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Ask the Experts

by Steve Rice & Richard MacLean
June 2004

Staffing and Structuring Your EH&S Organization

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According to principles of good business practice, how should companies staff and structure their EH&S organizations?

Richard: What an intriguing way to ask this question. Nearly all of the literature that I have read on EH&S staffing and organization approaches this question from either the perspective of EH&S managers (i.e., what they think it takes to get their job done) or from current practice (i. e., an examination of case studies or benchmark data). You have approached it from a more basic level centered on business performance and efficiency.

EH&S managers can sometimes wrap themselves up in a flag of self-righteousness, but in reality, there are many other functions that require attention to governance, employee and community concerns, legal issues, operating efficiency, and political sensitivities. Maybe EH&S has one of the broadest mixes of these concerns (which certainly makes it interesting work!), but it should be governed by the same business fundamentals.

There are scores of books which deal with staffing and organizational design. None are specific to EH&S. All of these are based on core principles of how individuals, teams, and broad organizations function together. The very best information has come out of two recent research studies that did not set out to examine staffing and organizational design, but nonetheless, found that the most successful companies today have several fundamental characteristics that lead to success.

The first research study is summarized in Jim Collins' *Good to Great*. He found that the successful companies had created a "culture of discipline" which allowed freedom and responsibility within a set framework. Key to this was "the right people on the bus, the wrong people off the bus, and the right people in the right seats." Successful companies avoided hierarchal, bureaucratic structures in a culture that was not overbearing.

The second study by a team lead by Professor Nitin Nohria at Harvard found that no particular organizational structure is the "right structure" that defines the winners. The research team found that it was important to trim layers of management and bureaucracy and that simple structures and processes were best. Streamlined rules and regulations with a high degree of sharing using the latest information technologies were important.

So what does all this mean in the context of EH&S? Many EH&S organizations are almost the antithesis of good business management practices. Traits of some EH&S organizations include an unwillingness to deal with problem employees, a preference for rigid rules instead of a focus on employee competency, complex structures (e.g., safety and health separated from environment because the managers are at odds), functionally isolated, rudimentary information systems, and so on.

For EH&S managers wishing to make fundamental changes, they might consider referencing these core organizational principles as justification for moving to something more in line with current business thinking.

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What are the requirements to be certified as a Responsible Care Management Systems auditor?

Steve: These are contained in [RCMS Technical Specification 205.00](#), as implemented by [BEAC](#) and [RAB](#). In summary:

- Education: Bachelor's degree or higher.
- Training: 40 hours of training in the past 3 years, including the completion of an ACC-qualified Responsible Care,® course that complies with the course requirements of RCMS Technical Specification 206.00.
- Character References: Two written character references in accordance with BEAC's or RAB's application procedure.
- Work Experience: Four years of relevant work experience during the last ten years in at least two of the following areas:
 - Implementation of Responsible Care,® programs;
 - EH&S science and technology;
 - The chemical process industry and/or EH&S services;
 - Product stewardship, transportation or distribution of chemical products;
 - Requirements of EH&S laws, regulations and related documents; and
 - EH&S/Responsible Care management systems/standards or related auditing procedures, processes and techniques.

Experience qualification can not be satisfied solely by management systems and auditing.
- Auditing Experience: Four EH&S-related management system audits consisting of at least 20 total days in the past two years.
- Certification Exam: Successfully pass a six-hour examination.

A person meeting all of the requirements except the exam can participate in audits pending completion of the exam requirement, but only until the end of 2005.

Even though these are not easy requirements to meet, the message that I heard loud and clear from chemical companies' representatives at the recent Responsible Care conference was, "That's not good enough. WE want auditors who also have EH&S&S and chemical industry experience. Our auditors must know the difference between polypropylene and propylene oxide." And that was one of the milder comments!

Thus, Responsible Care companies should include a requirement in their Audit Service Provider contracts that one (or more or all) of the auditors on each audit must also have:

1. At least 10 years of direct, full-time working experience in the chemical industry;
2. At least 10 years of full-time experience in one or more of the following areas of expertise:
 - a. Environmental
 - b. Health
 - c. Safety (personnel and/or process)
 - d. Product Stewardship
 - e. Security
 - f. Logistics, Transportation and Distribution
 - g. Communications
 - h. Purchasing; and
3. At least 20 years of total commercial/industrial work experience.

This is how RCMS will escape ISO14001's ongoing problem of being strictly a process certification exercise; having auditors with practical industry experience will help improve EH&S&S performance, not merely achieve conformance.

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Why is the rest of the world focused on sustainable development while the U.S. seems to ignore it?

Richard: The words "focused" and "ignore" imply that the U.S. is at opposite ends of the spectrum from other countries. I think it is a question of degree and no country is either truly focused on or ignoring sustainable development, in spite of all the rhetoric you may read or hear. That said, the U.S. certainly seems to be lagging behind.

This opinion is based on conversations with leading EH&S professionals from other countries and the trends in emerging research, non-government organizations' activities, and company programs. Some of the very best work and literature articles on sustainable development originate outside the U.S.. For example, I think that it was more than just coincidental that CERES, based in Boston, headquartered the Global Reporting Initiative to Amsterdam. As they say, you need to "go where the action is" and most of the top reports are coming out of Europe.

In some respects the U.S. is a victim of its own success in solving highly visible and acute problems in the second half of the past century. Opinion surveys confirm that the environment is still a concern, but it just does not have the immediacy that the economy, jobs, and the war on terrorism have. Emerging environmental issues are complex, chronic, long term, and most significantly, "over there." Developing nations are facing the kinds of problems the U.S. faced in the past century. And developed countries such as Japan and those in the European Union have historically been faced with population densities and resource issues on a different scale than the wide open and resource rich U.S..

A more subtle aspect is that although the U.S. consumes like no other country on the planet, the "smokestack" industries have shifted overseas. The pollution that was in Allentown, PA, is now in China. Out of sight, out of mind. When we are done with all this stuff, we still have vast areas to dispose of the refuse. So what if we have depleted the North Atlantic; we can always import fish from the South Pacific.

Clearly, this is an unsustainable path for the U.S., but the political climate will not support a realistic assessment of where this might be headed. In the absence of leadership out of Washington, I'm afraid that it will take an environmental crisis or major resource shortage to recalibrate the public's perception of the need for more sustainable practices.

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Your advice on business planning assistance for medium-sized EH&S businesses was really helpful, but how can we increase our chances of being selected by a business plan preparation team?

Steve: That's right -- getting into the competition is only the first hurdle. Getting selected to have a business plan prepared for you is the second one. Having gone through the experience myself, here's what I learned:

- *Know your audience.* They are typically MBA students, possibly in an evening/weekend program, so they have limited time and energy to spend on the project. While perhaps less than ideal, their objective is to pass the course by doing something simple that doesn't involve difficult market research.
- *Find out their interests.* The professor or competition coordinator should be helpful with this. For example, the business can be promoted as an engineering firm, a renewable energy company or an organization set on saving the planet -- each is attractive but only to those students with the respective interests. If you can make a connection with their interests or backgrounds, your chances of being selected skyrocket.
- *Keep it simple.* It's okay if your presentation is not a complete representation of what you want to do. Focus on just one aspect for the competition. Complexity kills.
- *Be open, honest and sincere.* One presenter I saw came across as an infomercial. Another was obviously there representing someone else. Neither came across well in the competition.
- *Prepare, prepare, prepare.* For the most part, many of the other presenters may not have prepared well and/or have good presentation skills. Preparing and practicing will set you apart from the crowd.
- *Be ready for surprises.* At a recent presentation night even the leaders of the program were amazed, even shocked, at the students' selections. They told me that this happens on occasion, sometimes driven by group dynamics (yes, the infomercial people were one of the businesses selected).
- *Have fun.* Even if you're not selected, just going through the process of preparing your materials and presentation should reveal insights and market/operational dynamics that you had not thought of before.
- If you get selected, be sure to track the grade that the team received for the business plan they prepared for you. I'd have more confidence in a team's plan that got an 'A' than a 'D'.

Remember, though, what to do with the business plan the team prepares for you is your decision.

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Update on Greening Bed & Breakfast Industry: Reader Dave Kitts informs us that CERES has updated its [Guest Request Cards](#) -- simple cards that inform your motel, hotel, resort or bed & breakfast of what you'd like to receive in the way of environmentally-preferred services during your stay. These cards then give them feedback on their ability to provide such services. The premise is that this will put the pressure on such establishments to modify their practices. Cards can be purchased from CERES.

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Postscripts: Where are the Buffaloes? Our [October 2001 column](#), along with an [E-Factor essay in the December 2001 issue](#) of [The Green Business Letter](#), introduced the term, "Buffaloes of Sustainability" -- an admittedly quirky reference to John Elkington's "Butterflies of Sustainability" metaphor. These publications defined Buffaloes of Sustainability as companies that so radically shake up the ground and irrevocably change the ground rules for conducting business that other companies will have to take notice. The column and essay put forth the premise that until mainstream industry sees such "buffaloes," sustainability would be unlikely to become a widely accepted foundation for business practices.

Now, a full 30 months later, we ask the question, "Where are they?" Which companies have so reinvented themselves using a business platform of sustainability to create such significant financial and operational success that mainstream businesses have taken notice? Which ones have said, "Yes, this business/product line makes a lot of money for us and our shareholders, but it is inconsistent with sustainable development. So, we'll stop doing that and divert those facilities and employees to more sustainable endeavors." I haven't heard or seen any. Have you?

Unless we see at least one (and probably several) Buffaloes of Sustainability thoroughly tear up the business landscape, we will continue to see only butterflies. If the vast majority of businesses continue to see only butterflies, they will continue to give sustainability no more than a passing glance at best, and just lip service at worst.

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