

A common purpose Why transforming your approach to safety will build a more competitive business



Our current approach to workplace safety may be causing more harm than good.

In recent years, Australian employers have ploughed hundreds of millions of dollars into improving workplace safety, yet injury rates have plateaued. For example, the number of Australian employees who experienced a work-related illness or injury in the 2009–2010 financial year was 640,000¹. This number has remained relatively consistent since the turn of the century.

There needs to be a breakthrough in safety performance: a new model that suits the workplaces of the 21st century. In this article, we argue that organisations need to do two key things to become safer while improving corporate performance.

First, employers should address safety as an issue that requires organisation-wide solutions, not isolated action. Second, they should aim to keep their employees safe by engaging with them more effectively – an approach that also drives wider business benefits.

Not just a safety issue

Safety is already high on CEOs' agendas. Forward-thinking business leaders view safety as a barometer of corporate performance and invest accordingly, rather than a hygiene issue driven by compliance.

Businesses are spending more and more money in pursuit of excellence in safety, and are seeing results in areas beyond safety. For example, research from Goldman Sachs has shown that companies which invest more in operational health and safety outperform their peers financially, generating returns of up to 38% above average².

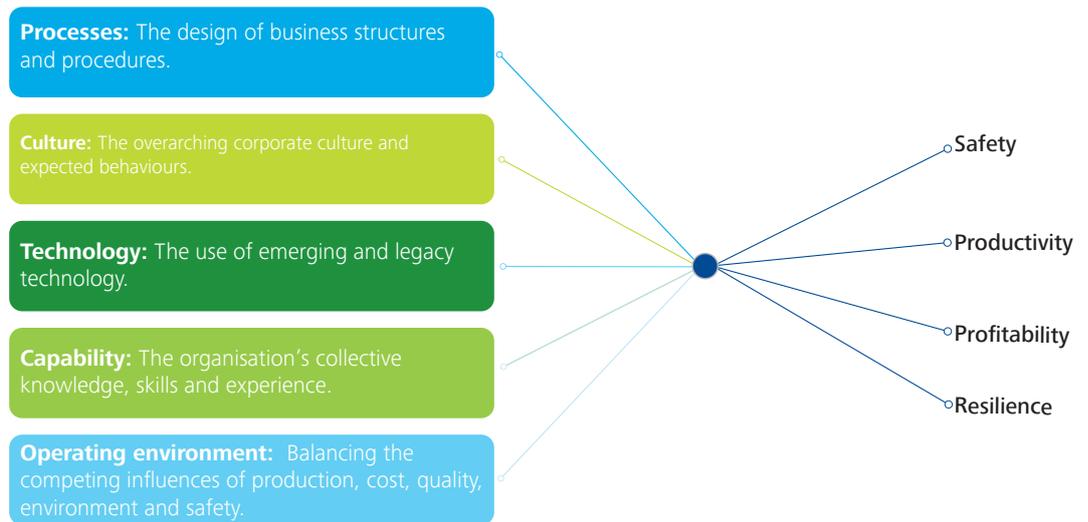
So why have injury rates plateaued? Part of the problem is that safety performance has traditionally been addressed with more education, protective equipment and regulation. These safety solutions are effective up to a point.

However, safety is also influenced by many contributing organisational factors and influences. In Deloitte's experience, there are five critical corporate factors that must be addressed in any safety transformation program (see Figure 1).

¹ Work-related injuries, Australia, 2009–10, Australian Bureau of Statistics, December 2010.

² Goldman Sachs JBWere Finds Valuation Links in Workplace Health and Safety Data, Goldman Sachs, 30 October 2007.

Figure 1



Perceptive readers may have noted that these five factors also play a critical role in making an organisation more competitive. Addressing these factors does not only improve safety, it improves corporate performance.

Fundamental needs

A further benefit of taking an organisation-wide approach to safety is that it opens the door to driving change from within.

Safety is a natural point of collaboration between business leaders and employees. In fact, it may be the only corporate issue that has the power to unite everyone in an organisation around common themes, no matter what role they occupy.

After all, everyone has a fundamental desire to be safe. Abraham Maslow's hierarchy of needs pyramid ranks safety and security as humans' second most fundamental need, trumped only by physiological necessities such as food, water and shelter. Anecdotal evidence from employee surveys bears this out. Safety is almost always cited as the most important aspect of a workplace environment, regardless of whether the respondent is the CEO or working on a shop floor.

This represents a huge opportunity for organisations to engage employees on a subject that truly matters to them: their own personal health. By involving employees in safety conversations, you can harness their ideas to identify better solutions, whether that's changes to processes or the design of new equipment.

A stronger focus on engaging employees on safety can also lead to complementary business benefits in other areas, such as increased productivity, better problem solving and previously disengaged employees providing innovative solutions to business issues.

Driving change

However, getting to this point is not as simple as carrying out a few employee surveys and implementing the good ideas. It often involves a complete rethink of how an organisation deals with safety.

A thorough, evidence-based examination of safety performance should be carried out to assess the maturity of the organisation's existing safety measures in relation to the five drivers above. Companies may also wish to consider other models that might provide additional insight, such as Hudson's safety culture maturity model.

This examination should draw information from all parts of the organisation, using methods such as senior executive engagement, interviews and surveys at all levels and comprehensive safety systems examination. Detailed data analysis of both safety statistics and other key productivity metrics should also be carried out to identify any previously unknown links between organisational issues and safety.

Understanding the links between safety performance and the five drivers of safety enables action that addresses underlying organisational issues, such as leadership capability or trust between leaders and employees. This encourages better employee engagement, improves corporate performance and ultimately drives a safer work environment for everyone.

How Deloitte can help

Deloitte can assist organisations implement safety programs while improving corporate performance. Our multidisciplinary team has experience in implementing safety transformation programs in some of the world's largest and most complex organisations. Together with our advanced data analytics capability, we can provide end-to-end safety solutions tailored to meet your needs.



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