# **Case Study - Johnson & Johnson**

## Profile

|  |  |
| --- | --- |
| Company Name: | Johnson & Johnson |
| Business Sector: | Health Care |
| Postal Address: | Johnson & Johnson Kft., To Park, Torokbalint, Hungary |
| Postcode: | 2045 |
| Fleet Size Overall: | 34,730 |
| HGV: | 0 |
| LGV: | 615 scooters |
| Company Cars: | 34,115 |
| Private vehicles used for business purposes: | We have a number of car allowance vehicles where employees are given a cash car allowance of some kind to buy their own vehicles for use on company business, but we don’t know how many we have globally as we don’t break out this information per our reporting definitions. |

## Company Overview

Caring for the world, one person at a time...inspires and unites the people of Johnson & Johnson. We embrace research and science - bringing innovative ideas, products and services to advance the health and well-being of people. Our approximately 119,000 employees at more than 250 Johnson & Johnson companies work with partners in health care to touch the lives of over a billion people every day, throughout the world.

## Nature of Operation and Driving Activities

As one of the largest health care companies in the world, Johnson & Johnson has over 34.000 drivers driving a vehicle on company business. These may by company owned or leased vehicles, car allowance drivers or drivers of small scooters in some parts of the world. At Johnson & Johnson driving a vehicle on company business represents the highest risk work activity that our sales forces are engaged in. Our global fleet safety program SAFE Fleet Caring About People was designed to reduce this risk and keep our drivers and communities safe.

## Organisational Structure

We have one Worldwide (WW) Director responsible solely for fleet safety and one regional manager of fleet safety for Europe, Middle East & Africa, for Latin America and Caribbean and one Director level responsible for Asia Pacific. Within each region there are high level executive Champions who support the program and provide assistance when needed. We have over 100 country and franchise level teams that deploy SAFE Fleet globally.

## Work related Road Safety Policy and Procedures

Johnson & Johnson has a WW Fleet safety policy in place which gets reviewed and updated on a yearly basis. All drivers Worldwide are required to abide by the following minimum required standards, the key elements of which are:

### Mobile Phones and Hand-Held Electronic Devices

Drivers traveling on company business are prohibited from using a hand-held mobile phone, or any other hand-held electronic devices, such as Blackberrys, iPods, computers, two-way radios and hand-held global positioning systems (GPS), while the vehicle is in operation. The use of music players with earbuds or headsets is prohibited while the vehicle is in operation.

For hand-held phones, the driver shall not accept incoming calls, or place a call unless the vehicle is completely stopped and properly parked in a safe location. The shoulder of the road is not considered a safe location; a parking lot is.

Hand-held mobile phones and other hand-held electronic devices must be stored in a secure location while the vehicle is in motion. The J&J Affiliate must instruct drivers to properly secure all loose components to protect vehicle occupants from injury in the event of sudden stops, turns or impact.

The J&J Affiliate must provide drivers with guidelines that maximize the safe handling and use of hands-free devices such as hands-free mobile phones or GPS devices.

**Motor Vehicle Operation**

**Driver’s License.**Employees and Authorized drivers must possess a current and valid driver's license, which is issued by the controlling authority where the applicant currently resides. It is the responsibility of the Employees or Authorized drivers to inform the J&J affiliate if, for any reason, the driver’s license was suspended or revoked.

**Traffic Regulations.**Employees and Authorized drivers must abide by all local, state, country traffic regulations including, but not limited to, laws governing speed limits, blood alcohol levels, seat belt use, cell phone use, etc.

**Seat Belt Use.**All Employees and Authorized drivers driving a company vehicle including their passengers are required to wear seat belts or other appropriate restraints (e.g., infant and child safety seats) at all times. All drivers using their personal vehicle on company business and their passengers.

**Alcohol/Drug Use.** Employees and Authorized drivers may never drive on company business or drive a company vehicle (whether on company business or personal time) while under the influence of alcohol and/or drugs as defined by state or country legal requirements.

**Employees or Authorized** drivers of company owned or leased vehicles or employees who drive employee-owned vehicles for company business as a “regular part” of their job who are arrested for or receive a Driving Under the Influence or Driving While Intoxicated (DUI/DWI) citation must report this information to their management within 24 hours of the arrest or 24 hours of the receipt of citation, whichever occurs earlier.

**Driver Alertness**Employees and Authorized drivers shall not operate a vehicle in a state of fatigue or while using prescription or over-the-counter medication that may adversely impact their ability to safely operate the vehicle. It is the responsibility of the J&J affiliate to inform drivers of how to identify fatigue and alertness problems and the appropriate means for addressing these situations.

### New Hire Eligibility and Driver Requirements

The J&J affiliate must arrange for written authorization to be obtained from all job applicants or newly Authorized drivers prior to conducting a review of their motor vehicle driving records for the purpose of identifying a history of unsafe driving.

To the extent that the region/country laws allow driving records to be reviewed prior to hire, with the written authorization of the applicant, the screening process must include a predefined list of criteria within the past three years including any alcohol or drug related driving offences, suspension or revocation of drivers license, leaving the scene of an accident or hit and run, at fault in a fatal accident, Any combination of three (3) or more violations or accidents, while the vehicle was moving, within the past three (3) years, and any combination of two (2) or more violations or accidents, while the vehicle was moving, within any six (6)-month period.

### Major Driving Events: Classification and Remedies

A driver with a record of excessive traffic offenses and/or collisions may potentially present a serious risk not only to him or herself, but also to others such as drivers, passengers, pedestrians and cyclists in our communities.

J&J and its affiliates must establish a process to ensure that these drivers receive appropriate training and coaching that will improve their driving skills, attitudes and behaviour. The process must include:

* A notification process to inform the driver that he/she is identified in the Major Driving Events classification;
* Follow-up action steps, including behind-the-wheel training or other relevant training and designated activities, such as commentary drives, to be discussed and agreed upon with the driver and his/her manager and/or HR representative (within 90 days of notification is recommended);
* A review and compliance tracking process involving the driver and his/her manager and/or HR representative;

The primary objective of the follow-up actions must be to reduce risk and motivate the employees to improve their driving skills and modify their driving attitudes and behaviours and is not intended to be punitive in nature.

A driver who (a) has not been involved in any Major Driving Event within a consecutive 12-month period after notification of his/her identification in the Major Driving Events classification, or within a specified timeframe as defined in an alternative classification system that has been implemented by the J&J affiliate where the driver is employed, and (b) who has met the required follow-up actions, will be removed from the Major Driving Events classification.

**Disciplinary Actions** - Each organization’s management must identify the disciplinary actions to be taken to address the driver who is involved in a new Major Driving Event within the 12-month period after notification of his/her identification in the Major Driving Events Classification, or during a timeframe defined in any alternative classification system put into place by the J&J affiliate where he/she is employed.

**Hiring of Drivers Identified in the Major Driving Events Classification Who Are Transferred from One J&J Affiliate to Another** - A driver with a record of excessive traffic offenses and/or collisions poses a risk to J&J, its affiliates and our communities. The employee applicant’s driver history must be considered as a key factor in the hiring process.

### Driver Training

All J&J and affiliate employees driving a company vehicle or using their own vehicle on company business as a regular part of their job must:

* Attend behind-the-wheel training within a designated timeframe after hire (timeframe may be established by region or country, but within 90 days of hire is recommended);
* Participate in a new-hire orientation to review Fleet Safety standards and other related training or policies established by the J&J affiliate;
* Participate in behind-the-wheel training at a minimum of every three (3) years, after the initial new hire training, unless a risk-based assessment process has been established in which case the frequency and type of training may vary by risk level;
* Participate in Fleet Safety training modules as defined and required by the affiliate;

International transfer employees must attend a behind-the-wheel or similar training upon placement in their host country to reduce accident risk and to ensure familiarity with their new driving environment.

### Vehicle Maintenance and Condition

All company vehicles are required to undergo preventative maintenance as recommended by the manufacturer or leasing company at designated mileage or kilometre intervals, with service activities recorded.

A process must be established for monitoring and recording overall vehicle condition (exterior and interior) on a regular basis. J&J affiliates may hold drivers financially accountable for any damage resulting from negligence of company owned or leased vehicles.

### Management Accountability

J&J affiliates must establish line management’s roles and responsibilities that uphold employee safety as a value, including, but not limited to a manager training and post-accident review process that is used to identify the root cause of accidents in the interest of prevention. Safe driving performance, completion of required training, and involvement in supervisory activities that contribute to accident prevention and vehicle maintenance must be addressed as part of driver and manager performance reviews.

### Accident, Incident and Injury Reporting

The prompt reporting of accidents and incidents based on the definitions outlined in this document is critical to ensure consistent worldwide reporting of key fleet safety metrics.

J&J and its affiliates must have a process in place to communicate these definitions to those responsible for data collection and the reporting of fleet safety results.

To the extent permitted by applicable local laws and regulations, reporting requirements apply to:

* Employees of J&J and its affiliates who drive company-owned or leased vehicles as a regular part of their job and for personal use; and/or employee-owned vehicles driven for company business as a “regular part” of their job. “Regular part” is defined as more than 10% of the total yearly miles of that particular vehicle. Employees who drive their own vehicles typically receive either some form of monthly cash allowance for fuel, maintenance, parking, insurance and other miscellaneous charges associated with the vehicle, or a mileage allowance on a regular basis. This group is generally regarded as the “fleet” audience: sales, service and marketing representatives;
* Employees of J&J and its affiliates, including international transfers, who are eligible to receive company vehicles as part of their compensation package;
* Persons who are contracted/rented to work solely for J&J and its affiliates (e.g. merchandisers, field sales contractors) providing authorization to use the J&J owned or leased vehicle was given and they are directly supervised by a J&J or J&J affiliate manager;
* Authorized drivers who are permitted to drive a company owned or leased vehicle (at each J&J affiliate’s discretion, and based on a formal authorization process outlined at the company and/or country level, individuals other than the employee may be authorized to drive a company owned or leased vehicle);

## Work related road safety guidance for drivers

Drivers are required to adhere to the above worldwide fleet safety standards which are to be brought into the local country fleet safety policies. Drivers are provided with global fleet safety training tools such as manuals, videos, online flashes addressing key accident topics etc.

## Specific examples of procedures

The SAFE Fleet programme involves:

* Active senior management engagement across all organisations within the company and at every opportunity promoting the SAFE Fleet message as a “way of doing business” to employees. High-level executives in each region act as champions of the SAFE Fleet programme;
* A cultural focus that is fed down the corporate hierarchy to sales managers who must undergo SAFE Fleet training. That involves many responsibilities including conducting yearly commentary drives with each member of staff reporting to them; documenting, reviewing and investigating all accidents after they occur to establish accountability, ensuring fleet safety topics are included in the agendas of all sales and other meetings and ensuring fleet safety is included into the performance reviews of their drivers alongside other sales goals and objectives;
* SAFE Fleet teams exist with individuals drawn from different departments in each country or operating company to support all aspects of policy implementation and provide a platform to review performance and best practice on at least a quarterly basis. It is also each team’s responsibility to provide the information for the Johnson & Johnson team assessments, which are held every three years using a globally consistent on line assessment tool that allows for self-assessment and management action plan creation;
* Driver training, which covers four groups – new hires, experienced drivers, high-risk drivers and spouses/partners. Embracing home study training, on-the-road training and meeting-based training, the programme requires that all new recruits complete an on-the-road driver training course preferably within 90 days of employment (in many cases before receiving the keys to the company car) as part of their induction. In addition, all employees complete on-the-road training at least once every three years;
* Good staff driving records are recognised and rewarded to motivate safe driving. An employee’s driving record is a key part of individual performance reviews. Cash bonuses and car upgrades, for example, could be given to drivers with a crash-free record, while there are also disincentives like paying out of pocket insurance deductibles for having accidents as the company aims to “drive sales safely”;
* Finally, education of staff takes place about non-driving safety topics (slips, trips and falls, ergonomics issues, personal safety etc.) to further reinforce a health and safety mindset in the field;

Each country’s success in implementing the SAFE Fleet programme is recognised with awards - silver, gold and platinum - based on fulfilment of the aforementioned criteria and other markers including accident and injuries per one million miles.

## Auditing and review

In September of 2008 Johnson & Johnson launched a worldwide globally consistent on line assessment tool used during the auditing of global fleet safety teams. The Assessment Tool of Leadership Actions for SAFE Fleet (ATLAS) is Johnson & Johnson‘s global process for the pro-active identification and mitigation of fleet safety risks and identification and acknowledgement of best practices. ATLAS provides a framework to identify and proactively address opportunities to ensure compliance with the Worldwide Fleet Safety standards and to create and sustain a fleet safety culture.

A SAFE Fleet Global team is chartered with the responsibility to provide leadership, governance, and oversight to the assessment process. This team is comprised of Directors and Managers representing Asia-Pacific, Europe, Middle East & Africa, Latin America/Caribbean and North America.

## Objectives

The purpose of ATLAS is to create a systematic process for the early identification and mitigation of fleet safety risks. To ensure that SAFE Fleet continues to be integrated and culturally sustained, this assessment tool has been designed to be more guidance oriented in nature. The process focuses on behaviors that create and sustain a fleet safety culture at all levels of the organization. This tool recognizes the maturity level of SAFE Fleet within Johnson & Johnson.

The self-assessment and formal assessment processes are designed to facilitate a candid, introspective review of current processes and infrastructure support. This process challenges each organization to assess their components of fleet safety at a much deeper level and to determine the strength of their foundation for successfully sustaining a fleet safety culture over the long term.

Improvement is achieved by:

* Promoting company self-identification of areas of risk and development of related action items;
* Increasing management awareness and support for driver safety and fleet safety culture;
* Using a Management Action Plan (MAP) as a business tool to drive change and results;

## Benefits

ATLAS yields these benefits:

* Safety and well-being of employees;
* Reduced crashes and injury to employees and others;
* Reduced liability to Johnson & Johnson and its affiliates;
* Improved business performance;
* Enhanced J&J reputation;

## ATLAS process overview

The ATLAS process consists of three phases:

**1. Self-Assessment**

Each Worldwide SAFE Fleet Team conducts an annual self-assessment using the ATLAS tool housed on an external on line platform that can be accessed using the J&J employees password. The team then generates their self-assessment scorecard.

**2. Management action plan**

The SAFE Fleet team generates a Management Action Plan (MAP) for all issues that are identified in the self-assessment. The MAP contains the necessary actions, responsible person, and target date for addressing each issue. The MAP and scorecard are periodically updated as actions are implemented.

**3. SAFE Fleet Assessment**

A SAFE Fleet Assessment Team, consisting of a corporate representative and/or Affiliate representative and/or third party business partner performs an independent review through an on-site visit. The frequency of this assessment is once every 3 years and is jointly scheduled with the SAFE Fleet regional Director or Manager and the SAFE Fleet team to be assessed. The ATLAS scorecard is updated to reflect the outcome of the SAFE Fleet Assessment.

Teams globally are assessed on 5 key elements, executive management, field management, core systems, support systems and results. They can receive a score of either silver, gold or platinum in each of the element areas which then rolls into a final score.

## Performance measures

Johnson & Johnson is a benchmark leader when comparing fleet safety metrics to other pharmaceutical companies. Johnson & Johnson used key industry performance measures related to fleet safety such as accidents per million miles driven rate, injuries per million miles driven rate and percent of vehicles involved in accidents. Reporting is captured globally on a quarterly basis using an in house on line reporting system which captures vehicle count, mileage, accidents by type, incidents by type, injuries to J&J employees and third parties and the direct costs of fleet vehicle accidents and incidents in any given quarter.

Johnson & Johnson also benchmarks yearly with like industry peer companies as part of a multinationally represented fleet safety benchmarking group.

## Accident reduction

Since 1995 program inception to 2008 full year our accidents per million miles rate or APMM globally has decreased by 37% despite a fleet size increase over that same time period of 157%. In 1995 19% of our global fleet was involved in accidents as compared to 11% in 2008.

## Financial and other benefits

Johnson & Johnson has realized extensive financial and other benefits as a result of our fleet safety program which can be quantified in terms of both direct and indirect costs on a yearly basis.

Other benefits include:

* Safety and well-being of employees is maintained;
* Reduced crashes and injury to employees and others;
* Reduced liability to Johnson & Johnson and its affiliates;
* Improved business performance;
* Enhanced J&J reputation;

## Lessons learned

Companies must never become complacent. In challenging business times the fleet safety message needs to be reinforced more than ever before otherwise accidents, injuries and possible fatalities may increase.

Getting middle management involvement in the fleet safety process of an organization is key to influencing driver behaviour. It’s important to consider a multi-dimensional view of driver risk and to involve partners in medical and safety to ensure risks are appropriately managed (e.g., to help prevent fatigue-related crashes).

## Current and future developments

Johnson & Johnson is in the process of launching a global web based training platform which will be accessible to all 34.000 of our drivers. The platform will contain:

* new hire introduction training;
* field manager training program;
* high risk driver training program;
* teen driver safety for the family of Johnson & Johnson employees;
* ergonomics training program for field personnel;
* senior management introduction to the global SAFE Fleet program for new executives who enter the company;
* eco-driving training (to be developed) and much more. The new platform will allow for global accessibility and consistency in program trainings;

Currently the direct and indirect costs of fleet vehicle accidents are being tracked by Johnson & Johnson on a business segment level. Direct costs include bent metal damage and indirect costs that are considered include the cost of having a sales representative out of the field not selling our products as a result of an accident or incident.

## Additional information

A number of best practice educational booklets and training guides are available on a number of topics such as slips trips and falls, ergonomics in the field, new territory assistance tools for sales reps, behind the wheel training in all countries etc.

A copy of the Johnson & Johnson WW Fleet safety standard or policy is available on request.