



NAC Safety Position Paper No.26, February 15, 2013
S A F E T Y

How might the Chief Executive Avoid At-Risk Behavior in Corporate Safety?

Is it fair to name the failure of a Chief Executive Officer (CEO) to lead safety in their organization as “at-risk behavior?” If fair, under what circumstance might we be justified in doing so?

Consider the definition of “at-risk behavior.” In this case “at-risk behavior” is defined as the absence of “active involvement” by the CEO in setting and maintaining oversight of employee safety policy and process. Another question may be raised here and that is; “If a company’s worker hazard exposure is so low as to be viewed as insignificant does that fact nonetheless still require a CEO to function in a corporate safety oversight role?” To the latter question, the answer would be “Yes” because the CEO is customarily recognized, in some states by statute, as the position that is responsible and accountable for all corporate happenings, whether it be a “record year” for company profit or the “loss of profit” caused by the injury to an employee while at work. If we introduce “executive morals” then it remains clear that the CEO is not only responsible and accountable in a fiduciary sense for monetary loss flowing from an injury but also in a moral sense for the suffering of an on-the-job injured employee.

On the subject of executive morals, many companies state they hold “honesty and integrity” as corporate values with some going so far as to include “safety” as a corporate value. Who in the governance of a corporation is the ultimate accountable party for performance that models “honesty and integrity?” If in the above proposition the answer is the “Top Executive” then the same affirmative answer must logically apply to the moral aspects of the occurrence of an employee injury.

With the above logic so stated, then the answer to the **title question** is; “By being actively involved in oversight of corporate safety policy and adoption of safe work processes.”

Within the USA construction industry during the last 22 years, employee injury rates have dropped dramatically. For instance, the OSHA recordable injuries decreased from 14.3 per 100 workers per year in 1989 to 3.9 in 2011, a 73% reduction in frequency. This is a laudable improvement of safety performance over the 22-year period. Astonishingly and even more amazing has been the improvement logged by members of the Construction Industry Institute, (CII) Austin, TX. These companies are now performing at a mere 0.43 frequency rate (a 97% reduction over the 1989 BLS national average of OSHA recordable injuries per 100 workers per year). Some of these CII firms have achieved in excess of one million hours without an OSHA recordable injury. If we term the 2011 industry average of 3.9 as a laudable achievement then what adjective can we use for the 0.43 OSHA recordable frequency by CII members in 2011?

Rather than attempting to answer this question with a more appropriate adjective, a better question is “How did they do that?”

This answer to “how” is found in the safety research of CII. The multiple Safety Research Task Forces of CII over the last 25 years found that if the Top Leaders of construction contractor companies used a simple battery of nine measurable safety interventions then they too will find their projects largely injury free. Interestingly the first of these interventions is “Demonstrated Management Safety Commitment.” See list below. A similar set of

guidelines was found by which owner companies could have a significant and positive influence on safety performance.

This “injury free” safety performance phenomenon has been labeled “The Zero Injury Safety Leadership Concept” by many users of the multiple instructional products published by the CII safety research task forces.

Common questions of those whose interest is peaked by the above data is “How much does it cost to effectively adopt the CII research-based findings? Will such a move be cost effective?”

The cost answer is yes, investment must be made but the good news in ROI terms is even more amazing than the safety performance improvement itself. In ROI terms the answer is often reported as being 500%. Testimony from all those Top Corporate Leaders who share in this safety record is as follows: “Our projects which finish without injury are always our most profitable!” Reviewing the list of CII companies with world class safety performances reveals that these are also among the most respected leaders in the competitive construction market. Safety is good business. Safety pays off!

The purpose of the National Academy of Construction Position White Papers on Safety is to inform all corporate leaders of the humane and profitable benefit of the advance in safety performance in the construction industry. In the last decade companies in all sectors of private enterprise have found safety success using the employee safety findings of the Construction Industry Institute zero injury research.

Emmitt J. Nelson, ME, PE, NAC, ZIC
Chair NAC, Safety Committee

NAC Safety White Papers

Through its Position White Papers on Safety, the National Academy of Construction is recommending that American businesses investigate the research of the Construction Industry Institute (CII) in how increasing numbers of employers are able to achieve a million work hours and more without an OSHA recordable injury. The nine research-based CII Zero Injury safety leadership categories for contractors are: 1. Demonstrated management safety commitment; 2. Staffing for safety; 3. Safe work planning, pre-project and pre-task; 4. Safety education; orientation and specialized training; 5. Employee involvement, behavior safety and safety perception surveys; 6. Evaluation and recognition of safety performance; 7. Contractor selection and management; 8. Accident/incident investigation including near misses; 9. Drug and alcohol testing. For owner companies, safety performance is significantly improved through the careful selection of construction firms with strong CII research-based safety programs, the inclusion of appropriate safety requirements in the contract agreements, and the direct safety involvement of the owner in project execution.

The ROI of Zero Injury Safety Performance

The Construction Industry Institute research has proved that the cost of successfully implementing the nine CII zero injury categories is returned at a rate of 400 to 500% per annum when compared to the costs of OSHA/BLS injury rate average performance (3.9 TRIR in 2011) for the entire construction industry in the United States of America.

Information and details on the increasingly popular “Zero Injury Safety Leadership Concept” is available from the following: Construction Industry Institute, 3925 W. Braker Lane (R4500), Austin, TX 78759-5316, Ph (512) 232-3004, www.construction-institute.org. See the NAC website at www.naocon.org for copies of the NAC Safety Whitepaper series.

The National Academy of Construction (NAC) is an organization of leaders from industry, construction, the military and academia formed as a knowledge base of American competence in the construction of capital facilities. NAC position papers are created from the experience base of NAC membership and are offered to American business and government leaders as answers to challenges facing American enterprise. NAC position papers are issued after review and consent by a majority of the current members.