



Risk Management for Leaders, Certificate Series

Cultural Impact on Safety

The webinar will begin soon

Risk Management for Leaders, Certificate Series

Cultural Impact on Safety

ICW Group Risk Management Services



Series Presenters:

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Senior Risk Management Consultant



Risk Management for Leaders Certificate Series

A Framework for Success

Commitment to Safety – A Way of Doing Business

Cultural Impact on Safety

Engaging and Empowering Teams

Continuous Improvement – A Fundamental of Growth

The Power of Communication and Transparency



Safety Culture Defined

- How safety is perceived, valued, prioritized and integrated.
- Reflects real commitment at all levels.
- What people believe about the importance of safety, and what they think their peers and leaders believe.

Leadership Responsibilities

1. Establish the organization's risk tolerance.
2. Set expectations for risk management.
3. Build a positive attitude toward risk management.
4. Value production and risk management equally.
5. Influence your risk management/safety culture.

Establish the Organization's Risk Tolerance



Evolving Risk Tolerance



Football
Wilderness Survival
Back Country Skiing



Mountain biking
Traveling
Surfing



Golfing
Fishing
RV Camping



Fitness
Coaching
Family



Poll

Which Risk Tolerance does your organization fall into?

- a. Aggressive
- b. Moderate
- c. Conservative
- d. Dynamic
- e. Strategic

Risk Tolerance Defined

- The level of risk an organization is willing to assume to achieve a potential desired result.
- The willingness of a worker or a group to take safety risks.



Risk Tolerances

Characteristics

- These companies are willing to accept high levels of risk to potentially gain high rewards. This tolerance is typically associated with businesses that prioritize rapid growth and high returns.

Common in

- Startups, tech companies, fast growing sectors where the potential for high gains justify higher risks, like biotech or fintech and...



Aggressive

Risk Tolerances

Characteristics

- These companies are willing to accept some level of risk to achieve potentially higher returns. They seek a balance between risk and reward, often employing a more calculated approach to risk taking.

Common in

- Companies aiming for steady growth, including those in consumer goods, manufacturing, and technology sectors that face moderate levels of market volatility.



Moderate

Risk Tolerances

Characteristics

- Companies with a conservative risk tolerance prefer to avoid risks that could potentially result in significant losses. They prioritize stability over high returns or rapid growth.

Common in

- Industries that are heavily regulated, such as banking and healthcare, or businesses with limited financial flexibility.



Conservative

Risk Tolerances

Characteristics

- Dynamic risk tolerance is adaptable and changes in response to internal or external business conditions. Companies with this type of tolerance continually assess and adjust their risk strategies based on market conditions, financial performance, and other relevant factors.

Common in

- Highly competitive industries that require frequent strategy shifts, such as technology or entertainment.



Dynamic

Risk Tolerances

Characteristics

- These companies focus on risks directly connected to the company's strategic objectives and are willing to bear risks that are seen as necessary to achieve long-term goals.

Common in

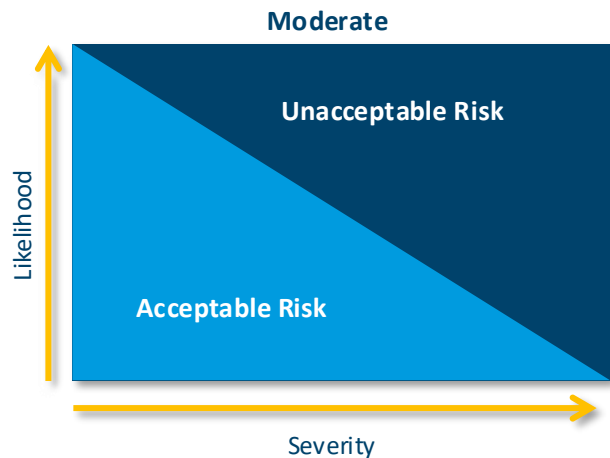
- Businesses undergoing significant transformations, such as mergers and acquisitions, or those entering new markets.



Strategic

Determine Acceptable Risk

- Organization establishes level of acceptable risk
- Lack of planning causes assumed risk by default
- Frequency of exposure to activities increases organizational risk



Establishing Your Risk Tolerance

Define Business Objectives and Goals

- Identify Core Values – Understand how the business prioritizes employee safety, environmental protection, quality production, etc.
- Set Safety Objectives – Define specific safety goals that align with the overall business objectives.



Establishing Your Risk Tolerance

Conduct a Risk Assessment

- Identify Hazards – List all potential hazards associated with the business operations.
- Analyze Risks – Evaluate the frequency, likelihood and severity of each hazard.
- Evaluate Existing Controls – Assess current safety measures and their effectiveness in mitigating hazards.



Establishing Your Risk Tolerance

Engage Stakeholders

- Consult Internal Stakeholders – Include input from various levels within the organization, such as management, safety leaders, and frontline team members.
- Engage External Parties – Consider perspectives from external stakeholders like regulators, industry associations, and possibly the community.



Establishing Your Risk Tolerance

Determine Risk Appetite and Tolerance

- Define Risk Appetite – Establish the overall level of risk the organization is willing to pursue or retain to achieve its primary objectives.
- Set Risk Tolerance Thresholds – Specify the acceptable levels of risk for different activities, which should align with the risk appetite and safety objectives.



Setting Expectations for Safety



Integrating Safety into Daily Operations

Requires a systematic approach that includes:

- Training
- Policies
- Employee Engagement
- Proactive Risk Management
- **Clearly defined Expectations**



Defining Expectations



Expectation #1:
Safety is not a
priority; it is a value.



Expectation #2:
Employers and
workers are to work
together.



Expectation #3:
Hazardous
conditions and acts
are to be reported
and communicated.

Defining Expectations



Expectation #4:
Communicate and explain the scope of the job and the required outcome.



Expectation #5: Give positive feedback as well as recommendations for improvement.



Expectation #6: Give respect and encourage engagement.

Defining Expectations



Expectation #7:

Confirm honest care for the worker and their families.



Expectation #8:

Discuss the hazards associated with the job.



Expectation #9:

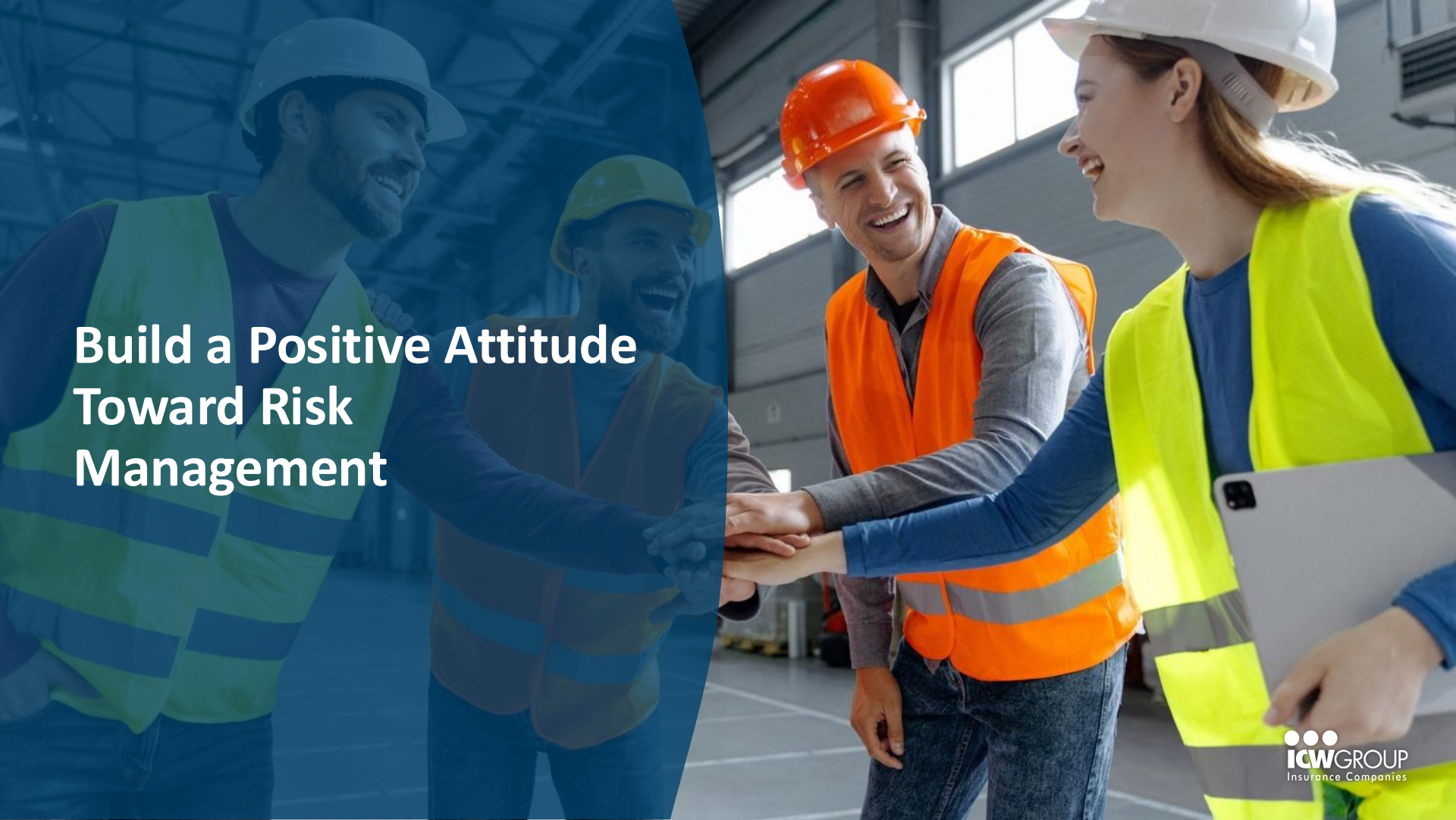
Do not assume that someone else is in charge of your safety.

Expectations for Unsafe Actions

- Unauthorized operation
- Failure to secure
- Working at unsafe speeds
- Failure to warn
- Removing safety devices
- Using defective equipment
- Using equipment improperly
- Unsafe position or posture
- Servicing moving equipment
- Horseplay
- Improper or not using personal protective equipment

Expectations of Unsafe Conditions

- Lack of Warning Systems
- Fire hazards
- Unexpected movement
- Poor housekeeping
- Poor illumination
- Protruding objects
- Atmospheric conditions
- Unsafe design or layout
- Defective tools, equipment

A composite image featuring construction workers in a warehouse setting. On the left, a semi-transparent blue overlay contains the text 'Build a Positive Attitude Toward Risk Management'. The background shows three workers: a man in a white hard hat and green vest, a man in a yellow hard hat and orange vest, and a woman in a white hard hat and yellow vest. They are all smiling and have their hands stacked together in a team gesture. The woman is holding a tablet.

Build a Positive Attitude Toward Risk Management

A Positive Attitude Toward Risk Management

- Leadership mindset
- Open, effective communication
- Transparency
- Continuous learning and training



A Positive Attitude Toward Risk Management

- Team member ownership of safety
- Reward safety
- Promote a healthy work life balance
- Provide wellness programs



Healthy Work Life Balance



Organizations supporting work-life balance have a **50%** higher employee retention rate.



Team members with a good work-life balance are **21%** more productive and report **33%** higher job satisfaction.



60% of team members cite poor work-life balance as a significant source of stress, affecting their mental health.

Healthy Work Life Balance



56% of team members had fewer sick days because of wellness programs. (Zippia, 2023)



91% of team members feel more inclined to do their best work when upper management prioritizes their well being. (APA, 2017)



Companies with employee wellness programs see a **5%** increase in productivity compared to those that without. (Gitnux, 2023)

Value Production and Risk Management Equally

“The first duty of an organization is to survive, and the guiding principle of business economics is NOT the maximization of profit, it is the avoidance of loss.”
— Peter Drucker



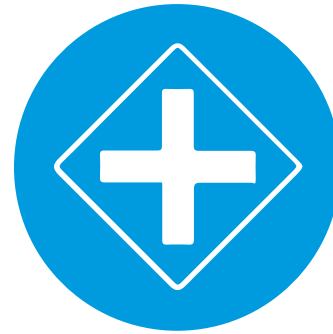
Case Study - “The Cheetah”



Case Study - The Arc Flash



Case Study - The Crossroads



Case Study - The Impact



Influencing your Safety Culture



6 Sources of Influence

1

Personal motivation

4

Social ability

2

Personal ability

5

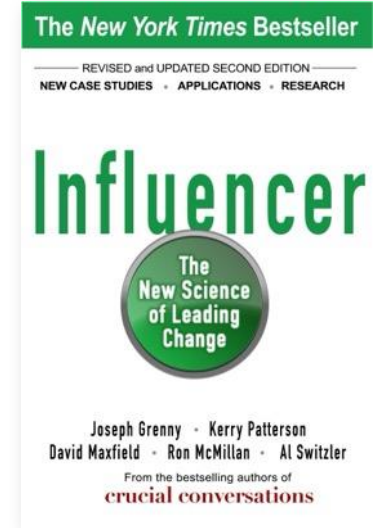
Structural motivation

3

Social motivation

6

Structural ability



6 Sources of Influence

SOURCE

ANALYZE

EXECUTE

1	Personal motivation	➤	Do I enjoy it?	➤	Make the undesirable desirable
2	Personal ability	➤	Am I personally able?	➤	Over invest in skill building
3	Social motivation	➤	Do others motivate?	➤	Harness peer pressure

6 Sources of Influence

SOURCE

ANALYZE

EXECUTE

4

Social ability



Do “others” enable?



Find strength in numbers

5

Structural motivation



Do “things” motivate?



Design rewards and demand accountability

6

Structural ability



Do “things” enable?



Change the environment

Measure & Celebrate Your Success

GOAL



To be in the top 10% for safety & risk management performance within the industry



To consistently improve employee safety engagement within the organization



Zero accidents!



MEASURABLE RESULTS

- Industry Total Recordable Rate
- Experience Modifier
- RIMS Total Cost of Risk Survey



- Safety Rate (Observations) Penetration for Hazard Recognition
- Initiative as Measured by Input



- Rate of Critical Behaviors and Conditions
- Near Miss Incident Rates
- Accident Rates

Recap

1. Establishing your organization's risk tolerance.
2. Setting expectations for safety and risk management.
3. Building a positive attitude toward safety and risk management.
4. Valuing production and safety/risk management equally.
5. Influencing your safety culture.

Resources

Start with Why – Simon Sinek

Dare to Lead – Brené Brown

The Fearless Organization – Amy C. Edmondson

Safety by Objective – Dan Peterson

People Work – Kevin Burns

Practical Loss Control Leadership
– Bird and Germain

Difficult Conversations – Stone et al.

Influencer – Patterson et al.



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- ✓ A Framework for Success
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- ✓ Cultural Impact on Safety

Engaging and Empowering Teams

Continuous Improvement – A Fundamental of Growth

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Risk Management for Leaders Certificate Series



Social Media Badge

Policyholder Website

- icwgroup.com/safety





QUESTIONS?

Contact Us:

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THANK YOU!

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