

Centralized vs Decentralized Safety Programs

BHHC Loss Control

August 2026



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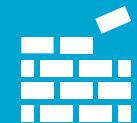
Senior Loss Control Specialist



Joined BHHC Loss Control in 2019. Serving policyholders in Indiana, Michigan, IL and OH



Certified Safety Professional (CSP). Safety Management Professional (SMP). Bachelors in Chemistry. Masters in Occupational and Environmental Safety and Health

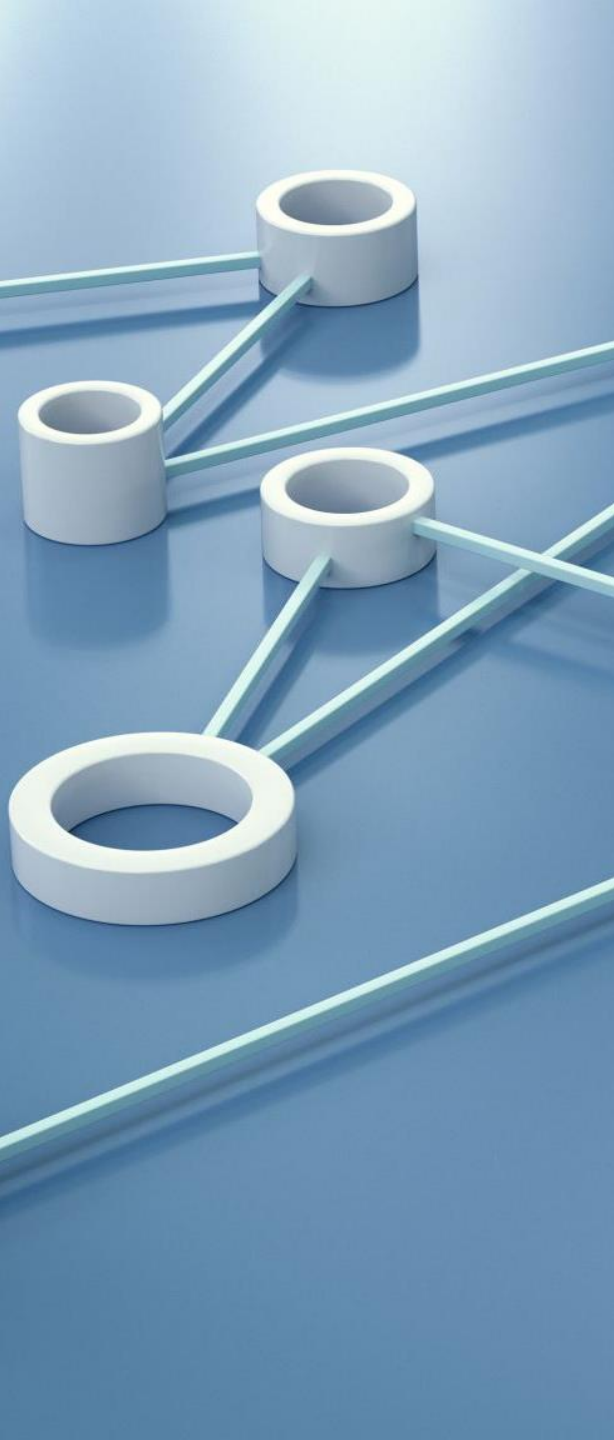


OSHA regulatory compliance experience; former CSHO with Indiana OSHA

AGENDA

08/04/2026

1. The Safety Management Challenge
2. The Centralized Model
3. The Decentralized Model
4. Hybrid Frameworks and Scalable Systems
5. Hybrid Frameworks and Scalable Systems



The Modern Safety Challenge

- Organizations are growing: more locations, divisions, jurisdictions
- Safety risk does not scale linearly – it multiples
- Core tension: Consistency vs. Flexibility

How many locations or sites does your organization manage?



Why This Decision Matters

Your safety program structure directly impacts:

- Incident rates and severity
- Regulatory compliance exposure
- Safety culture strength
- Cost of risk (insurance, claims, downtime)

Getting it wrong means gaps, duplication or **both**

Who is this for?

- Corporate EHS director managing multi-site portfolios
- Regional safety managers navigating competing priorities
- Executive making structural safety investment decisions
- Loss control and risk management professions
- If safety feels inconsistent across your locations – this session is for you

A Tale of Two Companies

Company A: 12 locations, each with its own coordinator, no share standards- inconsistent outcomes, compliance gaps, high claim variability

Company B: Centralized safety team, top-down policies- strong standards but slow response, local frustration “check the box” culture

Neither is Winning. Why?

The Centralized Model

What is a Centralized Safety Program?



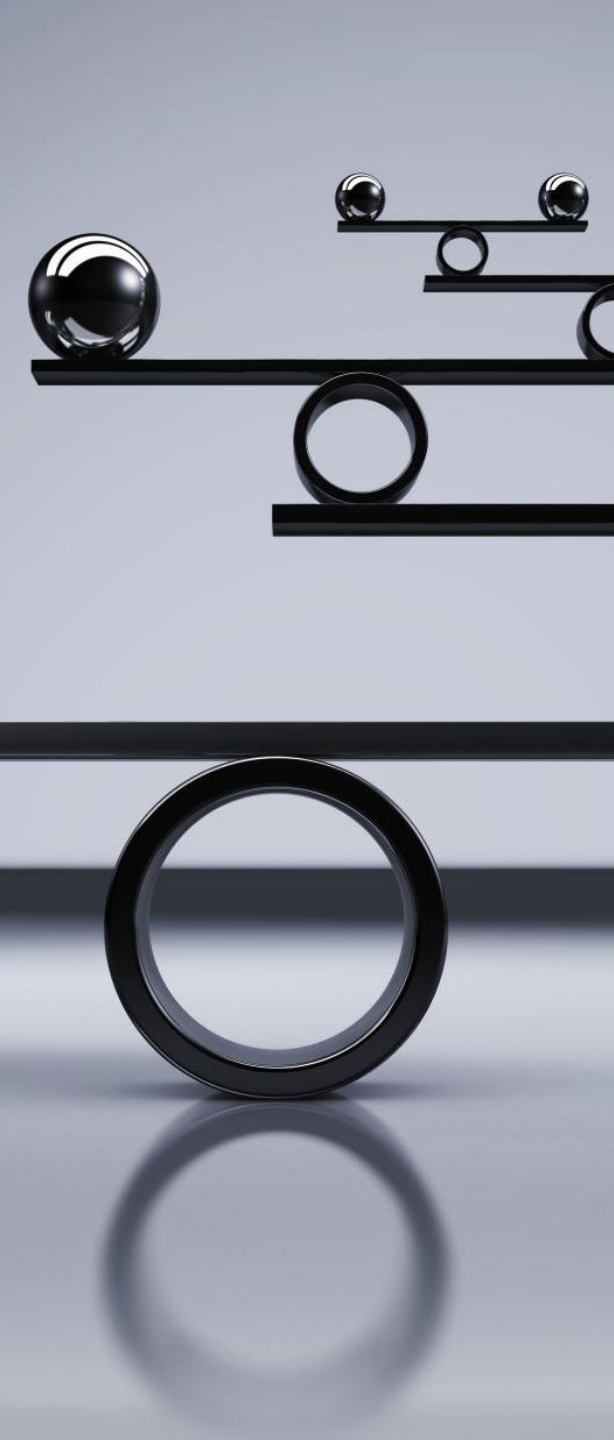
Safety authority, policy-making, and oversight reside in central corporate function



One team set the standards for all locations

Key Characteristics

- Uniform policies, procedures, and training across all sites
- Centralized incident reporting and data analysis
- Corporate safety team owns audits and inspections
- Standardized KPIs and metrics
- Shared resources (tools, systems, and vendors)



Advantages of Centralization

- Consistency in standards and compliance
- Economies of scale (training, technology, PPE and procurement)
- Stronger enterprise-wide data visibility
- Easier regulatory and audit readiness
- Unified safety culture messaging
- Reduce duplication effort

Challenges of Centralization

- Slow to respond to local and site-specific hazards
- “One-size-fits-all” policies may not fit unique operations
- Local buy-in can be low – feels imposed from above
- Central team becomes a bottleneck
- Risk of compliance-only culture (checking boxes, not changing behavior)
- Difficult to scale during rapid growth

When Centralization Works Best

- Highly regulated industries (construction, healthcare)
- Organizations with similar operations across sites
- Early-stage safety program maturity
- Strong executive sponsorship of safety

Does your program lean centralized, decentralized or somewhere in between?

The Decentralized Model

What is a Decentralized Safety Program?



Safety authority and decision-making are distributed to local sites, divisions, or regions



Each location manages its own program within broad guidelines

Key Characteristics



Local safety coordinators own their programs



Site-specific policies tailored to local hazards and regulations



Reporting and accountability at the local level



Corporate may set minimum standards only



Greater autonomy for frontline supervisors

Advantages of Decentralization

Faster response to
local hazard and
conditions

Higher local
ownership and
engagement

Policies fit the
actual work being
done

Empowers
frontline leaders –
safety becomes
“ours”

Adaptable to
multi-jurisdictional
regulatory
requirements

Scales more
naturally with
rapid growth

Challenges to Decentralization

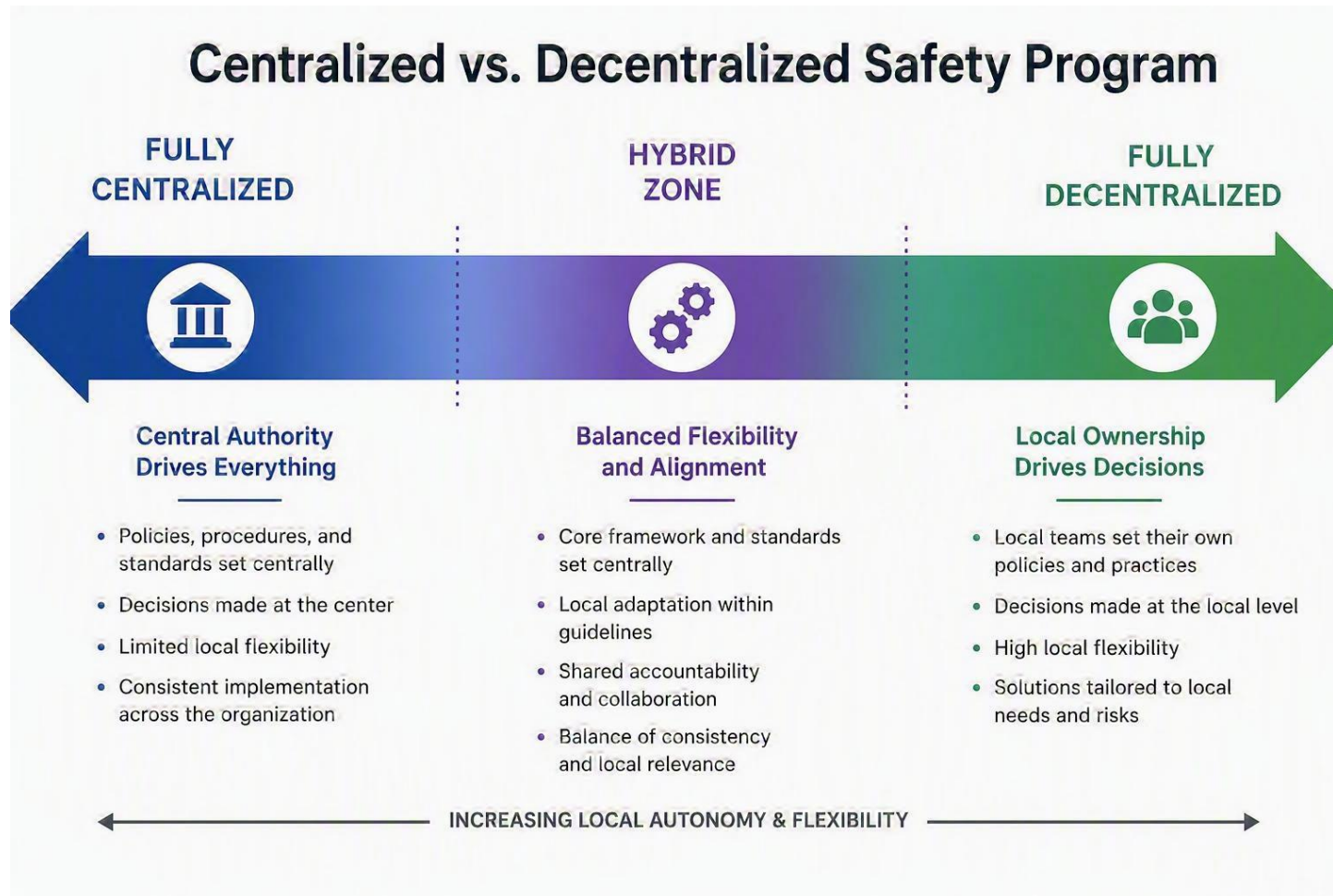
- Inconsistency across sites
- Duplication of effort and resources
- Harder to aggregate data and identify enterprise-wide trends
- Compliance gaps when local teams lack expertise
- Difficult to maintain a unified safety culture
- Corporate has limited visibility until something goes wrong

When Decentralization Works Best

- Highly diverse operations (different industries, hazard profiles)
- Geographically dispersed organizations with unique regulatory environments
- Organizations with strong local leadership and safety maturity
- Rapid-growth companies acquiring new businesses

The Hybrid Approach and Scalable Systems

The Hybrid Model



The most effective organization do not choose one extreme

Centralize the standards, decentralize the execution

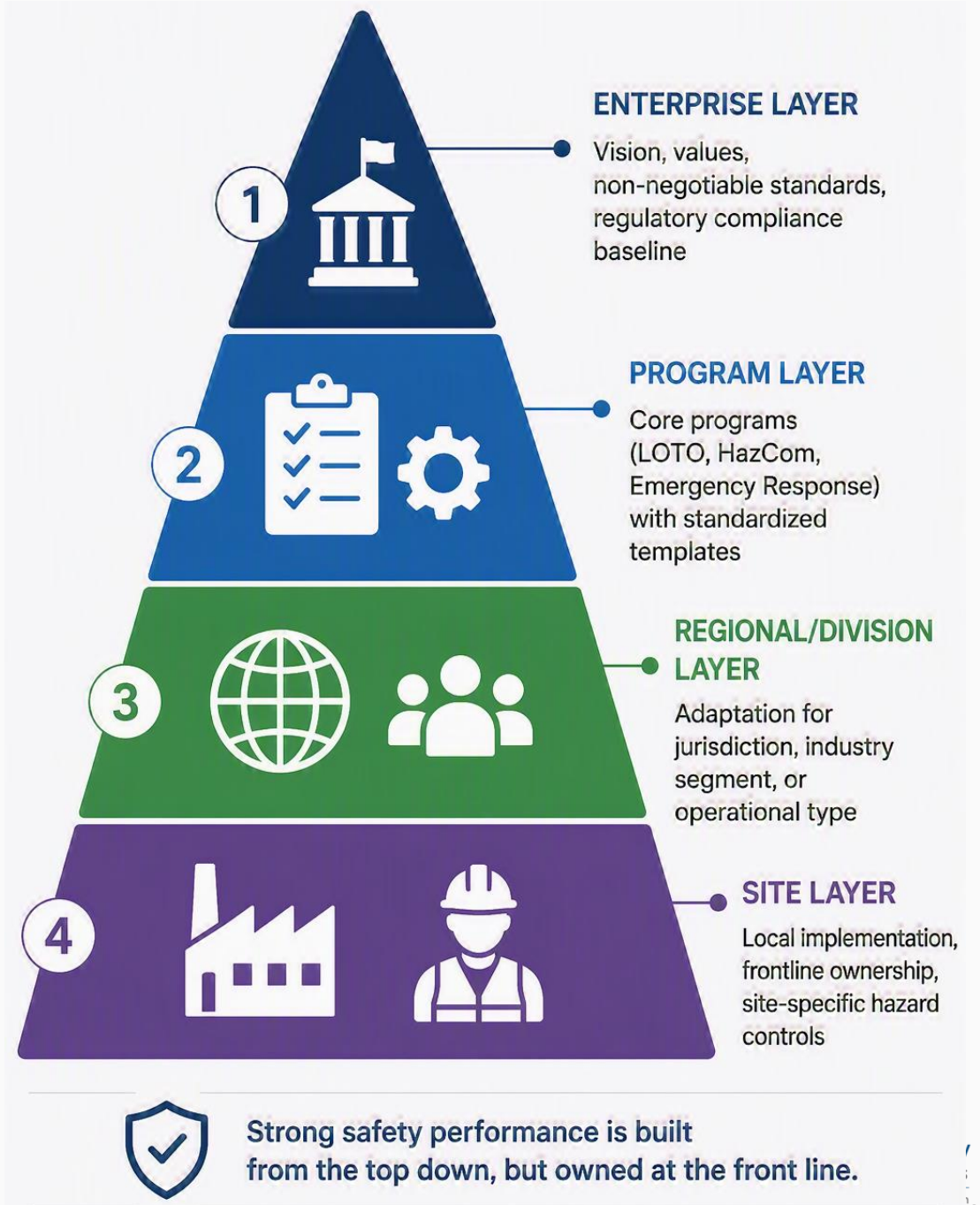
Your position should match your risk profile, maturity and culture

Structured Autonomy

- Corporate sets the floor (minimum standards, non-negotiables)
- Sites have freedom above the floor to adapt
- Think of it like a franchise model: brand standards are fixed local operations flex

Tight on what matters most, loose on everything else

The 4-Layer Safety Architecture

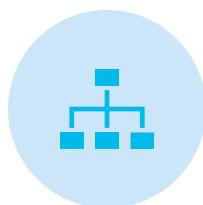


Building Scalable Systems

5 Key Elements



Standardized Reporting Infrastructure: One platform, consistent data, enterprise visibility



Tiered policy architecture: Corporate policy to division procedure to site work instruction



Shared Competency Model: Common training baseline plus local specialization



Governance Cadence: Regular corporate-to-site touchpoints (audits, reviews, escalation paths)



Leading Indicator Dashboards: Visible and owned at every level



Technology as the Enabler

- EHS management
- Centralized incident reporting with local input
- Mobile-first tools for frontline workers
- Real-time dashboards for corporate visibility
- AI-assisted trend analysis and risk flagging

Technology does not replace structure - it amplifies it

Common Pitfalls to Avoid



Centralizing everything during rapid growth - creates bottlenecks



Decentralizing without minimum standards - creates compliance gaps



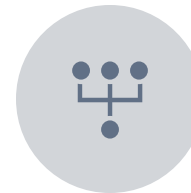
Implementing technology before fixing the process



Ignoring local culture when rolling out corporate programs



Measuring only lagging indicators - missing early warning signs



Treating safety structure as permanent - it must evolve with the organization

Choosing Your Path

Self- Assessment: Where Are You Now?

- How consistent are your safety outcomes across locations?
- Do local managers feel ownership - or is it "corporate's job"?
- Can you see enterprise-wide safety data in real time?
- Are your policies adapted to local hazards, or are they generic?
- Is your safety structure keeping pace with your growth?

Safety/Risk Management Model Decision Framework

FACTOR	LEAN CENTRALIZED <i>Best when...</i>	vs.	LEAN DECENTRALIZED <i>Best when...</i>
 Operations	 Similar across sites	↔	 Highly diverse
 Regulatory environment	 Single jurisdiction	↔	 Multi-jurisdiction
 Safety maturity	 Low/developing	↔	 High/established
 Growth stage	 Stable	↔	 Rapid/acquisitive
 Culture	 Top-down	↔	 Empowerment-driven



RULE OF THUMB

The more **standardized**, **immature**, and **stable** the organization, the stronger the case for **centralization**.



RULE OF THUMB

The more **diverse**, **mature**, and **fast-changing** the organization, the stronger the case for **decentralization**.



HYBRID APPROACH

Centralized governance, standards, and analytics with decentralized execution, coaching, and operational support.

IMPLEMENTATION ROADMAP

A phased approach to build a strong, sustainable safety/risk management system



“You do not have to rebuild everything at once – start With your highest-risk operations.”

SUCCESS PRINCIPLES



Leadership
Commitment



Clear
Communication



Focus on
What Matters



Data-Driven
Decisions



Continuous
Improvement



START SMALL. FOCUS BIG.

Begin with your highest-risk operations to create early wins, build momentum, and scale with confidence.

Key Takeaways

1. Strategically manage safety across diverse operations - structure is a strategic choice, not an afterthought
2. Evaluate both models honestly - centralized brings consistency; decentralized brings ownership; neither alone is enough
3. Build scalable systems - tiered architecture, shared standards, local empowerment, and the right technology

The Goal: Consistent outcomes, not identical programs



Questions?

Please email additional questions to losscontrol@bhhc.com