Walking the talk
2017 Health and Safety Leadership Survey
February 2017
A snapshot of how New Zealand business leaders approach health and safety

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How we made this survey

The survey was completed by 169 business leaders in the fourth quarter of 2016.

78% are from the private sector
22% are from the public sector

They have revenue of:

- 26% Under $20m
- 17% $21m-$50m
- 18% $51m-$100m
- 39% Over $100m

They employ:

- 16% Under 50 people
- 34% 51-200 people
- 18% 201-500 people
- 32% Over 500 people

- 18% belong to an overseas company
- 22% have overseas operations
- 33% operate nationally

69% Business Leaders’ Health and Safety Forum members
53% Institute of Directors members
17% Involved with the Canterbury Rebuild Safety Charter

Many are also Deloitte clients
Walking the talk
Key findings

The findings are based on a survey of 169 CEOs and Managing Directors.
The survey asked them how health and safety was led and managed in their organisations:

- Responses show most organisations rank health and safety as a key business priority.
- Nearly all boards discuss health and safety risks, and systems in place to manage them.
- More than half say investing in health and safety boosted productivity.
- Nearly all boards discuss health and safety risks, and systems in place to manage them.
- Four out of five say their health and safety performance improved in 2016.
- Nine out of 10 CEOs say health and safety risks are effectively managed.
- Directors and CEOs are getting more involved in health and safety activities.
- More than half say investing in health and safety boosted productivity.
- However ...

- The majority still focus on safety, despite health issues being a bigger workplace killer.
- The frequency of reporting has increased, but most don’t get useful analysis of what the data means.
- A quarter say their risks are not well described – meaning they might not be fully understood.
- A relatively high number (1 in 5) are not clear about roles and responsibilities for managing risks in their supply chain.
The challenge of delivering on the commitment

Our latest Health and Safety Leadership Survey shows progress was made during 2016 on building upon the two foundations of good health and safety performance – commitment from the top and having a plan for improvement.

However, many organisations still face challenges in delivering on that blueprint. This is particularly so in three key areas: risk management, worker engagement and contractor management.

Nine out of 10 CEOs believe their programmes for involving workers in health and safety are effective. Despite that, they identify culture/worker attitudes as one of the main barriers to improving health and safety. This suggests current programmes to engage workers in health and safety might not be delivering the improvements CEOs want, and that a different or broader range of activities might be needed.

Currently, only a quarter run specific ‘culture change’ initiatives. Less than a third run dedicated health and safety culture surveys, and just over half include health and safety in general engagement surveys. It’s well accepted that the two keys to changing culture are leadership and an engaged workforce. Yet only about one in five CEOs mentioned improving leadership among the key health and safety initiatives they are undertaking. Culture change activities could also benefit from more board attention – in the survey worker participation ranks 6th (last) in a list of health and safety-related topics discussed by boards in the last year.

Nine out of 10 CEOs believe their programmes for involving workers in health and safety are effective. Despite that, they identify culture/worker attitudes as one of the main barriers to improving health and safety.
With regard to risk, nine out of 10 CEOs are confident the health and safety risks in their organisations are effectively managed. However, a quarter also say their risks are not well described (documented and understood). Understanding a risk is a critical precursor to its effective management. Consequently, if risks are not well understood, there is a question whether risk management is as effective as CEOs believe.

Contractor management is a top issue for about one in five CEOs. However, only 7% mentioned engaging contractors was one of their key health and safety initiatives. One in five are not clear about roles and responsibilities for managing risks in their supply chain and just over 40% aren’t personally involved in engaging key suppliers on health and safety.

Less than half track occupational health, suggesting this significant area of harm could be a blind spot for many CEOs.

Compared with last year’s survey, the frequency of reporting has increased. More than three quarters of CEOs now get health and safety reports at least monthly, compared with two-thirds last year. However, there has been little improvement in the number of CEOs who say the reporting they receive includes good analysis of what the data actually means. Meaningful health and safety reporting is a cornerstone of good governance and management, consequently this appears to be an ongoing area for improved focus and effort.

Another factor potentially undermining effective risk management is that more than a third of organisations don’t include health and safety in their strategic organisational planning, or use data analytics to identify trends and needs.

The responses suggest there is no room for CEOs to be complacent about their performance on worker participation and risk management. They also point to an ongoing need for support for CEOs to help them understand ‘what good looks like’ in these areas.

Improving risk management and worker participation are key goals of the Health and Safety at Work Act, which came into force in April last year. The survey results suggest the Act has supported the trend in recent years for boards and executive teams to become more focused on health and safety. Encouragingly, most organisations now identify health and safety as a key priority, and four in five CEOs say their organisation’s health and safety performance improved in 2016.

We would like to thank all the CEOs and managing directors who took part in the survey – including Deloitte clients, and members of the Institute of Directors, Business Leaders’ Health and Safety Forum and Canterbury Rebuild Safety Charter.

We would encourage all business leaders to use this survey to reflect on your current approach to health and safety. And in particular, to ask yourself the following questions:

- Am I walking the talk?
- How confident are you that good health and safety management is working?
- How can you improve your worker engagement and risk management (particularly in the supply chain) to unlock opportunities and improvements?
- How can you engage more proactively with your supply chain?
- Given work-related illnesses kill many more workers than accidents, what can you do to eliminate health risks in your workplace?
- Are your health and safety reports providing insight and understanding to enable you and your board to make informed decisions? If not, how can you improve them?
- What are you doing to validate the effectiveness of your practices and systems, to ensure they remain fit for purpose?

Take this opportunity to consider how well your investment in health and safety is targeted towards the issues CEOs have identified as being priorities for improving performance. It’s a chance to reassure yourself that your organisation’s money and energy is being directed into area and activities that will really make a difference for your people, your business, your business partners, suppliers and your broader stakeholders.

The new legislation is in place; the investments are being made. So now is the time to ensure you and your business are walking the talk.

Francois Barton
Executive Director, Business Leaders’ Health and Safety Forum

Aloysius Teh
Partner, Risk Advisory Leader, Deloitte
Sector and business group results

The survey responses were analysed and presented in four groups as below – Public Sector CEOs, members of the Institute of Directors, Canterbury Rebuild Safety Charter, and Business Leaders’ Health and Safety Forum.

Public sector

Public sector organisations appear to have some strengths over the private sector:

- More than nine out of 10 said their performance improved in the last year, compared with eight out of 10 for all organisations;
- They are more likely to have worker health and safety representatives, and involve workers in activities like investigations, strategy development and working groups for special issues;
- They are more likely to include health and safety in employee engagement surveys;
- They place a comparatively greater emphasis on health than private sector CEOs.

Institute of Directors’ members

Doing comparatively well on:

- Initiatives to improve management of risks e.g. improved board reporting, increased focus on risks at executive meetings etc;
- Discussing the quality of worker participation in health and safety;
- Recognising the reputational benefits of good health and safety.

Business Leaders’ Health and Safety Forum members

Doing comparatively well on:

- Promoting the health and safety vision and strategy with workers;
- Involving workers in activities like incident investigations;
- Encouraging reporting.

Canterbury Rebuild Safety Charter members

Doing comparatively well on:

- Involving workers in health and safety through regular “toolbox” talks;
- Getting more frequent health and safety reporting – more than half get weekly reports;
- Recognising the reputational benefits of health and safety, and the potential to reduce injuries and associated business costs.

More than nine out of 10 public sector organisations said their performance improved in the last year, compared with eight out of 10 for all organisations.
Summary of results

Below is a summary of the results for all survey participants.

Performance
Four out of five CEOs say their organisation’s health and safety performance improved in 2016.

The main benefits seen from investing in health and safety are improved worker engagement generally, reduced injuries/associated costs, and legislative compliance.

More than half of CEOs say this investment boosted productivity, helped their reputation with clients and made them a more attractive employer. Four in 10 say it improved the bottom line.

See detailed results page 10.

Challenges
The most commonly identified challenge to good health and safety is culture/attitude towards health and safety. Culture was also the most commonly identified barrier to an organisation becoming a leader in health and safety.

One in five say contractor management is a top issue – nearly double the 2015 survey result – a change that could relate to more members of the Canterbury Rebuild Charter taking part in the survey.

Only 16% say compliance is a top issue, down from 26% in 2015.

See detailed results page 12.

Commitment
Most organisations (89%) have identified health and safety as a key priority. Nearly all (96%) of those who belong to the IoD, Forum or Rebuild Charter have made this explicit commitment.

See detailed results page 10.

Focus areas
Most organisations are focused on safety rather than work-related health. Just 15% split their efforts evenly between health and safety.

Despite culture being identified as a key challenge, only a quarter of organisations ran culture change initiatives.

Only 7% ran initiatives to engage contractors on health and safety.

See detailed results page 13.

More than half of CEOs say this investment boosted productivity, helped their reputation with clients and made them a more attractive employer. Four in 10 say it improved the bottom line.
Boards
More boards are proactive or leading\(^1\) in their approach to health and safety. Nearly all boards (93%) now get health and safety information at every board meeting, up from 83% in the 2015 survey.

Risk is the most commonly discussed topic, followed by ‘safety culture’ and the health and safety vision. But only two thirds of boards specifically discussed worker participation in health and safety, rising to 85% among leading boards.

In about half of the organisations all board members go on site visits. Among leading boards, two thirds go on site visits.

Managers
Most CEOs (86%) say their managers and supervisors have the skills needed to lead health and safety.

Four out of five thought their executive team viewed health and safety as an enabler rather than a compliance obligation, slightly down on 2015’s result of 88%.

See detailed results page 21.

CEOs
CEOs are becoming more involved in leading health and safety in their own organisations, partly through activities like site visits and personally recognising health and safety achievements.

However, this leadership appears to be less strong in the supply chain, with only about half of CEOs saying they personally talk to key suppliers about health and safety.

The main way CEOs stay informed about health and safety is through executive reports. However, just under two-thirds also get regular updates from their senior health and safety person.

See detailed results page 18.

Workers
Nine out of 10 CEOs believe their programmes to involve workers in health and safety are effective. However, it is questionable whether these programmes are delivering results for CEOs, as culture is still the most commonly identified barrier to organisations becoming leaders on health and safety.

The main ways workers are involved are through worker representatives and committees, and having health and safety as a standing agenda item at meetings.

Two thirds of organisations ask about health and safety in employee engagement surveys and 30% run dedicated safety culture surveys.

Three quarters of CEOs say they involve workers in incident investigations and more than 70% use regular toolbox talks – a considerable rise on the 2015 result that might reflect the involvement of more Canterbury Rebuild Safety Charter CEOs in the survey.

See detailed results page 22.

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1 CEOs were asked to describe the maturity of their board’s approach to health and safety, ranging from ‘start of journey’ to ‘leading’.
Supply chain
Most CEOs (87%) say they understand where the health and safety risks sit in their supply chain. Four out of five are also clear about who should be managing those risks – their organisation or its contractors.

However, that means one in five organisations are not clear about how safety is being managed in the supply chain – a relatively high proportion for such a crucial area.

Just over half of the CEOs are personally involved in engaging key suppliers on health and safety. This rose to 84% for those who belonged to the IoD, Forum or Rebuild Charter.

See detailed results page 23.

Organisational capability
The main methods used to develop health and safety practice are encouraging reporting (93%), obtaining regular updates (89%), and supporting professional development (82%).

Fewer than two-thirds of organisations include health and safety in strategic organisational planning, or use data analytics or worker surveys to identify trends and needs.

See detailed results page 26.

Risk
Nine out of 10 CEOs say their risk are actively and effectively managed, up from 83% in 2015.

However, 25% also say their risks are not well described. Understanding a risk is a critical precursor to its effective management. Consequently, if they are not well understood, there is a question whether risk management is as effective as CEOs believe.

Organisations with ‘leading’ boards are more likely to say their risks are ‘very well described’ (42%).

More than two thirds of organisations include their health and safety risk management framework in the corporate risk management framework, up from half in 2015.

See detailed results page 24.

Reporting
There has been an increase in health and safety reporting, and about three quarters of CEOs now get monthly reports. Nine out of 10 CEOs now also get near-miss reporting, rising to 97% of public sector CEOs.

Eight out of 10 say the information they receive is appropriate and robust enough to provide a complete picture. However, less than a third say they get useful analysis explaining what the data means, and less than half of the organisations track occupational health.

See detailed results page 27.
Full results

Performance

What has happened to your health and safety performance over the last year?

- Improved: 80%
- Stayed the same: 18%
- Declined: 2%

I believe the investment my organisation makes in health & safety is returning benefits through:

- Reduced injuries and associated costs such as ACC: 80% (2016), 77% (2015)
- Legislative compliance: 75% (2016), 77% (2015)
- Improved reputation with clients/in my industry: 62% (2016), 63% (2015)
- Improved productivity: 65% (2016), 65% (2015)
- Reduced damage to equipment etc: 55% (2016), 53% (2015)
- Makes me a more attractive employer: 53% (2016), 49% (2015)
- I don't believe it is returning benefits: 2% (2016), 2% (2015)
- Other: 9% (2016), 5% (2015)

Commitment

My organisation has explicitly identified health and safety as a key priority.

- 2016: 94% Yes, 6% No
- 2015: 89% Yes, 11% No
I’m confident the people in my organisation are clear about our health and safety vision, goals and strategy.

Rank the following drivers behind your desire to improve health and safety:

- Compliance with legislation and regulations
- Caring for my contractors’ and employees’ wellbeing
- Enhancing bottom line
- Pressure from your supply chain (i.e. client or supplier)
- Pressure from workforce/unions

8 things a CEO can do to demonstrate leadership on, and commitment to, health and safety:

- Get personally involved in leading initiatives
- Invest the necessary resources
- Personally recognise health and safety contributions
- Initiate improved management of risk
- Work to engage employees/contractors on health and safety
- Clarify and communicate the vision
- Empower your people to improve performance, and hold yourself accountable for your performance
- Verify and monitor progress and performance, and make changes as a result.

*Based on the World-Class CEO Safety Leadership model, created for the Forum by workplace safety consultancy Leading Safety.*
Challenges

Currently, what are the top three health and safety issues or areas of focus at the executive table?

- Specific hazard / risk / injury mentioned: 60%
- Culture - behaviour change / commitment / engagement: 46%
- Risk / hazard assessment / identification / management: 34%
- Contractor management / safety / compliance: 25%
- Reporting / feedback / follow up process: 22%
- Staff wellbeing / health / stress management: 20%
- Acts / laws / compliance / new legislation: 16%
- Education / training / development: 16%
- Strategy / action plan / policies: 14%
- Leadership: 14%
- Prevention / reducing harm / incidents / risks: 14%
- Near miss / incident reporting and follow up: 10%
- Process safety: 10%
- Systems - accountabilities / development: 5%
- Machine - safety / operation / risks: 5%

Walking the talk

What is the key challenge you face to improve your health and safety management arrangements?

- Staff culture/changing behaviour and attitudes (44%)
- Having the time and money to put into health and safety (13%)
- Managing contractors and suppliers (11%)
- New legislation (8%)
- Identifying risks/reducing harm (8%)
- Skilled health and safety professionals/knowledge (8%)

Walking the talk

What are the main barriers to your organisation becoming a leader in health and safety?

- Culture/emphasising the importance of health and safety/making sure everyone takes personal responsibility for it (27%)
- Having the money and time to put into it (24%)
- The leadership team needs to focus on health and safety too (15%)
- Contractors / suppliers / external factors (6%)
- Size / complexity / diversity of company (6%)
- Audit/external input (2%)
- Staffing (2%)
- Other (14%)

18% indicated that they are leaders\(^1\) in health and safety already.

\(^1\) CEOs were asked to describe the maturity of their board’s approach to health and safety, ranging from ‘start of journey’ to ‘leading’.
Focus areas

What is the focus of health versus safety in my health and safety programme?

- 100% Safety: 3%
- 90% Safety, 10% Health: 31%
- 75% Safety, 25% Health: 48%
- 50% Safety, 50% Health: 15%
- 25% Safety, 75% Health: 2%
- 100% Health: 1%

Walking the talk
What are the main health and safety initiatives you are undertaking?

- Education and training (35%)
- Reporting to capture and analyse data (28%)
- Culture change to get employees on board, including doing culture surveys (25%)
- Doing wellness checks and programmes for staff (22%)
- Hazard/risk analysis, assessment, identification and management (17%)
- Prevention/reduction – new ways to do things, safety equipment (16%)
- Leadership (15%)
- Communication / discussion (14%)
- Health and safety charter/policy/strategy/KPIs/manual (9%)
- New systems / simplify / implement (8%)
- Compliance with legislation / certification / Acts (8% compared to 11% in 2015)
- Policies and procedures – review / change (8%)
- Engaging with contractors / subcontractors (7%)
- Set goals / indicators / objectives and outcomes (5%)
- Audits (4%)
- Site visits (4%)
- Awards / reward initiatives (4%)
Ensuring leaders really know what’s going on in the workplace

The low percentage of CEOs who identify ‘audits’ as a key initiative they are undertaking is interesting given that a programme of internal audits and independent assessments is key to supporting ‘due diligence’. Audits and independent assessments give boards and CEOs confidence that risks have been correctly articulated, appropriate controls developed, and that these controls are actually being put in place and work in practice. They also ensure that, when weaknesses are identified, effective remediation happens to ensure gaps are closed.

Deloitte
Boards

Based on its activities over the last year, how would you describe your board’s level of engagement with health and safety? 

<table>
<thead>
<tr>
<th>Level of Engagement</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of journey</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Reactive</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Managing</td>
<td>21%</td>
<td>27%</td>
</tr>
<tr>
<td>Proactive</td>
<td>20%</td>
<td>53%</td>
</tr>
<tr>
<td>Leading</td>
<td>15%</td>
<td>48%</td>
</tr>
</tbody>
</table>

During the last 12 months, how has the board been informed about health and safety?

<table>
<thead>
<tr>
<th>Method</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At every full board meeting</td>
<td>93%</td>
<td>82%</td>
</tr>
<tr>
<td>At every second full board meeting</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>At every quarter full board meeting</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Once annually at the full board</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>At every board sub-committee meeting</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>At every quarter board sub-committee meeting</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Through ad-hoc discussion, with information only provided in response to an incident or when requested</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Through papers only (no discussion by directors)</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>No information has been provided to the board</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

In the past 12 months, what topics have the board discussed in relation to health and safety?

<table>
<thead>
<tr>
<th>Topic</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and safety risks and systems in place to manage them</td>
<td>94%</td>
<td>86%</td>
</tr>
<tr>
<td>Incidents and injury statistics</td>
<td>88%</td>
<td>92%</td>
</tr>
<tr>
<td>Organisational culture regarding health and safety (i.e. safety culture)</td>
<td>86%</td>
<td>78%</td>
</tr>
<tr>
<td>The health and safety vision and the strategy to achieve it</td>
<td>77%</td>
<td>66%</td>
</tr>
<tr>
<td>Appropriate resources to address health and safety issues</td>
<td>76%</td>
<td>68%</td>
</tr>
<tr>
<td>Worker participation</td>
<td>65%</td>
<td>57%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

1 CEOs were asked to describe the maturity of their board’s approach to health and safety, ranging from ‘start of journey’ to ‘leading’.
Walking the talk
What are you doing to improve the board’s engagement with health and safety?

<table>
<thead>
<tr>
<th>Strategy</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing reports, including analytics, info and plans to the Board</td>
<td>40%</td>
<td>35%</td>
</tr>
<tr>
<td>Site/field visits</td>
<td>35%</td>
<td>39%</td>
</tr>
<tr>
<td>Communication and discussion with board members</td>
<td>28%</td>
<td>21%</td>
</tr>
<tr>
<td>Board members take part in health and safety activities like inductions and training</td>
<td>22%</td>
<td>15%</td>
</tr>
<tr>
<td>External reviews, audits and assessments</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>Health and safety is on the agenda for board meetings</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Setting up health &amp; safety [sub]committees</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Do directors conduct site visits where they can learn about risks and talk freely to workers about health and safety?

- All directors conduct site visits
- Some, but not all directors conduct site visits
- No
- Do not know

- 2016 Board of Directors: 48% All directors conduct site visits, 15% Some, but not all directors conduct site visits, 2% No, 2% Do not know
- 2015 Board of Directors: 39% All directors conduct site visits, 39% Some, but not all directors conduct site visits, 1% No, 1% Do not know
Improving board and executive engagement
To enhance board and executive engagement, have them document their observations, follow up on their findings, give direct feedback to the individuals they interact with, hold management and themselves accountable, and feedback on progress and the results to the workforce directly. Consider how a personal connection and ownership can be demonstrated to fully understand and ‘walk the talk’ on health and safety.

Deloitte
CEOs

In the last year, which of the following health and safety leadership activities have you personally undertaken?

- **Got personally involved e.g. completed sites visits to discuss health & safety, attended safety briefings or taken part in incident investigations**
  - 2016: 92%
  - 2015: 80%

- **Invested the necessary resources in health & safety**
  - 2016: 89%
  - 2015: 88%

- **Personally recognised health & safety contributions**
  - 2016: 66%
  - 2015: 80%

- **Initiated improved management of risks e.g. improved board reporting, increased focus on risks at executive meetings etc**
  - 2016: 78%
  - 2015: 75%

- **Worked to engage employers/contractors on health & safety e.g. ensuring their suggestions and concerns are heard and acted on**
  - 2016: 56%
  - 2015: 78%

- **Clarified and communicated the vision**
  - 2016: 76%
  - 2015: 71%

- **Empowered your people to improve performance and held yourself to account for your performance**
  - 2016: 76%
  - 2015: 73%

- **Monitored progress on objectives and initiatives**
  - 2016: 75%
  - 2015: 76%

- **Closely monitored performance and made changes as a result**
  - 2016: 63%
  - 2015: 56%

How are you as CEO kept informed about health and safety?

- **Executive reports**
  - 2016: 70%
  - 2015: 70%

- **An update from one of my executives who has health & safety in a wider portfolio**
  - 2016: 53%
  - 2015: 61%

- **A dedicated meeting with the senior health & safety person**
  - 2016: 60%
  - 2015: 61%

- **Board reports**
  - 2016: 54%
  - 2015: 50%

- **Other**
  - 2016: 43%
  - 2015: 41%

- **None of the above**
  - 2016: 2%
  - 2015: 41%
Engaging your people on health and safety

Site visits by directors and CEOs can be a highly effective way to engage workers on health and safety.

But the usefulness of a site visit will largely depend on how well prepared you are, and what sorts of questions you ask.

Instead of asking questions aimed at finding out what’s gone wrong, try asking questions about what happens on an ordinary day.

This is a much less threatening way to get people to tell you what’s hindering good performance and what supports it.

Ask questions like:

- What day last month was work (performance) the best? What happened that day?
- Tell me about a time when your work was difficult?
- Who of your colleagues do you find impressive? What is it that they do?
- What are you most dependent on to be successful in your work? What happens when that resource isn’t available?
- If you had $50,000 (or other sum) to make this a better place to work, how would you invest it?

Follow up on your interactions and observations. Hold management and yourself accountable to ensure that issues are addressed in a timely fashion. With front line workers, seeing action is the key in being able to demonstrate your commitment.

For more help on getting value out of your site visits see

www.zeroharm.org.nz/workers

Business Leaders’ Health and Safety Forum
Managers

The managers and supervisors in my organisation have the skills needed to effectively lead on health & safety.

Generally, the executive team views health and safety as an enabler of business success, rather than a compliance obligation.
Improving management engagement

Consider having a point on the executive team agenda to discuss the observations and actions that arise from executive team site visits. This will enable the team to get a greater understanding of trends and issues in a different way to standard health and safety reporting.

Business Leaders’ Health and Safety Forum
Workers

How do you involve your workers in health and safety?

Through the use of health & safety representatives and committees
81% (2016), 80% (2015)

Having health & safety as a standing item at regular team meetings
81% (2016), 79% (2015)

By involving them in incident investigations, and in developing the organisation’s response to the incident
75% (2016), 74% (2015)

Through short, daily or weekly toolbox talks
73% (2016), 71% (2015)

Through informal channels such as one-to-one discussions with supervisors
69% (2016), 68% (2015)

Through informal conversations during site visits by the executive team or board
67% (2016), 65% (2015)

Through employee engagement survey
60% (2016), 59% (2015)

Through the election of health & safety representatives
59% (2016), 58% (2015)

Through ad-hoc work groups to tackle specific issues
58% (2016), 57% (2015)

By involving them in developing and promoting the health & safety vision and strategy
51% (2016), 49% (2015)

Through special meetings e.g. post shutdown start up meetings
51% (2016), 49% (2015)

Through dedicated safety culture/climate surveys
39% (2016), 37% (2015)

By providing easy to use hotlines, apps or online methods to report concerns or issues
28% (2016), 26% (2015)

Other
5% (2016), 5% (2015)

How would you rate the effectiveness of worker participation in health and safety in your business?

Improving culture key to improving safety

Key ingredients for a strong culture are clear vision, tone from the top, an engaged workforce, and follow through with visible actions – all supported by shared assumptions and values. Having consistent and effective communication, systems and processes – including recognition and sanctions that support culture – are also important factors.

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Supply chain

Supply chain management

- **My business understands where the health & safety risks sit in our supply chain**
  - Strongly agree: 36%
  - Agree: 51%
  - Neutral: 10%
  - Disagree: 2%
  - Strongly disagree: 2%

- **I am clear about the roles and responsibilities between my organisation and our suppliers for the agreed aspects of health & safety management**
  - Strongly agree: 21%
  - Agree: 48%
  - Neutral: 25%
  - Disagree: 17%
  - Strongly disagree: 2%

- **My organisation has agreed the type of relationship and level of influence we want to have with each of our suppliers**
  - Strongly agree: 25%
  - Agree: 48%
  - Neutral: 25%
  - Disagree: 6%
  - Strongly disagree: 2%

- **I have personally engaged key suppliers on health & safety to ensure we get their buy-in**
  - Strongly agree: 37%
  - Agree: 25%
  - Neutral: 18%
  - Disagree: 3%
  - Strongly disagree: 3%

Health and safety in the supply chain

Organisations need to be clear about who is managing specific risks in their supply chain – them or their contractors/clients/suppliers.

This is good business risk management, and is also a requirement in the Health and Safety at Work Act.

Below are four questions that can help organisations achieve that clarity. They come from a Forum case study on how Z Energy manages risk in its supply chain.

- Do you understand where the health and safety risks sit in your supply chain?
- Have you agreed the type of relationship and level of influence you want to have with each supplier?
- Have you agreed what needs to be done in each relationship, and who will do what?
- Have you engaged your supply chain to get their buy-in?

For more information see the full video and written case study at:


*Business Leaders’ Health and Safety Forum*
Risk

How well described are the health and safety risks across your organisation?

The health and safety risks in my business are actively and effectively managed.

Is the health and safety risk management framework part of the corporate risk management framework?
Monitoring risk in your business

Good risk management takes into consideration acute harm, harm to health, and catastrophic events. It spans all business activities including procurement, resourcing, and the supply chain. Critical risk controls – those designed to prevent serious injuries or illnesses – are a key thing to implement and monitor.

Questions that will help you identify if your risks are appropriately managed:

• Are both our safety and our health risks understood?
• Are our health and safety risks controlled to tolerable levels?
• Are our risk controls designed appropriately – fit for purpose?
• Are our risk controls understood and implemented by everyone?
• Do we learn from success and failure?
• Are our risk controls in line with industry practice?
• Do we address failure of our controls effectively?

For suggestions on measurements you can use to monitor your risks, and examples of monitoring dashboards, see

www.zeroharm.org.nz/our-work/monitoring

Business Leaders’ Health and Safety Forum

Improving risk management

Organisations that do not have a robust corporate risk management programme can use health and safety risk management to leverage establishing one. Those who do have a robust programme, should have health and safety integrated into it – so there is consistency in reporting, assessment, controls and accountability.

Deloitte
Organisational capability

How are you learning and developing health and safety practice within the organisation and striving for continuous improvement?

- Encouraging reporting
- Obtaining regular updates on health & safety plans and initiatives
- Supporting professional development by my health & safety staff
- Taking part in industry initiatives to improve health and safety
- Engaging with other CEOs and executives on leading practice
- Seeking regular feedback from the workforce
- Enhancing the health & safety strategy and implementation plan
- Supporting health & safety leadership training for myself, my executive team and my board
- Providing greater support and budget for the health & safety programme
- Incorporating health & safety within organisational strategic planning
- Using data analytics to identify further trends and analysis
- Incorporating health & safety in employee engagement surveys
- Commissioning an audit of my health and safety systems or culture
- Engaging health and safety consultants
- Conducting safety culture surveys
- Creating informal learning opportunities, such as having staff spend an afternoon with peers in another company to see how it is tackling common issues
- Enhancing the health & safety strategy and implementation plan
- Providing greater support and budget for the health & safety programme
- Incorporating health & safety within organisational strategic planning
- Using data analytics to identify further trends and analysis
- Incorporating health & safety in employee engagement surveys
- Commissioning an audit of my health and safety systems or culture
- Engaging health and safety consultants
- Conducting safety culture surveys
- Creating informal learning opportunities, such as having staff spend an afternoon with peers in another company to see how it is tackling common issues
- Other
Reporting

How often do you receive regular health and safety reports?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Six monthly</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Quarterly</td>
<td>15%</td>
<td>19%</td>
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<tr>
<td>Monthly</td>
<td>77%</td>
<td>68%</td>
</tr>
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<td>Weekly</td>
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<tr>
<td>Only when</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>requested</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What type of information do you receive?

- Near miss reporting: 89% (2016), 82% (2015)
- Incident and accident trend analysis: 75% (2016), 72% (2015)
- Risk updates: 66% (2016), 73% (2015)
- Incident and accident data for contractors: 70% (2016), 68% (2015)
- Training: 56% (2016), 56% (2015)
- Tracking initiatives e.g. management safety conversations, attending meetings etc: 37% (2016), 29% (2015)
- Culture and perception surveys: 29% (2016), 29% (2015)
- Useful analysis explaining what the data means and its implications: 6% (2016), 1% (2015)
- Other: 2% (2016), 2% (2015)
- Do not know: 2% (2016), 1% (2015)
- Not applicable: 26% (2016), 56% (2015)

The information I receive is appropriate and robust enough to give me a complete picture of where we are at and how we are doing.
Do you report on your health and safety goals and performance publicly?

- Yes, in other publications: 16% (2016), 14% (2015)
- Yes, on the website/social media: 12% (2016), 10% (2015)
- Other: 9% (2016), 6% (2015)
- Do not know: 1% (2016), 1% (2015)

Monitoring what matters

Maintaining effective oversight of health and safety can be challenging for CEOs and directors. It can be hard for them to get the information they need – or to even know what they need.

Research shows that focusing on three key areas can help leaders monitor what matters in health and safety:

- **Risk** – including acute harm, harm to health, and catastrophic events. This monitoring should span all business activities that can have an impact on health and safety, including procurement, resourcing, and the supply chain. There should be a heavy focus on critical risk controls – those used to prevent serious injuries or illnesses.

- **Relationships** – including how the organisation works with employees and its supply chain on health and safety.

- **Resources** – including resourcing of physical plant and equipment, people and their capability to do the job, processes and systems, and infrastructure – including IT.

For examples of indicators leaders can use to monitor these areas of their businesses see the Forum’s Monitoring What Matters guide at [www.zeroharm.org.nz/our-work/monitoring](http://www.zeroharm.org.nz/our-work/monitoring)

The guide also includes examples of helpful health and safety dashboards.

*Business Leaders’ Health and Safety Forum*
Reporting health and safety performance
Overseas, companies with a leading\(^1\) approach to health and safety are reporting publicly their health and safety goals and results in annual reports, integrated reports, sustainability reports and/or their websites. There is also a greater push for external verification of the results.

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\(^1\) CEOs were asked to describe the maturity of their board’s approach to health and safety, ranging from ‘start of journey’ to ‘leading’.

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**About us**

**Deloitte**
Deloitte Risk Advisory practice assists directors, chief executives, management and risk and assurance managers to strengthen organisational performance by optimising governance, business and risk management practices and controls. Our Health and Safety team focuses on working with governance and the business to improve capability, performance and accountability through advice, change implementation support and peer or independent assessment that create sustainable, long-term improvements in safety performance.

Visit [www.deloitte.co.nz](http://www.deloitte.co.nz)

**Business Leaders’ Health and Safety Forum**
The Forum was set up in 2010 to motivate and support chief executives and managing directors to become more actively involved in improving health and safety in their workplaces and supply chains. The Forum has nearly 300 members, most of them large companies or companies working in high risk sectors.

Visit [www.zeroharm.org.nz](http://www.zeroharm.org.nz)
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