

HE WROTE THE BOOK ON IT

Frank B. Friedman's Practical Guide to Environmental Management is the standard in its field, so he knows a bit about the topic. When he started in EHS management more than twenty years ago, it was a fledgling specialty staffed mainly by technicians and lawyers. Now it's part of a corporation's main business function. He should be satisfied. Why isn't he?

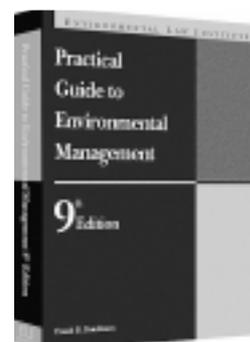
Any advanced handbook that is updated year after year after year because of consumer demand is a phenomenon in the publishing world. In January, the ninth edition of Frank B. Friedman's *Practical Guide to Environmental Management* will roll off the press. "The Purple Book," as it is known in university classrooms and corporate boardrooms, has already sold almost 10,000 copies. That makes it far and away the best-selling title the Environmental Law Institute has produced, and it is not a practitioner's treatise nor a standard law text but a specialty book. Which makes it a very special book indeed.

So what do you talk about with the guy who literally wrote the book on a topic that, to most others, sounds as exciting as making sure the waste drums aren't leaking? Advanced techniques in environmental auditing procedures? Heck, it's a handbook! But with all those updates, surely there must be some big differences in the field that the author has seen since the first edition came out, in 1988, that have important lessons for the entire field of environmental protection.

Indeed. "The biggest change by far, and this really goes back to the very beginning of modern pollution control, is that environmental management in many companies is now an 'ordinary' part of operations. It's integrated into the main business. Just think about it: that means that, in an important sense but still a long way from its totality, a central objective of the Earth Day movement has been achieved.

"Environment is no longer a specialty branch staffed by technicians, including technician lawyers. Managers — whether plant managers or corporate management — are now responsible for environmental issues and have to handle that function for business reasons, even though they don't necessarily have direct expertise in it, just as they would other aspects of the business, such as accounting, manufacturing, inventory, etc.

"At the same time, there is a 'sense of déjà vu all over again,' to quote Yogi Berra. At the beginning, environmental, health, and safety management was in large part driven — or in fact came out of — many of the social movements of the 1960s: the civil rights movement, the anti-war movement, and of course the environmental movement. Today, there are related social causes such as environmental justice and sustainable development. So, EHS need not be moribund. Similarly, shifts in the White House and in the Congress produce changes in policy every few years. And so do



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the changes within the corporate world. Which explains the constant updates of the book.”

With its absorption into operations, the field of environmental management is mature, which is mostly a good thing, Friedman says. But with maturity has come a moribundity — a “green arthritis,” as he and Richard MacLean wrote in an article in this magazine two years ago. As they describe it, government, the environmental community, and business are in a standoff, and little progress is being made in improving how environmental protection is done, while emerging problems of global proportions unaddressable by simple regulation of industry continue largely unaddressed. But MacLean and Friedman had the severest criticism for their own sector. “There is still little impetus from within industry to make progress,” says Friedman today. “EHS managers are mostly doing a good job, mind you. But as a field, when it comes to progress, where we excel mostly is in making catchy slogans.

“So the Earth Day generation in no small way succeeded in having business run with environment in mind, but I don’t think that we ever realized that, for many firms, once compliance became fairly routine, doing environment better would become the same as doing inventory control better. The passion is gone.”

Friedman’s environmental career began in enforcement, as a trial attorney for the Justice Department in what was then called the Land and Natural Resources Division. He argued over 30 major natural resource, energy, and environmental cases throughout the United States in the late 1960s. He left there in 1970 and became an attorney and then a manager for Atlantic Richfield Company. In 1981, he was named vice president of Occidental Petroleum Corporation for EHS and he has held similar positions for Elf Atochem and Elf Aquitaine, retiring from the last in 2000. Now a consultant, he is a constant presence on the lecture circuit, has three other book titles to his credit, is a certified EHS auditor, and serves on numerous trade association panels. The *National Law Journal* cited him as one of a small group of attorneys “who stand out not only for their success in representing their clients’ interest, but also for their influence on the law.”

Looking back on those early years, he says, “The area was so novel and demanding — compliance, citizen suits, etc. — that the new gurus called environmental professionals were listened to for fear of what might happen to

the company. Unfortunately, while many of these people had technical and legal skills, they did not necessarily have management skills. Meanwhile, there was a worldwide revolution in management — the total quality movement, ISO 9000, Six Sigma, etc. Many of the environmental professionals were on the outside looking in.

“The senior environmental professionals always preached that it was important to integrate the environmental function and make it part of operations, with operating management accountable for environmental performance. But when this actually occurred over the course of the 1990s, there was less need for their expertise, particularly if they hadn’t learned the language of business or were arrogant experts, which was too often the case. Unfortunately, what was also lost was the broader understanding of the significance of these issues — the concern of the public and how a company’s image would be affected long-term.

“Previously, environmental professionals understood social pressures for being a good neighbor, product stewardship, etc., and they also understood the arcana and politics of permitting, and how to work with agencies. Their stature gradually grew and many were at the vice president level reporting to the CEO or very senior management. As the gurus, they were not afraid to speak their mind — they were expected to.

“In a sense, then, environmental management has been a victim of its own success. Compliance can breed complacency, and integration means that ‘the environment’ no longer stands out as socially important, for many companies, though it gets lip service for public relations purposes. As I noted earlier, many of the people now moving into these functions do not have a broader understanding of environment as an issue. So, in some case, we are repeating the mistakes of the early days, before federal environmental law and enforcement, when we could put just about anybody in charge of EHS and assume that, if anything went wrong, it was not that important. There are still some very good people in this field and many of these did not come from the environmental professional ranks. But as the field has shrunk in importance, it is difficult to attract capable managers. The field does not have the draw that it once did, and there are fewer younger people who are capable of taking leadership roles.”

As to those catchy slogans, the one that bothers Friedman personally, because it goes to the core of his experience, is “beyond compliance.”



It's not that it's a bad idea, but that for many if not most of today's companies, it is the wrong approach for compliance with environmental regulation as a standard function of business operations — a function that one would want to see handled expertly and efficiently and, hopefully, imaginatively and even passionately. Although beyond compliance sounds like all of the above, "when companies talk about beyond compliance, they are not talking about the pursuit of some ideal state of industrial development," Friedman says. "They are only talking about EHS programs. The assumption is that they do not need to even consider compliance because their EHS programs are more sophisticated than the compliance level, and if the programs are in place, compliance necessarily follows."

And here's the problem as he sees it. In too many cases, it is *merely* a slogan: "If you have a program that is primarily compliance oriented, you have a poor program because it is not integrated within the culture of the company, which is a culture about producing goods and services, serving people, providing careers, and of course making profits. It is working within the culture of a regulatory system, which is a very different thing. In addition, there is a danger of self-delusion. Indicators of EHS system performance may not measure actual weaknesses in the system. For example, if you are measuring citations you are looking at lagging rather than leading indicators. You should be looking at near misses and fixing them. I've seen examples where compliance is occurring today, producing good report cards, but capital to maintain compliance on a longer term may not be budgeted, and there is no system in place to set off alarm bells. There are even companies that claim beyond compliance and a check of their systems indicates that compliance in some instances is dumb luck.

"The way to avoid self delusion is program reviews — full disclosure, this is what I do primarily for a living now, as a consultant. While most responsible companies audit, they don't step back as much as they should and take a close look at their environment, health, safety, and risk engineering and now security programs to determine how well they are integrated and actually executed. In the example above where budgeting to maintain compliance in the future is off, an audit will produce a positive report, but a program review will show a red flag. Program reviews are much wider than that example, of course. They look at those programs and determine how well they are integrated and executed in fact. They

also encompass training, policy, directives, accountability — corporate or division wide. The results of such program reviews are greatly improved management understanding of what is needed to be done to improve the programs and to better integrate them into the company's culture, as well as in many cases identifying opportunities for cost savings.

"Coming full circle with what I said at the top of this interview, when EHS management becomes integrated into a company's culture, it *is* integrated into the business. It's not a bunch of specialists people plugging leaks and making sure mandated control equipment is installed and working."

Viewed by the metrics that businesses track, the environment has never been better, Friedman says. Compliance has improved and emissions are down. However, in feeling satisfied, most companies are operating with an eye on the past.

"While they talk of sustainable development, most firms continue to deal with the environmental issues that impact the next quarter. For too many industry executives maintaining the status quo is the preferred strategy. Environmental issues are almost always framed in the context of regulatory compliance and public relations; to take further action is a cost sink.

"The bottom line is that the environmental management processes used by many companies today are inadequate to examine emerging issues that may have a profound impact on their long-term profitability. The danger is to be ignorant of history and look at management of this function as a routine issue, without knowing that social upheavals are occurring again. Sustainable development is not a limited environmental issue but covers the entire panoply of social policy. Reporting initiatives are equally broad. European Union initiatives such as product take-back and severe limitations on chemical use could affect the United States. It is important for senior managers to look beyond day-to-day matters and be involved in longer-term thinking. This was the strength of many of the senior environmental managers from the 1970s through the 1990s, until corporate cost cutting and a lack of understanding of the significance of the longer-term issues limited the ability of these staffs to function effectively on strategic issues. Environmental managers today must have the courage to raise these issues. It will not be easy, but it will make a major difference in the future of their companies." •

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