

EHS, By the Numbers

EARLIER THIS YEAR, I RECEIVED A call from a finance department manager who was given the task of “taking the fat out” of a multi-billion-dollar firm. She wanted to know the ideal environmental staff ratio based on her company’s size and sector. When I started to go into a list of factors that needed to be considered, she got annoyed. It reminded me of the times I asked engineers what I thought were simple questions, only to have them drone on with details. *Just give me the number!*

Asking someone for the time and getting a lecture on building a watch would annoy anyone. To this woman, her staffing issue *must* be just as simple.

But staffing ratios work for task-oriented service functions such as payroll, not in the EHS world. I refused to give her a number, suggesting that a simple evaluation be performed to first evaluate the key considerations. She would have none of this.

Unfortunately she may represent the norm, rather than the exception. I am familiar with scores of staffing decisions made in a matter of seconds by ill-informed executives who considered environmental, health, and safety functions as strictly chores: fill out the forms, train the staff, control the emissions, etc. If it were only this simple, using benchmark ratios would be the way to go.

FOR DECADES, COMPANIES HAVE benchmarked their staffing levels against industry norms. Ratios such as employees per production volume represent the most basic measures of productivity and profits. There are specific EHS activities where standard industry ratios may be a valid methodology

to size staff support. For example, regulatory-required personnel training and industrial hygiene monitoring are well-defined tasks that can be “normalized” against a standard unit, namely employees. As a rule, the more the service resembles a well-defined commodity, the more likely that simple ratios or other factors can be reliably used.

This presents an interesting paradox: Commodity services are typically the first to be outsourced. If anything, staff comparisons using ratios are even less reliable

What’s the ideal EHS

staffing ratio?

There is no such thing.

today than in the past.

Most staffing surveys do not clearly differentiate between full-time professionals and collateral support. The prominence of outsourcing today also requires an analysis of total resources, not just internal staff. In addition, key networking and other interface relationships that may profoundly affect how these resources work together are rarely revealed.

Not surprisingly, survey results are all over the map. For example, a benchmarking study of large corporations, conducted by Compaq Computers, reported a variation in EHS staff size from 3 to 200 per billion dollars of revenue. Another survey conducted by a major consulting firm contains charts that look like random scatter diagrams. Yet another survey found a 13-to-1 spread in staffing levels in the utility sector.

BENCHMARK SURVEYS HAVE THEIR place. Your company’s management team may require you to use them as part of an EHS resource review, which may be one element in a broader study by outside management consultants to restructure the entire organization. (Beware of consultants: I have seen EHS departments “rightsized” by consultants who were clueless on how to properly run an EHS function, but were given this responsibility because they were evaluating overall staffing levels.) You might use benchmarking data to justify your department’s staffing during rightsizing, though it should not be the primary argument, and certainly not the sole justification to maintain the status quo.

The sad fact remains that there is extremely limited information published on sizing or organizing EHS staff resources. And in the absence of irrefutable information, herd mentality trumps logic. The rush to place EHS into shared service or outsource these functions are classic examples of a management idea carried to unfortunate extremes. Those who experienced such ordeals are only now starting to repair the damage.

Yes, there are techniques to size an EHS organization, but benchmarking and simple ratios are not the way to go about it.

— Richard MacLean

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