

Finding Leverage During Crucial Business Changes: Lessons from EHS&S Leaders



Environment, Health, Safety and Sustainability (EHS&S) leaders face:

- **Shifting corporate strategy;**
- **Organizational turmoil; and**
- **The need to demonstrate strategic value to influence leadership.**

“In your business, is EHS&S seen as a critical business function? If not, how do you make it one?”

In November 2015, ERM brought seven EHS&S leaders together for a Micro Forum in Chicago, IL. They represented businesses in widely different sectors, from transportation to health care and technology to household-name consumer products. They each had unique personal journeys. Their strategic and organizational challenges, however, shared many elements. Here are some of their key insights.

Establish and Maintain Business Relevance

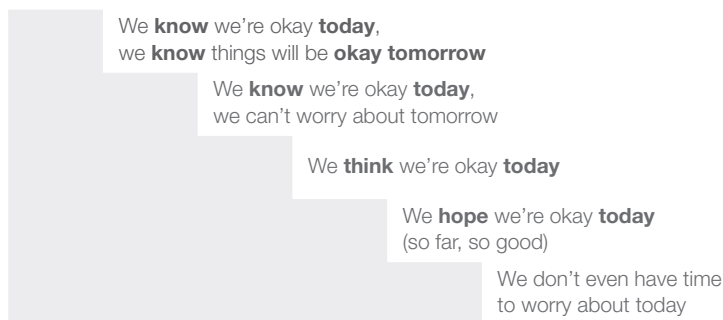
EHS&S leaders need to demonstrate how their functional business strategy supports business growth and operational effectiveness. This includes linking to:

- **Growth:** Helping speed expansion into new markets by quickly securing new permits, preparing for EHS risks through operations design and training, or securing license to operate by demonstrating a commitment to the environment, safety and the community.
- **Culture:** Building strong EHS&S cultures that deliver reliable EHS&S performance, help employees feel good about their jobs and their employer, build an ownership culture and bolster employee engagement.
- **Business continuity/service dependability:** Helping manage risks that might impact service delivery or cause other business disruptions.
- **New Products:** Using EHS&S staffs' technical expertise and stakeholder insights to help the company's research and development teams differentiate their products to better meet changing customer needs or concerns.
- **Compliance:** Anticipating and managing new regulatory requirements to enable business continuity and growth.

Manage Risk by Facing Reality

Businesses and their EHS&S risks evolve. Managing these risks requires solid management systems and effective strategies to manage both for today and tomorrow. Under stress, companies may change their risk tolerance and reprioritize their efforts to manage the biggest risks. The rhetoric may say “safety is our priority,” but business reality imposes other competing priorities. While this may be uncomfortable, it is necessary to effectively manage through change. Recalibrating priorities may lead to a backslide in programs and performance. To maintain progress, each company needs to decide what it will continue to require and what can be flexible or variable based upon available resources.

Participants explored their companies’ risk approaches and whether they were making progress or backsliding:



Teams: “Build What You Can, Lead What You Have”

EHS&S leaders’ success depends on their ability to organize their teams to best use and stretch their employees’ capabilities. Often, innovative solutions come from those who are more apt to question the status quo. Having a strong mix of staff, from change agents to program managers, can ensure that the team is well positioned to drive all aspects of EHS&S strategy. Often, though, leaders have limited ability to build or change their teams. They may have a strong traditional EHS staff, who have been trained to follow regulatory guidelines and ensure compliance – not to challenge, innovate and adapt. Participants explore ways to help draw employees out of their comfort zone, including providing them with additional challenges to identify their ‘range’ of capabilities and help them grow into new roles.

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Work with Corporate Leadership

EHS&S is often a global function or part of a matrixed organization. EHS&S leaders need to demonstrate their value to others outside of their direct reporting lines to gain support for their initiatives. Strategies for successfully engaging leadership include reframing the role of the EHS&S function to align with the strategy of the company or the goals of a particular business function. Framing the discussion to answer the question “how can we help you?” and presenting results in business, as opposed to EHS&S terminology, can increase buy-in.

Participants also noted that there is often a disconnect around the EHS&S commitment between employees at different levels in the organization. Senior management and front line employees more often see the value of EHS&S programs first-hand, whereas those in middle management, who are often squeezed by competing demands, are less able to focus on EHS&S programs. Working to increase visibility of and buy-in to EHS&S initiatives for these employees can be critical to success.

At the same time, EHS&S leaders often report their progress and plans to the Board of Directors. They have a level of access to the highest level in the company, which may be unusual given their level in the organization. Participants see that access as an important resource. They have the following tips on how to get the most from Board interactions:

- Get to know the Directors as people;
- Demonstrate what is working well and the two to three places where you need their support/advice;
- Ask for strategic direction on key issues;
- Support your CEO by sharing successes and showcasing how the business is managing key risks; and
- Above all, ensure that you showcase how EHS&S is a critical business function that is helping to propel business success.

About ERM

Environmental Resources Management (ERM) is a leading global provider of environmental, health, safety, risk, social and sustainability related consulting services. We have more than 5,000 people in over 40 countries and territories working out of more than 160 offices. Over the past three years we have worked for more than 50 percent of the Global Fortune 500 delivering innovative solutions for business and selected government clients helping them understand and manage sustainability challenges.