.* Does management generally get high marks or low ones when it comes to safety issues?

**End Results.** If your leading indicators are weak—workers don't participate in training, management doesn't consistently respond to worker concerns and suggestions, and nobody can remember when the safety committee met last—your safety culture is probably weak, and your lagging indicators—metrics that show the end result of your safety efforts—will probably be poor as well.

When you begin making a determined effort to strengthen your safety culture, your lagging indicators will enable you to make the business case for your program. Studies of lagging indicators in companies with a strong safety culture have shown benefits that include:

- Reduced reportable injuries
- Lower workers' compensation X-mods
- Improved project quality
- Increased project return on investment

- Improved worker retention
- Improved ability to attract new workers

Measuring leading and lagging indicators will provide a useful long-term guide for setting safety program goals and help you establish the business value of your safety program. But you don't have to wait until the numbers come in to start building a stronger safety culture. Two vital short-term steps you can take toward establishing good faith and strengthening your safety culture are to *talk safety* and *model safety*.

## Talk Safety

In a strong safety culture, safety is part of the everyday conversation, as natural as discussions of how to improve productivity or reduce downtime. Here are some ways that you can reduce the feeling that safety is a distraction from or an obstacle to the real work of the company and integrate safety into general workplace discussions:

*Eliminate the checklist.* When you walk onto the floor, do you develop relationships with workers—or is it all about the checklist? Go out without your checklist, and strike up informal conversations with workers about their jobs. Try to gain insight into hazards that need to be addressed by expressing concern for workers and asking them to identify situations in their workdays that could or did lead to an injury. You can also demonstrate concern and commitment to the safety of the workers and their families by discussing how to implement safe work practices at home, not just in the workplace.

*Listen.* Perhaps it seems strange to put “listen” under the heading “talk safety”—but when the goal is to encourage a conversation, demonstrate sincerity, and build good faith, you'll need to practice listening at least as much as—or more than—you talk. Engage in active listening in which your part of the conversation is to ask questions that ensure that you have understood what the speaker is trying to communicate—“Do I understand correctly, that you don't always wear your hearing protection because the dispenser is too far from your workstation to be convenient?”

*Be positive.* Positive instruction is usually more effective than negative instruction. For example, which statement do you think would be more effective: “Don't stack new shipments in the walkways,” or “New shipments can be placed at the end of aisle 2 until they can be broken down and properly shelved”? Strive to encourage safe behaviors rather than just discourage unsafe ones.

*Talk face-to-face.* Executive-level staff and corporate managers may get in the habit of communicating through e-mail and written reports, but this is indirect and fails to take advantage of live-group dynamics. Get people together in small, face-to-face groups, and encourage them to explain their concerns and observations about safety.

The same strategy can work with frontline workers and managers, who may be too busy to compare safety notes unless they are given a specific opportunity to do so.

*Provide information.* Workers need to understand why, especially when they are asked to do a job in a way that doesn't seem obvious or necessary, or when they are asked to change the way they do things. For example, when you're instituting a new control, explain to affected workers why they are being asked to change what they normally do, as well as what successful implementation will look like.

## Model Safety

Employees are always looking to see if their leaders are acting in good faith. Ask yourself, Are you honest with workers? Do you do what you say you are going to do? Do you practice what you preach? When workers hear you say one thing and then see you do another; or when they see that there is one set of rules for them and a different, less demanding set of rules for management, it erodes their confidence. Workers who lack confidence in their leadership are less likely to heed what their leaders say.

Here are some ways you can model safety and develop the confidence of your workers:

*Be visible to workers.* If you're making regular visits to the shop floor, you'll gain their trust a lot faster than if you're nothing but a faceless memorandum, telling them how to do their jobs without ever having seen what they do.

*Practice safe behavior.* When you do go out into the workplace, follow the rules! Managers who fail to obey safety rules can quickly destroy a lot of worker confidence. It may not even be intentional—regional managers or visiting executives may not be aware of every safety rule that applies on the factory floor—but the damage will be the same. Always wear your safety gear, stay out of restricted areas unless you have appropriate training, and don't do things that your workers would be disciplined for. If they're not supposed to jump down from the loading dock, don't you do it either.

*Remember your manners.* Good manners demonstrate respect for others. Learn workers' names, and offer a friendly greeting. Thank workers who take time out of their day to speak to you, especially if they engage with you in a specific way, like showing you how they do their job or when they demonstrate safe behaviors and actions.

While you're collecting and analyzing your safety metrics, establishing communication and modeling the kind of commitment you'd like to see will lay a foundation for strengthening your safety culture. Once you have some numbers in hand, you can add another strategy to your toolbox: *rewarding safety*.

## Reward Safety

Whatever you're trying to accomplish, remember this: The thing that you reward is the thing that you'll achieve. If productivity is rewarded, workers will prioritize that over other considerations. If profitability is rewarded, management will take what looks like the quickest path to pelf. If you want safety to truly become a deeply valued, fully integrated part of your workplace culture, you'll have to find a way to reward it right alongside productivity and profitability.

The process begins with measuring safety and connecting safety performance to business metrics as described above. It continues when you directly reward measured safety behaviors that are most strongly connected to business metrics. Targeted reward strategies for both workers and executives can strengthen your company's overall commitment to safety.

*For workers: incentive programs.* The Occupational Safety and Health Administration (OSHA) has, in recent years, frowned upon some types of incentive programs because they may suppress reporting of occupational injuries. In particular, OSHA is concerned that incentive programs that reward workers for low rates of recordable injuries and illnesses, or that penalize workers for reporting injuries and illnesses, discourage reporting.

A well-constructed program, however, will reduce accident rates, avoid regulatory censure, and build a stronger safety culture. It does so by rewarding actions that enhance workplace safety, such as:

- *Showing safety initiative.* Many programs reward workers who actively make the workplace safer by participating on safety committees and suggesting successful workplace safety improvements.
- *Engaging in safe behavior.* Employers that catch workers following safe work procedures can reinforce the behavior by rewarding it right away. Even a simple “thank you” or “good job” can make a difference.
- *Achieving safety success.* Although lower accident and injury rates are the ultimate goal, the key to achieving them is rewarding the kinds of activities that lead to that goal, like achieving full compliance with safe work practices and procedures and passing safety inspections and audits.

*For executives: short-term and long-term compensation.* Employers are linking executive compensation to environmental, health, and safety performance metrics. Executive compensation strategies that encourage attention to safety performance include:

- *Annual bonuses.* Small annual bonuses (10% or less of overall executive compensation) don't seem to have a significant impact on performance, so some employers are setting safety-related performance bonuses at one-quarter to one-third of overall compensation.
- *Long-term incentives.* Safety performance indicators have typically been linked to short-term compensation like bonuses, but linking safety metrics with long-term incentives like stock options may provide even greater motivation.

### Conclusion

When you measure safety, talk safety, model safety, and reward safety, you'll begin building an environment of sincerity and trust in the workplace. That good faith will securely underpin a strong safety culture—and a strong safety culture is good for business. Good faith, then, is good business.

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