

DO ENVIRONMENT, HEALTH & SAFETY EXECUTIVES DRIVE SUCCESS?

By Jeffrey W. Gifford

It appears that organizations are adding executive environment, health and safety (EHS) roles to their ranks in growing numbers and promoting those positions as evidence of their board of directors' or executive management's commitment to EHS improvement and safety leadership.

Are these additions or position elevations indicative of a growing realization of the need for effective EHS leaders functioning at the top levels of organizations, or are they another form of greenwashing in an age of more outwardly visible EHS performance due in part to the investor community's interest in publicly traded organizations' performance in these important areas of operational excellence? If there is indeed a growing need and demonstrable value in having EHS executives in forward-thinking organizations, what does the safety profession need to do to ensure that we are nurturing and developing the next generation of leaders to fill those roles and further protect the global workforce?

The Function of an EHS Executive in a High-Performing Organization

Is an executive-level EHS role necessary for a high-performing organization to function at the levels necessary to be competitive and meet its moral and societal obligations to safeguard workers, protect the environment and meaningfully engage with the community? Who is arriving at work each day with the responsibility to give voice and gravity to the EHS function at the highest levels of an organization? Is that individual technically competent and sufficiently compensated to be effective in that role? As the old saying goes, "if you're not at the table, you're probably on the menu."

In some cases, organizations may create high-level titles for EHS functions, but in practice it is essentially an inflated

title for a technical role and not a true leadership role in an organizational sense. It is not uncommon to see job postings for senior EHS leadership roles that require "deep, current and technical knowledge in all areas of EHS." Would an organizational leader or executive in finance, legal or engineering have the same expectations? Certainly, a high level of technical competence and experience is necessary to gain credibility and form a proper foundation for a leadership role, but is the goal truly to maintain bleeding-edge technical competence at the executive level? Probably not, or it is probably not a true leadership role.

The EHS function has become so technical and specialized that each subspecialty is becoming a technical realm and career path unto itself. For example, risk management and process safety are sufficiently technical and evolving to provide for a lifetime's work in one subdiscipline. To expect someone to truly lead as well as maintain technical excellence in all areas seems misinformed at best. Or perhaps it is indicative of the need for organizational awareness and education on what EHS leadership looks like in high-performing situations.

If one is to become an EHS executive, what does that mean if it is not a technical role? It means being allowed to have a seat at the leadership table, then continuing to earn the privilege of being there. It means being comfortable with letting go of being the cutting-edge technical professional and leaning into being the thought leader, challenger, conscience and sometimes even confident contrarian at the highest levels of an organization.

A healthy culture that allows for free, open discussion, a diversity of people and ideas, and challenge without retribution will often produce superior results and long-term competitive edge. It also means that EHS professionals must let go of rigid, regulatory-driven thinking and embrace a more risk-based approach to decision-making. As a leader, you cannot die on every hill, and if you do,

you will not be fighting for long. Successful EHS leaders must understand and reconcile the fact that organizational decision-making is not a binary proposition and is often a compromise or risk-based consideration of the best solution and may require operating in a gray area that many technical professionals find uncomfortable. Of course, one should not confuse this with compromising on legal, regulatory or moral obligations, as often the EHS leader may be the last line of defense or lone voice that speaks to a critical issue that needs to be heard during decision-making. That is the very reason why it is paramount that we have strong, technically sound and emotionally intelligent EHS leaders at the table.

The Role of ESG Reporting

The rise of investor interest in an organization's performance along environmental, social and governance (ESG) lines is driving an increasing pressure to produce transparent, publicly available reporting. While many global organizations have historically produced sustainability reports in the past, the new wave of ESG reporting is creating a broader, more consistent and more easily comparable framework for investors and others to use in evaluating an organization's commitment and performance. It would seem to follow that in the wave of increased reporting and possible scrutiny, organizations would be keen to ensure that the leadership ranks within the organization are partnered with competent, experienced and capable functional EHS leadership. No doubt, there are many organizations that are and have been deeply committed to EHS performance, but it is also reasonable to assume that even the most committed organization will perhaps increase its attention on EHS leadership when the investment community begins asking difficult questions relative to ESG reporting and metrics. This is perhaps one of the goals of ESG reporting in the first place; transparency generally drives improvement.

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The Role of Executive Compensation

The topic of compensation can often ignite tense discussions about the role of executives, the economic value of their contributions to an organization and the often-widening pay gap between the executive ranks and frontline workers. The topic has become so politically embroiled that some lawmakers are even proposing legislation that limits an organization's executives from earning more than a given multiplier of average earnings of frontline workers. While this article does not delve deeply into the merits and pitfalls of executive compensation, the topic bears mentioning relative to how EHS leaders are viewed within organizations.

As with other disciplines such as legal, finance, technology and business development, EHS executives should be compensated at a level that not only recognizes the function's contribution to the organization's success, but also at a level that signifies the entity's commitment to operating an organization that is earnestly committed to a high level of EHS or ESG performance.

A perhaps more subjective argument can also be made that top-level executives, including EHS executives, should be compensated at a level that allows those individuals a measure of financial security and independence that facilitates honesty and transparency at the highest levels of the organization. Put more simply, if an executive is compensated at a level that gives the person security from the impacts of a potential job loss for being forthright or honest about EHS risks, then the level of trust and honesty that prevails will be beneficial not only to the senior leadership team, but also to the frontline employee who is often the beneficiary of EHS-related decisions. Further, team members are typically aware of peer compen-

sation, and should the EHS executive be compensated at a level significantly lower than the rest of the executive team, this sends a subtle message of the true value placed on those contributions within the culture. The value of projecting an image of open, transparent EHS leadership at the top of an organization should not be minimized, particularly in an age of increased ESG and EHS performance reporting.

Developing EHS Leaders for Executive Roles

The development of EHS professionals for executive roles is challenging for many reasons, not the least of which is that there are few well-established programs designed to develop a technical professional into an organizational leader. This gap is further intensified when technical professionals enjoy the challenges and rewards of being a strong technical player and do not desire to step away from these challenges for the less tactile, less tangible benefits of organizational leadership. The very reason that many technical professionals decide to enter a given technical profession is often counter to the competencies and passions necessary to become a successful organizational leader. It is not uncommon to see an organization take excellent technical professionals and promote them into managerial or leadership roles, only to see those individuals perform at suboptimal levels when they are no longer doing what initially drove their success. For this reason, many more sophisticated organizations over the years have developed both technical and managerial career ladders that allow top performers to progress organizationally without forcing people onto the managerial ladder to continue to rise. While these career ladders allow for em-

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ployee progression, they do not necessarily produce more effective leaders.

How do we ensure that there is ample opportunity to develop individuals into EHS leaders? It may start in the educational curriculum at the university level and continue in the professional development courses and committees facilitated by professional organizations. While there are some leadership-focused development opportunities and certification programs within these organizations, there may not be enough depth or continuity in the offerings to make a meaningful impact on the professional at large. Far too often, management-oriented training and development opportunities are largely focused on management systems rather than leadership capabilities. Of course, management system competencies are necessary for successful EHS professionals, but let's not confuse those with developing and promoting true leadership development. Granted, while one's mere participation in committees, boards, work groups and other groups is instructional on developing leadership skills, it is not nearly enough to meet the future needs of industry and consulting. It is convenient and perhaps even lazy to revert to the old chicken-and-egg comparison. Are there too few executive-level EHS opportunities because there are too few professionals capable of assuming such roles, or are there too few opportunities to drive the development of true EHS executives? If it is the former, universities and professional organizations may be the key to driving the number of technical professionals capable of assuming such roles.

Call to Action

It is easy to dismiss this discussion as a shallow or even self-promoting approach

to the true value of EHS professionals. After all, don't most EHS professionals study, train and practice their craft to become the best, most effective technical professional they can become and therefore protect the safety and health of individuals within their organizations? Often, EHS roles are even referred to as callings rather than professions due to the altruistic and societal value often attributed to the function.

However, the argument can certainly be made that by developing and supporting high-functioning EHS executives, the impact of the profession could be vastly expanded and, rather than impacting dozens of employees at the work face it could impact tens of thousands of employees across global organizations and societies. The discussions, decisions, leadership and resource allocations that take place in the boardroom and at the senior leadership level have the potential to lead the EHS culture of the organization in a far more significant manner than those that take place at the work face. While both fronts are critically important to ensuring a safe,

healthy and responsible organization, the role of an effective EHS executive functioning at the top of the organization cannot be underestimated.

So, how do we bridge the gap? To start with, higher education institutions bear some responsibility for ensuring that a foundation of leadership development and education is included in the curriculum of EHS students. Naturally, the bulk of the education should be technical in nature, but the introduction of academic leadership principles into a degree program would plant a seed for future leaders. Further, professional associations that shoulder the responsibility of continued education for EHS professionals should develop and actively promote more meaningful, engaging, real-world leadership development training.

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Are EHS executives necessary? Is there sufficient demand in the job market for effective EHS executive leaders? In both cases, the answer is yes, and it is incumbent upon the safety profession and those responsible for developing future leaders to embark on a path that creates and sustains these new leaders. Not only for the betterment of the EHS professional, but also, and perhaps more importantly, for the benefit of those individuals at the work face who we are sworn to protect. The time is now. **PSJ**

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