

Remarks by
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before the
Aluminum Association Loss Prevention
Workshop
Tampa, Florida
December 7, 1987



Management Accountability and Responsibility

Basic industries in the United States have been gravely wounded in the past decade. All of you know in particular that aluminum producers have been adjusting to an extremely competitive global economy. We've had to make major changes in order to survive and grow. For many in our industry, that has involved restructuring, rationalization and diversification.

In the process, it's possible we've neglected some important issues that aren't directly related to production or profits but are absolutely related to the health of our companies. The most important among these are programs devoted to employee health and safety. Our own view is that a business that can't be safe is a business we don't want to be in -- regardless of how profitable it may be.

For that reason, I am especially pleased to be here this morning because developing and maintaining effective health and safety programs must be a priority commitment for all of us. This workshop is addressing topics that every conscientious company must address -- and readdress. There can be no compromise when it comes to providing and maintaining safe and healthy conditions in our operations. By now, I'm sure all of us know that it's not only the right thing to do, but it's also a sound, cost-effective business decision. We've made some of the measurements that demonstrate that.

Within Alcoa, that decision is non-negotiable. By that I mean that no matter how decentralized we become, every one of our locations must provide work environments that are healthy and safe. That is a corporate mandate. It is not an option for an individual business unit, or operating location, or department. Neither is it a personal option -- for anyone!

It's our intention that no employee will ever go home from work harmed in any way because he or she came to work for Alcoa that day. And we're promoting a safety culture that extends beyond the workplace into the home as well.

In all companies, senior management has the ultimate responsibility for health and safety programs. The tone and commitment must be set, and the expectations clearly identified, at that level.

Managers and supervisors at the locations must be accountable for seeing that the procedures are working. They put the bite into the commitment.

But the programs won't succeed without the cooperation of employees. They must participate fully in providing for their own protection -- as well as that of their fellow workers.

We've had a fairly good safety program at Alcoa for the past decade. Our record has been steadily improving. But we won't settle for good. It's got to be excellent. Our goal is to achieve an injury free workplace. We believe we can be as good as DuPont.

Ten years ago, we established a formal corporate safety program and created an Executive Safety Committee that is still very active today. We set a goal at that time to cut our accident rate in half within five years. We succeeded.

Then we set another goal, which was to reduce accidents by 37 percent over the next five years. The second five years are just about up. We'll probably meet our goal in terms of serious injuries but not when it comes to lost work days. The record is unacceptable -- and our managers know it.

From now on, we won't set goals that allow for injuries! We want injuries eliminated from our operations. We have a new push to get the safety attitude engrained in every employee's mind and accountability for safety firmly reestablished as part of the job responsibilities of every manager, superintendent and supervisor.

There really aren't any new ways to manage safety that we don't have in place. So, we're going to have to focus more closely on our established programs. Every Alcoa business unit is now in the process of examining its safety programs, reviewing the strengths and weaknesses of the efforts. In effect, we're giving the entire company a performance review on safety.

Safety requires constant monitoring. Just as all of our companies work constantly to keep production up, to maintain product quality and to keep costs down, we all have to apply ourselves constantly to making safety work. And we must also be certain that our manufacturing processes are the safest we know how to develop. If a process isn't safe, we shouldn't be using it.

The same commitment applies to health management. There are potential health hazards in our business, as in all basic industries. Unlike safety, where accident results are immediate, the ill effects of exposures to hazardous materials or processes may not become apparent for many years. We must be prepared to take precautionary measures for the long-term protection of employees.

Exposures to high levels of noise and nuisance dust are two health issues of concern in our industry. At Alcoa, the hearing conservation program is strong. We still have a few problem areas to correct but the protection procedures are nearly 100 percent effective companywide. And we're confident we can get to 100 percent.

We're not so confident about exposures to nuisance dusts, especially in the potrooms. We're going after the data we need to determine whether such exposures might lead to pulmonary disease.

You will probably remember that when the Tripartite Study was conducted in the 1970s, the focus was on cancer. The data concluded that potroom employees in our industry are not getting lung cancer from their work environment. We need to be equally certain that workers in the aluminum industry are not developing other pulmonary diseases.

To help us do that at Alcoa, we're launching a companywide computer-based pulmonary function testing program early next year. The plan is to monitor what effects, if any, the potroom environment has on the pulmonary health of employees over many years.

There are a number of newer materials coming into use in our plants and they need to be carefully scrutinized. We're far less familiar at present with the long-term impacts they might have. Man-made mineral fibers are an example. The lessons of asbestos use should be a chilling reminder. Asbestos was in wide use before it was determined to be carcinogenic. Now we're all trying to rid the environment of that seemingly ubiquitous material.

Many of the man-made fibers we're using today were developed specifically to replace asbestos. Do we know what effect these fibers have on workers, especially if some of the particles are inhaled? We'd better find out and take precautionary measures.

In starting this morning, I mentioned that competition is tough today in our industry -- and getting tougher. One of the responses to the changing competitive environment among many companies in our industry has been decentralization. Within that structure, ensuring a safe and healthy workplace could be more difficult -- as relatively autonomous managers with greater accountability for their operations focus on profitability. We must insist they also focus on employee protection.

In my view, a manager who produces well by all measurements except health and safety has performed unsatisfactorily.

Implicit in establishing successful protection programs is the transfer of human values into the culture of a company. That may be difficult, but the transfer is necessary in order to achieve changes in the daily behavior of all employees. And such changes must be accomplished if our expectations for protecting people are to be met.

You're here for an important meeting on this very issue, and you have a full agenda ahead. So now I'll let you get on with it.