



Business Leaders'
Health & Safety Forum

ZERO HARM WORKPLACES

September 2018

Building a high performance, high engagement business

Peter Reidy — KiwiRail

A resource CEOs can use to support discussions with their executives, directors, workers and worker representatives.



KiwiRail staff collect an award for worker engagement at the 2017 NZ Workplace H&S Awards.

At KiwiRail, adopting a high performance, high engagement strategy has helped us boost engagement, increase productivity and improve health and safety. It also taught me that leaders can't be afraid of letting go and empowering workers to come up with improvements.

“If you show people you really care about them you’ll be surprised how it changes their attitudes.”

Peter Reidy

CEO KiwiRail



■ The issue

I first came across the concept of High Performance, High Engagement (HPHE) from talking to Christopher Luxon, CEO of Air NZ.

He'd been using it for a couple of years and was getting great results in terms of engaging frontline workers and their union to improve productivity.

I was attracted to the concept because I thought it could help us bring about a change in the mindset at KiwiRail. It offered a way to help us build trust and respect, and ultimately to lift performance.



“Leaders don’t have all the answers so shouldn’t be afraid of letting go and empowering frontline workers to come up with solutions.”



■ What is High Performance, High Engagement

HPHE is built on the idea that you motivate people by empowering them to make improvements to their workplace. These improvements will ultimately drive up the organisation's performance.

I view HPHE as a leadership approach. It's about recognising that leaders don't have all the answers so shouldn't be afraid of letting go and letting workers come up with the solutions.

It's also about leading in a way that builds trust and shows you care about people. One of the key tools used in HPHE is interest-based problem solving. This is a facilitated process where participants work together to understand each other's positions and find solutions that meet everyone's interests.

This is not about leaders or workers/unions giving away their rights – these are retained in the process. Rather it's about understanding what's important to people so you can craft solutions acceptable to everyone.

Although HPHE is primarily about driving performance, it's also a very good tool for improving health and safety. It's an effective way to involve people in identifying risks and getting their ideas on how to manage them.



■ How we got started

We started with HPHE in 2015 by picking a couple of projects and just giving it a go.

We made some mistakes at the start but after about six months we began to see early successes. Then in May 2017 we won a safety engagement award at the NZ Workplace H&S Awards. That gave us a mandate and the confidence to talk to the board about expanding the approach across the business, and the board was really supportive of this.

An example of how we used HPHE was at our Hutt locomotive maintenance workshop. We involved the staff and the Rail and Maritime Transport Union in brainstorming and then testing new ways of working. We even created a scale model of the workshop so people could play around with different ways of arranging the work space. One example of the result of this work is that the average time to overhaul a locomotive has reduced by a third.

■ Is it just for unionised workforces?

I think HPHE can have benefits for any workplace, whether or not it's unionised.

About 76% of our people are members of a union. But that wasn't why we adopted HPHE. We did it because a fifth of our people work in the field over a number of sites, and we wanted to get their ideas on how to improve the business.

■ The results

HPHE has had a hugely positively impact on performance, culture and health and safety at KiwiRail.

For example, our employee net promoter score was minus 21 in 2016 – pretty bad. It's now up to +1. We've taken significant costs out of the business and EBITDA¹ per employee has risen by 33% since 2016. We've also seen a 45% drop in injuries since 2016.

Negotiating our last collective agreement with the RMTU took four hours – compared with four weeks in 2016. That's because now the negotiations are just about rates and all the other issues are dealt with through HPHE processes.

■ Lessons

Having experienced the HPHE process, the key lesson for me is that the leader's job is to be a coach or facilitator.

We create "the smell of the place" – the culture. It's not our job to come up with all the answers. We need to let go and let others come up with solutions.

It's also confirmed to me that as a leader you need to be operating from a mindset of "care and protect". Introducing HPHE was a way to show our staff that we really cared. If by your actions you demonstrate to people that you genuinely care about them, you'll be surprised how it changes their attitudes. They get engaged, they take ownership and they come up with great ideas for improving the business.

“EBITDA per employee has risen 33% since 2016. We've also seen a 45% drop in injuries.”

■ How to use this case study

With your leadership team, directors, workers and their representatives read the case study and watch the video version at www.zeroharm.org.nz/case-studies. Then discuss the following:

- **Question 1** — How much do we know about our workers' improvement ideas? How are we finding that out?
- **Question 2** — How ready are our managers to "let go"? Is it a willingness or a capability challenge?
- **Question 3** — How are we enabling our workers to get more involved? Do they have the time and resources to develop and test improvement ideas?

¹ Earnings before interest, tax, depreciation and amortisation.

■ More about interest-based problem solving

Interest-based problem solving involves participants working together to find solutions that meet everyone's interests. It involves four steps:

- **Step 1 — Define the problem** – Jointly develop an issue statement that sets boundaries for the problem solving. Usually begins with “What can we do to ...”.
- **Step 2 — Determine the interests** – Identify the stakeholders and discover their interests in relation to the issue statement. Identify common interests to find a foundation for a win/win situation.
- **Step 3 — Develop options** – Engaging subject matter experts, seeking out best practice, brainstorming etc. are all ways to develop options that can be used to craft a solution.
- **Step 4 — Craft a solution** – Bring appropriate options from step 3 together to satisfy as many interests as possible in relation to the issue statement. This involves identifying dependency between options, screening, testing and resourcing options. Focus on achieving the result rather than getting a perfect plan.

With interest-based problem solving most of the time is spent on steps 1 and 2 – unlike traditional problem solving where people tend to go straight to steps 3 and 4.

“It’s about understanding what’s important to people
so you can craft solutions acceptable to everyone.”

Leaders make a difference

The Business Leaders’ Health and Safety Forum inspires and supports its members to become more effective leaders on health and safety.

The Forum has more than 350 members, who are CEOs or Managing Directors of significant New Zealand companies.

Contact us

Email: info@zeroharm.org.nz

Phone: +64 4 499 1897

Or find out more at: www.zeroharm.org.nz



**Business Leaders’
Health & Safety Forum**

ZERO HARM WORKPLACES