Getting Workplace Safety Right

Most managers say employee safety is a top priority. So why do so many companies mismanage it — to the detriment of workers and the company — by fostering cultures that make safety the enemy of productivity?
Worker safety is a persistent and expensive problem, even in countries with well-developed regulation and enforcement. For example, 2.8 million nonfatal occupational injuries and more than 4,600 workplace fatalities occurred in the United States in 2014. The U.S. Occupational Safety and Health Administration (OSHA) estimates that, in addition to the incalculable human cost, occupational illness and injuries cost businesses in the United States about $170 billion each year.

The management of employee safety is hardly a new concept. Yet, in manufacturing, many companies are missing out on the cost efficiencies and synergistic boost to productivity that would come from investing in safety systems and capabilities. The reason? They don’t take safety seriously enough. In fact, a sense that rules need to be broken to get work done was evident in the majority of the workplaces we researched.

Safety Versus Productivity: A False Trade-Off

For the past decade, the three of us have, with additional coauthors, been involved in conducting multiple studies with the support of companies, unions, and regulators in both the United States and Canada. These studies have involved a variety of data collection methods including detailed case studies, interviews, surveys of workers and managers, and the use of secondary outcome data. The findings have been published in multiple papers that have appeared in leading business and safety publications. (See “Related Research.”)

We studied both manufacturing and distribution plants, some with exemplary safety and productivity records and others that lacked either good safety or productivity. One of our most consistent findings was that many managers believe accidents are a cost of doing business — in other words, the only way to get work done is to put worker safety at risk. As one manager at a distribution center noted:

“We do make efforts to get our personnel to follow the formally laid down [safety] procedures, but a lot of the times, because of the constraints within our operation and the facility reaching its capacity, sometimes you’ve got to bend those rules … to get the job done.”

The company’s union was both aware of and accepting of this situation. A shop steward noted:

“There are a lot of things they’re not supposed to do … when we have jams on the conveyors … sometimes it’s quicker to take shortcuts. … But sometimes I would say supervision may turn a blind eye because they need to get the part going.”

This sense that rules needed to be broken and that safety was at odds with productivity was evident in the majority of the workplaces we researched. This likely would not surprise many safety regulators. Nor would it surprise the majority of managers, who
These managers are mistaken. Tweaking processes to get results inevitably ends up harming workers and the company. The direct impact is a culture where all rules — not just safety procedures, but also ones regarding quality and cost control — are also tweaked for the sake of results. In these settings, workers are either getting hurt — or focused on avoiding getting hurt — instead of focusing strictly on job performance.

For example, a foundry we studied had, with great fanfare, introduced a continuous improvement initiative called See, Understand, Plan, and Act (SUPA). But the same facility was described by management as “the armpit of the company.” Surveys showed that workers did not believe they were safe. Not surprisingly, they referred to the program as “Safety Unless Production Affected.” More importantly, the workers’ belief that they were not safe meant that they could not focus on following SUPA’s guidelines.

By contrast, another foundry we studied promoted a philosophy that “a quality ton of production is a safe ton of production.” This motto was often shortened to “safe-tons.” Plant management, with the backing of upper management, would not push for unsafe production levels under any circumstances. Safety was embedded in the culture; managers were accountable for safe-tons. Hence, all employees understood that the goal to “produce more safe-tons” was not hypocritical. Not surprisingly, internal data showed the plant to be an industry leader in both efficiency and safety.

In short, the starting point for safety must be a culture that emphasizes safety as a defining value of the organization. Executives, managers, and employees should focus on designing, monitoring, and improving processes jointly for productivity and safety outcomes. In multiple studies we conducted, we found no evidence that protecting the workforce harms competitiveness. By contrast, we found plenty of evidence that worker health and safety are a foundation of managing manufacturing facilities that are globally competitive, even if they face a wage disadvantage. For example, health and safety management systems have been associated with reducing injury and illness costs by 20%-40%. Early adopters of OHSAS 18001, a health and safety management system similar to ISO 9000 in quality management, tended to have better-than-average safety performance at the time of adoption — but certification further improved their safety performance while simultaneously increasing productivity, return on assets, and sales.

Building Organizational Safety Capabilities

Once companies understand that safety is not the enemy of efficiency, they can begin to build organizational safety capabilities. Here is where some nuance is warranted. Our research shows that the one-off promotion of specific safety initiatives — while well-intentioned — is flawed. The goal is to build an organizational competency, capability, and culture around safe production. In a culture where employees feel safe, engagement will rise, which in turn will create a competitive advantage for the company. Instead of treating safety and productivity as separate (and often oppositional) entities, companies need a single, overarching culture that aligns safety with other competitive priorities, including productivity.

Companies that treat safety and productivity as separate entities force workers to navigate two competing sets of priorities. When the safety manager says, “Never disable a machine guard,” but the operations manager tells workers that processes need to be “tweaked” to get an important order done for a key customer, the workers face uncomfortable choices pitting their health against their job performance. What’s more, these conflicts create a culture that venerates shortcuts for the sake of meeting productivity goals.

Linking Production and Safety Goals

From our research, we found that companies using a joint management system — in which production and safety goals were seamlessly married, rather than segregated — were the most successful at fostering a culture and an organizational capability around safe production. Specifically, a joint monitoring system has five attributes: (1) contributing to a process for concurrently monitoring and improving safety and production; (2) identifying who is accountable for the monitoring and improvement; (3) directing the design of work that is safe and productive; (4) facilitating communication between management and line workers; and (5) informing human resources decisions about compensation, hiring, firing, and promotion. At the same time, the joint management system (Continued on page 14)
Getting Workplace Safety Right (Continued from page 13)

should simultaneously support and reinforce four essential cultural values around safe production: commitment, discipline, prevention, and participation.

1. COMMITMENT: Safety is the first priority. Almost all managers claim they are committed to safety. The issue is really where safety ranks among a plethora of priorities. If systems are sometimes tweaked to get work done, then safety is clearly a priority only when it does not affect production. At one Fortune 500 plastics producer, safe work was fundamental to the plant’s license to operate. As the plant manager explained:

“…if you can’t do it safely, you will not be allowed to do it, and you can lose the freedom to operate.”

This also means that safety trumps other criteria in capital budgeting decisions — whether for plants and equipment or for new lines of business. This commitment translates to accountability in the organizational structure and incentive system. A plant manager with a bad safety record does not get promoted regardless of how “efficient” his team is. Operational managers (including line supervisors) are ultimately accountable for safety. Likewise, they’re responsible for communicating to workers that safety is a key priority. Of course, actions speak louder than words: The company’s HR decisions must prioritize, recognize, and reward both employees and managers who show an accountability to safety in their communications and behaviors.

2. DISCIPLINE: All work is disciplined and process-focused. Companies with a culture of safe production create and follow formal processes for how work is done. This may sound inflexible, but our results show that, absent this discipline about process, organizations resort to “ad-hocracy” and bending the rules when they are busy. The long-term message is that processes and rules are, at best, recommendations to be followed when convenient.

Managers who hold people accountable to formal processes are willing to discipline employees for deviation. In other words, if you violate a rule, you might lose pay, get sent home, or get demoted. In such organizations, when HR conducts performance reviews, safety is a key performance indicator.

At the most successful companies we have studied, management has fully integrated safety into their operational systems. You’ll know you’ve done this when you can eliminate your safety function altogether, since the function will have become redundant with your cultural norms. We saw this happen to a maker of commercial water filtration systems.

3. PREVENTION: Prevent problems before they happen. Companies with cultures of safe production do not wait for accidents, quality defects, or late deliveries to occur; they systematically work on preventing them. These facilities do not accept that accidents are going to happen any more than they accept that quality defects are inevitable. Instead, they adopt a long-term perspective and have a focus on simultaneous, continuous improvements.

4. PARTICIPATION: Workers are engaged. It is the engagement of the workforce that moves safety management from a legal and moral responsibility to a capability that provides the foundation for a competitive advantage. Workers are never passive in their participation in any management system. This can be constructive or destructive to productivity and safety. Companies that leave it to workers to “be their own safety manager,” as one manager told us, neglect the concept of organization-wide accountability for safety. What’s more, they ignore the reality that a culture of safe production requires a discipline of adherence to processes designed to make safety an organizational priority. For example, limiting training and personal-protection equipment signals to workers that management has prioritized cost over their safety. Likewise, when safety is only the responsibility of a relatively powerless safety function, workers grasp that safety is not a priority.

A fully supportive culture values engagement of the workforce — and requires the development of HR processes designed to gauge and boost worker engagement. Employee satisfaction and safety-climate surveys and “town hall” meetings between management and workers are a start. The most supportive cultures will require broad worker participation on continuous-improvement teams, where safety issues are debated and controlled.

The case for investment in the protection of human capital is clear. A safe worker can be a productively engaged worker who is involved in improving the company’s work environment to sustain its competitiveness. At the heart of the findings from our research is the importance of the organizational culture. It begins with recognizing that companies aiming to be competitive in the long term do not see safety and productivity as trade-offs. An investment in safety is an investment in the productivity of a company’s human capital. With proper process discipline, companies can build a culture and capability around safety and achieve success by jointly managing safety and production outcomes.

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