EHS Managers: The Evolution from Necessary Evil to Vital Leaders

by Dr. Christy Cole, Director of Compliance Services, Dakota Software

Considering the dedication most companies now have to environmental and safety compliance and the extra sustainability initiatives they pursue, it’s hard to imagine a time when businesses treated such matters as burdensome obligations. But such a time existed not long ago; so recently, in fact, that many EHS managers can recall it with clarity and maybe not-so-fond memories.

Many businesses and their compliance officers were ill-equipped to contend with increased federal environmental and safety oversight starting in the ‘70s. Making matters more difficult, firms often viewed EHS as an afterthought, forcing managers to fight to convey their value to the business and their essentiality as risk mitigators and operations innovators. Furthermore, the fledgling EHS field was a volatile one, with companies quickly increasing and reducing EHS staff based on the latest enforcement actions or lack thereof.
While that attitude is less common among businesses today, some organizations have still not fully embraced the subject. Even with notices of violations, consent decrees, diminished investor confidence, jail time for executives and the possibility of an employee fatality all remaining clear and present dangers, some managers are still not fully supported. To understand the risks related to noncompliance and appreciate the regulatory twists and turns compliance officers have to deal with, they need a glimpse into the world of EHS professionals.

Modern regulatory agencies enhance enforcement activity, introduce more regulation

For an example of the sometimes overwhelming burden placed on EHS managers by complex and evolving compliance, recent regulatory activity undertaken by the U.S. Environmental Protection Agency (EPA) serves as a beacon of a reminder.

**Between 2005 and 2010, the EPA published 10,483 items in the federal register** [1]. While the majority of such publications were notices, 2,007 of the items were notices of proposed rulemaking and 2,021 were final rules. Direct final rules constituted 829 of the publications. According to data from the federal register, **since 1994, the EPA has published 40,634 items** [2]. Comparably, the Department of Agriculture published 25,540; the Department of Labor, 21,393; and the Department of Justice, 18,279 (see Figure 1).

The breakdown of publications between offices in the EPA illustrates how the agency has adapted to new environmental concerns and trains its modern resources and efforts on regulating emerging issues. The Office of Chemical Safety and Pollution Prevention published 2,921 items between 2005 and 2010, while the Office of Air and Radiation (OAR) published 1,230.
EHS managers will likely have to prepare for further additions to the regulatory code, with many possibly coming from the EPA now that President Barack Obama has appointed a new administrator to head the agency. **Taking over the top post is Gina McCarthy, who previously ran the OAR and oversaw the implementation of heightened air pollution regulations;** a notable one being a mercury and soot emission power plant standard. Called a “seasoned regulator” by Politico [4], McCarthy will lead the EPA through Obama’s second term, and will likely usher in a comprehensive federal fracking regulatory code that is expected to start development after an agency study on the revolutionary oil and gas innovation is completed [5].

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EHS managers are not only pressed to deal with regulations appearing in greater frequency and depth, but must do so in knowing enforcement efforts are more rigid and penalties are stiffer. **In fiscal year 2012, the EPA levied $252 million in civil and criminal penalties against noncompliant businesses.** In FY 2011, that total was $187 million, and in FY 2010, $148 million [6] (see Figure 2).
That trend toward enhanced regulatory oversight and stricter enforcement efforts is also present in the U.S. Occupational Health and Safety Administration (OSHA). According to OSHA’s most recent inspections data for FY 2010, there was a 6.2 percent increase in the number of inspections since FY 2006; there was also a 15.3 percent increase in the total number of violations and a 22.1 percent rise in serious violations [7].

OSHA’s target to reign in serious violators has even spawned the Severe Violator Enforcement Program (SVEP), created in 2010. In a recently published audit of the program, OSHA said the SVEP is “off to a strong start” since its inception [8].

Managers are not only tasked with compliance, but changing company culture

EHS professionals have a lot on their plate: staying aware of new regulations, understanding and interpreting requirements, applying those standards to operations and enforcing them at the worksite. In addition to assuming all those responsibilities, they are often tasked with influencing company culture. The emphasis on corporate sustainability may come down from on high, but EHS managers are on the frontlines of the battle, charged with shifting perspectives and recruiting believers with real-life results.
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One of the foundational tenets of the EHS manager position is to maintain and advocate for a safe workplace, airtight in its protection of worker health and safety. They have become the leaders of workplace safety movement with rallying cries like “Safety First” or “Our Goal... Zero Harm.” This notion can be reinforced by the example of Goodyear instituting a “No One Gets Hurt” workplace safety program that asks EHS managers to not only prevent incidents and uphold compliance, but provide leadership and guidance [9].

Environmental strategies have also been pushed to EHS managers in an effort to green up their companies. In the NAEM’s 2012 EHS and Sustainability benchmarking report, the most commonly cited responsibility of the EHS profession was setting environmental goals (96 percent), while compliance was only cited by 90 percent of respondents [10]. This shift suggests that EHS professionals are now tasked with not only managing environmental related compliance issues but also proactively managing environmental strategies.

As detailed in a study on the evolution of EHS managers by researchers at the Rochester Institute of Technology, EHS managers are not only responsible for duties relating to workplace safety, environment management and occupational health, but added obligations to further integrate corporate sustainability into the basic workings of a company [11].
“As more organizations adopt sustainable practices … EHS Managers are expected to take on more, and in some cases, radically new responsibilities,” researchers wrote. “This necessary evolution of the organization, along with the evolution of the role of the EHS Manager, comes with challenges for both. However, these changes have the potential to bring significant benefits that positively impact all three dimensions (people, planet, and profit) of sustainability.”

The same NAEM benchmarking report echoed that sentiment - that EHS managers are increasingly assuming more responsibility for the future environmental and social performance of their employer.

**Sixty-eight percent of respondents said they were taking the lead on energy management**, 73 percent said they spearheaded natural resource conservation efforts and 40 percent even said they engaged in corporate sustainability marketing. [10]

**While increasingly being relied upon in many respects, EHS managers are still underfunded**

Even given the crucial role EHS managers play in a business’ operations, they are still faced with a barrage of external and internal forces that complicate their job. Not only that, but they are often left shortchanged by budget constraints that leave them with insufficient resources, personnel and compliance tools.

In a 2013 report on the state of the EHS profession, GreenBiz found that after business spending on sustainability had grown for three years, EHS budgets had stagnated, with fewer organizations investing in providing for managers and staff [12] (see Figure 3).

But despite all this, the bottom line is sustainability has become vital to a business’ performance. More consumers said they prefer or would pay more for sustainable products, investors have made environmental and social responsibility a key criteria and corporate reputation hinges on a firm’s ability to communicate their sustainability agenda.
Sustainable Development offers EHS managers a Seat at the Table

By taking the lead on sustainability and other EHS issues, as the evidence so often indicates, EHS managers have carved out a seat at the table for themselves to prove their value to the business and make a case for being better equipped to handle the daily challenges they face in their quest to improve operational efficiency and EHS performance.

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Success in such matters begins with EHS managers. They safeguard employees, conserve the environment, and reduce the risks associated with non-compliance. In order for businesses to see the benefits that come with better EHS management, firms need to grasp the value and importance that EHS professionals present to the entire company. To do so, organizations must equip managers with the tools they need to lead the charge toward a greener future. Advancing corporate sustainability is the ultimate goal, but without compliance and without the necessary resources EHS managers need to achieve it, businesses severely hinder themselves in that endeavor.
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Dr. Cole leads Dakota’s Compliance Services Team of EHS professionals providing tactical project management and client system configuration including delivery of full implementation services to Dakota Software clients. She has more than 30 years of on site industry experience in the Environmental, Health and Safety compliance and auditing fields, as well as 13 years of database administration experience with Dakota’s products.

Prior to joining Dakota, Dr. Cole held positions in the regulatory arena and in industry with global responsibility. Dr. Cole holds two Master’s Degrees in Chemistry and Environmental Engineering respectively, and a PhD in Environmental Engineering from Texas A&M University. She also holds QEP, CPEA, CVI and Six Sigma Transactional Green Belt certifications.

About Dakota Software

Dakota Software is the only provider of EHS compliance solutions that deliver a comprehensive regulatory library through an enterprise-wide EHS compliance process management system. This exclusive feature, combined with Dakota Software’s proprietary taxonomy engine, allows you to easily determine which requirements apply to which sites and build the appropriate compliance program for each site. Furthermore, you are automatically notified of upcoming new regulations and pending regulatory changes.

Dakota Software allows you to globally view and orchestrate your EHS initiatives, while at the same time providing you the tools to locally execute compliance programs.

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