

CORPORATE GIVING

rising to the challenge

Transco has applied fresh thinking to long-standing concerns for health and safety with an initiative that has dramatically reduced accidents in the workplace, saved money and demonstrated the company's social responsibility while raising large sums for Mencap, a charity which helps people with learning disabilities

As a gas pipeline operator, Transco regards safety as its most important value. But delivering its ambitious commitment to 'an injury-free working environment' has never been easy. Despite high-profile safety campaigns, progress on reducing accidents at work had rarely been to its satisfaction—until managers decided on a different approach.

The Safety Charity Challenge involves asking all Transco employees to report and eliminate hazards, such as exposed electric cabling, that could lead to injuries and lost time.

For every hazard eliminated, the company gives around £4 to the learning disability charity Mencap (in Scotland, known as Enable.) If more serious hazards are identified and eliminated, this triggers a correspondingly larger donation.

Mencap also benefits whenever one of Transco's 18 office locations reports a drop in the number of accidents leading to time lost. The fewer such 'lost-time accidents' reported, the higher the sum paid by Transco to Mencap, with a bonus scheme to reward locations with the most vigilant employees.

The results of the Challenge greatly exceeded expectations. In the 18 months after the launch in September 1999, the number of lost-time accidents at the company fell by 33 per cent, saving 2521 workdays. In the same period, the Challenge triggered donations to Mencap of more than £1million from 14,000 eliminated hazards, making Transco the charity's biggest corporate donor.

Sandie Marshall, Transco's social and community affairs manager, says the response from employees

has delivered 'almost unimaginable improvements', and has shown the value of linking corporate improvement to socially responsible behaviour.

Managers agreed that providing an incentive for staff was essential, and that a charity donation was the most

practical solution. Nominations for a 'community action partner' were sought from all employees and Mencap was chosen because of its strong community links and high profile.

The nuts and bolts of the Challenge were developed in consultation with interested parties, including employees and civil servants. From the

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MENCAP

outset, Transco chief executive officer Phil Nolan and his directors provided backing for the Challenge to show the company meant what it said on safety.

The directors encouraged the development of the programme through the Health, Safety and Environment (HSE) department, and were keen to do all they could to get employees to take part. With this high-level support, the HSE department set up a national network of employees designated as 'Challenge Champions' through the company's existing national health and safety teams. The champions run the initiative in their local area.

Local involvement has been the cornerstone of the initiative. Employees' attention is focused on local hazards, local results are matched against local targets and the money going to Mencap is spent locally. This encourages maximum 'buy-in' by employees, who can see the outcome of their efforts.

■ Transco found that celebrating the scheme's success, as here with Olympic athlete Denise Lewis, was essential

‘Effectively, on the day of launch, we created 14,000 new health and safety ambassadors in the business’, says Marshall. It was no good motivating staff, however, without showing them what hazards to look for. Videos, posters and the staff newspaper were used – and even an audiocassette for the company’s mobile workforce to play in their repair vans. Regional bulletins carried the monthly totals of hazards removed and money raised. When this sum reached £750,000, company employees and Mencap families joined the Olympic gold medallist Denise Lewis in a celebration at London Zoo.

It was important to ensure the system for logging hazards could cope, so new hazard-reporting procedures were brought in. The regional Champions report monthly figures to headquarters, where totals are calculated. The information is then passed to Mencap and to the communications department and fed into the business and to other interested parties, including the energy regulator Ofgem and the government’s Health and Safety Executive.

CREATING SAFETY AMBASSADORS

The money raised by the Challenge will fund a nationwide network of 15 Mencap community support teams that provide local services to families of the 1.2 million people with learning disabilities. Each two-hour support session costs Mencap £50 to provide, so the money raised so far equates to 20,000 extra support sessions in the community.

The benefits to Transco have been equally dramatic. In the 18 months up to the launch of the Challenge the company lost 7650 workdays due to injury, but in the next 18 months that figure fell to 5129, with improvements across all regions.

Furthermore, at least 200 employees are thought to have been saved from personal injury. ‘If you look at the cost of injuries in terms of stress, pressure on families and so on, then the direct benefit for staff and the company becomes enormous,’ says Marshall.

‘The community element has enthused employees, which is why it has succeeded where other education programmes on health and safety have failed,’ she says. ‘The Challenge has helped staff embrace the safety-conscious culture.’

Less tangible, but also important, are the contacts forged between Mencap local staff and volunteers and company employees. The Challenge Champions have learned new skills, while other staff members describe how working with people with learning disabilities has enriched their lives. Marshall says the Challenge has had a noticeable impact on morale, and on how staff view Transco’s commitment to their personal safety.

In a general company opinion survey carried out by MORI in February 2001, every question relating to health and safety received an increased positive approval rating, compared with the same survey carried out two years earlier. The Challenge has also enhanced Transco’s reputation. To take but one

the company

Transco is a gas pipeline operator that delivers gas to 19.5 million consumers around the UK. Formerly part of British Gas, it is now a member of the Lattice Group, employs 14,000 people, and is based in Solihull. Lattice made pre-tax profits of £1 billion last year on turnover of £3bn. Transco:

- works closely with the Lattice Foundation, the charitable arm of its parent company, which gives financial help to community groups working to regenerate communities, improve local environments and encourage life-long learning
- aims to help one million UK families out of fuel poverty over five years through its Affordable Warmth programme. This helps tenants of local authorities and housing associations with energy efficiency measures including new central heating, loft insulation and energy advice.
- has set up a four-strong social and community affairs team to look after its role in the community
- actively encourages employee volunteering, especially to improve school literacy and numeracy.

the background The world-wide community spend of UK companies during 1999/2000 was around £450 million, an 11 per cent increase on last year (£405m), according to the annual survey by *Corporate Citizen* magazine, published by the Directory of Social Change, a voluntary-sector training body.

example, the Health and Safety Executive has supported the Challenge as an example of how dramatic results can be achieved through the right motivation. Trade unions have been pleased to see accident rates fall.

A significant reduction in employee absenteeism, leading to improved efficiency, ‘will positively impact on shareholder value’, Marshall points out.

The Challenge was to have run for a year, but this has been extended. However, it cannot be expected to deliver dramatic improvements over a long period. Marshall says: ‘Something like this can’t stay fresh for ten years, so we will look at how it can evolve to keep the safety culture alive’.

■ Further information: Sandie Marshall, social and community affairs manager at Transco on + 44 (0) 121 623 2704

ibe comment **TRANSCO**

There is plenty of discussion about the business case for sound ethical practices, but very little research or case studies. The Transco case helps to fill the gap. It addresses a genuine business need – lost time and money due to accidents – and the needs of a national charity for funds. Transco matched the two in an imaginative programme which is eminently repeatable elsewhere.

Some outstanding features are:

- The linkage between corporate safety improvement and socially responsible behaviour
- The involvement of employees in the choice of the charity
- The chief executive officer’s wholehearted involvement in the programme
- The involvement of the charity beneficiaries in company events – and *vice versa*
- The embodiment of a safety culture throughout the company.

The company claims that the programme will have a positive result on shareholder value. It has certainly raised Transco’s reputation among its employees.

SIMON WEBLEY, INSTITUTE OF BUSINESS ETHICS