UNIT 10   SAFETY POLICY

Structure

10.1 INTRODUCTION

To provide healthy and safe working environment for employees as well as public, management and business organizations should be committed towards safety. This commitment is expressed by the employer in terms of policies and procedures for the protection of health and safety of employees and public. Policies are the set of guidelines, principles which are defined and adopted by the organizations to attain its goals. Safety policy enables the organizations to perform activities safely and serves as a medium for conveying the management interest in health and safety of the public in and around the organization. After stating the policies it is also necessary to assign the roles and responsibilities to the employees to maintain workers health and safety. Employer should clearly state the actions that what to do in unpredicted or undesirable events. The objective of safety policy as shown in Figure 10.1 is to help and guide the employees to avoid injuries and work safely.

Degree of employer's commitment to safety, health and environment

SAFETY POLICY

Figure 10.1: Safety Policy

Objectives

After studying this unit, you should be able to:

- define safety policy
- understand the importance of safety policy
- discuss human factors effecting industrial safety
- write safety policy
- describe safety policy life cycle

10.2 SAFETY POLICY

Definition

- A safety policy is a written statement by an employer stating the company's commitment for the protection of the health and safety of employees and to the public.

- Safety policies are the commitments, goals, principles and obligations that help in decision making in the matters of workplace health and safety.

It includes plans or ideas of what to do in particular situations agreed by business organizations. Policies help the organizations to manage the risk and summarize the opportunities and benefits provided to the workers. It should be the aim of safety policy to make sure that the events will take place in a controlled manner and to eliminate failures which result in undesired events, some of which leads to cause damage/injury. Safety policy should recognize the importance of various factors involved in the organization viz., human factors, information, procedures, products and services. These factors can be divided as three stages as shown in Figure 10.2. Each of these stages has its own objective as safety policy is concerned. These objectives are shown in the Table 1:

Table 1: Objectives

	Objectives
Stage-1	To minimize hazards entering the organization
Stage-2	To eliminate and minimize risks inside the organization To create a supportive organizational culture
Stage-3	To minimize risks outside the organization arising from work activities, products and services
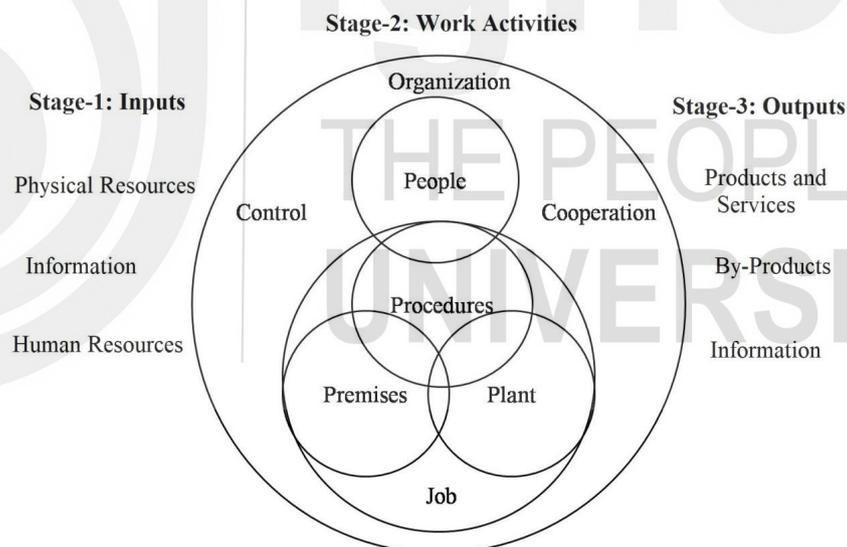
Figure 10.2: Important Factors in Industrial Safety

10.2.1 Safety Policies and Procedures – Advantages

Organizations have the following advantages by developing and implementing safety policies.

* indicates that your organization is addressing its health and safety obligations

* implies that your organization is committed towards a set of health and safety principles.

* distributes the functions and responsibilities in your organization

- ensures that safe work procedures are communicated to the employees and implemented throughout the organization.

- educate the workers for their future actions

- helps the organizations to maintain its staff more ethically by defining acceptable and unacceptable behavior in the workplace.

- handles health and safety matters quickly through an existing procedure thereby saves time.

10.2.2 Importance of Policies and Procedures

An organization without a policy is an organization without control. If the organization don't develop and implement the policies, then it would fail while making decisions. Policies and procedures are the fundament requirements of any organization. They are essential because they address the issues like, organization's promise towards safe work environment, employee behaviors, actions performed during undesirable events etc., On the other hand, procedures define sequential steps that are to be followed in a consistent manner. These policies and procedures are meaningless if workers neglect to comply with them or fail to communicate effectively to employees. Employing both policies and procedures during the process of decision making assures that employers are persistent in their decisions. The following points outline the significance of policies and procedures.

- Policies clearly summarizes what kind of behaviors are unacceptable

- Procedures provide the actions taken when policies are defined

- Adhering to policies and procedures safeguards employees and organizations

- Not following policies exposes organizations to lawsuits

10.2.3 Why is a Policy Needed?

- A policy clearly states what the employer plan to do about commitment and support for health and safety in the workplace.

- The policy specifies about who is responsible for which aspects of maintaining health and safety.

- A policy executes the entire organization to maintaining a safe workplace.

- This encourages both human and financial resources to help ensure that safety is an important part of doing business.

- To provide a framework for best operational practice so that the business is able to minimize risk and respond effectively to any incident which may occur

10.2.4 Benefits of Policies

Some of the benefits of formal policies include:

- Helps the employees in making decisions more efficiently.

- Provides instructions to the employees on how to perform the tasks
- Creates confidence and minimizes bias in decision-making
- Protects employees from avoiding misconduct or misbehavior in a workplace endanger safety and their employment
- Helps the employees to take up the actions and take responsibility without constant reference to management.
- Enhances the accountability of business or organization's and its staff

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SAQ 1

a) Define safety policy.

b) What are the benefits of policies?

c) State the importance and advantages of policies.

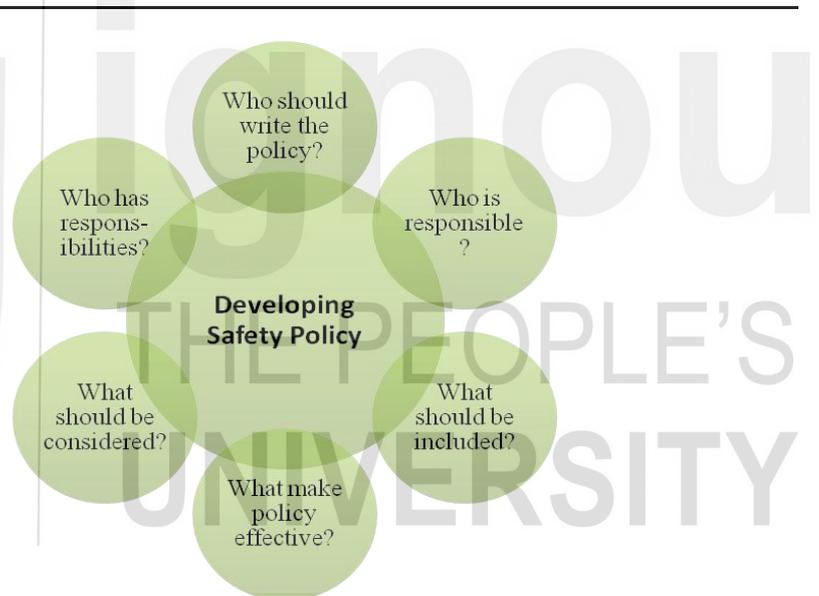---

10.3 DEVELOPING SAFETY POLICY

Figure 10.3: Developing Safety Policy

10.3.1 Who should Write the Policy?

The best policies are specific to a workplace and reflect the organizations motto towards safety. An employer is authorized to prepare the safety policy. The safety policy should be written by involving safety committee or representatives, or workers. The employer is held whole and sole responsible for the content written in the safety policy as it a pledge to all the employees. The safety policy should be signed and dated by the senior executive of workplace.

10.3.2 Who is Responsible?

Top management is responsible for developing health and safety policy. However, for the acceptance and successful implementation of safety policy,

the commitment and endorsement of the employees is essential. Therefore, it

Safety Policy
is always advisable to involve the employees when developing a safety policy.

10.3.3   What should be Included in the Policy?

It is beneficial to include employees of the organization while creating safety policy. With their experience, some statements can be included which management have not. The Health and Safety at Work Act says a Safety Policy must contain three separate parts as shown in Figure 10.4. They are

Figure 10.4: Safety Policy Parts

(i)   A statement of intent

(ii)   A list of who is responsible for what

(iii)   Information on how your main health and safety issues will be managed.

A Statement of Intent (Aims and Objectives)

It contains organization's safety aims and objectives. It is sometimes referred as employer's general statement of intent which shows how organization's plans to manage health and safety issues. A statement of intent shows organization's commitment towards healthy and safe work environment. In writing the statement, it is advisable to use clear and simple language. As it is an expression of an intention, it doesn't need to have each and everything in detail and can be fairly brief. It becomes easy to break the statement into a series of smaller statements or using bullet points. Display the statement of intent where all employees can read it, for example on the staff notice board.

A list of who is Responsible for what

This part allots names, positions and duties for the employees within the organization who are responsible for health and safety. This can be done with an organizational chart which shows the hierarchy of seniority within the organization and identifies the employee's role in safety. Apart from including managers, directors and supervisors, this part also includes safety advisors, work engineers etc. While designating each employee's safety duties, the organizational structure should not overlap. Everyone must be clear about their responsibilities and the limits of those responsibilities.

Moreover, employees should also have a precise summary of their duties in taking reasonable care of their own and others' health and safety at work

Information on How your Main Health and Safety Issues will be Managed.

The final part of the safety policy identifies the amenities that the organizations have in their workplace to manage and control the risks in the regard of health and safety of people carrying out the activities. Organizations need to provide the details of the systems and procedures used in implementing the statement of intent. This will include health and safety rules and procedures as well as facilities such as first aid and wash rooms. Arrangements for fire and other emergencies and for information, instruction, training and supervision should also be included. The arrangements part is likely to be the biggest section within the Safety Policy.

Summarizing all above three stages, a safety policy should mainly include the following

- Commitment and promise to provide healthy and safe work environment and how this will be integrated into the daily work activities

- A statement defining the employer's awareness of their responsibilities to take all required precautions to avoid illness and injury.

- Statements from senior management to describe the commitment from the highest levels of the organization. Senior management should sign the policy.

- A statement to demonstrate how the commitment to health and safety will be communicated and how it will operate in all levels of the organization.

- A statement highlighting the requirement for everyone working in the organization to take responsibility for developing and maintaining a healthy, safe workplace.

Information to Include

The type of information included in the safety policy will depend on the type of work you do. Common items normally included in the arrangements section includes the following

- Employee Health & Safety Codes of Practice

- First aid procedures

- Emergency/fire drill procedures

- Accident and illness reporting and investigation procedures

- Risk assessment procedures

- Control of exposure to specific hazards: noise, vibration, manual handling, hazardous substances, etc.

- Maintenance/PAT testing of electrical equipment

- Machinery safety

- Maintenance procedures

- Personal protective equipment
- Monitoring procedures
- Procedures for dealing with contractors and visitors
- Training procedures
- Welfare facility provision
- Catering and food hygiene procedures
- Arrangements for consulting with employees
- Smoking, drugs and alcohol policy
- Policy for driving organization vehicles

What Makes a Safety Policy Statement Effective?

There are many changes in the form and content of safety policies. Their style, however, is not as significant as the clarity with which they identify functional responsibilities over authority.

To be effective, a safety policy must:

- Include senior management and representatives during the preparation of the policy,
- Be seen as consistent with the workplace's objectives of operating in an efficient and predictable manner,
- Be relevant and appropriate to the nature, scale and OHS hazards and risk associated with that workplaces' needs
- Accepted as equal in importance to the workplace's other policy objectives.

What should be considered when writing the Policy?

These are some of the major items to consider.

- The arrangements in the workplace to support and implement the policy
- Safe work procedures, occupational hygiene, safety meetings, and education & training
- Types of hazards associated with the workplace
- Active and on-going participation of employees in helping to achieve the objectives

The following are questions that need to be considered for preparation of a policy:

- What is the goal of the safety program?
- When there is a clash in priorities or problem of allocation of limited resources arise, does safety get more importance? Or Equal importance? On what bases it is decided?
- Who is responsible for safety - line management or staff management? Who is accountable?
- What benefits does management expect to derive from an effective program?

- Who will be assigned responsibility for coordinating activities?

Who has Responsibilities under the Policy?

No matter how well the policy is written, it is equal to an empty words if a plan is not put into effect throughout the organization. The policy can only be put into effect where:

- There are clearly defined responsibilities
- The responsibilities are assigned
- There are implemented procedures and activities
- Financial and other resources are provided adequately
- Responsibilities are clearly communicated and understood within the workplace

It is better too avoid being too specific while assigning responsibilities which makes the people to become to legalistic in interpreting the policy.

For example, do not list the specific type of personal protective equipment that must be worn by an employee - simply state that all employees must use the personal protective equipment specified by the employer and as required by the nature of the work. This way one has the flexibility to make changes as circumstances warrant.

Responsibility should be extended throughout the organizational structure to ensure policy objectives will become integrated into all activities. For example, a policy could specify:

- individual responsibilities
- legal responsibilities,
- accountability systems,
- promotion of health, safety and well-being awareness,
- education and training needs,
- reporting and correcting health and safety deficiencies, and
- injury and illness control information

Considerations in Allocating Responsibilities

The following points should be considered while allocation of responsibilities to the employees

- A logical and clear allocation of roles, responsibilities and duties for safety to each employee in the organization knowing who and what he is responsible for and to whom.
- The final authority should be given to the senior person of management. The policy file should be signed and dated by this person.
- Responsibilities clearly identified for
  - Training
  - Monitoring

- Maintaining contact with source of advice

- Responding to employee initiatives

SAQ 2

a) What are the steps followed while developing safety policy?

b) Explain the phases that should be included in developing a safety policy.

c) What should be considered when writing a safety policy?

d) What makes a safety policy statement effective?

10.4 RESPONSIBILITIES OF INDIVIDUALS

Every employee has a responsibility to carry out their assigned duties. To achieve desired output of safety program, everyone in the organization should know their responsibilities. The following are some of the sample statements of assigning responsibilities.

Employees

- Carry out work in a manner so as not to create a health and safety hazard to yourself or others.

- Participate in education and training.

- Assist in the reduction and controlling of incident and illness producing conditions.

- Report any incidents, near misses, injuries, or illnesses.

- Use the correct tools and equipment for the job.

- Keep tools and personal protective equipment in good condition or replace when necessary.

- Use the required safety equipment and personal protective equipment.

- Report defects in workplace equipment.

- Develop a personal concern for health and safety, for yourself and for others, particularly newcomers and young people.

- Suggest ways to eliminate hazards or control risk.

- Read, understand, and comply with workplace health and safety policy, safe work practices and procedures.

- Co-operate with health and safety committee members and representatives.

- Participate in medical surveillance (e.g., hearing conservation programs, medical monitoring, etc.).

10.4.1 Safety Coordinators/Officers

- Advise management and employees on:

> ➢ preventing injury and illness to personnel and damage to plant and equipment

> ➢ legal requirements affecting safety, health and well-being

> ➢ provision and use of protective clothing and equipment

> ➢ suitability, from a safety viewpoint, of new equipment, and validity of all appropriate test certificates

> ➢ potential hazards on new contracts before work starts and precautions required

> ➢ changes in legislation, standards, etc.

- Record and analyze information on injuries, illness, damage, and production loss.

- Assess incident trends and review overall safety performances.

- Maintain contact with professional bodies (e.g., medical systems, engineers, occupational hygienists, etc.).

- Take part in workplace discussions on injury, health and welfare, damage control.

- Keep up-to-date with recommended codes of practice and new health and safety literature.

- Administer the health and safety program.

- Assist in incident investigations, analysis and preparation of incident reports and summaries.

- Prepare inspection reports.

- Ensure that corrective action has been taken whenever deficiencies are identified.

- Assist with health and safety seminars, education, or training.

10.4.2 Senior Executive/Managers

- Provide a statement of policy relating to the health and safety program.

- Maintain overall responsibility for the health and safety program.

- Ensure that all established health and safety policies are administered and enforced in all areas.

- Ensure that all personnel are aware of and effectively practice the policies and procedures set out in the health and safety program.

- Provide information, instructions, and assistance to all supervisory staff in order to protect the health and safety of all employees.

- Understand and enforce the incident prevention policy as well as the occupational health and safety legislation.

- Provide all supervisory staff with proper, well-maintained tools and equipment, plus any personal protective devices which may be required.

- Provide ongoing health and safety education or training programs and approved first aid training courses as required.

- Monitor departments and projects and hold them accountable for their individual health and safety performance.

10.4.3 Line Management/Supervisors

- Co-operate with health and safety committee members

- Provide instructions to employees about safe work procedures. As part of the routine duties, the supervisor shall require employees to use personal protective equipment as appropriate.

- Provide an example for others by always directing and performing work in a safe manner.

- Conduct regular inspections for unsafe practices and conditions and ensure prompt corrective action.

- Work in cooperation with others in determining safe practices, enforcing their observance, developing procedures for dealing with violations and general safety and incident prevention.

- Enforce all established safety regulations and work methods. Take corrective action as necessary to ensure compliance with the rules.

- Know and apply the workplace safety policy and relevant occupational health and safety legislation.

- Arrange for medical treatment as required, including transportation to a doctor or hospital as necessary.

- Report all incidents immediately, investigate all incidents fully, and advise management on how to prevent similar incidents in the future.

- Carry out regular inspections of the work place to ensure a safe and healthy environment.

- Hold regular safety meetings to review safety conditions and general safety policies.

- Accompany the government inspector during inspections.

- Be aware of the hazards that exist for the short term, temporary and newly hired employee. Ensure that new employees receive detailed safety instructions before they are allowed to start work.

10.5 DRAFTING SAFETY POLICY – SOME NOTEWORTHY POINT

Safety policy should be drafted with clear and simple language so that all levels of management and employees can understand it

- The policy length and content must be prepared specifically so as to meet the requirements of particular employee

- No single policy suits for two different organizations. So each organization must prepare its own safety policy as per their needs.

- The written safety policy should address the fundamental features of general policy statement, arrangements and organization for carrying out.

- For some larger organizations, it will be convenient to draft the safety policy into two parts

- In the case of employers engaged in a number of different activities the policy may require formulation at more than one level.

- The overall responsibility of safety policy lies on the top management, all remaining individual at each level have to accept the responsibilities for carrying out the policy.

- The policy statement should make it clear that the final level of responsibility is that of each and every individual employee.

- No matter how well the statements are written, their aim will not be accomplished without good training and thorough supervision. Employers' safety policy should reflect their determination in these areas.

10.6 IMPLEMENTING SAFETY POLICY

The following are the steps involved in implementing the safety policy.

Inform

Provide information to each and every employee in the organization about safety policy. Inform everyone in the workplace about their roles and responsibilities which have been drafted. It is more important to keep informing about the modifications or changes in their roles and responsibilities or in the policy statement, if any. Improper information or lack of communication may lead to misunderstandings which results in unsafe acts and incidents.

Involve

Involve as many people in the policy development as possible. Allow the employees to raise their consent and decisions towards safety management. Employees are the best source to know and understand about risks in the workplace. So, interact with the employees and talk to them about the work they perform, ways of controlling risk, how to provide information and training etc. Involving them in making decisions shows them that you take their health and safety seriously.

Some of the ways that one can bring the policy statement to the employees' attention is by:

- Including it in any employee handbooks

- Providing it at induction

- Including a copy with the contract of employment

- Posting it on your prominent places

- Posting it on notice boards

- Making the duties in the policy part of your employees' workplace objectives

Educate

Educate everyone on their roles and responsibilities in maintaining a safe, healthy workplace. Educating employees in making them to perform their task as per the standard guidelines and rules which have been included in policy will make them to get habituated to the safe work practices.

Make Accountable

As a part of implementing safety policy, it is important to know and decide who is accountable for what.

Provide Resources

Provide adequate resources to maintain safe standards.

Monitor

Monitoring the employees is the best way to ensure the implementation of safety policy. The following are some of the ways to monitor.

* Once the responsibilities has been assigned to the employees, top management can verify and check whether the employees actually following them or not.

* Having a walk in and around the work area to regularly monitor the employees is one of the better ways of implementing safety policy

* Also, top management need to ensure that the employees are working according to standard rules and safe methods

Review

Set up a process for regular review.

10.7 SAFETY POLICY LIFE CYCLE

Developing a safety policy is not just a onetime process. Once a policy has been developed and implemented, it may require making some amendments and changes in the existing once. These changes are to be included by revising the policy again. So, the process of developing safety policy is cyclic and safety policy cycle is as shown in Figure 10.5 and safety policy cycle stages in Figure 10.6. Based on the feedback received, it is planned to make revisions either immediately or some time in future.

The steps involved are:

* Developing new policy (or amendments to an existing policy)

* Acquiring approval for the developed policy

* Implementing the policy by posting it on website and educating employees

* Communicating policy to relevant employees

* Monitoring and analyzing the effectiveness of policy

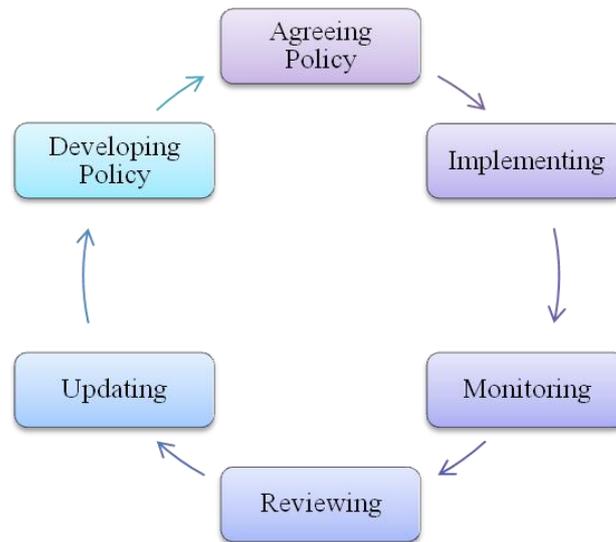* Reviewing the policy and updating it.
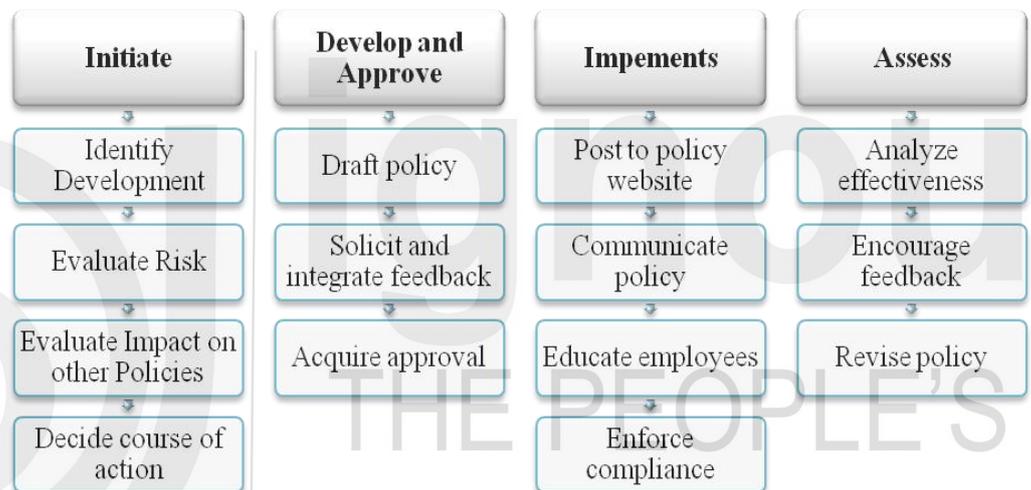
Figure 10.5: Safety Policy Cycle

Figure 10.6: Detailed Stages in Safety Policy Cycle

SAQ 3

a) What are the responsibilities of employees in meeting the objective of safety policies?

b) Explain safety policy life cycle.

c) What are the steps involved in implementing safety policy? Explain.

10.8 RISK MANAGEMENT

Risk management may be defined as the minimization or eradication of the negative effects of the pure risks to which an organization is exposed. Risk management flow chart is as shown in Figure 10.7. The role of risk management in industry is to

- Study the impact of particular risky incidents on the organization performance

- Find out the alternative solutions to control theses risks and their impact on the organization

- Interlink these alternative solutions to the decisions taken by the top management

The process of risk management involves

- Risk Identification
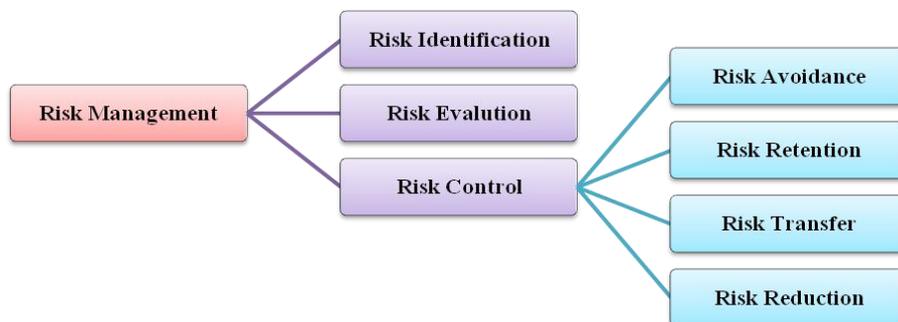- Risk Evaluation and
- Risk Control

Figure 10.7: Risk Management Flow Chart

10.8.1 Risk Control Strategies

Risk control strategies may be classified into four main areas

Risk avoidance

In involves inactive participation in an event which may possibly cause a loss. Risk avoidance also involves taking a decision of not to do something or to terminate the operations which could produce the risks. It tries to minimize the harms/risks which result in a threat. Risk avoidance can be attained through policies and procedures, education and training and implementing technology.

Risk retention

Risk retention consists of accepting risk and absorbing any resulting losses. It includes storing resources and institutional self-insurance. Risk retention may be most appropriate when losses occur frequently but are not very severe.

Risk transfer

Risk transfer is the exchange of risk from one individual or group to another.

Risk reduction (Loss control)

Risk reduction refers to efforts to lower the probability of loss or to reduce the size of losses. It includes all measures, which reduces the risks existing in an organization either by reducing the hazard or vulnerability. The basic aim of risk reduction is to protect the assets of an organization from wastage caused by accidental loss. It is achieved by a loss control program. Risk reduction strategy is synonymous with loss control. The following Figure 10.8 shows how the risk management is evolved from safety
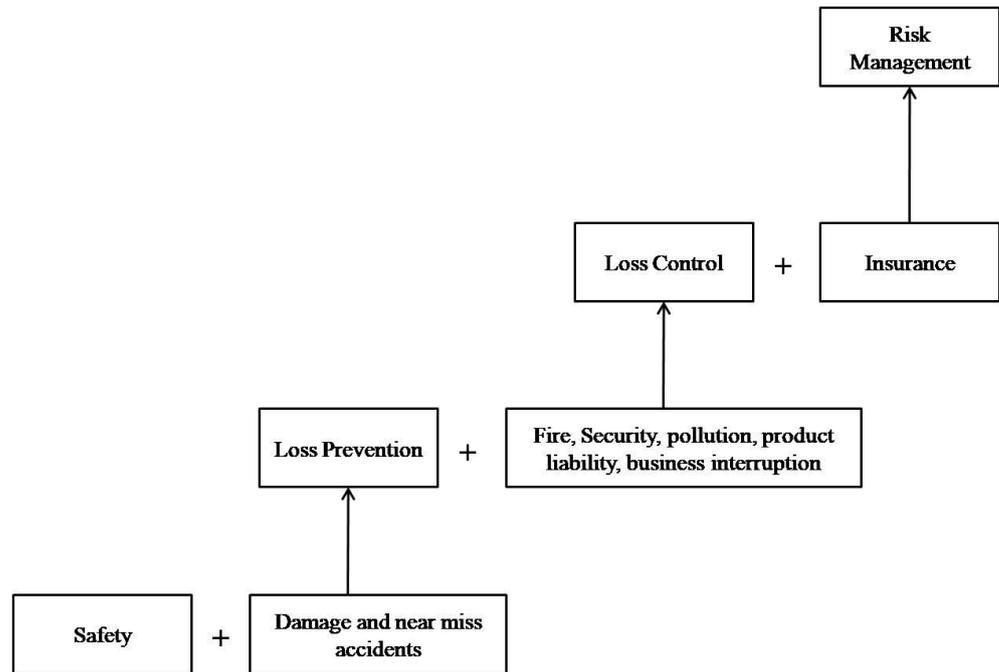
Figure 10.8: Evolvement of Risk Management

10.9 LOSS CONTROL

Loss control is the precautionary measure taken to avoid or minimize losses
occurring from accidents, illness, injury and property damage. It may be
defined as a system designed to minimize or eliminate all aspects of
accidental loss that lead to wastage of an organization's assets. The assets
include materials, man power, machinery, goods and money. The objective of
the loss control is to minimize the severity and frequency of losses. This is
achieved by the overall commitment and dedication of all the people involved
in the organization. It is directly linked with human resource management
and risk management practices. Loss control focuses on the safety procedures,
practices, training and monitoring.

Like identification, evaluation and control techniques of risk management,
loss control also uses identification, evaluation and economic control of
losses. Loss control can otherwise be considered as an economic approach to
accident prevention.

10.9.1 Loss Control Includes the following

- Implementing loss control policy
- Assigning duties and responsibilities
- Analysis of claims data
- Safety audits and inspections
- Accident reporting and investigation
- Communications Development and review of emergency and
  contingency plans

10.9.2 Loss Control Benefits

- It minimizes losses of property and equipment
- Loss control protects the assets
- It reduces expenses of insurance claims
- It minimizes severity and frequency of accidents
- Interruptions of services will get minimized
- It provides a resistance against claims of negligence
- It maintains safe environment for employees

10.9.3 Categories of Losses

A Loss, in the backdrop of industrial safety can be applied to each and every element involved in the organization. Some losses may create damage to the people and some other may create damage to the property, image etc. The following are some of the categories in which losses can be categorized as shown in Figure 10.9.
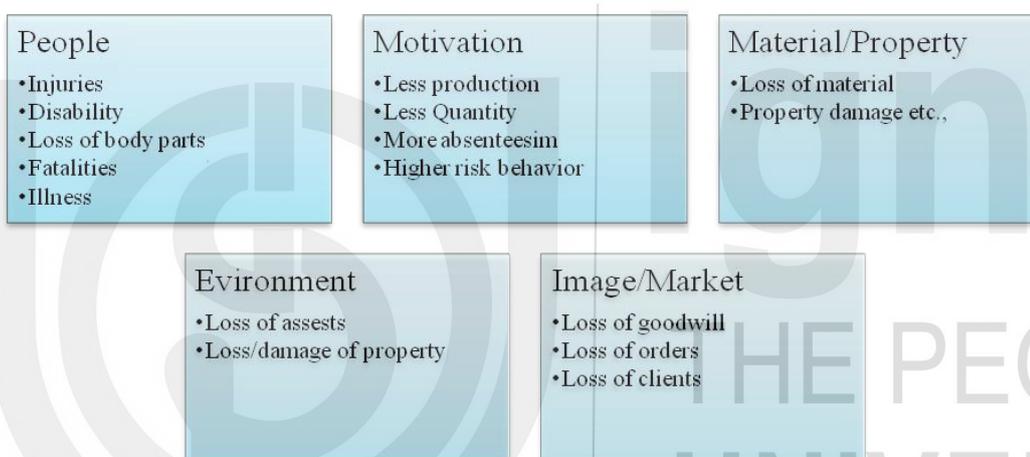

People
- Injuries
- Disability
- Loss of body parts
- Fatalities
- Illness

Motivation
- Less production
- Less Quantity
- More absenteesim
- Higher risk behavior

Material/Property
- Loss of material
- Property damage etc.,

Evironment
- Loss of assests
- Loss/damage of property

Image/Market
- Loss of goodwill
- Loss of orders
- Loss of clients

Figure 10.9: Categories of Losses

10.9.4 Loss Control Goal

The following are the goals of loss control program

- To develop and continuously measure effectiveness of controls like engineering, Personal Protective Equipments and administration in order to eliminate, minimize, reduce and control loss at work
- Inform, commit, communicate and train (ICCT) the employees regarding the necessity to continuously minimize loss taking into account identified hazards and exposures to all affected individuals, entities, stakeholders
- To develop standards for loss, hazards and exposures
- Audit and monitor the performance effectiveness of standards
- Upgrade and implement standards and controls as may be required

10.9.5 Followed objectives for loss control

- To minimize exposures to financial losses
- To protect physical assets

- To reduce the frequency and severity of accidents
- To provide a safe environment for employees and the public
- To minimize interruptions of services provided to the public
- To empower the employees together with the employers
- To make them accountable

10.9.6 Controlling Losses

It is always better to eliminate the sources of losses if possible. If there is no chance to eliminate, it can be minimized. It must be seen the costs of minimizing loss are not overwhelming the value of loss by itself. The best possible way that can be done regarding loss is to control it. Losses can be controlled and kept below a reasonable threshold. Loss control implies understanding, commitment and cooperation.

Losses should be controlled in order to

- Prevent accidents
- Reduce damage
- Prevent incidents
- Improve efficiency
- Maintain profitability
- Maintain market share
- Reduce down time
- Improve morale
- Keep budget on track

10.9.7 Elements in Loss Control

Workplace

Loss is a common phenomenon at the workplace. A loss may be an injury to an employee, damage to equipment, loss of good will etc. Loss is generally accepted as long as it is not passing over a certain threshold.

- Loss affects
- Time, quality and productivity
- Machines that are used in the process
- Tools that are used in the process
- Products and components used in the production process.

Operators (Human Operators)

From day one employees (operators) should be committed to the loss reduction objective. This commitment is generally done by

- Training received by the employee (operator) in order to perform their task
- Example given by the other employees at the workplace
- Supervision and control done by the line management

From day one employees (operators) should be involved in attaining the loss reduction objective. They should understand that

- Loss control should simplify their work
- Loss control would reduce risks regarding their health and well being at work
- A job well done implies loss control

Technique

Machines used in the industries should be designed in a way to eliminate/minimize loss. In order to predict or prevent the failures, there should be regular maintenance process. The techniques and equipment which are been used for performing the tasks should be properly checked before the work so that no defective machines are started. Employees should be aware about the tools used in performing their job.

Organization

A better organization at the workplace would mean a better loss control. Organization should focus on the way consumables are stored towards the processing and also on the way finite products are stored for deliverance

10.9.8 Main Loss Causes

Experience reveals that most of the accidents are due to substandard behavior and these are only the known part. Behind there are some basic causes that are connected with the organizational culture and the general image about the enterprise. Some of them are listed below

Causes Related to Operator

- Insufficient or incomplete training
- Lack of involvement
- Dangerous behavior
- Lack of commitment
- Inexistent best practice procedures
- Lack of optimal experience

Operator Related Factors

- Capability (physical, physiological, mental and psychological)
- Stress
- Skill
- Knowledge
- Motivation

Causes Related to Technique

- Old machines
- Machines with wrong processing regimes

- Machines without proper maintenance
- Lack of control

Techniques Related Factors

- Purchasing
- Engineering
- Maintenance
- Tools and equipment
- Inspection
- Excessive wear and tear

Causes Relation Organization

- Lack of involvement concerning loss
- Lack of involvement (at the managerial level) concerning loss
- Lack of information (similar organizations) concerning loss
- Improper organizational training and culture

Organization Related Factors

- Leadership
- Contract review
- Safety system
- Document control
- Control of undesired events
- Procedures/instructions/standards
- Accident analysis system
- Human resources management
- Technical information system

SAQ 4

a) Define loss control.

b) What are the benefits and goals of loss control?

c) How losses are categorized?

d) Describe the elements in Loss Control.

10.10 DEVELOPING A LOSS CONTROL PROGRAM

A sequential procedure must be followed in building a loss control program similar to a way of constructing a house. A roof and the walls can only built once the foundation laid is strong enough. Similarly, the program also needs a robust foundation which supports the elements in it to avoid its weakening and wreck. If they do not, the program will eventually weaken and collapse. The planning and construction of loss control program is undertaken by top

management of a company. Success or failure of the program depends on the plan they made. An efficient loss control program is essential to decrease the direct and indirect costs of accidents and also to safe guard the employees from harm. Once the decision has been made to develop a program, management has to initiate action with the following fundamentals.

- State the reasons for developing a loss control program and how it will benefit to the organization. This will decide the depth and scope of the program.

- A policy statement should outline the objectives and top management's view in developing an efficient program. It should be written and clearly explained to all the employees which show the intention and determination of top management in achieving an effective program

- Loss control program should involve all levels of employees, management and workforce and should assign some responsibilities. These responsibilities have to be assigned by top management.

- A review on program has to be given to the top management to enhance the effectiveness of the program. For this provision has to be made to communicate with top management.

Once the above fundamentals are completed, they form a strong foundation which supports other elements of total loss control program. Depending on the priority of the objectives mentioned by top management, the sequential uses of elements are decided. During various stages of program implementation, each element needs reassigning of responsibilities.

It is essential to remember that all elements cannot be performed at once in a program. In order to build a successful program, planning and enough time are necessary for the elements to become effective. The success of one stage will lead to the initiation of next phase. Successful application of the phases will allow one element to interface and complement all the others.

Recommended elements of a loss control program are as follows:

Proper Selection and Placement of Personnel

This will ensure that highly qualified persons are hired depending on the job qualification standards.

Establishing Safety Rules and Procedures

Rules and procedures form as the guidelines in which employees are expected to follow. General plant and department rules should be developed separately. Specific job procedures need to be established.

Accident Reporting, Investigating and Analyzing

It must be seen that all injuries and accidents are reported immediately. True and prompt investigations to reveal the real causes should be carried out which are further can be analyzed and corrective action can be taken.

Training

It should be designed to provide basic and continuous training for all employees, including supervisory personnel.

Inspections

A systematic procedure need to be established to inspect the unsafe conditions and acts within the workplace. These inspections are supplement than those inspections and audits done by outside agencies.

Emergency Procedures

This should include the treatment of first-aid cases and provisions for handling serious injuries, fires, or other disasters.

Motivation

The thrust of this element is to keep all employees interested and continually involved in the loss control efforts. It can include a safety committee, posters, handouts, incentive programs, etc.

Once the loss control program has been developed and implemented, it should be evaluated at regular intervals to make sure of its effectiveness. New aspects, advanced techniques and various strategies should be adopted to make the program effective and growing.

10.11   LOSS CONTROL TECHNIQUES

Risk is a very common phenomenon in every organization. That is why risk management program is very important. Risk management is the way of dealing and preventing/reducing the risk occurrence. The steps to follow in the risk management are identification, analysis, assessment, monitoring and managing and implementing corrective actions in order to minimize the losses and maximize the yields by using permissible resources and time. The first step is to identify the risks in the process of what we are dealing with and what are constrained factors. All the organizations should have a clear analysis on their business risks, which define the probability of severe loss and its frequency. Once the risks are identified and analyzed, then one can utilize one or a combination of following six loss control techniques which are aimed to reduce the possibility of a loss and to limit the severity.

Avoidance

Avoidance is the best strategy, which avoids the risk factors so that there will be zero probability of risks in the system. Obviously the system efficiency will be 100% in safe. But this can be done only when we have immense care and detailed analysis of the process to avoid the corresponding risk factors completely.

Prevention

Prevention is better than cure. This strategy lies on this ancient proverb. In some of the cases accepting certain risks are unavoidable. In such situations, implementing preventive measures may reduce loss frequency. In other

words, loss prevention technique limits rather that eliminating loss. Instead of avoiding a risk totally, this technique attempts to minimize the loss. For example, there is a chance to theft the stock when stored in a warehouse. In such circumstances, there is no way to avoid it, but the only possible way is to implement loss prevention program by arranging CC cameras, security guards etc.,

Reduction

Reduction is a loss control technique that not only accepts risk, but also accepts a minimal loss which might occur as an outcome of the risk. The measures of reduction technique can be enforced before and after the occurrence of loss in order to minimize the severity. Reduction techniques will try to reduce the losses in the event of some type of threat. For example, in any chemical or pharmacy industries there is a need to maintain fire safety equipments and water sprinklers which can reduce the risk factors and also reduces losses when fire incidents takes place. These chances are unpredictable and unavoidable, which also results in minimum losses. These techniques will be used to control from the major risk factors.

Separation

To control the losses, separation of multiple equipments or products can be made. This will avoid the exposure of one component's risk to remaining ones, so that the remaining parts will be in safe zone. If all the equipments are at the same location, risk propagation will be more. So, by separating the components, you can reduce the adverse effects of a single loss. For example, storing the components in different warehouses or compartments will reduce the loss if one compartment gets destroyed.

Duplication

Duplication is the loss control method which allows backups, spares or copies of information or property to use when the primary source or original asset is damaged or destroyed. A backup plan should be created under this technique. For example, storing the information on the backup server will help when the original server fails. Duplication technique will reduce organization's dependency on single activity, asset or a person.

Diversification

Diversification is the strategy in loss control which makes number of business lines, routes and ways to use the resources to create variety of products in different industries at multiple locations. Diversification avoids a single event or series of events from destroying a large percentage of the organization's assets. For example, a business can step into different geographic markets. If a market becomes too competitive, the other markets may still produce enough profit for the business to continue its operations.

10.11.1 Stages of Loss Control Management

According to Bird and Loftus, the loss control management should have the following stages

- Identification of risk exposures

- The measurement and analysis of exposures

- The determination of exposures that will respond to treatment by any loss of control techniques

- The selection of appropriate loss control action/ technique based on effective and economic feasibility

- Implementation of the loss control program in a most effective manner to economic constraint

10.11.2   Loss Control Profiling

Loss control profiling is one of the major assessment and control techniques which is associated with the loss control management. In between 1968 and 1971, Bird designed a loss control profile to quantify management's efforts in this area. He considered thirty areas of management activity that are connected either directly or indirectly with the reduction of loss

Thesr thirty areas are

- Management involvement and policy making
- Professional competence of loss control manager
- Technical experience of loss control manager
- Aptitude and talents of loss control manager
- In-depth accident investigations
- Laws, policies, standards
- Plant and facility inspection
- Safety committee meetings
- Management group meetings
- General promotion through the use of posters, banners, signs
- Personal protection
- Employee training
- Supervisory training
- Selection and employment procedures
- Reference library
- Occupational health and hygiene
- Fire prevention and loss control
- Damage control
- Job safety analysis
- Personal communications
- Job safety observations
- Records and statistics
- Product liability
- Emergency care and first aid

- Off-the job safety including on the road and at home
- Incident recall and analysis
- Transport including managers and salesmen driving cars
- Security
- Ergonomic applications
- Pollution and disaster control

Above thirty question need to be assessed and evaluated from point to point in which actions are essential to enhance the organization's control of losses. A trained personnel carries out the evaluation process by asking a series of question which are related to each of thirty areas. Nearly 500 questions have to be framed to cover the thirty areas. A rating should be given ranging from 0% for a bad to 100% for a good response for the each answer to the question. Calculations are done for each area individually by considering average percentage of those answers. An evaluation of each of the thirty areas is then calculated by taking the average percentage of those answers related to a particular area. The percentage range, action to be taken and remarks are given in the following Table 2.

Table 2: Loss Control Evaluation

Percentage	Action	Remark
<25%	Immediate action needs to be taken	
25% - 50%	Need for improvement within the near future.	
50% - 75%	An acceptable level has been achieved	There is still room for improvement
>75%	Organization is operating at optimum performance	Should be monitored to ensure that this performance is maintained

The results of evaluation can be represented by graphical aid in the form of bar charts where each area should be indicated on a separate line.

SAQ 5

a) What do you understand by loss control profiling?

b) Explain six loss control techniques.

c) What are the elements in loss control? Explain.

10.12 LET US SUM UP

Policies are the set of guidelines, principles which are defined and adopted by the organizations to attain its goals. Safety policy enables the organizations to perform activities safely and serves as a medium for conveying the management interest in health and safety of the public in and around the

organization. Safety policy should recognize the importance of various factors involved in the organization viz., human factors, information, procedures, products and services. Policies and procedures are the fundament requirements of any organization. They are essential because they address the issues like, organization's promise towards safe work environment; employee behaviors, actions performed during undesirable events etc., Developing a safety policy is not just a onetime process. Once a policy has been developed and implemented, it may require making some amendments and changes in the existing once. These changes are to be included by revising the policy again. So, the process of developing safety policy is cyclic. Based on the feedback received, it is planned to make revisions either immediately or some time in future. Risk is a very common phenomenon in every organization. That is why risk management program is very important. Risk management is the way of dealing and preventing/reducing the risk occurrence. The steps to follow in the risk management are identification, analysis, assessment, monitoring and managing and implementing corrective actions in order to minimize the losses and maximize the yields by using permissible resources and time. Once the risks are identified and analyzed, then one can utilize one or a combination of various loss control techniques which are aimed to reduce the possibility of a loss and to limit the severity. Finally we understood the importance of safety policy, risk management and loss control techniques in this unit.

10.13   ANSWER TO SAQs

SAQ 1
  a)
  b)
  c)
SAQ 2
  a)
  b)
  c)
  d)
SAQ 3
  a)
  b)
  c)
SAQ 4
  a)
  b)
  c)
  d)
SAQ 5
  a)
  b)