

Individual to Business Risk

From Individual to Business Influence

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## Abstract

The amount of risk in a company or work environment plays a large part in the overall culture of the facility. The amount of impact an individual can have on the work culture may seem small but can have deeper influence and consequences than it may seem. There are many things that link the safety culture of a facility. The safety culture is made up of the individual, the situation, and the organization. Each one of these has a Risk Tolerance that creates or supports a work environment. This synergistic approach can be good or bad depending on many factors. The culture that is created may be embedded so deep that it may take a lengthy period of time to change or correct. The longer the individuals have been part of the culture the deeper and harder it will be to make a change or get them to identify how their individual risk tolerance affects the entire workforce.

## From Individual to Business Influence

### Individual Risk and Influence on Safety Culture

Individual risk tolerance has many influences both inside the work environment and outside of the work environment. These individual risk tolerances provide a foundation for a safe or unsafe culture. The individual influences come from a variety of sources. The basis for our individual actions is the environment in which we grew up. If the person was raised in an environment or household that was not very active or was risk averse then the foundation for individual risk tolerance may be high. They may see most things as having a lot of risk because they did not experience them. If they lived in an environment in which the family was very active and did a lot of activities that had a level of accepted risk then chances are they would have a higher accepted level of risk, (Changing behavior in construction. 2008).

This risk perception may be lower than others because of the outside influences and the internal acceptance of certain risk from a situational perspective. The risk perception is a culmination of familiarity, cumulative, understanding, controllable, inconsequential, peer pressure, and positive outcome of previous successes. These are just a few pieces that will influence the behavior. This individual behavior begins the process for situational and organizational risk tolerance. Situational risk tolerance is the beginning point from which the safety culture is formed.

Individual influence within the organization may seem small and insignificant in some companies. This is because the greater the workforce you have the “smaller” the individual may seem. On the surface it may not seem as though one person can't have a giant impact on the

culture, however: the actions of the individual can make a large impression and impact on the overall safety system. The team or culture is a collection of the people within the facility. It does not matter if you have two people or ten people. The culture and the way the business is conducted are going to be a combination of those individuals brought together, ( Hallett, F. 2011).

The situational risk tolerance is the day to day operations of a work environment. This is the individual tasks and jobs that happen throughout the day by all plant personnel. If man and machine never had to interact then the culture in the facility would be perfect. This is not the case in a large portion of manufacturing facilities. Situational risk tolerance is the first step from a business perspective that is influenced by an individual. Situational risk tolerance drives the acceptance of the culture on a single event in time that is part of the overall plant safety culture. Each one of these situations or events makes up the way the culture reacts to safe and unsafe behavior, (Morris, G. 2011).

Just like individual risk tolerance, situational risk tolerance is based on many factors. Some of these include hazard recognition, risk analysis, training, probability, severity, and cultural norms. Situational risk is the individual action or event that makes up the organizations accepted norms and expectations within in specific time frame or job. The steps and actions that occur during this time are the culture makeup within the business. The question remains as to how the individual recognizes the hazards and responds to them. Individual hazard recognition as stated earlier is a collection of past experiences and some internal and external influences, (Kerfoot, K. M., 2008).

The individual may recognize a hazard and not be prepared for it or view it as great of a hazard as others within the team. The mental risk analysis that they have done may not properly identify the risk because they are being pressured from peers and leadership to get a job done. Each one of these occurrences of taking risk can be validated assuming that nothing happens during the work. When the individual commits a safe or unsafe act then they are validating their individual behavior and those that are around them see them doing this. They can choose to accept this behavior or confront the person for doing something wrong. These influences may not directly impact the moment at that time but it will create an accepted norm for the individual behavior. The cumulative effect of their actions will influence future work for themselves and others they work with.

When individual and situational risk occurs they tend to influence each other. The situation may be that the business needs to get so many cases of product out for a specific customer, or they are trying to meet a deadline for an experimental product. Either way the individual may feel compelled to bypass known safe guards to try and get the job done. They accept a certain level of risk to please the boss and meet their goals. This is not a quick process. A culture that accepts this type of behavior has been accepting it for a long time, this means it takes a long time to change the culture for the better, (At your own risk!; How the risk-conscious culture meets the challenge of business change. 2008).

Business's just like individuals have to take certain types of risk. You have to take certain types of risk to prosper and grow and to make your products or services stand out above others. Organizations also build and have certain levels of organizational risk tolerance from a safety

perspective. This is not something that is usually done overnight or in a single day, but takes time and re-enforcement to create.

The organization allows the behaviors of the individuals and the individual situations to create the organizational risk tolerance. They do this by accepting and not challenging when something is not correct or an individual commits an unsafe act. The longer this occurs the harder it is to change the safety culture and its embedded influence, (Safety management; a comprehensive approach to developing a sustainable system. 2012).

The combination of the individual influences and behaviors, combined with the re-enforcement nature of the situational activities makeup the organizational risk tolerance. If the organization accepts the individual behaviors then it makes it ok for them to do things either safely or unsafe. This impacts the individual situations and opportunities for unsafe behaviors during a specific task or upset situation and creates the organizational risk level. This organizational risk level is the business driver and the way safety will be done in the facility. All three of these influences start with being able to understand the Individual Risk Tolerance and its impact on the safety culture.

When individual, situational, and organizational risk tolerances are brought together you have the cultural norms with the workforce. These cultural norms are not always the best practices. In order for a change to take place there has to be a foundation from which to build on. This foundation is the correct identification of individual risk. The individual risk is the baseline for the situational and organizational activities. The individual has certain risk tolerances that

have inside and outside influences. These influences must be taken into consideration when considering their impact on the business situations or events. The situational risk or event risk is what creates and supports the organizational risk. The organizational risk is built over a long period of time through each one of the individuals events. This is influenced by the individuals in the workplace or facility. In order for a culture to improve their safety performance, create and maintain a safe work environment, they must first look to the individual influences to help get the job done one commitment at a time, (.

The change in the culture is going to be done through training, feedback, identification, and commitment from the personnel in the facility and heavily influenced by the leadership with the work environment. This approach will not be an out of the box methodology or system. This training will have to be done with their specific work environment in mind. Their unique culture and requirements are going to determine what the realistic needs are. The best way to get this done is to model this behavior in their activities and hold each other accountable for their actions as well as the actions and support of the business. This has to be a calculated and defined program to allow for the best results. They have to be consistent, sustainable, and require benchmark results in order to keep up with the increasing demands and risks.

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