

## **RISKS AND BENEFITS OF A SAFETY MANAGEMENT SYSTEM**

Perhaps you already have an ISO 9000 Quality Management System, or an ISO 14000 Environmental Management System, or perhaps you have heard stories (both good and bad) about the process. Whatever you have heard or experienced, a Safety Management System enables you to better comply with regulations and other requirements, will help your business minimize injuries and occupational illnesses (or both), and it will help keep your business costs down.

We can not deny there are some expenses (and some risks) in implementing a Safety Management System. Most of these costs and risks, however, are more than off-set by the good that comes from a Safety Management System.

- There are costs for implementation of a good safety management system. Not only in training, but in the administrative side, to determine which regulations and other requirements apply to your business, and how to best implement the requirements called for in these regulations and guidelines.
- You may detect or find some existing non-compliances (some may require reporting to OSHA). It is better that you find and fix any regulatory non-compliances (and implement a plan that prevents them from recurring) than to have a regulatory auditor or OSHA compliance officer find them for you. If compliance officers find them, they may very well cite you for them, and impose fines on your business. However, most businesses that are implementing a voluntary OSHA compliance management system are frequently not cited or fined, provided they fix the problems they find, and take measures for future prevention. Remember that there may be costs associated with fixing any non-compliance, but those costs would have to be incurred anyway (even over and above any regulatory fines or penalties).
- Employees are more productive in a safe environment, and it is better to have employees working with you to manage their own safety, in that way they feel more responsible for the safety of not only themselves, but their co-workers as well. Involved employees are more conscientious, more productive, and have less absenteeism.
- Employee unions, if applicable to your business, frequently cite safety and health programs, or lack thereof, in their contract negotiations. A strong Safety Management System can assist in alleviating contract disputes.
- The costs of safety and health programs are perceived as low added value in many business areas. This couldn't be farther from the truth. Safe workplaces are more efficient, more productive, and the substantial costs of injuries and occupational illnesses should be significantly reduced by implementing a Safety Management System.

Most of these negatives have positives to off-set them, and more. Better you find and fix any non-compliance than the OSHA compliance officers (who may fine you for not complying). Your time and training costs will be more than off-set by the improved performance you receive from your employees, who will feel more involved in your business efforts.

Here are some of the benefits of a Safety Management System

- Reduced administrative costs
- The potential for reduced insurance and liability costs
- Positive employee impacts and protection of worker health
- Enhanced image within your company for employees, the community, clients and customers, and stakeholders
- Improve regulatory compliance
- Improved employee performance
- Reduced costs from injuries and illnesses
- Improved relations with OSHA and other associated agencies
- Better employee relations within the company. Everyone is on the same page with regard to safety.
- Other businesses similar to yours may learn how they can do better, too
- Improving Safety is usually a competitive advantage, because of reduced costs

There is a potentially significant cost savings to implementing a Safety Management System. The long term savings include implementing improvements and reducing hazards of processes and systems, the potential improvement in employee and equipment performance, and the savings of avoiding fines associated with non-compliance.

Companies who already have in place an ISO system, like ISO 9000 or 14000, will find that their new Safety Management System will easily incorporate the safety elements and activities into these management systems. These systems can merge together into one management system for the company, as there are very similar elements in all three systems, and your business can build on what is already in place. For those companies who do not already have a Quality or Environmental Management System, you will find that a Safety Management System is a great place to start, and is very easy to implement.

Many international companies are requiring that their producers and suppliers meet certain incident rate requirements (i.e., less than a certain number of accidents when compared to the number employees). Companies with a poor safety record are frequently disqualified from bidding on contracts. Larger American companies are more and more frequently making these demands as well, looking to their suppliers to be as responsible and accountable as they are for the health and safety of employees and the equipment, goods, materials and services that are produced.

All in all, the benefits of a Safety Management System far outweigh any potential risks. A strong safety program benefits everyone, the company, the employees, stakeholders and regulators.