

# Leading Safety During Financial Disruption

As global communities navigate today's economic challenges, business leaders face uncertainty and recognize that their carefully crafted annual plans may require significant revision. Many organizations are being compelled to reassess their business practices to remain viable amid inflation, supply chain disruptions, rising interest rates, and shifting consumer behaviors.

A critical question for leaders is how to maintain safety excellence in this dramatically changed environment, where competing priorities create pressure and high levels of internal and external distractions are prevalent. These leaders understand that economic challenges are complex enough; de-emphasizing safety could jeopardize their business and send a powerful message to the workforce about the true values of leadership. Even when unintended, leadership's response to unprecedented conditions can create a climate shift that puts heightened focus on production and survival, resulting in a diminished focus on safety. These climate shifts speak volumes to employees and create long-lasting memories.

Poor leadership during economic disruptions can damage an organization's culture in ways that may never be fully overcome. Consider an organization where 50% of the workforce was laid off during a financial downturn. Top leadership conducted fire drills to separate employees into two groups: those being terminated and those returning to work. Seven years later, the emotional scars and distrust toward management remained palpable among surviving employees. When they recounted the story, it seemed as though the event had happened only months ago.

Leading an organization through troubled times while maintaining safety excellence is both desirable and possible. During these periods, leaders often face complex business decisions that impact people's lives and create constant distractions. What's crucial for navigating these challenges is maintaining a people-oriented approach—showing empathy for employees' experiences, treating people with dignity and respect throughout the crisis, and leading with safety. Leading with safety means considering how your decisions will impact people's beliefs and the organization's culture.

*Your legacy will be cemented during this crisis. How do you want to be remembered?*

This paper outlines critical actions that leaders can take to drive safety and its value through these times of economic uncertainty.

## CRITICAL ACTIONS

Based on our experience working with organizations for over 35 years, we have identified several critical actions leaders can take to position their companies for continued safety excellence during financial disruption.

### **1. Be honest, forthcoming, and communicate relentlessly about why safety matters even more now.**

Leadership during crisis means being visible, addressing concerns directly, and discussing what everyone is already worried about. It requires active listening and avoiding promises that might not be fulfilled. It means acknowledging when you don't have all the answers. Withdrawing is precisely the opposite of what's needed.

As part of this communication, leaders who are passionate about people incorporate a strong safety

message and share their commitment to getting everyone home safely. If you haven't crafted a personal safety vision, now is the time. Your personal safety vision needs to clearly articulate your expectations around workplace conditions, use of protective equipment, adherence to rules and processes, and how people will interact with one another. As a leader, your vision should communicate what you expect to be happening every minute of every day and why you believe that meeting these expectations ensures everyone goes home safely.

We know that economic stress leads to higher levels of at-risk behavior. This can result from frontline leadership becoming defocused on safety, employees becoming distracted as their minds wander, and everyone becoming more inwardly focused on their personal concerns.

We overcome this through repetition of meaningful messages. The safety message provides an opportunity to let your people know that the organization genuinely cares about them and needs their support to keep safety—and the business—on track. Acknowledge the real fears and anxiety that people have and reassure them that their health and safety are just as valuable in tough times as in good.

Critically, emphasizing safety during economic stress is not just about protection—it's a strategic lever for operational performance. When safety is approached systematically, it drives efficiency, reduces costly incidents, minimizes downtime, and creates a more engaged, focused workforce. By demonstrating that the organization prioritizes both people and performance, leaders can transform safety from a compliance requirement into a competitive advantage.

Ensure your actions consistently align with this message. Communicating frequently about the current economic situation and the importance of employee safety will help further establish safety as a non-negotiable value.

Just as supervisors and managers need to increase their visibility during these times, employees should be encouraged to avoid turning their focus inward. Instead, they should continue engaging in safety activities and looking out for one another. This will happen if managers and supervisors model these behaviors themselves and recognize others for doing the same.

## 2. Work the fundamentals.

Economic downturns require every area of the business to deliver well on what is most essential. For every part of the business, and for the business itself, recovery is about targeting the core elements that sustain the enterprise. In safety performance, those core elements are activities that focus on the identification and control of exposure. It's tempting to reduce safety-critical activities because other priorities seem more pressing. Leadership simply cannot allow this to happen. In fact, these efforts must intensify because exposure is likely increasing during uncertain times.

Management must make preventing life-altering injuries and fatalities their primary concern. Increasing focus on systems that identify exposures and precursors that can result in serious injuries and fatalities is not only the right thing to do, but it also has a positive cultural impact. While preventing all injuries is important, leadership cannot compromise on systems that prevent life-changing events.

Next, organizations need to keep employees engaged. A financial crisis can be an opportune time to approach previously reluctant employees about participating in efforts to keep people safe. Organizations on the journey to a culture of high commitment or a truly engaged workforce do not want to lose their progress. Employees might conclude that participating in safety won't protect their employment and that they should focus solely on production. Leadership must seriously consider how to sustain cultural gains and demonstrate value for and support of these cultural attributes. Economic disruption has the potential to erase progress by changing the social dynamics of the workplace.

## 3. Consider the effect of your actions on the culture.

Economic disruption can define a company's culture for years to come. Preserving the integrity of the enterprise requires many changes in how we conduct business, the decisions we make, and how we make them. Many will be unsettling as traditional approaches may need to be abandoned. How we decide, communicate, and execute these changes will reveal what the organization truly values. These decisions and their implementation will impact employee loyalty, beliefs, behaviors, commitment, and performance for years to come.

Some decisions will be difficult, such as potential workforce reductions. If reductions become necessary:

- First, consider the safety implications. Will changes to work teams create new exposure, and if so, how will it be addressed? Shifting business priorities shouldn't mean increased injury risk.
- Does the decision process for determining who will be affected pass a "fairness test" in the eyes of employees?
- Are departing employees treated with dignity and respect in how they learn of the change and exit the organization?
- Are remaining employees given honest communication about what is happening and why?

Fundamentally, looking out for employees requires that leaders understand what is truly important and make decisions accordingly. What matters is not what you claim to value, but what you actually value—the ethic manifested in your personal behavior. Your organization's culture reflects your personal safety ethic. These elements influence safety decision-making, interactions with team members, the priority placed on safety, and how you drive success.

You don't need to become the perfect safety leader.

You simply need to understand your personal values and act from a position of informed commitment.

#### 4. Rethink and refine your strategy.

When business is stable or growing, it's easy to merely tweak existing processes rather than fundamentally reassessing them. This can result in numerous disconnected initiatives implemented as needs arise. During economic disruption, it becomes critical to regroup and deliberately rethink what is necessary and how to accomplish these needs within new constraints.

The key to refining your strategy is prioritization and precision:

- Identify which systems and processes are truly critical.
- Consider what constraints now affect those systems and what new methods or technologies can maintain their effectiveness.
- Determine which systems and processes add minimal value and may be unnecessary in the current environment.

- Identify which leadership actions will best help the organization embrace needed changes and mitigate exposure and incidents.

With thoughtful and deliberate planning and action, it is entirely possible to implement systematic improvement and achieve optimal results despite economic challenges.

#### ▶ Conclusion

This period of economic disruption will eventually pass, but things will be different as a result. Leadership means not letting chaos and despair dominate. Focus on the following to navigate successfully:

- Over-communicate and be forthcoming about challenges and plans.
- Maintain your personal focus on safety as a non-negotiable value.
- Don't allow safety activities to slip in quality or frequency—consider increasing their prominence.
- Show compassion and empathy when implementing decisions that may negatively impact people's lives.
- As the crisis subsides, critically review what was and wasn't important in your safety approach.

By prioritizing safety during financial disruption, leaders not only protect their workforce but also create a powerful catalyst for sustained operational performance. When safety is strategically implemented, it becomes more than a protective measure—it transforms into a key driver of organizational resilience. Effective safety practices reduce costly incidents, minimize operational disruptions, enhance workforce engagement, and ultimately contribute to maintaining competitive edge during challenging economic times. Your commitment to safety can be the difference between merely surviving and strategically thriving through economic uncertainty.

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