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# Building a safety culture

How Toll greatly improved its safety performance



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*Toll has realised significant improvements in safety, with results to match. Craig Donaldson speaks with its group general manager of OHS, Mark Cowley, about the strategy behind this and how the group built a strong safety culture*

## How Toll built a great safety culture

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**O**ver the course of the past few years, Toll has taken a step up in its safety journey, with a more concerted drive to embed rigorous safety processes and practices into the operations and culture of the business. This shift in Toll's approach to safety was driven by its managing director, Brian Kruger, who wanted to shift from a direct management approach to one of leadership and stronger workforce engagement, according to Mark Cowley, group general manager OHS at Toll Group.

This new approach is articulated in Toll's global "Think safe. Act safe. Be safe." strategy, which is designed to achieve a consistent and systematic approach to leading and managing health and safety across the business.

### Three key elements

In driving this strategy, Cowley says there were three key elements to its success – the first of which was a deliberate focus on frontline leaders who are directly leading the business' operational workforce. Toll partnered with a specialist consulting firm, Enhance Solutions, to help develop a global safety leadership training program for managers. Direct line leaders undertake a two-day program while senior managers and functional leaders undertake a one-day program. "In these we go through the strategy and broader approach to safety, and we really spend a lot of time on how you lead safety, with particular emphasis on engagement and communication and how to drive culture change through the business," says Cowley.

"We didn't know how that would go, but it's been extremely successful. We've been running it for about nine months now across some 20 different countries and we've put about 3000 people through this program, and it's had a big impact on how our leaders and managers interact with the workforce."



***"You can have good safety performance but not necessarily a great safety culture"***

Mark Cowley, group general manager OHS at Toll Group

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***“A lot of other organisations’ taglines are around zero harm and no injuries. It’s hard to actually engage a workforce around those”***

Another key to the success of the program has been a strong focus on engagement of the business with its health and safety vision and principles, which are fourfold:

1. Each person is responsible for acting safely without risk to themselves or others, and working safely is a condition of all employment arrangements
2. Management at all levels is responsible and accountable for workplace health and safety
3. Providing training to work safely is essential
4. Consultation and engagement with all who work in or with the business is fundamental to improving safety performance.

“We’ve really tried to keep the message simple and consistent, and to make things very personal in our communications and engagement,” says Cowley. “For instance, in our vision there’s a statement: ‘No task is so important it can’t be done safely.’ You go around our organisation now, and people will often quote that line. People really resonate with that. I contrast that with a lot of organisations – and this isn’t being critical of them – but a lot of other organisations’ taglines are around zero

harm and no injuries. It’s hard to actually engage a workforce around those.”

The third key element to the success of the strategy has been a shift in the approach Toll takes to managing health and safety on a day-to-day basis. “Our biggest risk is obviously on-road safety,” says Cowley. “We have around 30 different business units that have exposure to on-road safety, so we established what we call fleet safety networks. There are three networks with sponsorship and participation from executives, the chairman and general manager levels, and the intent of these networks is to share best practice and implement what we might call group standards. These have been very successful in being able to quickly get runs on the board, getting people connected to the strategy and having a high level of commitment from the executive in adopting it right across the group.

“Across industry, and the transport industry in particular, things are challenging. Regulations are changing and there’s a lot of focus on the industry, so our strategy has placed us very well to demonstrate improvements and standardisation of strong safety practices very quickly.”

### **Safety challenges**

For a business the size of Toll – with a presence in more than 50 countries, some 1200 sites and more than 45,000 employees – realising sustainable safety changes, especially when it comes to organisational culture, is not without its challenges. In rolling out safety leadership training and helping line managers to take responsibility for and engage their teams in safety, Cowley says there were some people who initially responded: “Hey, this isn’t my job. It’s a safety professional’s job. We’ve got people employed to do this and it’s someone else’s responsibility.’ That’s where the education comes in about the responsibility of a line manager towards their people and looking after them to make sure people get home safely.”

Another challenge for Toll has been safety engagement in international businesses, particularly in countries where an understanding of safety risks and concerns is not as advanced. “In some other countries, people don’t get that. They’re oblivious to safety concerns and risks. In our business at the workplace level, we have on-road vehicles, forklifts, stacking equipment and lots of moving objects, and people were at times not recognising the potential hazards. In such cases, we’ve

done a lot of training around identifying hazards,” says Cowley.

A third challenge has been around continuous improvement. “There’s a difference between performing well and having a good safety culture from my perspective. The way we’ve tried to keep on pushing improvements and overcome attitudes around complacency is personalising the message. We try to tell more stories. We unashamedly ask people, ‘How do you think your family would feel about not having you home?’ Rather than saying ‘We’re going to budget for an LTI frequency rate next year of one’, it’s more effective to say, ‘So you’re going to accept that 20 people are going to be seriously hurt next year? Who are those 20 people?’ Get away from the stats and personalise the message.”

### Safety results

The results of the strategy to date have been “very promising”, according to Cowley, with demonstrated improvements in a suite of lead and lag performance indicators, including Lost Time Injury Frequency Rates (LTIFR) and Total Recordable Injury Frequency Rates

(TRIFR), risk and hazard management indicators, employee engagement in safety, Incident Reporting Rates (IRR), safety observation participation rates as well as compliance indicators such as assessment against safety management standards.

In mid-2008, Toll’s LTIFR was running at about seven, and this has fallen to about 1.7 today – an improvement of about 75 per cent. Toll’s TRIFR has also shown improvement, and in 2008 this stood at about 45 compared to today’s rate of 16, which is about a 65 per cent improvement.

“So these are impressive lag indicators, but we’ve brought in some lead indicators and have really focused on measures such as hazard identification,” says Cowley. Each business in Toll has to report its performance via a measure called the incident report rate, while another lead indicator includes a process called “safety observations”.

“This is where someone – it doesn’t have to be a manager or leader – observes someone doing a task. They go up and engage the worker in a conversation or discussion about the task, and talk about the consequences of not doing the task properly and

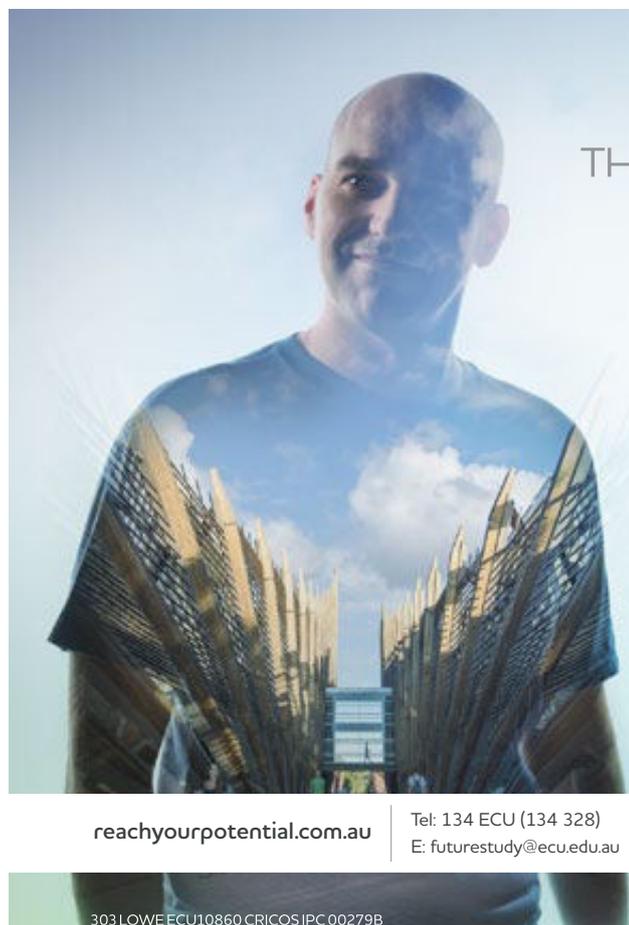
the injury risks. This is another engagement process, and all these measures are reported up to the board and exec levels. There is an increasingly strong focus on these positive indicators rather than the lag ones,” he says.

Last year, the business also conducted a global employee engagement survey, and there was a 92 per cent positive rating with people connecting to the safety message and considering safety first before making decisions at work.

A recent Citi Research report, which analysed the safety reporting and results of 117 ASX listed companies, has also placed Toll in the top 40 per cent of companies when it comes to LTIFR rates. “Given our industry’s recognised as the most dangerous and highest risk, given the number of fatalities, we think that’s a good result,” says Cowley. “We also compare very favourably against the road transport industry in general.”

### Advice for OHS

“There’s no doubt if you want an effective safety culture, it has to be driven from the very top – and that’s the MD,” says Cowley. “Without commitment from the MD and strong buy-in from the exec team,



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you don't get anywhere. That's where I think I've been extremely lucky. I've got an MD who's very passionate and very committed to safety. With that, I've got a huge amount of support, and Brian is very visible in this. So how do you get the commitment of your top management? Without that level of commitment, how do you influence that and get that mindset changed? That's a really important one."

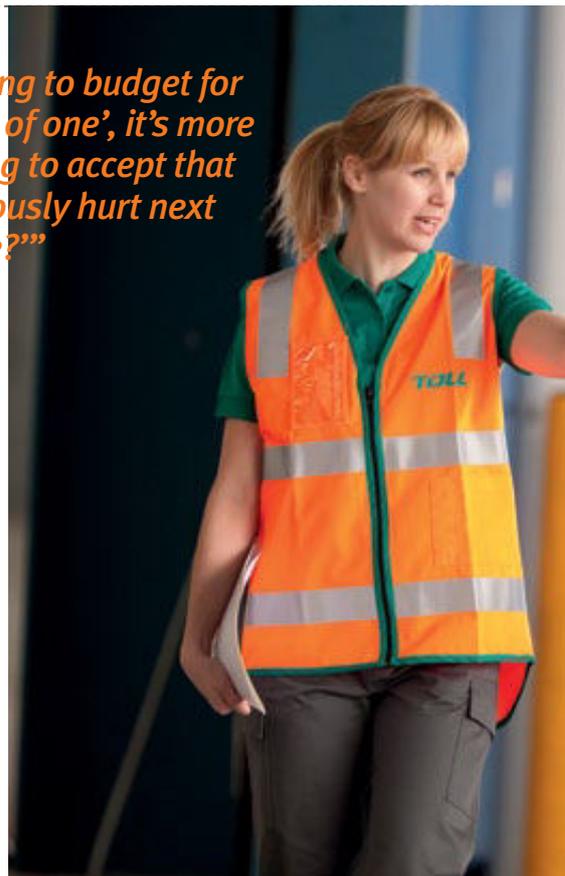
Another important consideration is the process of building a great safety culture. "You can have good safety performance but not necessarily a great safety culture. We contract into many different industry sectors, so if you look at the mining and resources sector, as a general example, they have extremely good performance and outstanding records," he says.

"However, they realise this by an extremely stringent, rule-based compliance approach. They put in lots of people to police it. So they get a good outcome, but they're not necessarily winning the hearts and minds of people. If you want a good safety culture, it's about moving away from the top-down management and compliance approach to one of 'How do we engage our people with stronger leadership?'"

*"Rather than saying 'We're going to budget for an LTI frequency rate next year of one', it's more effective to say, 'So you're going to accept that 20 people are going to be seriously hurt next year? Who are those 20 people?'"*

Cowley, who doesn't come from an OHS professional background, believes line managers should own safety and says this is a key to strong safety engagement. "I've been a line manager," he says. "Line management must own safety. This is actually sometimes a bit of a threat and challenge for OHS professionals. But at the end of the day, as an OHS professional, you're really a technical expert who advises and supports. You can't drive all the outcomes, because you don't have all the people working for you. So try to get that right balance between the role of the OHS professional as an adviser and a technical support person, versus line managers who have got to own and take responsibility for safety."

Another important consideration for



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OHS professionals is to be careful in what they measure, according to Cowley, who says most people respond to what they're measured by. "So if you're not measuring the right things around safety, you can drive the wrong behaviours. For example, we had a strong focus on lost-time injury frequency rate in the past, and people were so focused on that, we were probably missing other opportunities to improve safety generally. Having the right suite of measures that focus on getting the right behaviours and culture in place, is really important."

While Cowley says it is possible to get some quick wins on the board through the safety by management approach, a leadership approach does take longer as behavioural change is harder to effect. "We've now gone into a higher level, which is about mindset change. This takes time. Don't expect to magically change things in a year or two. We're probably talking three to five years to build a strong safety culture. Don't try and do too much. Aim to do the right things and do them well. It's better to focus on the few things that are really important and do them really well." ■

## About Toll Group

Toll was founded in Newcastle, Australia, in 1888 by Albert Toll when he began hauling coal by horse and cart. By the time of his death in 1958 at the age of 95, Albert was operating a fleet of trucks in five locations. The business was purchased in 1959 by National Minerals, and in the following decade, it became part of mining conglomerate Peko Wallsend, which developed it into a national carrier. In 1986, Toll was bought by its management team, led by then managing director Paul Little and Toll's first chairman, Peter Rowsthorn. The business was listed on the Australian Stock Exchange (ASX) in 1993. Today, it has a presence in more than 50 countries and operates an extensive network of some 1200 sites. It employs more than 45,000 people and in 2013 generated annual revenues of \$8.7 billion.



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