

What is safety leadership?

A guide for Chief Executives

October 2014



This guidance

This guidance is based on a model of *World-Class CEO Safety Leadership* created for the Forum by Dr Hillary Bennett and Dr Philip Voss, of workplace safety consultancy *Leading Safety*. The Forum commissioned the creation of the model to ensure that our activities are based on solid research and proven principles. Prior to this model being created there was no publicly available information that 'paints a picture' of what excellent safety leadership by CEOs 'looks like' in practice.

Practices of a world-class CEO safety leader

Safety leadership comes down to what leaders *think, say, do* and *measure*

Chief Executives are in a unique position to influence health and safety. They set the conditions in their businesses; control the resources; create the culture.

So how can Chief Executives improve their leadership on health and safety? What can they do on a day-to-day basis to effectively communicate that safety is a priority for them and the organisation?

To answer these questions the Forum commissioned research that identifies how Chief Executives can become better safety leaders.

Our research uncovered eight practices of world-class CEO safety leaders.

These practices are described in this guidebook, along with examples of how Forum members have used them in their businesses.

This guidance isn't exhaustive. Chief Executives seeking a more in-depth understanding of safety leadership should consider joining the Forum's *Executive Safety Leadership Programme*.

For more information on this programme contact info@zeroharm.org.nz or visit www.zeroharm.org.nz/leadership/executive-safety-leadership-programme

8 practices of a world-class CEO safety leader

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Clarify the vision

What this means:

Visibly demonstrate to your people that nothing is more important to you than their health and safety. Communicate this commitment in a compelling way, fostering a sense of urgency, and setting a personal example for others to follow.

Key actions

- Oversee the direction
- Take an ethical stance
- Share responsibility and foster urgency.

Examples of things you can do

- Personally review your current health and safety vision. If the vision looks stale, involve your people in refreshing it. Then lead an event – like a launch – to re-energise your company’s commitment to safety.
- Personally communicate your vision to your people and find opportunities to show them you mean what you say. For example, front a campaign that reminds everyone they have your permission to stop work if they can’t do a job safely.

Then make this acceptable by doing it yourself. Set health and safety KPIs for yourself and ask your board to hold you accountable for your performance. Use regular “walk-about” and safety conversations with front-line staff to constantly reinforce the message.

- Build board commitment to the vision. If your board doesn’t already have a health and safety committee, talk to your Chair about setting one up to provide closer governance against the vision. Report positive and negative outcomes in monthly board reports. Encourage directors to get involved by coming on site and taking part in health and safety activities.
- Meet with key suppliers and customers to develop a joint health and safety vision. Be prepared to withdraw from ventures if health and safety standards can’t be achieved.

Engaging the leadership team

Demonstrate to your leadership team that you are committed to the vision by making it part of the normal decision-making process. When your leadership team is discussing business activities, ask how this fits with the vision. Intervene if there are signs the vision isn’t being genuinely supported.

“The biggest influence a Chief Executive can have on safety is to demonstrate through their actions that they genuinely believe good safety is good business.” - **Graham Darlow**





Something I did

Graham Darlow,
Chief Executive Construction, Fletcher Building

When Fletcher Building began working with 1100 sub-contractors to repair 80,000 earthquake-damaged Christchurch homes, there were predictions that 1-2 workers could die each year of the rebuild due to the construction industry's poor safety record.

That prospect was unacceptable to me and I was determined to work with other construction industry leaders in Canterbury to make sure those predictions didn't come true.

Together with the regulator, we created the Canterbury Rebuild Health and Safety Charter which companies involved in the rebuild are signing up to. The Charter's vision is that by working together, we can rebuild Canterbury safely and create a legacy to be proud of.

Signatories like me agree that their organisation will adopt the charter's health and safety standards as a minimum, and will apply them in their contracting chains.

I chair the group of leaders that governs the Charter and the thing I find most interesting about it is that, while we all compete fiercely for business, we are all prepared to work together on safety.

I take every opportunity I can to promote the Charter's vision to Fletcher employees and contractors in Canterbury. I'm hopeful that what we're doing in the region will one day provide a role model for the construction industry throughout New Zealand.

June 2014

Invest in health and safety

What it means

Commit the necessary resources - people, equipment, your time - to strengthen safety performance.

Key actions

- Have a strategic focus
- Plan for health and safety
- Commit the right resources.

Examples of things you can do

- If you don't already have one, support the creation of an annual health and safety plan. Set an aspiration goal of zero harm, with annual improvement targets along the way. Include the goal and targets in your overall business plan.
- Insist that business cases and project plans set out how work will be done safely. Question your managers about how safety has been taken into account during work design, procurement and deadline setting.

- Resource the safety function adequately with people and capital. Make yourself available to the safety team when needed. Support them by removing obstacles that prevent your company achieving its health and safety goals.
- Invest in an assessment of your company's safety culture, and in making changes to improve this culture.
- Take part in an industry health and safety initiative. Share resources, 'best practice', and learnings with contractors and customers.

Engaging the leadership team

Make performance on health and safety a key factor in appointing senior management.

"I believe improvements in safety must be led from the top. The key is to take actions that send clear safety messages right across the business." - **Dave Chambers**





Something I did

Dave Chambers,
Managing Director, Progressive Enterprises/Countdown

In 2012 we launched the *Countdown to Zero* programme, which focused on building credibility for our health and safety activities and involving our people in them. Credibility is one of the biggest barriers to improving health and safety, and credibility costs. So instead of just talking about safety we took action to show we were serious about it.

For example, we decided to invest in further guarding for our German-made deli slicers. This initially cost \$10,000 a machine, and while we eventually got that reduced to \$4000 a machine, upgrading every machine over 100 stores was a significant commitment.

But investments like this are worth it because we recover the costs through improved performance and productivity.

For example, in 2009 injuries cost us more than \$6 million (including ACC and other costs incurred when someone is hurt at work). By 2011 we had managed to halve that to \$3 million.

Importantly, these investments have had a bit impact on our health and safety culture. For example, recent employee satisfaction surveys have shown 95% of staff now strongly agree that safety is important at Countdown, which is wonderful to see.

October 2012

Get personally involved

What it means

Seek out opportunities to be involved in safety activities like incident investigations, frontline safety meetings and safety briefings.

Key actions

- Be visible and “in the know”
- Champion health and safety
- Show commitment to becoming a better leader.

Examples of things you can do

- Lead by example by consistently demonstrating exemplary health and safety behaviours, such as wearing correct PPE on site. Challenge unsafe practices whenever you come across them.
- Be visible. Seek out opportunities to be involved in safety activities like incident investigations, safety meetings and training. Share personal stories with your people so they see your commitment to safety is genuine.

- Go looking for health and safety issues rather than waiting for them to be brought to you. Complete regular “safety walks” to talk to your frontline people. Attend onsite team meetings to get a first-hand feel for any issues.
- Set aside time to reflect on your safety leadership and make a plan to improve it. Attend networking events or do cross-company visits to learn from others. Get coaching or attend a safety leadership programme.
- Meet your key principals and contractors to discuss goals for safety. Make sure any issues they raise with you are dealt with appropriately, and go back to them with the outcome.

Engaging your leadership team

Commit to completing a number of conversations with frontline staff about safety each month and encourage everyone on your leadership team to do the same.

“Safety leadership is not that different from any other kind of leadership. It is about setting the example, clarifying expectations, monitoring performance, and holding everyone to account.” - **Rob Jager**





Something I did

Rob Jager,

Chair, Shell Companies in New Zealand

I believe the only way you can credibly demonstrate a passion for safety is by getting personally involved. For me, that includes taking every opportunity to talk about safety to my staff and contractors - including what I'm doing to keep them safe.

All senior Shell leaders are expected to actively participate in a wide variety of safety meetings. In my case that means things like leading one or two of our annual *Safety Day* sessions and talking about *Goal Zero* at various project induction programmes.

I take part in one of our annual post Christmas "back to work" breakfast sessions and I am a member of incident review panels.

Once a month I visit an operational site, where I attend the tool box meeting and spend the morning talking to staff and contractors. I ask them to tell me about the hazards they face and what they are doing to keep themselves safe.

Another thing I do is ask all our senior managers, contractors and subcontractors to physically sign our annual safety plan. This is a great way to focus attention on the importance of this plan, and to turn a paper document into something tangible and relevant.

August 2013

Engage your people

What it means

Inspire and work with people so that they go the extra mile to achieve the common safety goals.

Key actions

- Mobilise action
- Build strong relationships
- Cultivate a culture of learning.

Examples of things you can do

- Provide regular Chief Executive updates on health and safety. Focus, not just on data, but on innovation, encouragement, and your personal conviction to get to “zero harm”. Personally provide feedback to employees or contractors for a job done safely.
- Champion the involvement of employees in health and safety that goes beyond legal requirements to consult. For example, involve them in projects to develop safer procedures, encourage reporting, and share learnings from incident reports. Make sure mechanisms for getting employee input are sufficiently resourced and that their input is visibly reflected in decision-making and planning.

- Ensure people are always told what happened in response to any safety issues they raised, and that they are satisfied with this response.
- Encourage collaboration on health and safety by getting people from across the business together to discuss a range of key issues including safety performance, risk profiles, and safety culture.

Engaging our leadership team

Include senior managers (including those working in non-operational areas like finance) in monthly safety meetings or assign them to champion a piece of work to improve health and safety.

“I believe the collaborative approach we took when introducing drug and alcohol testing was crucial to us achieving buy-in from our contractors and their workers. We wouldn’t have got this buy-in if we had tried to impose a solution on them.” - **Peter Clark**





Something I did

Peter Clark,

Chief Executive, PF Olsen

When PF Olsen adopted the forestry industry's new code of practice for drug and alcohol testing in 2010, we knew it was important to get buy-in from our 1500 contractors. We decided the best way to do that was to involve contractors in designing our testing programme.

We brought our contractors and their employees together to discuss the code, including how it would help us keep them safe on our sites. We made a commitment to not introduce it until we had their feedback, and we undertook a substantial consultation process to get this.

We didn't ask them whether or not testing should be introduced – we'd already decided that was going to happen. But we sought their input into things like how the testing programme should be managed, where testing should be done, how often and who should be covered.

We used this feedback to come up with a range of options. Contractors voted on these, and the preferred options were adopted. Once we'd designed the programme we spent more than a year educating our employees, contractors and employees of contractors, before introducing it in 2010.

Since testing was introduced the percentage of positive tests has halved. Drug use is still a problem, but things are improving.

June 2014

Recognise contributions

What this means

Take time to find out about and acknowledge the efforts employees put into safety, and look for meaningful ways to celebrate safety successes.

Key actions

- Look for health and safety contributions
- Learn from health and safety contributions
- Celebrate health and safety contributions.

Examples of things you can do

- Take time to talk to people at all levels of the organisation about their safety practices and achievements. Be on the lookout for good safety practices and provide people with immediate, positive feedback.
- Personally recognise employees making significant individual health and safety contributions. Do this privately through a phone call or email, or publicly through a regular Chief Executive column or formal employee rewards scheme.

- Hold annual safety awards where you publicly celebrate health and safety achievements - like best safe employee or best health and safety improvement.
- Encourage (and fund) managers and business groups to reward health and safety achievements by employees and contractors.

Engaging your leadership team

Recognise the health and safety performance of your direct reports, for example by commenting on it in weekly leadership team meeting or by including health and safety in KPIs and performance reviews.

“One of the great advantages of being the Chief Executive is that you have your hands on the financial, the operational and the customer levers of your business. That’s a very powerful position to be in. And it’s a power for good when it comes to driving safety initiatives.” - **Ed Sims**





Something I did

Ed Sims,
Chief Executive, Airways New Zealand

Proactive incident reports are like gold to a company like ours because they enable us to flush out, learn from, and eliminate potential problems before they do any harm.

But it can be difficult to get people to voluntarily report incidents involving themselves or colleagues. To overcome this reluctance, Airways has adopted a Just Culture approach –where anyone who self-reports an unintended mistake isn't subject to penalties.

In fact, they get positive feedback. They are congratulated for making the effort to report a concern, or for taking ownership of a mistake.

Acknowledging the contribution of employees who make proactive reports, and ensuring there are no negative consequences for reporting unintentional mistakes, has had a huge impact on our reporting rates. It has enabled us to get a handle on potential problems much, much more quickly.

A Just Culture doesn't mean a "no blame" culture. Reckless or rogue behaviour is not tolerated in our safety critical industry. But my experience is that this positive approach to proactive reporting has built trust and engagement with staff, and helped us get to the root causes of incidents much faster.

September 2013

Manage the risk

What it means

Ask the right questions and insist on timely, accurate, and impartial information to ensure that safety opportunities and risks are balanced.

Key actions

- Demand transparency
- Become more effective at assessing risk
- Become more adaptable.

Examples of things you can do

- Insist that the health and safety information you receive is timely, accurate and independent. Question whether all risks are being identified and managed, and that you are being informed about all significant risks.
- Personally read the outcomes of incident and near-hit investigations, and participate in reviews of serious incidents. Challenge your people to drill into the data to identify any underlying systemic issues that might be causing poor decisions to be made.

- Insist that a risk analysis is done on all new initiatives, and regularly review the effectiveness of risk mitigations. Have an 0800 number so employees can report health and safety issues confidentially.
- Provide the board with accurate and transparent health and safety information, even if it will not be well received.

Engaging the leadership team

Establish a health and safety executive committee to review performance reports and to intervene when needed. Cultivate a sense of “chronic unease” within your leadership team by constantly asking “what could go wrong?”

“Leadership of safety is integral to managing critical risks. This leadership needs to come from the top table, cascading down, and be demonstrated by managers throughout the organisation.” - Jules Fulton





Something I did

Jules Fulton,
Group Executive Manager People

Despite Fulton Hogan's injury rate (TRIFR) dropped from 73.6 to 9.7 over a decade, five of our workers were killed over two years in separate incidents involving traffic and moving plant.

These devastating incidents led to us totally recalibrating our approach to risk – and we now focus a huge amount of energy on managing our critical risks. We identify these risks as being electricity and energy, falls, traffic, moving plant and bitumen.

To help manage them we've adopted seven Golden Rules that everyone at Fulton Hogan must follow. We've also completely changed the way we analyse our incident data. Previously, we used to focus on injury rates. But this didn't tell us much about our critical risks. So now we focus on indicators of critical risk, like near-miss reports.

In addition, we put every one of our managers through a safety leadership programme that highlights the importance of managing critical risks.

We start each programme with a video about our workplace tragedies. Then we ask our managers if they are genuinely passionate about safety. Because unless they come to work each day determined to make sure their team goes home safe, they aren't in the right headspace to be a manager at Fulton Hogan.

May 2013

Monitor the right outcomes

What this means

Regularly monitor safety process and performance outcomes to know how the business is tracking, and change the way things are done to reflect new learnings.

Key actions

- Monitor a range of outcomes
- Acknowledge complexity
- Look for patterns.

Examples of things you can do

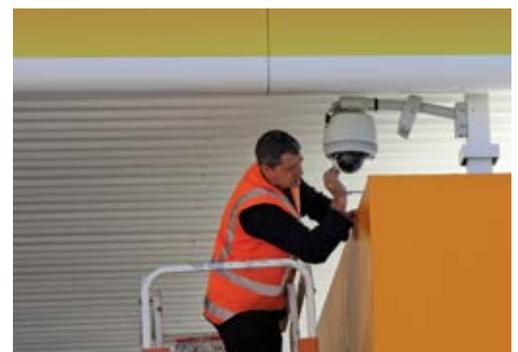
- Monitor performance using lead indicators (training, maintenance, toolbox talks etc.) and lag indicators (incidents). This will help you identify what went well, as well as what went wrong. Track performance against internal and external benchmarks.
- Insist that all incidents are investigated, and that root causes are identified and addressed. Track the time taken to resolve issues, and measure the effectiveness of corrective actions.

- Question what the health and safety measures are really saying, looking for patterns and trends. Pay attention to data that doesn't support current assumptions. Make a point of involving people who bring a fresh set of eyes, like new board members, and are unafraid to ask "naïve" questions.
- Seek assurances that incentive schemes have safety modifiers to ensure that staff do not chase short-term incentives at the expense of health and safety.

Engaging the leadership team

Regularly review health and safety data with the leadership team. Go beyond event level analysis to identify patterns and systematic issues. Seek timely report-backs on what's been done to prevent incidents reoccurring.

“At Z we're personally committed to the safety of everyone who helps make our business a success. Frankly, I don't ever want to have to ring up someone's family and tell them, I'm really sorry but while your loved one was working for us they were killed.” - **Mike Bennetts**





Something I did

Mike Bennetts,
Chief Executive, Z Energy

In 2011, I shut down work on a \$35 million rebranding of Z's service stations for six weeks after weak "smoke signals" indicated we had problems with the safety of our contractors.

At Z we use a range of lead and lag indicators to monitor safety, along with informal conversations to get a sense of what's really happening on the ground. The results of this formal and informal monitoring suggested to us that contractors working on the rebranding weren't as committed to safety as we were.

No one had been injured. But I was happy to act on the "smoke signals", and not wait until we were fighting a fire.

I wanted to intervene in a way that would make a difference. If I'd sent an email no one would have taken much notice. But when I stopped the work – well, that got everyone's attention.

I have no doubt that our ability to quickly identify emerging problems so that we could deal with them early contributed to the eventual success of the rebranding project.

Prior to the intervention, we had three breaches of our Life-Saving Rules at the first 10 service stations being rebranded. Following the intervention there were seven breaches over the remaining 200-odd sites. Clearly the frequency of breaches declined significantly.

We also met our quality and budget goals – and logistical improvements prompted by the shutdown meant we also hit the project's hard delivery deadline.

June 2014

Let your people get on with it

What it means

Give people the tools and responsibility for making the business safer. Hold yourself and your people to account.

Key actions

- Give the work back
- Hold people to account
- Grow the capacity of your people.

Examples of things you can do

- Set the expectation that keeping people safe is the work of everyone. Assign responsibilities and delegate authority, as appropriate, to achieve the vision. Reinforce that everyone has the right to stop work that is unsafe. Practice this yourself to demonstrate that it is okay.
- Participate in health and safety processes as a team member not as the leader. Resist pressure to take responsibility for solving health and safety problems off others' shoulders. Rather, engage them to work with you to find adaptive solutions.
- Build leadership capacity by investing in opportunities for learning and mentoring.

Engaging the leadership team

Work with your leadership team to build a safety culture that will deliver the health and safety vision. Drive changes in performance through honest appraisal of their performance against health and safety KPIs.

“Safety leadership comes down to what you think about the people who work for you – how important their safety is to you and how that ranks against your other priorities.”

- Jeremy Smith





Something I did

Jeremy Smith,
Former Managing Director, Holcim New Zealand

At Holcim New Zealand we view safety as core to our operations. For that reason, while all our divisions have health and safety staff who provide advice and coaching, accountability for safety rests with line managers.

This accountability starts with me and goes right through the business.

We've also put considerable effort into growing the safety leadership skills of our managers.

Every member of my executive team is actively involved in safety – including the legal counsel and chief financial officer. Our safety council, which I chair, is made up largely of members of the executive team.

To increase senior managements' understanding of safety, every member of the executive team spends two half days a year working on site. This is a great way for us to experience first-hand what our staff experience every day.

We have programmes to develop safety leadership skills in all our managers, right down to front line supervisors. This is important because these supervisors oversee the work of the people most at risk in our business.

I believe the effort we've put into increasing accountability and building safety leadership capacity is paying off. It's resulted in more engaged managers and supervisors who understand how to assess risk and lead a team to do something about it.

July 2012

Get more information

Find out about our:

- Safety leadership courses at www.zeroharm.org.nz/leadership/executive-safety-leadership-programme
- Events where CEOs and safety executives share experiences and learnings at www.zeroharm.org.nz/events
- Guidance on keeping contractors safe at www.zeroharm.org.nz/assets/docs/our-work/contractor-safety/BLHSF-Contractor-Initiative-Contracting-Chain-Guidance-Document.pdf
- Guidance on safety governance at www.zeroharm.org.nz/assets/docs/leadership/Safety-Leadership-for-boards-Kirstin-Ferguson-May-2015.pdf
- Members at www.zeroharm.org.nz/about-us/our-members.

About the Forum

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 240 members, who are Chief Executives or Managing Directors of significant New Zealand companies.

Contact us

info@zeroharm.org.nz

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