

2010 NASA Occupational Health Meeting

Exceptional Functional Leadership

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"Functional Leadership"

WE may or may not be the "boss" but we all are "functional leaders" e.g.

- OH/IH function
- Safety function
- Environmental function
- EHS function
- Etc.

If you always do...

AGREE OR DISAGREE?

1. The HSE professional of today has to have more skills in the management part of the business than the compliance part of the business. AGREE or DISAGREE

2. They must not only communicate more, but in the same terms as the rest of the management team.

AGREE or DISAGREE

3. They have to be more strategic, change from being an individual contributor to being able to talk on a management level. They have to be able to match what they're doing with the company's mission, vision and operating philosophy.

AGREE or DISAGREE

4. The road to HSE improvement lay through more communication, training, planning and involvement with all levels of the enterprise. AGREE or DISAGREE

COURSE OBJECTIVES -WHAT YOU WILL LEAVE WITH

- **The Concept of Functional Leadership**
- **Skills that leverage your technical expertise to improve your results, recognition, and rewards**
- **Effective business communication**
- **A model supporting strategic alignment**
- **A strategic planning process that aligns OH&S with the strategic objectives of the enterprise. (*The OH&S Value Proposition*)**

LEARNING MODEL

- **Attend**
- **Participate**
- **3rd Party Teach**
- **Execute**

3 – 5

21

COURSE MATERIALS

- **Agenda – expansion joint**
- **Section location / notation**
- **Slides you won't have/won't use**
- **Evaluation**
- **Success**

FUNCTIONAL LEADERSHIP

WOULD YOU RATHER

BE A

BUFFALO

OR A

GOOSE

??????



FUNCTIONAL LEADERSHIP - THE KEY TO:

- Leveraging your technical and scientific skills
- Increasing your capability – to work outside of your traditional role
- Increases your chances of doing “**what’s important**”

WHAT'S IMPORTANT?

■ R _ _ S _ _ _ TS

■ R _ _ W _ _ _ DS

■ RE _ _ _ G _ _ _ TION

■ BE _ _ _ _ V _ _ L _ _ _ D

POSITIVE SAFETY cultures



By John Kello

When career paths take wrong turns

Advice for getting back on track

"It's the people skills, stupid."

Work on developing solid people skills as much as you work on the technical skills of your job.

1 Accept that people skills are job skills. Focus intensely on building and

2 Pay particular attention to your communication skills. I think

3 Expect it to take time to get better at building/rebuilding positive working relationships. Building

LEADERSHIP

- **MANAGEMENT**: to direct or control, to accomplish objectives through the efforts of others (Webster's Dictionary)
- **LEADERSHIP**: “the process of taking oneself to places where one would not normally go” (Fulwiler)

The “BEING VALUED” Continuum

Instructions:

- Place a HV next to those characteristics that are HIGHLY VALUED
- Place a V next to those characteristics that are VALUED
- Place a NHV next to those characteristics that are NOT HIGHLY VALUED

Note: Although this is a continuum choose SIX for each performance category

___ Puts forth good effort

___ Takes longer than normal

___ Capable of influencing change

___ Can anticipate needs and outcomes

___ Needs prodding to meet timelines

___ Meets goals some of the time

___ Work frequently needs to be redone

___ Can solve problems

___ Develops systems that prevent problems

___ Thinks and plans strategically

___ Needs occasional coaching

___ Handles routine assignments consistently

___ Capable of influencing peers

___ Capable of executing interventions

___ Requires extensive instructions

___ Capable of working independently most of the time

___ Requires frequent coaching

___ Handles non-routine, highly complex assignments independently

Being Valued Continuum - 1

V – Puts forth good effort

N – Takes longer than usual

H – Capable of influencing change

H – Can anticipate needs and outcomes

N – Needs prodding to meet timelines

N – Meets goals some of the time

N – Work frequently needs to be redone

V – Can solve problems

H – Develops systems that prevent problems

Being Valued Continuum - 2

H – Thinks and plans strategically

V – Needs occasional coaching

V – Handles routine assignments consistently

V – Capable of influencing peers

H – Capable of executing interventions

N – Requires extensive instructions

V – Capable of working independently most of the time

N – Requires frequent coaching

H – Handles non-routine, highly complex assignments

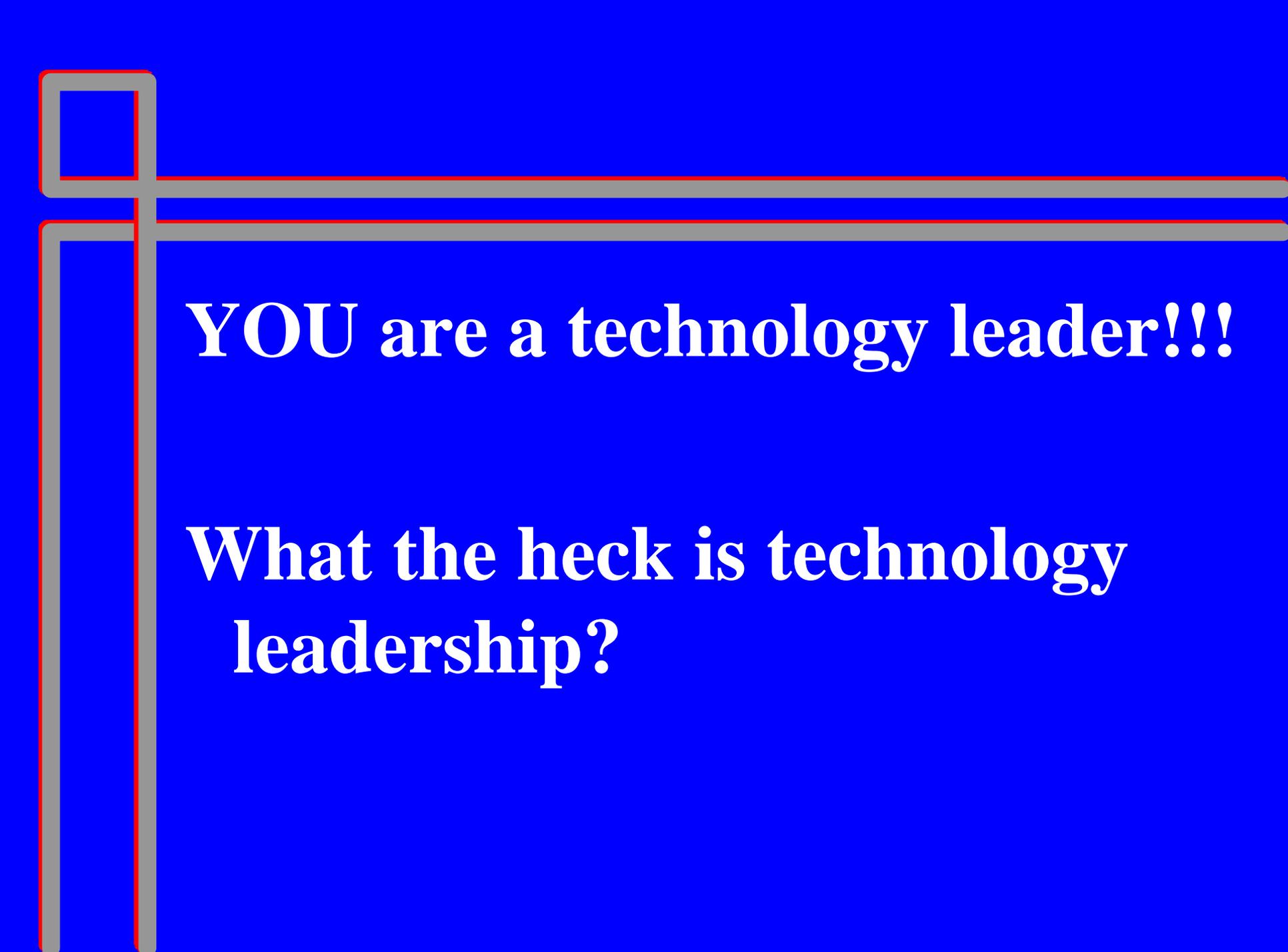
REMEMBER THE GEESE



“LEADERSHIP IS NOT THE DOMAIN
OF THE BOSS”

TECHNOLOGY

- **Scientific method for achieving a practical purpose**



YOU are a technology leader!!!

**What the heck is technology
leadership?**

THE CRITICAL TWO

- **Influencing skills**
- **Intervention skills**



LEADERSHIP AND COMMUNICATION SKILLS

for the EHS Professional

by Dr. Richard D. Fulwiler, CIH, CSHM

Most EHS professionals are not trained in the so-called "soft skills" such as basic leadership, written and oral communication and listening. I can vouch for that. I accumulated three science-oriented degrees (B.S., M.S. and Sc.D.) and was well prepared in the technical aspects of occupational health and safety, but terribly wanting in the soft skills or "sales skills" I needed to leverage my technical expertise. I was well-positioned to work and communicate with my EHS peers, but not well-equipped to work effectively with my customers, such as labor reps, workers, plant managers and general management.

This article is intended to discuss the non-technical skills so essential in optimizing our effectiveness. Our technical skills give us the *right* to succeed, but it is our personal leadership and communication skills that provide the *way* we succeed.

BUFFALO, GEESSE AND LEADERSHIP

The dictionary defines leadership as "taking others to places they would not normally go." I prefer to define leadership on a more personal basis: the taking of ourselves to places we would not normally go. Leadership does not need to mean being the boss. Leadership also can mean how well we leverage our functional responsibility as an EHS professional. For example, you may be the industrial hygienist or the safety engineer on a task force building a new plant. You are not the project leader, but you are clearly the leader in terms of your functional responsibility. No one else is as well-prepared to offer input on industrial hygiene and safety as you.

That brings us to the buffalo and the goose. Buffalo travel in herds and there is one leader. What happens when the lead buffalo is eliminated? The herd is in disarray and falls easy prey to its assailants, as you may remember from the movie "Dances With Wolves." How-

**WOULD YOU
RATHER BE A
BUFFALO OR A
GOOSE?**



The Seven Habits of Highly Effective People®

BY STEPHEN R. COVEY

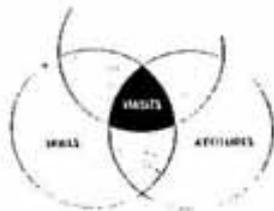
TWO SIDES OF SUCCESS

Aesop's Fable, "The Goose and the Golden Egg," is the story of a poor farmer who visits the nest of his goose one day and finds a glittering golden egg at her side. Though he suspects it to be a trick, he decides to take it home where he learns to his delight that the egg is really pure gold. Every morning thereafter, the farmer gathers one golden egg from the nest of the goose, and soon becomes fabulously wealthy. He grows rich, however, he also grows greedy and impatient with the goose. In an attempt to get all the gold in the goose at once, he kills and opens it, only to find nothing.

The moral of this tale has a modern ring to it. Like the foolish farmer, we often emphasize short-term results (the golden egg) at the expense of long-term prosperity (the goose). Indeed, it seems we are more concerned with doing things right (efficiency) than with doing the right things (effectiveness). In his attempt to be efficient, the farmer became grossly ineffective: he destroyed his capability for long desired results.

In this presentation, I introduce the Seven Habits of Highly Effective People as practiced by people who achieve desired results consistently. As the author of *Principles of Success*, Albert E. Gray states, "Successful people do the things failures don't like to do, and failures do the things successful people don't like to do either, necessarily, but their disliking is a weakness of their purpose."

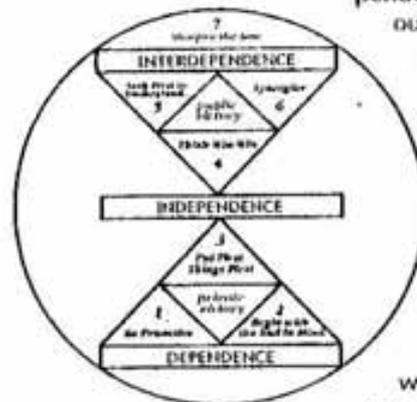
Habits are patterns of behavior composed of three overlapping components: knowledge, attitude, and skill. Since these are learned rather than inherited, our habits constitute our second nature, not our first. We are not our current habits; therefore, we should avoid defining ourselves in terms of our habits, characteristics, and tendencies. Habits of effectiveness



can be learned; habits of ineffectiveness unlearned.

Successful people build habits of effectiveness into their daily lives. Often, they are internally motivated by a strong sense of mission. By subordinating their dislike for certain tasks, they develop the following Seven Habits and discipline their lives in accordance with fundamental principles.

As illustrated, these habits are interdependent and sequential. The first three habits are habits of character; they will help you achieve daily private victory and lead you to independence. The next three habits are the outward expressions of character, and they lead to mutual benefit and public victory. Habit 7 renews "the goose" and sustains the growth process.



HABIT 1: BE PROACTIVE

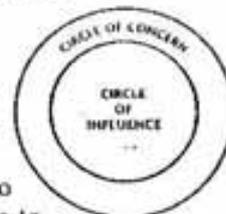
The habit of being proactive, or the habit of personal vision, means taking responsibility for your attitudes and actions. It's helpful to break the word "responsibility" into two parts: response/ability. Proactive people develop the ability to choose their responses, making

them independent of their values and decisions.

Scientists have created precise models of human behavior based on studies of animals and neu-

roscience. Research has been conducted on proactive people who choose their responses to

any given internal or external state. The more we exercise our freedom to choose our response/ability, the more proactive we become. The key is to be a light, not a judge; a model, not a critic; a programmer, not a program; to feed opportunities and starve problems; to keep promises and not make excuses; and to focus upon our "immediate Circle of Influence," not upon the larger "Circle of Concern."



P.P. 12-16

EXCELLENT 5 PAGE SUMMARY OF COVEY'S SEVEN HABITS.

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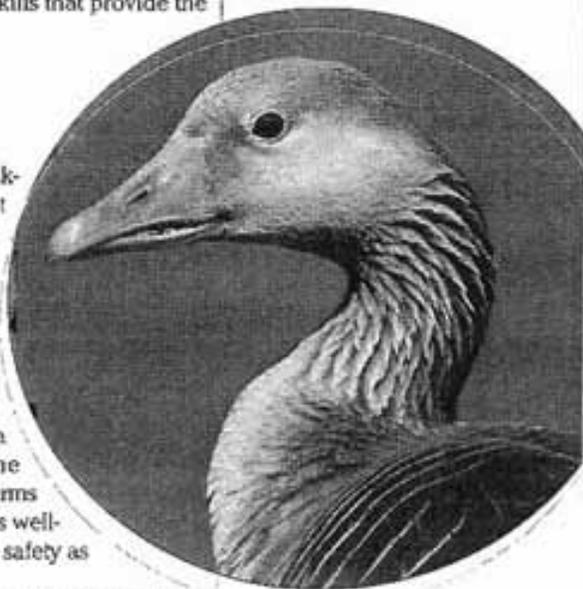
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ever, geese travel in formation and rotate the leadership. That is the point; we all are leaders of our functional responsibility and therefore, need skills not typically developed by our formal training. Incidentally, what would be another term for the formation geese fly in? How about "t-e-a-m?" Geese flying in formation are 71 percent more efficient than when flying solo. No different than us HSE professionals. We need the skills to be solid team players. This article will focus on listening skills and effective business communications — both critical for personal leadership and teamwork.

LISTENING

Listening often is described as the most important sales communication skill. It makes sense: How else would we know what the customer needs, wants and desires if we didn't listen to the customer? You say you are not in sales. Wrong. We all are in sales. As HSE professionals, we are selling injury and illness prevention and environmental quality to our customers.

Given the importance of listening, think about how much formal training you've had in listening: 2 weeks, 1 week, 1 day or maybe none for many of us. Yet listening is critical to our ability to influence change. Next, we must realize that listening is not a passive activity. Listening is actually a dialogue, not a monologue where the speaker speaks and the listener merely listens.

Listening requires the use of our eyes, mouth, brain, body and, oh yes, our ears. We need our eyes so we can see the expression and body language, our mouth to acknowledge and clarify, our brain to assimilate the message, our body to indicate we are open and understanding, and our ears to hear the words and how they are spoken. This simple model should be most helpful in growing our listening skills.

Words, Dance, Music: This simple model in Figure 1 demonstrates the active nature of listening and the importance of non-verbal listening. The table shows the approximate contribution each component of this model provides to effective listening. Words account for a mere one-third, the tone or inflection of



Words	33%
Dance (body language)	33%
Music (tone or reflection)	33%

FIGURE 1

the words (i.e. the music) about another third and the body language (or dance that signals if the listener is open, closed, bored or attentive) the final third. For example, you are talking to someone and he keeps looking out the window or at his watch. What signal is he sending? Most likely, this "dance" signals he really is not interested or he is in a hurry and wants you to cut your comments short. Keep this simple model in mind when listening. What signals are you sending with your words, dance and music?

Negotiation & Conflict Resolution: The first rule in negotiation and conflict resolution is to think win/win — not, I win and you lose. Next is the willingness to seek first to understand the position of the other party. How many times do we enter into a negotiation or conflict resolution where we are firm on wanting to be understood versus seeking to understand? There is a great deal of positive power that comes from demonstrating openness and appreciation of the other person's position. This is not power in terms of dominance but power in terms of the way the other party perceives you and, in turn, his willingness to be open to your position. A good practice is to be able to describe the other person's position as well (or better) than he can. Then he knows you understand his position and he most likely will be more open to understanding your position. This moves you closer to a win/win solution.

Building Relationships: Recogniz-

ing we literally can't accomplish anything by ourselves reinforces just how important building relationships are. This is true in both our personal and professional lives. Good listening skills are critical in building relationships. They send signals that we care and unless the other party is convinced you care, it is unlikely a solid relationship will evolve. A student in one of my leadership classes shared this quote, "People don't care how much you know, until they know how much you care."

Empathy: As a chemistry major, I had a good understanding of enthalpy and entropy but not the foggiest idea of what empathy is. Just another reminder of how poorly prepared us technical nerds are for the real world. Empathy is the action of understanding, being aware of, being sensitive to. A few keys to empathic listening are:

1. Seek first to understand, then to be understood.
2. Our deepest emotional need is to be understood.
3. Empathy is not sympathy.
4. To understand is not necessarily to agree.
5. Empathy is a skill that can be learned and practiced.

Barriers to Effective Listening: My first "training" in listening came in the form of a 78 rpm record in 1968. No videos, CDs or DVDs back in those days. That record contained some barriers to effective listening that are worth remembering:

1. Pre-judging either the speaker or the subject matter to be poor
2. Being critical of the appearance or delivery of the speaker
3. Formulating responses, questions or rebuttals while "listening"
4. Letting emotional buttons be pushed
5. Listening only for the facts (Remember words, dance, music.)
6. Hearing only what you want to hear.

EFFECTIVE BUSINESS COMMUNICATIONS

Effective business communications start with listening and progress to include oral and written communications. Critical elements of effective business communications include:

- ☛ Being concise
- ☛ Setting the "hook"
- ☛ Speaking in the language of the customer
- ☛ Avoiding jargon
- ☛ The modified KISS principle

Being concise: There is a tendency for technical types to over-communicate. They provide more detail and information than a busy senior line manager wants or needs. It is our job to know what the critical few points are and to articulate them well.

Setting the hook: As anyone good at fishing knows, you can't reel the fish in if you haven't set the hook. The hook is a brief statement or sentence that engages the listener or reader, i.e., makes them want to listen or read on. We all have too much to read so we need to "hook" the busy customer with something that is important to them. For example, if it is a general manager and we know she is focused on the bottom line, our hook needs to relate clearly to the bottom line. Instead of saying we reduced workers' compensation costs by X percent, we can express that savings in sales-equivalent dollars.

Speaking in the language of the customer and avoiding jargon: Too many times, we use our jargon and our output measures in speaking to senior line management. We need to avoid our techno-babble and speak in terms that our customer understands and values. That means translating our output measures into output measures valued by our customer. Examples include sales-equivalent dollars, competitive advantage and return on investment. We need to make it clear that EHS adds value and this is one of the best ways to do it.

The modified KISS principle: Traditionally the KISS principle stands for "keep it simple, stupid." The modified KISS principle stands for "keep it simple and short." Too many times, our written materials or talks are simply too long. This goes for our work products also. Long and complex EHS management systems are doomed to fail or die of their own weight. Keep it simple and short.

THE ONE-PAGE MEMO

It may be tempting to think that memos in today's world are passé. However, with the advent of e-mail, memos are more prevalent

Long and complex EHS management systems are doomed to fail or die of their own weight. Keep it simple and short.

than ever since every e-mail is, in essence, a memo. Before addressing electronic communications, let's deal with the classic memo. This is not to be overly prescriptive, but when writing a memo, short is better than long. One way to keep it short is to aim for no more than one page. Specific elements need to be considered:

Purpose – Why is the memo being written? Memos need to do something. Some reasons for writing a memo are:

- ☛ To inform
- ☛ To request
- ☛ To recommend
- ☛ To respond
- ☛ To praise.

The Subject Line – This is critical. It needs to attract the busy reader/customer.

Opening paragraph – Very short. A few sentences with the last sentence containing the hook. This hook has to mean something to the customer. For example, although the issue may be controlling employee exposures to a highly irritating dust, the hook to a general manager might be: "Failure to appropriate the funding for the dust control system could result in an OSHA inspection as a result of employee complaints and likely will delay getting this improved product to the market in a timely manner."

Background – Just a few sentences or bullet points providing essential background information. Remember, no one can eat a whole cow at one sitting. Just provide the "choice cuts" in the background.

Recommendations or conclusions – This is the "what" and "how to," not the "why." Build from the opening paragraph. This can be all text but brief, or three to five bullets in the order of importance.

Basis: This is the "why" the recommendation is being made or the conclusions have been drawn. This needs to link to the hook. Again, three to five bullets should be adequate.

Concluding paragraph – This needs to clearly state the next steps, i.e., what needs to be done, by whom and by when. Be sure to include what you need the reader/customer to do. No more than three to five items again in the order of importance.

Attachments – Include them if necessary, but as few as possible. No one likes to pick up a "heavy" memo. Also, be sure to key the specific attachment page and paragraph in the memo. Don't force a busy reader to look through 12 pages to find something. Tell them, page X, paragraph or item Y.

ELECTRONIC COMMUNICATIONS

Although electronic communications have been around for several years, many of us are still learning to use them effectively. We have all seen examples where it is a tremendous time saver or, unfortunately, a tremendous time waster. Here are some important considerations when communicating electronically.

The subject line: You need to hook the reader here or they may hit "delete." After all, who needs more e-mails?

First sentence: Get to the point quickly and in terms that are important to the customer.

Background: Decide if any is needed. If needed, just a sentence or two or a couple of bullets.

Message: Be clear and to the point without using jargon.

Action: By whom and by when.

Attachments: Be sure they don't require special or unique software to download or open. Don't include too many just because they are easy to attach.

Distribution: It's your job to not over-distribute, forward or CC. This is tempting because, again, it is easy to do. Don't be the source of the dreaded e-mail overload syndrome.

THE 30-MINUTE BRIEFING

Here is the scene. You have a new CEO and have 30 minutes to brief her on your function. First, be prepared to do it in 20 minutes and for sure don't plan on running over. After a few ice-breaking comments, get quickly to the point. And the point needs to be what your function does to make the overall business successful. Engage your audience early as to why your function, for example, provides a competitive advantage or allows the business to use critical highly hazardous chemicals or processes safely.

Read the body language of the audience. Sense if they have questions and make it easy for them to ask questions or offer input. Remember, you are there to meet their informational needs, not yours. Allow time for questions and discussion. In concluding the briefing, be clear on any follow up items and by whom and by when.

LEVERAGING YOUR PROFESSIONAL EHS SKILLS

Obviously, there are other leadership skills that can be addressed, but EHS professionals who can listen, write and speak effectively outside of their peer group (i.e., with general managers and senior line managers) will be much more effective than those who can't. Keep in mind our technical skills provide our right to succeed, but our personal leadership or sales skills provide the way to succeed. **OH**

Dr. Richard Fulwiler is president of Technology Leadership Associates,



Cincinnati, a consulting firm specializing in increasing individual effectiveness and building organizational capability in the health,

safety and environmental arena. After 28 years with Procter & Gamble, he retired as director of Health & Safety-Worldwide with responsibility for occu-

pational medicine, industrial hygiene, safety, workers' compensation and OSHA. He is a certified industrial hygienist and a certified safety and health manager. He also is adjunct professor at the College of Medicine, University of Cincinnati; course director for the Leadership and Management Course at the Harvard

School of Public Health; and course director for the Qualified Safety Sales Professional Course. He speaks frequently at conferences and is a member of Occupational Hazards' Editorial Advisory Board. He can be reached at (513) 941-1377 or e-mail at rdfbmw@fuse.com.

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The Seven Habits of Highly Effective People[®]

BY STEPHEN R. COVEY

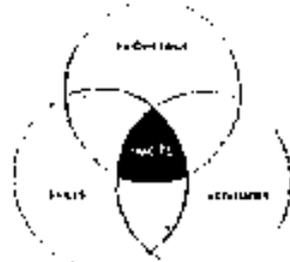
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In this presentation, I introduce the Seven Habits[®] habits used consistently by people who achieve desired results. In *The Common Denominator of Success* Albert E. Gray states, "Successful people have the habit of doing the things failures don't like to do. They don't like doing them either, necessarily, but their disliking is subordinated to the strength of their purpose."

Habits are patterns of behavior composed of three overlapping components: knowledge, attitude, and skill. Since these are learned rather than inherited, our habits constitute our second nature, not our first. We are not our current habits, hence, we should avoid defining ourselves in terms of our habits, characteristics, and reactive tendencies. Habits of effectiveness

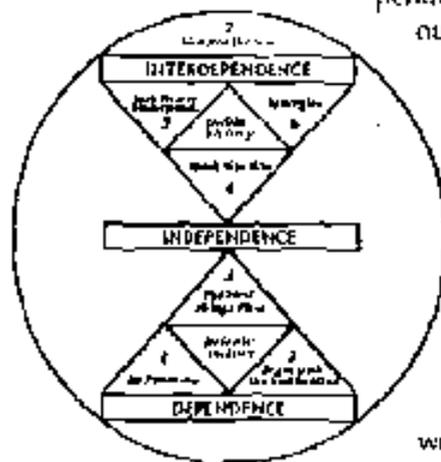


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As illustrated, these habits are interdependent and sequential. The first three habits are habits of character; they will help you achieve daily private victory and lead you to independence. The next three habits are the

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HABIT 1: BE PROACTIVE

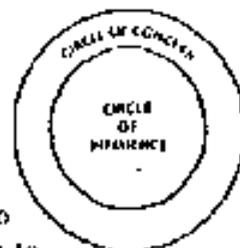
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the ability to choose their responses, making them more a product of their values and decisions

than their moods and conditions.

Many behavioral scientists have created reactive stimulus-response models of human behavior based on studies of animals and neurotic people.

Relatively little research has been conducted with healthy, creative, proactive people who exercise the freedom to choose their responses to any given internal or external state. The more we exercise our freedom to choose our response/ability, the more proactive we become. The key is to be a fighter, not a jockey; a model, not a critic; a programmer, not a program; to feel opportunities and starve problems; to keep promises and not make excuses, and to focus upon our immediate Circle of Influence[®] not upon the larger Circle of Concern[®]



[S][R]
[S]— [R]

Applications

1. Try the 30-day proactivity test: Work within your Circle of Influence. Keep every promise you make. Be part of the solution, not part of the problem.
2. Imagine an experience or an encounter where, based on past performance, you might behave reactively. Decide in advance what your proactive response will be and exercise that choice in the actual situation.
3. Listen to your language. Are you using reactive language—“I only,” “I can’t,” or “I have to”—transferring responsibility for your feelings and actions to somebody or something else? If so, start using more proactive, positive language, expressing your ability to choose your response and to create alternatives.
4. Identify what lies within your Circle of Influence. Concentrate your energy and efforts on these things in your work this week, and monitor the difference it makes in your performance.

HABIT 2: BEGIN WITH THE END IN MIND*

This is the habit of personal leadership, meaning that you begin each day with a clear understanding of your desired direction and destination. Management is more concerned with efficiency, and it speeds along that course.

Effective people realize that things are created mentally before they are created physically. They write a mission statement, a personal constitution, and use it as a frame of reference for making future decisions. They clarify values and set priorities before selecting goals and going about their work.

Ineffective people allow old habits, other people, and environmental conditions to dictate their first creation. They adopt values and goals from their culture and climb the proverbial ladder of success, only to find upon reaching the top rung that the ladder is leaning against the wrong wall.

The second, or physical, creation follows the first, just like building from a blueprint. If the design is good, the construction will go faster and better. Quality, after all, can't be inspected into a product; it must be designed and built into it from the beginning.

Applications

1. Consider the difference between leading and managing. Determine

the direction you want to take and the destination you want to reach in your life.

2. Visualize your eighty-sixth birthday. Relax and imagine friends and loved ones as they individually stand to pay tribute to you. Four individuals will speak: a family member, a close friend, a work associate, and a church or community leader. List the things you would like each to say about you. Make these characteristics, virtues, and skills part of your mission statement.

3. Identify a project you will be facing in the near future, and apply the principle of mental creation. Write down the results you desire and what steps will lead to those results.

TIME MANAGEMENT MATRIX

	URGENT	NOT URGENT
IMPORTANT	<p>1. Plan your day, week, month, and year.</p>	<p>2. Write your mission statement.</p> <p>3. Write your personal constitution.</p>
NOT IMPORTANT	<p>4. Respond to interruptions.</p> <p>5. Respond to crises.</p>	<p>6. Delegate.</p> <p>7. Plan your future.</p>

HABIT 3: PUT FIRST THINGS FIRST*

This is the habit of personal management, which involves organizing and managing time and events around the personal priorities identified in Habit 2.

Studies show that about 80 percent of desired results flow from a few (20 percent) “high leverage” activities. In order to “leverage” our time, we should devote less attention to activities that are urgent but unimportant, and more time to those things that are important but not necessarily urgent.

Urgent things act on us, and we usually react to them. We must be proactive and do the important but not the urgent things. Only by saying no to the unimportant can we say yes to the important (Quadrant II).

If you neglect Quadrant II preparation and opportunities, Quadrant I crises will disrupt your life. And if you plan daily instead of weekly, you will live in Quadrant I, and your “planning” will only prioritize your problems.

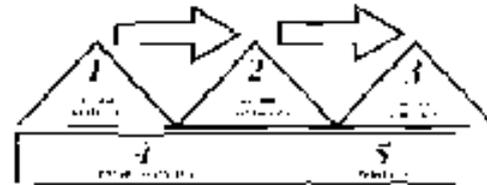
Applications

1. List one activity in your personal life and one in your work that, if performed regularly, would produce highly desirable results.

PC-15

Notice these activities are in Quadrant II. Now, schedule and organize your time next week around your priorities.

2. Draw a time management matrix and estimate how much time you spend in each quadrant. Log your time for three days in 15-minute intervals. How accurate was your estimate? Make needed changes by concentrating on Quadrant I.
3. Start organizing your life on a weekly, long-term basis. Write down your roles and goals, then transfer the goals to a specific action plan.



HABIT 4: THINK WIN WIN¹

Think Win Win is the habit of interpersonal leadership. In families and businesses, effectiveness is largely achieved through the cooperative efforts of two or more people. Marriages and other partnerships are interdependent realities, yet people often approach these relationships with an independent mentality, which is like trying to play golf with a tennis racket—the tool isn't suited to the sport.

Win-win is the attitude of seeking mutual benefit. Win-win thinking begins with a commitment to explore all options until a mutually satisfactory solution is reached, or to make no deal at all. It begins with an Abundance Mentality,² a belief that by synergistically increasing the "pie" there are enough pieces for everybody. People with a Scarcity Mentality³ believe there is only enough for the best. They seek win-lose solutions. And people who are true of a kind, but lack courage, usually end up with the lose-win choices. Effective people model the win-win principle in their relationships and agreements.

The Win-Win Agreement clarifies expectations by making the following five elements explicit: desired results, timelines, resources, accountability, and consequences.

Applications

1. Think Win-Win means seeking mutual benefit. Identify an upcoming situation where you will try to reach an agreement or negotiate a settlement. Explore mutually beneficial options, then opt for Win-Win or No Deal.⁴

- Identify three key relationships in your life and indicate what you feel the balance (trust level) is in each of the Emotional Bank Accounts. Write down some specific ways you could make deposits into each account.
- Identify a model of wss you thinking someone who really seeks mutual benefit even when others are going for win-lose. Determine what you can learn and apply from this person's example.

HABIT 5: SEEK FIRST TO UNDERSTAND, THEN TO BE UNDERSTOOD*

Habit 5 is the habit of communication—one of the master skills in life, the key to building win-win relationships, and the essence of professionalism. Doctors diagnose before they prescribe; top sales people pressess needs and offer solutions to problems, not just products.



We see the world as we are, not as it is. Our perceptions come out of our experiences. To make this point in the workshop, I divide the audience in half and show one half a drawing

of a young girl and the other half a drawing of an old woman. Everyone then sees a composite illustration.

Invariably, those who are conditioned to see the young girl see her in the composite drawing. Those conditioned otherwise see the old woman. As people from both sides interact, they sometimes question the credibility of those who see it differently. Most credibility problems begin with perception differences. To resolve these differences and restore credibility, one must exercise empathy, seeking first to understand the point of view of the other person. Empathic listening is deeply therapeutic because it gives people a "psychological ear." Once people are understood, they lower their defenses.

Hammering emotionally rooted problems by probing is often counterproductive. Evaluating, sympathizing, and advising are also ineffective as means of gaining understanding and influence, but they may have value once the other person feels understood.

Applications

- The next time you observe people talking with each other, cover your ears for a minute and just watch. What emotions are being communicated that may not come across in words alone? In your

next encounter, be sensitive to those unexpressed feelings and exercise the attitude and skills of empathy.

- Select a relationship where you sense the Emotional Bank Account is in the red. Try to understand and write down the situation from the other person's point of view. In your next interaction, listen for understanding, comparing what you are hearing with what you wrote down. How valid were your assumptions? Did you really understand that individual's perspective?
- When you catch yourself probing, evaluating, advising, or interrupting in conversation with another person, acknowledge it, apologize, and begin listening with real empathy to capture and reflect both the content and feeling of what is being expressed.

HABIT 6: SYNERGIZE*

This is the habit of creative cooperation or teamwork. For those who have a win-win Abundance Mentality and exercise empathy, differences in any relationship can produce synergy—where the whole is greater than the sum of its parts.

Synergy results from valuing differences by joining different perspectives together in the spirit of mutual respect. People don't feel

$$\left[1 \right] + \left[1 \right] = \left[3 \right]$$

free to seek the best possible alternative, often the "Third Alternative"—one that is substantially different and better than either of the original proposals.

Synergy is the human resource approach to problem solving as opposed to a "please or appease" human relations approach. Insecure people tend to make over others in their own image and surround themselves with people who think similarly. They forsake uniformity for unity, sameness for diversity.

Applications

- Think about a person who sees things differently than you do. Consider how those differences might lead Third Alternative solutions. Openly seek this person's view on a current project or problem. Show consideration and courageously express your own views.
- Review the sources of intrinsic security in your relationships and think of ways to tap those sources often as a means of achieving greater synergy in your relationships.
- Identify a situation where you desire greater teamwork and synergy.

21-72

... what conditions would need to exist to support synergy? What can you do to create those conditions?

HABIT 7: SHARPEN THE SAW

This is the habit of self-renewal. As the farmer in the fable learned from sad experience, success has two sides: the upside, which represents Production Capability (P.C.), and the downside, the Production (P) of desired results.

It's wise to keep both sides in balance. Yet when people get busy producing or "sawing," they rarely take time to Sharpen the Saw because maintenance seldom pays dramatic, immediate dividends.

Sharpening the saw means having a balanced, systematic program for self-renewal in the four areas of our lives: physical, mental, social/emotional, and spiritual. Without this discipline, the body becomes weak, the mind mechanical, the emotions raw, the spirit insensitive, and the person selfish.

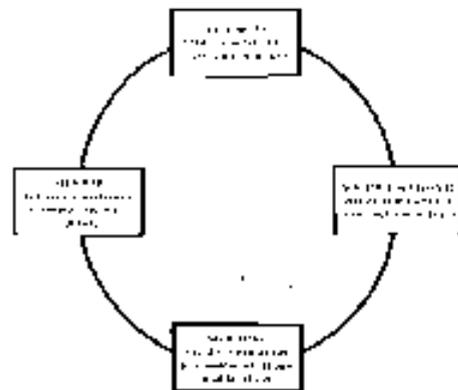
It's the law of the harvest: we reap what we sow.

We will enjoy a successful harvest if we cultivate these Seven Habits of effectiveness and live in accordance with their underlying principles.

Applications

1. Get out of bed at a set time each morning and exercise for 30 minutes.
2. Read uplifting and inspirational literature for a few minutes each day and meditate upon the meaning and application to you and your life.
3. Take an hour or two each week to keep a personal journal and meaningful family records.

FILE-18



OTHER SEVEN HABITS PRODUCTS AND SERVICES

This product is part of a complete line of Seven Habits products developed by Covey Leadership Center® for both individuals and organizations. Other Seven Habits products and services include:

SEVEN HABITS VIDEO TRAINING PROGRAM

A complete leadership development program consisting of 11 video tapes and manuals for facilitators and participants.

SEVEN HABITS PROFILE

An individual assessment tool for evaluating your progress in applying the Seven Habits and measuring your effectiveness in working with other people.

SEVEN HABITS AUDIO LEARNING SYSTEM

A deluxe edition featuring eight audio cassette tapes and a 40-page application workbook.

SEVEN HABITS ORGANIZER®

A new self-management tool featuring the weekly worksheet for organizing and scheduling your tasks around your priorities.

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The New York Times No. 1 Bestseller by Stephen R. Covey

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In his latest book, Dr. Covey reveals a breakthrough paradigm of time that produces extraordinary results and relationships. Organize your time based on true principles instead of on the clock, and achieve more than you can imagine.

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Effective Business Communication

- ▣ Non-electronic
- ▣ Electronic
- ▣ Inter personal connectivity
- ▣ Speak in the language of the customer

EffBusCom1.pi.ppt
1

Non-electronic

- ▣ Face to face
- ▣ Phone
- ▣ Hard copy e.g. USPS
- ▣ Written memos

2

Electronic

- ▣ E mail
- ▣ Texting
- ▣ Blogs
- ▣ Twitter
- ▣ LinkedIn
- ▣ Social networking

3

Effective Business Communication

- ▣ Choosing the correct modality
- ▣ Then content

4

KEY ELEMENTS OF EFFECTIVE BUSINESS COMMUNICATIONS

- 1.
- 2.
- 3.
- 4.
- 5.

5

BUSINESS COMMUNICATIONS

- ▣ C _ _ _ _ _
- ▣ F _ _ _ _
- ▣ J _ _ _ _
- ▣ C _ _ _ _ _
- ▣ S _ _ _ _
- ▣ S _ _ _ _ or I _ - L _ _ _ _ Test

6

Memos & E Mails

- ☐ New York Times rule
- ☐ Focus on the facts
- ☐ Avoid sensational language
- ☐ Close the loop
- ☐ Seek good advice and input

7

SIX RULES FOR CLEAR BUSINESS WRITING

I. THE NEW YORK TIMES RULE

- Everything may become public in the future. Think about it!
- If published on the front page would it be clear to the readers.
- From the document itself, is it clear that I am acting ethically and responsibly?

II. FOCUS ON THE FACTS

- The facts are the facts.
- Opinions and speculation can be misinterpreted and/or distorted.
- If it's opinion/judgment vs. fact say so!

III. CLOSE THE LOOP

- Issues that are raised in writing should be resolved in writing.
- Never leave issues hanging in the document.
- Document in a written record how an issue is resolved.

IV. AVOID SENSATIONAL LANGUAGE

- Certain emotionally charged words have little information value and can have negative connotations.
- When in doubt consider the first rule.

V. WRITE POSITIVELY

- State your purpose and objectives positively.
- Do not use high-impact, low meaning words.

VI. KNOW HOW TO GET ADVICE, FROM WHO, AND HOW TO USE IT

- Other subject matter experts.
- Focus groups for the heavy stuff
- God forbid, even legal counsel.
- Spouses and in-laws for clarity and understanding.

regard1

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E. D. Fulkerson, Sr., EdM
Technology Leadership Associates

BC-8

8

THE ONE PAGE MEMO

- ☐ First Paragraph: The objective with a hook
- ☐ Background
- ☐ Recommendation or Conclusion
- ☐ Basis: Reasons for recommendations or findings for conclusions
- ☐ Indicated Action: By who and timeline
- ☐ Attachments: Remember "thin" is best

9

Electronic Communications - I

1. The subject line - critical
2. First sentence - the hook
3. Background - needed?
4. Message - clear, not hidden
5. Action - by whom and when
6. Attachments - openable/readable

19

Electronic Communications - II

7. Reduce/eliminate strings
8. Forwards, replies, CC's
9. Personalize - how much
10. Tone
11. Format/Font
12. Phone call, visit, real mail

20

Electronic networking

- My space
- Face book
- LinkedIn
- Twitter
- Other

Effective business communications???

21

Interpersonal Connectivity

Electronic

- ☐ Texting
- ☐ E Mail
- ☐ LinkedIn
- ☐ Social networks
- ☐ Blogs
- ☐ Faxes
- ☐ Twitter
- ☐ Percent? _____

Personal

- ☐ 1 on 1
- ☐ Small groups
- ☐ Larger groups
- ☐ Phone
- ☐ Real mail, notes, cards
- ☐ MBWA
- ☐ Percent? _____

22

Effective Business Communication

- ☐ Choosing the correct modality
- ☐ Then content
-
- ☐ Be concise
- ☐ Avoid jargon
- ☐ Speak in the language of the customer
- ☐ Keep it simple and short - "KISS" revised
- ☐ Keep it fact focused- non emotional

EffBusCom1.wie.ppt

23

To: Individual Effectiveness Participants
From:

Date here

Re: One page memo - (Requests, Recommendation, Finding/Conclusion, Both)

Opening paragraph: (Don't need a heading, just start with, "This is to...")

- about 35 -50 words
- last sentence contains the HOOK

EMAIL
- TITLE & FIRST SENTENCE = HOOK

Background:

- less is better than more - only what the reader really needs to know
- brief, factual history emphasizing the relevance of the subject
- lead sentence or two followed by 3 - 5 bullets, in order of importance

Recommendations:

Conclusion:

- this is the WHAT and the HOW to do - not the WHY to do
- build from opening paragraph
- could be all text but brief or few bullets in order of importance
- this is opinion and judgment, not a summary of facts
- writers chance to interpret
- 3 - 5 bullets in order of importance

Basis:

Findings:

- this is the WHY to do
- link to the HOOK
- 3-5 points should sell anything
- facts that support your conclusion above
- again should only take 3 - 5 points
- link to the HOOK

Next Steps:

Indicated Action:

- who needs to do what and by when
- include what you need from the reader
- 1 - 5 items in order of importance

ATTACHMENTS: This is not a heading on the memo.

- tables, figures, drawings, graphs, supporting material
- REMEMBER, shorter, fewer, thinner is better

memol.wi

FORMAT STUFF

- START/END CLOSE TO TOP/BOTTOM
- USE REALISTIC MARGINS AND FONT SIZE.
- ATTACH DISTRIBUTION AND CC LISTS
eg.: TO: SEE DISTRIBUTION LIST
CC: " " "
- BE SPECIFIC AND CLEAR WHEN REFERRING TO ATTACHMENTS.

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Technology Leadership Associates

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12 Steps for E-Mail Addicts

Can't stop working your messages? Experts say it may be as addictive as gambling. Here's how to quit By Chris Taylor

I USED TO THINK I COULD quit checking my e-mail any time I wanted to, but I stopped kidding myself years ago. My e-mail program is up and running 24 hours a day, and once I submit to its siren call, whole hours can go missing. I have a friend who recently found herself stuck on a cruise ship near Panama that didn't offer e-mail, so she chartered a helicopter to take her to the nearest Internet café. There was nothing in her queue but junk mail and other spam, but she thought the trip was worth it.

I know how she felt. You never know when you're going to get that note from Uncle Eric about your inheritance. Or that White House dinner invitation with a time-sensitive R.S.V.P.

My friend and I are not alone. According to a Gartner Group study, 42% of American e-mail users—and there are more than 100 million of us—check e-mail on vacation. Nearly 1 in 4 look for messages every weekend. Dr. David Greenfield, founder of the Center for Internet Studies in West Hartford, Conn., believes that at least 6% of us are what he would classify as compulsive e-mail checkers. "It sounds silly, but people report withdrawal symptoms when they're away from it," he says. "It's very likely the brain gets the same kind of hit from e-mail as it does from gambling."

If e-mail is really as addictive as gambling, there must be a 12-step program somewhere to treat it. Sure enough,

a Web search turns up an e-mail recovery program created back in 1997 by a pair of Florida State University administrators, Perry Crowell and Larry Conrad. It's pretty crude. Crowell admits, and because it was written before the explosion in users, traffic and e-mail viruses, it seems almost naive. "If we were to



update it today, we might very well declare defeat," says Crowell.

Unwilling to give up all hope, we consulted a few experts and pieced together our own 12-step program for breaking the e-mail habit (or at least getting it under control). It goes like this:

STEP 1: ADMIT YOU HATE A PROBLEM. Mark Ellwood, author of *Cut the Clut of E-Mail*, calculates that white-collar workers waste an average of three hours a week just on sorting through junk mail. If you spend any more than that, you had better read on.

STEP 2: RECOGNIZE THE SYMPTOMS. Dry eyes, back

aches, wrist cramping and numb fingers are signs that you are spending too much time at the keyboard.

STEP 3: TAKE RESPONSIBILITY. If you didn't send so much e-mail, maybe you wouldn't get so much.

STEP 4: PRACTICE THE RULE OF THREE. If an e-mail thread has

gone back and forth three times, it is time to pick up the phone.

STEP 5: DON'T COPT THE WORLD. Think twice about the people you put on your cc list. If they all respond, then where will you be?

STEP 6: TURN OFF THE CHIME. Nothing triggers a Pavlovian response faster than a ringing bell, but a flashing icon in the task bar comes close. Turn both off and your urge to check will diminish over time.

STEP 7: SLOW DOWN. Answering messages the moment you get them creates an expectation that you will always respond as quickly. Let it be known that you won't. Train people to call if it's really urgent.

STEP 8: TOUCH EACH MESSAGE ONLY ONCE. If it isn't relevant, hit the delete key. If it is, set it aside, and plan to spend some time at the end of the day to reply.

STEP 9: LET YOUR SOFTWARE DO THE WORK. The more you filter out spam and divert e-mail lists to their own folders, the more manageable your in box becomes.

STEP 10: GET HELP FROM HUMANS—and I don't mean your therapist. Senior managers: let your assistant wade through your in box for you. Ordinary mortals: ask friends to stop by or phone in from time to time to interrupt your e-mail reveries.

STEP 11: DON'T CHECK YOUR E-MAIL AT HOME. This may seem extreme, but forcing yourself to go to a library or Internet café will at least allow the possibility of some face-to-face human interaction in your life.

STEP 12: TAKE TIME OFF. Designate one day a week that is utterly e-mail free. That goes double for cruise-ship vacations. ■

Kicked the habit? You can still e-mail Chris at cdt@well.com

ILLUSTRATION FOR TIME BY STEPHEN KROENINGER

Electronic Communications Do's, Don'ts and Cautions

Do's:

- Subject line is the hook then the first sentence
- Short but not too short
- Background as needed
- Bullets or paragraphs
- Stipulate action, clear expectations by whom and by when
- Select the recipients
- Judicious use of “reply to all”
- Spelling and grammar
- Count to 10 – avoid sarcasm or emotional terms
- Avoid e mail wars or circular messaging
- Recognize when a meeting, phone call, written message is more appropriate

Caution:

- Reply to all
- Cc'ing
- Bcc'ing
- Continuing long strings
- Attachments: openable, printable, file size
- Tone and format
- Font and CASE
- Abbreviations, acronyms, jargon
- Personalize – how much?
- Expecting instant responses
- Vacation/away notices
- Return receipts

Strategic Alignment

- A model supporting OH&S strategic alignment
- A process for developing alignment
- What are the strategic objectives of the enterprise – are they changing?
- What are HSE strategic objectives?
- Do they support the strategic objectives of the enterprise?
- A case study to follow

ALIGNING OH&S WITH YOUR ENTERPRISE

The HSE Value Proposition

- Profit or non profit
- Large or small
- Government, Academic, Health Care, Business, Consultancy
- How does a non profit spell "profit"?
- **B U D G E T \$\$\$**

Drucker, 1970

- **"The attainment of the quality of life increasingly will have to be considered a business opportunity and will have to be converted by management into profitable business."**
 - **Where "quality of life" refers to workers and their quality of life on the job.**

HYPOTHESIS / IMPLICATIONS

- **Hypothesis: Aligning OH&S with the strategic objectives of the business will drive improved OH&S and business results.**
- **What are the implications of OH&S being seen as a business building asset vs. a staff cost liability?**

VALUES & PRINCIPLES (The Human & Business Case)

- **People**
- **Public Trust**
- **Profit**

PEOPLE

(The Human Case)



- Entitled to preservation of life and limb
- Essential for the success of any enterprise
- Safety and security is second in hierarchy of human needs (Maslow)
- Key to productivity and high performance work systems
- Attracting and retaining good people

Drucker Again

"His concepts turned companies away from treating employees as cogs, persuading management to think of workers as assets and partners – which is how the best companies behave today."

PEOPLE

(The Human Case)



- Entitled to preservation of life and limb
- Essential for the success of any enterprise
- Safety and security is second in hierarchy of human needs (Maslow)
- Key to productivity and high performance work systems
- Attracting and retaining good people

PUBLIC TRUST

(The Human & Business Case)



- Companies/brands trade on this
- Workplace outcomes impact this
- HSE can build it
- Requires obeying the law
- Is critical for business expansion
- CSR: Corporate Social Responsibility
- Harvard: Tom Pedersen's case study

PROFITS

(The Business Case)



- **Productivity/business continuity**
- **Presenteeism / Wellness?**
- **Technology enabling**
- **S&H's contributions need to be marketed, advertised and sold**
- **Worker's Comp costs offer a great opportunity**

Sales Equivalent Dollars - SE\$

- **SE\$ = \$ losses/savings X 100%
Profit margin as %**
- **Injury = \$10,000**
- **5% profit margin**
- **SE\$ = \$10,000 X 100%
5%**
- **SE\$ = \$200,000**

Levi Strauss' big split

Lawsuit over injury claims pits worker against worker at jeans maker



Complainants: Four of the five who filed suit are Juana Lucero, far left, Maria Elena Gomez, rear, Leticia Pacheco, and Vicente Delgadillo. Sofia Cardowa is not shown.



Stitching: Romelia Ray is 'cording' a pair of jeans at a Levi Strauss factory in El Paso.

COVER STORY

Dispute strains reputation

By Chris Woodyard
USA TODAY

EL PASO — In meeting her quota at a Levi Strauss jeans factory here, worker Juana Lucero sewed 1,680 sets of stitches a day for 26 years.

Eventually, she needed to have surgery on both arms for repetitive stress injuries, a common affliction in the textile industry.

But what happened to her next was anything but common. Lucero was placed in a trailer with other injured workers, where she alleges she was harassed, ridiculed and humiliated in a bid to get her to quit or to return to work before she

\$10.6 million jury award spreads fear of job losses

their co-workers.

Interviews over the past week with Levi workers, employed at five Levi plants here, have uncovered deep resentment against the lawsuit winners driven by fears that the hefty

was ready. She joined four other workers in a lawsuit, and last week they won a \$10.6 million judgment against Levi.

That was just the beginning. In an unusual workplace backlash, the jury verdict has ignited an angry feud within the Levi workforce, pitting Lucero and the lawsuit winners against many of

USA TODAY 9/19/97

Please see COVER STORY next page ►

Royal Caribbean Cruise Line

Dec. 1996: Indicted in oil dumping conspiracy
– bypassed holding tank

Feb. 1998: Indicted for lying to USCG about oil
dumping

June 1998: Pled guilty to conspiracy,
obstruction of justice

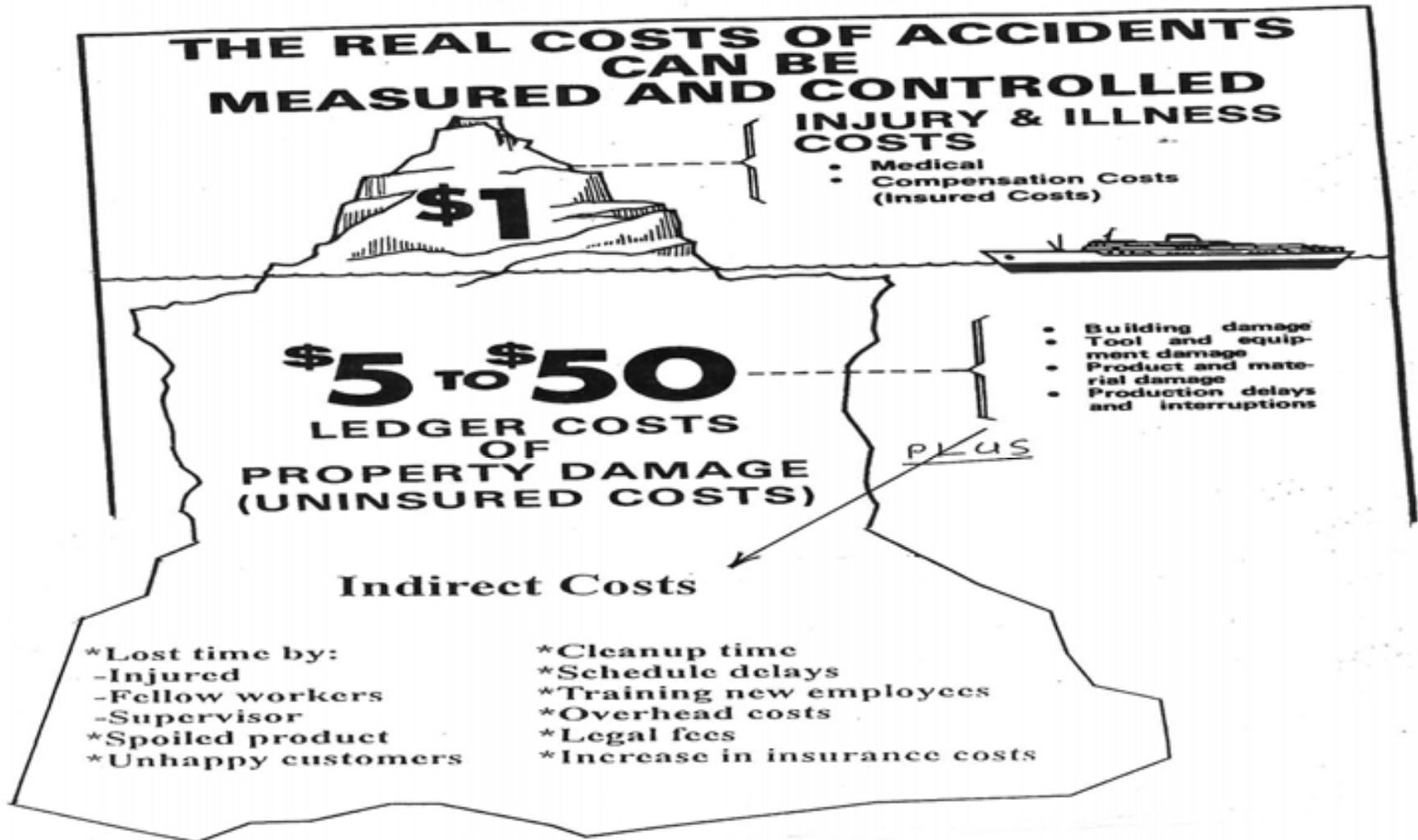
July 1999: Fined \$18 million criminal fine for
dumping oil and making false statements

Royal Caribbean Cruise Line

Lost market leadership position

- Lost market share
- Lost stock value
- Lost reputation
- Lost influence in the industry

Indirect cost multiplier



SALES EQUIVALENT \$ =

SE \$ =

$$\frac{\$ \text{ LOST/SAVED} \times 100\%}{\text{PROFIT MARGIN AS } \%} =$$

SE \$

Table 3. Total Direct and Indirect Costs for Injuries, United States, 1992*

Type of Costs	Costs, \$ in Billions
Total	145.37
Direct	49.17
Medical	25.07
Administrative costs on workers' compensation (31%), private insurance, Medicaid, welfare, Medicare (16%)	5.70
Indemnity administration costs for workers' compensation (31%), Social Security, and private insurance (10%)	8.85
Property damage	8.75
Police and fire services	0.78
Indirect	96.20
Lost earnings	68.16
Fatalities	2.55
Nonfatalities	65.61
Fringe benefits	14.33
Fatalities	0.56
Nonfatalities	13.78
Home production	8.21
Fatalities	0.31
Nonfatalities	7.90
Workplace training, retraining, and disruption	5.20
Fatalities	0.04
Nonfatalities	5.16
Time delays	0.31
Fatalities	0.01
Nonfatalities	0.30

* The primary data sources were from the following: Census of Fatal Occupational Injuries¹; Supplementary Data System² and Annual Survey³; National Traumatic Occupational Fatalities⁴; National Council on Compensation Insurance⁵; and National Health Interview Survey⁶.

DIRECT AND INDIRECT COST ESTIMATES OF INJURIES

In 1992, injuries in the workplace generated a total of direct and indirect costs of \$145.37 billion (Table 3). Direct costs of fatal and nonfatal injuries were \$49.17 billion. While these costs were clearly substantial, they represented only 34% of total costs, with indirect costs contributing 66%. Costs can be further described within the broad direct and indirect categories as shown in Table 3. Of the \$49 billion in direct costs, \$25.1 billion was spent on physicians, hospitals, drugs, nursing homes, and rehabilitation providers; \$5.7 and \$8.9 billion covered medical and indemnity insurance administration expenses; \$8.7 billion covered property damage; and \$0.8 billion paid for police and fire services. The \$96.2 billion of indirect costs can also be disaggregated (Table 3): \$68 billion in wage losses, \$14 billion in fringe benefits, \$8 billion in home production losses, \$5.2 billion for workplace training, and \$0.3 for time delays.

2:1
2x

$$\frac{96.20}{49.17} = 1.955$$

DIRECT AND INDIRECT ESTIMATES OF ILLNESSES

2x

The economic cost of occupational disease in the United States is estimated to be \$25.5 billion (Table 4) at midpoint with a range of \$18.8 billion to \$30.0 billion in 1992 dollars. Deaths alone from the 5 major disease categories generate a midpoint estimate of \$19.7 billion while newly diagnosed, reported illnesses alone generated a midpoint estimate of \$5.8 billion. Of the \$19.7 billion losses because of deaths, direct costs accounted for 54%, mortality costs for 36%, and morbidity costs for 10%. Direct costs included 92% of total losses for reported nonfatal occupational illness. The results are summarized in Table 4.

The distribution by diagnosis of total economic costs for fatal occupational diseases showed the greatest losses were associated with occupational cancer (\$9.4 billion), diseases of the circulatory system (\$5.8 billion), and chronic respiratory disease (\$3.9 billion). These 3 diseases accounted for 97% of the economic costs of fatal occupational illness.

Total estimated costs of deaths caused by pneumoconiosis amounted to \$202 million. Total estimated costs for renal disorders amounted to \$151 million, with a range from \$15 to \$225 million.

Table 4. Number and Costs of Injuries and Illnesses, United States, 1992*

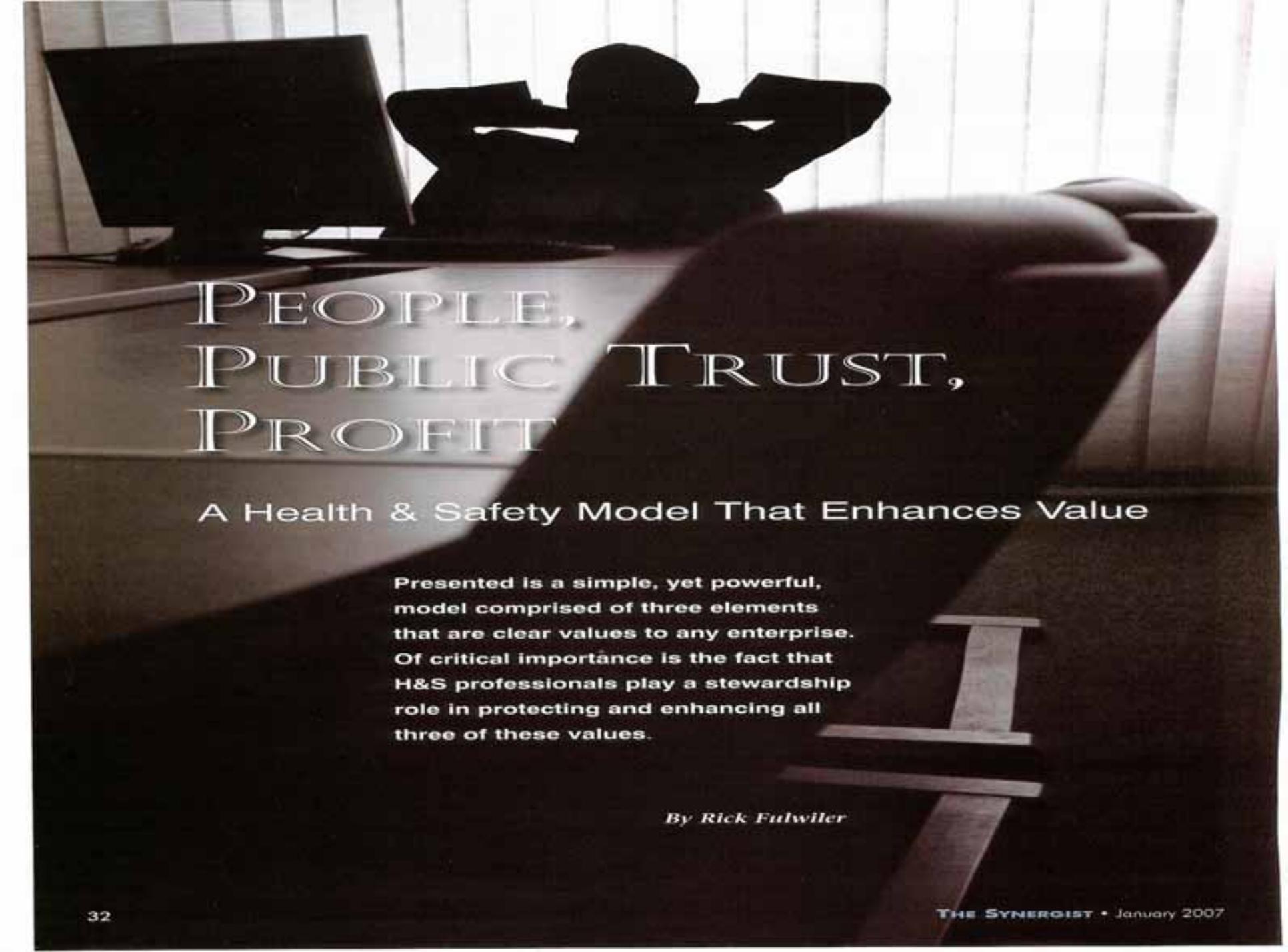
Category	No.	Costs, \$ in Billions		Total†
		Direct	Indirect	
Injuries	13 253 529	49.17	96.20	145.37
Deaths	6529	.23	3.46	3.69
Nonfatal	13 247 000	48.94	92.73	141.67
Illnesses‡	60 293	16.07	9.47	25.54
Deaths	858 165	10.70	9.00	19.70
Morbidity		5.37	0.47	5.84

* The primary data sources were the following: Census of Fatal Occupational Injuries¹; Annual Survey²; Supplementary Data System³; National Traumatic Occupational Fatalities⁴; National Council on Compensation Insurance⁵; National Health Interview Survey⁶; Kochanek and Hudson⁷; National Center for Health Statistics⁸; American Cancer Society⁹; Kannel and Thorp¹⁰; American Heart Association¹¹ and Farrer and Schatzkin¹².

† May not sum because of rounding off.
‡ The number of deaths and illnesses cannot be summed.

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SP-17



PEOPLE, PUBLIC TRUST, PROFIT

A Health & Safety Model That Enhances Value

Presented is a simple, yet powerful, model comprised of three elements that are clear values to any enterprise. Of critical importance is the fact that H&S professionals play a stewardship role in protecting and enhancing all three of these values.

By Rick Fulwiler

SMALL BUSINESS

Enterprise / By Jeff Bailey

Improving Safety for Workers Also Improves Company Health

*Fewer Accidents, Injuries
Lower Insurance Costs
And Enhance Productivity*

At W.S. Darley & Co., a 94-year-old manufacturer of fire trucks and equipment, some important milestones are celebrated, depending on the level of achievement, with doughnuts, a pizza lunch or a catered steak dinner.

Sales targets? Production quality? Actually, the celebrations are for workplace safety. And feeding the 165 employees of the Melrose Park, Ill., firm is well worth it because fewer injuries translate into lower workers' compensation insurance premiums.

The company has seen its work days lost to accidents fall to just four days last year from 51 in 2000 and, thus far in 2002, nine days, an improvement that has helped reduce its premiums sharply. Paul Darley, president and chief operating officer and, at 39 years old, the third generation of family management at the company, credits the firm's full-time safety officer, hired in 1999.

"Quite frankly," Mr. Darley says, "we've more than paid his salary with our reduction in insurance premiums." He cares about his workers' well-being, too, Mr. Darley adds.

But a bottom-line view is probably best for spurring smaller companies to improve safety conditions. And the current market for workers' compensation coverage—with premiums rising, due to higher health care and other costs, even if an employer's safety record stays the same—provides a powerful incentive to do the right thing.



Paul Darley

It's a good thing because smaller companies, as a group, tend to do poorly on workplace safety. Smaller companies account for a disproportionate number of worker deaths, according to the Labor Department. Many small firms are exempt from inspection by the Occupational Health and Safety Administration.

Construction firms, manufacturers and transportation companies, of course, all tend to have big safety challenges. But office settings, with ergonomic problems, produce workers' compensation claims, too. Most insurers will offer some level of free advice to their clients on improving safety. OSHA's Web site, www.osha.gov, offers resources. And paying for a consultant or, like Darley did, a full-time safety manager, could actually save you money. Ask insurers how much you would save on premiums with an improved safety record.

Truth is, a safer workplace is often a more profitable and better-run company. Factory clutter, on top of being dangerous, slows production down. Production lines set up so that workers don't have to bend over and lift heavy parts, in addition to being more ergonomically friendly, thus reducing back injuries, also move more swiftly, increasing productivity.

"The companies that have the better profit-and-loss statements are the ones that take everything more seriously, including safety," says Jim Hatherley, a vice president at Liberty Mutual Group, Boston, which insures about 6,000 employers with 1,000 or fewer workers, including Darley.

A \$50,000 reduction in premiums isn't unusual for a midsize company that improves its safety record, Mr. Hatherley says. And if the firm's profit margin is 5%, that savings is the equivalent of

bringing in another \$1 million in sales.

"How many \$1 million customers do you have?" Mr. Hatherley asks clients. "When they look at safety as a business issue, they win."

pp. 21-22

"Profits" – Not for Profit Institution

Cincinnati – Suspected a significant financial drain, commissioned an initiative

- **Success/Measurement Criteria**
 - **Saving \$ by reducing WC costs**
 - **Avoiding lost wages due to inj/ill**
 - **Tracking the human losses**
- **Results**
 - **\$45,000,000 reduction in WC costs**
 - **\$1,100,000 savings in lost wages**
 - **LWDC rate from 10 to 2, 8 less of every 100 employees injured**

What MBA grads wish for

After one year in the workforce, MBA grads wish they had more education in the following areas:

Source: Graduate Management Admission Council 2001

31%
Develop
strategic plan

31%
Manage
career

28%
Financial analysis/
prepare budget



By Shannon Reilly and Quin Tian, USA TODAY

THE OGSM MODEL

Objective: Statement of WHAT needs to be accomplished

Goal: Quantitative statement of Objective

Strategy: Statement of HOW Objective will be attained

Measure: Milestones measuring progress against Strategies

OGSM MODEL

<u>OBJ</u>	<u>GOAL</u>	<u>STRAT</u>	<u>MEAS</u>
WHAT	Quant.	HOW	Mile-
to	state-	to	stones
achieve	ment	achieve	or
	of the		Bench-
	WHAT		marks
<u>Words</u>	<u>Number</u>	<u>Words</u>	<u>Numbers</u>
		Owners	Owners

Linking HSE with the Enterprises Plan

O **G** **S** **M**
:
Enterprise **Health & Safety**

Develop:

O > G > S > M

Execute:

O < G < S < M

CASCADING OGSM

Org. O G S M

: :

Bus. U. O G S M

: :

HSE O G S M

: :

Site HSE O G S M

SEEK FIRST TO UNDERSTAND

- **What are the O's and G's of the parent organization?**
- **What are the S's and M's by which the O's and G's will be achieved?**

SPEED TO MARKET

Sites that are enzyme hygiene capable:

Yr.	<u>92</u>	<u>93</u>	<u>94</u>
%	62%	84%	97%
sites	20/32	27/32	31/32

ELIMINATING NON-VALUE ADDED COSTS

- Keep case costs flat for 4 yrs.
- Keep WC costs flat for 4 yrs.
- Achieve a TRI R of less than 1.5

Yr.	<u>92</u>	<u>93</u>	<u>94</u>	<u>95</u>	<u>96</u>
WC costs	.56	.54	.54	.44	.44
<u>/\$100</u>					
Million	\$3.3	8.2	15	24	\$32
\$ Accum					

NASA & Strategic Alliances

Leverage the tremendous base of science, technology and assets to create a revenue stream to support further research, development and space exploration.

Achieve this by building alliances with:

- Government
- Academia
- Private enterprise



Building the Business Case for Health and Safety

Health and safety reaps huge benefits when it is seen as providing a competitive advantage. Here's how to make the case.

Safety pays! If this is true, how come so many senior line managers view occupational health and safety as a staff cost necessity as opposed to a business-building asset? The answer is that health and safety professionals have done a lousy job of building the business case for health and safety. At the risk of drawing the ire of my colleagues, I see few solid examples of health and safety as a business-building asset.

Safety pays! If this is true, how come so many health and safety staffs are being reduced, eliminated (outsourced) or, at least, are not growing commensurate with the enterprise they support. The answer is that health and safety professionals have done a lousy job convincing their management that they provide a strategic value to the enterprise.

Safety pays! If this is true, how come it is viewed on the expense side of the ledger as opposed to the revenue side? The answer is that health and safety professionals have done a lousy job of expressing health and safety outputs as business outputs.

Safety pays! Well, if it does, we health and safety professionals had better get with it and build a solid business case for health and safety. I hope this article will stir up some interest and offer some insight into doing just that.

Before proceeding, let me

be perfectly clear that the human case for health and safety takes precedence over the business case. In no way am I suggesting that the bottom line is more important than the health and well-being of workers, who are our No. 1 customers. As you will note in the simple model – "People, Public Trust and Profit ..." – I put forth in the April 1998 issue of *Occupational Hazards*, the model starts with people, then public trust and, only then, profit. People, those inside and outside of the fence line, come first. Public trust, the

reputation of our enterprise, its facilities, brands and products, is next. Without trust, there can be no beneficial relationships with our employees, customers or community. Finally, there is profit, without which there can be no business.

After you have used the short survey below, think of the implications for health and safety if line management rates it on the high side of 15. You'll agree that is a much prettier picture than if they see it on the low side. On the high side, I would expect you would find senior line management involved and actually setting health and safety expectations, communicating them to the organization, visibly supporting them and holding the organization accountable for health and safety results. On the low side, I would expect the

A SHORT SURVEY

Just so the blinders are off, why don't you ask three to five line managers in your organization to complete this short survey – that is, if you have the courage.

How do you (line managers) view occupational health and safety?
(Circle the appropriate number with 1 being "strongly disagree" and 5 being "strongly agree.")

1. As a source of revenue or as an expense?						
Strongly disagree	1	2	3	4	5	Strongly agree
2. As a business-building asset?						
Strongly disagree	1	2	3	4	5	Strongly agree
3. As a competitive advantage?						
Strongly disagree	1	2	3	4	5	Strongly agree
4. As a strategic function?						
Strongly disagree	1	2	3	4	5	Strongly agree
5. As an important enabling element in our core business?						
Strongly disagree	1	2	3	4	5	Strongly agree

A score of 20-25: Congratulations! The business case has been built.

A score of 15-19: There is a good foundation in place. Now, finish the building.

A score of 10-14: Better get started because H&S is not on a stable foundation.

A score of 6-9: Better update your resume.

A score of 5: Send out your resume.

SP 14-16

What to's - How to's

- 1. Get clear on the strategic objectives of the enterprise**
- 2. Get clear on the strategic objectives of your function**
- 3. Identify the linkages between the enterprises strategic objectives and your functions**

What to's - How to's

4. **Develop S&M for those critical few linkages**
5. **Express your S&M in the same format "language" as the enterprises**
6. **Assign owners and timelines to the S & M's.**

What to's - How to's

- 7. Build accountability and track progress**
- 8. Conduct a periodic gap analysis**
- 9. Communicate up and down**

OGSM

Mission/Vision:

<u>OBJECTIVES</u>	<u>GOALS</u>	<u>STRATEGIES</u>	<u>MEASURES</u>
WHAT needs to be achieved	Quantitative expression of Objective	HOW Objectives & Goals will be achieved	Milestones/numeric targets of progress on Strategies
<u>Words</u>	<u>Numbers</u>	<u>Words</u>	<u>Numbers</u>

OGSM

Mission/Vision:

<u>OBJECTIVES</u> WHAT needs to be achieved <u>Words</u>	<u>GOALS</u> Quantitative expression of Objective <u>Numbers</u>	<u>STRATEGIES</u> HOW Objectives & Goals will be achieved <u>Words</u>	<u>MEASURES</u> Milestones/numeric targets of progress on Strategies <u>Numbers</u>
1.	1.	1.1 1.2 1.3	1.1.1 1.1.2 1.1.3 1.1.4 1.2.1 1.2.2 1.2.3 1.3.1 1.3.2 1.3.3 1.3.4
2.	2.	2.1 2.2	2.1.1 2.1.2 2.1.3 2.2.1 2.2.2 2.2.3 2.2.4
etc.	etc.	etc.	etc.

stratp5 wo

6/2/05
5:11:15

MISSION: Health & Safety will deliver global strategic direction; systems and feedback to the process that protects our employees, brands, public trust and maximizes our competitive advantage.

GLOBAL PRODUCT SUPPLY

HEALTH & SAFETY

OBJECTIVE	GOALS	STRATEGY	MEASURES																																																																		
<p>Deliver the top global strategic priorities:</p> <p>*PRODUCT initiatives:</p> <ul style="list-style-type: none"> - Dry Laundry - Diapers - Hair Care 	<p>*Top global Product Initiatives key factors</p> <ul style="list-style-type: none"> - <u>Time from Market Introduction to Expansion</u> - Duration of Start-up curve to achieve going rate (Specifics will be defined by category/region.) <p>ORGANIZATIONAL CAPABILITY</p> <p>PUBLIC TRUST PROFITS</p>	<p>1. Increase the number of sectors/regions* (S/R) that are H1 system capable: dry laundry, catamenials, diapers, psyllium. (AG)</p> <p>2. Meet Core H&S Objective such that there are no delays in market introduction or adverse PR incidents due to H&S systems issues. (AG)</p> <p>3. Each S/R has an effective system for review of new products and technologies (RH/LMY).</p>	<table border="1"> <tr> <td>1.</td> <td>92-93</td> <td>93-94</td> <td>94-95</td> <td>95-96</td> <td>96-97</td> </tr> <tr> <td>Capable - S/R</td> <td>64%</td> <td>91%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> <tr> <td></td> <td>7/11</td> <td>10/11</td> <td>9/9</td> <td>9/9</td> <td>9/9</td> </tr> </table> <p>2. Sites that are Key Ingredient Capable:</p> <table border="1"> <tr> <td></td> <td>92-93</td> <td>93-94</td> <td>94-95*</td> <td>95-96</td> <td>96-97</td> </tr> <tr> <td>2a. Enzymes</td> <td>84%</td> <td>97%</td> <td>90%</td> <td>100%</td> <td>100%</td> </tr> <tr> <td></td> <td>27/32</td> <td>31/32</td> <td>26/29</td> <td>29/29</td> <td>29/29</td> </tr> <tr> <td>2b. AGM</td> <td>84%</td> <td>58%</td> <td>44%</td> <td>94%</td> <td>100%</td> </tr> <tr> <td></td> <td>21/25</td> <td>15/26</td> <td>15/34</td> <td>32/34</td> <td>34/34</td> </tr> <tr> <td>2c. Psyllium</td> <td>0%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> <tr> <td></td> <td>0/2</td> <td>2/2</td> <td>1/1</td> <td>1/1</td> <td>1/1</td> </tr> </table> <p>*Change Key Element goal to 8.</p> <table border="1"> <tr> <td>3.</td> <td>NA</td> <td>NA</td> <td>80%</td> <td>100%</td> <td>100%</td> </tr> </table>	1.	92-93	93-94	94-95	95-96	96-97	Capable - S/R	64%	91%	100%	100%	100%		7/11	10/11	9/9	9/9	9/9		92-93	93-94	94-95*	95-96	96-97	2a. Enzymes	84%	97%	90%	100%	100%		27/32	31/32	26/29	29/29	29/29	2b. AGM	84%	58%	44%	94%	100%		21/25	15/26	15/34	32/34	34/34	2c. Psyllium	0%	100%	100%	100%	100%		0/2	2/2	1/1	1/1	1/1	3.	NA	NA	80%	100%	100%
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<p>Reduce non-value added costs to achieve list of better TIR and improve cash flow.</p>	<p>*Balance of TDC Savings (\$MM) (Cumulative/yr. vs. 90-91)</p> <p>RESULTS</p> <p>PROFITS</p>	<p>5. Maintain WC cost expressed as \$/\$100 payroll at current rate vs. 13.2% national growth rates. (JMP)</p>	<table border="1"> <tr> <td>5.</td> <td colspan="5">Workers' Comp. (U.S. Only)</td> </tr> <tr> <td></td> <td>92-93</td> <td>93-94</td> <td>94-95</td> <td>95-96</td> <td>96-97</td> </tr> <tr> <td>Sites</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Open/Closed</td> <td>0.56</td> <td>0.54</td> <td>0.57</td> <td>0.58</td> <td>0.56</td> </tr> <tr> <td>Open</td> <td>0.46</td> <td>0.42</td> <td>0.43</td> <td>0.42</td> <td>0.43</td> </tr> <tr> <td>Cum. \$, MM</td> <td>3.3</td> <td>8.2</td> <td>14.7</td> <td>22.4</td> <td>31.8</td> </tr> </table>	5.	Workers' Comp. (U.S. Only)						92-93	93-94	94-95	95-96	96-97	Sites						Open/Closed	0.56	0.54	0.57	0.58	0.56	Open	0.46	0.42	0.43	0.42	0.43	Cum. \$, MM	3.3	8.2	14.7	22.4	31.8																														
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<p>Increase organization capability by effective use of our diverse global resources.</p> <p>SECTOR/REGIONS*</p> <p>NAB INTL</p> <p>Corp. Bldg. A/P - Japan F&B Europe HC/BC LA L&CP Paper Pharm.</p>	<p>*Total TDC Staffing Expense (\$/Case) (Cumulative/yr. vs. 90-91)</p> <p>91-92 92-93 93-94 94-95</p> <p>(Specifics will be defined by Sector/Region/Function)</p>	<p>6. Increase number of sites that are achieving a key element rating of 8+ and 1.5 TIR. (JDG)</p> <p>7. Increase the number of sites that are using the Integrated Health System. (WCB/LFB/LMY)</p> <p>8. Improve organizational capability via S/R Assessments. (JDG/AG)</p> <p>9. Revise Standards to align with Worldwide Technical Systems Policy, Standards, & Practices. (WCB)</p>	<table border="1"> <tr> <td></td> <td>92-93</td> <td>93-94</td> <td>94-95</td> <td>95-96</td> <td>96-97</td> </tr> <tr> <td>6. Target (Sites)</td> <td>42%</td> <td>48%</td> <td>70%</td> <td>83%</td> <td>99%</td> </tr> <tr> <td></td> <td>62/149</td> <td>71/149</td> <td>105/149</td> <td>124/149</td> <td>147/149</td> </tr> </table> <p>7. % Sites Using HIS</p> <table border="1"> <tr> <td></td> <td>94-95</td> <td>95-96</td> <td>96-97</td> </tr> <tr> <td>Safety</td> <td>39</td> <td>50</td> <td>100</td> </tr> <tr> <td>Ind. Hygiene</td> <td>9</td> <td>41</td> <td>100</td> </tr> <tr> <td>Medical</td> <td>TBD</td> <td>TBD</td> <td>TBD</td> </tr> </table> <p>8. S/R Assessments</p> <table border="1"> <tr> <td></td> <td>92-93</td> <td>93-94</td> <td>94-95</td> <td>95-96</td> <td>96-97</td> </tr> <tr> <td></td> <td>5/11</td> <td>6/11</td> <td>5/9</td> <td>4/9</td> <td>5/9</td> </tr> </table> <p>9. % Comp. - 30 60 100</p>		92-93	93-94	94-95	95-96	96-97	6. Target (Sites)	42%	48%	70%	83%	99%		62/149	71/149	105/149	124/149	147/149		94-95	95-96	96-97	Safety	39	50	100	Ind. Hygiene	9	41	100	Medical	TBD	TBD	TBD		92-93	93-94	94-95	95-96	96-97		5/11	6/11	5/9	4/9	5/9																				
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NASA Case Study

- Break into ___ groups of ___.
- Select a leader quickly!
- Each person review the Case Scenario below.
- As a group, using the 4 column OGSM format (see next page):
 1. Identify the company's strategic Objective and Goal.
 2. Develop 2 - Strategies H&S can execute to help deliver the corporate Objective/Goal.
 3. For each Strategy identify 2 -3 Measures (action items) that when completed will deliver the Strategy.
 4. Prepare to share your outcomes with the group. It is also OK to share frustrations, ah-ahs!, key learnings and observations.

Case Scenario:

To assure NASA leadership position in space technology under the new direction outlined by President Obama, NASA must augment its revenue stream by building strong commercial alliances. It will need to grow its revenue stream from commercial alliances to 20% of its operating budget in three years. Space Age Inc. has contracted NASA to assemble and test an advanced stage launch vehicle. This project will represent up to 10% of NASA operating budget (50% of its goal) and must be completed in three years.

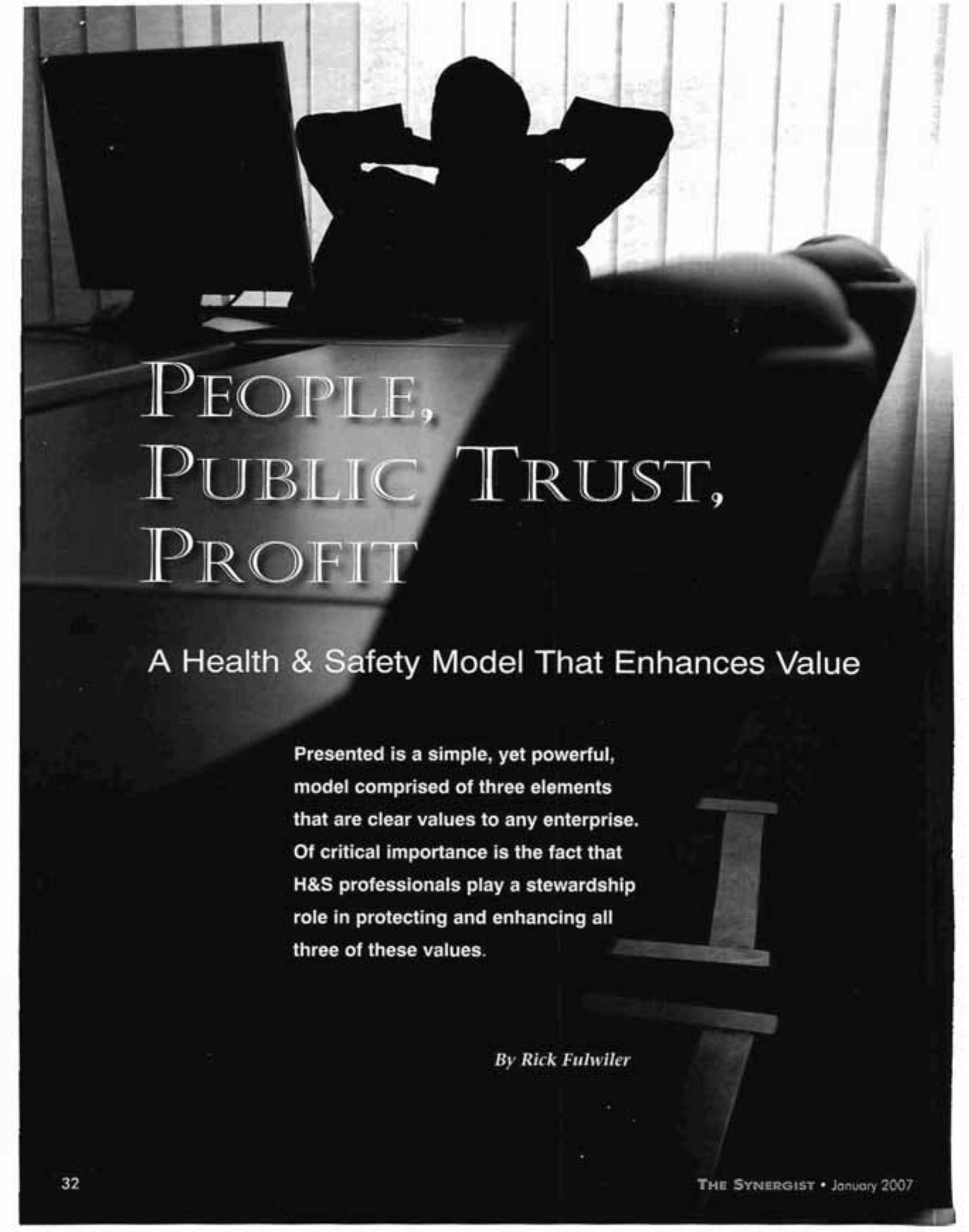
You are the EH resource for NASA at one of the centers that is supporting this important strategic initiative. Given your Center's role in NASA (Stennis/engine testing, Marshall/researching propellants & propulsion systems, Wallops & KSC/launch & launch processing, Ames/Materials Research etc.) you play a critical part in this new venture.

Upon initial review of the proposed operations beryllium will be used in numerous components of this vehicle's engines and some assembly work will be taking place at your Center involving these beryllium engine components. In addition, a chromate based coating will be used on a significant part of this launch vehicle. The vehicle is also designed to use both Hydrazine and Hydrogen Peroxide as the oxidizing agents. Your Center has never handled these fuels before and has not had to develop a beryllium monitoring program or a program that complies with the OSHA chromium standard. In addition to the operational hazards a number of the facility areas proposed for this new project have environmental contamination issues, ranging from

contaminated groundwater and associated vapor intrusion concerns, to lead paint and asbestos concerns. In fact these buildings were, up to 3 months ago, being seriously considered for demolition partially because of their contamination problems. NASA management considers this commercial project it to be critical both to its fiscal sustainability as well as the objective to achieve commercial transport to the space station before 2015.

At this time your organization is being asked to provide all EH support to the project. Your group has been tasked to provide all H&S support for this company and ensure there are no adverse outcomes from dealing with the beryllium, chromates and fuels, no delays from any labor/management issues and no OSHA compliance issues that could cause project delays and/or adverse public relations issues. There are many technological hurdles to overcome with this project related to this new space vehicle and the tight timeline. It should be noted that the current OSHA Administration will be much more aggressive than in the past and will place stringent performance expectations on VPP sites. Since this work will be occurring at a NASA Center which participates in the OSHA VPP program there is an expectation that all work will be done in a fashion that protects worker health and safety, and is compliant with applicable regulations.

Your organization's ability to adequately execute this effort from an EH perspective will influence your Center's ability to get future projects of this nature which are critical to NASA strategic objective. Success of this project will go a long way in convincing other commercial vendors to use NASA expertise and assets instead of developing their own capabilities.



PEOPLE, PUBLIC TRUST, PROFIT

A Health & Safety Model That Enhances Value

Presented is a simple, yet powerful, model comprised of three elements that are clear values to any enterprise. Of critical importance is the fact that H&S professionals play a stewardship role in protecting and enhancing all three of these values.

By Rick Fulwiler

Enter

During the past several years there has been considerable discussion regarding the value H&S brings to an enterprise. Despite this discussion, very few models have been presented or actually applied. Why? Some answers could be this is outside of the scope of H&S pros, they don't have the skills to express H&S outcomes as business value outcomes, they see the models as limited in scope or too complicated, e.g., ROSHI, or they simply don't get the fact that when the business value case is added to the human value case the positive impact is not additive but synergistic, which is a clear win/win for the enterprise, the H&S pros and the folks both inside and outside the fence line.

There is clearly an H&S value continuum operating:

Elements of the Continuum	Those most likely to accept the element and likely quality of their H&S results
Value depleting	<ul style="list-style-type: none"> • Hard-nosed senior line management • H&S results likely to be below average
Value protecting	<ul style="list-style-type: none"> • Most H&S pros and some SLM • H&S results likely to be average
Value enhancing	<ul style="list-style-type: none"> • A few enlightened SLM and H&S pros • H&S results likely to be above average

Merely accepting the value enhancing element is not enough. H&S pros must sell this element by demonstrating its validity by expressing H&S outputs as outputs of critical and strategic importance to the enterprise and to its SLM. One way to clearly make the case that H&S is value enhancing is to apply a simple model, linking specific examples to each portion of the model that further demonstrate the value enhancing influence H&S can have on an enterprise. You will see below how this model also applies to nonprofit enterprises. ~~SENIOR LINE MANAGEMENT~~
SLM =

THE VALUE ENHANCING MODEL: PEOPLE, PUBLIC TRUST AND PROFIT

Anyone who has heard me speak or attended one of my professional development seminars knows that I deal only in simple, straightforward models, and such is the case with the H&S Value Enhancing Model. This model is comprised of only three components—people, public trust and profit. The model not only is value enhancing but it represents three elements that in and of themselves are the key values for any

successful enterprise. The model is simple, powerful and logical. Note that people come first. Protecting people is our first and foremost professional and ethical responsibility. Next comes public trust, which embraces the concept of integrity as well as brand and institutional reputation; who wants their enterprise or its products to have a bad reputation? Finally, there is profit—without it a company cannot survive. How about for nonprofit organizations? Don't discount this model. How does a nonprofit spell profit? They spell it B-U-D-G-E-T. Both profit and budget are measured in dollars, and without dollars no enterprise can survive.

When I first developed this model I thought it applied only to my enterprise (Procter & Gamble). When I retired and started to consult with other enterprises it became apparent that the model applies to any enterprise that wants to be better than average and applies best to those enterprises that want to achieve excellence. Once broken down into its three components, it can be seen just how an H&S pro can use it to demonstrate the value enhancing contributions H&S can make to any enterprise.



PEOPLE

This clearly embodies the human case for H&S. Protecting people both inside and outside the fence line is our primary professional and ethical responsibility. People are entitled to the preservation of life and limb. People, of course, are essential for the success of any enterprise. It was the renowned and revered expert on management, Peter Drucker, whose "concepts turned companies away from treating employees as cogs, persuading management to think of workers as assets and partners." This was the genesis of high performance works systems, self-directed work

(Continued on p. 34)



(Continued from p. 33)

systems and empowered work systems, which is how most successful enterprises operate today. Logic supports the fact that you can't get trust and commitment from employees if they feel their safety and well-being are being threatened by their work environment. As a real-world example, H&S played a key role in P&G's transition into a high performance work system, which is clearly an enhanced business value.



PUBLIC TRUST

This embodies both the human and business case for H&S. Public trust is an umbrella term embracing integrity, high ethical standards and the reputation of the enterprise and its products. Workplace outcomes impact directly on this. There is not a single enterprise that wants it or its products to have a poor reputation. Consider a consumer products company where employees get sick while manufacturing a well-known product due to the addition of an improperly controlled new ingredient. Even though there is no safety issue related to the end use of the product, adverse publicity will impact the consumer's loyalty to that brand. What about an enterprise that wants to expand its operation in a community but has a history of serious injuries or illnesses, process upsets and contaminant releases to the environment? There have been numerous occasions where community pressure has prevented the enterprise with adverse H&S experiences from expanding, forcing an expensive and undesirable relocation of the enterprise. Public trust also requires obeying the law. What enterprise wants to open the *Wall Street Journal* or *USA Today* and see an article about itself on a large OSHA or EPA citation and the ensuing multimillion dollar fine?



PROFIT

This embodies the business case. Remember also that if you work for a nonprofit enterprise you spell profit B-U-D-G-E-T. They both are measured the same way, as dollars. Profit is truly the bottom line because without profit (or a budget) any enterprise ceases to exist. And what a critical role H&S plays, albeit, a poorly developed story to date. Because this is the crux of the value enhancing element, let's break it down into smaller pieces.

- Productivity
- Business continuity
- Technology enabling
- Reducing nonvalue added cost
- Communicating H&S's value enhancing role

Productivity. This piece indexes back to the people element and Drucker's reference to how important people are to optimizing performance and productivity. Simply said, productivity cannot be optimized when workers are fearful for their well-being.

Business continuity. Realizing that the human tragedy and cost is orders of magnitude greater in the event of a catastrophic injury or illness, there is still a major impact on productivity when a department deals with these major adverse outcomes. First, there is the element of distrust between labor and management, then the down time to investigate the cause, then management's time spent on managing and minimizing the downtime—all major hits on productivity. Usually, a serious outbreak of occupational disease or a catastrophic injury brings an OSHA inspection. Even though the enterprise gets back to its normal productivity, the time and



Enter

energy management must spend on the regulatory issues takes their eyes off the strategic work necessary to increase production, quality or cost reduction.

Technology enabling. This is a favorite of mine, even though when I mention it to a group of H&S pros I often get the "deer in the headlights" look. Unfortunately, we don't think of ourselves as technology enablers, but that is just what we are. Without H&S, could any enterprise handle hazardous processes or materials—of course not! So, if your enterprise handles a hazardous process or materials safely due to your input, you are a technology enabler! Does SLM see us as such? I doubt very many do.

Early in my career I had the good fortune to recognize just how critical industrial hygiene was to the business success at P&G. Without industrial hygiene controls it would not have been able to continue to put enzymes in its detergents in England when competitors were forced to remove them due to occupational health issues. Because P&G could handle enzymes safely and our competition could not, we went from being number 2 in detergent sales to being number 1. Industrial hygiene enabled the enterprise to use enzyme technology safely to gain market leadership. We are technology enablers, but we don't do a good job of communicating this to SLM.

Reducing nonvalue added cost. Every injury or illness has a cost, and those costs are nonvalue added. Likewise, every injury or illness that is prevented reduces the nonvalue added costs. Correspondingly, for every injury or illness that occurs greater, nonvalue added costs are incurred. The most effective way to make this case to SLM is to express the costs or savings as sales equivalent dollars; yet, we as H&S pros rarely do that. It is a simple and straightforward calculation to go from the cost of an injury or illness to SE\$. For example, the average workers' compensation case costs about \$9,000 (Workers Compensation Research Institute). The average profit margin for a U.S. business is 7.1 percent (*Business Week*). Each \$9,000 workers' compensation case requires an enterprise to sell an additional \$126,760 worth of product. No smoke and mirrors here; the calculation is quite simple. See below:

$$SE\$ = \frac{\$ \text{ saved or lost due to injuries or illnesses} \times 100 \text{ percent}}{\text{profit margin as a percent}}$$

$$SE\$ = \frac{\$9,000 \times 100 \text{ percent}}{7.1 \text{ percent}}$$

$$SE\$ = \$126,760$$

⊕ SE \$ = SALES EQUIVALENT DOLLARS

We need to represent injury and illness costs, or savings, as SE\$.

COMMUNICATING H&S's VALUE ENHANCEMENT TO SLM

H&S pros, and even some SLM, say and believe that a healthy and safe enterprise is better run and more likely to be successful. However, that is not a view held nearly widely enough by SLM. H&S pros have to be effective in communicating the value enhancing contributions of H&S. The single best way to do this is not by hanging posters stating "SAFETY PAYS," which is just another empty slogan. No, the best way is to state H&S outcomes as outcomes critical to the success of the enterprise such as reduced costs, increased productivity, technology enablement or reduced nonvalue added costs expressed as SE\$.

CONCLUSION

This simple yet powerful model reflects those values held in highest regard by most, if not all, enterprises. We H&S pros are stewards of all three. Because of this logical and powerful alignment, H&S is not value depleting or value protecting but is, indeed, value enhancing. However, it falls to us H&S pros to apply this model in our enterprise, using our own examples to make the case to SLM that H&S is value enhancing. ☺

Fulwiler, a CIH and CSHM, is president of Technology Leadership Associates, Cincinnati. After 28 years with P&G, he retired as director of health & safety-worldwide with responsibility for occupational medicine, industrial hygiene, safety, workers' compensation and OSHA. Fulwiler is also an adjunct professor at the College of Medicine, University of Cincinnati; course director for the Leadership and Management course at the Harvard School of Public Health; and course director for the Qualified Safety Sales Professional course. He can be reached at (513) 941-1377 or rdlfbmw@fuse.com.

The Synergist Test Series is online at www.aiha.org/DLProgram.htm.



NASA Case Study

- Break into ___ groups of ___.
- Select a leader quickly!
- Each person review the Case Scenario below.
- As a group, using the 4 column OGSM format (see next page):
 1. Identify the company's strategic Objective and Goal.
 2. Develop 2 - Strategies H&S can execute to help deliver the corporate Objective/Goal.
 3. For each Strategy identify 2 -3 Measures (action items) that when completed will deliver the Strategy.
 4. Prepare to share your outcomes with the group. It is also OK to share frustrations, ah-ahs!, key learnings and observations.

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Upon initial review of the proposed operations, beryllium will be used in numerous components of this vehicle's engines and some assembly work will be taking place at your Center involving these beryllium engine components. In addition, a chromate based coating will be used on a significant part of this launch vehicle. The vehicle is also designed to use both hydrazine and hydrogen peroxide as the oxidizing agents. Your Center has never handled these fuels before and has not had to develop a beryllium monitoring program or a program that complies with the OSHA chromium standard. In addition to the operational hazards a number of the facility areas proposed for this new project have environmental contamination issues, ranging from

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STRATEGIC PLANNING CASE STUDY NASA 2010 and Beyond

COMPANY

HEALTH & SAFETY

OBJECTIVES

GOALS

STRATEGIES (owners)

MEASURES (owners)

Maintain the leadership position in Space Technology by increasing our commercial alliances

Need to Grow your Center's revenue stream to 20% of its operating budget while ensuring the Health and Safety program remains in OSHA VPP Star Status

1. Actively participate in the efforts to determine what remediation actions (if any) need to be taken to get the building into a condition to move forward with Space Age Inc occupying the building. Facilitate Completion of these remediation actions.

1. Compile data and ensure complete characterization of EH hazards present.
2. Establish a variety of options for remediating or stabilizing the EH hazards prior to occupancy and include associated advantages and disadvantages for each option.
3. Support development of RFP for remediating the hazards after remediation option is chosen.
4. Provide monitoring of operations to ensure regulations are not violated during the remediation phase

2. Partner with DOE to develop and implement a comprehensive Beryllium monitoring program to include medical surveillance.

1. Review DOE Beryllium standard and coordinate an informal partnership with DOE that provides mentoring for establishing a Beryllium program.
2. Work with the clinic to ensure medical expertise and surveillance capability is in place.
3. Train IH staff in preparation for the implementation of a beryllium program
4. Acquire and review the operational plans of Space Age Inc. to best prepare for when operations involving beryllium are started.
5. Develop employee training course for working with beryllium.

3. Develop and implement an OSHA compliant chromium surveillance program.

1. Benchmark with other NASA Centers who have used similar chromium based coatings and implemented similar programs.
2. Address potential needs related to your respirator program. Modify your respirator program accordingly.
3. Acquire and review the operational plans of Space Age Inc. to best prepare for when operations involving chromium base coatings are started.
4. Develop employee training course for working with Chromium.

4. Develop capability at your Center to store and handle hypergolic fuels

1. Work with facility and fuels engineers at your Center to develop a system to safely store and handle hypergolic fuels
2. Work with KSC Life Support to develop a SCAPE suit capability at your Center
3. Research and procure the necessary direct reading sampling instrumentation for the monitoring of hypergolic propellants.
4. Work with your Center firefighting personnel to understand the unique hazards of hypergolic propellants.