Why should I trust you?

A fresh look at HSE culture
Plus One

-1 Harm

0 Zero harm

+1 Plus One – moving beyond zero
A non-traditional working world

Ten years ago, we didn’t have iPhones or use an iPad. A decade before that, Google didn’t exist. Neither did YouTube. We certainly didn’t use Skype for Business. As the pace of change is quickening, not slowing down, it’s reasonable to expect the working world will drastically change over the next decade, too.

The digital era, technology, automation, and robotics will transform industry and how workers fit into it. In its Australia 2030 report, published in May 2016, the CSIRO foreshadows global economic growth driven by productivity increases in developed countries resulting from automation, remote operations, augmented reality, data analytics, and other emerging technologies. EY’s own analysis on the global megatrends (Megatrends 2015, Making sense of a world in motion) confirms there will likely be a dramatic shift towards a digital services and knowledge-driven economy.

We will face an ageing population of workers at the same time that we upskill our next generation for roles that don’t even exist today. It will be more diverse, flexible, and collaborative, but a far less secure working world. The CSIRO also considers this in their report, anticipating that the ‘ageing population will be an asset, providing a wealth of skills, knowledge, wisdom and mentorship. However this will also present challenges, such as a widening retirement savings gap and rapidly escalating healthcare expenditure. This will change people’s lifestyles, the services they demand and the structure of the labour force. People will likely retire later in life, gradually wind back and change duties in a tapered model of retirement and spend increasingly large sums of money through the healthcare system to combat age related illnesses’.

Even a non-traditional work environment builds on the traditional values and concepts. Trust is one of those values that is of increasing importance.

HSE and the future of work

The future of work will require us to think about Health, Safety & Environment (HSE) in different ways. It demands us to rethink our existing models and their application. Our focus on eliminating fatalities and reducing harm will remain – but it must be enhanced by a desire to build resilience, capability and efficiency. What does this mean for HSE professionals? What does this mean for regulators?

EY’s report “The future of health and safety: Moving beyond zero” provides a clear argument for shifting our approach to HSE in response to the changing working world; from focusing on zero harm to striving for positive contribution; from setting safety as a priority to seeing safety as an outcome of business activities and decisions.

The report introduced the concept of ‘Plus One’ as a different way of thinking about HSE risk. People are seen as part of the solution. Workers are given the autonomy and the authority to problem solve, learning from mistakes made in a safe-fail environment. Health and safety conversations are powerful and use positive language to inspire ideas.

EY has designed a new and different heuristic to help organisations further explore the fundamental elements of Plus One, to understand the practical levers available, and to make decisions to move beyond zero. In this report, we explore the history of safety culture and introduce our heuristic for Plus One.

“We need to innovate ahead of the technology curve if we are going to genuinely move the needle on HSE performance”.

Andi Csontos, EY Australia, Health Safety and Environment (HSE) Partner
The status quo

Before delving into the new and different, it is important to establish a common base. There are numerous definitions of safety culture - we will not attempt to provide a definition in this report - and there are a variety of safety culture models available. Three well-known models which are highly-regarded by the HSE profession are:

1. The Bradley Curve
2. The HSE UK Safety Culture Maturity Model
3. The Hudson Safety Maturity Model

These traditional models of safety culture have played an important role in helping organisations to understand the interaction between systems, people and equipment. We have seen marked and measurable improvements in safety performance as a result of companies applying initiatives to improve safety culture based on these or similar models.

However, these models were developed with physical safety in mind at a point in time when we were just getting acquainted with the internet, when physical health was rarely prioritised and no-one spoke about mental health. The Bradley Curve is over 20 years’ old, the Hudson Safety Maturity Model was introduced over a decade ago.

Today's thinking may not help us with tomorrow's challenges

While they will continue to provide organisations with structure, our accepted models for safety culture may no longer align to leading practice or latest research on safety, business culture or people engagement.

They do not address future needs around mental health, automation and technology. Nor have they been updated to consider the growing impact of globalisation, diversity, flexible work and the changing demographics of workers. Perhaps most importantly, they reinforce stand-alone, top-down safety solutions as opposed to integrated business solutions that are led by the workforce. This may not be by design, but rather the result of poor interpretation of the models into practical change programs.

Bottom up or top down?

Research by Professor Neil Gunningham and Darren Sinclair into safety culture in the Australian mining sector found that, contrary to the dominant perception and research by Professor Andrew Hopkins and others, safety culture emanated from the shop floor and not the corporate level. Quoted in their book, “Managing Mining Hazards - Regulation, Safety & Trust”, Gunningham and Sinclair found that:

‘Safety culture in the mining industry is very much a bottom-up creation of mine site management and the local workforce. The evidence in support of this conclusion was compelling.’

They suggested that there were industry-specific differences to how safety cultures evolve. This is a significant challenge to the homogeneity on which many organisational cultural strategies are based. Leadership and executive conduct remains significant, but it is not as dominant as many make out. People need to consider the cultural clues and characteristics of their own organisation or industry sector prior to seeking improvement.

Gunningham and Sinclair wrote that:

‘Site-specific factors matter, and without engaging directly with the circumstances and subcultures that exist at individual sites, and that involve site level management and the workforce, progress in reducing work-related injury and disease is likely to be seriously constrained.’

The Bradley Curve

The Bradley Curve, developed by Vernon Bradley in 1995, was designed to benchmark organisational performance. It uses a simplistic relationship between safety culture and injuries/incidents to map the journey to zero harm. While it gives a sense of order and control, it also sets in place an obsessive focus on incident rates that leads to hidden data, under-reporting and misclassification. It does not appear to have been modified or updated since its first use over 20 years ago.

The HSE UK Safety Culture Maturity Model

The HSE UK first published its ten elements of safety culture maturity model, developed with the Keil Centre, in 2000. In this report, it states that ‘cultural or behavioural approaches to safety improvement are at their most effective when the technical and systems aspects of safety are performing adequately and the majority of accidents appear to be due to behavioural or cultural factors.’ While the model is still referenced by many organisations, the assumptions and criteria on which the model was designed have seemingly been forgotten. The model requires an adequate safety management system and legal compliance; however, the definition of what constitutes a suitable safety management system has significantly evolved since 2001.

The Hudson Safety Maturity Model

Widely known as the Hudson Safety Maturity Model, the “Original Framework of Safety Culture Maturity” was published in Safety Science in 2005 by Matthew Lawrie, Dianne Parker and Patrick Hudson. The framework builds on earlier research conducted by the trio in 2000/2001 and has been vigorously tested and trialled with the Oil & Gas industry, resulting in the Shell Hearts and Minds program.

The framework sets out five stages of maturity based on commitment and care for colleagues. By climbing the evolutionary ladder of safety maturity, organisations experience increased trust and their leaders, managers and workers become increasingly informed.

Of the three models, the Hudson Safety Maturity Model appears to be the more robust and relevant to HSE today. It has sufficient depth and flexibility that it can be stretched and adapted to emerging work practices and the associated HSE risks. However, this requires a thorough understanding of the principles of the model and its constraints.

Andi Csontos, EY Australia, Health Safety and Environment (HSE) Partner, has worked alongside Professor Patrick Hudson for nearly a decade. She says “In my experience, organisations focus on the five stages of maturity and on the characteristics of each stage. They place very little emphasis on two key elements of Hudson’s model; increasing trust and informed-ness.”
A different heuristic – trust and knowledge

In a 2015 Safe Work Australia publication, Dr Sharron O’Neill, Ms Karen Wolfe and Dr Sasha Holley wrote that leading safe, and healthy work requires five elements:

1. **Trust** – welcoming bad news, actively and consistently prioritising safety and wellbeing to demonstrate it is a primary organisational goal

2. **Communication** – promoting cooperation, inspiring compliance, fostering group goals and providing individualised support to foster quality interactions between managers and workers

3. **Achieving the achievable** – recognising the factors that can be changed at each level and implementing as many safety defences as possible within their own sphere of influence

4. **Expertise and skills** – having a sound understanding of the industry and business to be able to ‘ask the important questions’

5. **Visible leadership** – being ‘on the ground’, ‘getting out and looking around’; not to police the workforce, but to get to know the business, the sites, the people and to lead by example

EY has considered the above research, the existing safety culture models, as well as business literature on strategy, performance and culture. We believe there are two fundamental drivers of organisational (and HSE) outcomes; trust and knowledge. Our research suggests that strategies and initiatives that focus on trust and knowledge as the key drivers of HSE outcomes will be the most effective and self-sustaining.

I trust you, you know

Using these two drivers, EY has designed a new and different heuristic to support the concept of Plus One and help organisations to move beyond zero.

The heuristic is simple:

- Build shared trust
- Enable knowledge flow
- Seek alignment
…getting out and looking around; not to police the workforce, but to get to know the business, the sites, the people and to lead by example.
Build shared trust

“Contrary to popular belief, cultivating a high-trust culture is not a “soft” skill – it’s a hard necessity. Put another way, it’s the foundational element of high-performing organisations.”

Stephen M. R. Covey

According to a recently published Harvard Business Review article into employee trust and financial performance “trust, between managers and employees, is the primary defining characteristic of the very best workplaces.” This is reinforced by the Great Place to Work Institute which has partnered with Fortune to produce the “100 Best Companies to Work For”, in which trust comprises two-thirds of the criteria. A study by Interaction Associates in 2015 shows that high trust companies are 2½ times more likely to be high performing revenue organisations than low trust ones.

Stephen M. R. Covey, author of ‘The Speed of Trust’ and a sought-after and compelling adviser on trust, leadership and high performance, has observed that most organisational performance issues are actually trust issues in disguise. In poor-performing work cultures low trust often masquerades as bureaucracy, dysfunction, inefficiency, turnover or disengagement. Leaders mistakenly dismiss trust-building as a secondary focus, concentrating on the wrong cause – when trust should actually be the primary focus.

Although work is still conducted largely by people, or at least with their involvement, the system of work is remarkably dehumanised. The human aspect has been overridden by production pressures, processes and “controls” that imply management does not trust the workers; that workers do not share the same values and motivations as business owners. As a result, we often see people treated as units of labour without recognition of personality, creativity, innovation and any variety or diversity. The lack of humanity may manifest as workplace bullying, disrespect, incivility, discrimination, a lack of diversity, excessive workloads and unrealistic performance expectations.

The lack of trust, or the creation of distrust, also seems to be a common element in industrial relations disputation where a co-operative relationship of common goals has been fractured to the extent that mechanistic and combative conversations are relied upon for issue resolution. This is an extremely costly and unproductive way to operate a business.

“…unless the mistrust of the workforce can be overcome then even the most well-intentioned and sophisticated management initiatives will be treated with cynicism and undermined.”

Professor Neil Gunningham and Darren Sinclair

Sources:
If we subscribe to Stephen M. R. Covey’s views, we can deduce that poor safety performance is actually a symptom of low levels of trust. Instead of being an outcome of safety maturity, increasing trust is a fundamental driver of safety maturity and business outcomes.

Assistant Professor at the University of Colorado, Dr Matthew Hallowell, spoke last year in Melbourne at the Safety Institute of Australia’s (SIA) National Safety Convention. He said “trust can be developed more easily in the context of safety (rather than productivity, for example) because safety involves altruism. Trust is most dependent on the extent to which the various organisations on a project are willing, able, and encouraged to work together to solve a problem regardless of the contract structure.”

Laing O’Rourke’s Head of HSE – Southern Region, Kurt Warren, believes that leadership does not automatically equate to influence. He suggests that leadership in organisations can moonlight as “control”. According to Warren, we need to disrupt traditional leadership structures, trust and engage directly with people influencers embedded within the business, regardless of title, tenure or seniority.

How do I build trust?

Building trust can be quite threatening, confronting and uncomfortable in that one must be honest and establish a commonality with one’s workers, stakeholders or colleagues in order to build a productive and sustainable relationship. According to James Kouzes and Barry Posner, taking the lead on trust means going first in:

- Disclosing your values and beliefs
- Being open about your failures and your weaknesses
- Sharing your concern for the wellbeing of others
- Listening carefully to others
- Accepting someone else’s advice rather than taking your own
- Sharing knowledge and information with others
- Building capabilities to deliver on promises
- Talking about performance standards, customer expectations, and about why what you do matters

It is worth noting that these actions reflect some of the activities recommended to satisfy the positive safety and leadership duties of Australia and New Zealand’s WHS laws.

Enable knowledge flow

“As economies have shifted from natural resources to intellectual assets, executives have been compelled to examine the knowledge underlying their businesses and how that knowledge is used. At the same time, the rise of networked computers has made it possible to codify, store, and share certain kinds of knowledge more easily and cheaply than ever before.”

Professor Morten T. Hansen

Research shows that, like trust, the flow of knowledge, and improving the state of knowledge on HSE matters, directly contributes to productivity, opportunity and organisational performance:

In 2015, Harvard Business Review reported that companies in the Fortune 500 lose a combined $31.5 billion per year from employees failing to share knowledge effectively. By trying to recreate the wheel, repeating others' mistakes, or wasting time searching for information or expertise, employees incur productivity costs and opportunity costs for the organisation. While our formal systems might help communicate established best practices (the what), they often don’t explain in sufficient detail how an individual should apply those best practices to their own work (the how).

The Centre for Workplace Leadership based at the University of Melbourne, published findings from a survey conducted in 2014 on leadership. They found that 26% of people believe that there is no-one in their workplace that they can look up to as a good leader, yet 75% believe they have the ‘know how’ to be a good leader in their workplace. With improved knowledge flow, the application of leadership principles – the ‘how’ to be a good leader - would be shared and result in significant uplift.

A research paper into the impact of knowledge sharing published in 2015 by Trivellas et al. found that a knowledge sharing culture facilitates communication and information exchange, problem solving, team working and decision making. Further, the research demonstrated that adopting knowledge management techniques and nurturing a knowledge sharing culture improved employees’ competency profiles, recognising that competent employees are one of the utmost important resources in the pursuit of a sustainable competitive advantage.
The implications for health and safety are significant. A core component of work health and safety principles and laws is the obligation to actively consult with stakeholders, to provide instruction / information and to report. Another way to view these duties is to group them together as the underlying state of knowledge required to make informed decisions and achieve safe business outcomes. Yet we rarely see effective knowledge management incorporated into the safety literature, models or management systems.

We often refer to consultation and communication in safety management systems and safety culture models and HSE professionals readily emphasise the importance of training and information gathering. However, what should be actively pursued is the effective flow and retention of knowledge. Further, we need to create environments for workers to learn through error – as failure and mistakes are a prerequisite for learning and knowledge.

**How do I enable knowledge flow?**

There are two key strategies for knowledge flow; codification (storage of knowledge so others can access it) and personalisation (sharing knowledge through direct person-to-person contact). You can target knowledge flow through the following actions:

- Developing networks and forums for connecting people so that tacit knowledge can be shared
- Recognising and rewarding people who directly and proactively share knowledge
- Investing heavily in IT and providing high quality, reliable and fast information; the goal is to connect people to each other and to codified knowledge through digital platforms
- Providing creative, analytically rigorous advice on problems or issues by channelling individual expertise

According to Dr Sharron O’Neill there is a fundamental dysfunction in many companies where health and safety knowledge is separated from the core decision-making process even though it is integral to the success and sustainability of the company.

Daniel Carpenter, Director of Business Operations Support Services ANZ for Cushman & Wakefield shares this view and talks of the concept of developing an ethical organisational culture that enables different disciplines within the organisation to co-exist and share knowledge. He stresses the need for this co-existence, what O’Neill would describe as a holistic approach, to be supported by a clear set of values that underpin decision-making.

**Ethical decision making**

Daniel Carpenter, believes that companies, executives and HSE professionals need to look forensically at the core elements of morality and ethics to understand where trust originates.

“**Raising the profile of ethical decision making in an organisation is critical. Unless individuals and groups in the organisation perceive HSE issues to be ethical dilemmas then they will not intentionally make ethical judgments, form ethical intentions and ultimately make ethical decisions.”**

Those ethical decisions can build trust if the justifications are explained. In explaining these decisions it is often necessary to also describe the subcultures of an organisation’s functional groups, such as economics, project management, engineering or human resources.

There are language barriers to overcome, as different terminology is used by different professions within the same organisation to describe essentially the same activities and concepts. Without a common language, these subcultures and functional groups will continue to have entrenched silos that do not share knowledge and question each other’s decisions.
Seek alignment

A symbiotic relationship

When a leader shares knowledge, is open about what they do or do not know, is transparent and provides open access to information, they build trust. When a leader is highly trusted, they will receive more information from those around them and consequently have more knowledge. This enables better decision making and action, reinforcing the trust in their leadership.

EY believes organisations that focus their efforts on shared trust and knowledge flow, will experience superior workforce alignment and see measurable improvement in their health and safety outcomes. By re-learning to trust our workers to perform safe and healthy work, we will see a jump in knowledge, capability, innovation and incremental effort. This enables greater cultural alignment through better decision making and action, reinforcing the trust in their leadership.

Seven practical levers

1. **Strategy**
   The high-level plan that sets out the place, use and interaction of the organisation’s major resources in order to achieve specific business goals.

   A well-formulated and executed strategy, supported by organisational structures, establishes the foundations against which the organisation can create, monitor, and measure HSE success.

2. **People**
   The manifestation of the organisation’s embedded values, governance and strategy into attitudes, behaviours, knowledge and skills that reflect alignment across all levels.

   Engaging people and maximising their potential is central to building and sustaining a positively-aligned HSE culture that is founded on principles of trust, collaboration, and learning.

3. **Leadership**
   The translation of the strategy into action by leaders in order to develop a positive and efficient work environment, achieve the vision and promote a culture of understanding and commitment.

   Transformational leadership behaviours affect the degree to which employees value HSE, as well as their motivation to create, improve, and sustain a positive HSE culture.

4. **Governance and assurance**
   The oversight and decision making frameworks that establish common goals, enable structures to be in place and verify the efficiency and effectiveness of systems of work.

   The relationship between board members, senior executives and HSE leadership, as well as their understanding of and focus on organisational HSE issues and opportunities, sets the standard for the effective control of HSE risk.

5. **Risk and opportunity**
   The key functional management framework that identifies risk and methods for its mitigation, as well as opportunities for better implementation of the business strategy.

   A primary responsibility for any organisation is to have a systematic approach to risk management and continuous improvement that will improve worker health and safety as well as business outcomes by minimising losses and improving opportunities.

6. **Systems and structure**
   The representation of what the organisation does and how it does it in the form of established practices and standards that are supported by the way the organisation is structured.

   Robust and integrated HSE systems and policies that are easily understood enable people to get on with the organisation’s core business more safely, efficiently and effectively.

7. **Digital technology**
   The integration of all relevant aspects of the organisation into a digital platform that is used to automate manual and repetitive tasks and inform risk management and continuous improvement activities.

   An organisation that embraces and effectively uses digital technology and analytics is equipped to make better, quicker, and smarter decisions to achieve organisational objectives and improve HSE performance.
A mental model or heuristic helps us to organise thoughts, simplify concepts and remember them. However, organisations will need more than a heuristic to successfully move beyond zero.

EY has identified seven levers that can be drawn on to build shared trust and enable knowledge flow. These levers are:

1. Strategy
2. People
3. Leadership
4. Governance and assurance
5. Risk and opportunity
6. Systems and structure
7. Digital technology

By proactively and strategically capitalising on each of these seven levers, organisations can establish shared trust and knowledge flow and successfully move beyond zero harm towards Plus One. This, in turn, will result in a better aligned organisation, that can continuously adapt in times of change to improve and sustain their HSE and business success.

EY is committed to pushing forward the thinking about workplace health and safety into new perspectives. All sizes and types of organisations can benefit strongly from challenging the fast-held beliefs and thinking about everyday WHS concepts in their workplace and in their safety management systems.

We need to think differently. We need to enable understanding and knowledge of the future of work, and the future of health and safety. We need to explore models and devices that will help organisations to flourish and deliver safe and healthy business outcomes.
Thank you

In preparing our report, EY has undertaken extensive research and sought input and comment from thought leaders in business and in the safety industry. We are grateful for the time and input from the industry leaders and thought leaders consulted throughout this project. We would also like to thank:

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Further reading


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