

INTEGRATING OSH INTO THE BUSINESS

By Joe Wolfsberger and Gregory G. Zigulis

Defining how an occupational health and safety management system (OHSMS) can support a firm's strategic goals is a powerful way to gain critical leadership support. OSH can support other disciplines within an organization by leveraging performance to become a key business partner.

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For many years, those in the OSH profession have called for OSH to be integrated into the business. What does this actually mean and how can it be practically applied? On Aug. 22, 2019, ANSI approved the revised ANSI/ASSP Z10.0-2019, Occupational Health and Safety Management Systems. The latest version of ANSI/ASSP Z10 includes specific requirements for integrating OSH into the operation of the business as well as examples in the notes to help with the process. As part of the 2019 revision, an implementation guide was developed to assist with implementing the standard. The next revised implementation guide includes a chapter on integrating OSH into the business. This article explores some elements of the business integration chapter.

To integrate OSH into business operations, the value of people and their safety and health must be communicated to business leaders. Generally, most business leaders, including top management (e.g., board of directors, C-suite, operations directors), managers, supervisors and foremen, believe and will say that OSH is a high priority but may question the value of including it in operational processes, thinking it is an extra or add-on to those processes. It is critical that safety professionals demonstrate the value of OSH integration to business leaders, referred to as top management in ANSI/ASSP Z10. It is important to go beyond the argument of cost avoidance related to incident reduction and to focus on ways to improve production, manage innovation and create a culture that attracts, retains and promotes top talent while also satisfying the expectations of stakeholders and offering a competitive advantage. In short, help business leaders see the value to corporate performance by providing a safe and healthy workplace for employees and recognizing the benefits that OSH can add to the bottom line.

OHSMSs closely follow the principles of operational excellence. The plan-do-check-act concept is a fundamental element of both. When integrating OSH into operations, build on the similarities to jump-start the process. Look for elements of operational excellence that are common to those used in OHSMS and determine whether the same tools can be used.

This article describes successful real-world examples of how OHSMS elements have been integrated into operations, providing a useful road map for the OSH professional. This includes examples of where OSH has successfully integrated

with other disciplines (e.g., quality, research and development, operations) within an organization to their mutual benefit.

ANSI/ASSP Z10 & Operational Excellence

Organizations benefit by integrating their OSH requirements and goals into existing business processes to avoid unnecessary duplication of efforts, conflicting priorities and redundant documentation practices. The ANSI/ASSP Z10 approach to OSH complements total quality management (e.g., ISO 9000, Quality Management Systems) or continual improvement process methodologies (e.g., lean six sigma and 5S) and environmental management systems (e.g., ISO 14001, Environmental Management Systems). ANSI/ASSP Z10 also served a primary guidance document for ANSI/ASSP/ISO 45001-2018, Occupational Health and Safety Management Systems—Requirements With Guidance for Use.

Occupational exposures remain a key component of risk management that requires organizations to consider the big picture of external and internal issues that impact operations as well as the effects on participating workers. This supports the integration of safety and health into operational and quality management processes and practices.

Business management systems routinely grapple with the complex environment of strategic planning, operational requirements, financial pressures, regulatory issues, human resources challenges, public relations considerations, business information systems and other external pressures. Recognizing that workplace safety and health directly influences each of these key business considerations is a driver for integrating ANSI/ASSP Z10 OHSMS practices into your organization's established business management practices.

A cross-functional approach to integrating safety and health principles into existing business systems is fundamental to the implementation of an organization-wide management system. New OSH programs or proposed process changes may be perceived, at face value, as having a conflicting, negative impact on business success metrics. It is important to recognize this potential view and overcome it by seeking to understand and account for how the business operates from the perspective of key stakeholders. This understanding allows OSH to be supportive of the business philosophy that a well-run operation on all levels is an effective one in the short term and an increasingly successful one in the long term.

Management & the Value of OSH

For management to have confidence that approaching OSH systematically is worth the organizational effort, safety professionals must have a genuine interest and healthy curiosity in how the financially motivated and goal-driven side of the business functions. OSH professionals should know and speak the language of the business, which even for a nonprofit organization usually comes in the form of financial data or key productivity and operational performance indicators. Engaging in listening tours could prove valuable to other stakeholders by highlighting OSH professionals' genuine interest in contributing to or understanding their responsibilities and goals.

The more you know about the typical day in the life of key stakeholders, the greater your opportunity to integrate OSH into the core of business operations. Stakeholder listening tours can be organized formally or informally. They often focus on answers to key questions, such as:

- At the end of each day, period or cycle, what does/will success look like?
- What are your concerns that may be a barrier to achieving this success?
- What operational challenges are you experiencing?
- What are your annual and monthly goals?
- How can I help you achieve your goals with my background and organizational knowledge?

The term "align within" means to identify an existing program, platform or area of the business that is central to the organization's mission. These business elements are well known and touch every aspect of operations that best aligns with the elements of an OHSMS. As noted, the ANSI/ASSP Z10 model complements a quality management system but also adds the element of systems thinking, which recognizes that changes in one area of the business can yield a positive (desired) or negative (undesired) impact in other areas of the business. Therefore, taking the opportunity to align with an existing quality management system program could accelerate the integration of an OHSMS and provide valuable learnings about positive and negative impacts during an integration. Some learnings from other systems may include the need to identify internal executive sponsorship, establish a cross-functional team, define how the OHSMS connects to the business mission, engage middle management, empower frontline employees and provide recognition.

Engaging Management

When working with senior management, it is critical to identify a sponsor who is a natural fit and shares an elevated passion about the importance of equally driving OSH integration together with productivity measures across the organization. An ideal, engaged sponsor will drive the message that the goal of OSH integration is to complement the operations of the business by protecting the human resources necessary to achieve the business

mission. The sponsor will be a spokesperson to peers and within executive forums to drive support for OSH integration across the organization. Once a sponsor has been identified, a reasonable next step is partnering to develop a mid-manager level cross-functional team that represents various areas of the organization. Mid-level managers are closer to operational activity and can more readily identify the strategies that will be successful for deployment and those that will be problematic. The team may include departments such as engineering, procurement, quality, legal, finance, communications, operations and training. Further, the role of cross-functional team members is to aid deployment of system elements within their respective operations, departments or functions.

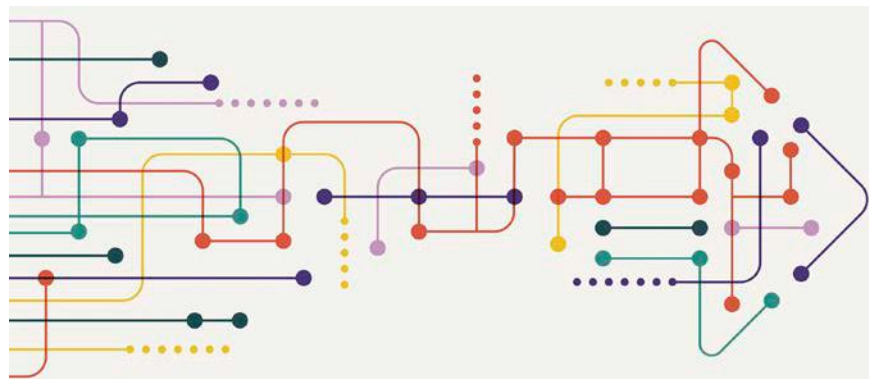
Connecting to the mission is critical to being considered relevant and to sustaining the presence of the integrated management system long term. To connect to the organization's mission, the cross-functional team should align on a simple, understandable message that represents the group, aligns with the business mission and is easily digested by all levels of the organization.

Engaging middle management through awareness-related communications and education will be crucial for deploying concepts to the larger management groups. Use the training and communications cross-functional team members to engage learning solutions that will assist in conveying the integration concepts in a way that will help leaders teach and engage others.

Engaging the Workforce

Engaging workers to allow them to accept ownership of OSH includes educating employees on their role and how OSH connects to the business mission, their day-to-day lives and work

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activities. Also, incorporating a feedback loop to understand and identify best practices, what is working well and areas of opportunity will help sustain the program if critical feedback elements are addressed in a timely manner and progress is routinely communicated. To further aid program credibility, employing a “stop the line” concept when unacceptable risk results from critical safety criteria not being met will demonstrate operational management commitment to OSH integration. Organizations should establish a process that allows employees to notify management and stop work when OSH conditions warrant it.

Visible recognition for the right execution and behaviors at various levels within the organization will continue to drive commitment and help the program to be sustainable. Recognition should be relevant and timely. For the front line, recognition should also include recognizing employees for exercising the stop-the-line concept at a critical moment. Communicating a situation more broadly as a positive example will further demonstrate the importance of OSH integration, which focuses on protecting the people resource necessary to achieve the business mission. For stop-the-line to work, plant management must visibly demonstrate its support emphatically and frequently.

Selling OSH Business Integration to Management

The concept of integrating OSH into the business is often discussed and, in concept, readily accepted by OSH professionals and management. Often, this is where it starts and ends because it is not well defined or expressed in terms of the benefits to the organization. Historically, safety and health has been seen as a support function to operations rather than being an integrated part of overall business processes. If OSH is truly to be integrated into the business, its value, including the impact and dependencies of an organization’s workers and their safety, health and well-being, must be defined. Time spent in understanding what’s in it for the company and its stakeholders is critical to gaining the support of top management.

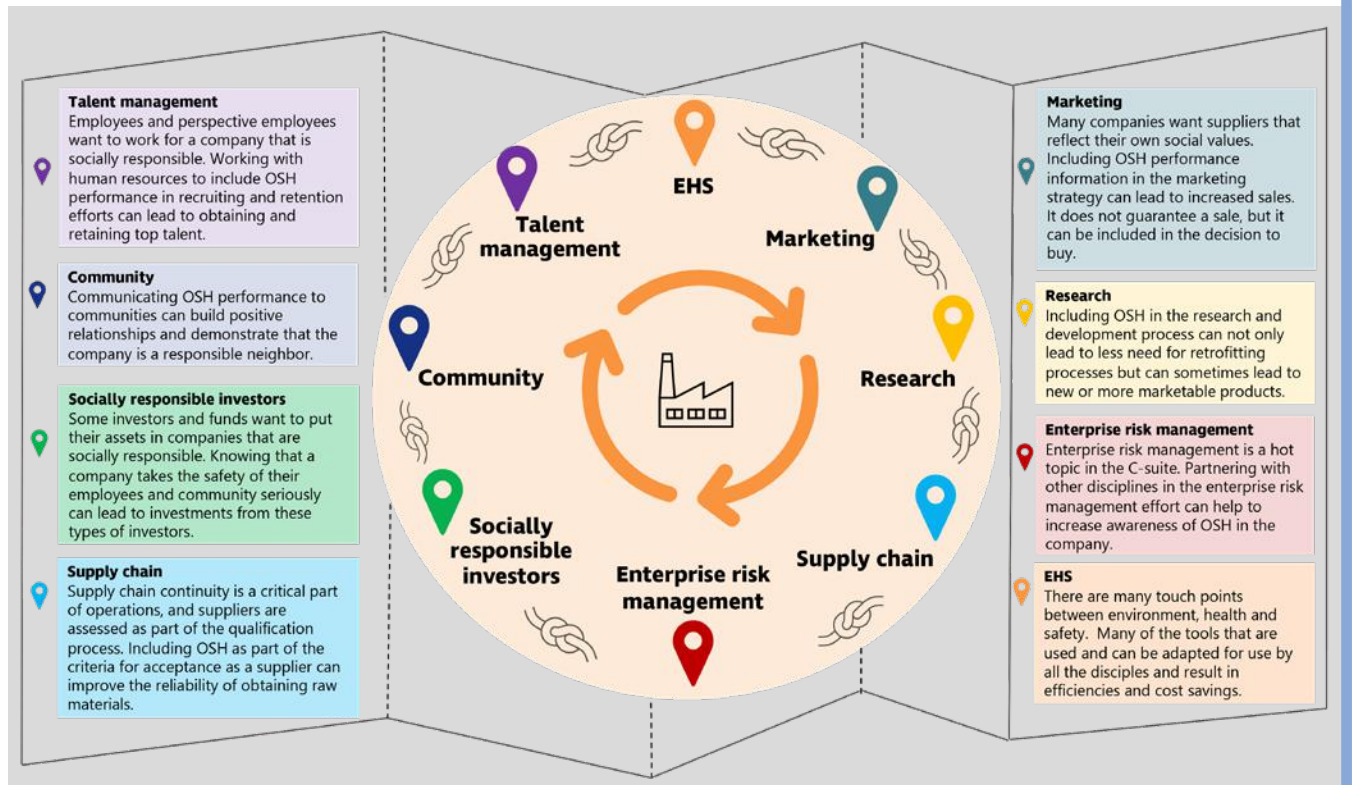
Historically, the major justification for OSH and OHSMS, at least in some organizations, has been the esoteric benefit of protecting lives and the cost savings from reducing incidents. These benefits tend to be cost avoidance related rather than direct financial contribution to overall profit and loss calculations. To garner support from top management, the people implementing the OHSMS will need to identify ways to leverage the value of employees to the company. This is supported by on-site safety and health performance to create a competitive advantage for the organization, building on the success of safety, health and environmental management system performance outcomes. The persons responsible for installing the OHSMS must see beyond the property line and identify ways to support the objectives of the organization and its internal and external stakeholders, such as investors, communities and other

internal functional departments. What are some of the ways to leverage performance to create value for the organization?

Something that could be used as both a tool for planning as well as for communication of value to organization is the relatively new standard, ANSI/ASSP Z16.1-2022, Safety and Health Metrics and Performance Measures. The standard discusses not only lagging and leading indicators, but also impact metrics, defined as “measures that reflect the organizational impact of safety and health-related programs, policies and activities,” and as measures that “can represent financial, productivity, reputational, quality or employee morale impacts, among others” (ANSI/ASSP, 2022, p. 10). The standard discusses the need for a balanced approach between risk management metrics and OHSMS metrics. It essentially discusses an integrated approach to setting organizational metrics and evaluation of these metrics, consistent with the focus of this article. It also provides detailed appendices with supporting information and examples of metric types. Use of the approach described in the ANSI/ASSP Z16.1 standard can help organizations to better understand links between OSH-related processes and the impact and value of those processes upon the business.

Sustainability and corporate social responsibility (CSR) have gained visibility in board rooms and the C-suite of many companies. This visibility provides an opportunity to demonstrate the value of OSH. Since sustainability is in part about conserving resources and, as is often said, employees are an organization’s most valuable resource, their safety and health are critical elements of a successful, sustainable workplace organization. This is an area where OSH creates value and can do much more than just support CSR (Figure 1). Successful OHSMS performance, communicated well, supports the business and human resources department objectives by attracting and retaining top talent. OHSMS performance can also be leveraged to secure customers who want to purchase from like-minded companies and attract socially responsible investors. OHSMS performance excellence is a critical part of enterprise risk management programs because a major safety incident can damage an organization’s reputation with customers, workers, suppliers, investors, communities and governments, on par with quality, environmental or financial incidents. Business continuity, specifically with supply chains, is critical to any organization and integrating OSH into the procurement and supplier qualification process can help to ensure that supplier operations are not disrupted by safety and health incidents and cause disruption to the supply of necessary raw materials and other products or services. Another example is integrating the OHSMS process with research and development processes. This increases the likelihood that potential issues are identified and mitigated in the design phase of developing

FIGURE 1
LEVERAGING OSH SUCCESS TO DRIVE BUSINESS INTEGRATION



products or services, the stage where changes are much easier with less financial impact than after product or service rollout.

Real-World Examples

So, how do you convince business leadership that integrating OSH into organizational processes (including operations) adds value? What follows are some real-world examples of how OSH partnered with other internal functional departments to improve overall business performance by creating value and adding to the organization's bottom line.

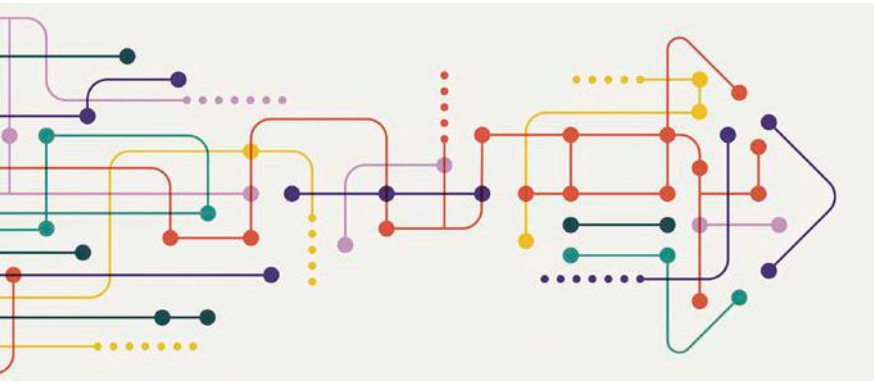
Example 1: Win-Win in the Supply Chain

As part of the requirements for a management system certification, a company was required to address OSH issues in its supply chain. To address the OSH issues, the company developed a long checklist of questions related to OSH as well as the environmental impacts, which was then sent to suppliers. This approach met with minimal success. In discussions with the company's enterprise risk management team and supply chain organization, a common goal was identified to reduce the chance of supply process interruptions that could result in raw material shortages. An OSH issue at a supplier was just one scenario that could result in a disruption within the supply chain and needed to be addressed. Working with supply chain management, the OSH team developed a questionnaire designed to assess the supplier's OHSMS rather than simply requesting

OSH raw data. The team went one step further, working with the procurement department to embed the questionnaire into the company's supplier qualification process. The company's supply chain auditors for the qualification process were then trained to evaluate the supplier's OHSMS and provide feedback to the company's OSH department. If requested, the OSH department provided suppliers with information and assistance on OHSMS to help them improve their OHSMS.

Example 2: OHSMS as a Marketing Advantage

Many customers want to do business with companies that share their values and utilize CSR performance in making purchasing choices. Some companies include their OSH performance as part of their marketing efforts to enhance sales and increase profitability. Embedding OSH into the marketing and sales efforts of a company can provide a competitive advantage. While not usually the sole determining criteria for securing a contract, good safety and health performance can provide the tipping factor to secure the sale. One example is when a company's sales and marketing department received a call from an existing customer (major retailer) with a request to provide a presentation on the company's OSH efforts. This was a requirement for all the retailer's suppliers. After the presentation, the retailer not only approved the supplier to continue its North American contract, but also expanded the contract to cover its worldwide operations. This was



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because the retailer felt the two companies shared the same values around CSR.

Example 3: Using OHSMS to Reduce Enterprise Risks

Some companies have integrated OSH into their enterprise risk management process. In one case, it was determined that an incident related to safety or the environment can have a negative impact on not only employees and the community, but also reputation and profitability. The company leveraged its inclusion in the enterprise risk management process to help create a pandemic plan. Using its knowledge of PPE, sanitizing techniques and exposure control, the company was able to not only protect its employees and the community, but also to work with operations to continue to manufacture needed products during the COVID-19 outbreak. This collaboration provided the dual benefit of safety and profitability.

Example 4: OHSMS & Operational Excellence

A powerful tool in operational excellence is the Kaizen event (sometimes called rapid improvement event). The Kaizen method is used for process improvement and improving productivity by taking small steps that will lead to major results. Kaizen events are most often used as part of an overall lean manufacturing strategy. Lean manufacturing is an important process that helps a facility eliminate waste and operate more efficiently. Companies have used several approaches to integrating OSH into these events including assigning an OSH professional to be the “eyes on safety” as part of every event. Others have established a requirement for each event to include safety and health improvements. Through this integration, productivity is improved while at-risk safety conditions and behaviors are reduced. Often, the safety improvement is related

to ergonomics that results in productivity improvements as well as reducing risks.

Example 5: OHSMS & Company Reputation

CSR has become important to not only employees but also communities, nongovernmental organizations, customers and investors. OSH has become an integral part of the CSR movement. Many companies are producing annual sustainability reports that include their OSH performance. Outstanding CSR performance can lead to awards and recognition from outside groups that attract the attention of senior management and increase their level of support.

Many people want to work for companies that reflect their personal CSR values. In conjunction with human resources, some companies leverage their CSR reputation to attract and retain top talent and include OSH performance as part of their campus recruiting efforts. Companies are also educating employees on their OSH values, providing assurance that their workplace is safe for employees and the community, leading to improved retention.

Conclusion

As you begin the journey to implement an OHSMS, it is critical to gain the support of the business. Understanding what is important to the organization can help to align the desired OSH outcomes with those of the business. Knowing the language of business can facilitate OSH getting a seat at the table when decisions are made and priorities are set. Finding opportunities that support the strategic direction of the organization will allow OSH to become a critical business partner. Identifying areas where there are common business tools will strengthen the relationships between OSH and other disciplines within the business and expand the ownership for OSH throughout the entire organization. **PSJ**

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