Developing and sustaining a positive occupational health and safety culture

Good Practice Note

Private Infrastructure Development Group

British International Investment

Published: March 2025

Acknowledgements

This good practice note was commissioned by the Private Infrastructure Development Group (PIDG) and British International Investment (BII) and supported by ERM in collaboration with PIDG and BII partner institutions. We received feedback and contributions from several key stakeholders when developing this note, and we thank everyone who participated in surveys and technical reviews and provided feedback which has contributed to this document.

Methodology

This good practice note represents the experience of PIDG and BII in supporting projects to build and foster occupational health and safety (OHS) cultures across many different sectors. The note is primarily based on applicable secondary data sources gathered from the public domain. Primary data was also gathered through independent research by ERM, including interviews with various industry leaders and practitioners.

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Foreword

The health and safety culture of a business is a powerful driver of its performance. How well a company considers and protects its workforce reflects its overall ability to deliver its business objectives and long term value.

Health and safety sits at the core of environmental, social and governance (ESG). It is about establishing the systems and processes that enable a safe working environment and from which a company can look outwards and manage environmental and social risks. A health and safety culture is the force that makes these systems and processes effective.

The last few years have seen transformational changes to the sustainability agenda and the international interest and awareness of ESG challenges. More than ever, there is now an urgency to meet the United Nations' 17 Sustainable Development Goals (SDGs) by 2030. These goals, which include gender equality, the provision of clean water and sanitation, hunger eradication, environmental protection, climate mitigation and the promotion of safe and secure working environments, to name a few, are central to ESG.

We need to build infrastructure and stimulate economic growth faster and better to meet current needs, but in a sustainable, safe way by ensuring 'best-in-class' practices.

At PIDG and BII, we aim to accelerate climate action, promote socio-economic development, combat poverty and contribute to achieving the SDGs by delivering sustainable infrastructure and sustainable businesses. We believe ESG is the bedrock that helps us realise these aims – by protecting, preserving and creating value. A safe workforce, driven by a strong health and safety culture that is inclusive, can enable environmental and social risk management and deliver positive sustainable development outcomes when operating within a structured and organised management system framework.

The scope of this good practice note is intentionally wide, recognising the diverse points of discussion with regard to health and safety culture and safety leadership. These concepts are complex and the note does not seek to find a 'one-size-fits-all' solution. Rather, it presents our combined experience of implementing and building safety cultures across many sectors. We hope that some of the guidance and the referenced toolkits will resonate, and support you on your safety leadership journey. We encourage you to read and research the subject further.

We acknowledge the immense contribution by Don Gibson, whose knowledge and expertise went a long way in shaping this note.

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01
Introduction

1.1 Context

The Private Infrastructure Development Group (PIDG) and British International Investment (BII) are committed to responsible and sustainable investing, where the requirement for a strong Occupational Health and Safety (OHS) culture, and good health and safety (H&S) performance is central. In creating this good practice note, PIDG and BII recognise the role that board members, directors and management can play in promoting OHS culture and H&S performance in both new and established organisations. Our aim is to propose a framework that helps leaders develop and foster a H&S culture that benefits from continuous learning and supports teams in delivering good H&S performance.

Some OHS issues are clearly visible, while others, such as mental health, are not. OHS *management* covers activities, programmes and practices aimed at preventing incidents and ill health among an organisation's employees. OHS *culture,* on the other hand, can be defined as the attitudes, values, and perceptions that influence how tasks and activities are carried out in the workplace. This good practice note aims to unpack the linkages and interaction between OHS management, culture, and the role of leadership.

OHS culture starts at the top. To effectively drive a positive change in company culture, leaders must set a good example and constantly reinforce safety as a priority. Some of the key roles of leadership set out in this good practice note include:

• Directors and managers acting as safety ambassadors, regularly communicating the importance of safety to others, giving vocal support to safety initiatives, and participating in talks or other opportunities to communicate directly to frontline employees.
• Directors and managers working to facilitate a culture of care by putting the safety of employees first considering their specific needs and vulnerabilities.
• Directors and managers seeking opportunities to be visible and setting an example in their commitment to safety.
• Directors and managers spearheading improvements arising from lessons learned.

OHS culture then needs to be reflected in the attitudes of the workforce. It will only be effective if members of the workforce are empowered to be safety leaders.

1.2 Objectives and scope

Our aim is to provide practical advice on how to develop and sustain positive OHS culture and performance within organisations. We focus on the role of directors and management in OHS leadership as well as in developing an organisation's safety culture, and how to achieve continuous improvement in OHS performance. The information in this document is supported by good practice examples, templates and tools as supplementary annexes. It aims to be complementary to the previous good practice note published by PIDG, BII and other partners, which focused on Managing Road Safety in Emerging Markets[1] and Electrical Power Transmission and Distribution: Health, Safety and Security.[2]

The main audiences for this good practice note are:

– Company directors and senior management.
– Investors looking to improve the OHS performance of their investee companies.
– OHS professionals, practitioners or leaders.

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1. BII (2021) Managing Road Safety in Emerging Markets.
2. BII (2021) Electrical Power Transmission and Distribution: Health, Safety and Security.

1.3 Acronyms

AOP	Adverse Outcome Pathways	**HSES**	Health, Safety, Environmental and Social
BBS	Behaviour-Based Safety	**IFC**	International Finance Corporation
BII	British International Investment	**ILO**	International Labour Organization
BI	Business Integrity	**KPI**	Key Performance Indicator
BP	The British Petroleum Company	**LTIFR**	Lost Time Injury Frequency Rate
CEO	Chief Executive Officer	**OECD**	The Organization for Economic Cooperation and Development
COO	Chief Operating Officer		
COP26	26th United Nations Climate Change Conference	**OHS**	Occupational Health and Safety
COVID	Coronavirus Disease	**OHSA**	Occupational Health and Safety Administration
EHS	Environmental, Health and Safety	**PIDG**	Private Infrastructure Development Group
ESG	Environmental, Social and Governance	**PPE**	Personal Protective Equipment
ESMS	Environmental and Social Management System	**SCADA**	Supervisory Control and Data Acquisition
FSC	Forest Stewardship Council	**SDGs**	Sustainable Development Goals
GBVH	Gender-Based Violence and Harassment	**SHE**	Safety, Health & Environment
GDP	Gross Domestic Product	**ToR**	Terms of Reference
GIIP	Good International Industry Practice	**UK**	United Kingdom
GPN	Good Practice Note	**UN**	United Nations
GPS	Global Positioning System	**US**	United States
HSE	Health, Safety and Environment	**USD**	US dollar

1.4 Glossary

Annual Operating Plan (AOP)	A strategic document that businesses prepare to chart their course for the upcoming year. It includes key performance indicators (KPIs), operating budgets, and action plans designed to meet both short-term and long-term objectives.
Behaviour-based safety (BBS)	A proactive approach to increasing safe behaviour in an area. It includes safety observations aimed at employees being able to identify, understand and gauge risks prior to taking actions, thereby changing behaviours and reducing the chance of accidents.
Board of directors	A governance entity that oversees and supports management on behalf of shareholders and other stakeholders to maximise value creation.
Cognitive bias	A strong, preconceived notion of someone or something, based on information we have, perceive to have, or lack.
Corrective actions	Appropriate measures taken to prevent the recurrence of an incident.
Director	A senior executive responsible for the performance of the company and tasked with providing strategic guidance to the board to help achieve the company's mission and objectives.
Emergency plans	Comprehensive documents created to guide probable emergencies which could occur at a site, as well as appropriate responses to take in the event of occurrence.
Event	A significant happening.
Fatality (work-related)	A work-related injury or illness resulting in the death of an employee, even if death did not occur immediately. It excludes fatalities due to self-harm (e.g., suicide) or natural causes, such as heart attack.
Frontline employees	Individuals involved in the day-to-day execution of tasks.
Fair event handling	Involves unbiased examination, transparent communication, and just resolution in incident management, fostering a culture of safety and continuous improvement within the workplace.

Health and safety incident	An event involving an employee or a community member that impacts the health and safety of that person. For example, a broken bone, traffic accident, spread of communicable diseases, etc.
High potential incident	Any incident or near-miss event that could, in other circumstances, have realistically resulted in one or more fatalities.
ISO 14001	International Standard Organisation standard for Environmental Management Systems (ISO 14001:2015).
ISO 45001	International Standard Organisation standard for Occupational Health and Safety (ISO 45001).
Lessons learned	Knowledge or understanding gained by experience from an incident.
Lost Time Incident (LTI)	A work-related injury, not illness, that results in a fatality or Lost Workday Case.
Lost Time Incident Frequency Rate (LTIFR)	Number of Lost Time Injuries (LTI) per million working hours.
Manager	A person who is responsible for a part of a company function and ensures that the team's contributions align with the organisation's goals and objectives.
Near miss	A potential hazard or incident in which no property was damaged, and no personal injury was sustained, but where, given a slight shift in time or position, damage or injury could easily have occurred.
Number of Incidents	The number of health, safety, environmental, security and social incidents occurring on company property or involving company vehicles.
OHS sub-committee	A team set up to accomplish specific OHS goals/objectives.
OHS/ESG/HSES Committee/ Safety Steering Group	Representatives responsible for policymaking, planning and overseeing all matters of safety and health within an organisation. The committee must include senior management and key decision-makers.
Psychological safety	The belief that you won't be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes.
Risks	The likelihood and its consequence that a person may be harmed or experience an adverse health effect if exposed to a hazard. It may also result in environmental damage or property and equipment loss.
Root cause	The factor/s that cause a particular situation.
Total safe working-hours	Actual hours worked (12-hour or 10-hour day), not including non-work time such as sick leave or vacation, by all employees during the same period.

02

The business case for urgent change

Objectives

- Understand the market context, and that the requirements of a safe and healthy working environment are a fundamental International Labour Organization (ILO) right.
- Understand the importance of delivering strong OHS performance and fostering a positive OHS culture that benefits employees, shareholders and other stakeholders.

Good practice recommendations

- Review the current OHS performance of the organisation based on the information available.
- Consider the impact of the current organisational OHS performance on the employees, their families, and the local community.
- Consider the potential financial, legal and reputational impact of the current OHS performance on the organisation.
- Ask employees what they think and feel about the safety culture of the organisation.

2.1 Urgent need to improve OHS performance in emerging economies

Industrialisation is often associated with an increase in work-related incidents and injuries, and statistics show that the numbers are disproportionately higher in Africa and Asia than in other parts of the world.

Africa and Asia, where workplace incident rates are the highest, are also the continents where the greatest proportion of the population does not have access to adequate health care, government social support and private workplace insurance.[3] The percentage of employees covered by the law for employment injury through mandatory social insurance is under 40 per cent in Africa and under 30 per cent in the Asia-Pacific region.[4] This lack of a social safety net can make the repercussions of an incident or injury even more serious for employees, their families and their community, particularly in the case of sole-income earners.

Strengthening economic competitiveness in these markets requires the creation of a safe working environment through management practices and enforcement systems aligned with international

standards. Investors are increasingly assessing past and current OHS capacity and performance as part of their approval process, and require robust systems to be implemented at all levels of their investee companies. Good OHS performance is non-negotiable for most investors, the lack of which can represent an existential threat to future investment opportunities.

These realities add to the importance of good OHS culture and performance, which can also help companies attract international finance.

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3. ILO (2022) 110th International Labour Conference: International Labour Conference adds safety and health to Fundamental Principles and Rights at Work.
4. ILO (2015) Global Programme Employment Injury Insurance and Protection.

2.2 A safe and healthy working environment is a new ILO right

ILO at its 110th session[5] in June 2022 adopted a safe and healthy work environment as one of its five fundamental principles and rights at work for all.[6] This was the first major extension of employees' rights in almost 25 years and was a landmark decision. Recognising OHS as the fifth fundamental principle will have major implications for businesses, international trade agreements and governments.

The ILO Declaration is the point of reference for many private and multi-stakeholder forms of labour regulation. These include the UN's Global Compact, the UN Guiding Principles on Business and Human Rights, transnational company agreements and many codes of conduct by multinationals along global supply chains.

Most trade agreements also use the ILO 1998 Declaration as the foundation of their labour rights provisions. New trade agreements may now include a legally binding labour provision that impacts a safe and healthy working environment.

The original 1998 Declaration asked member states to "respect, promote and realise" the fundamental principles. Therefore, the new addition of OHS has put governments under pressure to implement this fifth fundamental principle.

2.3 OHS directly impacts business performance

OHS legislative requirements are getting stricter across the world. For a business, the benefit of aligning with a good OHS standard contributes to the financial success of the company through cost savings, and can also protect and potentially enhance value. Failure to ensure appropriate measures are in place to manage OHS risks can result in serious repercussions, costs and erosion of company value. Table 1 summarises how OHS can affect an organisation's profitability.

Costs/value erosion levers from 'poor' OHS	Cost savings/value preservation levers from 'good' OHS	Profit/potential value creation levers
• Fines and legal costs • Sick pay • High staff turnover and replacement costs • Equipment repair • Compensation • Higher insurance premiums • Business disruption • Absenteeism	• Reliable production • Business continuity • Staff engagement • Talent attraction and retention	• Enhanced reputation with customers, thus attracting business • Enhanced reputation with investors • Lower cost of capital • Low compensation claims • Happy workforce leading to improved productivity and profitability

Table 1: OHS and profitability nexus

5.   A safe and healthy working environment is a fundamental principle and right at work.
6.   ILO Safety and Health at work.

Fines and legal costs

When considering the costs associated with poor workplace OHS, direct costs such as fines and legal fees tend to take centre stage. Legal action due to failure in following OHS laws can, in some countries, lead to imprisonment and/or the removal of licences to operate.

While fines given to a business after a safety failure are designed to have a significant impact, a multitude of hidden costs are often not considered. Legal ramifications aside, the most obvious financial cost of poor OHS management comes in the form of compensation for employees and in some cases, contractors.

Social costs

The costs associated with poor workplace OHS also include wider social costs, such as the impact a serious event can have on an employee or worker's family and friends. This also includes the long-term impact on their well-being.

Higher insurance premiums

Maintaining a good OHS standard can reduce insurance premiums, which can be a significant business benefit for companies with large assets to insure. When there is a work-related incident, the insurance provider may not cover all the costs incurred by the business, such as the loss of revenue caused by production delays, sick pay, staff morale, or some repairs to plants or equipment.

A history of workplace incidents makes it harder for businesses to obtain reasonably priced liability insurance policies.

Absenteeism and reduced productivity

Injuries or illnesses caused by poor OHS can lead to an increase in absenteeism and sick leave. If a staff member is suffering from a severe problem and requires extended time off, another employee may need to be hired and trained to take over the post. Both, recruiting and training, can be expensive, in addition to loss-of-productivity costs. Ultimately, poor OHS standards can lead to a reduced and less efficient workforce, and an inability to operate at full capacity. As a result, business productivity and profitability suffer. The implications can be significant; a survey in the US revealed that disengaged employees could cost businesses up to $7.8 trillion a year in lost productivity.[7] If employees do not feel enough consideration is being given to their safety, they can quickly become disloyal and there is potential for high turnover and disruption of work.

Cumulative economic costs

As well as the social and human costs of health problems, injuries and fatalities, the cumulative burden caused by lack of wellness at work is enormous for both businesses and the global economy. This is especially true when productivity losses are added to direct medical expenses. Losses including compensation, lost workdays, interrupted production, training, reconversion, and health care expenditures are estimated to cost the global economy between 10-15 percent of the global gross domestic product (GDP).

The high economic costs of poor OHS affect the GDP of many countries, which in turn affects those countries' development. The ILO estimates that about 4 per cent of the global GDP is lost to injuries, absenteeism, disability, lost time at work, and paying out benefits to survivors.[8] Countries with a high rate of casualties lose a greater part of their national wealth, which can be as high as 10 per cent. The costs are borne at the national or organisational level and sometimes by employees and their families.[9]

Reputation and legitimacy

A company's reputation can be easily affected by poor OHS performance. Word of mouth is a powerful tool. For example, should an injured employee take umbrage with the way a business has handled their case, they can very quickly spread negative messages across a vast network. Soon enough, the company could have a reputation for inadequately handling its management responsibilities, which can impact how that company is perceived by investors, shareholders, suppliers and customers, damaging business relationships, sales and potential capital.

While news of an incident can spread quickly across an industry, the media may also pick up the story, causing it to reach an even wider audience and paint the business in a poor light. Not only can the public relations costs to manage the situation be significant, in many cases, the damage can be irreversible. Existing clients, investors and partners are unlikely to want to associate themselves with such a business, and potential clients will look elsewhere, directly impacting profits and company value.

Benefits of good OHS performance

Organisations with effective OHS management systems tend to perform more successfully. Good OHS performance can go a long way towards increasing overall productivity and supporting business continuity. On average, for every $1 invested in workplace accident prevention per year, companies can expect a potential economic return of $2.20. This is according to a survey that was conducted by the International Social Security Association in 2011, where of the 337 companies from the 19 countries interviewed, 81 per cent indicated a positive return on investment.[10]

Additionally, OHS contributes to building a positive reputation with both internal and external stakeholders. Employees are likely to be proud to be associated with such an organisation, which can enhance talent retention and even attraction. In some cases, widespread positive publicity can generate recognition as leaders in OHS. A wider reach may also generate more customers and lead to higher profits. Going beyond one's own operations, a robust supplier audit process also enhances a company's position as an OHS leader in their sector, as well as supports suppliers' competitive advantage and productivity. Finally, current and future investors are also influenced by a positive reputation, potentially increasing a company's value.

7. Gallup (2022) State of the Global Workplace: 2022 Report.

8. ILO (2012) Estimating the Economic Costs of Occupational Injuries and Illnesses in Developing Countries: Essential Information for Decision-Makers, SafeWork covers2.indd

9. ILO (2022) ILOSTAT Statistics on safety and health at work.

10. International Social Security Association (2011)

Benefits of improving safety culture

Challenge:

A transformational investment programme was developed to enhance electricity transmission and distribution of a utility company. The installation upgrade was difficult and complicated, owing to very high population density, the encroachment of structures on to existing infrastructure and a heavy dependence on contractors with relatively low safety competency levels.

Challenges were exacerbated by old equipment being in poor condition, and a lack of building control and planning enforcement in the project area, particularly in unplanned settlements. Extreme weather conditions also impacted the operational area and flood-related risks were expected to increase due to climate change.

There was a history of serious incidents and the OHS system was outdated and failing. Safety governance was limited and OHS capacity was low across the entire organisation, particularly at contractor/on the ground level.

Action:

- The company set out a roadmap for improving systems, governance, and culture change. It began recording all near-miss incidents with a stronger focus on viewing these as learning events rather than traditional lagging indicators. It also rolled-out safety leadership and behaviours training, introduced rewards to encourage proactive safety behaviours and reporting, and ensured management encouraged people to step forward with safety-related concerns as soon as possible in a bid to improve the organisation's safety culture.
- Safety concerns could be raised anonymously by the workforce, contractors or other stakeholders (such as community residents) through a reporting safety mechanism.
- The CEO began leading a safety steering group with the support of other senior managers. Managers were given targets to fulfil and report safety performance and culture development to the board. CEO and team became actively involved in safety events.

Results:

- All near misses and actual incidents are now reported and investigated. Investigation recommendations are acted upon, and lessons learned are now shared widely with the whole workforce, thereby building a transparent, encouraging, open and blame-free safety culture.
- There has been a significant reduction in serious OHS events. Contractors are performing well, and the turnover of contract tenders has been reduced. Staff report they are happier, more competent, and prouder to be associated with the company.
- Due to the continuous proactive measures taken by the company as a result of the culture change, no fatalities were recorded the whole year including during an adverse weather event. The company was featured in the news for being the only utility company in the country with no fatalities, enhancing its reputation with investors, shareholders and customers.
- The company experienced an improvement in its reputation among the investors and have several times been celebrated nationally for their OHS management. This has in turn raised the investor confidence which the company leveraged when raising additional funds for expansion.

03
OHS governance

Objectives

- Clearly identify accountabilities and responsibilities for directors and managers to create a strong foundation for OHS performance.
- Embed OHS governance into the corporate governance structure.
- Understand key principles to build a strong OHS culture.

Good practice recommendations

- Build the competence of directors and management in OHS culture and performance, and clearly articulate expectations from them.
- Review the involvement of directors in OHS management, including strategy setting and communication.
- Establish OHS accountabilities and responsibilities for directors and management and consider having key performance indicators (KPIs) with remuneration incentives.
- Set up an OHS governance process to effectively manage OHS performance.
- Train the leadership in what good and bad culture looks like.

OHS culture is built on effective corporate governance that encourages the board of directors and management to include safety in the corporate agenda. Failure to include OHS as a key business risk in board decisions can have catastrophic results. Many high-profile safety cases over the years have been rooted in leadership failures, such as the 2015 BP Deep Water Horizon disaster and the 2011 Fukushima Daiichi nuclear accident.[11,12] In many countries, labour laws hold organisations and directors accountable for OHS performance, and the board and management can be held personally liable for a failure in OHS management.

3.1 Company health and safety business interfaces

Senior manager roles and responsibilities should be clearly defined and understood. The tables below provide guidance on the specific responsibilities of the board of directors and the management team for all major OHS-related subjects.

Board of directors: key responsibilities:
- Provide clear vision and leadership in developing a positive culture in OHS.
- Establish ESG or OHS committees and monitor performance.
- Approve Annual Operating Plan (AOP) and monitor performance.
- Approve performance award scheme and monitor performance.

11. BP (2010) Deepwater Horizon Accident Investigation Report Executive Summary.
12. International Atomic Energy Agency (2021) Fukushima Daiichi Nuclear Accident.

3.2 Directors' roles and responsibilities

Company boards are composed of directors, all of whom have a responsibility for OHS management. Organisations should, therefore, have a nominated director or an accountable management position with the role to oversee the OHS governance process. OHS may be delegated by the board to a committee, as a standalone ESG/HSES/OHS committee, or integrated within a wider sustainability and impact committee, or as an OHS-specific sub-committee.

ESG/HSES/OHS committee: key responsibilities:
- Provide clear vision and leadership in developing a positive culture in OHS.
- Benchmark the organisation's OHS performance against peer organisations and provide recommendations for the appropriate level of financial and human resources.
- Provide regular updates on OHS performance to the board.

The board director responsible for overseeing OHS governance can take the role of OHS or ESG committee chairperson. They should have a good understanding of the key OHS issues for their business, especially the highest-risk issues, even when these are contracted out. Committee members should refresh their skills and knowledge through training and site visits, as well as through discussions with the management teams responsible for day-to-day operations.

Directors and management should uphold the company vision and be responsible for setting the OHS agenda and level of ambition. The board, advised by the OHS committee and experts in the organisation, should be the key vehicle for debating the company's OHS strategy and setting the ultimate direction for the business. They should be aware of internal or external pressures that might compromise OHS performance and provide strategic direction in addressing these pressures.

3.3 Difference between governance and management

An important board responsibility is to oversee the risk management systems designed to ensure that the company complies with applicable laws, including OHS legislation. This responsibility is carried out through governance structures and procedures and is distinct from management, which includes implementing the day-to-day decisions and actions required to run a business.

For example, the board will set the vision based on a company's risk appetite, and approve appropriate resources (financial, human, technical, others) for the business to manage OHS risks. The management, on the other hand, will develop and implement a system to manage the implementation of the OHS risks and opportunities processes. As part of management's involvement in the day-to-day operations, it will be responsible for collecting and presenting periodic performance reports to the board, including any incidents and results of incident investigations. The board, providing OHS governance, will review these reports.

3.4 Values, priorities, standards and culture

Directors and management should take ownership of key OHS issues, be ambassadors for good OHS performance within the business and externally to relevant stakeholders, role model core values and promote OHS standards. The board should be clear on these values, policies and standards, as well as respective KPIs, and ensure they are reflected in the vision they have set for the business.

Compliance with relevant legislation, company policy and standards is a minimum requirement for all parts of the business. The way directors communicate an organisation's OHS expectations internally and externally will be reflected in the level of employee engagement. OHS culture is driven from the top and influenced and improved from the bottom up. Two-way communication and learning are vital. Establishing the right OHS culture that is inclusive, with an open, transparent, blame-free culture across the organisation is critical for good OHS performance.

3.5 Performance management

The board should set out the key objectives and targets for OHS management and create an incentive structure for various levels – including management, supervisors and frontline employees – that supports the strategy, enabled by appropriate indicators. It is important to avoid potentially conflicting incentives and to carefully set targets which are supported by a culture that encourages people to speak up. While KPIs such as the number of corrective actions completed, or the number of OHS recommendations received from the workforce, are applicable to all businesses, indicators reflecting specific drivers that are linked to the business strategy should also be considered. Different types of indicators (leading and lagging) are discussed in Annex 8.

> **Avoid potentially conflicting incentives unless supported by other indicators. For example, targeting and providing incentives only on the number of incidents may lead to a culture of hiding incidents and failing to report, as opposed to an actual reduction in the number of incidents.**

3.6 Internal controls

The board should ensure OHS risks are managed and controlled appropriately by having an OHS governance framework that results in compliance with the established OHS standards. The framework should be built on existing internal control and audit structures and be reviewed by the audit committee. It is best practice to utilise existing internal control structures as far as possible and to incorporate these into the corporate risk register. The internal auditing process and the work of the audit committee can then play a substantial role in identifying opportunities for improvement.

It is important to continuously evaluate the management of OHS risks. Disinterest in safety or safety culture detachment is a real risk, even in the best-performing companies. There should be opportunities to challenge OHS performance and look deeper at OHS risk management processes. Leaders with a mature OHS governance framework regularly reflect on risks and areas that can be improved. The best-performing managers seek out colleagues and mentors who challenge their thinking on safety performance and judgement so they can make the best decisions. These challenger roles, ensuring unrelenting questioning even when things look good, could be played by an external advisor, or a senior OHS professional within the business.

3.7 Achieving good OHS performance

Good OHS performance is built on essential principles which underpin the actions carried out across all organisational levels and functions. These principles are:

Strong and active leadership from the top	**Employee involvement**	**Risk management**	**Fair incident handling**
• Visible and active commitment • Integration of OHS into business decisions, including contractor management • Effective, open, blame-free communication with employees and contractors • Effective management structures to implement OHS strategy • Focusing on the company doing the right thing rather than rewarding unsafe behaviour.	• Engagement with the workforce in the promotion of OHS • Effective bottom-up communication from employees to managers • Provision of effective training and capacity building • Acting positively on suggestions or concerns from employees • Rewarding suggestions that result in OHS improvements	• Identifying and managing OHS risks that consider gender and diversity • Accessing and following competent advice • Monitoring the effectiveness of the risk management process • Continuously improving the risk management process • Management continually evaluating the robustness of existing systems and identifying improvement opportunities	• Examining systemic causes of an incident and any external contributing factors • Addressing systemic weaknesses that lead to an incident • Ensuring working conditions promote safe behaviour rather than cutting corners • Transparent and consistent practices for managing non-compliance

3.8 Developing and fostering an OHS strategy

Directors should work with management to develop the organisational strategy and business plans, which management would then implement. This section outlines the key steps that both directors and managers should follow in developing and implementing an OHS strategy. The key steps include planning, delivering, monitoring, and reviewing (Figure 1):

- **Plan:** Devise the OHS strategy and the steps required to deliver it.
- **Deliver:** Implement the plan with defined resources, actions, budgets and timelines.
- **Monitor:** Monitor the strategy implementation with established indicators and KPIs.
- **Review:** Review the performance, including lessons learned.

Figure 1: Key steps in OHS strategy

Plan

The OHS strategy planning process requires establishing the policy, strategy expectations and the setting of targets to achieve these expectations. Target setting provides direction and focus on what is expected from operational teams. Targets should be measurable and realistic, and contain a combination of lead and lagging indicators, ensuring a greater weighting on lead indicators that focus on prevention.

The OHS plan must be updated annually for it to stay relevant and appropriate. Good governance ensures OHS risks are effectively identified and assessed, and that an annual plan appropriate to mitigate the risks is developed and approved by the board.

Board responsibilities
- Determine the board's charter and structure for leading OHS.
- Set clear expectations to establish a fit-for-purpose OHS management system.
- Determine the high-level OHS strategy, clearly embedded in overall company values.
- Agree on proposed targets and KPIs to track performance in implementing the board's strategy and policy.

Management responsibilities
- Determine action plans to execute the strategy devised by the board.
- Determine targets that will enable the board to track performance.
- Develop performance management processes that state OHS expectations and monitoring mechanisms.
- Identify resource requirements for the ongoing development, implementation and maintenance of the OHS system, and obtain approval for these resources.

Deliver

Good OHS performance requires a fit-for-purpose OHS management system integrated into other processes such as third-party management and recruitment. The size and sophistication of the system should reflect the organisation's risk profile, with high-hazard organisations requiring more comprehensive systems. The main aim of an OHS management system is to identify, eliminate or control the hazards to minimise the risk of harm. Harm can be an illness, injury or both and also includes physical and mental harm caused by work-related stress. However, merely having a good system is not adequate. To be effective, systems need to be implemented with rigour, and directors should hold management accountable for the implementation of the systems.

Board responsibilities
- Provide adequate budget for the development, implementation and maintenance of the system.
- Inform management of any operational changes.

Management responsibilities
- Conduct a comprehensive risk assessment.
- Develop and implement the OHS management system and related programmes by communicating rules and procedures to all levels of the organisation.
- Allocate human and financial resources for OHS risk management.
- Allocate responsibilities to managers for implementing the system and its components.
- Conduct regular training programmes.

When developing such systems, management is strongly recommended to engage with personnel to determine key issues and ensure a realistic and practical system is put in place.

Monitor

Implementation of the OHS management system should be monitored via regular inspections, audits, data analysis and worker engagement to identify any required adjustments. These adjustments may be caused by changes in business operations, recruitment of new personnel, or in line with evolving industry best practices.

Board responsibilities
- Hold management accountable for OHS implementing strategy through reporting requirements on incidents, training programmes, audits and inspection results.
- Include discussion of the OHS KPIs as a standalone agenda item in board meetings.

Management responsibilities
- Monitor the effectiveness of the system by recording KPIs and safety culture assessments.
- Conduct regular OHS inspections and audits to identify deficiencies or areas of improvement.
- Encourage personnel to provide continuous feedback on OHS practices by rewarding valuable suggestions.

Review

The outcome of monitoring activities informs if and when the OHS management system requires an update for it to continue being fit for business operations.

Board responsibilities
- Periodically review the OHS targets and expectations considering advice from the OHS committee, management teams and feedback from personnel.
- Update budget allocations as required to meet new risks identified.

Management responsibilities
- Update the OHS management system based on new risks identified through risk assessments and audits.
- Revisit resource allocation to ensure fitness for purpose.

Annex 10 presents an OHS leadership action list that can be used to benchmark, develop and implement an organisation's OHS strategy.

Case study 2

Setting and implementing clear OHS rules and expectations

Challenge:
A manufacturing company underwent a major upgrade programme which required employees and contractors to work together on the construction site.

While OHS rules on personal protective equipment (PPE) were communicated to contractors during the induction, it was common practice for the company's own employees not to wear PPE on site.

The difference in health and safety rules and realities came to light when a subcontractor, who was not wearing the required PPE, was removed from the site. This immediately caused unrest among the subcontractors citing this was unfair given the company's own employees were not abiding by the same rules.

Action:
Unrest on the construction site led to an assessment of the company's safety culture by the senior management, who provided clear expectations and embarked on a journey to demonstrate commitment.

All site personnel and supervisors underwent training on the importance of PPE use as a risk management tool and not a checkbox exercise.

Result:
The on the construction site led to an assessment of the company's safety culture by the senior management, who provided clear expectations and embarked on a journey to demonstrate commitment.

All site personnel and supervisors underwent training on the importance of PPE use as a risk management tool and not a checkbox exercise.

3.9   Partners, contractors, and subcontractors

Business partners and third parties should be considered when planning for OHS. These can include suppliers, joint venture partners, contractors, and subcontractors. Organisations should assess whether the OHS culture and practices of external partners align with their own. This could include using procurement criteria and contracting conditions that encourage OHS commitment, such as demonstrating safety of these partners' employees. Organisations should also ensure third-party employees have sufficient training, competence, and equipment to safely carry out the tasks assigned to them. Those with a proactive and resilient safety culture tend to have high levels of communication, engagement and training. Contractor safety management must follow the same approach.

At times, organisations may find contractor safety significantly more challenging to manage than the safety of their own employees due to a lack of direct control. OHS practices, track records and the extent to which these are clearly budgeted for should, therefore, be considered as part of the contractor selection process, in addition to ongoing monitoring for improvement. To achieve this, the OHS team should be an integral part of the contractor tender and monitoring process including:

- Identifying OHS standards to be considered during pre-qualification (i.e., review OHS policies and procedures, training records, track record on selected indicators, etc.).
- Reviewing proposals from an OHS perspective, including the dedicated budget and human resources.
- Developing standard clauses for inclusion in third-party contracts with support from legal teams, where OHS standards, KPIs, reporting and monitoring requirements are clearly articulated and detailed.

- Onboard contractors with pre-kick-off meetings and conduct pre-mobilisation visits, pre-start inspections, followed by regular monitoring and capacity development, including training and direct, proactive communication with them and any subcontract employees.
- Ensure different partners and contractors follow similar standards to ensure all people working on any site or project are working to the same set of rules and standards.
- Monitor contractor performance regularly for high-risk activities. Depending on the scale and level of risk, teams may need to supply additional supervisors to support the contractor on OHS.
- Support the team and process by providing solutions instead of just inspecting and/or auditing while leaving behind problems that the contractor doesn't know how to solve.

Using reasonable endeavours to integrate the OHS team with the third-party management process will help to ensure that the OHS performance of contractors sufficiently aligns with expectations and provides leverage in case of weak performance. This reduces the potential for harm and risk.

A common way to influence contractor safety is to develop a contractor OHS management standard. This must set out the requirements for OHS and the required interface (bridging) between OHS and other departments through the various stages of procurement, delivery scoping, and completion of services. See Annex 6 for a standard template and key documents to refer to and maintain for managing contractor OHS.

Organisations may consider working with a smaller number of trusted and pre-approved contractors so they can focus their auditing efforts on contractor services that present the most risk, such as working with electrical systems or working at heights. Where the OHS capacity of available contractors is inadequate, an upskilling programme can be developed and consideration given to establishing longer-term partnerships.

Annexes

- Annex 1: Different functions' roles and responsibilities with regard to OHS
- Annex 2: Example of a typical board organogram and responsibilities
- Annex 3: Example Terms of Reference (ToR) for an OHS sub-committee to a board
- Annex 4: Summary of the management responsibilities for OHS
- Annex 5: Summary of the key governance elements for which directors are responsible
- Annex 6: Contractor management principles
- Annex 7: Safe management of contractors
- Annex 10: Presents an OHS leadership action list that can be used to benchmark, develop and implement an organisation's OHS strategy

Additional resources

- Corporate Governance UK HSE
- Managing Contractor UK HSE
- HSE and Contractor Management IOGP
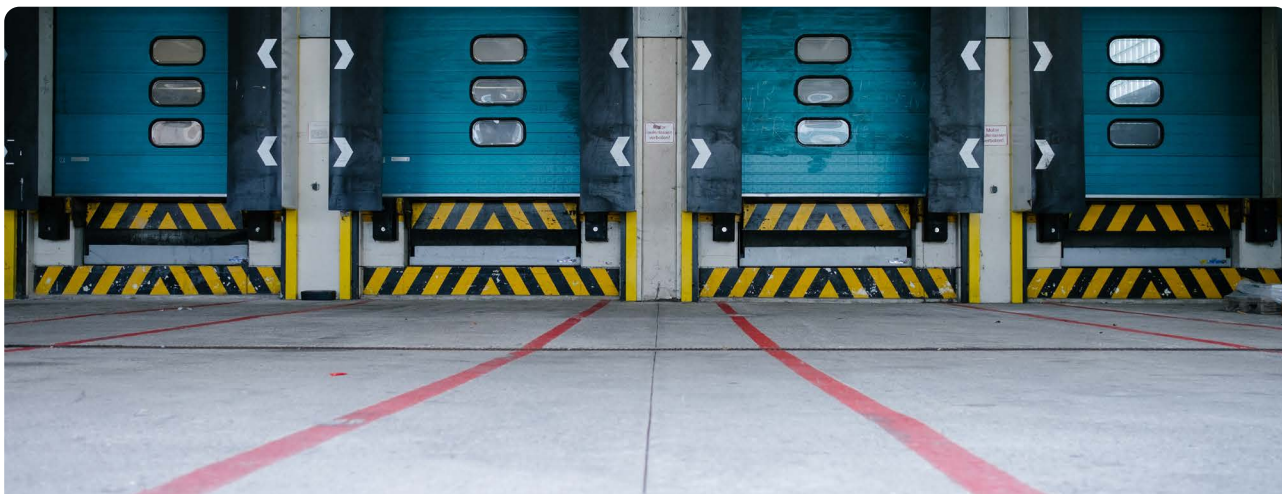
The commercial benefit of OHS performance – an Indian infrastructure company

Challenge:

In 2015, an investment was made in a fast-growing Indian logistics company developing and operating vital infrastructure to transport and handle railway freight in rural and under-served parts of the country.

At the time of investment, ESG structure, policies and processes were weak with insufficient staff capacity. Several basic OHS processes were lacking, including OHS performance monitoring, emergency planning, training, and even PPE were identified as serious gaps.

Action:

- The company developed a 'roadmap' to incrementally improve its capacity and fundamentally change its corporate approach to ESG, including OHS.
- After hiring an ESG Manager and strengthening its management systems, the company established an ESG committee, led by the Board Chair.
- An indicator-based tracking system (e.g., total safe working hours, LTIFR) was developed along with ISO 14001 and OHSAS 18001 certifications.
- The company also began carrying out regular checks to ensure policies and processes were being implemented, such as assessing the implementation of preparedness, a qualified team running regular training programmes, and monitoring the mandatory use of PPE.

Outcome:

By demonstrating international best practice, the company could attract new export-oriented customers, which led to significant increases in volumes and the value of the company.

Seeing its impact on business growth, OHS became a core function of the company, where all levels of senior management gave clear (public and internal) messages on good OHS management, realising that OHS and profits were not complementary but showed a clear positive correlation.

04

OHS key performance indicators (KPIs)

Objective

Understand different types of OHS KPIs, including their strengths and limitations to decide on the appropriate set of KPIs for an organisation.

Good practice recommendations

- Do not reduce OHS performance to a single indicator but use a series of indicators.
- OHS indicators can help the organisation improve its performance but consider the limitations of each indicator when drawing your conclusions.
- Select indicators that will help monitor how the organisation's OHS strategy is being implemented.
- Consider both quantitative and qualitative data when assessing OHS performance.
- Review and revise OHS indicators regularly to ensure that they reflect the current priorities.
- Don't focus solely on lagging indicators, these should be only used internally to understand trends and deeper analysis by OHS professional and board members.[13]

Establishing and tracking specific OHS performance indicators or metrics can help an organisation monitor progress against its objectives, draw comparisons against targets and among sites, and identify best practices as well as areas of improvement. The committee responsible for OHS should advise the board on indicators to prioritise after consulting with employees and OHS managers across the organisation. Alongside senior management, teams should demonstrate commitment to the process by regularly analysing performance, basing decisions on objective performance data, and effectively communicating the outcomes.

The results of such performance evaluation can then be used as the basis for future safety budgeting decisions, communication activities and training plans. Once the method for data collection has been identified, it becomes easier to define specific performance metrics with clear definitions to ensure consistency. Relevant parties, such as employees or their representatives, should also be consulted during this process. Sharing the results at board meetings will raise awareness of challenges or trends, and support informed decision-making at a senior level.

13. Generally, front line staff and employees do not need to be informed on targets through an OHS analysis board, they should only see and work towards the leading KPIs and measure performance against these. If they know lagging targets may be failed, it will likely result in staff hiding or non-reporting of incidents in order to improve the KPI.

4.1 OHS performance management and link to reward

In the past, more traditional organisations have adopted a zero-loss time injury or a zero-incident vision. Most of the time, the zero-harm policy is an aspiration and directors are committed to this vision, thereby making decisions in favour of safety. However, there might be side effects and limitations of this approach. Focusing only on incident numbers may result in focusing on minor incidents at the expense of major incident risks as these are the easiest ones to drive the overall number down. This may also distort reporting as it creates an incentive to lower numbers, resulting in a failure to report safety issues. Also, asking for zero-harm numbers and linking it to reward can greatly reduce reporting events of all sizes and shapes.

A complementary approach to this is to link good OHS performance to remuneration. Even if the contribution of the OHS element to remuneration is small, it reinforces the belief that OHS is important, which strengthens the OHS culture. If the organisation rewards production and finance, then logically it should also reward OHS to signal its importance.

Linking remuneration to OHS KPIs works better when the leading targets are within the control of the employees, as it encourages employees to put some time and thought into OHS. For example, financial incentives for employees who report safety observations, or regularly awarding best OHS 'toolbox' talk as a company policy, encourages employees to take ownership of OHS, thereby strengthening culture while benefiting from their day-to-day practical experience. This should, of course, be supported by management implementing corrective actions in line with these suggestions, which could be measured and linked to remuneration at higher levels. There are two schools of thought when it comes to KPIs and rewards: 'what gets measured gets managed' and 'what gets measured, gets manipulated'. The choice of KPIs, and the respective risk of rewarding OHS performance, should be acknowledged and OHS management systems developed accordingly.

4.2 Leading and lagging OHS indicators

Safety indicators tend to be divided into two categories: lagging (trailing, reactive, past), and leading (forerunning, proactive, future) indicators:

- Lagging indicators relate to safety incidents and focus on past events. These indicators by themselves do not provide an indication on improvement, unless benchmarked against industry where possible or assessed per their change over time.
- Leading indicators relate to actions being implemented. These are proactive and are also referred to as 'preventive indicators' as they focus on measures that can be implemented, or existing conditions that can be amended to improve safety.

OHS differs from other business KPIs because success results in the absence of an outcome (incidents) rather than its presence. Until recently, OHS performance was largely gauged by negative outcomes from workplace incidents. However, a low incidence of injury does not necessarily point to adequate safety systems and controls. It is particularly limiting when assessing the low probability of incidents with severe consequences. Only paying attention to incident rates also fails to articulate what should be done for their prevention and overlooks the positive steps the company takes. Despite these limitations, most companies report lagging indicators as they are consistently used for benchmarking and various stakeholders expect their reporting. The same level of consistency is not in place for leading indicators as they tend to vary between organisations, thereby making cross-company comparisons more difficult.

> **OHS differs from other business KPIs because success results in the absence of an outcome (incidents) rather than its presence. Only paying attention to incident rates also fails to articulate what should be done for their prevention and overlooks the positive steps the company takes.**

4.3 Commonly used OHS indicators

OHS performance indicators are typically a combination of lagging and leading indicators. Data from both is required to better understand and manage risks, as well as to track and monitor safety trends, which is paramount. Reviewing leading KPI trends can help identify improvement or degradation in performance over time, spot deviations that require immediate action, assess the degree to which objectives have been met, and compare the organisation's data to that of the sector. Some of the most commonly-used OHS KPIs are outlined in figure 2, and the remainder are detailed in <u>Annex 8.</u>

Fundamentals of a good set of OHS indicators:
1. Combine lagging and leading indicators
2. Provide meaningful insight into the organisation's progress against goals
3. Provide enough meaningful data to support tracking

Leading indicators

- Near-miss reporting
- Safe and unsafe observations
- Training hours
- Safety meetings, discussions and engagements
- Behavioural indicators
- Audits and inspections
- Employee turnover rate
- Management commitment efforts
- Preventative maintenance
- Employee perception surveys

Incident

Lagging indicators

- Number of fatalities
- Recordable injuries
- Total lost workdays
- Incident rates
- Assets or property damage
- Lost Time Injury Frequency Rate (LTIFR)

Figure 2: Example leading and lagging safety indicators

Near misses

Near misses are incidents where no one is injured but in other circumstances could have resulted in serious injury, a fatality or serious consequences, as shown in figures 3 and 4 below. In figure 3 bricks fall but do not hit the worker which is a near miss. In a slightly different circumstance, the bricks fall and do hit the worker (figure 4). This is an incident. Given the potential consequences, the near miss should be investigated as rigorously as an incident. Near misses also provide the opportunity to learn and improve in order to avoid a more serious incident. One should not focus on achieving 'zero' near misses. A high number of near misses may not indicate a dangerous workplace but may indicate a high-functioning reporting culture. Contrary to a fatality or serious injury which is legally required to be reported, reporting of a near miss solely depends on an employee goodwill, and the HSES culture of the organisation. Equipment that is in in poor condition should also be reported either as a near miss or categorised as a faulty condition.

Figure 3: Near miss[14]

Figure 4: Incident
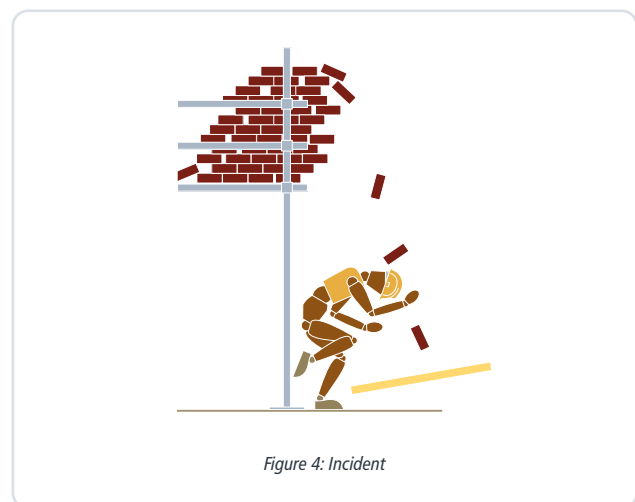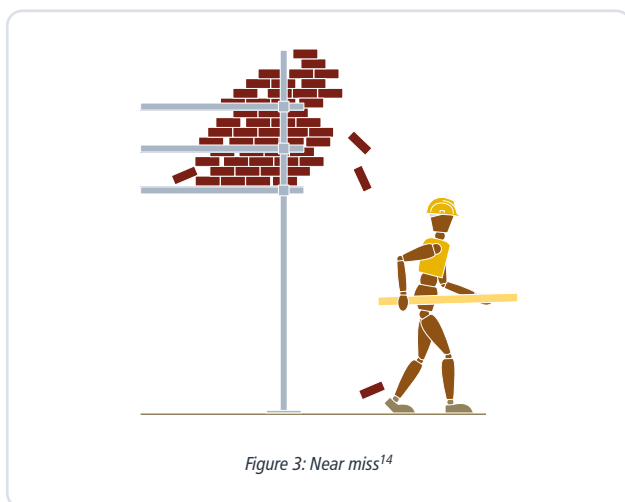
14. Illustrations from Health and Safety Executive, Investigating Accidents and Incidents (2004).

All workplace incidents should be recorded, documented, and classified to differentiate between minor incidents, such as a minor finger cut, and more serious incidents, such as the loss of a limb or a fatality, and to note and record the incident frequency. Again, understanding the minor incidents will help to indicate the likelihood of a more serious incident and provide lessons to reduce the risk of them occurring.

Audit and inspection results

A good structure and classification system ensures that internal and external audits can generate KPIs that support process improvement work. For example:

- **Ratio of conducted audits to planned audits**
  A target-actual comparison, showing how effectively audits are implemented in relation to a company's goal attainment.

- **Ratio of non-conformities to corrective measures**
  An indication of a company's culture of continuous improvement (i.e., if non-conformities do not result in enough corrective measures, the priority is not improvement).

- **Ratio of recommendations to corrective measures implemented**
  An indication of how a company handles recommendations from audits. Recommendations could signal an issue which presents an area of improvement even if it's not a significant OHS breach. If recommendations are not implemented or documented, this can result in non-conformities in the future.

- **Number of completed and overdue corrective measures**
  Audits usually produce recommendations or identify non-conformities which should be resolved before the follow-up inspection or the next audit. Completion of corrective actions indicates the responsiveness of the company to OHS audits.

Behavioural indicators – behaviour-based safety

Behaviour-based safety (BBS) refers to employee behaviour with respect to OHS and relies on employees continually observing and reporting safe and or unsafe behaviour. BBS or behavioural indicators are active (leading), support a positive OHS culture, and can be used to monitor specific safety-related behaviours focused on by the management. Examples include:

- Number of observations of employee behaviour with respect to health and safety in each area of business operations.
- Observations of safe behaviour relative to the total number of observations.
- Responses to unsafe behaviours, or the number of measures implemented by managers.
- Responses to safe behaviours by managers.

BBS focuses on frontline employees. It is important to note that these behaviours are often not the result of personal choices, but instead are directly influenced by the work environment. If it is difficult for employees to perform their job safely, for example, due to a lack of the right tools, equipment or time constraints, and if they are not allowed to speak up against these conditions, they cannot be blamed for unsafe behaviours.

A BBS programme should be complemented by robust employee engagement processes, including townhalls, an effective grievance mechanism, regular meetings and close engagement with employee representatives so that managers know the frontline employees' challenges (e.g., inadequate procedure, faulty equipment or excessive production quotas) and work with them to address these issues. The indicators related to management's commitment to safety are discussed in Chapter 3.

> **Additional resources**
> - https://www.osha.gov/leading-indicators
>
> **Toolkit**
> - Annex 8: Recommended OHS indicators

05 OHS culture and human performance

Objectives

- Understand the importance of OHS culture.
- Understand the key principles of human performance that contribute to a strong OHS culture.

Good practice recommendations

- Recognise the limitations of telling employees to "be careful" instead of removing obstacles to safe behaviour.
- Observe behavioural trends and attitudes to get insight into the OHS culture.
- Spend time in the field to understand how work is conducted in practice as opposed to how it is supposed to be done; understand why there is a gap between theory and practice.
- Continually address issues that can increase the probability of employees making mistakes (e.g., poor equipment design, complex procedures, high production targets, etc).
- Reflect on how the organisation reacts to incidents. For example, is the focus on finding a culprit or finding a solution to prevent an incident in the future?
- Foster an environment where employees feel able to raise safety concerns without repercussion or retaliation.
- Carry out periodic OHS culture assessments in partnership with OHS experts.

To design appropriate OHS interventions, companies need to have a clear understanding of baseline OHS performance as well as organisational and local culture. It is essential to consider local cultural traits for risk management programmes to be successful. This is the human element of OHS risk management and why a 'one-size-fits-all' approach does not work. The OHS-supportive values that are identified should be emphasised in the organisation's practices and training programmes.

An effective OHS system should promote a just culture which advocates for fairness and openness, as well as reporting and learning. These interlinked components make up the OHS culture (Figure 5).

Problems will not be reported and subsequently improvements not made where:
- The reporting system is inadequate or non-existent
- Personnel feel they will be blamed for reporting
- The organisation or project doesn't learn from it
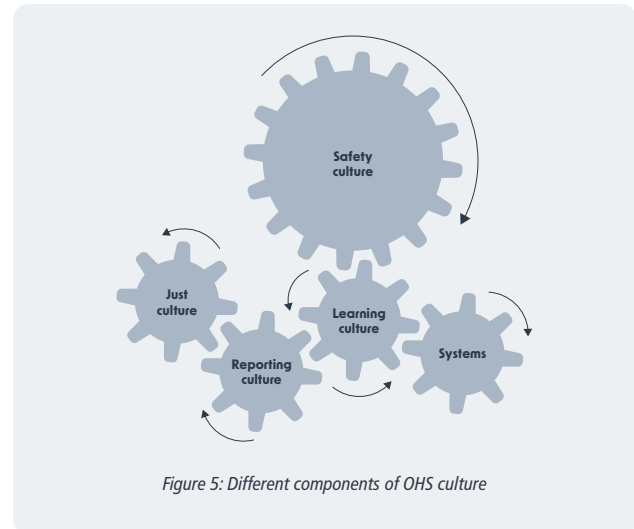 – learning means addressing the issue and changing

Figure 5: Different components of OHS culture

A single model with the right balance between a rule-based system and a people-focused system does not exist. It is about understanding the likelihood and consequence of risk, and working out the balance that is needed for each organisation.

Case study 4

Diagnosing a lack of reporting structures

Challenge:
A mining company in Africa established a process for reporting near misses and hazards on site. However, despite encouragement from the management team, more incidents occurred than were reported in the system.

Action:
The company carried out a safety culture diagnostic test to better understand the issues at hand and found that an employee who had reported an incident had been subsequently fired.

While the employee was dismissed for other reasons, it was believed by the workforce that the two events were connected. As a result, employees were reluctant to report health and safety incidents on site.

To address this, the management team launched a communications campaign to increase employee confidence in using the system.

Result:
After sustained effort through the communications campaign, the management team was able to convince employees to start reporting incidents. This allowed the management to identify near misses and take action to prevent incidents and improve safety at the site.

5.1 Understanding human errors

While most incidents are caused by some form of human error, there is a risk of over-generalisation, whereby complex events are reduced to the simple term 'human error'. Reason & Dekker discuss how in the traditional safety view, employees operate within a safe system with adequate training, correct equipment, good supervision and no production pressure.[15] In this perfect system, incidents can be tied to employee negligence. However, there is an increasing recognition that the reality of work is that it may not be a perfect system. Many employees work under difficult conditions, with insufficient training to perform certain tasks and face significant pressure to meet quotas. Different risk profiles for men and women may not have been considered. Most of the time they may successfully adapt to the practicality of their work and avoid incidents. However, the safe system is not complete, and therefore, the risks and hazards remain unmitigated. This is not to argue for the absence of human factors and some examples are covered under Section 5 on Incident Investigations.

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15. *https://www.researchgate.net/publication/220108440_Human_Error_by_James_Reason_Book_Review*

An alternative view is that human error is not the cause of an incident but a symptom of deeper issues within the organisation and the accepted working environment. People do not come to work to do a bad job, be hurt or to put others in danger, but they tend to do what makes sense to them in order to get the job done on time and on budget. Therefore, we must look at the wider working environment, beyond people's actions, to understand why a particular way of working made sense to them at the time, and what role the organisation played in shaping the work environment.

Existing conditions are unlikely to change if the focus is only on disciplining or terminating the employment of the individuals involved. Unless the problems with equipment, tools, procedures, resources, and production pressure are addressed, the same outcomes are likely to occur regardless of how many sanctions are imposed, posters are published, or safety attitude campaigns are launched. Employees must be set up for success and able to work safely before being considered for discipline.

Old view	New view
• Asks who is responsible for the outcome • Sees 'human error' as the cause of the incident • 'Human error' is random, unreliable • 'Human error' is an acceptable conclusion of an investigation	• Asks what is responsible for the outcome • Sees 'human error' as a symptom of deeper issues • 'Human error' is systematically connected to features of people's tools, tasks and operating environment • 'Human error' is only the starting point for further investigation

Table 2: Comparison between the old and the new view of human error based on (Dekker, 2014)

5.2   Work-as-done versus work-as-imagined

There is often a disconnect between 'work-as-imagined', or in other words, how work is supposed to take place, and 'work-as-done', or how it is being done in practice on site. It is important that managers and management understand the gap between theory and practice[16].

Work-as-imagined is how boards, CEOs, management, engineers, OHS professionals, or anyone else involved in the design process believe the work should be done under ideal circumstances. Work-as-imagined determines how a process is set up, how people are

trained, how they are empowered, and which controls need to be put in place. It is an idealistic view of the tasks and does not fully consider how performance may need to be adjusted according to the working conditions and environment. In contrast, work-as-done is what people do when they take into account the realities of the situation, such as the equipment configuration, the practicality of procedures, nature of work instructions, and the time and resources they have, as well as culture and leadership on site. People working on the tasks may find they have to adjust plans to get the job done. If this occurs without appropriate support, shortcuts may be taken or other habits may be adopted, which can lead to errors or even catastrophic failure.

If managers and leaders spend more time at operational sites interacting with frontline employees, they can help close the gaps between planning and practice by improving the work environment, reducing risk, and increasing engagement.

5.3   Psychological safety

A psychologically safe environment is where employees are not hesitant to voice their concerns about safety issues or anything that puts the organisation at risk. Creating psychological safety to foster a strong OHS culture is a fundamental responsibility of directors and managers. A psychologically safe organisational environment actively encourages employees to speak up, communicate their suggestions, has feedback loops and sets examples by enabling proactive assessment of the workplace. More than good intentions are required to achieve this. A declaration from a manager that 'my door is always open' is not enough to change culture. Organisations wishing to engender real change need to take more targeted action.

Silence is dangerous
The consequences of not speaking up can be detrimental, as in the 1986 Space Shuttle Challenger disaster that killed all seven crew on board.[17] An investigation discovered the incident was caused by faulty O-rings, which are plastic rings used to seal sections of the rocket booster to prevent fuel leaks. The cold weather made the O-rings brittle, and a resulting fuel leak caused an explosion. After the incident, junior engineers spoke of their feelings of guilt and remorse for knowing about this risk and not stepping forward. They said they felt intimidated and therefore did not voice their concerns. They were in an environment where it was psychologically unsafe to speak up.

16. This section is based on the work of Erik Hollnagel with excerpt here: https://www.england.nhs.uk/signuptosafety/wp-content/uploads/sites/16/2015/10/safety-1-safety-2-whte-papr.pdf
17. The Challenger STS-51L Accident (1986) Report of the Presidential Commission on the Space Shuttle Challenger Accident, genindex.htm

Employees only speak up when they know they are safe to do so. If they fear repercussions and are hesitant to approach managers, they will not raise safety concerns when they see them. Unfortunately, there have been numerous examples of serious incidents and events that could have been avoided had employees felt they could freely raise their concerns and that their input was valued. A good example of this is road safety, a leading cause of work-related fatalities in certain markets. At times, employees may not feel safe to warn senior members of the team even after observing them speeding or failing to wear a seatbelt.

5.4   Reacting to failure and moving from blame to accountability

One of the most critical safety leadership behaviours in shaping OHS culture is the reaction to failure. Placing blame is a natural reflex when errors occur. Even individuals who wish to learn from mistakes can succumb to naming culprits and dismissing staff. It gets assumed that getting rid of employees involved in incidents will send a signal to other employees to be more careful.

Blaming is often more than just a process of allocating faults. It provides an early and artificial solution to a complex problem while also generating fear and eroding trust. When we place blame, we often believe that other people have bad intentions or lack ability. However, this approach often backfires as people begin to equate acknowledging mistakes and disclosing bad news with punishment. Two reinforcing sets of behaviours then emerge: managers who are ostensibly seeking information and punishing those who bring bad news, and groups of employees who hide information and try to protect or blame each other. As a result, while the organisation's performance may seemingly improve because fewer incidents are reported, this may be due to a failure to report, exacerbating risks which then go unaddressed. Figure 6 further highlights how blame can lead to incidents. Where there is blame, there is no learning; open minds close, the inquiry ceases, and the desire to understand the whole system disappears.

| Blame | → | Acknowledgeing mistakes = Punishment | → | Managers respond by punishing those responsible | → | Employee hiding information | → | Lack of reporting | → | Safety issues unaddressed |

Figure 6: How blame can lead to incidents

The tendency to blame can be reduced by focusing on accountability. This comes from clear and regular communication, and commitment to find a more productive response to an incident. Communication focuses on tasks to be accomplished, roles to be taken, processes to be used, standards sought and expected results, and becomes most useful when people are willing and able to discuss their common difficulties in a larger setting that values accountability.

Accountability creates the conditions for regular and constructive conversations in which the understanding of current reality is sharpened and root causes are sought, the system is better understood, and new actions and agreements identified. Blaming – and the fear it generates – also discourages innovation and creative solutions. Frightened people do not take risks that are essential for innovation. Lack of innovation leads to an inability to solve problems effectively and an increase in the number of errors.

Additional resources

- Sidney Dekker's website
- Erik Hollnagel's website
- Human Performance (International Association of Oil & Gas Producers)
- Chartered Institute of Ergonomics and Human Factors

06

Incident investigation

Objectives

- Understand how to carry out effective investigations.
- Select the appropriate investigation method based on the type of incident.
- Understand different tools available for incident investigations.

Good practice recommendations

- Be aware of cognitive biases that may affect incident investigations.
- Focus on understanding what went wrong as opposed to who is to blame.
- Invest time and resources in investigations to learn from incidents and prevent reoccurrences.
- Select the investigation method appropriate for the actual and potential severity of the incident.
- Comprehensive investigations mean understanding the technical, human and organisational factors that contribute to an incident.
- Consider seeking expert support for repetitive and/or very severe incidents.

While some incidents may be the result of human errors, they are generally not solely caused by the individual directly involved in the incident. They are rather due to a failure of OHS management at different levels of the organisation. Following an incident, an investigation should be set up to understand what went wrong and to identify root causes and corrective actions to prevent a reoccurrence. Leading rigorous, fair and effective incident investigations can be difficult, and how directors and managers deal with incidents has a major impact on an organisation's OHS culture. In the aftermath of a failure, pressure to save face can cause 'defective' frontline employees to be removed, indicating that a mishap is not a systematic problem but a local glitch in an otherwise safe operation. However, this is an indicator of the 'blame culture' discussed above and may also send a very strong signal of injustice to the rest of the organisation, significantly damaging its OHS culture.

6.1   Fair and effective incident handling

6.1.1   Fairness when responding to incidents

Fair incident handling involves a whole-system approach; not just focusing on individuals, but examining systemic causes and external factors, addressing systemic weaknesses, and ensuring working conditions promote compliance. It also requires managerial accountability for clarity on performance and behaviour. This is done on a day-to-day basis, not just when things go wrong. For fair and effective handling of incidents:

- Managers must set clear expectations and ensure employees are equipped to meet the expectations, such as having the appropriate skills, equipment, time, and supervision.
- Together with employees, managers must drive consistency in using a learner mindset to respond to adverse OHS events.
- Managers must verify that the employees are equipped to meet the established expectations.

- Managers and employees must be able to talk about difficult conditions and error-prone situations that are always present at work.
- Managers must create the conditions for employees to feel safe and able to speak up, and identify appropriate improvement actions for all non-compliance categories. This should include a few occasions needing formal consequence management.

The organisation must have transparent and consistent practices for managing non-compliance. These practices should be compliant with local regulatory requirements. They should also provide independent checks and balances, such as participation from human resources or a manager not in-charge of the employees involved in the non-compliance. An investigation should be carried out to understand why people did what they did, and identify the factors that contributed to the non-compliance. As a guide, it may be appropriate to include consideration of the following factors:

Environmental factors	Personal factors	Consequences might include
• Adequacy of training provided • Equipment suitability and availability • Whether the supervisor was or should have been aware of the non-compliance • Production and cost pressures • Time pressure • A common practice in the work area which may need to be addressed as a systemic problem or supervisory failing	• Error, recklessness, or negligence • Whether the act was premeditated or unintended • Whether there was a personal benefit or gain • Duration of the non-compliance • Actual and potential consequences of the non-compliance • Efforts by the employee to report, escalate, mitigate, or remedy the situation	• Informal reminders of requirements • Remediation activities by the employee • Additional supervision or training • Counselling, reprimands, or formal verbal and written warnings • Temporary suspension • Dismissal

Table 3: Probable environmental and personal factors that lead to non-compliance and the resulting consequences.

6.1.2   Effective incident investigation

A positive OHS culture relies on fair and effective incident investigation. Hazards exist in all workplaces, and risk control measures are put in place to reduce those risks to an acceptable and practicable level to prevent incidents and cases of ill health. Occurrence of an adverse event suggests the existing risk control measures are inadequate. Learning lessons from near misses can prevent costly incidents. How an organisation responds to safety incidents, and the way incident investigations are carried out, is critical to shaping its OHS culture.

Leaders should always consider how their response to incidents can improve safety performance and further strengthen the safety culture. Investigation and analysis of work-related incidents form an essential part of managing health and safety. Identifying what is wrong, taking positive steps to fix it, and sharing the lessons learned from what is uncovered, should be at the heart of preventing incidents.

Benefits of effective incident investigations

• Comply with legal requirements
• Understand what went wrong and learn from it
• Prevent similar incidents by improving the risk management measures
• Avoid business losses due to disruption, stoppage, lost orders, and litigation costs
• Enhance reputation with investors and customers
• Improve employee morale and engagement

6.2   Which incidents should be investigated?

OHS incident investigations can be resource-intensive, so investigation efforts should be targeted and appropriate for the expected level of organisational learning. If the consequences of an incident are severe, e.g., a permanent disability or a fatality, the investigation should be comprehensive. If the consequences of an incident are minimal, an investigation may not be required. However, the potential severity of an incident should also be considered. For example, if a reversing forklift managed to avoid hitting an employee by a few centimetres, that employee came close to being seriously injured. Because of the high potential risk of a serious consequence, the organisation should want to investigate this near miss to determine how this unsafe situation can be avoided in the future.

It is important to be aware that this good practice note does not address how to investigate and learn from incidents involving human rights, such as allegations of modern slavery, gender-based violence and harassment (GBVH) or child labour, as these require a different set of considerations and skillset. These types of incidents are also likely to require different processes and are the responsibility of different teams. When responding to any incident or allegation of GBVH, for example, a survivor-centred approach focusing on survivor safety, confidentiality and non-discrimination is critical.

6.3　The intensity of investigation should be proportional to the expected learning

Root causes should be identified for each incident. Root cause analysis is a structured team process to understand the underlying factors leading to an incident. Understanding the contributing factors to a system failure can help develop meaningful corrective actions. However, the appropriate level of investigation to identify the root cause will depend on both, the actual and the potential severity. For example, while low-severity incidents may be investigated by a supervisor, an independent team is likely to be required for high-severity or high-potential severity incidents. In the case of the latter, additional investigation skills are likely to be necessary for employee interviews and triangulating findings from interviews and document reviews.

One simple problem-solving technique commonly used to identify root causes is known as 'Five Whys'. It looks at any problem and drills it down by asking, "Why?". While clear and concise answers are necessary, avoid answers that are too simple and overlook important details. Typically, the answer to the first "why" should prompt another "why", and the answer to the second "why" will prompt another, and so on. This makes it easier to get to the root of a problem.

The 'Five Whys' method

By continuously asking "why?", one can:
- Investigate the causes of an incident.
- Identify solutions to prevent an incident happening again.
- Make links between the root causes of good or bad practice.
- Learn good practice lessons to improve health and safety in the business.

For details of any incident of good or bad practice, asking the individual or team to describe it and writing down what they say is a valuable starting point. Following that up with why this situation happened, discussing with them whether their response describes the root cause of the problem or not, must be the next steps. If it doesn't, ask 'Why?' again, continue to explore their responses until a deeper cause of the incident or problem is visible.

When using this approach, try to:
- Ask questions that delve deeper into the issue. Simply repeating the word "why?" is not likely to help.
- Avoid being or appearing confrontational.
- Avoid making questions personal or accusatory (e.g., ask "Why do you think the ladder slipped?" not "Why did you make the ladder slip?")

6.4　Investigation of high-severity and high potential (HiPo) incidents

When investigating high-severity and high potential (HiPo) incidents, the objective is to identify the workplace and organisational factors that contributed to the failure or absence of control measures that caused the incident. Below are some factors to be aware of when planning an investigation:

- Selection of the investigation team is critical to the quality of the investigation and the learning extracted.
- The investigation team's independence is key to avoiding cognitive biases and ensuring effective investigations.
- The team must include an individual with advanced incident investigation skills, one familiar with the human and organisational factors, and one technical OHS expert.
- The technical investigation (what) must be followed by human and organisational investigation (why).

As good practice, a senior manager or a manager who is not linked to the site where the incident took place may be asked to lead the investigation. The involvement of independent management provides credibility to the investigation team and facilitates sharing of the conclusions with the site management team as well as employees.

Figure 7 outlines the different elements that the investigation should uncover.

Investigations can be difficult. Deciphering the human and organisational factors requires some understanding of organisational psychology, and it may uncover some errors or failures at management levels that may be faced with some resistance by the management.

Figure 7: Human and organisation factors that can cause defences to fail[16]
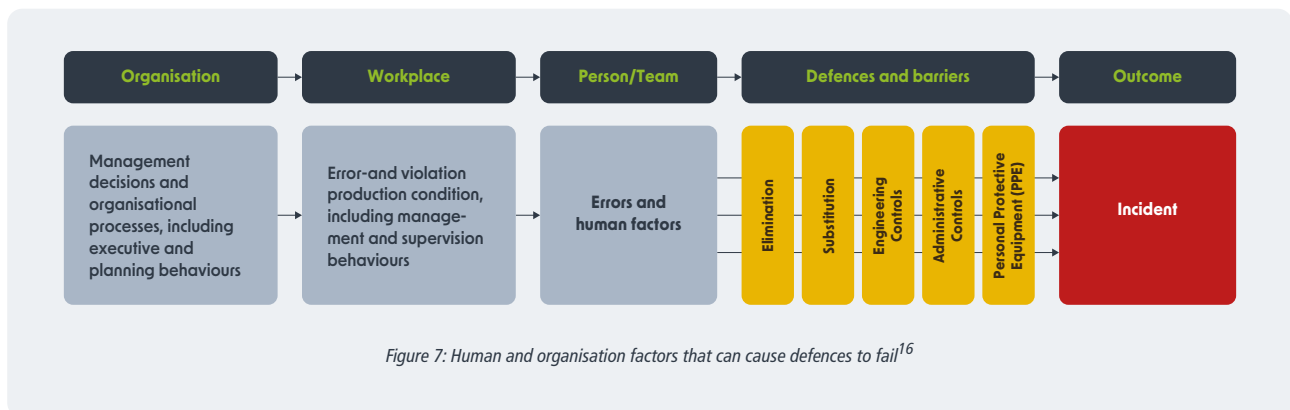
In the event of a high-severity incident, police may also be involved in an investigation process. However, the focus of the police would likely be to establish who was at fault and whether or not a crime was committed. The police will not determine root causes, opportunities for improvement, or where existing risk controls have failed. Therefore, an organisation must always conduct its own investigation.

Setting corrective actions and follow-up

Once the root causes have been identified, the next step is to discuss possible corrective actions with the team and the relevant parties involved. The OHS team and employees must evaluate the pros and cons of each corrective action and identify the most relevant ones to implement.

Some key questions to ask during the evaluation process:

• How effectively will it minimise the risk of future incidents?
• How quickly can we roll it out?
• Will it help us achieve or improve OHS compliance?
• Is it difficult for people to adapt?
• What investments are required?
• Is it within our budget?

An incident will often require several types of corrective actions. For example, a change in procedure will mean refresher training. Once agreed, the OHS team should create a corrective action plan detailing the incident, the corrective actions chosen, the timeline, the budget and the people responsible for implementing respective actions. The OHS team can then draw up a schedule to review the effectiveness of the corrective action plan and to form part of committee or board updates. Updates could range from weekly to quarterly to annually, depending on the severity of, or risks associated with, the incident.

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16. Source: *Organizational Accidents Revisited*, by James Reason (2016)

Case study 5

Importance of learning from incident investigations

Challenge:

A Forest Stewardship Council (FSC)-certified African plantation forestry company with over 2,200 employees developed and implemented policies and procedures to manage OHS risks in its operations.

However, the company had two identical road incidents occur within the same year, resulting in multiple fatalities and serious injuries. The incidents, combined with pressure from shareholders, led the company to take action to improve its capacity and approach to managing OHS on the ground.

Initial key factors of poor performance were determined to include insufficient technical/engineering controls, low OHS capacity, lack of accountability of management, lack of employee buy-in and poor safety culture, as well as challenges in employee-management dialogue.

Action:

- The company developed and implemented a Road Safety Management Plan with maintenance procedures and driver training. It hired a qualified OHS manager from the region and engaged a specialised OHS adviser for driver safety awareness training for all new employees.
- An assessment of its vehicle inventory led to several older vehicles, including labour transport trucks, being replaced and strict speed control mechanisms implemented.
- In parallel, general OHS risk assessments were updated and periodic OHS culture assessments were established. The OHS manager developed close engagement with employees and implemented an upskilling programme, including international certifications, to start promoting employees to OHS management positions.
- The company implemented an incentive programme to reward the best OHS suggestion, best employee to protect their colleagues etc., thereby promoting OHS within the workforce.

Result:

- The company addressed underlying miscommunication challenges by increasing diversity and promoting local employees.
- H&S performance statistics improved significantly and the company's progress was instrumental in attracting new capital.

6.5 Sharing the learning from incident investigations

Preparing a 'lessons learned' report from incidents is fundamental to reducing the risk of reoccurrence. It is important to ensure that lessons learned are disseminated not just to the board and management, but throughout the organisation and if applicable, to contractors and more widely to third parties.

They are used to:
- Capture the learning of the investigation and embed across the organisation any changes to equipment, systems, and standards that do not rely on employee memory.
- Reach employees who may be affected by the same problems and risks identified in the investigation.
- Apply the learning beyond the specific activity in the incident and to other activities that present a similar risk.
- Reach people outside the organisation through industry bodies.

Lessons learned reports are prepared using information from the investigation report which identifies the direct, indirect and root causes of the incident, and the corrective actions to prevent reoccurrence as illustrated in figure 8. The report and lessons should be anonymised. The intent must not be to apportion blame but rather to share and learn from an incident.

In most cases, investors may require a copy of the investigation report from which they may wish to develop their own sector-wide lessons learned. Regardless of who carries out the investigation, communicating the findings and the lessons will be the responsibility of management under the guidance of the board. They will disseminate the information to sites, where managers can communicate the relevant findings to frontline employees.

Additional resources
- Human factors in accident investigations (hse.gov.uk)
- ILO – Investigation of occupational accidents and diseases (ilo.org)

Toolkit
- An example of a 'Five whys' checklist in Annex 9
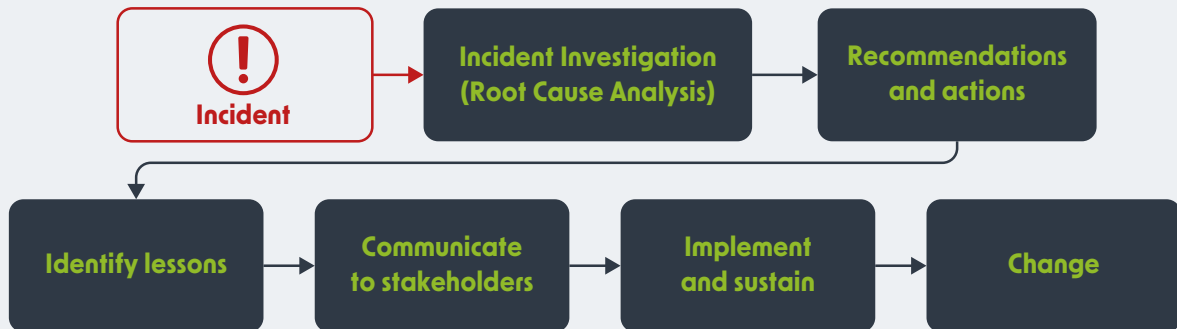

Figure 8: Broader learning from incident investigation and reporting

07

OHS leadership to foster a positive culture

Objectives

Understand the attributes of effective OHS leaders and how their leadership shapes the culture of an organisation.

Good practice recommendations

- Assess existing leadership against the attributes of good OHS leadership.
- Gather feedback on the current OHS leadership style through informal discussion or a formal feedback tool such as employee survey.
- Get training and coaching to strengthen OHS leadership.

In the previous chapters, we articulated the importance of governance and culture for OHS performance. This chapter brings together and outlines the key steps leaders can take to implement an effective governance structure and foster a positive OHS culture. Everything that directors, managers, or employees do influences the culture of their organisation. Employees shape the culture, and the culture influences the employees.

7.1   Leaders set the culture

Leadership is reflected in the norms followed throughout an organisation. Without effective leadership and the development of a positive safety culture, regulations, systems and policies can become immaterial and irrelevant. Leadership practices and styles directly determine the safety culture and outcomes. While leadership at all levels can positively impact attitudes towards safety, commitment from directors and management is particularly important as changes made at this level affect the entire organisation.

Senior leaders can directly influence the behaviours of frontline employees and, therefore, the overall OHS performance if they:

- Show visible exemplary behaviours to foster a culture of safety and demonstrate the leadership's personal beliefs in safety initiatives.
- Personally attend training sessions, conduct site visits, participate in award and recognition programmes, and publish videos on the importance of various OHS issues.

- Demonstrate commitment through concrete actions, including – but not limited to – adequate budget allocation to OHS, appointment of qualified OHS management personnel, and high-quality training for all levels of the organisation.
- Introduce a broad range of interventions to address issues related to equipment and the work environment.

To identify an adequate level of resources, or to implement successful interventions, senior leaders must first ensure they understand the significant OHS risks. For a company's safety leadership efforts to flourish, it is imperative that a supportive environment is also developed for managers, with sufficient resources provided to eliminate or reduce known hazards and risks.

7.2   Attributes of effective OHS leadership

Safety leadership is more than overseeing the day-to-day implementation of an organisation's safety programme. Leading is about inspiring employees and colleagues to meet the goals of the organisation while safely fulfilling their roles.

There is an extensive number of safety leadership models, many of which are similar, even though they are structured differently or may use different terminology. The emphasis should be on bringing the model to life rather than to chase the elusive, perfect safety leadership status. A robust set of seven safety leadership attributes is presented below and can be mapped directly to the attributes of a positive OHS culture.

1. Care

People tend to be drawn to leaders who clearly care about their teams' wellbeing. When employees know the focus on safety comes from a genuine place of wanting employees to finish their shifts in the same physical and mental condition in which they started, their respect increases.

2. Excellent communication skills

Open and honest communication is essential for a safe workplace because leaders must foster deep connections with their team members and understand what is happening at all times. Effective safety leadership means meeting with employees regularly to discuss topics such as new safety initiatives and current safety issues. When employees are encouraged to discuss safety matters, it becomes part of the culture. Communication does not necessarily mean broadcasting information; it is about being curious and asking open-ended questions.

3. Ability to inspire

The best safety leaders motivate employees to be their best. Employees respect these leaders and see them as role models. As a result, employees want to adhere personally to safety initiatives and do everything they can to help the team meet its safety goals. These leaders have the ability to unite employees with a common purpose. Having safety as a shared mission gives employees a purpose beyond their standard duties. Safety leaders demonstrate their passion, make employees feel appreciated and include them in safety decisions.

4. High self-awareness

The ability to lead by example is a must in this type of role. If employees see their leaders breaking their own safety rules, they will not take these leaders or rules seriously. Employees rely on leaders to guide them in the right direction. It therefore sends the wrong message if they see leaders engaging in unsafe behaviours. Leaders might think they are self-aware, but should solicit feedback from subordinates and peers, spend time reviewing their safety policies, and be honest about whether or not they fully adhere to the rules. If they are not, they should admit their shortcomings to the team and commit to improving.

5. Empathy

Leaders should aim to be fully in sync with their teams so that they can spot warning signs before issues develop into more serious problems. For example, if leaders notice that an employee using heavy machinery appears distracted, they should implement proactive measures, such as understanding why this is the case, having them take a break or reassigning them to a different, low-risk task if absolutely necessary. This underlines the importance of having an effective presence. Employees also feel a greater sense of trust with empathetic leaders, which enhances loyalty, motivation, and job satisfaction.

6. Learner mindset

Continuous learning is a key part of improving safety culture. Keeping up with the latest rules and regulations in the country or sector is only one component of the learner mindset. Safety leaders need to be curious and always look at their current processes, gauging their effectiveness and seeking even better ways to protect the team. This means knowing the latest industry developments, attending conferences and training sessions, and seeking feedback from employees. A curious mindset is the only way to foster continuous improvement.

7. Active listening

One of the most important attributes of a successful leader is understanding the importance of listening to employees. Not only does this strengthen relationships, but employees will most likely have valuable safety feedback and suggestions to offer. They have first-hand knowledge of everything, from processes and procedures that are working – and those that are not – to helpful opinions on personal protective equipment. Being an active listener involves maintaining eye contact while talking with employees, paraphrasing what they say, asking questions and making a point to never interrupt.

Reflect on the questions below with the information made available so far:

- How satisfied are you with your own leadership behaviour?
- What opportunities do you have to demonstrate your safety leadership?
- Do you use these opportunities in a consistent manner?
- How can you do more?

Setting expectations

The organisation should set clear roles, responsibilities and expectations for all employees (board, directors, managers, supervisors, frontline employees) on the importance of safety and their respective roles in its improvement. This involves making it clear to employees that they must not prioritise productivity over safety, and that choosing safety over productivity will not be punished or held against people.

Leadership commitment

This can be demonstrated through behaviours and values that drive OHS performance and culture of an organisation, as illustrated in figure 9. Values provide direction for objectives and priorities which influence behaviour, thereby setting the climate and culture with measurable KPIs. It's a cycle that begins with the leadership's commitment and continues thereon.

Leadership Commitment – Value and Behaviors

Leader Safety Values → Leader Safety Priorities → Leader Safety Behaviors → Site Safety Environment → Site Safety Performance
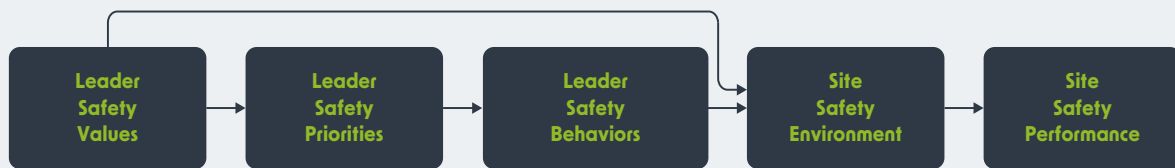
Figure 9. How leadership behaviours and values drive performance

Providing adequate resources

A clear step to improve safety while also demonstrating commitment to safety culture is ensuring that adequate training, support and resources are provided. Without adequate resources, the effort to change culture can often be interpreted as mere lip service. Allocation of appropriate resources is not limited to day-to-day OHS management; it also includes responses to incident investigations and risk assessments. In addition to budget, training and support, resources also include things such as equipment, PPE, and human resources, i.e., having sufficient qualified staff to carry out the task safely.
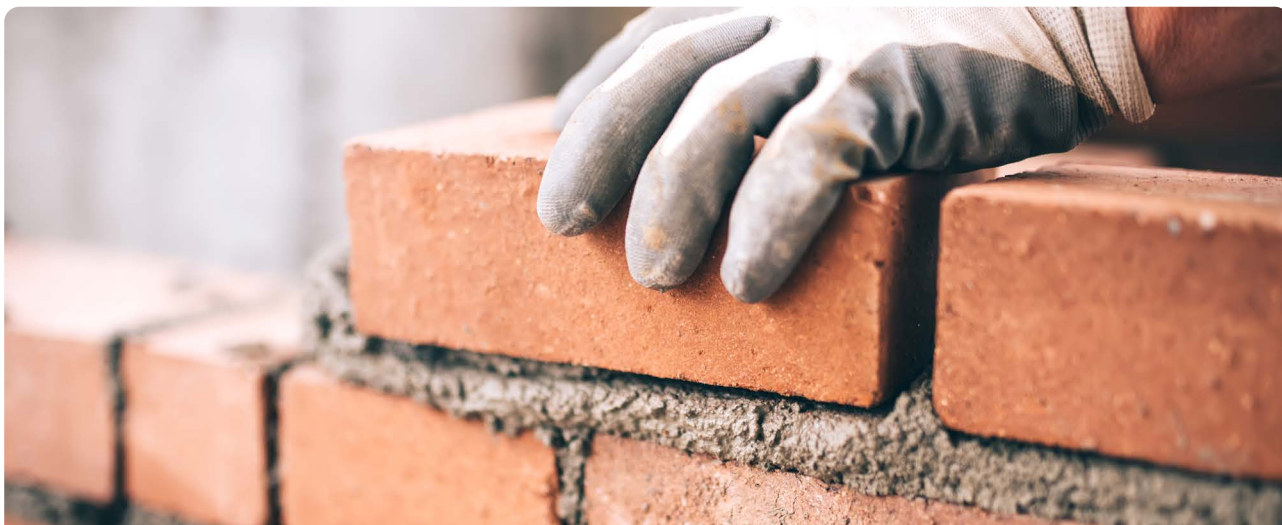
Case study 6:

Housing construction – Africa

Challenge:

At the time of investment, the company had a relatively new HSES management system. The company witnessed rapid growth in its portfolio, which meant an increase in activities and different and more complex risks. A high potential, near miss incident occurred at one of the sites, which subsequently was not adequately reported (the details provided omitted the real immediate cause). This meant that a proper investigation into the root causes was not conducted and the corrective measures did not address the problem.

A few weeks later, a second incident at the same site led to fatalities, warranting an external investigation. The investigation's findings identified the need for the organisation to update its HSES systems and to strengthen contractor management and safety culture.

A third incident at a different site occurred six months later, and again led to fatalities. The investigation highlighted similar root causes to the previous incidents. The in-country OHS authorities stopped all construction activities, and all similar high-risk activities at the other sites were suspended while the authorities and company conducted their investigations.

Action:

Using the lessons learned, and funds allocated, the company embarked on a step-by-step change in safety culture:

- Strengthened HSES resources by hiring an experienced HSES director at executive level. Incorporated standing agenda on HSES at board and committee level.
- Leadership took an active role in mentoring contractors to raise safety standards.
- Updated the risk matrix to identify new risks and implemented HSES risks being discussed at board level. Senior management frequently participated in site visits, championing HSES.
- Implemented a process of continuous consultation and engagement with middle management and front level employees for feedback and ways to improve HSES.

Result:

- The company recorded a significant reduction in the number of incidents and a serious-incident-free quarter.
- Investors noted a positive change in the safety culture and improved HSES management systems. This enhanced lenders' confidence and positioned the institution for further investments.
- The company was able to attract more high-quality investors during its second round of fundraising and has since expanded its operations.

Additional resources

- PIDG Lifting and Hoisting Guideline
- PIDG Life-saving rules

08
Implementing a positive OHS culture

Objectives

- Understand the maturity of the existing OHS culture.
- Understand key considerations when developing an OHS improvement plan.

Good practice recommendations

- Conduct an initial assessment of the existing OHS culture to gauge the level of maturity of the organisation.
- Select actions that match the maturity level and help progress toward the next level.
- Ensure the plan is realistic and is backed by an appropriate level of financial and human resources.

Improving OHS performance involves more than mechanically applying a process; it requires the involvement of everyone in an organisation directing their efforts towards continuous improvement. Safety culture maturity models describe the journey taken by organisations as they progress towards safety excellence. Figures 10 and 11 below indicate a company's progress on its safety culture improvement journey. They are based on works by Hudson, P[17] on culture maturity models and Cooper D. M (2011)'s adaptions of the British health and safety executive's safety culture maturity.[18]

These models recognise different levels of OHS culture and illustrate a stage-by-stage approach to improving OHS culture. Organisations should self-evaluate to understand their existing level of leadership culture as a benchmark for further improvement. It is important to recognise the level of maturity during the early stages of any improvement process, and then develop and implement a plan to move to the next level by removing current weaknesses. An initial assessment can be carried out through employee workshops where they evaluate where their team is against the model. An in-depth assessment will require expert support.

17. Hudson, P. (2007). Implementing a safety culture in a major multi-national. Safety Science. Retrieved from https://www.sciencedirect.com/science/article/abs/pii/S0925753507000227
18. Cooper, M. D. (2018). The safety culture construct: Theory and practice. In Safety cultures, safety models: Taking stock and moving forward (pp. 54). Springer.
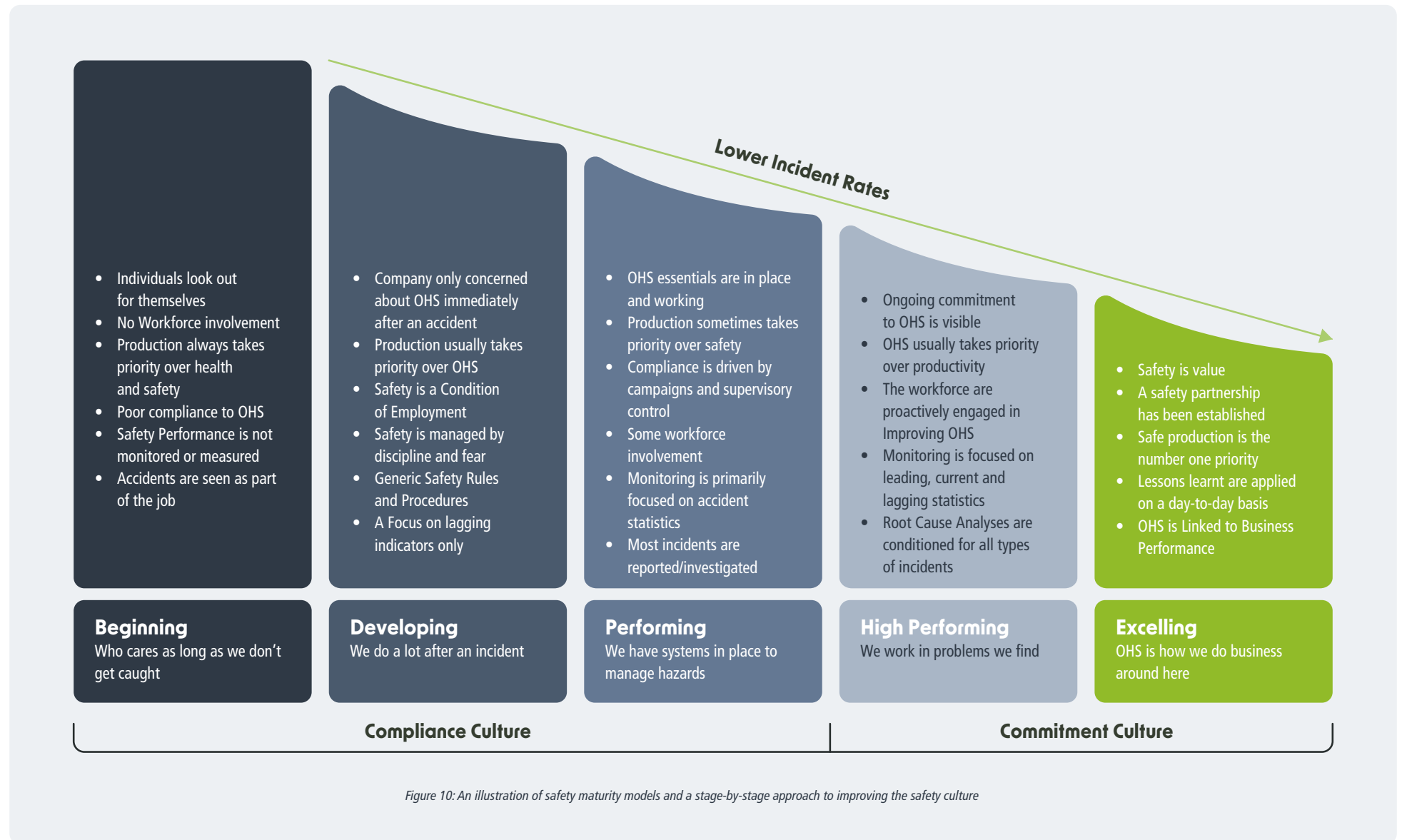
Beginning
Who cares as long as we don't get caught

- Individuals look out for themselves
- No Workforce involvement
- Production always takes priority over health and safety
- Poor compliance to OHS
- Safety Performance is not monitored or measured
- Accidents are seen as part of the job

Developing
We do a lot after an incident

- Company only concerned about OHS immediately after an accident
- Production usually takes priority over OHS
- Safety is a Condition of Employment
- Safety is managed by discipline and fear
- Generic Safety Rules and Procedures
- A Focus on lagging indicators only

Performing
We have systems in place to manage hazards

- OHS essentials are in place and working
- Production sometimes takes priority over safety
- Compliance is driven by campaigns and supervisory control
- Some workforce involvement
- Monitoring is primarily focused on accident statistics
- Most incidents are reported/investigated

High Performing
We work in problems we find

- Ongoing commitment to OHS is visible
- OHS usually takes priority over productivity
- The workforce are proactively engaged in Improving OHS
- Monitoring is focused on leading, current and lagging statistics
- Root Cause Analyses are conditioned for all types of incidents

Excelling
OHS is how we do business around here

- Safety is value
- A safety partnership has been established
- Safe production is the number one priority
- Lessons learnt are applied on a day-to-day basis
- OHS is Linked to Business Performance

Lower Incident Rates

Compliance Culture   **Commitment Culture**

Figure 10: An illustration of safety maturity models and a stage-by-stage approach to improving the safety culture

Figure 11: The OHS culture ladder
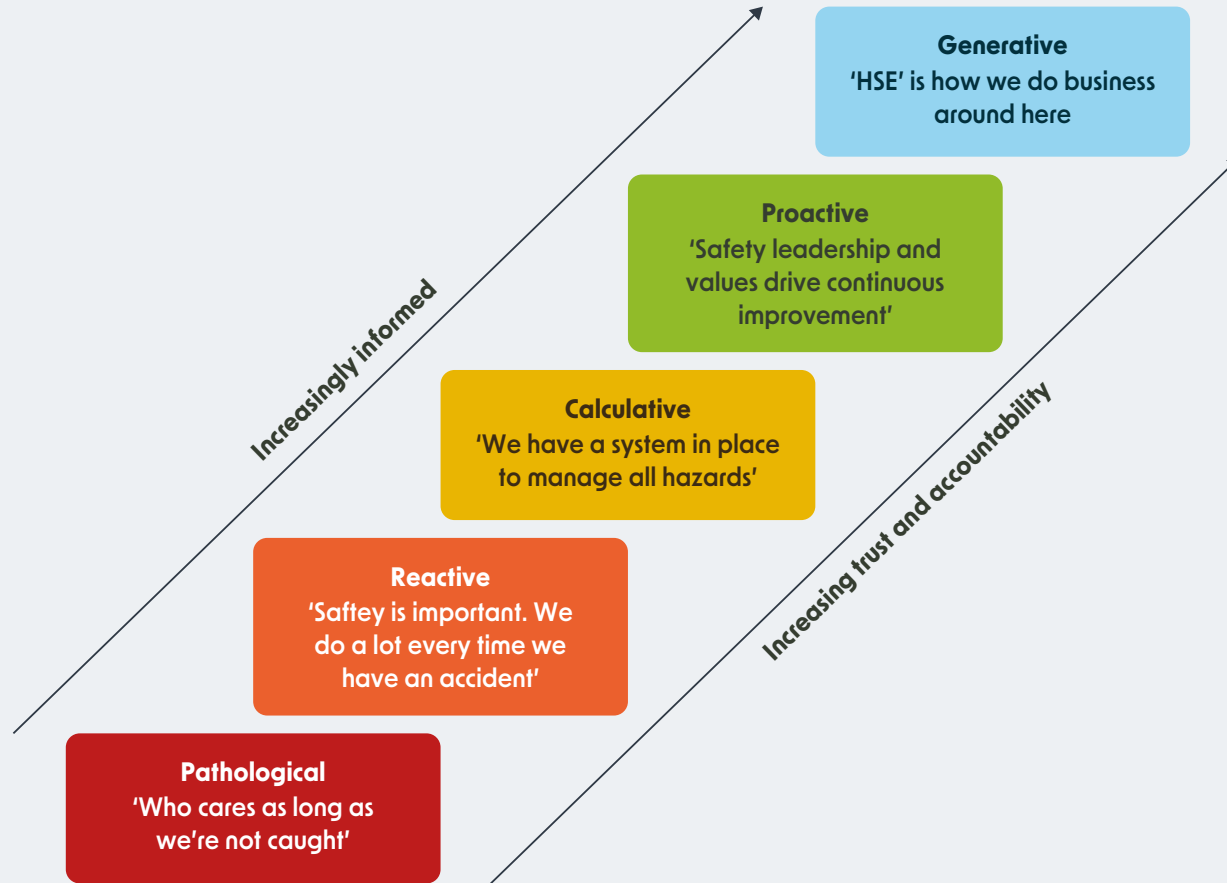
8.1   How strong is the organisation's OHS culture?

There are several factors to consider when examining and testing the strength and effectiveness of an organisation's OHS culture. Some key aspects to consider include:

1) Informed culture: the organisation collects and regularly analyses objective data to inform its performance and decision-making.

2) Just culture: individual mistakes are not punished but rather analysed to review any inconsistencies with existing health and safety protocols. For this to work, people must understand the boundaries between behaviours considered acceptable and unacceptable, and individuals who knowingly disobey safety protocols must be dealt with in a consistent, just and fair manner.

3) Reporting culture: individuals are confident to report safety concerns without fear of blame.

4) Learning culture: incorporating continuous learning and improvement from feedback and workplace incidents.

5) Management commitments: OHS is considered a key part of the corporate agenda, and adequate resources (time, money, people) and support are allocated to it.

6) Effective communication between all levels of employees: active employee participation and training at all levels.

7) Visible management: management leads by example and is regularly seen on the 'shop floor', engaging employees, following all safety measures, and dealing with any breaches immediately.

8.2   How to strengthen the OHS culture

Every organisation's focus should be on developing a strong OHS culture and then be geared towards continuous improvement. The strength and the level of maturity of any company's OHS culture can be improved. The simple steps shown in figure 12 below provide a bearing on where to begin/ continue the journey of continuous improvement. Systematically thinking through each step can help set appropriate policy and strategy. Identify the weaknesses to target improvement. Work to build trust across the team and reward success. Report and be accountable to a committee, seeking their support where it is needed. Develop capacity through targeted training; learn and improve.

Figure 12: Simple steps to develop a positive OHS culture
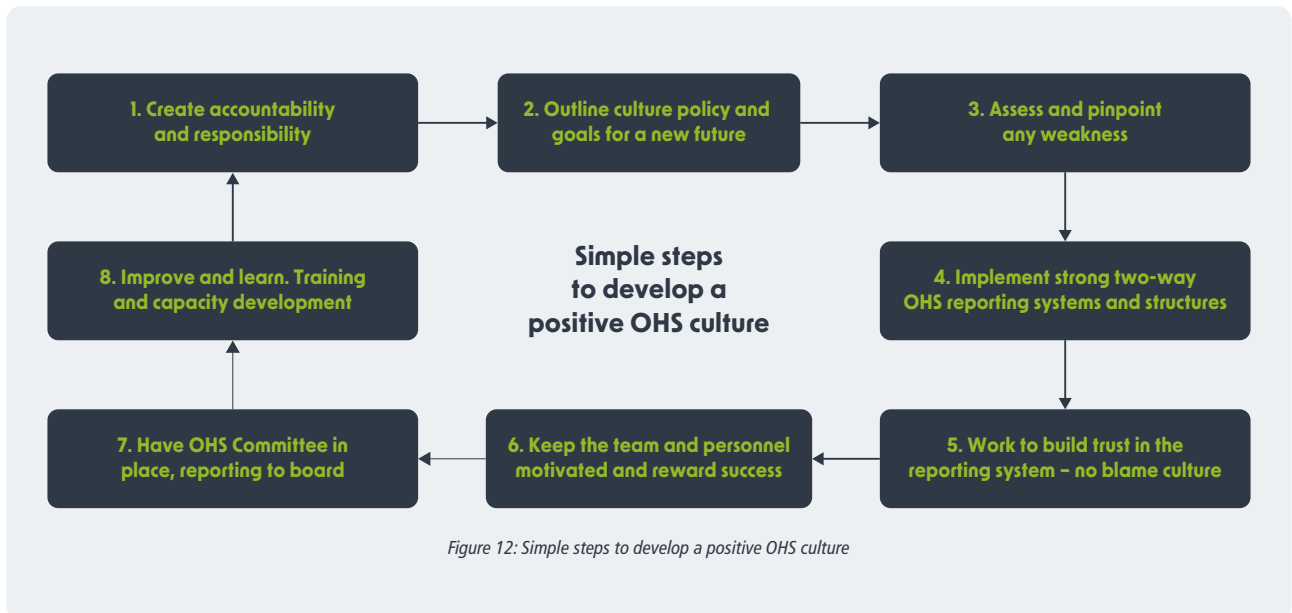
Toolkit
- Annex 10: OHS leadership – core actions checklist
- Annex 11: Good practice – OHS leadership

09 Conclusion

There are many benefits of doing things differently. This good practice note sets out the realities of both, poor and good OHS management, and the difference a good OHS culture can make in an organisation. OHS culture is made up of many factors that can either promote or hinder OHS performance. Developing and implementing the organisation's OHS strategy is critical to success. The key is to understand and benchmark where your organisation is before embarking on the journey, to then understand how your organisation is changing, and to monitor that change. Establish and monitor KPIs for both leading and lagging indicators, and ensure you apply lessons learned from incidents and near misses.

Directors and management should take ownership of key OHS issues, be ambassadors for good OHS performance (both within the business and externally to relevant stakeholders), embody core values, and promote OHS standards. The board should be clear on these values, policies, standards and respective KPIs, and ensure they are reflected in its vision for the organisation. It is essential to consider cultural traits if risk management programmes are to be successful. These OHS-supportive values should be emphasised in the organisation's practices and training programmes.

Changing culture requires effective management over time, with a focus on continuous improvement and the reinforcement of safe behaviours. Leading by example is key. If management is motivated to work on OHS, employees will follow suit. Embed male and female role models. Engaging employees and allocating adequate resources for safety-critical tasks goes a long way in improving OHS.

We hope that this guidance will help you drive the change. Remember, culture change is a journey, not a destination. Pause to monitor progress but always keep moving.
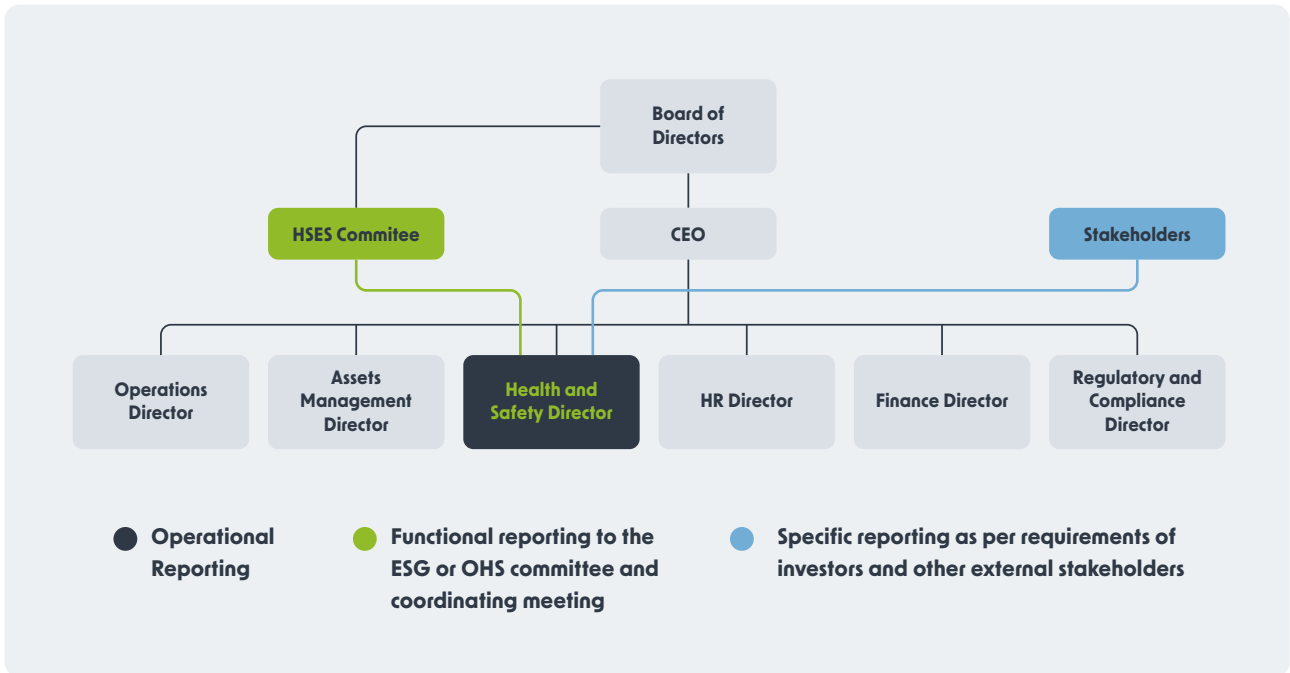
01
Annex

This table presents an overview of OHS roles and responsibilities for different functions.

Function	Role in the Organisation	Role with Respect with OHS
CEO	• Manage a company's overall operations.	• Review and approve the OHS vision of the organisation (i.e., commitments, policy, objectives, management approach, etc.). • Respond to incident investigations and recommended corrective actions. • Approve necessary budgets for tackling OHS issues, including through allocation of resources (e.g., human, equipment). • Approve necessary budgets for provision of adequate and appropriate training for all employees. • Set a personal example on all OHS matters, e.g., by publicly supporting and complying with safety initiatives and regulations.
Board of directors, comprising of management and non-management directors	• Set strategy and oversee the management of the organisation. • Hold the management team to account.	• Set up a dedicated OHS board sub-committee with the purpose of achieving high standards of OHS performance. This sub-committee may not necessarily be a dedicated OHS committee, and may include environment or other topics. • Appoint managers responsible for OHS. • Ensure OHS is considered a key part of the corporate agenda. The board should also regularly review progress made against this agenda, for example, by reviewing safety KPIs and statistics and with remuneration linked to these KPIs. • Provide oversight over the management team and hold it to account in carrying out its functions to implement the OHS systems and achieve the set objectives. • Approve policies, objectives, and targets.
Dedicated Health and Safety sub-committee (management level)	• Oversee key OHS matters in the organisation.	• Monitor performance and key risks that the organisation may face in relation to occupational health, safety management and governance, with an ongoing focus on operational safety and reducing incident rates. • Review, as required, the development and effectiveness of policies, standards and procedures. • Oversee the processes and systems put in place to meet stated objectives of protecting employees and the communities in which the organisation operates. • Monitor the effectiveness of operations in delivering continuous OHS improvements. • Regularly bring OHS-related matters to the attention of the board of directors, including new techniques for improving OHS. • Ensure good communication systems exist for communicating OHS matters to employees. • Ensure representation from senior management and teams responsible for OHS in the organisation. • Ensure representatives from employees and unions. • Provide a governance structure for reporting on safety management programmes. • Appoint suitable technical consultants or advisers to support in improving safety performance. • Lead by example on OHS.

Function	Role in the organisation	Role with respect with OHS
OHS lead / OHS manager	• Member of senior management.	• Ensure a safe and healthy workplace environment for all personnel. • Implement necessary OHS requirements. • Ensure those responsible are accurately and correctly collecting and reporting data on OHS metrics.
Managers and supervisors	• Responsible for a part of the organisation. • Manage a team or group of staff.	• Understand the risks faced by employees and demonstrate visible leadership and commitment to OHS in implementing safety policies. • Provide regular OHS updates, reports and information to the management. • Identify suitably qualified personnel to implement OHS systems. • Ensure OHS issues receive adequate resources, and that personnel are adequately equipped for tackling OHS issues. • Ensure personnel know their responsibilities. • Ensure risk assessments in their department are carried out correctly and are gender specific. • Oversee procedures for collecting and reporting incident and near-miss data, as well as other defined OHS indicators. • Organise and provide training to employees. • Ensure OHS procedures are followed by employees. • Set a personal example on all OHS matters.
Human Resources	• HR practitioners and officers.	• Ensure employees are fit to work on the task appointed for upon, starting with annual health surveillance. • Manage injury and illness recuperation and facilitate compensation, where applicable. • Manage grievances and disciplinary systems.
Finance, Budget and Compliance	• Controllers • Accountants • Finance	• Ensure OHS criteria are considered during procurement. • Ensure budgets are available and ring-fenced for OHS. • Include OHS requirements in contractor and supplier approval processes.
Employees	• Frontline operations of an organisation.	• Understand and appreciate the risks which they face. • Understand and comply with all OHS guidelines, standards and policies. • Consult with supervisor if aware of any unsafe practice or conditions, or if unsure about the safety of any situation, practice or condition. • Report all incidents, near misses, and dangerous conditions. • At all times, endeavour to keep themselves and other employees safe.
Contractors, subcontractors, suppliers, broader supply chain	• External parties who work closely with or on behalf of an organisation.	• External companies should ensure that their employees have sufficient training, competence, and equipment to safely carry out the tasks assigned to them. • Follow and bridge the organisation's OHS policies and comply with instructions issued. • There could be a legal obligation in different countries for an organisation to ensure that they've communicated OHS procedures and expectations to their contractors, and if necessary, provided training.
Incident investigation team	• Incident investigation	• Larger organisations or those involved in high-risk activities may consider setting up a dedicated investigation team (someone with incident investigation training, independent of management team) with the responsibility of thoroughly investigating all serious OHS incidents.

02
Annex

The diagram below presents a typical organogram that can be used by companies to show ESG/OHS/HSES governance.

Legend:
- ● **Operational Reporting**
- ● **Functional reporting to the ESG or OHS committee and coordinating meeting**
- ● **Specific reporting as per requirements of investors and other external stakeholders**

03 Annex

This section presents a template of OHS committee Terms of Reference (ToR).
It is intended as a guide for the development of a OHS/HSES/ESG committee.

Introduction

- An organisation can have a separate OHS committee or the topic can be considered a key part of the scope of the ESG or a wider sustainability and Impact committee.
- This template ToR has been drafted for an OHS committee of a board. The company may amend the name and remit of the committee, for example, to ESG/HSES committee or other, as appropriate.
- This ToR can be integrated into the ESG/HSES committees' ToRs if the organisation does not have a standalone OHS committee.

- As appropriate, an organisation may wish to establish a specific health and safety sub-committee with a focus on incident investigation that reports into the ESG/HSES committee.
- These ToRs can be adapted for use by a management committee. Key amendments will be required to address, inter-alia: membership, delegated authority, reporting and review and assessment.

Terms of reference for occupational health and safety committee of the board[20]

The OHS committee (the "committee") is a committee of the board of directors (the "board") of [COMPANY] (the "Company".) [The committee shall have oversight of all the companies in the [NAME] group (together the "Group").

1. Name
Occupational health and safety ('OHS') committee.

2. Purpose
The purpose of the committee is to ensure that the Group adopts and implements OHS [practices in accordance with [INSERT RELEVANT INTERNATIONAL AND SHAREHOLDER REQUIREMENTS], all local legal and regulatory requirements and any Environmental, Social and Governance Action Plan agreed by the Company.

3. Membership
a. The committee will be appointed by the board of directors of the Company.
b. The committee will consist of [insert number, minimum 03] members, such members being:

- [COMPANY] board representative(s).
- [SHAREHOLDER] board representative(s).
c. The chair of the committee shall be appointed by the board.

4. Quorum
A meeting will be quorate when all [insert number, minimum 3] members are present.

All members of the committee may participate in a meeting of the committee by means of a conference telephone or any communication equipment. A member of the committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

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20. This content was previously used in "Electrical Power Transmission and Distribution: Health, Safety and Security Good Practice Note" published in 2021 by BII, PIDG and Gridworks.

5. Secretary

The secretary of the committee shall be the board's Company Secretary ("secretary".).

6. Voting

Decisions shall be made by a majority of those voting.

7. Resolutions in writing

A resolution in writing signed by all the members entitled to receive notice of a meeting shall be as valid and effectual as if it had been passed at a meeting of the committee duly convened.

8. Frequency and notice of meetings

a. Meetings shall be held as required, but not less than four each year to coincide with board meetings.
b. Notice of meetings shall be given by the secretary at the request of the committee chair or any of its members to all members, [the Group Managing Director, the Group Head of OHS, the Group Head of HR, the Chief Financial Officer and the Managing Director] (as appropriate) no later than [10] working days before the date of the meeting.

9. Attendance at meetings of the committee

a. Only members and the secretary shall be entitled to attend meetings of the committee. The committee may request any member of management or staff to attend meetings of the committee in order to carry out its responsibilities.
b. The committee may co-opt individuals who are not directors but who possess the experience and qualifications relevant to the functions of the committee, such as representatives of [SHAREHOLDER] OHS/ESG/HSES teams. These individuals shall not be entitled to vote on matters before the committee.
c. The committee may also engage and compensate, at the Group's expense, external technical experts to secure attendance at committee meetings to provide advice and guidance from time to time, if it considers this necessary.

10. Authority

The committee is authorised by the board to:

a. Seek any information (data, reports and other relevant information on OHS matters) it requires from any employee of the Company in order to perform its duties;
b. Have full access to the books of account and other papers and records of the Company, and to visit any Company premises and to talk to any member of the management team or member of staff, as it considers necessary to perform its duties;
c. Investigate or oversee any Company investigation relating to breaches of OHS laws, regulations and standards and/or the Company's OHS policies, management systems and plans;

d. Secure the attendance of external advisors at its meetings, if it considers this necessary, at the Company's expense; and
e. Commission any reports or surveys, at the Company's expense, which it deems necessary in relation to its duties. The board shall ensure that the committee has adequate resources and authority to discharge its responsibilities.

11. Duties

The committee should carry out the duties set out below for the Company [and any major subsidiary undertakings], as appropriate:

a. Provide strategic advice and guidance to the board in relation to systemic and strategic OHS issues which affect the Company's business model and strategy.
b. Monitor the implementation of the OHS elements in the Environmental and Social Action Plan (ESAP) and any other corrective action plans that may be developed in due course. These may be to ensure the adequate implementation and continuous improvement of robust systems for monitoring OHS and BI matters and performance of the Company in accordance with applicable legislation and Good International Industry Practice (GIIP).
c. Assist the management team with general and, if requested, specific guidance on the interpretation of OHS, particularly with respect to health and safety, environmental and community issues.
d. Advise the management team on the appointment, removal and/or replacement of senior personnel responsible for the implementation, operation and maintenance of the OHS management systems and plans, and compliance programme of the Company.
e. Review the Company's compliance programme in accordance with legal, regulatory and contractual provisions, as applicable.
f. Work and liaise as necessary with [insert other relevant committees] committee, ensuring the interaction between committees and the board is reviewed regularly.

12. Confidentiality of Committee information

All information received by the committee is confidential and is the property of the Group and cannot be disclosed to parties outside of the organisation without prior approval of the board.

13. Reporting

a. The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance and the details of any conflicts of interests declared.
b. The secretary shall circulate copies of the minutes of meetings of the committee to all directors, following the preliminary

approval of such minutes by the chair no later than 7 business days after the committee meeting; formal approval of such minutes shall be sought at the next meeting of the committee.

c. The chair may report on decisions of, or matters coming before, the committee to any other person or body the committee considers appropriate.

d. The chair shall be required to attend the Company's Annual General Meeting (AGM) to respond to shareholders' questions about the Company's OHS practices.

e. The Company will provide a report on its OHS and BI performance to OHS members and observers no later than 7 days prior to the scheduled meeting. The format will be agreed and approved by the OHS chair.

These Terms of Reference were adopted by the board of directors of the Company:

Date: ....

Signed: ....
Chair of the Company

04 Annex

This table presents management team key responsibilities for the development of a strong OHS culture.

Subject	Management team: key responsibilities
Policy	• Input on strategic direction, development of policies and their implementation.
Compliance audit and inspection	• Establish technical audit process. • Establish site audit and inspection process. • Ensure and monitor implementation.
Statutory and business reporting	• Develop process and procedure to ensure statutory, regulatory, and business reporting is carried out in accordance with national health and safety, environmental, and company regulations. • Ensure implementation of policy and procedures.
Incident response	• Policy development, implementation, and management of process. • Initial response and implementation of recommendations.
Incident classification and case management	• Develop policy and procedures to ensure accurate classification of incidents, including establishing the case management file. • Ensure case management file actions are prioritised and monitored.
Liaison with regulatory bodies	• Establish OHS lead contact. • Senior management involvement to be provided as and when required.
Technical training	• Set training standards and establish a mechanism for development and delivery of training.
Performance improvement planning and delivery	• Establish an Annual Operating Plan (AOP) and deliver, monitor, and refresh the plan as required.
Performance award scheme	• Establish performance targets focused on supporting delivery of the Annual Operating Plan (AOP). • Establish scheme policy and operational management of the scheme.
Procurement	• Design and implement procurement policies and procedures to comply with relevant obligations.

05 Annex

This section presents a summary of the key governance elements for which the board is responsible.

Key elements:
- Leading the business and establishing its overall strategic direction.
- Setting values and standards for the business and clear objectives for management – and delineating the limits of their responsibility.
- Holding management to account for their performance in running the business.
- Upholding obligations to shareholders and other stakeholders.

Key principles for best practice governance:
- Set clear values and standards: be clear about the terms of the organisation's health and safety values, responsibilities and set standards.
- Think strategically about corporate responsibility: understand the problems and design a business model that avoids them.
- Be constructive about regulation: support both, self-regulation and government intervention to enable performance improvements.
- Align performance management: reward responsible success over the long term, and not just meeting narrow financial targets over the short term.
- Create a culture of integrity: set the tone at the top and entrench the right values in the corporate culture.
- Oversee internal controls to secure responsibility: safeguard the company's standards with robust internal audit and control systems.

Best practice drivers depend on the following:
Moral responsibility:
- The Chief Executive Officer and management have a moral responsibility to keep their workforce safe and healthy.
- A general duty of care for employees and others affected by business activities.
- A desire to comply with the law.

Legal responsibility:
- Duty to comply with the law.
- Potential prosecution and the imposition of punitive penalties.
- A good compliance record can be critical for the licence to operate.
- The consequences of a major incident.

Financial responsibility:
- Companies have an obligation to identify, control and mitigate business risks that can incur direct and indirect costs to the business.
- They must also ensure sufficient financial resources are allocated to effectively control the risks.

Typical costs are:
- Poor corporate image/loss of reputation.
- Insurance claims/higher insurance costs.
- Damage to equipment.
- Accident and incident investigation time.
- Lost productivity.
- Legal costs.
- Downtime and rework time following an accident.
- Employee compensation and medical treatment costs.
- Cumulative business loss.

Annex

This section summarises the phases and steps of a contracting process to enhance contractor Management.
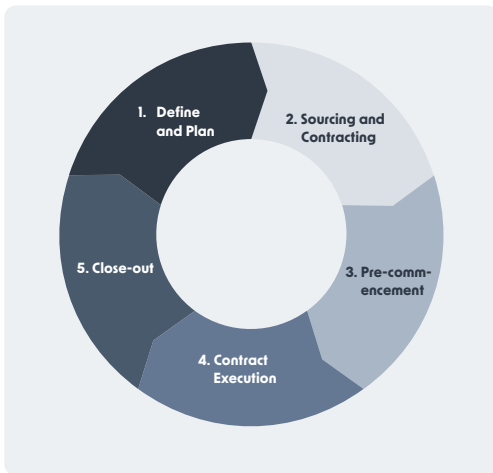
1. Define and plan
- Sourcing and contracting strategy
- OHS and technical requirements
- KPIs
- Minimum standards
- Equipment and personnel
- Reporting and incident management

2. Sourcing and contracting
- Supplier selection and qualification
- Bid process, clarifications
- Evaluation mechanism
- Award mechanism
- Approval process and documents
- Contracted KPIs
- Standard T&Cs implemented

3. Pre-commencement
- Operational readiness and management of change plan
- Kick-off meeting
- Emergency response planning
- Onboarding process
- Bridging process

4. Contract execution
- Site integration
- Daily job reporting requirements
- Incident monitoring and reporting
- Relationship management
- Performance review meetings

5. Close-out
- Close-out meeting
- Offboarding
- Supplier ranking
- Lessons learned feedback to stakeholders

07 Annex

This table sets out the essential components required for safe management of contracts.[21]

Ref	Management team: key responsibilities	Assessment findings (score)	Recommended corrective actions
1.	OHS contractual obligations		
2.	Incident investigation procedures		
3.	Incident investigation reports		
4.	Evidence of investigation reports and implementation of recommendations		
5.	Incident/near-miss reporting system		
6.	Training content (formal and on-the-job)		
7.	Record of trainings		
8.	Competence assessment criteria		
9.	Competence assessment records (including certificates)		
10.	Safety rules relating to working at height, conductor tensioning, etc.		
11.	Risk assessments (general/considerate of gender and diversity/task-specific site-specific)		
12.	Method statements		
13.	PPE specification		
14.	Tools and equipment specifications		
15.	Project management organisational structure		
16.	Site supervision arrangements		
17.	Contractor/client policy and arrangements for the management of health and safety		
18.	OHS audit procedure (system and site)		
19.	OHS audit reports (system and site)		

21. BII (2021) Electrical Power Transmission and Distribution: Health, Safety and Security Good Practice Note (2021).

08 Annex

This section presents the leading and lagging indicators that can be used for OHS performance assessment.

Leading indicators – company-specific and not used for benchmarking

Indicator	Comments
Training-related	They indicate that employees' skills are being developed but they do not provide any indication on whether the training is causing any improvement in safe behaviours.
Inspection and audit-related	They indicate that actions are enabling identification of nonconformities, but they do not provide any information on the quality of these reviews.
Number of outstanding actions from audits or inspections	They indicate that corrective actions are being implemented. This approach may lead to quicker and less effective actions being implemented to meet the action deadlines, or people changing the deadlines to reduce the number of outstanding actions.
Number of unsafe observations	They indicate that employees are actively looking for unsafe behaviours and conditions, but they can lead to the reporting of trivial issues to meet the target. Some companies also capture positive observations to address this downside.
Number of safety conversations between managers and employees	This indicator encourages managers to spend time in the field interacting with frontline employees which can help build trust. Too much focus on the number, as opposed to the quality of the interactions, can be detrimental.

Lagging indicators – used across industries and for benchmarking

Indicator	Comments
Number of fatalities	Most companies record their staff fatalities. Some companies also record contractor fatalities, but they are usually accounted for separately.
Number of incidents	Most companies report their number of incidents, but what constitutes a reportable/recordable incident varies across companies, which can make comparisons difficult. Too much emphasis on reducing the number of incidents can lead to underreporting which means some safety issues may not be adequately addressed.
Number of lost workdays	This indicator is intended to capture the severity of incidents but can be easily distorted by a few employees on long-term sicknesses. A General Medical Practitioner usually decides on the duration of the sick leave. Depending on the country and the local social-security protection, the decision of the GMP can vary significantly. The incident rate has the same limitations as the number of incidents, but it is normalised and considers the number of working hours which makes benchmarking more meaningful.
Incident rates	This is a calculation that allows a company to measure the frequency and severity of workplace incidents and gauge its safety record against those of its peers.

For authoritative information on OHS performance indicators and benchmarks, consider consulting reputable sources such as:

- Occupational Safety and Health Administration (OSHA) https://www.osha.gov/
- Health and Safety Executive (HSE) https://www.hse.gov.uk/
- International Labour Organization (ILO) https://www.ilo.org/global/lang--en/index.htm
- National Safety Council (NSC) https://www.nsc.org/
- World Health Organization (WHO) https://www.who.int/
- Industry-specific associations (most likely to provide the benchmarks depending on an industry)

Annex

This section presents the 'five whys' technique that can be used to identify the root causes of an incident, thereby driving continuous improvement.

Steps:
- Have a team facilitator experienced in the 'five whys' technique.
- Develop the problem statement. Be clear and specific.
- The team facilitator asks why the problem happened and records the team's response. To determine whether the response is the root cause of the problem, the facilitator asks the team to consider "if the most recent response was corrected, is it likely the problem would recur?". If the answer is yes, it is likely this is a contributing factor, not a root cause.
- If the answer provided contributes to the problem, the team keeps asking "why?" until the it agrees the root cause has been identified.
- It often takes three to five whys, but it can take more than five. The team facilitator should keep going until the team agrees the root cause has been identified.

Example:

Problem:	There is a puddle of water on the floor
1. Why?	The overhead pipe is leaking.
2. Why?	There is too much water pressure in the pipe.
3. Why?	There is a faulty control valve.
4. Why?	Control valves have not been tested.
5. Why?	Control valves are not on the maintenance schedule.

Tips:

Include people with personal knowledge of the processes and systems involved in the problem being discussed.

Problem statement	One sentence description of event or problem
Why?	
Why?	
Why?	
Why?	
Why?	
Root Cause(s)	1. 2. 3. To validate root causes, ask: If you removed this root cause, would this event or problem have been prevented?

Annex

This annex presents the OHS leadership action list that can be used to develop and implement the organisation's OHS strategy.

Step	Core actions	Current approach	Action required?
Execute	Take responsibility and ownership of health and safety by ensuring OHS arrangements are adequately resourced. • Competent health and safety advice is obtained. • Risk assessments are carried out that are specific to the site and task, consider gender and diversity and employees and their representatives are involved in decisions that affect their health and safety.		
	• Ensure the OHS implications of introducing new processes, new working practices or new personnel are clearly understood by those responsible for health and safety management. • Provide sufficient resources for the task and seek advice where necessary.		
	Ensure OHS risks are always assessed before taking any decisions.		
Measure	Ensure appropriate weight is given to reporting both preventive information and incident data (including incident and sickness rates) by developing and documenting leading and lagging indicators that include proactive and reactive measures.		
	Ensure periodic audits (not less than six months apart) monitor the effectiveness of management structures, and that risk controls for OHS are carried out.		
	Ensure the impact of changes on OHS health performance – or any major OHS failure – is reported promptly to the board and shareholders.		
Review	Ensure the board reviews OHS performance at least quarterly.		
	Check the review process to examine whether risk management and other OHS systems have been effectively reported to the board or not, and that the board has acted on them appropriately in accordance with their responsibilities.		
Plan	• Have the significant risks faced by the company been identified, prioritised and included in a weighted risk matrix? • Have the persons responsible for mitigating these risks been identified in the matrix and do they understand what they must do?		
	Check the OHS policy sets out the board's role (and that of individual directors) in leading the health and safety of the company. The board should: • Own and understand the key issues involved. • Decide how best to communicate, promote and champion health and safety.		
	• Ensure the health and safety policy evolves over time (e.g., following major organisational changes). • Check that funding for the project allows for a plan to address the risks over an acceptable time period.		

Annex

This table presents guidance on OHS leadership in an organisation.

Step	Recommended actions	Current approach	Action required
Plan	The agenda for board meetings should have a standing item for OHS on the agenda.		
	To send a strong signal to the organisation that OHS is taken seriously, and that its strategic importance is essential to the success of the company, the board should identify one director as the health and safety 'champion' with responsibility for oversight of implementing OHS policy and arrangements.		
	The board should set targets for delivering health and safety improvements across the business.		
	A non-management director can act as a scrutineer – ensuring the processes to support boards facing significant health and safety risks are robust.		
Execute	Safety leadership is more effective if visible. Directors must lead by example and should be seen on the 'shop floor', following all safety measures and dealing with any breaches immediately.		
	When selecting new senior managers, give due consideration to their ability and attitude to positively influence the company's OHS culture and performance.		
	Procurement standards should include the absolute requirement to evaluate potential health and safety risks to avoid the introduction of OHS hazards.		
	Ensure the OHS arrangements of partners, key suppliers and contractors are properly assessed, as their performance can have an adverse effect.		
	Set up separate risk management or OHS board committee chaired by a director (preferably a non-management director).		
	Provide OHS training to all directors.		
	Consider additional employee involvement in health and safety (over and above the legal duty to consult employee representatives) to improve participation and help prove company commitment.		
Measure	Establish effective monitoring of sickness, absence and workplace health, as this can alert the board to underlying problems that could seriously damage company performance or result in incidents and long-term illness.		
	Ensure workplace health and safety data is benchmarked against other organisations in the same sector.		
	Appraisals of senior managers should include an assessment of their contribution to OHS performance.		
	Consider whether the board should receive regular reports on the health and safety performance and action of contractors.		
	Consider involving employees in monitoring to win greater support for OHS.		
Review	Ensure OHS performance is increasingly recorded in annual reports.		
	Consider additional visits by directors to the 'shop floor' to gather information for a formal review.		
	Consider celebrating good OHS performance at both central and local levels.		