

PROTECTING A GLOBAL WORKFORCE

Safety & Health for the Multinational Corporation

By Malcolm Staves

Managing the safety and health of people at work is a complex task. OSH professionals meticulously identify the hazards and the people who could be harmed, evaluate the risks and consider the control measures. They constantly review their risk assessments because the world of work does not stop changing.

The role of an OSH professional is undoubtedly challenging, and the stakes are high. It is even more complicated when the people they are charged with protecting in a company's value and supply chains are spread far and wide, across various countries and time zones, speaking different languages and working under significantly different safety and health regulatory frameworks.

This is the puzzle that must be solved by a multinational corporation's safety and health leadership team. How do you protect thousands of people in multifarious locations and work settings? It could be the stuff of nightmares. A large company with such a duty of care also has a considerable reputation to lose and will be under tight scrutiny from stakeholders such as regulators, asset managers and customers.

The solution to the puzzle is a sophisticated one and, of course, unique to each organization. However, leaders heading up the safety and health functions of multinational corporations have

historically seen eye to eye on the common issues.

In November 2013, L'Oréal hosted a day-long workshop in Paris, France, run by the Health and Safety Laboratory, the research arm of the Health and Safety Executive, the U.K.'s safety regulator. The event gathered senior leaders and directors from a broad range of multinational corporations. The aim was to develop practical advice to help future-proof multinationals against the safety and health challenges brought about by globalization. Cultural diversity, workforce transience and leadership buy-in were the three challenges that corporations identified in achieving consistency of safety standards across territories and throughout their supply chains.

More than 8 years later, such enduring issues for the multinational corporation safety and health leader must now be met alongside those brought about by a global pandemic. The outbreak led to an additional 53 million cases of major depression

globally, according to the World Economic Forum's Global Risks Report 2022. Vaccine rollouts and incidence of COVID-19 have varied widely. The incidence of noncommunicable diseases has worsened worldwide due to treatment delays caused by the pandemic. It is as difficult as ever to separate work-related health risks from public health risks.

So, today, how does a multinational corporation operate safely across territories in such a volatile, uncertain, complex and ambiguous world? Let's consider as a case study the approach of the author's company.

With a workforce of more than 85,000 people, L'Oréal is the world's largest personal care company, operating research and development laboratories, factories, distribution hubs, and retail stores to manufacture and sell products including cosmetics, hair, skin care and fragrances. These operations span 140 countries grouped into six zones, and the company produces and sells thousands of products.

The author leads the corporate safety and health team with 19 divisional safety and health directors worldwide under the banner "Risk Assessment, Excellence and Beyond." That title encapsulates the company's continuing evolutionary path from essential risk control, through excellent safety, health and well-being practice to employee engagement and ownership of safety in a mature culture.

The team introduced eight pillars to describe the system. The pillars include risk management, safety culture, training, expertise, and leading indicators/key performance indicators. They range from foundation elements, such as strategy and objectives, through the cultural and behavioral aspects affecting day-to-day work, such as visible felt leadership and employee engagement, and on to system verification in reporting and audits.

A highly sophisticated framework is required because of the unique challenges and opportunities the team must manage. However, with a focus on the challenge of managing the safety and health of a dispersed workforce across multiple

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HOW A REGIONAL SAFETY DIRECTOR INTERPRETS CORPORATE STRATEGIC DIRECTION

By Kristin Herman

In 2022, we visited our manufacturing facilities in the U.S. This was about going in and seeing where the sites were in their safety and health management now that we are emerging from the pandemic. We wanted to go back to our culture and standards and ask, where are we? Was there still that visible, felt leadership we needed to get back to?

Because of COVID and social distancing, we had not been able to conduct the face-to-face, in-person meetings we had become used to. These meetings were so important because this was where leadership, management and employees interacted. We had been missing that interaction and engagement during lockdown. So, where were we now? It was clear that the engagement piece had to be reset.

We worked with the management committees, meeting with them and working through the basics. We went through our standards and procedures, making sure the programs were effective and that they were being delivered correctly. Our MESUR program was a good example of this. This is such an important part of how we integrate safety into our working culture at L'Oréal. We had great conversations with the management committees on this, ensuring that the focus was on the delivery and having those quality conversations with employees. Following the lifting of restrictions and social distancing, it was important to ensure we had that visible leadership. People want to see their management on the floor. They want to know that they are there to speak to them in person.

And this leadership buy-in is very much part of why our certification with standards such as ISO 45001 is so important to us. We are proud here in the U.S. to be able to meet this international standard.

In the U.S., every 2 years, we take part in the National Safety Council's Safety Barometer survey, which allows us to benchmark against other companies and assess where the gaps are. We have been doing this since 2018. I think we are very open in the U.S. when it comes to giving and receiving feedback, and it is by participating in these surveys that you get a better understanding of issues such as the need for visible leadership.

My final point is also leadership and management related. At L'Oréal in the U.S., we use a digital management system. This is a strong safety management system that has made it easier for managers to get more involved in monitoring and managing safety performance, giving them a dashboard and a portal for filing incident reports. In addition, we are upgrading our safety validation process from a manual spreadsheet to a robust online database that includes management collaboration and accountability. I am proud of what we have done in the U.S. from a digital standpoint, and we are always willing to share our best practices with the industry.

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territories, the company's approach can be summed up in three areas: culture, framework with flexibility, and standards. It is the team's work in these three areas that, together, facilitate protecting the company's international workforce. Let's consider each area in turn.

Culture

Countless surveys have highlighted culture and employee engagement as top present-day priorities because these are integral to managing the health and well-being of a workforce through current crises. Culture has always been essential for corporate resilience and sustainability, but the pandemic has tested this stress.

Although behavioral programs also advance the company's safety culture, the team developed a suite of initiatives to build and deepen it. These include:

- Measuring effectively safety using recognition and refocusing (MESUR) involves regular safety conversations between line managers and operators using open-ended questions such as "What could happen unexpectedly?" MESUR works because it was developed with safety leaders in the different regions, then tested at various sites. This is organic safety.

- Safety improvement opportunities are about encouraging all employees to participate in shaping safer, healthier work environments by flagging hazards and suggesting improvements to procedures or work spaces.

- Culture audits: The OSH culture audit program involves an assessment of manufacturing sites every 3 years and distribution centers, research facilities and administrative offices every 4 years to verify where they are on the safety culture maturity curve and to identify the next steps in the evolution of the culture.

- Learning and development: Central to the company's safety culture is that everyone should be trained and competent to carry out their work safely and to support the organization's safety culture. From visitors and contractors to corporate directors, training is prescribed and checked for effective delivery. A development program for directors is run in conjunction with the training arm of French business school INSEAD, CEDEP, with seminars focusing on safety leadership and culture. The program has expanded to admit executives from other companies.

In sum, the team's goal is to create a learning organization with the application

of the right tool at the right time depending on where the company is on the maturity curve or cultural evolution.

Strategic Frame With Flexibility

The company's program for containing the highest-consequence hazards is universally applied throughout the organization. For lower-level risks and safety culture initiatives, the organization adopts a goal-oriented approach to allow for the cultural differences inevitable when operating in 140 countries across five continents.

Country directors and site managers are allowed a degree of leeway for local adaptation to recognize and even take advantage of national or local customs to make programs work well in their jurisdiction. This is if their variation of the scheme achieves the outcome specified by the corporate OSH function. This flexibility, within a frame, allows global programs to be implemented effectively in all countries and regions and adapted as needed to different cultures.

Multiple indicators provide feedback to zone OSH directors and the organization's center about the efficiency and effectiveness of the methods and tools put in place. OSH directors across the different territories have been given a clear direction to adapt their approach based on the safety maturity of each site. They have been issued a toolbox of clearly defined tools and methods, then given the freedom to decide which would be best used and when. It is about the right tool and the right time.

In the author's view, you can build resilience and agility by simplifying safety and health for OSH professionals and line managers while decentralizing some of the decision-making.

Standards

Regulatory standards for safety and health, at whatever level they are set in different parts of the world, are intended by governments as minimum acceptable levels of protection. Along with many other evolved organizations, L'Oréal has long been conscious that aligning its OSH performance to meet such minima could still sanction a margin of injury and ill health that would reduce efficiency and be inconsistent with its objective of being a caring employer.

Building on a comprehensive risk assessment foundation, the corporate safety and health department has set its own internal standards of excellence

in preventing harm, aiming to minimize incidents and ill health through multiple systems and initiatives. The mindset has been extended to families, local communities and other companies through the organization's Safe@Work-Safe@Home initiative.

Whatever the regulatory safety and health standards in the countries in which the company operates, L'Oréal applies its baseline compliance standards globally. These are derived from whatever the organization regards as the regime with the highest standard of controls for each risk category. So, for equipment in potentially explosive atmospheres, the organization's sites worldwide implement controls aligned to the EU's ATEX Directive, and for major accident hazards its framework follows the Seveso Directive. Minimum fire safety standards are based on the code established by the National Fire Protection Association in the U.S. and the assessment of complex chemical processes uses the hazard and operability system that has its origins in the U.K.

Effective risk assessment is vital as a foundation to develop a high-performing safety and health culture. Within L'Oréal, this comes from identifying the best standards and applying them globally. For example, the organization identified how to manage the pandemic at a global level and developed instructions and standards, deploying them globally within the company.

Interpreting Strategic Direction

These three areas—culture, strategic frame with flexibility and standards—are the building blocks for managing the safety of a disparate workforce, suppliers and the communities in which the organization operates. So, how does a regional OSH director in the company interpret this strategic direction on the ground, interpreting it for their culture, regulatory system, languages and stage of economic development? The sidebar provides an example from the U.S.

In 35 years of driving corporate safety and health strategy, the author has seen all the changes, from only seeking regulatory compliance, completing time and motion studies and a top-down

risk management approach from OSH professionals, to what we are seeing as a whole-person, whole-life approach now, with a focus on creating a culture of care.

At the same time, we have seen the rise in importance of digitalization and data analytics, and the far-reaching impact of the pandemic, which had many working from home. In today's volatile, uncertain, complex and ambiguous world, it is important for us as OSH professionals to take a step back. We cannot do everything; it becomes about priorities. So, the author's key pieces of advice are:

1. Identify your major risks—those that could lead to a fatality, an irreversible injury or someone contracting a terminal illness—and ask yourself if they are under control.

2. Create a strategy for transforming the OSH culture, with the support of the management team, in which everyone is looking out for each other.

3. If you work for a multinational organization, standardize the control of your most important risks. Do not hesitate to be direct and firm with these. When it comes to people's lives, there is no negotiation.

4. Give a sense of purpose to why people should work safely and make the link to employees' lives outside of work. We all work to live.

5. Collaborate with human resources and other departments as needed. Mental health has come more into the public eye during the pandemic and must be addressed.

6. Finally, remember that you will never know it all. So, network, network, network.

If you do this, you will save lives and reduce incidents and illnesses. By truly putting people and their safety, health and well-being at the center of all that you do, you will create value for your business and a sense of purpose for all that you do. **PSJ**

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