

Best Practices in Health and Safety Management

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EXECUTIVE SUMMARY

Best Practices in Health and Safety Management (OP-79) profiles a class of companies that demonstrate successful operating practices in their health and safety management organizations. By studying these companies, your organization can gain a deeper understanding of how leading companies create a culture that supports safe and healthy work environments and how they manage operational efficiency by leveraging technology and optimizing health and safety staffing, roles, responsibilities and budgets.

After reading this report, you will understand how world-class companies structure and staff their health and safety organizations to ensure regulatory compliance and operational efficiency. Benefits of improvements in this area include **coordinating and clarifying ownership and responsibilities, enhancing best practice sharing and corporate-sponsored training, generating cost-savings**, and ultimately, **improving the bottom-line**.

This report summary includes **key findings**, the **report structure**, **sample best practices**, a **table of contents** illustrating the study's focus, and an **order form** to facilitate purchase.

Benchmarking Report at-a-Glance

Featured Companies

- Dow Chemical
- Dow Corning
- DuPont
- Mirant
- PPL Global
- Qualcomm

Industry Analysis

- Most companies come from the energy or manufacturing industries. Five industries in all are represented.

Information Types

- 14 Information Graphics
- 16 Data Graphics
- 152 Quantifiable Metrics
- 2 Manager Narratives
- 18 Best Practices

Report Length

- 53 pages

KEY FINDINGS

Coordinated strategies and processes.

Benchmark findings suggest that all benchmark partners regard employee health and safety as one of the most important and far-reaching company priorities. For this reason, companies seek to create common health and safety philosophies, strategies and processes. To ensure health and safety consistency and promote an overall health and safety culture, leading benchmark companies coordinate key strategies and activities through a centralized oversight department, such as corporate health and safety. Specifically, best practitioner health and safety organizations coordinate company health and safety standards objectives, basic training design and requirements and performance metrics through a central health and safety function. Companies recognize that business units have unique health and safety differences and allow individual units and plants to focus health and safety efforts within corporate guidelines.

Health and safety centers of expertise.

Top companies create centralized centers of expertise to coordinate strategies and processes. Health and safety centers of expertise drive company health and safety strategies and consult on health and safety matters for the entire company. Typically employees staffed to expertise groups have specialized health and safety qualifications, sit at the corporate and global business unit levels and report to a senior executive at corporate headquarters. Advanced companies use health and safety expertise groups to create the company's health and safety philosophy and strategy, communicate specific standards, design company training modules, use technology to make important health and safety information globally accessible and consult regularly with business units. Benchmark partners report that central centers of health and safety expertise help to avoid duplication of efforts, drive a health and safety culture, provide a central location for health and safety performance results and promote global thinking.

Technology-driven health and safety awareness.

Advanced benchmark partners drive health and safety awareness through e-learning, standardized workstations, corporate intranets and computerized best practice and hazard incident databases. Technology allows companies to maintain central controls on important health and safety activities – such as training and measurements – while pushing information to the entire company to build health and safety awareness.

REPORT STRUCTURE AND ORGANIZATION

The project findings are organized into an executive summary, data analysis and a chapter of best practices derived from study results. Each chapter contains valuable health and safety management insights identified by benchmark executives during project interviews and a comprehensive survey response table.

- **Executive Summary** –The executive summary outlines overall “Key Findings” for the study as identified by participating executives and the Best Practices, LLC research team.
- **Survey Analysis and Best Practices Chapters** – The report contains a summary of critical lessons learned from survey data and best practices interviews.
- **Lessons Learned/Key Trends Matrices** –Partners were asked to name their top three lessons learned and key trends in planning staffing levels, budgets, roles and responsibilities.

SAMPLE PRACTICES

Align company-wide standards with VPP requirements to uniformly measure health and safety progress.

Some benchmark companies indicated they follow OSHA requirements for participation in the Voluntary Protection Programs (VPP). The programs reward and recognize corporate health and safety achievements and are designed to complement OSHA requirements. There are three programs under OSHA’s VPP for companies to comply with:

- **Star:** The Star Program is the most highly selective program and is meant for companies with comprehensive health and safety programs that are successful in reducing workplace hazards.
- **Merit:** The Merit Program provides a planned set of “stepping stones” to Star participation. The program is targeted at employers who have demonstrated the potential and willingness to achieve Star requirements.
- **Demonstration Program:** The Demonstration Program allows evaluation of criteria from the Star program, but potentially as protective measures. Its purpose is to demonstrate that certain criteria do protect workers and can broaden the company’s range of health and safety initiatives.

Company 6’s corporate function develops health and safety goals for all facets of the company based on the Star program. Once the company-wide goals are in place, each plant is responsible to meet the VPP standards. Company 6 believes the Star Program provides an equal standard and basis to measure health and safety performance across the company.

Company 6 conducts its health and safety evaluations annually through internal and external specialists to ensure VPP compliance. Through the evaluations, the company sets process and statistical goals for each group to meet. It evaluates what types of initiatives must be accomplished, such as supervisor observations, supervisor inspections, corrective actions and confined space safety.

Before a company can be approved for the Star rating, every requirement on the Star Program checklist must be met and in place for one year. A complete list of Star Program requirements can be found in **Appendix A**.

Company 6 utilizes the VPP standards because they go above and beyond the typical OSHA requirements. The Star Program emphasizes enhancements to overall health and safety, highlighting areas where companies can better their work environments and improve workplace conditions.

Establish a corporate oversight role to eliminate redundant efforts.

Benchmark companies indicated that a centralized oversight role for health and safety aided in managing overall health and safety throughout the organization. Moreover, by centralizing health and safety responsibilities, companies can avoid duplicating efforts at both the corporate and business unit levels. Benchmark companies noted some specific advantages to centralizing their health and safety responsibilities:

- Avoids duplication of effort
- Promotes an overall health and safety culture
- Provides one central location to house internal data
- Employees start to think like a global company
- Promotes a strategic approach to looking at global issues

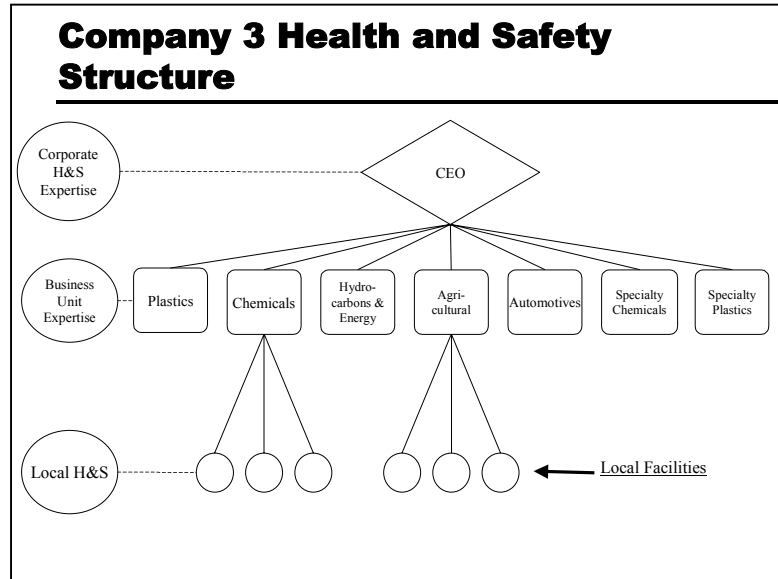
Company 3 centralizes its health and safety responsibilities under its Environmental Health and Safety group. There are three organizational clusters in Environmental Health and Safety:

- **Delivery:** The Delivery employees are the people who work at specific operational levels. Eighty percent of Company 3's health and safety staff are part of the Delivery group. They are usually the local line workers located mostly at the manufacturing sites and facilities. The Delivery group is responsible for tracking health and safety measurements and reporting to the Expertise group any health and safety measurements.
- **Expertise:** The Expertise group represents the corporate function of Environmental Health and Safety. Sixteen percent of the health and safety staff is part of the Expertise group. It sits at the corporate and global business unit levels and reports to a centralized function at Company 3's world headquarters. This group has personal safety knowledge and has technology to run specific health and safety programs. The group's expertise is technology-based and can be leveraged throughout the company. The Expertise group has global responsibilities, and its performance is based on its ability to manage those responsibilities. The Expertise group's main responsibilities are to maintain corporate-wide health and safety standards based on US-ISO certifications and to develop training modules. The standards are accessible across the company and throughout global business units. By creating an Expertise group, Company 3 centralized the data management function and focused employees' energy on maintaining safe work environments. The company prefers to have its corporate function focus on developing procedures, thereby taking those responsibilities away from the business units, eliminating redundant operations.
- **Business Interface:** The remaining four percent of the health and safety staff is part of the Business Interface group. These people are focused specifically on the needs of particular businesses, such as specialized chemical

groups or help for safety issues in new product design, regulation and industrial hygiene. The Business Interface group is composed of senior level people who often reside at a facility. The group is considered both global and corporate in nature because its strategic responsibilities are leveraged globally.

The consistency created by a centralized health and safety function, such as Company 3's Expertise group, allows for best practice sharing throughout the organization. For example, rather than having each of Company 3's 190+ plants make a decision on a set of standards, one central group makes the decision and uniformly implements it throughout the organization.

The benchmark partner also asserts that a centralized H&S function enables easier oversight, which leads to higher retention, lower costs and increased efficiency. A globally dispersed group of people that reports to a central function provides guidance and information to all employees, at all times. Finally, the centralized function positions health and safety to serve a global client base with all the functions aligned under common processes.



METHODOLOGY

This best practice study was conducted using a wide range of resources, including Best Practices, LLC's own proprietary databases, public and private databases, literature reviews, on-line data searches, conference proceedings, professional journals and books, academic research, and analysis of past Best Practices, LLC consulting assignments. Research included an in-depth analysis of health and safety management tactics and best practices employed by the benchmark companies.

Table of Contents

Executive Summary

Study Background and Methodology	1
Project Focus	1
Critical Lessons Learned	2
Benchmark Class	4
Report Structure and Organization	5
Next Steps	5
Lessons Learned Matrix	7

Health and Safety Survey Analysis

Creating Health and Safety Requirements	10
Clarifying Health and Safety Ownership and Responsibilities	12
Coordinating Health and Safety Staffing and Budgets	15
Measuring Health and Safety Performance	19

Best Practices in Health and Safety Staffing, Roles and Budgets

Developing Health and Safety Goals and Standards	22
Coordinating Health and Safety Strategies and Activities	29
Building Coordinated Health and Safety Training	36
Using Technology to Promote Health and Safety	40
Health and Safety Survey Results	43
Appendix A – Voluntary Protection Program Requirements	47

LIST OF EXHIBITS:

- Benchmark Class
- Next Steps
- Lessons Learned & Key Trends Matrix
- Documenting Health and Safety Policies
- VPP Involvement
- Assigning Responsibilities
- Reporting Structure
- Sample Safety and Health Structure
- Supervision of Hazard Assessments
- Hazard Assessment Involvement
- Health and Safety Staff vs. Revenue
- Average Health and Safety Staff Per Facility
- Corporate Staff vs. Facilities
- Corporate Budgets as a Percentage of Revenue For Centralized Companies
- Corporate Budgets as a Percentage of Revenue For Decentralized Companies
- Outsourcing Budget
- Allocating Budget for Outsourcing
- Scheduled Health and Safety Compliance Inspections 1
- Scheduled Health and Safety Compliance Inspections 2
- Publishing Work-Related Health Information
- Tracking Health and Safety Performance
- Compensation Linked to Performance Measures
- Metrics Linked to Compensation
- Company 3's Dedication to Safety
- Company 3 Health and Safety Structure
- Company 6 Health and Safety Structure
- Health and Safety Survey Response Table

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6350 Quadrangle Drive
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