

BOARD LEVEL HEALTH AND SAFETY LEADERSHIP CONFERENCE

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**REALISING BOARD LEADERSHIP AND INVOLVEMENT IN
HEALTH AND SAFETY (H&S)**

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Focus of presentation

- **Realising 'H&S as a value':**
 - The moral motivation
 - The economics of H&S
 - H&S as the catalyst for overall performance
- **Corporate Social Responsibility (CSR)**
- **Leadership**
- **Commitment versus participation versus involvement**
- **Accountability**

Introduction (1)



Pretoria North Shopping Centre slab collapse, October, 1996 (Davis, 1996)

Introduction (2)



Investec Office Complex scaffolding collapse, Sandton, August, 1997 (Prinsloo, 1997)

Introduction (3)



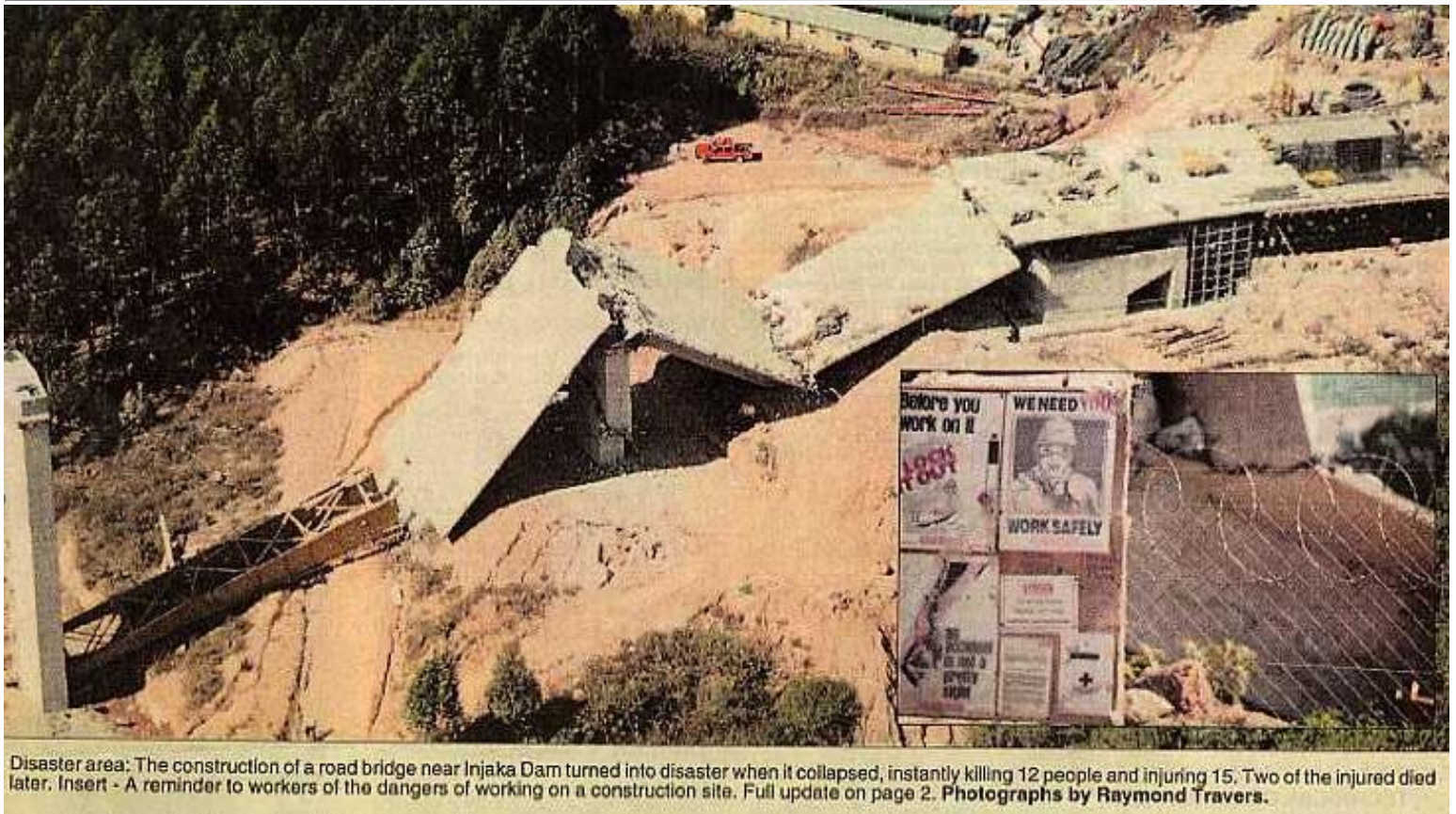
Investec Office Complex scaffolding collapse, Sandton, August, 1997 (Prinsloo, 1997)

Introduction (4)



Investec Office Complex scaffolding collapse, Sandton, August, 1997 (Nesbitt, 1997)

Introduction (5)



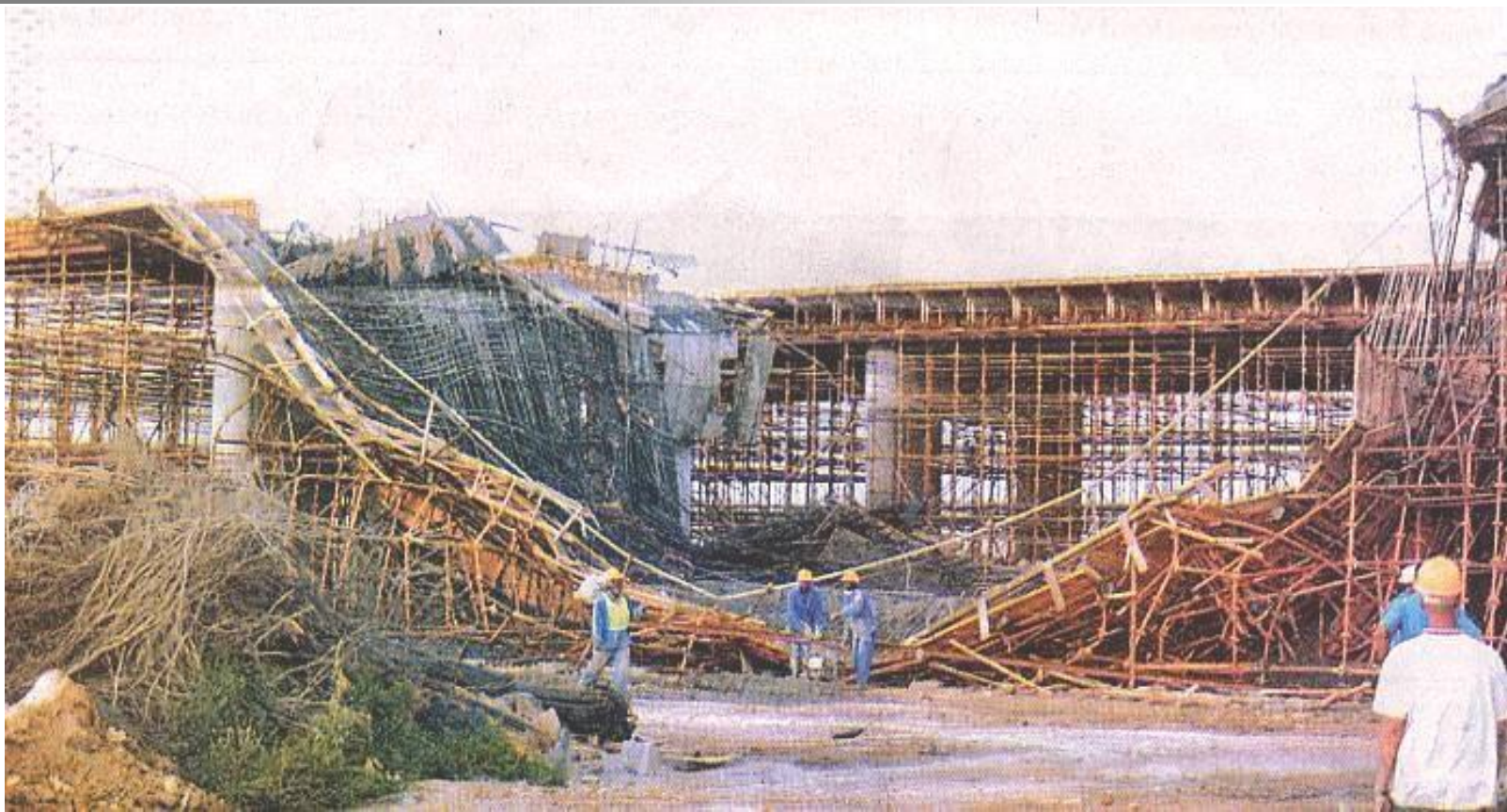
Injaka Bridge collapse, Mpumalanga, July, 1998 (Travers, 1998)

Introduction (6)



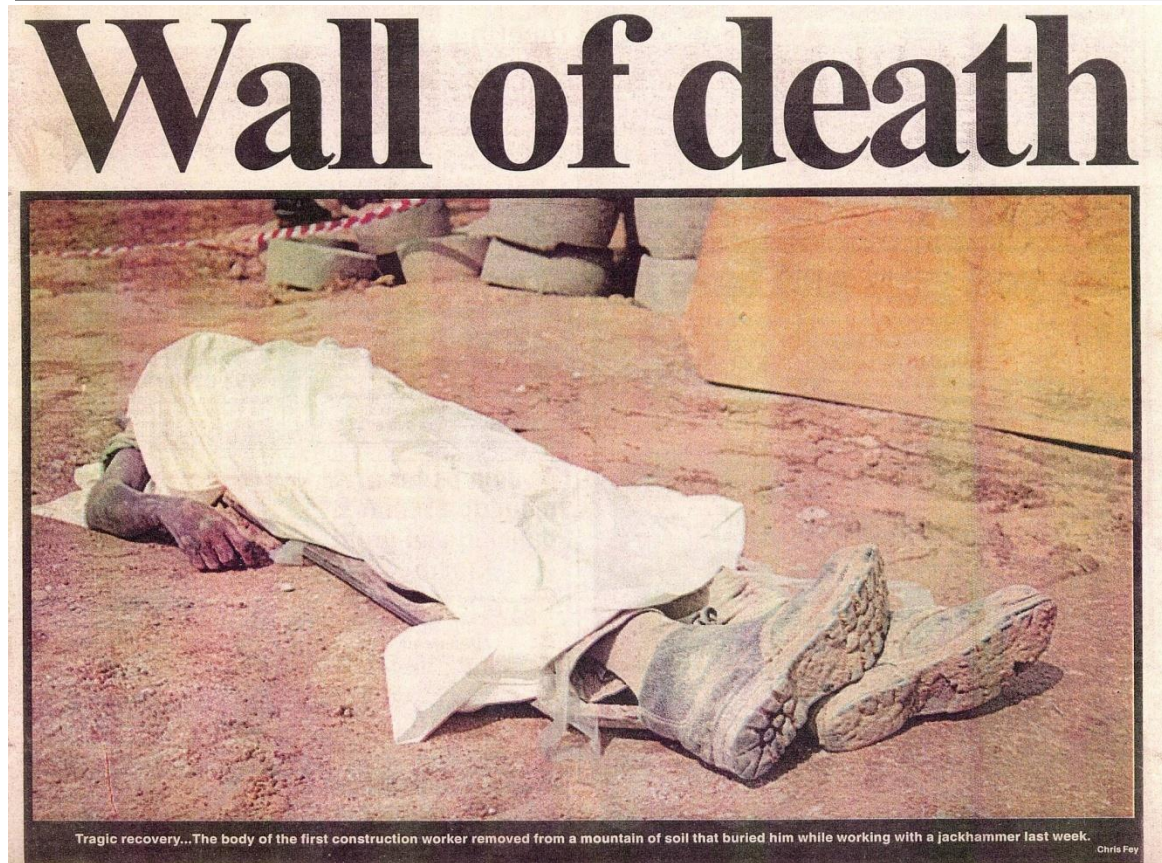
Coega Bridge collapse, Port Elizabeth, November, 2003 (Markman, 2003)

Introduction (7)



Coega Bridge collapse, Port Elizabeth, November, 2003 (Markman, 2003)

Introduction (8)



Wall (earth) collapse, Randburg, February, 1999 (Frey, 1999)

Introduction (9)



Suspended platform (scaffold) collapse, Hillbrow, February, 2001 (Safodien, 2001)

Direct and indirect cost of accidents (1)

- **Direct:**
 - **Medical**
 - **Wages (percentage)**
- **Indirect:**
 - **Lost time – injured worker**
 - **Lost time – idle workers**
 - **Lost time – management and supervision**
 - **Time spent by First Aiders etc.**
 - **Damage to plant, equipment, tools and materials**
 - **Incidental costs due to disruption**
 - **Loading of assessments**

Direct and indirect cost of accidents (2)

- **Reduced productivity**
- **Idle plant and equipment**
- **Legal action**
- **Penalties**
- **Overheads in general**
- **Funeral**
- **Negative image**
- **Loss of goodwill**
- **Opportunity cost**
- **Reduced equity (share price)**

Total cost of accidents

- **Based upon the value of construction work completed in the year 2002, namely R 56 343m (South African Reserve Bank, 2003) the total COA could have been between 4.3% (R 2 401.2m / R 56 343m), and 5.4% (R 3 041.5m / R 56 343m) (Smallwood, 2004)**
- **Cost of prevention is between 1% and 2% (Smallwood, 2004)**

Impact of inadequate H&S

Aspect	Response (%)
Productivity	87.2
Quality	80.8
Cost	72.3
Client perception	68.1
Environment	66.0
Schedule (Time)	57.4

Table 1: Aspects negatively affected by inadequate health and safety according to project managers (Smallwood, 1996).

95.8% stated that inadequate or the lack of H&S increases overall project risk

Impact of H&S / inadequate H&S (1)

Relationship		Impact (%)					II	Rank (with in)	Rank (over all)
		Major No							
Phenomenon	Parameter	1	2	3	4	5			
Inadequate H&S	Productivity	27.3	54.5	18.2	0.0	0.0	3.09	1=	14=
	Worker satisfaction	45.4	18.2	36.4	0.0	0.0	3.09	1=	14=
	Quality	18.2	45.4	36.4	0.0	0.0	2.82	3	21=
	Client satisfaction	27.3	27.3	18.2	27.3	0.0	2.73	4	23=
	Cost	36.4	45.4	9.1	9.1	0.0	2.64	5	25=
	Environment	27.3	9.1	54.5	9.1	0.0	2.55	6=	28=
	Project time	18.2	45.4	9.1	27.3	0.0	2.55	6=	28=
Accidents	Cost	72.7	9.1	18.2	0.0	0.0	3.55	1	7
	Worker satisfaction	63.6	27.3	0.0	9.1	0.0	3.46	2	8=
	Productivity	45.4	45.4	9.2	0.0	0.0	3.36	3	10=
	Project time	27.3	45.4	27.3	0.0	0.0	3.00	4	17=
	Quality	9.1	45.4	27.3	18.2	0.0	2.46	5=	31=
	Client satisfaction	36.3	27.3	9.1	27.3	0.0	2.46	5=	31=
	Environment	9.1	18.2	45.4	27.3	0.0	2.09	7	33

Table 2A: Impact of various phenomena on various project parameters (II: 0 – 4) (Smallwood, 2001)

Impact of H&S / inadequate H&S (2)

Relationship		Impact (%)					II	Rank (with in)	Rank (over all)
		Major No							
Phenomenon	Parameter	1	2	3	4	5			
Poor productivity	Project time	90.0	10.0	0.0	0.0	0.0	3.90	1	1
	Cost	90.9	0.0	9.1	0.0	0.0	3.81	2	3
	Client satisfaction	36.4	45.4	9.1	9.1	0.0	3.09	3	14=
	Quality	27.2	36.4	36.4	0.0	0.0	2.91	4	20
	Worker satisfaction	45.4	9.1	18.2	27.3	0.0	2.73	5	23=
	H&S	27.3	27.3	18.1	27.3	0.0	2.55	6	28=
	Environment	9.1	18.2	36.4	9.1	27.3	1.55	7	36
Rework	Productivity	72.7	27.3	0.0	0.0	0.0	3.73	1	4=
	Cost	63.6	36.3	0.0	0.0	0.0	3.63	2	6
	Project time	54.5	36.4	9.1	0.0	0.0	3.46	3	8=
	Worker satisfaction	45.4	36.4	18.2	0.0	0.0	3.27	4	12
	Client satisfaction	54.5	18.2	18.2	9.1	0.0	3.18	5	13
	Qualtiy	27.3	45.4	27.3	0.0	0.0	3.00	6	17=
	H&S	36.4	27.2	9.1	18.2	9.1	2.64	7	25=
	Environment	9.1	9.1	54.5	18.2	9.1	1.91	8	34=

Table 2B: Impact of various phenomena on various project parameters (II: 0 – 4) (Smallwood, 2001)

Impact of H&S / inadequate H&S (3)

Relationship		Impact (%)					II	Rank (with in)	Rank (over all)
		Major No							
Phenomenon	Parameter	1	2	3	4	5			
Poor project time performance	Cost	81.8	18.2	0.0	0.0	0.0	3.82	1	2
	Client satisfaction	90.9	0.0	0.0	9.1	0.0	3.73	2	4=
	Productivity	45.4	45.4	9.2	0.0	0.0	3.36	3	10=
	Quality	27.3	54.5	9.1	9.1	0.0	3.00	4	17=
	Worker satisfaction	36.3	27.3	18.2	18.2	0.0	2.82	5	21=
	H&S	27.3	27.3	27.3	18.1	0.0	2.63	6	27
	Environment	9.1	18.2	45.4	9.1	18.2	1.91	7	34=

Table 2C: Impact of various phenomena on various project parameters (II: 0 – 4) (Smallwood, 2001)

Financial implications of H&S performance (1)

- **Facts:**
 - Compensation insurance (CI) = R2.20 / R100.00 wages (building)
 - Claims ratio (CR) =
$$\frac{\text{CI claims}}{\text{CI assessments}}$$
- **Rebates and loadings:**
 - 50% = 10.0% Rebate
 - 24% = 36.0% Rebate
 - 75% = 16.0% Loading
 - 100% = 75.0% Loading

Financial implications of H&S performance (2)

- Based upon:

- Wages = 27% of turnover
- Therefore per R1m turnover, CI assessments are:

$$1\ 000\ 000 \times 0.27 = R270\ 000 \times \frac{100.00}{102.20}$$

$$= \frac{(R264\ 188)}{R\ 5\ 812} \text{ CI assessments}$$

- Indirect costs = 7 / x Direct costs
(+/- 50% of 14.2 / x direct)

- Known:

- Direct costs = CI claims (% of CI assessments)

Financial implications of H&S performance (3)

Cost	Contractor		
	A	B	C
CR	50%	75%	100%
CI assessments (Rs)	5 812	5 812	5 812
CI claims (Rs)	2 906	4 359	5 812
Indirect cost (Rs) (7 / x direct cost)	20 342	30 513	40 684
Total COA (Rs)	23 248	34 872	46 496

Table 3: Total cost of accidents (COA) scenarios for contractors with differing CRs per R1m turnover

Financial implications of H&S performance (4)

Turnover (Rm)	Contractor			
	A	B	C	A-C
1	23 248	34 872	46 496	23 248
10	232 480	348 720	464 960	232 480
50	1 162 400	1 743 600	2 324 800	1 162 400
100	2 324 800	3 487 200	4 649 600	2 324 800
500	11 624 000	17 436 000	23 248 000	11 624 000
1 000	23 248 000	34 872 000	46 496 000	23 248 000
1 500	34 872 000	52 308 000	69 744 000	34 872 000
2 000	46 496 000	69 744 000	92 992 000	46 496 000

Table 4: Total COA scenarios for contractors with differing CRs for various annual turnovers

Financial implications of H&S performance (5)

Financial Component	Contractor			
	A	B	C	D
CR	50%	75%	100%	24%
Bidding cost (Rs)	952 381	952 381	952 381	952 381
5% Mark-up (Rs)	47 619	47 619	47 619	47 619
Gross bid (Rs)	1 000 000	1 000 000	1 000 000	1 000 000
Initial cost (Rs)	(952 381)	(952 381)	(952 381)	(952 381)
Gross profit before rebate / loading and indirect COA (Rs)	47 619	47 619	47 619	47 619
Rebate / (Loading) (Rs)	581	(930)	(4 360)	2 092
Gross profit after rebate / loading and before indirect COA (Rs)	48 207	46 689	43 259	49 711
Indirect COA (Rs)	(20 342)	(30 513)	(40 684)	(9 765)
Gross profit (Rs)	27 859	16 175	2 576	39 945
Gross profit (%)	2.93	1.70	0.27	4.19
Improvement on / Decrease mark-up (%)	(43.47)	(66.07)	(94.67)	(16.27)

Table 5: Impact of rebates / loadings and indirect COA on gross profit for differing CRs

Corporate social responsibility (1)

- **“Mechanism for entities to voluntarily integrate social and environmental concerns into their operations and their interaction with their stakeholders, which are over and above the entity’s legal responsibilities.”
(Standards Australia International, 2003)**
- **Motivators for H&S: legal considerations; moral / religious beliefs; ethical issues; humanitarian concerns and a respect for people; a desire for sustainability; compliance with national and international standards; a desire to reduce the costs of accidents / incidents; the desire to reduce organizational risk; adherence with total quality management principles; support of local industry OH&S and image initiatives, and the pursuit of better practice**

Corporate social responsibility (2)

- **Triple Bottom Line (TBL) reporting requires organisations to report their performance in accordance with a range of financial, environmental and social indicators. OH&S performance is an important component of these social indicators**

The role of religion (1)

- **The common thread of all religions is ‘I am my brother’s keeper’**
- **There is both an explicit and implied link between H&S and religion**
- **Explicit link:**
 - **Manifests itself through the belief that work is a deed of spiritual value, which requires justice and equity, dignity of labour, and removal of hardship**
 - **Importance of sustainability of the environment**
 - **Inter-relationship between religion and morality and values, and the resultant influence on behaviour is a further manifestation**

The role of religion (2)

- **Implied link manifests itself in the underlying principle of all religions, namely the 'golden rule', 'do not unto others what you would not have them do unto you' – would you like to have your life compromised as a result of inadequate H&S on the part of someone else?**
- **All religions explicitly and imply the need for human life and the environment to be respected and preserved**

The role of religion (3)

Statement	Response (%)					MS	Rank
	SA	A	N	D	SD		
A price cannot be put on a person's life	94.1	5.9	0.0	0.0	0.0	4.94	1
People are an organisation's most important resource	88.2	11.8	0.0	0.0	0.0	4.88	2
People have a body, mind and a soul	82.4	17.6	0.0	0.0	0.0	4.82	3=
Values are important for H&S	82.4	17.6	0.0	0.0	0.0	4.82	3=
Optimum H&S reduces waste	58.8	41.2	0.0	0.0	0.0	4.59	5=
Accidents result in hardship to the injured	58.8	41.2	0.0	0.0	0.0	4.59	5=
Values influence a person's concern for another person's well being	52.9	47.1	0.0	0.0	0.0	4.53	7
H&S should be a value and not a priority	52.9	35.2	5.9	0.0	0.0	4.50	8
People and the environment (nature) are inter-connected	41.2	58.8	0.0	0.0	0.0	4.41	9
Non-compliance with legislation is unethical	35.3	64.7	0.0	0.0	0.0	4.35	10
Optimum H&S engenders sustainability of the organisation	35.3	58.8	0.0	5.9	0.0	4.24	11

**Table 6A: Degree of concurrence relative to various statements (MS = 1 – 5)
(Smallwood, 2002).**

The role of religion (4)

Statement	Response (%)					MS	Rank
	SA	A	N	D	SD		
Workers should be assigned work which suits their abilities	23.4	58.8	11.8	0.0	0.0	4.13	12
We as people are 'our brother's keeper'	29.4	53.0	17.6	0.0	0.0	4.12	13
Optimum H&S engenders sustainability of the earth	29.4	52.9	11.8	5.9	0.0	4.06	14
Exclusive / Primary focus on cost compromises H&S	23.5	53.0	23.5	0.0	0.0	4.00	15
Belief in and practice of a religion influences a person's values	23.5	47.1	29.4	0.0	0.0	3.94	16=
A healthy and safe work place results in justice and equity (fairness)	17.6	64.7	11.8	5.9	0.0	3.94	16=
Management is responsible for workers' well being	17.6	64.7	5.9	11.8	0.0	3.88	18
A healthy and safe work place results in dignity of labour	11.8	64.7	17.6	5.9	0.0	3.82	19
A healthy and safe work place results in avoidance/removal of hardship	0.0	82.3	11.8	5.9	0.0	3.76	20
Work is a deed of spiritual value	11.8	41.1	47.1	0.0	0.0	3.65	21

**Table 6B: Degree of concurrence relative to various statements (MS = 1 – 5)
(Smallwood, 2002).**

Emotional Intelligence (1)

- **“Capacity for recognising our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships.”
(Goleman, 1998)**
- **Competencies – 4 clusters:**
 - **Self-awareness:** understand one’s emotions, strengths, and weaknesses
 - **Self-management:** manage one’s motives and behaviour
 - **Social awareness:** understand what others are saying and feeling
 - **Social skills:** obtain desired results from others
- **15 Attributes / States:**
 - **Self regard:** The ability to look at and understand, respect and accept oneself
 - **Emotional self awareness:** Ability to understand ones thoughts, feelings and emotions

Emotional Intelligence (2)

- **Assertiveness:** Express feelings, beliefs, thoughts in a non-destructive way, not using anger and temper
- **Independence:** Be self reliant, do not need anyone to tell them what to do, can stand and work alone, lead
- **Self actualization:** Realize ones potential, strive to reach what one wants to, in the right career, being fulfilled
- **Empathy:** To emotionally read others, feel for them as if in their shoes (different from sympathy)
- **Social responsibility:** Co-operate, contribute to ones social group, being involved, caring for team, society
- **Interpersonal relationships:** Maintain satisfying relationships, getting along with others
- **Stress tolerance:** The ability to withstand adverse and stressful situations without falling apart
- **Impulse control:** Ability to resist or delay an impulse, drive or temptation to act (e.g. anger, eating, drugs, shopping)

Emotional Intelligence (3)

- **Reality testing:** Ability to assess the correspondence between what is experienced (subjective) and what in reality exists (having accurate assumptions)
- **Flexibility:** Ability to adjust ones emotions, thoughts and behaviours to changing situations, manage change and new ways of doing things
- **Problem solving:** Ability to identify, define problems and implement effective solutions
- **Optimism:** Ability to look at the brighter side of life, maintain a positive attitude
- **Happiness:** To feel satisfied with ones life, enjoy oneself, have fun

Emotional Intelligence (4)

Attribute / State	Response (%)						MS	Rank
	U	NotVery						
		1	2	3	4	5		
Problem solving	0.0	0.0	0.0	2.6	21.1	76.3	4.74	1
Assertiveness	0.0	0.0	0.0	5.3	34.2	60.5	4.55	2
Stress tolerance	0.0	0.0	0.0	10.5	28.9	60.5	4.50	3
Reality testing	0.0	2.6	0.0	7.9	31.6	57.9	4.42	4
Impulse control	0.0	0.0	0.0	7.9	44.7	47.4	4.39	5
Interpersonal relationship	0.0	0.0	0.0	10.5	39.5	50.0	4.39	6
Empathy	0.0	0.0	2.6	10.5	42.1	44.7	4.29	7
Emotional self-awareness	0.0	2.6	2.6	7.9	36.8	50.0	4.29	8
Optimism	0.0	2.6	2.6	10.5	31.6	52.6	4.29	9
Self-regard	0.0	2.6	0.0	18.4	39.5	39.5	4.13	10
Social responsibility	2.6	2.6	2.6	7.9	42.1	42.1	4.11	11
Flexibility	0.0	2.6	0.0	23.7	31.6	42.1	4.11	12
Self-actualisation	0.0	0.0	0.0	28.9	34.2	36.8	4.08	13
Happiness	2.6	2.6	7.9	13.2	34.2	39.5	3.92	14
Independence	0.0	5.3	5.3	26.3	26.3	36.8	3.84	15

**Table 7: Importance of attributes / states in terms of managing construction H&S (MS = 1 – 5)
(Smallwood, Emuze, and Bloomberg, 2012)**

Emotional Intelligence (5)

Attribute / State	Response (%)						MS	Rank
	U	NotVery						
		1	2	3	4	5		
Problem solving	2.6	0.0	0.0	5.3	26.3	65.8	4.50	1
Assertiveness	5.3	0.0	0.0	7.9	28.9	57.9	4.29	2
Stress tolerance	2.6	0.0	0.0	10.5	36.8	50.0	4.29	3
Impulse control	2.6	0.0	0.0	7.9	47.4	42.1	4.24	4
Self-actualisation	2.6	0.0	0.0	10.5	44.7	42.1	4.21	5
Interpersonal relationship	5.3	0.0	2.6	5.3	36.8	50.0	4.18	6
Optimism	2.6	2.6	0.0	15.8	26.3	52.6	4.18	7
Self-regard	2.6	2.6	0.0	7.9	44.7	42.1	4.16	8
Flexibility	2.6	2.6	0.0	7.9	44.7	42.1	4.16	9
Social responsibility	2.6	2.6	2.6	7.9	39.5	44.7	4.13	10
Reality testing	2.6	2.6	2.6	10.5	36.8	44.7	4.11	11
Emotional self-awareness	2.6	2.6	2.6	13.2	31.6	47.4	4.11	12
Empathy	2.6	2.6	5.3	13.2	34.2	42.1	4.00	13
Happiness	5.3	2.6	2.6	23.7	13.2	52.6	3.95	14
Independence	2.6	5.3	5.3	23.7	23.7	39.5	3.79	15

Table 8: Extent to which attributes / states contribute to optimising (best possible) H&S performance on construction projects (MS = 1 – 5) (Smallwood, Emuze, and Bloomberg, 2012)

Emotional Intelligence (6)

Attribute / State	Importance		Contribute		Variance
	MS	Rank	MS	Rank	
Problem solving	4.74	1	4.50	1	0.24
Assertiveness	4.55	2	4.29	2	0.26
Stress tolerance	4.50	3	4.29	3	0.26
Reality testing	4.42	4	4.11	11	0.31
Impulse control	4.39	5	4.24	4	0.15
Interpersonal relationship	4.39	6	4.18	6	0.21
Empathy	4.29	7	4.00	13	0.29
Emotional self-awareness	4.29	8	4.11	12	0.18
Optimism	4.29	9	4.18	7	0.11
Self-regard	4.13	10	4.16	8	- 0.03
Social responsibility	4.11	11	4.13	10	- 0.02
Flexibility	4.11	12	4.16	9	- 0.05
Self-actualisation	4.08	13	4.21	5	- 0.13
Happiness	3.92	14	3.95	14	- 0.03
Independence	3.84	15	3.79	15	0.05

Table 9: Comparison of the importance of attributes / states in terms of managing construction H&S and the extent to which attributes / states contribute to optimising (best possible) H&S performance on construction projects (MS = 1 – 5) (Smallwood, Emuze, and Bloomberg, 2012)

Contributors to optimum H&S performance (1)

Aspect / Intervention / Stakeholder	Response %						MS	Rank
	Unsure	Minor Major						
		1	2	3	4	5		
H&S rules	9.5	0.0	0.0	14.3	14.3	61.9	4.53	1
H&S induction	4.5	0.0	0.0	9.1	27.3	59.1	4.52	2
H&S awareness	4.5	0.0	4.5	4.5	22.7	63.6	4.52	3
Management commitment to H&S	4.5	0.0	0.0	13.6	22.7	59.1	4.48	4
Management accountability for H&S	4.5	0.0	4.5	4.5	27.3	59.1	4.48	5
Hazard identification and risk assessment	4.5	0.0	0.0	4.5	45.5	45.5	4.43	6
H&S inspections	4.5	0.0	0.0	13.6	27.3	54.5	4.43	7
Integration of H&S into all activities / tasks	9.5	0.0	0.0	9.5	33.3	47.6	4.42	8
H&S Coordinator / Manager	5.6	0.0	0.0	16.7	22.2	55.6	4.41	9
Toolbox talks	9.1	0.0	0.0	18.2	18.2	54.5	4.40	10
Safe work procedures (SWPs)	4.5	0.0	0.0	9.1	40.9	45.5	4.38	11
H&S training	4.5	0.0	0.0	13.6	31.8	50.0	4.38	12
H&S management system (H&SMS)	5.0	0.0	5.0	15.0	15.0	60.0	4.37	13
Site management	4.8	0.0	0.0	4.8	52.4	38.1	4.35	14
H&S policy	4.5	0.0	4.5	13.6	22.7	54.5	4.33	15
Focus on H&S	4.8	0.0	0.0	9.5	47.6	38.1	4.30	16
Worker participation	4.8	0.0	0.0	14.3	38.1	42.9	4.30	17

Table 10A: Extent to which aspects / interventions / stakeholders contributed to respondents' organisations receiving a rebate from FEM (MS = 1 – 5) (Smallwood, 2011)

Contributors to optimum H&S performance (2)

Aspect / Intervention / Stakeholder	Response %						MS	Rank
	Unsure	Minor Major						
		1	2	3	4	5		
Incident investigation	9.1	0.0	4.5	9.1	31.8	45.5	4.30	18
Management involvement in H&S	4.5	0.0	4.5	9.1	36.4	45.5	4.29	19
H&S Officer	4.5	0.0	0.0	22.7	22.7	50.0	4.29	20
H&S education	9.1	0.0	0.0	13.6	40.9	36.4	4.25	21
H&S Consultant	20.0	0.0	0.0	20.0	20.0	40.0	4.25	22
H&S culture	4.5	0.0	0.0	22.7	27.3	45.5	4.24	23
H&S disciplinary procedure	19.0	0.0	4.8	14.3	23.8	38.1	4.18	24
H&S plans	4.8	0.0	0.0	28.6	23.8	42.9	4.15	25
H&S legislation (OH&S Act & COID Act)	4.8	0.0	4.8	14.3	38.1	38.1	4.15	26
H&S meetings	4.5	0.0	0.0	22.7	36.4	36.4	4.14	27
Client	11.1	5.6	0.0	5.6	44.4	33.3	4.13	28
Construction Regulations	9.1	0.0	9.1	4.5	45.5	31.8	4.10	29
H&S goal setting	15.8	0.0	5.3	15.8	31.6	31.6	4.06	30
Allocation of financial resources to H&S	9.1	0.0	4.5	22.7	27.3	36.4	4.05	31
Medical surveillance	20.0	0.0	5.0	20.0	25.0	30.0	4.00	32
First line supervision	4.5	0.0	0.0	36.4	27.3	31.8	3.95	33
H&S specification	9.5	0.0	0.0	33.3	28.6	28.6	3.95	34

Table 10B: Extent to which aspects / interventions / stakeholders contributed to respondents' organisations receiving a rebate from FEM (MS: 1 – 5) (Smallwood, 2011)

Contributors to optimum H&S performance (3)

Aspect / Intervention / Stakeholder	Response %						MS	Rank
	Unsure	Minor Major						
		1	2	3	4	5		
Recognition of H&S performance	14.3	0.0	4.8	23.8	28.6	28.6	3.94	35
H&S measurement	10.0	0.0	15.0	15.0	20.0	40.0	3.94	36
Quality management system (QMS)	15.0	0.0	5.0	25.0	25.0	30.0	3.94	37
H&S message / theme for the month or week	11.8	0.0	5.9	23.5	29.4	29.4	3.93	38
Feedback on H&S performance	4.5	4.5	0.0	27.3	31.8	31.8	3.90	39
Improvement process e.g. Total quality management (TQM)	21.1	0.0	5.3	26.3	21.1	26.3	3.87	40
H&S Representatives	4.8	0.0	4.8	33.3	28.6	28.6	3.85	41
Partnering	9.1	9.1	0.0	18.2	36.4	27.3	3.80	42
Project manager	5.3	0.0	15.8	21.1	26.3	31.6	3.78	43
Participation in H&S competitions	7.1	7.1	14.3	14.3	21.4	35.7	3.69	44
H&S notice board	6.3	0.0	6.3	43.8	25.0	18.8	3.60	45
Participation in H&S star gradings	16.7	8.3	8.3	16.7	25.0	25.0	3.60	46
H&S incentives	18.8	0.0	12.5	25.0	31.3	12.5	3.54	47
Client appointed H&S Agent	5.6	5.6	5.6	38.9	22.2	22.2	3.53	48
H&S newsletter	15.4	7.7	23.1	23.1	15.4	15.4	3.09	49
Designer	11.1	22.2	11.1	22.2	11.1	22.2	3.00	50
H&S suggestion box	14.3	14.3	14.3	28.6	14.3	14.3	3.00	51
Unions	15.4	30.8	7.7	30.8	0.0	15.4	2.55	52

Table 10C: Extent to which aspects / interventions / stakeholders contributed to respondents' organisations receiving a rebate from FEM (MS: 1 - 5) (Smallwood, 2011)

Management of H&S and complexity

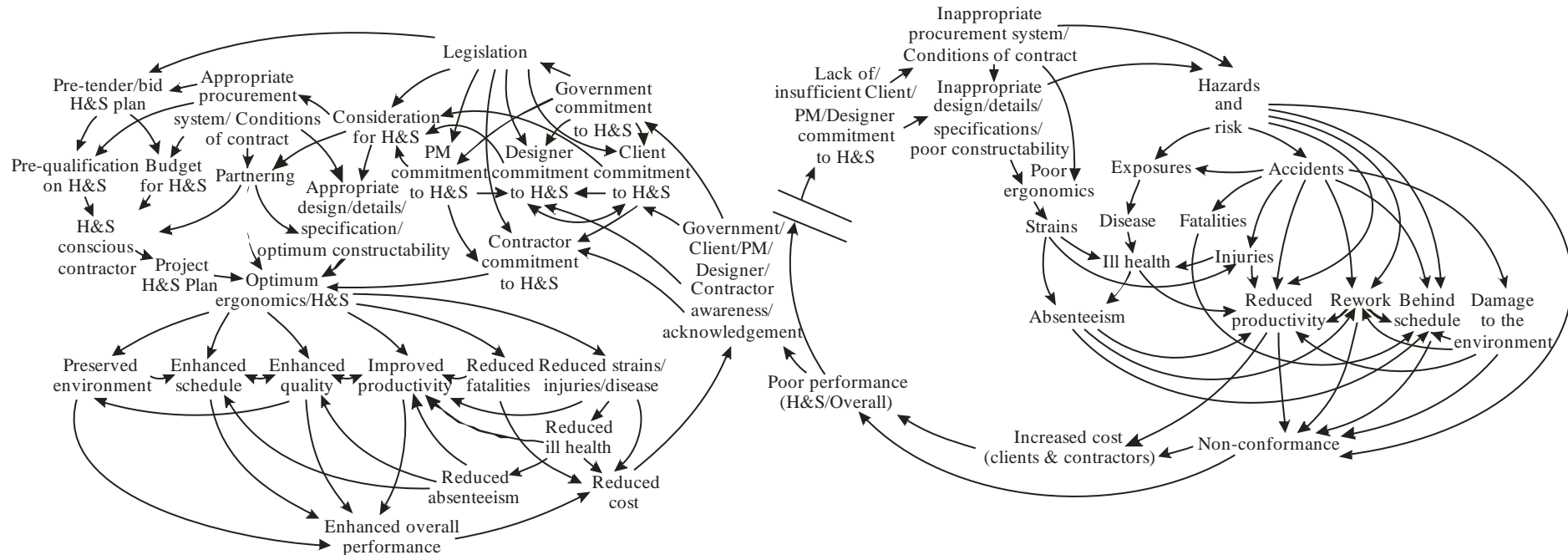


Illustration 1: The holistic role of project managers (PMs) in H&S and the role of H&S in overall performance.
 (Smallwood, 2005)

Commitment versus participation versus involvement

- **Commitment – is relative**
- **Participation – more than commitment**
- **Involvement – more than participation**

Leadership (1)

- Management = ‘getting things done through others’
- Leadership = ‘influencing others’
- ‘Managers do things right’
- ‘Leaders do the right thing’
- Approaches (Lingard and Rowlinson, 2005):
 - Impact on workers propensity to ‘care for H&S’:
 - Transformational – value based interactions underpinned by trust, loyalty, openness, and reciprocity
 - Transactional – more focused on hierarchical than egalitarian values – 3 dimensions:
 - Constructive – identify employees’ needs and expectations, and motivate them through rewards for performance
 - Corrective – monitor subordinates’ actions relative to standards and detect and correct errors
 - Laissez-faire – disown their ‘supervisory responsibility’

Leadership (2)

- **Management commitment – not just top, but supervisory commitment**
- **Supervisory commitment has a major impact as supervisors:**
 - **Task workers**
 - **Implement policies, rules, procedures, and protocol**
 - **Provide feedback to management**

(Lingard and Rowlinson, 2005)

H&S culture, H&S climate, and Leadership

- H&S culture – embodies values, beliefs, and assumptions
- H&S climate – employees' shared perceptions of the organisational atmosphere
- H&S culture versus climate?
- H&S culture → H&S climate → H&S performance
- 'Good' H&S culture:
 - 'All incidents can be prevented'
 - Genuine management commitment to H&S
 - H&S policy
 - Communicate the importance of H&S in all management's actions
 - Adequately resource H&S
 - Adopt a long-term view – H&S is part of business strategy

H&S Policy (Values)

- **Definition: code of behaviour; ethics; standards (moral), and principles**
- **Influence vision, goals, mission and assumptions**
- **Critical - H&S is a 'life and death' issue**
- **H&S must be a value not a priority - priorities change e.g. production and time (and cost) may be priorities at a stage (always are)**
- **Examples:**
 - **“People are our most important resource”**
 - **“H&S is a basic human right”**
 - **“H&S will be granted status equal to or greater than that afforded to cost, productivity, quality and time”**

H&S Policy (Purpose)

- **Definition: what people want to contribute, in the broader sense, to all stakeholders, so that they are inspired to their highest level of performance**
- **Ultimate purpose - sustainability of the organisation**
- **Prevention of fatalities, injuries, and disease is a means to an end, not the end!**

H&S Policy (Vision) (1)

- **Definition:** the ability to see the potential in, or necessity of opportunities right in front of you
- **Practical terms** - creating the future by taking action in the present

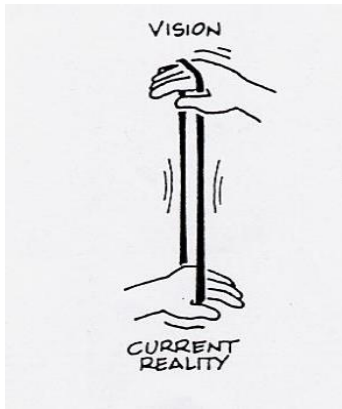


Illustration 1: Creative Tension (Senge, 1990).

H&S Policy (Vision) (2)

- **Current reality – recurring accidents accompanied by regular incidents**
- **Vision: ‘fatality, injury, and disease-free work place’**
- **Importance - only having a vision and working towards it will extricate an organisation from current reality**

H&S Policy (Goals)

- Represent aspirations, serve as a common bond and provide a standard for evaluation
- Goals are related to vision - vision of a 'fatality, injury, and disease-free workplace' requires a goal of 'zero incidents'
- 'Zero incidents' (for that deviations):
 - Although incidents may occur - must never accept that incidents must occur!
 - Transparent - workers, unions and shareholders (?)
 - 'Aim low - score low'
 - A lesser goal = compromise, as it leaves a subtle message that incidents will occur and that they are acceptable, and
 - 'State of mind' / 'Philosophy'

H&S Policy (Mission)

- Clear, definable and motivational point of focus
- Complementary to the vision and goals
- Vision such as ‘fatality, injury, and disease-free workplace’ and a goal ‘zero incidents’ requires continual improvement

H&S Policy (Assumptions)

- Important, as even though research, anecdotal evidence or experience might indicate that increased H&S a decrease in incidents – it is not guaranteed
- Must assume that incidents will be minimised - else will not allocate the optimum resources and fail to realise the vision

H&S climate and H&S performance

- **H&S climate impacts on organisational behaviours:**
 - Communication
 - Decision making
 - Problem solving
 - Conflict resolution
 - H&S related behaviour
- **Research indicates that H&S climate can predict incidents**
- **Multi-level H&S climate:**
 - Organisation versus projects or units
 - Performance differ

(Lingard and Rowlinson, 2005)

Commitment

Indicator variables in terms of clients' role and influence on contractor H&S (Musonda, Pretorius & Haupt 2012):

- **Demonstrate a positive H&S attitude**
- **Actively promote H&S**
- **Provide adequate resources for H&S implementation**
- **Routinely evaluate H&S in all work schedules**
- **Evolve incentives for good H&S behaviour**
- **Include H&S as a major agenda item in project meetings**

Involvement

Indicator variables in terms of clients' role and influence on contractor H&S (Musonda, Pretorius & Haupt 2012):

- **Personally be active in critical project H&S activities**
- **Always be present in project H&S meetings**
- **Contribute to H&S training**
- **Actively oversee H&S on critical operations**
- **Constantly stay in touch on H&S issues**
- **Always communicate information on H&S to all parties**
- **Conduct regular audits and inspections**

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- **Conduct regular audits and inspections**

Accountability

- Measure in terms of authority and responsibility
- Possible measures (Outcome):
 - CI claims ratio (WC claims / WC insurance paid)
 - Rand WC insurance claims / production costs
 - No. of lost work day cases / workers
 - No. of lost workdays / Total No. of worker days
 - First Aid Injury Incidence Rate
 - Medical Aid Injury Incidence Rate
 - Disabling Injury Incidence Rate
 - Fatality Rate / 100 000 Full-Time equivalent workers
 - Abovementioned per shift
- Is this practiced?
- Preferably performance measures that predict H&S performance e.g. chairing H&S meetings

Measurement

- Rather measure predictors of performance (Performance) than failures (Outcome)
- If H&S culture → H&S climate → H&S performance, then measure issues relative to the aspects
- If commitment, participation, and involvement are all relative, then measure issues relative to the aspects

Conclusions (1)

- H&S should be a value not a priority – priorities change
- Challenge – realising ‘H&S as a value’
- The indirect COA multiplier has a major effect on the total COA
- $COA > COP$ = Motivation to optimise H&S performance
- Need to know the COP and the COA – if an organisation does not know, then how does it argue the ‘financial case’?
- The COA has a major impact on profitability
- H&S is the catalyst for optimum cost, quality, and time performance
- Emotional intelligence!
- H&S culture → H&S climate → H&S performance

Conclusions (2)

- Management, but leadership is critical
- Awareness is a pre-requisite for commitment
- Education is a pre-requisite for awareness – do tertiary education programmes (including MBAs) address H&S?
- Commitment, but participation, and involvement
- Accountability to H&S
- Promote H&S on the basis of the moral imperative and its impact on overall performance, financial included
- ‘Boards’:
 - Actually indirectly ‘manage’ organisations
 - Must provide H&S leadership
 - Need to be populated by H&S ‘conscious’ Directors

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