**SAFM 528**

**Economic Aspects of Safety**

**Spring 2019**

**Instructor**: Dr. Michael J. Brantmayer, CIH, CSP

**Class Location**: 109 MRB, 9:30 – 10:45 am, Tuesday & Thursday

**Office**: Off-campus: NETL

**Office Hours**: After class or by appointment

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Welcome to Economics Aspects of Safety. We have developed this course to provide you with an understanding of how safety relates to business. When you leave WVU, you will take a job with a corporation; a small corporation or perhaps a large corporation. To be an effective safety leader, you will need to understand how this corporation functions and where you fit in. The overall goal of this course is to enable you to fit smoothly into corporate America and be a value to your company.

**Course Description:** This course is a general orientation to the basic concepts of business management including business and cost models, financial planning and analysis, cost estimating, and risk analysis and control as applied to the safety function.

**Methods of Instruction**: Lecture, hands-on exercises, individual research, demonstration, homework, and selected videos.

**Course Goals:**

1. To provide students with a sound understanding of business economics as applied specifically to the safety function.
2. To provide students with methods for developing cost models for safety programs and effectively communicating these models to upper management.
3. To provide students a basic understanding of risk analysis and control.
4. To provide students the tools for effective project management.

**Student Learning Objectives & Outcomes:**

Upon completion of this course, students will be able to:

1. Develop a cost model for individual and comprehensive safety programs.
2. Develop and defend a cost-benefit analysis related to safety programs.
3. Describe the time value of money, demonstrate current value versus future value of investment and calculate the payback period for investment.
4. Describe in general terms, safety aspects of business law as they relate to contracting and procurement of goods and services.
5. Describe the function of insurance including workers compensation.

**Textbook**:

* Nickels, McHugh and McHugh (2013) Understanding Business (11th ed.) McGraw-Hill Irwin: New York, NY. Available from WVY Bookstore. 10th edition is acceptable if you can find it..

**Components of Evaluation**:

Item Points Grading scale:

Exams 210 365-400 A

Project/Paper 80 320-364 B

Abstract/Current Events (4) 60 280-319 C

Homework/exercises 50 240-279 D

 < 240 F

**Class Schedule**:

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| Week # | Date | Topic |
| 1 | January 8 & 9 | -Introduction to Economic and Business Aspects of Safety Management-Organization of Typical Corporation-Introduction to Course and Text,-Managing within the Dynamic Business Environment: Taking Risks and Making Profits, -How Economics Affects Business: The Creation and Distribution of Wealth |
| 2 | January 15 & 17 | -Problem Solving and Strategic Planning-Competing in Global Markets -Demonstrating Ethical Behavior and Social Responsibility-Where Safety Fits In |
| 3 | January 22 & 24 | -Business Models and Business Plans -Choosing a Form of Business Ownership |
| 4 | January 29 & 31 | - Cost Estimating, Direct/Indirect Costs, Comparing Alternatives - ROI, Cost Benefit Analysis, Make-Buy Decisions |
| 5 | February 5 & 7 | - Entrepreneurship and Starting a Small Business-Safety in Small Business Enterprises-Management, Leadership, and Employee Empowerment -Adapting Organizations to Today's Markets -Safety in today’s Market |
| 6 | February 12 & 14 | -Production and Operations Management-Understanding the Safety Role |
| 7 | February 19 & 21 | -Motivating Employees and Building Self-Managed Teams -Human Resource Management: Finding and Keeping the Best Employees-Dealing with Union and Employee-Management Issues and Relationships |
| 8 | February 26 & 28 | -Marketing: Building Customer Relationships-Where Safety Fits In |
| 9 | March 5 & 7 | -Developing and Pricing Products and Services - Using Effective Promotional Technique-Selling Safety-Distributing Products Quickly and Efficiently |
| 10 | March 12 & 14 | Spring Break – No Class |
| 11 | March 19 & 21 | -Business Law, Contracting/Procurement-Strategic Planning-Overhead vs Direct Costs-Understanding Financial Information and Accounting  |
| 12 | March 26 & 28 | -Time Value of Money, Depreciation, Taxes-Costing Methods in Safety, Financial Management-Break Even Analysis, Income Analysis |
| 13 | April 2 & 4 | -Project Planning and Management, Record Keeping-Securities Markets: Financing and Investing Opportunities -Understanding Money, Financial Institutions, and the Federal Reserve |
| 14 | April 9 & 11 | -Working within the Legal Environment of Business -Using Technology to Manage Information  |
| 15 | April 16 &18 | Risk Management, Risk Analysis Models, Workers Compensation, InsuranceProjects Due, Final Exam passed out |
| 16 | April 23 & 25  | Project Presentations, Final due  |

**Additional Notes**:

• All homework must be word-processed on 8 1/2" x 11" paper.

• Specific guidelines will be given for the written paper/project in a separate handout.

• **Class attendance is expected unless excused by the instructor.** Missed exams and exercises, if due to an excused absence, will be handled on an individual basis.

• Outside readings. Students will be expected to read and prepare short abstracts (1 page) from journal articles of their choice related to business or economic issues related to safety. Abstracts will be worth 15 points each. Articles may be selected from the Human Factors Society Journal, Ergonomics, Applied Industrial Hygiene, Professional Safety, Safety & Health, and other safety related journals. Abstracts should include a bibliographic citation of the article and a short summary of the subject matter and findings.

• Assigned work is due on the established due dates. A 30% grade reduction will be applied to assignments turned in late.

**Cheating:**

* **"Cheating:** **If you cheat** (copy someone else's answers on a test, knowingly allow someone to copy your test, use someone else's term paper, etc.), **then you can receive a failing grade in the class and could be subject to further disciplinary measures"**. (Mountie, 1998, p. 15)

* **"Plagiarize** ... *vb*.. **to steal and pass off** (the ideas or words of another) **as one’s own**: **use** (a created production) **without crediting the source** ~ *vi* : t**o commit literary theft : present as new and original an idea or product derived from an existing source"** (Webster’s New Collegiate Dictionary, 1979, p. 870)

* In order to protect yourself from being accused of cheating you must reference (cite) any thought, idea, or fact that is not your original thinking. This means noting in the body of your paper (project report, etc.) the source of the fact or idea, and, if you are quoting a source directly, including the page number where the quote may be found. In this course we will use the Publication Manual of the American Psychological Association as a guide for citing works (APA, 1984).
* To further protect yourself (and your grade), you must be sure that any work you hand in contains a substantial amount of your own thinking. It is not acceptable to paraphrase another’s work (even if you refer to that work and give the author credit) and submit it as your work. Originality on your part is required to pass this course.

**Social Justice:**

* West Virginia University is committed to social justice. I concur with that commitment and expect to maintain a positive learning environment based upon open communication, mutual respect, and non-discrimination. Our University does not discriminate on the basis of race, sex, age, disability, veteran status, religion, sexual orientation, color or national origin. Any suggestions as to further such positive and open environment in this class will be appreciated and given serious consideration.
* If you are a person with a disability and anticipate needing any type of accommodation in order to participate in class, please advise me and make appropriate arrangements with Disability Services (293-6700).