Risk Management & Safety Management

Simply put, the process of identifying and reducing risk.

The 2 main areas of risk management include:

1. Employee safety
2. Company liability

Safety is the quality and conditions needed to keep employees, technology, and equipment, as well as the physical and financial assets of the company free from injury, damage, and loss.

Hazard

A condition or set of circumstances that lead to potential or actual harm.

2 main types:

1. Safety hazards
2. Health hazards

Why Risk Management

* To reduce illness and injury to staff
* To decrease damage and loss to equipment, property, and assets
* To minimize liability to the company

Risk versus Reward

Positive Risk - Rewards

Negative Risk - Hazards

Success comes from balancing positive and negative risk - risk versus reward.

Managing Risk

* Managing risk can be achieved by both reducing Hazard Factors and adding Safety Factors
* The interaction of Hazard Factors and Safety Factors creates the Risk Level.
* Probability (How likely) x Severity (How bad) = Risk
* The interaction of Hazard Factors and Safety Factors creates the Risk Level.

Safety is everyone’s responsibility!

Human Risks

* Theft and fraud
	+ Product and inventory theft
	+ Time sheet fraud
	+ Accounting and cash fraud
* Low morale, dissatisfaction
	+ Failure to perform
	+ Sabotage of systems, equipment or customers

Operational Risks

* Equipment breakdowns
* Worn old equipment
* Poorly maintained equipment
* Unrepaired damage to equipment
* Lack of cyber security
* Lack of data back ups

Physical Risks

* Unlocked doors
* Cracked pavement
* Failure of alarm system
* Wet floors
* Untacked carpet

Marketing Risks

* Loss of customers
* Loss of reputation
* Loss of sales

Ramifications

Failure to know relevant safety policies can result in penalties and fines against the company, but nowadays, the specific employee can be held personally liable by regulating organizations for safety violations.

The Risk Paradox

99% of problems are caused by 1% of people, but 99% of people work to correct and prevent those 1% of problems.

It’s All About You

Remember, these policies are not to make things complicated for you to perform your job, they are there to protect you and your coworkers from harm.

Risk Tolerance

Risk tolerance is the amount of risk a company is willing to tolerate in order to allow for maximal opportunity and benefit. It can apply to various aspects of the company. For example, the cost of certain high quality supplies may leave a small profit margin after production, but the presumption is the higher quality product will out sell the competition, and profit will be made on volume.

Risk Capacity

Risk capacity is the amount of risk the company must take in order to meet minimal financial goals to cover operations, payroll, and benefits.

Risk Assessment

* Identification
* Reporting
* Analysis
* Plan
* Management
* Surveillance
* Assessment
* Auditing

Minimizing Human Error

* Distractions
* Poor communication
* Lack of supplies
* Poor equipment
* Fatigue
* Sleepiness
* Ignorance
* Lack of Training
* Noisy work conditions
* Egos and petty work behaviors

Major Areas of Risk

|  |  |
| --- | --- |
| **Strategic** | **Operational** |
| * Loss of demand
* Customer retention
* Integration challenges
* Regulation
* R&D
* Industry downturn
* Vendor losses
 | * Quality Controls
* Risk Management
* Supply chain integrity
* Employee turnover
* Fraud & Corruption
* Regulations
* Bribery
* Commodities
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| **Hazard** | **Financial** |
| * Physical dangers
* Political influences
* Terrorism
* Legalities
* Natural Disasters
 | * Cost excesses
* Debt & interest
* Financial management incompetence
* Asset loss
* Amortization
* Accounting problems
* Payroll & Benefits
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Risk Is Reduced By You

* Follow the rules
* Report risks and hazards
* Share safety improvement ideas
* File incidents

Progression of Risk

Failure to follow policy

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Creation of Risk

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Near Misses

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Injury to staff or company

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Lost workdays or cost

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Permanent disability or citation or fine

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Fatality or loss of business permit

Diversity & Inclusion Risks

* Physical Safety is only one dimension on the Risk Management spectrum
* Emotional Safety is equally important and Hazards can be equally life threatening
	+ Hazing
	+ Bullying
	+ Harassment
	+ Hostile work environment
* Report to management where there are Emotional/Interpersonal Hazards, and establish the necessary guidelines, policies, and workplace culture to manage the risk.

Reporting Incidents

* Reporting incidents isn’t about tattling or getting yourself or others in trouble.
* Its purpose is to identify a hazard or risk that caused an incident or injury to occur
* Reports are filed online through the employee portal or on the Company Incident Report Form
* All incidents should be reported to your supervisor as well at the company risk manager \_\_\_\_\_\_\_\_\_\_\_\_\_.
	+ Email
	+ Phone
	+ Fax

Compliance Officer