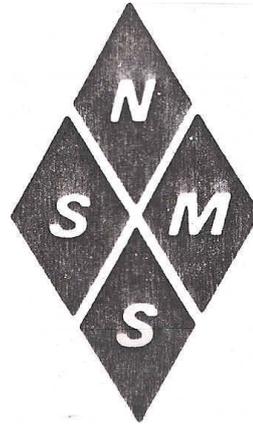


# Journal of Safety Management



## LOSS CONTROL - SOCIETAL IMPLICATIONS

One of the major risks threatening our free enterprise business system is the increasing influence of government and the subsequent loss of management autonomy. Unfortunately this is a long-term development and is not recognised on a large scale.

Some government guidance is good, too much government control and regulation isn't. It is difficult to draw the line in some cases but it is certainly worthwhile to consider, for the individual organisation as well as for business management as a whole; either you self-regulate or the government will do it for you. Besides that, a number of the activities that can be taken to prevent too much government involvement, are just sound business practices.

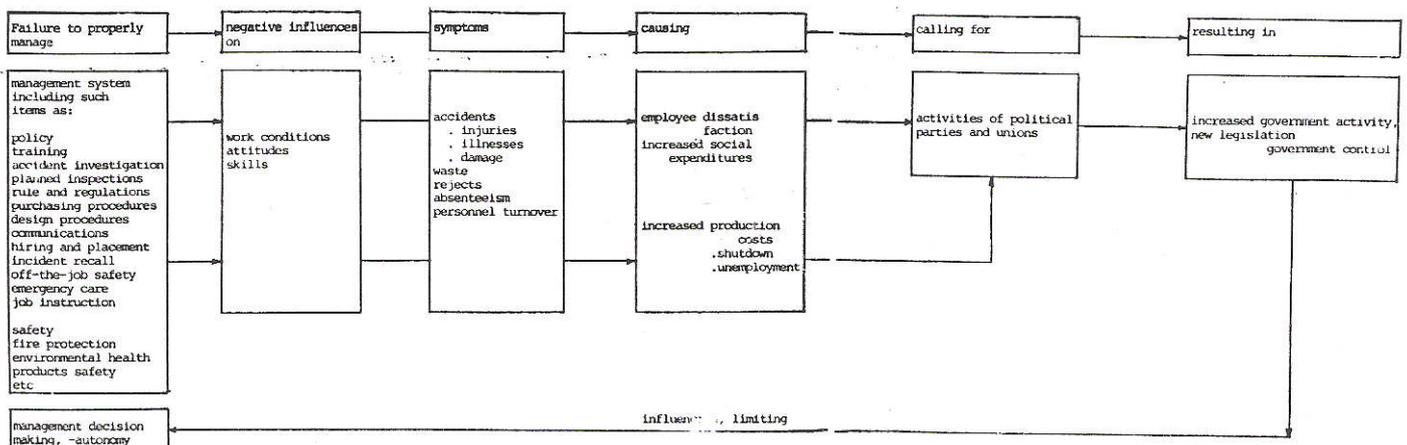
### Loss Control Concept

Loss Control, and also Safety and Risk Management, deals with such things as accidents, waste, material damage, accidental losses. It deals with things that (can) go wrong and with the results of those events

Loss Control, as an important and integral part of management, could therefore influence developments that are taking place as described in the first paragraph. Provided of course that management recognises and accepts it's important role in this respect. Provided also that the loss control manager or safety manager recognises his part in it.

Risk Managers, Loss Control Managers, Safety Managers, they could have a great impact on this. Not because they can influence government directly but because they can very well help to eliminate some of the reasons that eventually would lead to more government control: if there is no reason for government to step in, it won't

To further clarify this, let's look at the figure below:



### When Managers Don't Manage Well

Simply put the idea is this: if management does not perform well, does not regulate its own affairs, does not MANAGE its own organisation and people properly, results would be an 'inefficient' organisation. Symptoms of this 'inefficiency' would be high levels of accidents, waste, errors, material damage, absenteeism, personnel turnover, etc. (Management means here ALL management personnel from the top to the frontline supervisor.)

### Negative Influences

Bad working conditions, lack of training and motivation cause people to be dissatisfied; dissatisfaction that will eventually lead to activity of (mostly left wing) political parties and unions, reacting on 'bad' situations existing in business in general or in one organisation in particular.

Although this does not apply to those organisations which are "good", this activity is of ten rightfully so and caused by the lack of action on the 'other side' (management).

### Result in More Laws

The activity of the political parties frequently results in new legislation and increased government control. Examples of this are safety laws, legislation protecting consumers, legislation concerning labour involvement etc. This is taking place in every modern country in Europe as well as in the USA. Lack of realising the problems and taking action will lead to further government control that may involve such areas as investments etc

### Causing Increased Costs

Increased production costs resulting from accidental loss, from waste, from bad working conditions and habits influence the results of the business organisation and could contribute to the failure of marginal businesses (which are probably marginal because they are managed poorly anyway), shut downs, lay-offs and possibly increased unemployment. Again reason for the government to step in and to put 'right' what management did 'wrong'. We see this happening in Europe thru government subsidies and consequently government participation in what were once free enterprises.

Without going into this in further detail, the alert reader will grasp the scope of loss control/safety in this respect and the important role it could play in the design of tomorrow's society.

If we want tomorrow's society to be a place to live in, in freedom, it requires long term vision, self-regulation, commitment, justice and excellent performance. It is there where a major part of management's attention should be focused and energy be spent and where the loss control/safety manager can assist rather than just trying to bring the accident rate down, living within the context of the law.

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