



THE RISKS AND THE REWARDS



**How Organizations are
Keeping Safety as the Focus**

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About the Risks and the Rewards

When maintaining a safe work environment, it's important to consider risk and take steps to manage it. According to the American Society of Safety Professionals, risk management in occupational safety and health is a formal process for identifying hazards, evaluating and analyzing risks associated with those hazards, and then working to eliminate the hazards or control risks that can't be eliminated to minimize the potential of injury or illness.

The Risks and the Rewards survey from Avetta and EHS Daily Advisor was launched in May 2022 and gathered the insight of 106 environment, health, and safety (EHS) professionals about how their organizations handle risk management and mitigation.

Avetta® and the EHS Daily Advisor research team would like to extend our gratitude to all the professionals who chose to participate in the survey, as well as our readers, for their help in deepening our understanding of the challenges they face on a daily basis. All percentages in this report have been rounded to the nearest whole percent. If you have any questions or comments about the survey and this accompanying report, please email media@simplifycompliance.com.

About Avetta

Avetta leads the world in connecting the world's top organizations with qualified and vetted suppliers, contractors and vendors. The company brings visibility to supply chains through innovative and configurable technology, coupled with highly experienced human knowledge and insight. We contribute to the advancement of our clients' sustainable growth by protecting supply chains from a wide range of potential risks through trusted contractor prequalification, safety training and monitoring, regulatory compliance, insurance/financial stability, and other areas of risk. Avetta currently serves more than 500 enterprise companies and 125K suppliers across 120+ countries.

[Learn more at Avetta.com](https://www.avetta.com)

The Greatest Risk Management Challenge

Organizations face a variety of risks on a daily basis, from worker safety to staff retention to getting management buy-in. Asked about the greatest risk management challenge at their organization, respondents to our survey provided a wide range of answers. Below are many of the different types of risks respondents feel their organization must assess and manage.



- **Supply chain issues**
- **COVID-19**
- **Compliance with PPE, safety rules and regs**
- **Complacency**
- **Staff retention**
- **Slips, trips, and falls**
- **Process knowledge**
- **Material handling**
- **Enforcing rules and recognizing safe behaviors**
- **Changing mindset to address at-risk behaviors**
- **Organizational culture**
- **Balancing risk and profits**
- **Employee engagement**
- **Economic crisis**
- **Communication with employees**
- **Ergonomics**
- **Management buy-in**
- **Budget and acquisitions**
- **Aging facility infrastructure**
- **Cross contamination**
- **Timeliness of assessments and actions**
- **Government overreach**
- **Contractors**

Addressing the Challenges

For every risk management challenge, safety professionals must find a solution. When we asked respondents how they planned to address the challenges outlined in the previous question over the next 12 months, the wide variety of challenges also led to a range of solutions. Here are some highlights:

- “Enhance personal protection.”
- “Building a risk and compliance organization to build practical and effective controls.”
- “Invest in key holding strategies and outsource R&D for new avenues.”
- “People and culture department is putting strategies in place to recruit and retain staff.”
- “Safety observations and retraining.”
- “Training with contractors and maintenance staff. Rerouting employees.”
- “Increased company driver training and heightened awareness campaigns.”
- “Multiple step process of risk survey (to identify current status): Safety team discussions to determine next steps and addition of visual aids to help educate employees.”
- “By redirecting efforts in the following areas: Inspection program findings, increase safety awareness training offerings, enhancing chemical safety program, completing job hazard inventories for research and animal use personnel.”
- “Negotiating time frames and expectations of projects to allow for better care of personnel.”
- “Set up key performance indicators and measure actual compliance against planned measures.”
- “Modify recruiting with a better blend of experience and update training.”

Risks in the Workplace

The last two years have been chaotic due to the COVID-19 pandemic. Many businesses were closed or went remote and now starting to have workers return to the workplace. Others, such as construction companies, continued on, albeit with additional safety requirements. Asked if there were more risks in the workplace now than there were two years ago, **70%** of respondents said that was true.

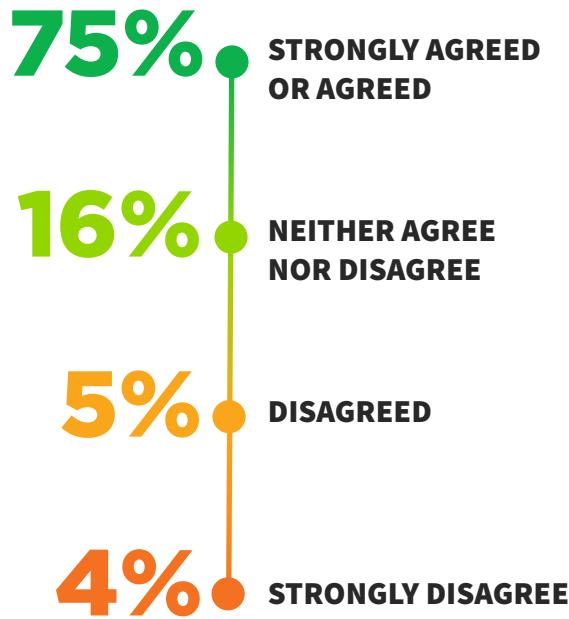
► **True or false: There are more risks in the workplace now than there were 2 years ago.**

70% TRUE

30% FALSE

With more risks in the workplace, how are companies responding? We asked respondents to choose the response that most accurately goes with the statement: “Our organization is doing more to mitigate risks than 2 years ago.” The vast majority (**75%**) either strongly agreed or agreed with that statement, with another **16%** indicating they neither agree nor disagree. **Five percent** disagreed that their company is doing more to mitigate risks, **4%** strongly disagree, and **1%** didn’t know.

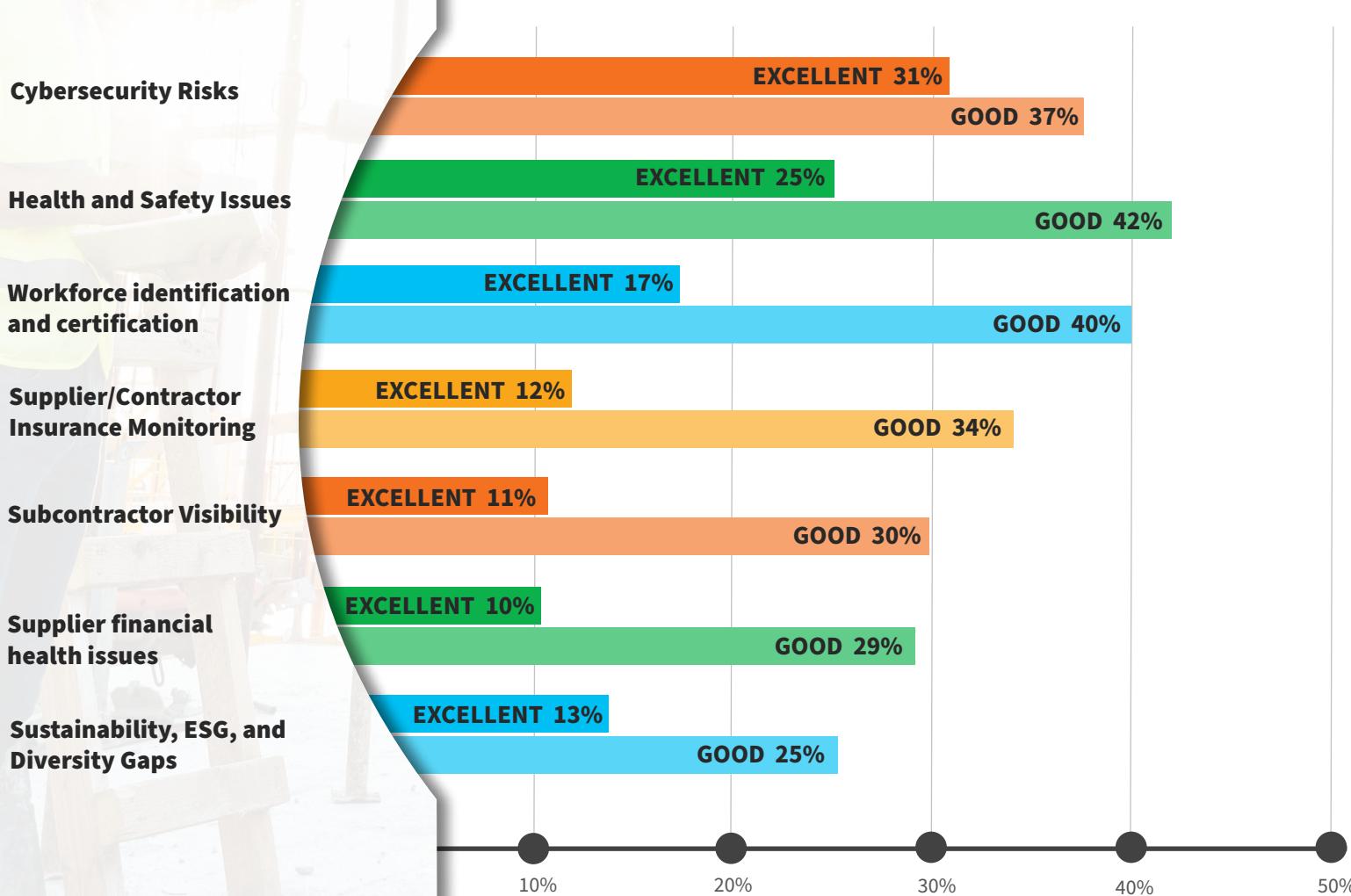
► **Our organization is doing more to mitigate risks now than 2 years ago**





► How well does your organization handle the following risks?

As mentioned earlier, there is a wide variety of risks that companies face, including health and safety issues, cybersecurity risks, workforce identification and certification, and supplier/contractor insurance monitoring. We asked respondents to rate how well their organization handles various risks and the results were varied. The area that most respondents felt they were handling the best was cybersecurity risks, with **31%** rating their response as excellent and another **37%** as good. Another risk category rated highly was health and safety issues, for which **25%** of respondents said their company's response was excellent and **42%** said it was good. **Forty-seven percent** of respondents indicated that their handling of workforce identification and certification was either excellent or good, with **46%** saying the same for supplier/contractor insurance monitoring, **41%** rating their response either excellent or good for subcontractor visibility, and **40%** for supplier financial health issues. Conversely, respondents reported that they had the most difficulties with subcontractor visibility (**24%** rated it below average or poor).



Best Managed Risks

1. Cybersecurity
2. Health & Safety
3. Workforce Identification & Certification

Worst Managed Risks:

1. Subcontractor Visibility
2. Sustainability, ESG, and Diversity
3. Supplier Financial Health

A important factor in how organizations handle risks is how aware they are of potential risks. **Twenty-six percent** of respondents said their organization was doing an excellent job of recognizing potential risks, while **59%** rated risk awareness as good, **11%** as below average, and **3%** indicated their organization's risk awareness was poor.

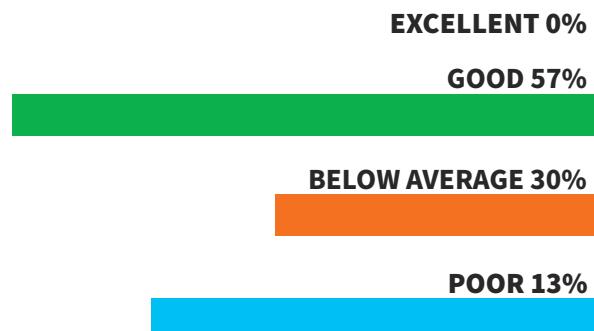
Organizational commitment to risk management is crucial. Results were mixed when survey respondents were asked how committed their organization's leadership was to supporting risk management efforts. **Thirty-seven** percent said leadership was very committed, **40%** said it was sufficiently committed, and **23%** felt leadership was somewhat committed.

It's notable that of the respondents who answered that leadership was somewhat committed to risk management, 0% of them would rank organization's risk awareness (as indicated in the previous question) was excellent. Instead, 57% said the organization's risk awareness was good, 30% said it was below average, and 13% felt it was poor.

► **How committed is your organization's leadership to supporting risk management efforts?**



► **Organization's Risk Awareness**



Employee engagement also plays a major role in organizational risk management efforts. Respondents to our survey found varying levels of engagement at their organizations. A total of **38%** said their employees are very involved in risk management efforts, while **51%** said workers were somewhat involved, and **11%** said employees had minimal or no involvement. Of the respondents who indicated that employees were somewhat involved in risk management, **23%** rated leadership commitment to risk management (as asked in the previous question) as very committed, **51%** said leadership was sufficiently committed, and **26%** said leadership was somewhat committed.

► **How engaged are employees in your organization's risk management efforts?**



► **Respondents who indicated that employees were somewhat involved in risk management rated leadership commitment to risk management as**





Risk mitigation can be done using a number of different strategies. Asked to indicate the various methods they use, most survey respondents said they used the following strategies:



70%
Eliminating hazards



67%
Regular safety inspections



63%
Administrative controls
(e.g., employee training, warning labels, signs)



60%
Personal protective equipment (e.g., safety glasses, hard hats, respirators)



53%
Engineering controls



52%
Proper lighting

Other strategies that were mentioned as an open response include: “Open door policy: TMs can talk to anyone about any concern at any time,” Work team risk assessments, customized safety plans, audits/inspections, Required management cross-checks of high risk activities (such as confined space entry).

When incidents occur in the workplace that result in injury or a near miss, organizations must conduct investigations to determine what caused the incident and then recommend and implement corrective actions to prevent future incidents. Incident investigations should focus on identifying and correcting root causes instead of finding fault or blame; according to OSHA, this can also improve workplace morale and increase productivity by demonstrating the employer's commitment to a safe workplace.

Asked about the effectiveness of their organization's incident investigations, **30%** of our survey's respondents said they were very effective, **42%** said they were sufficiently effective, **24%** indicated they were somewhat effective, and another **5%** said they were not effective. Of the respondents who said their workplace incident investigations were somewhat effective, **12%** rated employee engagement in the previous question as very involved, **56%** said workers were somewhat involved, and **32%** said there was minimal or no employee involvement.

► **How effective are the workplace incident investigations your organization conducts?**

VERY EFFECTIVE

30%

SUFFICIENTLY EFFECTIVE

42%

SOMEWHAT EFFECTIVE

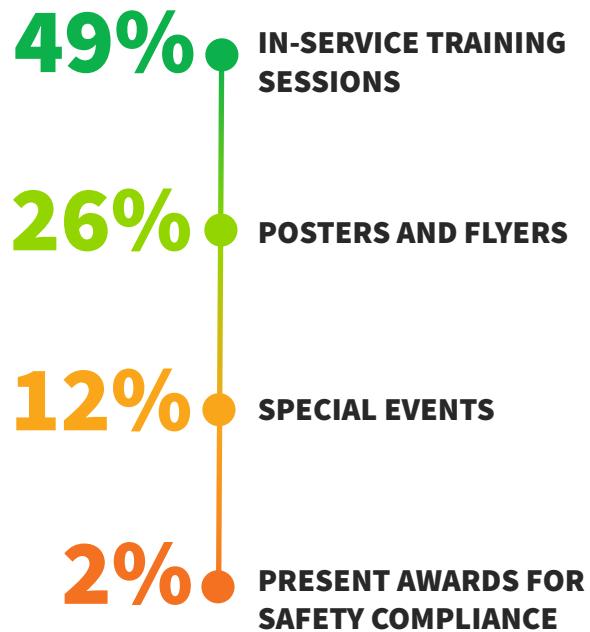
24%

NOT EFFECTIVE

5%

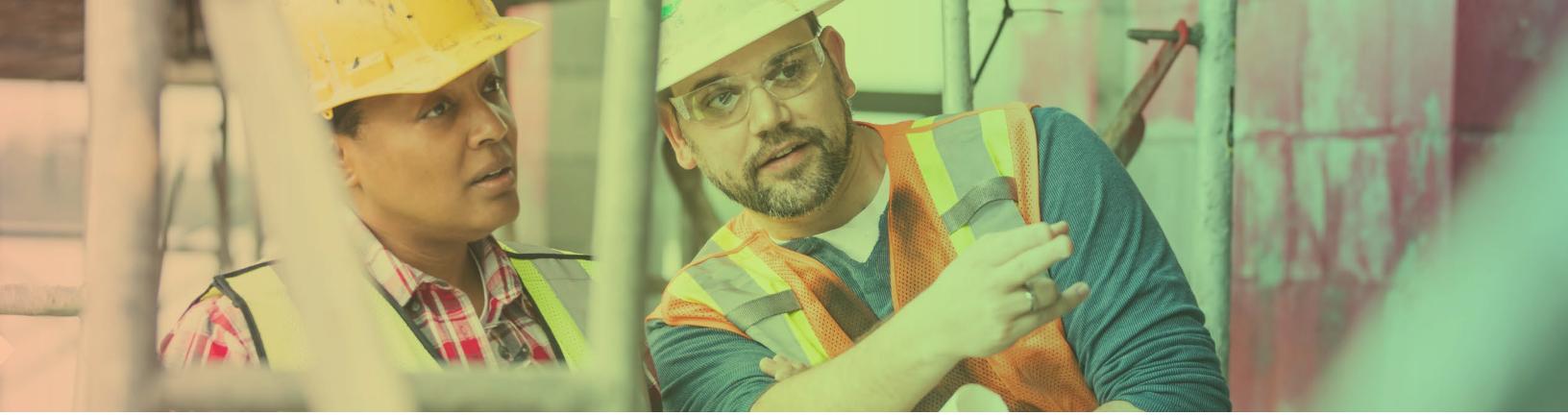
There are many ways to create employee awareness about potential risks in the workplace. We asked survey respondents about some of these methods and **49%** said they use in-service training sessions, **26%** use posters and flyers, **12%** use special events, and **2%** present awards for safety compliance.

► **How do you create awareness about potential workplace risks?**



Respondents also listed "other" methods including:

- All of the above
- Safety committee
- Multiple ways: Safety committees, in-service training, special events, and toolboxes
- Safety meetings, employee emails, and coaching
- Training and reminder posters/flyers
- Combination of training, quarterly safety committee meetings, and newsletters
- Talk and advise higher-ups



Recognition for Safety Compliance

While many don't use awards to raise awareness of potential risks, respondents did share that they used awards for compliance recognition. Asked how they recognize employees, **25%** of survey respondents said they give workers a gift card, **20%** award a certificate of compliance, **16%** highlight deserving employees in the company newsletter or website, and **7%** award a paid day off.

Others shared the sentiment that there is an "expectation to comply" or a "philosophy that we all should be doing it, therefore we should not get rewarded for what we are doing."

Recognition for safety compliance goes hand in hand with accountability. We asked survey respondents to share specific ways they promote accountability for safety. **The responses were wide ranging:**

- Safety policy, executive communication, safety committees, training.
- Audits done by employees.
- Regular inspections and audits with allocating responsibilities to managers.
- During orientation and meeting presentation
- Positive recognition whenever it is identified by a manager, supervisor, or safety. Safety discussions are kept positive even when an unsafe act or unsafe condition is identified.
- Accountability is discussed at every production meeting conducted twice a week and at every MDI meeting daily.
- We don't. Well, we do have PRIDE awards that an employee can nominate another employee for going above and beyond the call of duty; but every quarter the Special Events Committee BEGS for nominations.

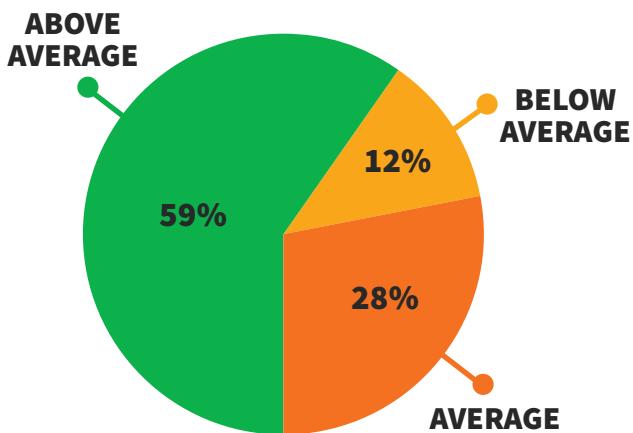
- Safety ratings on their projects affect the project bonus they receive.
- All levels of management are accountable. All workers are accountable. We have a reward and coaching program.
- Training in turn to improve the participation of all staff; Set up a propaganda group, specially in-depth safety propaganda, popularize safety knowledge; Hold a safety symposium or create a safety consulting platform to listen to the voices of employees; using VR modern technology, VR experience room is set up so that employees can experience the physical impact of electric shock, traffic accidents and other violations. Through a series of innovations, safety training is revitalized.
- When problems occur, the company traces them to team leader and manager level.
- Make workplace safety an organizational goal. Develop "safety awareness" among employees. Set workplace safety expectations. Reward outstanding workplace safety performance.
- Monthly and quarterly safety reports indicating safety training progress and incident rates.
- Group leaders, team leads, and team members manage praise and correction for the team members.
- In order to strengthen the safety production management of our company, clarify the work requirements and responsibilities of responsible persons at all levels, functional departments and production positions, and ensure the safety of life and property, according to the principle of "safety first, prevention first" and the principle of "safety must be managed while production is managed", the company establishes the safety production responsibility system.

Dealing With Suppliers and Contractors

In addition to the everyday challenges of workplace safety, safety professionals must also manage relationships with suppliers and contractors. This includes recordkeeping, so we asked survey respondents how their organization manages supplier and contractor records. Most respondents, **43%**, use digital documents and files. **Twenty-one percent** said they use tangible documents and filing cabinets, followed by third party software/service (**12%**) and custom company program/database (**10%**).

Asked to rate their organization's management of suppliers and contractors, **28%** of respondents said it was above average, **59%** said it was average, and **12%** indicated it was below average. For the respondents who said their organization was above average, we looked at their answers to how well they handled certain supplier-related risks in Question 5.

- **How committed is your organization's leadership to supporting risk management efforts?**



- **Q5: How well does your organization handle the following risks?**

| | EXCELLENT | GOOD | AVERAGE | BELOW AVERAGE | POOR | I DONT KNOW |
|--|-----------|------|---------|---------------|------|-------------|
| Supplier/contractor insurance monitoring | 31% | 38% | 24% | 3% | 0 | 3% |
| Supplier financial health issues | 28% | 41% | 17% | 10% | 0 | 3% |
| Subcontractor visibility | 31% | 45% | 10% | 7% | 3% | 3% |

For those respondents who rated their organization's management of suppliers and contractors as above average, **60%** said they use digital documents and files (up from **43%**), while only **10%** use tangible documents (down from **21%**), showcasing the importance of digitalization in the safety landscape.