

## Safety Issues Can Make or Break a Brand

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THE way a company handles health and safety illustrates its ethics and its capacity to develop a reputation and brand that promotes focus and flexibility - all of which are essential for long-term sustainable growth.

Government's policy is to grant mining licences only to companies whose health and safety policies are in place, acknowledging that by accepting responsibility for consequences of any action, the company also accepts responsibility to ensure the environment is not raped, that human capital is protected and a sustainable economy is built. Anglo American's Cynthia Carroll is right when she says if you get safety right, everything else follows. Modern mining technology and the geological information now available should ensure that accidents rarely happen, but they do, and generally point to something wrong in the safety culture of a company.

A safety culture costs money. It demands investment, responsibility, intention and awareness of the long-term impact of behaviour and actions. It needs leadership that nurtures discipline, models ethical behaviour, and sometimes sacrifices short-term gain or stability for values. Angloplat CEO Ralph Havenstein acknowledged as much when he resigned, saying: "The new safety mandate introduced by Carroll needed someone with 'new insight' to implement." (Business Report, July 31, Angloplat faces barrage on all sides after fumbling for years). Extraordinary action like that disturbs the complacency typical of a culture that does not prioritise responsibility and pride in work, and sends the right message. Nothing can compensate a family or community for the loss of a life of a loved one. But by accepting responsibility for the accident, a company can promote its own learning and help those affected to move on. In a culture of safety, staff see the connection between actions and consequence through personal responsibility and pride. This means management has to care for and respect employees and make sure that its judgment and standards are consistently applied across all categories of status and privilege, while accounting for individual circumstances at the same time.

Talking to employees, so that they share an appreciation with the company's management for the challenges associated with building a safety culture - and feel neither belittled nor burdened by the necessary procedures - helps them feel responsible and proud about work. It also means allocating resources and time to health, safety, environmental and other human and community issues, which is inimical to the work lives of those who prefer the analytical, numbers-driven, trading, deal-making or opportunistic sides of business. Pride and self-esteem result from an integrated sense of confidence and humility, which allows individuals and teams to learn from experience, so they can face mistakes and do the right thing - because it is the right thing to do, instead of doing things to curry favour.

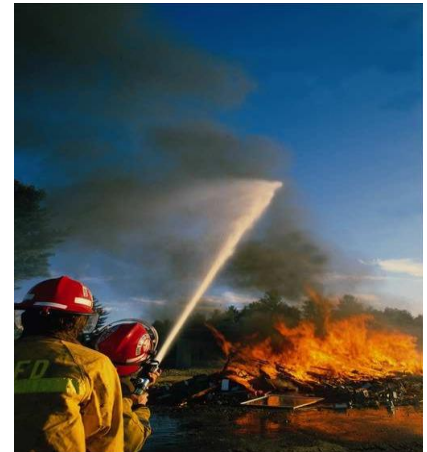
The extra expenditure required to safeguard health and safety affects short-term operational imperatives of efficiency and cost, but that is a small price to pay for longer-term goals of sustainability and reputation. Concern for safety and the environment also inhibits the kind of cynical opportunism used to "taking the gap", regardless of consequence.

Safety in the workplace contributes to skills development. Encouraging workers to be conscious of how they work, to think about productivity, their colleagues and community, and the market for their products, prepares them to think in an economically sophisticated way and in a way that can advance them into senior management, if not into a business of their own. If workers are treated with respect, they in turn will treat others with respect. If they are proud of their contribution and empowered to manage the consequences of their actions, and are treated as more than just mechanical instruments of production, safety will result.

Often a safety culture requires that immediate gratification is delayed to build sustainability. Investing in safety is an essential element of creating a strategy and an organisation that is focused and thriving and which benefits all stakeholders.

THE virtuous cycle of safety, pride and growth will sustain itself if it's driven by a confident and humble leadership culture that both risks and learns. As toy maker Mattel and the apparently cavalier "brandless" Chinese manufacturers of lead paint have learnt, health and safety issues affect the reputation and seriously harm the brands of market leaders such as Mattel, as well as the otherwise efficient and profitable third-party manufacturing model of which it is an example.

The local taxi industry, remarkable for its entrepreneurship, sadly seems unable to mature because its culture does not promote safety, positive reputation or brand. The accidents, flouting of road rules and sorry state of vehicles, attest to this deficiency. Despite its efficiency and opportunism in meeting communities' transport needs at a reasonable price, it remains defensive, always blaming others for its woes. Hence it has failed to expand its market to embrace the tourism market or the nascent market of private car drivers, which are aching to find an alternative to the clogged and dangerous roads they have to negotiate. The internecine conflict between taxi associations for routes and the conflict with the bus companies disregards safety and investment for the sake of a quick buck now. It is caught in its own trap, destined to remain a shambolic, dangerous and feared industry that will probably collapse if a realistic competitor is allowed into the market. It needs ethical, clear leadership that acts courageously to drive reputation, reliability and safety.



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