Introducing our challenges

The Future

Goal: no damage to people

Change Management

Business Integration
Key Message

It’s all about the questions you ask

- What is your objective?
- Who will use the information?
- What is the cause and effect you are assessing?
- What activities will influence this?
- Measure and evaluate.
Safety: Are we a science?

A good part of the trick to being a first-rate scientist is in asking the right questions or asking them in ways that make it possible to find answers.

— Anne Roe —
Companies that bothered to measure a non-financial factor (eg WHS) and to verify that it had some real effect earned returns on equity that were 1.5 times greater than those that didn’t take those steps. (Profs C. Ittner and D. Larcker 2003)

Measure WHS – WHY?
Information – who needs it?

“Sir, it has been wittily remarked that there are three kinds of falsehood:

The first is a fib;
The second is a downright lie; and
The third and most aggravated is statistics.”
Measuring Performance – what is the challenge?

Quantitative vs Qualitative

Understand the Maturity of your organisation

- **Immature**: reactive, resistant, compliance
- **Developing**: informing, toward improvement
- **Maturing**: proactive, learning, continuous improvement
Decisions – what information is needed?

Who needs WHS data to inform decisions?

What questions need to be answered?

What aspects of performance need to be understood?

Is there a KPI that can represent that aspect of performance?

Can that KPI be measured in a valid and reliable way?

Source: O’Neill S, Driving WHS Performance: How the Choice of lead and lag KPIs influence WHS outcomes
Existing measures – can they be challenged?
Controls – are they effective?

**Governance controls**
- Strategy
- Resourcing
- Monitoring

**Technical controls**
- Hazard identification
- Risk management controls/defences

**Cultural controls**
- Motivation
- Behaviour
- Attitude

**Performance:** Monitoring, Verification
Proactive – is this you?

**KNOWN:** Recorded in the risk register

**IDENTIFIED:** via audits and inspections

**LESSONS LEARNED:** Industry experience and case law

**PROACTIVE knowledge of WHS hazards**
Reactive: is this you?

REACTIVE knowledge of WHS hazards

KNOWN: Hazards associated with past injury and illness

IDENTIFIED: via analysis of human resource and financial data

LESSONS LEARNED: from regulator-led investigations, prosecutions, fines and penalties
The real issue: How do you identify it?
Injury Prevention: what is my progress?

**LOST TIME INJURY**
- Fatality
- Permanent absence
- Long temporary work absence
- Moderate temporary work absence
- Short term temporary work absence
- Restricted / modified duty
- Medical treatment
- First aid treatment

**TRADITIONAL (PRODUCTION) PERSPECTIVE**

**IMPAIRMENT PERSPECTIVE**
- Fatality
- Total permanent disability
- Partial permanent disability
- Long temporary impairment
- Moderate temp. Impairment
- Short temp. impairment
- No impairment
- Class 1: Permanently life altering
- Class 2: Temporarily life altering
- Class 3: Not life altering

Sources: Model adapted from McDonald (1985)
Is it real?

Resources: are you using them wisely?
Is your report getting attention?

<table>
<thead>
<tr>
<th>Body Location</th>
<th>Injuries [% of body location]</th>
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<tbody>
<tr>
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<tr>
<td>Fingers/Thumbs</td>
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<tr>
<td>Shoulder</td>
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<tr>
<td>Hand</td>
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<tr>
<td>Psychological</td>
<td>2 [100%]</td>
</tr>
<tr>
<td>Knee</td>
<td>2 [33%]</td>
</tr>
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</table>
Can you make it become real?

<table>
<thead>
<tr>
<th>Class Category</th>
<th>Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td>Red</td>
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<tr>
<td>Class 2</td>
<td>Yellow</td>
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<tr>
<td>Class 3</td>
<td>Yellow</td>
</tr>
<tr>
<td>Class 4</td>
<td>White</td>
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Lead or Lag?

Positive performance

- Training conducted
- Training
- Training effectiveness
- Work health and safety failure
- Injury

Leading indicator

Lagging indicator
What to measure: implement or effect?

KPIs that inform about implementation

- Lead KPI
  - # staff consulted
  - % machines guarded
  - # corrective actions completed
  - # completed
  - # inspections or % sites inspected

WHS Control
- Consultation
- Guarding
- Hierarchy of controls
- Risk Register
- Inspections

KPIs that inform about effectiveness

- Lag KPI
  - # staff suggestions adopted
  - % corrective actions at HOC level 1
  - # machine-body incidents
  - % reviewed to schedule
  - # or % non-conformances or improvements needed
Who is responsible?

**Lead KPI**
- # staff participating
- # CAPEX utilising WHS advice
- # rosters identifying ‘safe’ staffing levels
- % contracts stating WHS criteria

**Risk Control**
- Consultation
- Consultation
- Resourcing (HR)
- Expenditure

**Lag KPI**
- # staff suggestions adopted
- # post-purchase mods required
- # shifts operating below tolerance
- % meeting costs vs WHS criteria
How do we manage the risk?

• Choice of strategy is restricted by law
• Reduced role of cost benefit analysis
How far do we take it?

Expanding the scope to hidden hazards

- **PSYCHOSOCIAL HAZARDS**
  - How work is done: autonomy, work load / work pace, deadlines and stress points?
  - What is the context in which work is done: interaction / relationships with managers, supervisors, colleagues, clients?

- **CORPORATE HAZARDS**
  - Do organisational level decisions counter / undermine WHS efforts?
  - How risks are identified / controlled in financing / governance decisions?

- **SUPPLY CHAIN HAZARDS**
  - Consider both resource and work flows
  - Examine how risks are identified, communicated and controlled across organisational boundaries.
What do I need to think about?

<table>
<thead>
<tr>
<th>External stakeholder KPI’s</th>
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<tbody>
<tr>
<td>Board level KPI’s</td>
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<tr>
<td>Management level KPI’s</td>
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<tr>
<td>Operational level KPI’s</td>
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</table>
What is a useful WHS KPI?

- Robust
- Right tool
- Consultation
- Continuous improvement
It all starts with the right questions

- Knowledge
- Assurance
- Controls
- Performance
It started with a question.....

If I had an hour to solve a problem and my life depended on it, I would use the first 55 minutes determining the proper questions to ask.

Albert Einstein
How do I create something out of nothing?
I think it is by questioning. *Amy Tan*

To gain knowledge, we must learn to ask the right questions; and to get answers, we must act, not wait for answers to occur to us. *Anatol Rappaport*

Sometimes the questions are complicated and the answers are simple. *Dr Seuss*
Source documents

• Mauboussin MJ, True Measure of Success (Harvard Business review Oct 2012)
• O'Neill, S, Driving WHS performance: How the choice of lead and lag KPI’s influence WHS outcomes? (Presentation MSD Symposium 2016)
• O’Neill, McDonald and Deegan, Accounting, Auditing and Accountability Journal 2015
• O’Neill, S & Wolfe, K, Measuring and reporting on work health & safety, (Canberra, Safe Work Australia, 2017)
• Prior, M, ANSTO Event reports (unpublished)
• Hopkins, A., Toohey, J., Stacy, R., Else, D (2012) The Organisation (In HaSPA (Health and Safety Professionals Alliance), The Core Body of Knowledge for Generalist OHS Professionals. Tullamarine, VIC. Safety Institute of Australia.)