ERM 2024 Global Health and Safety Survey

RISING TO THE CHALLENGE OF THE CONSTANTLY CHANGING WORLD OF WORK

Sustainability is our business

Tom Reichert
ERM Group Chief Executive Officer

I am very pleased to share the findings from the ERM 2024 Global Health and Safety Survey. This is the third survey we have conducted, building on insights gathered in 2018 and 2021.

The title of this report, Rising to the Challenge of the Constantly Changing World of Work, speaks to the tectonic shifts that we are witnessing in how, where and by whom work is delivered.

These changes are occurring in a context where expectations for health and safety from all stakeholder groups (employees, regulators, Boards of Directors) continue to escalate. The 256 Health and Safety Function Leaders who participated in this study inform us that the costs for organizations that fail to rise to the challenge will continue to increase for the foreseeable future.

At the same time, the prize for organizations and their leaders who successfully navigate their way through these challenges is great.

In terms of some of the specific headlines from the survey, the findings point to increasing investment in health and safety, higher levels of leadership engagement, growing interest in health and safety data and analytics and widespread application of technology and real innovation in the field.

I would like to take this opportunity to thank all of the participants in the study who gave so generously of their time.

It has been a truly global collaboration between Health and Safety Function Leaders and ERM consultants, with in-depth structured interviews with the 256 participants and 39 Roundtable engagements on 10 different themes yielding in the wealth of insight contained in this report.

The reach of the participating organizations is impressive. They have combined revenues of US $7.2 trillion, they employ 11 million people and many millions of contractors in over 150 countries.

I hope that the depth and scale of this study bring real challenge to your thinking and that it will be a valuable resource as we work together to protect the health, safety and wellbeing of people at work.

‘The title of this report, Rising to the Challenge of the Constantly Changing World of Work, speaks to the tectonic shifts we are witnessing in how, where and by whom work is delivered’

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A note on the structure of this report

We have used the terms 'participants' and 'Function Leaders' interchangeably throughout the report to refer to those who participated in the study. We regard these individuals as some of the most informed individuals working in the field of Health and Safety at this time. The report is organized around the nine themes that were the focus of the engagements with the Function Leaders in their interviews and in the Roundtable engagements. A high-level summary of the data and insights derived from the engagements under these nine headings follows here. Detailed analysis and interpretation of the data are presented in Sections 1-9 of the report. The data from the interviews and Roundtable engagements are supplemented with data from the ERM 2018 and 2021 Health and Safety Surveys and with data from many other sources to help provide context and further insight where appropriate. All data sources are identified in the footnotes. Abbreviations used in the document are defined in Annex 5.

This report sets out findings from engagements with 256 Health and Safety Function Leaders from companies that directly employ 11 million[1] people in addition to many millions of contractors. Over 36,000 H&S professionals work with the participating companies which have operations in more than 150 countries and combined revenues of US $7.2 trillion,[1] equivalent to 7.2%[2] of global GDP in 2022.

A team of 43 trained, multilingual interviewers (all ERM Partners and Principal Consultants working in the firm's global H&S consulting practice) facilitated 1-hour structured engagements with the Function Leaders in the second half of 2023. The ERM 2024 Global Health and Safety Survey is the third in the series.[3]

The engagements addressed topical issues in H&S at this time, such as psychosocial risk and the application of AI in H&S.

We also revisited a number of themes which are a source of persistent challenge for organizations; an opportunity to examine trends in areas including changing stakeholder expectations, investment in H&S and management of H&S for contractors which undertake higher risk activities in the workplace.

Forty-five ERM subject matter experts shared preliminary findings from the study in a series of 39 roundtable engagements with the study participants on 10 different themes in November and December 2023. The rich insights on challenges and best practices in addressing them derived from these engagements have been woven into the report.

ERM's Data Science team, with diverse science and engineering capabilities led by Jonathan Callura PhD, David Molmen MSc, and Arianne Albert PhD, supported the analysis of the dataset using a suite of digital tools, AI and machine learning techniques.

Participants by role

- 65% VPs, directors, global heads of health and/or safety
- 11% Senior managers, managers or advisors
- 11% Regional health and/or safety leads
- 8% Division, country or site health and/or safety leads
- 5% Global program leads

Participants by sector

- 17% Chemical
- 15% Manufacturing
- 12% Oil and gas
- 11% Pharmaceuticals and healthcare
- 10% Mining and metals
- 7% Manufacturing - food and beverage
- 6% Technology
- 5% Conventional power
- 4% Renewables
- 4% Finance
- 3% Media
- 2% Other
- 2% Transport
- 1% Construction, property & facilities management

1. Source: where possible we used data derived from company annual reports and their websites. Where data weren't available from these sources, we used other publicly available information on the internet and cross-checked these data wherever possible.
2. Global GDP was US $101 trillion in 2022. Source: World Bank.
3. ERM Global Safety Survey: A Source of Increasing Risk and Opportunity for Business was published in 2018.
ERM Global Health and Safety Survey: Towards Building a Thriving Workforce was published in January 2021.

1. Change and challenge

Just about every conceivable factor that influences the health, safety and wellbeing of people at work is in flux. The world of work is changing and at pace.

The composition of the workforce is morphing. Sixty-three percent of the Function Leaders anticipate increased use of contractors over the next 3 years, further advancing an established multi-decade trend of migration of the work (and risk) into the contractor base. Attrition in the workforce and the loss of experience this implies was identified as a source of challenge by 15%. Millennials and Gen Z, with a different perspective on work from their predecessors, are expected to account for 27% of the workforce in 2025.

The place of work is also changing with commonplace hybrid and increasing peripatetic working. Over half of the participants have at least 20% of their workforce peripatetically. And the nature of the work is changing: 50% spoke about the challenges (and benefits) of robotics, automation and other operational changes. Seventy-two percent reported a shift in the nature and scale of the risks in their business in the last 3 years.

Much change in the world of work and anticipated, continuously increasing expectations on H&S amongst all stakeholder groups – a near-unanimous perspective from the Function Leaders. Eighty-nine percent anticipate increased impact on business in the next 3 years, advancing another well-established and persistent trend.

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1. Change and challenge

The only constant is change. So remarked Heraclitus, the Greek philosopher in 535 BCE and it's become a defining characteristic of the health and safety field over decades. It's also been a recurring theme in the ERM Health and Safety Surveys in 2018 and 2021.[1]

The data in 2024 certainly point toward much more of the same, with a wide and expanding array of dynamic factors impacting the world of work and the health, safety and wellbeing of people at every organisational level. And it would seem more in the future than today and quite likely a lot more!

ERM's Point of View

Change in world of work (and in H&S) isn't something new. But the breadth and depth of the change is unprecedented, and there is no sense that there will be any let-up in the pace either. That defines the challenge and the data suggests that organizations are, to a greater or lesser extent, struggling to keep up.

Successfully responding to the challenge isn't just a matter of more investment, more process, more engagement from leaders, more data and technology in H&S. The answer, we believe, lies in a whole-organizational response and a transformation in the approaches deployed, to deliver more immediate, deeper and enduring positive impact on the health, safety and wellbeing of people at work.

2. Leadership engagement. Communication. Impact.

Eighty-seven percent of the participants agreed that leadership engagement is the most powerful means of driving improvement in H&S performance. Eighty-one percent reported higher levels of leadership engagement in the last 3 years, in part driven by increased focus on ESG, a positive influence for most, but not all.

Despite higher levels of engagement, only 7% of the participants felt their leaders at any level are spending sufficient time engaging on H&S. There is a persistent disconnect between those who are accountable for determining the level of acceptable risk for the organization and those who are actually engaging with the risks on the frontline.

These new data corroborate findings from the 2018 and 2021 studies. An ongoing challenge that the participants recognise: 85% are planning to invest in safety leadership in the next 3 years.

The data suggest that this effort should be preferentially directed towards enhancing the quality of the engagements (increasing the impact delivered) rather than the quantity of engagements. The data also suggest that a focus on middle management would deliver greater benefit.

An increasingly remote workforce with less opportunities for in person engagements, demands greater impact when leaders do engage. It also increases the need for, and dependence on, high impact communications programs in H&S. Eighty-eight percent of the participants have a mobile workforce but less than half have developed specific strategies to engage this cohort. But the challenges extend to those who have a fixed place of work. As one of the participants observed: "the effectiveness of communication is lower for people who are most at risk."

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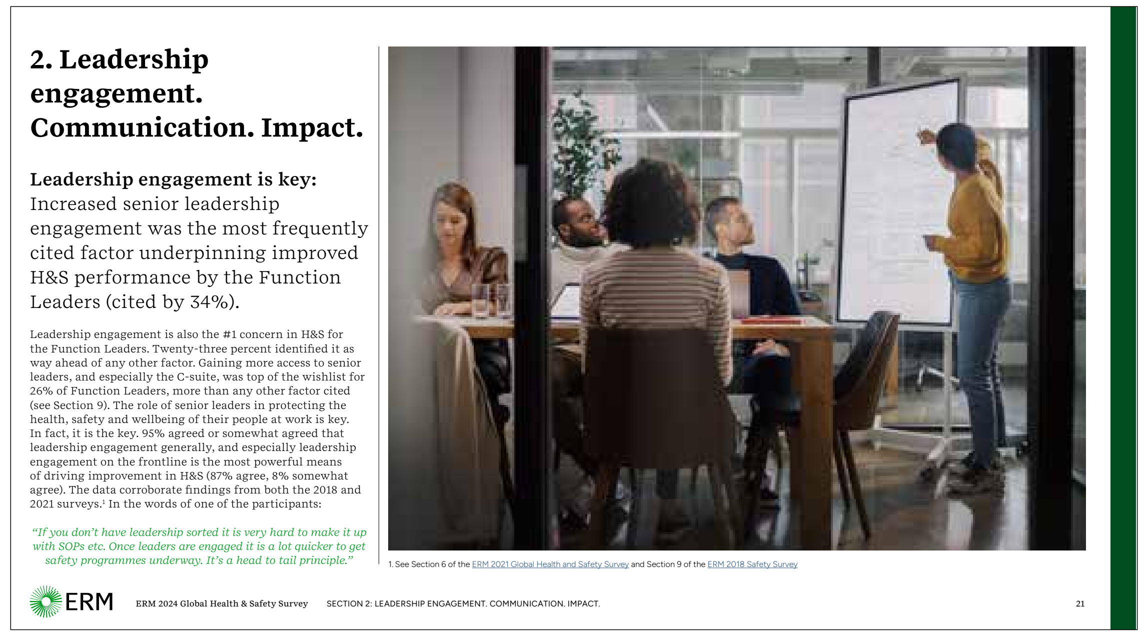

2. Leadership engagement. Communication. Impact.

Leadership engagement is key: Increased senior leadership engagement was the most frequently cited factor underpinning improved H&S performance by the Function Leaders (cited by 34%).

Leadership engagement is also the #1 concern in H&S for the Function Leaders. Twenty-three percent identified it as way ahead of any other factor. Gaining more access to senior leaders, and especially the C-suite, was top of the wishlist for 26% of Function Leaders, more than any other factor cited (see Section 9). The role of senior leaders in protecting the health, safety and wellbeing of their people at work is key. In fact, it is the key. 95% agreed or somewhat agreed that leadership engagement generally, and especially leadership engagement on the frontline is the most powerful means of driving improvement in H&S (87% agree, 8% somewhat agree). The data corroborate findings from both the 2018 and 2021 surveys.[1] In the words of one of the participants:

"If you don't have leadership sorted it is very hard to make it up with SOPs etc. Once leaders are engaged it is a lot quicker to get safety programmes underway. It's a head to tail principle."

1. See Section 6 of the ERM 2021 Global Health and Safety Survey and Section 9 of the ERM 2018 Safety Survey

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ERM's Point of View

In health and safety, leadership is the key, the lever to a safer, healthier, more engaged and more productive workforce. The voice of the Function Leaders on this is crystal clear. And all the data point towards a need to transform approaches to communicating and engaging the workforce on H&S. Not more, but different and better. A catalogue of approaches shared by the participants is very helpful.

We believe the focus has to be engaging people down the line and onto the frontline, connecting with the team purposefully and with care. Fewer slogans, more empathy. Less tell, more ask. Leaders fascinated by how their teams are engaging in the work, observing deeply for greater understanding of how the work is being delivered and engaging for enduring impact with their people. These are coachable skills. Communication campaigns without purposeful engagement from leaders is a hollow promise and serves only to isolate. Deep engagement, supplemented by carefully considered, sophisticated communication campaigns to inspire and educate delivers predictable, measurable shifts in performance. Not a promise. A fact!

3. Partnering with contractors

Three compounding factors are materially impacting organizations' risk profile and their ability to manage this risks:

1. **The ongoing migration of work (and risk) into the contractor base – 63% anticipate increased use of contractors in the next 3 years.**
2. **Contractors are undertaking more risky work (75% of the participants agree).**
3. **Managing contractor H&S is regarded by most as more challenging than employee H&S.**

Despite most (65%) adopting a more hands-on approach, challenges with contractors' safety performance remain.

Almost half said their contractor safety performance is worse than their own employees and 65% of the 567 fatalities reported by the participants in the last 3 years occurred to contractors.

Initiatives to improve contractors' safety performance shared by the Function Leaders do offer very useful insights.

Top of the list is working more closely with contractors as 'partners' and embedding contractors in company programs, cited by 31%.The participant perspectives on approaches that offer the greatest potential for improvement in future are closely aligned with this and the other initiatives deployed by the participants over the last 3 years.

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3. Partnering with contractors

The definition of the 'workforce' has become increasingly blurred in practical, if not legal, terms as more of the 'work' is undertaken by contractor employees.

ERM's Point of View

As organizations dependence on their contractor base and the individuals who actually deliver the work on their behalf increases, so does their strategic significance. The need for and benefits of a healthy, safe workforce apply no less to the contractor's workforce than to a company's own employees.

The direction of travel is towards deeper engagement with contractors and a more hands-on approach. The engagements with the Function Leaders suggest a need for a less compartmentalized approach to management of contractor H&S. Our read is that engagements with contractors on H&S are, in practice, very often regarded as secondary to engagements with the company's own employees. That's understandable, but arguably the rising strategic importance of contractors and the ongoing migration of the risks into the contractor base argues in favor of a more equal weighting.

We believe that, in practice, deeper engagement with contractors means deploying high-impact leadership engagement techniques and sophisticated communication strategies to deliver what is, for many, a necessary breakthrough in the H&S performance of contractors; in essence, the same approaches that will deliver a transformation in the H&S culture and performance of the company's own employees. But these approaches do need to be adapted to account for the different nature of the relationship and what is in many ways a more complex eco-system. And taking into full account the varying degrees of leverage at different stages of the contractor management lifecycle, at a maximum in the pre-contract award phase and typically declining thereafter.

4. Organizational capacity and capability building to respond to the change

The participants' assessment of their performance against their leading and lagging indicators and their assessment of their H&S performance versus their peers all present a very positive picture.

Ninety-three percent, for example, assessed their leading indicators stable or improving. A much more concerning picture emerges on the data on fatalities (567 across all the participating companies with 60% reporting one or more in the last 3 years), mental health and management of process safety for the participants. A review of official H&S data for several countries produces a very similar picture. A mixed, somewhat confusing picture and a conundrum, especially if you consider the increases in investment in H&S, the application of new technologies, software to capture and track a growing list of indicators and broadly increasing engagement by leaders.

Leadership engagement, and all aspects of it, tops a long list of concerns articulated by the Function Leaders (cited by 23%). It is #1 on the list of key factors that have delivered improvements in H&S performance (cited by 34%).

The participants increased their investments in H&S by 26% on average in the last 3 years and anticipate a further 20% increase on average in the next 3 years. The focus of these investments over the next 3 years, however, presents an anomaly. Only 40% identified one or more investment priorities (of 2 or 3) that were aligned with their top 3 concerns on H&S. And, only 23% identified one or more that were aligned with any of the 3 factors they identified as key to delivering improvement.

Organizations' investment in Employee Assistance Programs (EAPs) is a case in point. Top of the list as an investment in management of psychosocial risks, these programs were widely criticized by the participants, but they remain on the list of planned initiatives for the next 3 years.

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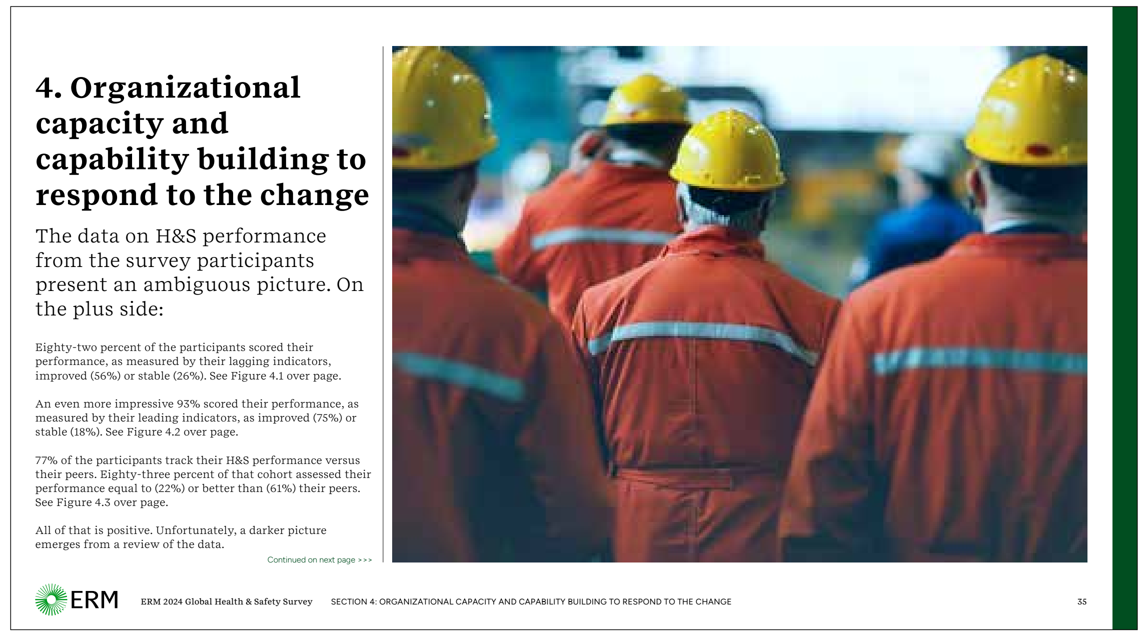

4. Organizational capacity and capability building to respond to the change

The data on H&S performance from the survey participants present an ambiguous picture. On the plus side:

Eighty-two percent of the participants scored their performance, as measured by their lagging indicators, improved (56%) or stable (26%). See Figure 4.1 over page.

An even more impressive 93% scored their performance, as measured by their leading indicators, as improved (75%) or stable (18%). See Figure 4.2 over page.

77% of the participants track their H&S performance versus their peers. Eighty-three percent of that cohort assessed their performance equal to (22%) or better than (61%) their peers. See Figure 4.3 over page.

All of that is positive. Unfortunately, a darker picture emerges from a review of the data.

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ERM's Point of View

The ever-increasing investment in H&S, at rates of growth that exceed most measures of economic performance, is a precious opportunity to address the rising challenges in H&S shared by the Function Leaders and set out here. We identified a lack of rigor in investment decision making in the 2018 and 2021 studies.

We believe the data from the participants in the 2024 study reinforce the point and strongly suggest that there would be much benefit (and probably an urgent need) to ensure that investments are more carefully focused on activities that will deliver a meaningful return in terms of measured improvement in H&S performance.

5. Psychosocial risk

The worldwide data on declining mental health makes for grim reading, with 12 billion working days lost every year due to depression and anxiety according to a joint World Health Organization/International Labour Organization study.

There were 17.1 million workdays lost in 2022/23 in the UK alone and a staggering 49% of all days lost due to ill health according to data from the UK Health and Safety Executive. In ADP's People at Work 2023 Survey, nearly two-thirds (65%) stated that work adversely affects stress levels.

Psychosocial risk factors and the mental health challenges that arise from them are a growing source of concern to companies. Eighty-six percent of participants identified it as such for their companies. Concerns about psychosocial risk and declining mental health ranked 5th on the list of top concerns for the participants. A range of factors are driving concerns on psychosocial risk including Covid-19 – a catalyst for the spike in psychosocial aspects that may affect declining mental health and a need to continue to focus on the topic (cited by 38%). Companies' own efforts put a spotlight on psychosocial hazards and risks related to declining mental health, and a need to continue driving engagement on these issues. The third factor (cited by 26%) was constant pressure to perform at work, a faster pace of work, increased workload, and an 'always-on' work environment, all psychosocial risk factors.

The participants' assessment of their leaders' capabilities to address psychosocial risk factors in the workplace are amongst the weakest of any aspect addressed in the survey. The Roundtable participants discussed leadership engagement on psychosocial risks and many had the view that creating a thriving work environment is a leadership issue. An insight that was corroborated by the data.

The Function Leaders provided useful insights into the various initiatives they have adopted to drive improvement in management of work-related psychosocial risk factors and the initiatives they are planning for the next 3 years. The top ranked initiative adopted by over one-third (37%) of companies were EAPs. Those who implemented an EAP were, however, least likely to identify that as the initiative that delivered the greatest benefit.

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ERM's Point of View

Those new to the field understandably have a tendency to conflate psychosocial hazards and risks with mental health. The distinction is important as psychosocial risks are specific factors in the work environment that pose a threat to worker psychological wellbeing, while mental health is a broader and more encompassing concept that refers to an individual's overall emotional, psychological and social state. This confusion may be attributed to the current absence in many countries of specific guidelines on how to eliminate and minimize psychosocial risks. Of note are Codes of Practice established across different states in Australia that provide a well-defined roadmap for recognizing, assessing, controlling and monitoring psychosocial hazards and the associated risks. Companies that embed diversity, equity and inclusion (DEI) principles into their culture tend to fare better in addressing psychosocial hazards. By fostering an inclusive environment that values diversity, such companies demonstrate a commitment to understanding and accommodating the varied needs of their workforce.

We believe leadership programs geared towards addressing psychosocial hazards require a more holistic approach that considers the complexity of human behavior. Understanding the physiological underpinnings of behavior can equip leaders with the knowledge to create supportive work environments, implement meaningful policies and drive initiatives that prioritize employee well-being. Tackling psychosocial hazards and related risks will require a step change in approach, with an emphasis on understanding and examining the relationships, procedures and processes within the organization, rather than focusing on individual elements in isolation.

6. An agile health & safety function

Twenty years ago, the H&S function was largely a 'back-office,' technical and compliance-led resource for organizations. It has morphed into a multifaceted, business-critical enabler of human performance and organizational culture change employing advanced technologies and artificial intelligence to address concerns about human health, psychosocial risk, and pandemic and emergency response, engaging with a complex and increasingly sophisticated stakeholder group.

The Function Leaders have substantially scaled back their assessment of how well equipped the function is to address rapidly changing stakeholder needs. Investment in the capabilities of the H&S professionals has not kept pace with changing needs.

Dealing with this complex set of demands is exacerbated by a near-global capacity crunch. Hiring competent H&S professionals has become a real challenge. The participants collectively employ >36,000 H&S professionals, but only 3% assessed their capacity as fully matching their needs.

The Function Leaders are pressed themselves: 37% stated they were unable to focus on key, self-identified priorities because of limited bandwidth and resource constraints.

Data on the ratio of H&S professionals to company employees makes interesting reading, with substantial sectoral variations and a >10x difference in the ratios for downstream oil and gas (5.8:100) and the finance sectors (0.5:100). Reporting lines for the function gravitate to the C-suite with 58% reporting into that level with, 27% reporting directly to the CEO.

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ERM's Point of View

H&S professionals and the functions they populate are operating in a new paradigm, and not surprisingly many, but by no means all, are struggling to deliver on the complex demands placed upon them. Widespread difficulties with recruiting experienced talent in the field only serves to compound the challenge. These same issues were identified in the ERM 2021 Global Health and Safety Survey, but the data unambiguously inform us that the capability and capacity gap in the function has widened considerably over the last 3 years. Given the origin of these concerns (rapid changes in the field, and no let-up in that trend) the situation can only deteriorate. This is not a good place to be for the function, those who work in the field or for the organizations and people they serve.

We believe the data, once again, call for urgent action to avert what will likely become a crisis for organizations in the absence of strident actions to build capacity and capability in H&S functions. While individual circumstances will vary, the statistical analysis of the data suggests that organizations should focus more on building capability than capacity. Approaches being deployed to improve recruitment and retention of H&S talent and a list of priorities and approaches for capability development from the Function Leader, including some novel ideas, provide a very useful resource and a great starting point for those who are focused on addressing this particular challenge. But it's evident that there is a need for out-of-the box thinking here.

7. Data and insight to guide decision making

The health, safety and wellbeing of people at work is rising on the agenda of most organizational leaders and the focus on data has too.

Investment in extracting more insight from data has risen from #13 on the list of all planned investments in H&S in 2021 to #3 in 2024. It is #1 on the list of priority investments in technology for the Function Leaders.

The established trend towards leading versus lagging indicators, has progressed with companies tracking a broad range of metrics (strong bias towards field observation and engagement data, cited by >50%).

Companies are deploying AI to support their efforts and a number are experimenting with non-traditional indicators in H&S, such as off-trend production volumes, maintenance backlogs and overtime to identify incident inducing conditions.

Learning from incidents is a long-established principle in manufacturing excellence and is central to the principles of human and operational performance, an area of interest to a number of the participants in the study. Fifteen percent spoke of it in their interviews. The data on learning from incidents is broadly positive, though only 6% rated their organization as highly effective in that regard. An extremely useful, long list of improvements that would enhance learning from incidents was shared by the Function Leaders.

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ERM's Point of View

Rising interest from the leadership in any area of business creates a demand for more, better-quality data: if it really matters, they absolutely must know if they are on track. The greater the level of interest, the greater the demand. That dynamic is clearly in play in the field.

The management of H&S data has gone through a metamorphosis in the last decade and most leading organizations have established the infrastructure to handle and report incident statistics. But the use of data to drive improvement in the field remains relatively immature compared to state-of-the-art practices in, say, operational excellence. Insights from the Function Leaders suggest companies have become more adept at incident investigation/causal learning but have made less progress in translating these insights into meaningful change.

We believe rising concern about H&S among organizational leaders, Boards of Directors and other stakeholder groups will drive increasing maturity in the use of data and broad-based learning from incidents to prevent recurrence, helping organizations to accelerate the pace of improvement in H&S cultures and performance.

A great opportunity. Delivering on the potential will require unprecedented collaboration across organizations for most, and the earnest commitment of senior leadership. H&S functions will need to lead the charge, and that will require a skillset that is relatively scarce within H&S functions. Many have developed these capabilities elsewhere in their organisations in their drive for continuous, sustained operational excellence. Data and insight for enhanced decision making and step changes in H&S culture and performance.

8. Harnessing artificial intelligence and technology

The uptake of technology in H&S has deepened and widened in the last 3 years.

Eighty-eight percent of the participants deployed new technologies in the last 3 years and 75% implemented software solutions to address a wide range of different needs, including incident management, data analytics, audit and inspection and management of psychosocial risks. Technology accounted for six of the top 10, and 15 of the top 30, investments in H&S over that timeframe.

Data analytics (cited by 44%) tops this list for tech investments in the next 3 years followed by automation and robotics in second place (cited by 33%). Twenty percent will invest in Digitalization of H&S processes, #3 on the list (#1 in 2021).

Just over one-quarter (27%) are using AI in H&S and half of those who are not using AI plan to do so in future. The dominant use of AI is to support data analytics (59% of those using AI), with 27% using AI powered computer vision/ remote monitoring.

The participants are broadly positive on the benefits derived from their investment in technology: 72% said the benefits derived exceeded their expectations.

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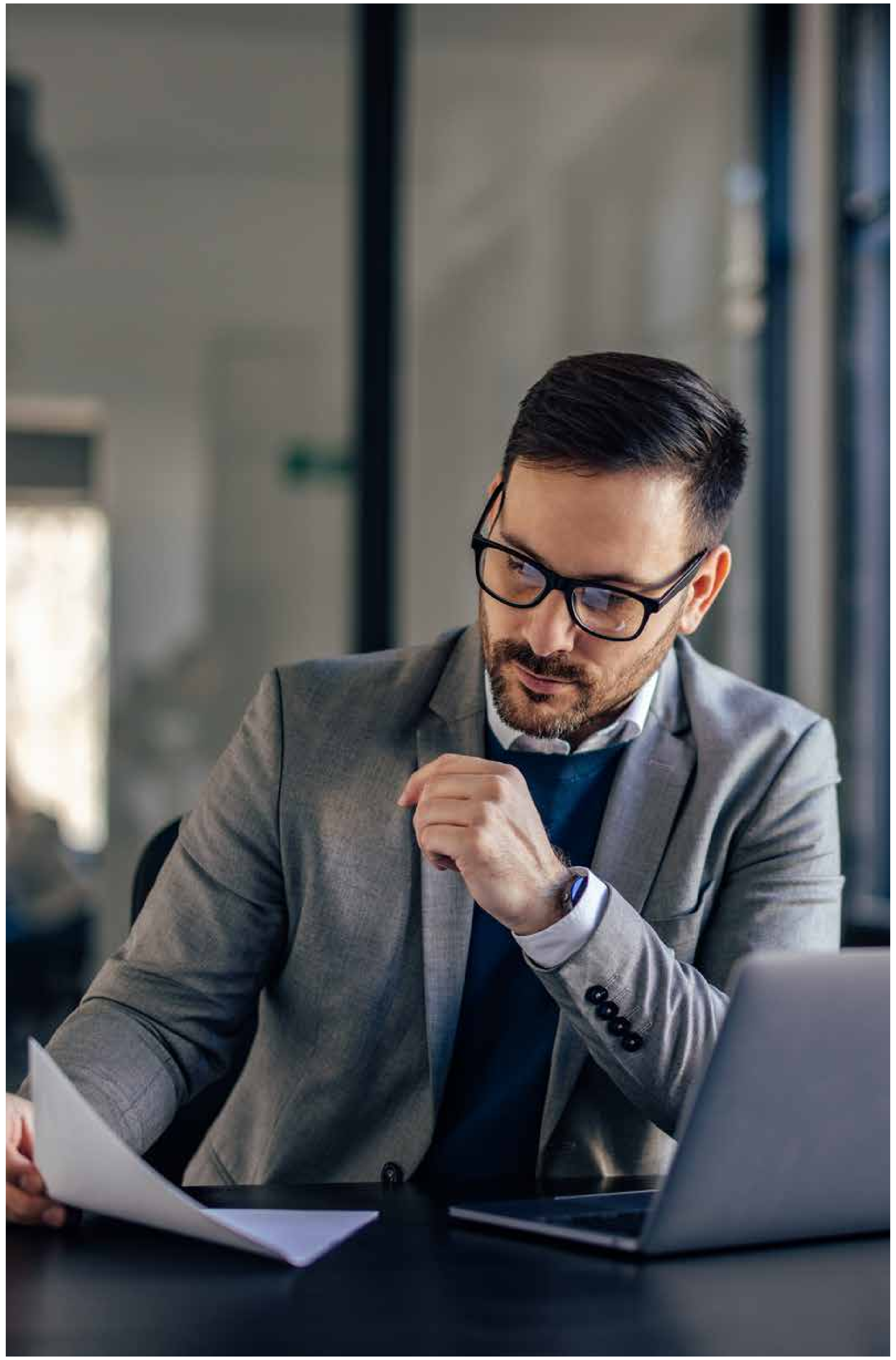
ERM's Point of View

Data and technology offer the prospect of exciting breakthroughs in H&S performance, through the elimination of hazards (the use of drones, for example, has transformed inspection regimes on stacks and other hard to reach locations) and by providing real-time monitoring of behaviors (In Vehicle Monitoring Systems (IVMS) has been transformative in the area of driver behavior). Investment in technology is giving rise to new hazards and behavioral changes; not all are positive. One participant shared that they had discontinued the use of their e-permitting systems, because it substantially diminished thoughtful engagements on the hazards and risks by the team. A number shared concerns that the younger generation's strong bias for electronic communication undermined the quality of and the benefits derived from human interaction.

We believe data, technology and AI offer tremendously exciting prospects for delivering a step-change in H&S performance. Investment decisions, however, need to be guided by an overarching strategy. Piecemeal, stepwise adoption of solutions is a recipe for long-term, sub-optimal outcomes. Some of the participants shared their experiences in this regard. In a world of limited investment dollars, careful consideration also needs to be given to the relative merits (and costs) of tech and non-tech solutions. Investment decisions in technology require clear understanding of the broader implications of deploying these solutions in the workplace. The application of robust change management is an imperative, and that needs to take full account of the cultural and human behavioral implications of these potentially brilliant innovations.



9. Function Leaders wishlist

The Function Leaders were asked to identify one thing that they would each like to do more of or do differently. They were also asked to identify the key factor that is inhibiting them from delivering on these aspirations. Some insights from their remarks:

Just over half (52%) spoke to a personal appetite for more engagement with teams across their organization.

The responses were roughly split three ways: senior leadership, middle management and on the frontline. Thirty-seven percent of the Function Leaders spoke of their appetite to be more strategic in their approaches and engagements.

The inhibitors are dominated by two factors: 54% are stretched by excessive workload, limited bandwidth (too many meetings) and competing priorities. The second is a lack of access to, or engagement with, senior leaders.

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9. Function Leaders wishlist

Each Function Leader identified the one thing they would, personally, like to do more of/do differently.

Their categorized responses are set out in Figure 9.1 on the following page. Just over half (52%) of the responses speak to a personal appetite for more engagement.

The participants are pretty much split three ways in terms of where they see the priorities for engagement: at the top of the house, the middle and on the frontline. Just over a third (37%) speak to an appetite to be more strategic in their approaches and engagements (items ranked 1, 3 and 4).

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ERM 2024 Global Health & Safety Survey SECTION 9: FUNCTION LEADERS WISHLIST

ERM's Point of View

The wishlists from the Function Leaders and the list of factors which is inhibiting them from addressing these priorities encapsulate the many-faceted challenges that emerged from the engagements with the Function Leaders.

We believe: leading H&S functions is enormously challenging at a time of extraordinary change and growing complexity in the field, with constantly evolving expectations from every internal and external stakeholder group, where the impacts on business are rising relentlessly. And the indicators point to more of the same for the foreseeable future.

Confronted by these challenges, taking the time to engage deeply with the organization, to think strategically and engage substantively with senior leadership are imperatives, not ideals.

ERM's Point of View: In Summary

The ERM Global Health and Safety Survey team commenced their work on the study in March 2023 with a series of rigorous engagements involving 64 subject matter experts (all Partners and Principal Consultants working in ERM's global H&S consulting service line) from various disciplines and working across a wide range of industry sectors on six continents.

Their mission was to identify the themes for the study and to build out a question-set that would provide rich insights to organizational leaders who have an interest in protecting the health, safety and wellbeing of their people at work. The team identified nine different themes, revisiting themes from both the 2018 and 2021 surveys and some new areas that would be of interest.

One year, 256 interviews and 39 Roundtable engagements later with some of the most informed people working in the field of H&S in the world today, we have in our hands a treasure trove of insights, an extraordinary gift from the Function Leaders. Many fresh insights emerged from the engagements: useful lists of concerns, investments in H&S, uses of AI and approaches to address a broad range of challenges as well as data on ratios of H&S professionals to employees, reporting lines for the function and much more.

What has become apparent is that many of the concerns that emerged from engagements with the Function Leaders in 2018 and 2021 emerged once again from the analysis of data in 2024.

The context is the pace of change, not just in the field of H&S itself (stakeholder expectations, regulatory requirements, use of technology and more), but also in the nature of work, the composition of the workforce and where work is delivered. This pace has accelerated over the last 3 years.

And it is clear expectations and impacts on business will continue to rise (the Function Leaders are virtually unanimous on this) and changes in the world of work will continue at a pace. It is not going to get easier.

The data suggest meaningful progress in many areas but also strongly suggest the underlying issues identified in the earlier studies have not been resolved, despite increasing leadership engagement, higher levels of investment and widespread application of software solutions and new technologies. And in some areas the gap has widened. H&S functions, catapulted into a new paradigm and challenged to access talent with the necessary skills, are stretched, as are the Function Leaders.

We believe the data from the engagements with the Function Leaders on the nine themes point towards a need for a different approach, not more of the same.

Approaches that will deliver more impact on H&S cultures and behaviors at every level of the organization, in the office and on the frontline. The performance data on fatalities, process safety and psychosocial risks and the very concerning data from national and international bodies add weight to the need for a pause, to take the time for substantive conversation on what better might look like in practice for most, if not all organizations.

That's not, in our view, about starting afresh, but building on all of the good work and the very meaningful progress and real achievements over many years in the maturing field of H&S. And for most, it's probably not about doing more, rather it's about getting more from what you do already.

Of course, that is challenging. All change is. But in our experience, leaders in this field are driven by a sense of purpose and thrive when they know they are delivering real impact. Impact on the health, the safety and the wellbeing of people in the changing world of work.

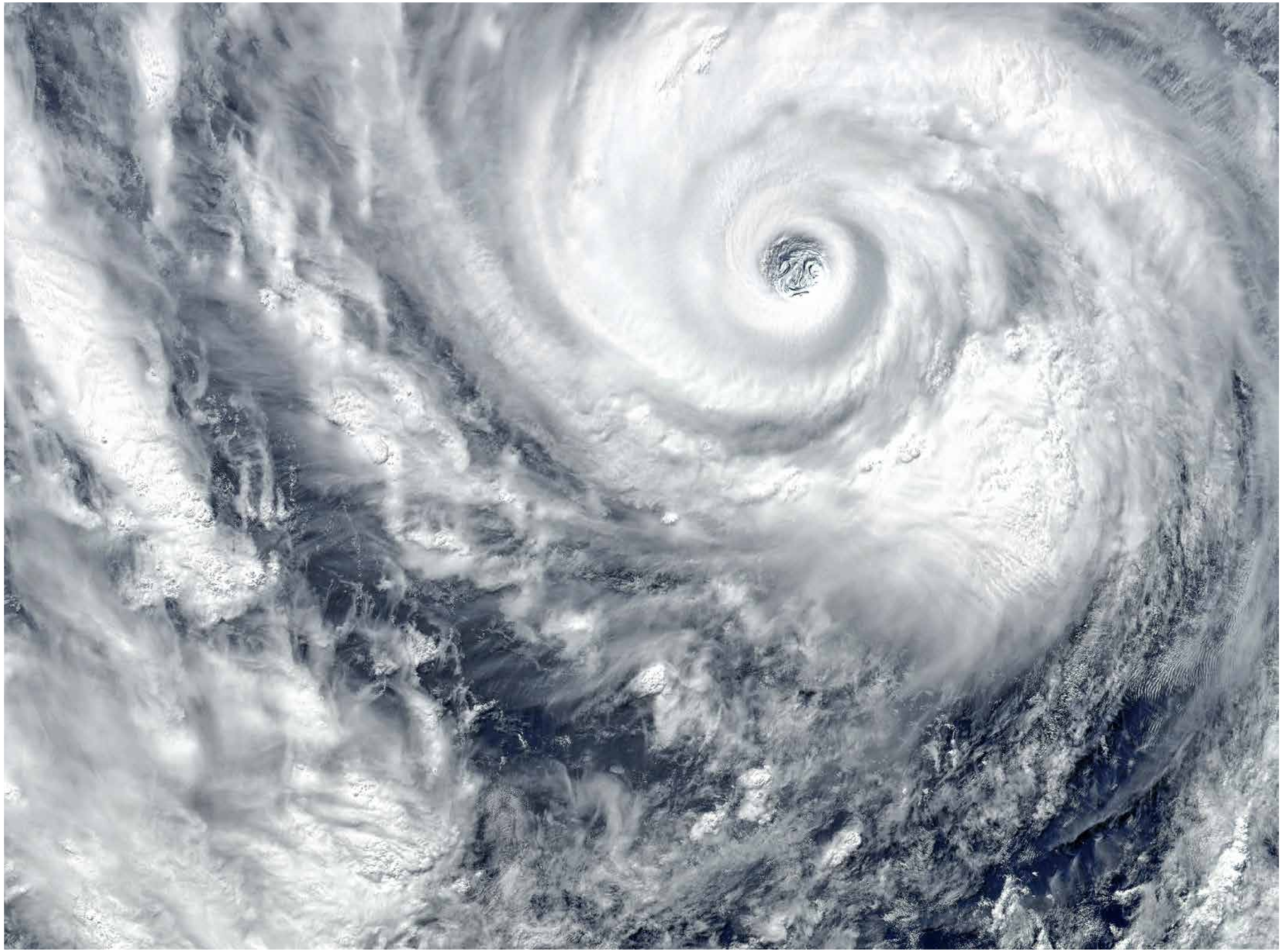
The data point towards a need for a different approach, not more of the same

1. Change and challenge

The only constant is change. So remarked Heraclitus, the Greek philosopher in 535 BCE and it's become a defining characteristic of the H&S field over decades. It's also been a recurring theme in the ERM Health and Safety Surveys in 2018 and 2021.[1]

The data in 2024 certainly point toward much more of the same, with a wide and expanding array of dynamic factors impacting the world of work and the health, safety and wellbeing of people at every organizational level. And it would seem more in the future than today and quite likely a lot more!

1. ERM 2018 and 2021 Global Health and Safety Surveys



Expectations are changing

A staggering 94% of the Function Leaders reported increased expectations from their stakeholders over the last 3 years, as anticipated by the participants in the 2021 survey (see Figure 1.1).

While the data do suggest some small degree of moderation in the pace of change over the next 3 years, the vast majority of participants (80%) anticipate further uplift in expectations over the next 3 years, markedly for their Boards of Directors, their current employees and for regulators. Only 1% are predicting declining expectations over the timeframe (see Figures 1.2 and 1.3).

Organizations in every sector and jurisdiction should anticipate that expectations will continue to rise for at least the next 3 years, with little evidence that a peak is in sight. Challenging enough you might think, but the nature of the work, where the work is done and who is undertaking the work is changing, and their expectations are changing too.

Figure 1.1

Observed changes in stakeholder expectations in the last 3 years

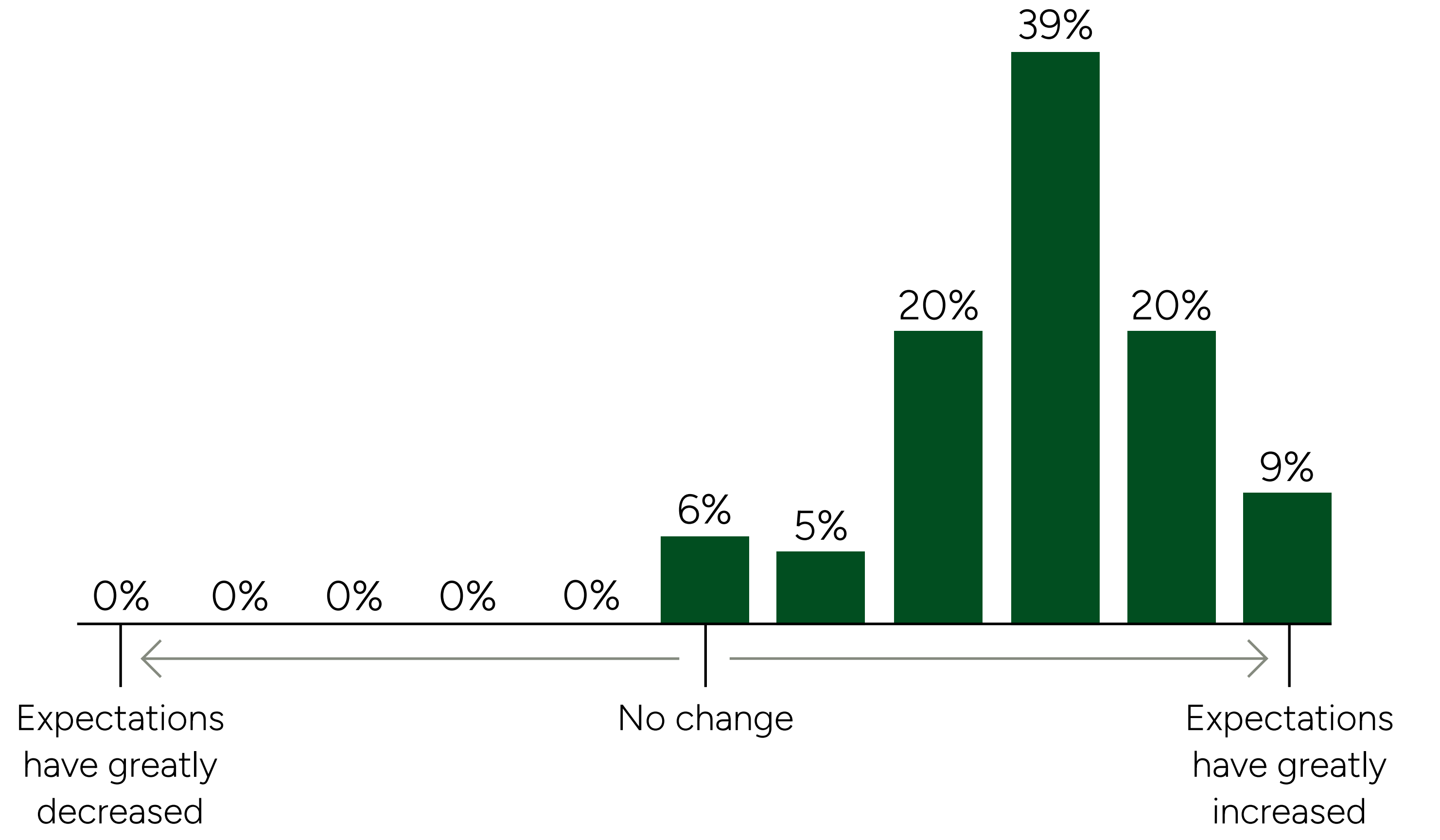


Figure 1.2

Anticipated changes in stakeholder expectations in the next 3 years

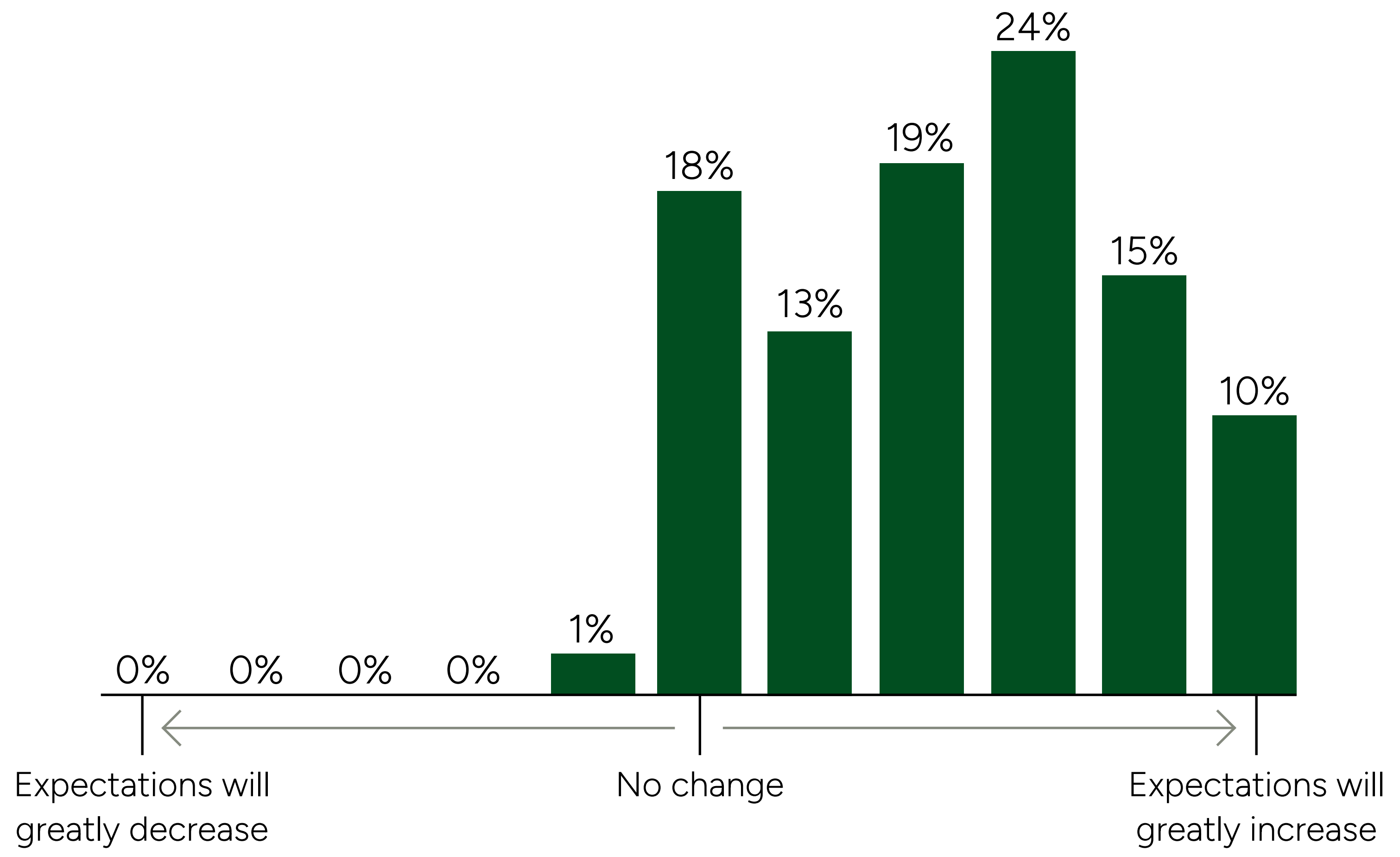
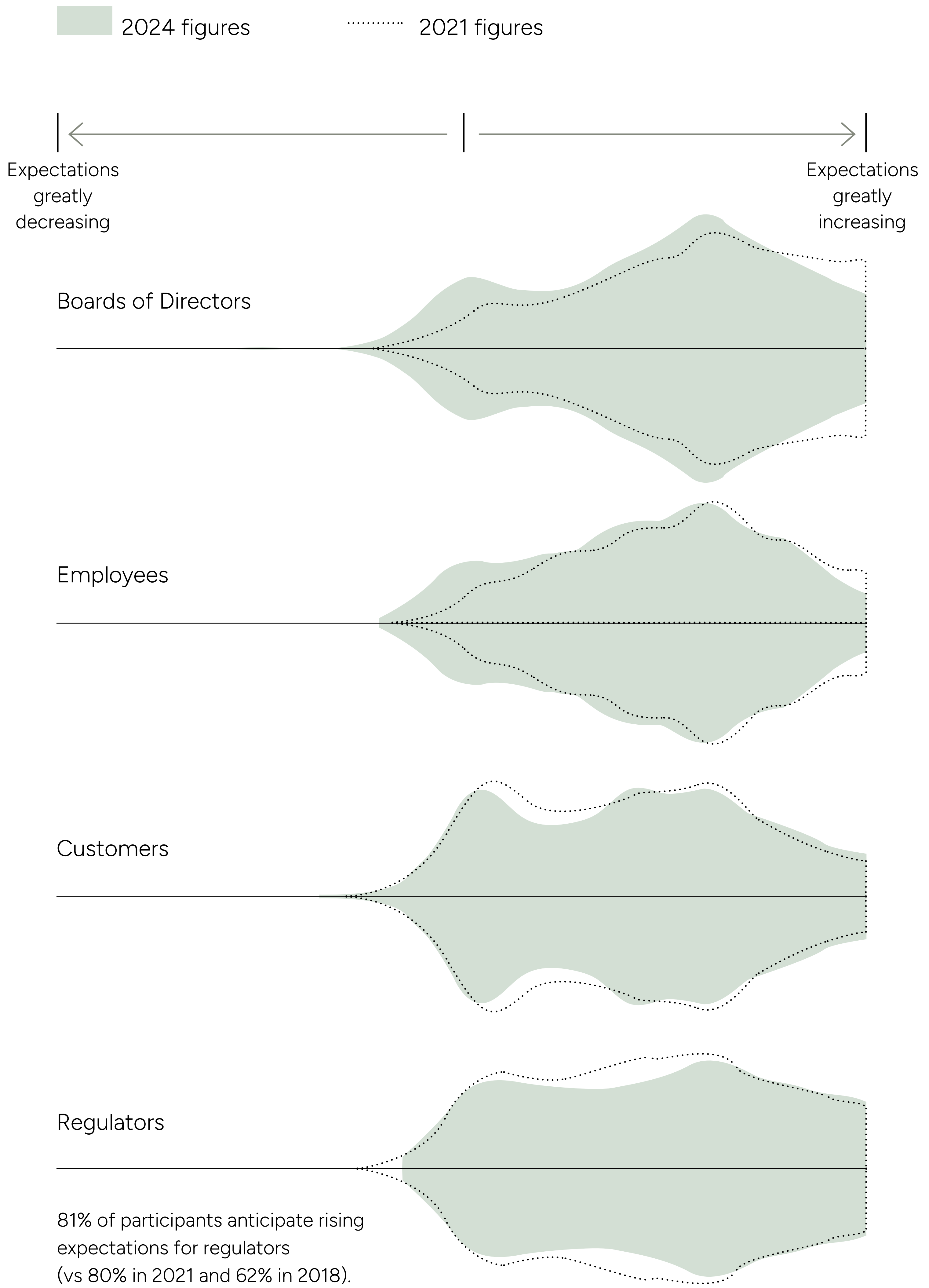


Figure 1.3

Participants' estimate of changes in stakeholder expectations for various stakeholder groups



Employee expectations are increasing

Seventy-seven percent of the Function Leaders predict increased expectations on H&S amongst prospective employees: implying companies' H&S culture and performance will become a more important consideration in the battle for talent.

Companies who have invested in H&S and created a culture of care will want to play to this aspect in their recruitment campaigns. A notable difference in the profile of responses for current employees (lower of the two histograms) suggests that H&S cultures and performance and the wellbeing of people at work will be an even more important factor in retention of talent over the next 3 years.

Figure 1.4

Anticipated change in prospective employee expectations in the next 3 years

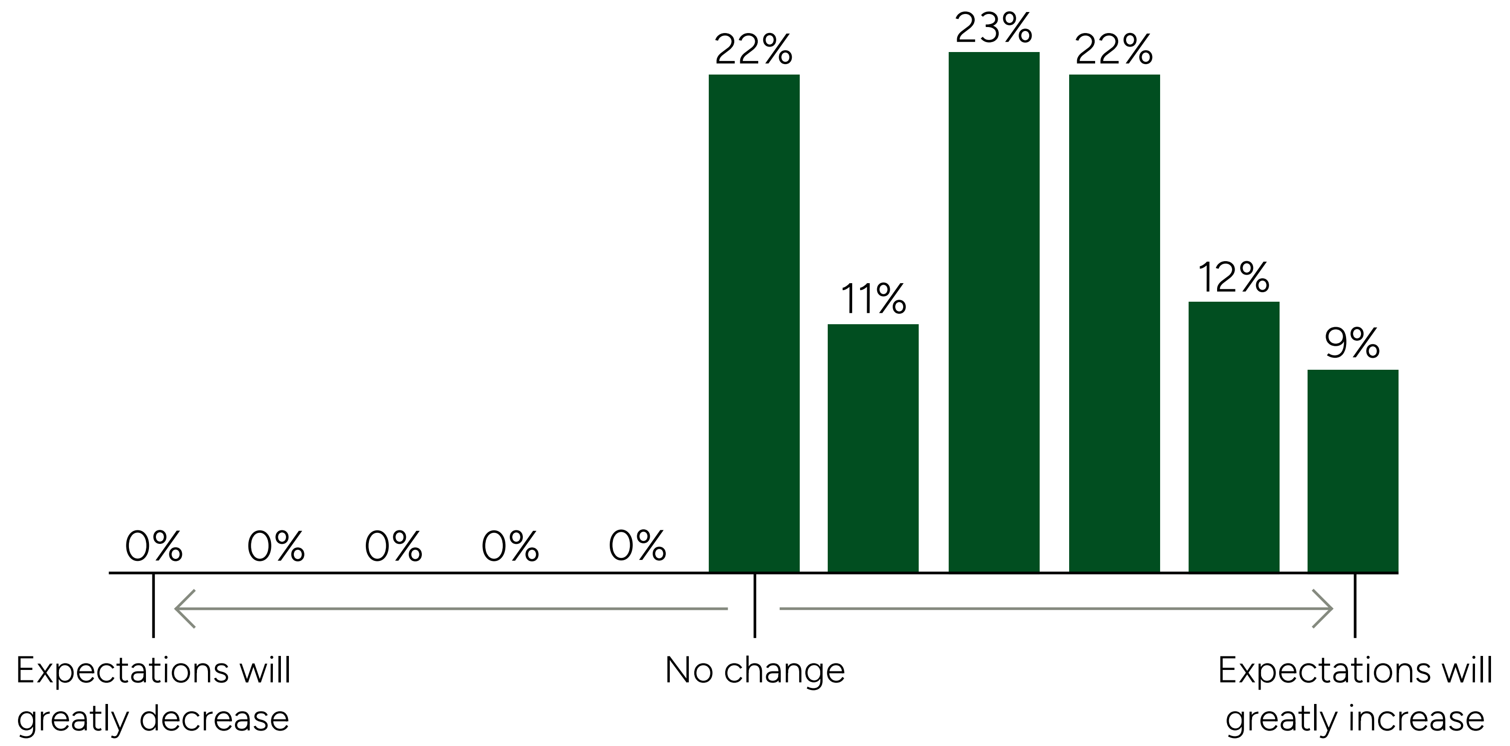


Figure 1.5

Anticipated change in current employee expectations in the next 3 years

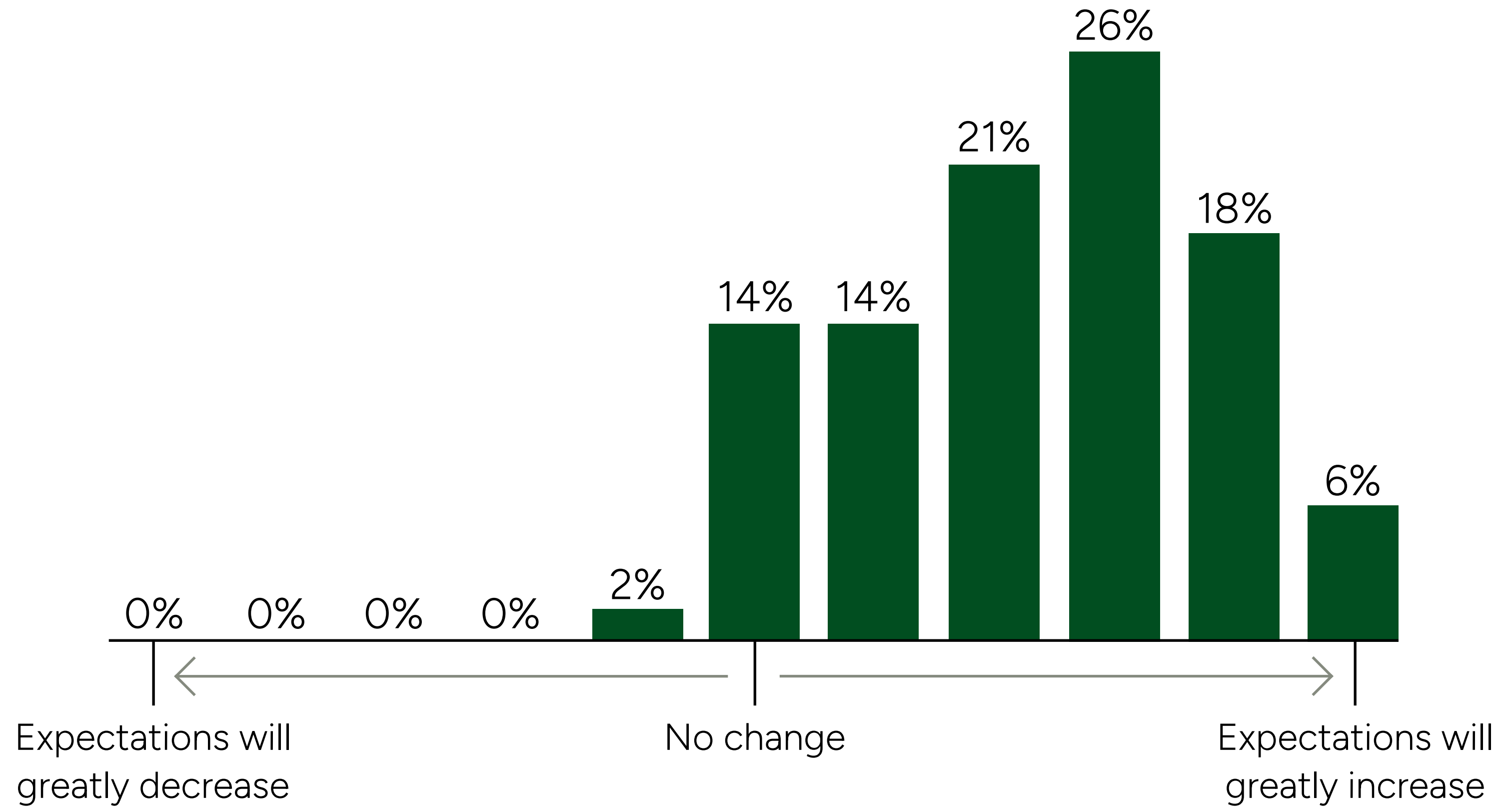
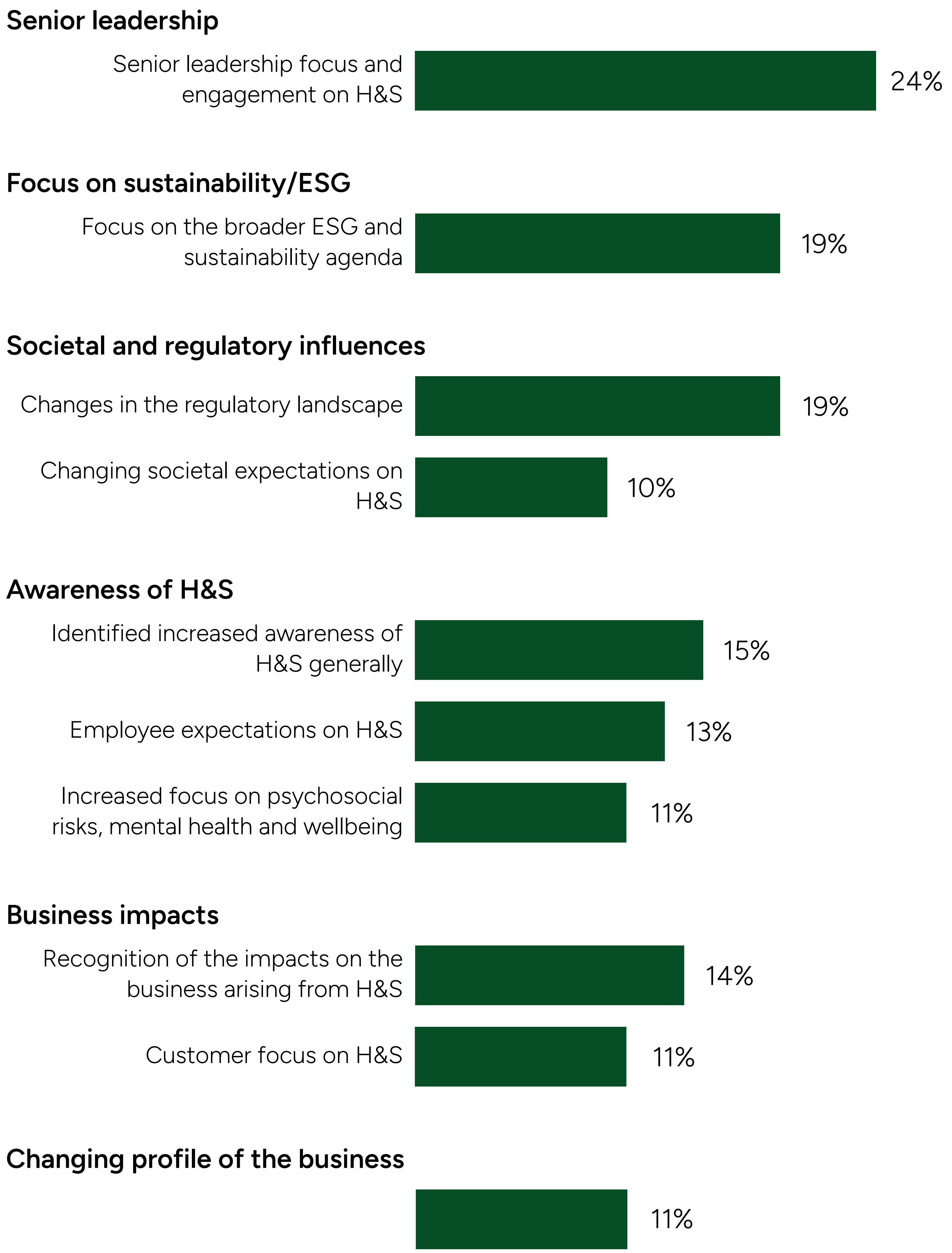


Figure 1.6

Factors driving the change in expectations

The factors underpinning the shift in expectations cited by the Function Leaders were many and varied with over 30 different internal and external drivers identified by the participants in the study. The most frequently cited were:



The composition of the workforce is morphing

Fifteen percent of the participants raised specific issues about employee attrition and turnover in the workforce in their interviews and in the Roundtables. It was the frequently cited causal factor by the Function Leaders, who reported deteriorating H&S performance in the last 3 years.

Millennials and Gen Z are expected to account for 27% of the workforce in the OECD by 2025.[2] Some of these participants have observed a bias for online connectivity over in-person engagement and lower levels of in-built resilience in the face of adversity for these cohorts.

All part of the fabric of the growing challenge, but perhaps the more material factor in the changing profile of the workforce is the ever-increasing migration of work (and risk) to contractors.

Perhaps the more material factor in the changing profile of the workforce is the ever-increasing migration of work (and risk) to contractors

A wide range of economic and strategic advantages are driving the long-standing expansion of work done by contractors. Sixty-three percent of the participants in the study anticipate increases in the volume of work undertaken by contractors in the next 3 years: a significant uptick in the rate of change seen in the 2018 and 2021 Surveys.[3] Seventy-five percent of the Function Leaders also reported that their contractors perform more risky work than their own employees. Just shy of two-thirds (65%) of participants in the 2021 study reported that contractor H&S is harder to manage than H&S for their own employees. A potent combination of factors that are a source of growing challenge in the field of H&S at work. More on the migration of risk to contractors in Section 3.

A complex suite of factors is driving a material shift in the composition of the workforce, which has far-reaching implications for health, safety and people at work.

2. Data from the Organisation for Economic Co-operation and Development https://www.weforum.org/agenda/2022/05/gen-z-don-t-want-to-work-for-you-here-s-how-to-change-their-mind/
3. Figure 3.1, page 32

The nature of the work is evolving

Shifts in the nature of the work and the consequent changing risk profiles will, very obviously, call for new competencies in frontline operations personnel and in H&S functions. Nearly three-quarters (72%) of survey participants have seen a shift in the nature and scale of risks in their businesses over the last 3 years. See Figure 1.7.

Exactly half (50%) of the participants spoke about increasing automation and the use of robotics and other operational changes. 26% of the Function Leaders cited changes in the scale of the business (some reporting declines, others growth in their business) as a source of challenge.

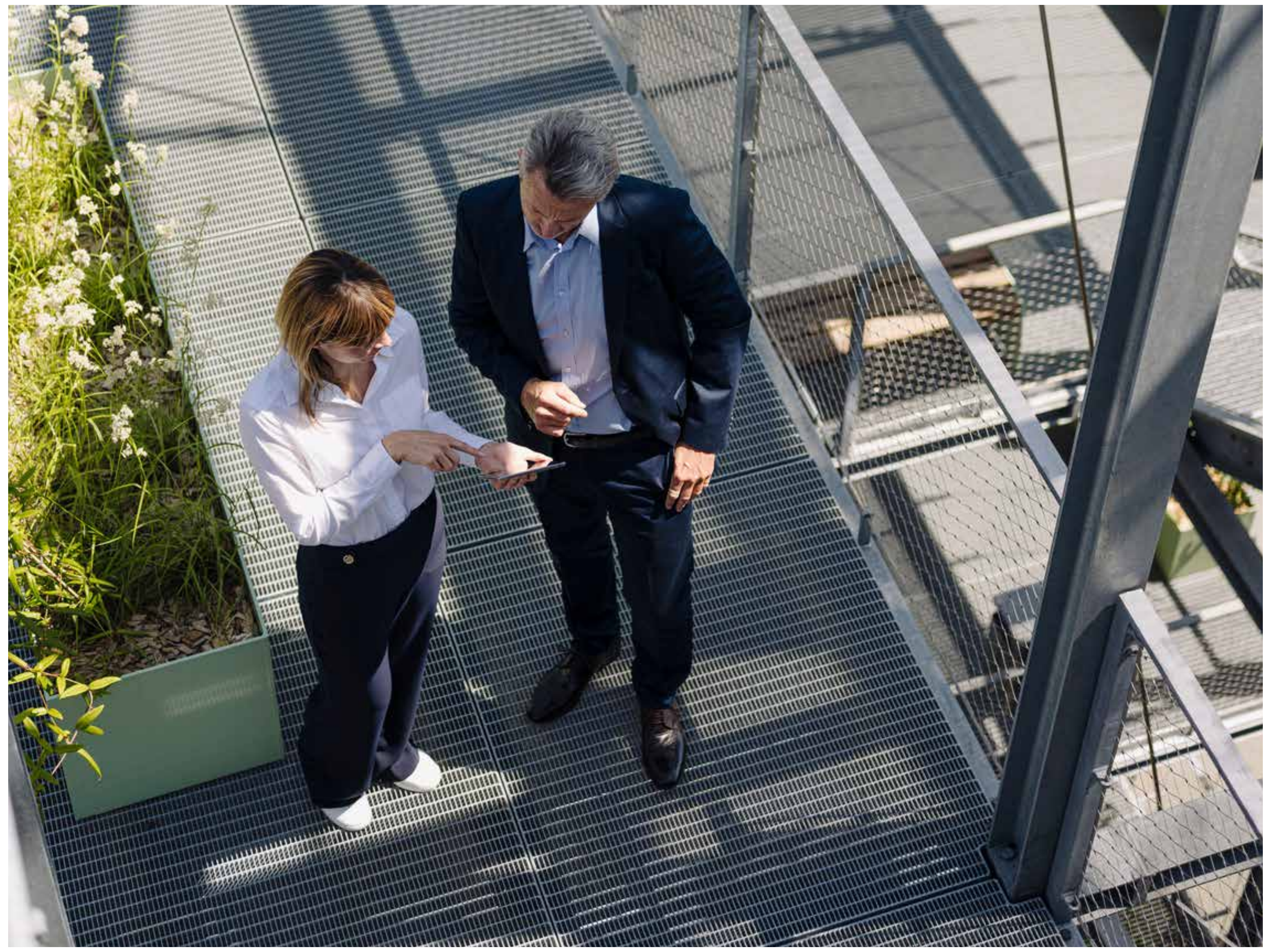
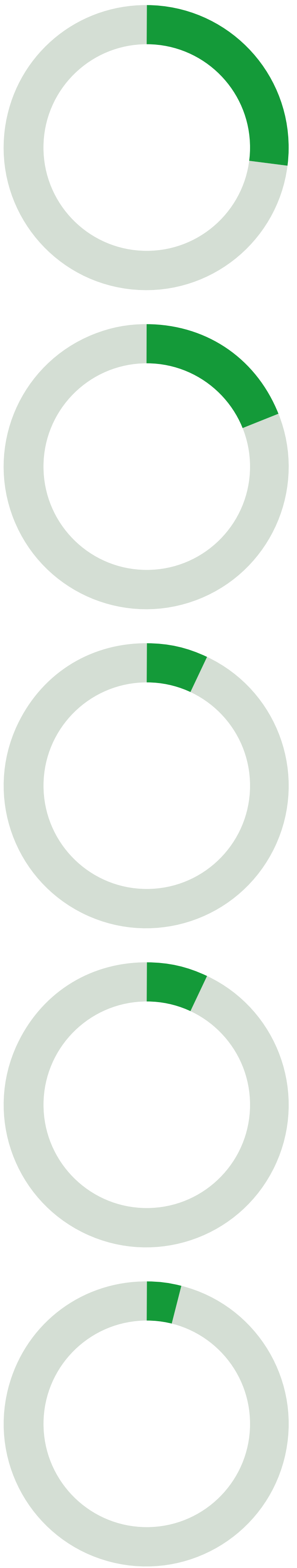


Figure 1.7

Factors giving rise to shift in the risk profile cited by the participants are:



27% cited new or modified activities, products or services including operational changes arising from the uptake of new technology and automation

17% cited growth or decline in the business in many cases arising from mergers, acquisitions or divestitures

7% cited shifts in where the work is performed (home or hybrid working, relocation of operations and expansion into new geographies)

6% cited rising concerns about psychosocial risks

4% cited turnover in the workforce

The workplace is changing

The prevalence of hybrid working is a post-Covid mega-phenomenon that is still bedding down with uncertain longer-term consequences and very real challenges for H&S in the here and now. According to the US Bureau of Labor Statistics, one in five US workers teleworked in August 2023. Other studies point towards an enduring shift in working patterns and where work is undertaken.[4,5,6,7]

The growth of peripatetic workers (i.e., where the worker has no fixed place of work, e.g., a field engineer visiting customers' facilities) brings a different suite of challenges. Just over half of the participants (54%) have at least 20% of their workforce working peripatetically and, for some, notably higher percentages were cited. More on communicating for impact on the frontline with these and other demographics in Section 2.

Just over half of the participants (54%) have at least 20% of their workforce working peripatetically

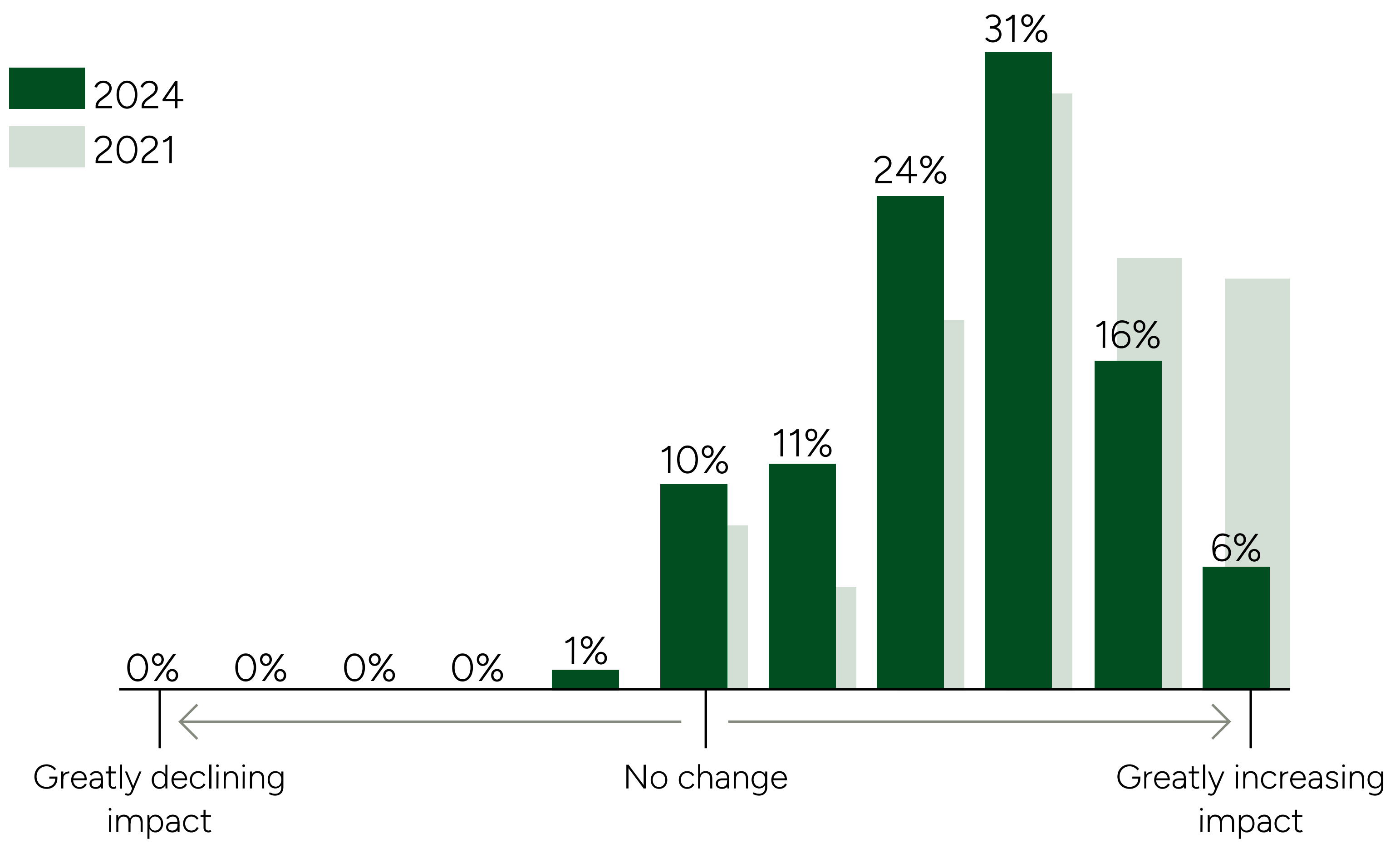
4. One out of five workers teleworked in August 2023: The Economics Daily: U.S. Bureau of Labor Statistics (bls.gov)
5. Changing patterns of work - Australian Institute of Health and Welfare (aihw.gov.au)
6. https://www.forbes.com/sites/rachelwells/2023/10/23/the-future-of-work-key-emerging-workplace-trends-to-watch-for-2024/?sh=2f5cb6f72eb3
7. https://www.worldbank.org/en/news/press-release/2023/09/07/demand-for-online-gig-work-rapidly-rising-in-developing-countries

Impacts on business will ratchet up – again

In a context where there has been continuous change in expectations over many years and near-unanimity that this trend will continue for the foreseeable future, it is no surprise that 89% of the study participants are predicating increased impact on their business in the next 3 years; pretty much exactly what the Function Leaders predicted in 2021. Another clear and persistent trend. See Figure 1.8

Figure 1.8

Participant predictions of changing impacts on business from H&S in the next 3 years in 2024 and 2021



Change and challenge

Change defines the nature of the **challenge** in the field of H&S at this time: can organizations, under pressure on so many fronts, adapt their business models and approaches to address the health, safety and wellbeing of their people at work in the ever-changing technological landscape and morphing expectations of their employees, their Boards of Directors and their regulators in the different jurisdictions in which they operate?

And that's quite a challenge, because it's beyond more of the same. It will require organizations to change how work is done and how leaders lead, and all of that in a style that confronts the underlying issues that arise from the myriad changes in the world of work.

The multi-faceted, ever-changing challenges in H&S as articulated by the H&S Function Leaders and set out here are well understood by them. And the leaders, for the most-part, appreciate the scale of the impacts on their businesses should they fail to adequately protect the H&S and the wellbeing of their people at work. And they are, to boot, doing a great deal to address these challenges, investing heavily in innovation and improvement to dial up their performance.

Despite all of this great effort, the data point to, at best, a mixed picture on performance and, arguably, no real improvement in the most critical metrics: serious injuries and fatalities at work. That is a conundrum that the insights from the study participants may help to unravel.

2. Leadership engagement. Communication. Impact.

Leadership engagement is key: Increased senior leadership engagement was the most frequently cited factor underpinning improved H&S performance by the Function Leaders (cited by 34%).

Leadership engagement is also the #1 concern in H&S for the Function Leaders. Twenty-three percent identified it as way ahead of any other factor. Gaining more access to senior leaders, and especially the C-suite, was top of the wishlist for 26% of Function Leaders, more than any other factor cited (see Section 9). The role of senior leaders in protecting the health, safety and wellbeing of their people at work is **the** key. In fact, it is the key. 95% agreed or somewhat agreed that leadership engagement generally, and especially leadership engagement on the frontline is the most powerful means of driving improvement in H&S (87% agree, 8% somewhat agree). The data corroborate findings from both the 2018 and 2021 surveys.[1] In the words of one of the participants:

"If you don't have leadership sorted it is very hard to make it up with SOPs etc. Once leaders are engaged it is a lot quicker to get safety programmes underway. It's a head to tail principle."

1. See Section 6 of the ERM 2021 Global Health and Safety Survey and Section 9 of the ERM 2018 Safety Survey

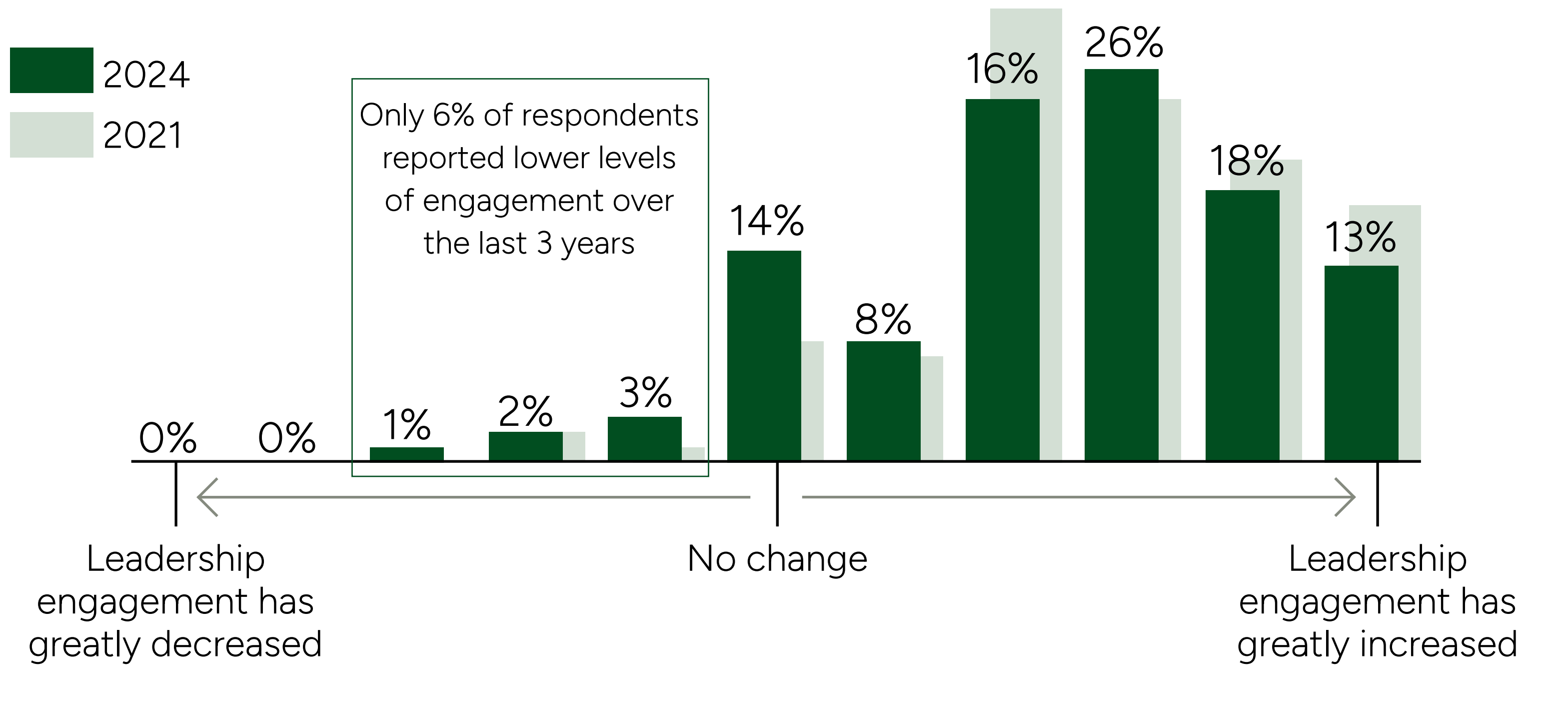
Leaders are engaging more

There has been little reversion from the very high levels of senior leadership engagement on H&S achieved during the global pandemic with only 5% reporting lower levels of engagement over the last 3 years. In fact, the vast majority (81%) reported further increases in engagement off the Covid-induced higher baseline (see Figure 2.1).

A number of factors underpinned higher levels of leadership engagement (see Figure 2.2). Top of the list is a shift in perceptions of H&S by senior leaders: better understanding of the risks and increased recognition of the business benefits of robust H&S performance was identified as a factor by almost half (45%) of the participants. One-third of the Function Leaders identified their own efforts to educate leaders on the criticality of H&S as key. Second on the list was a change in senior leadership (again, fresh perspectives on H&S) cited by 23%. The third most frequently cited factor underpinning senior leadership engagement on H&S was stakeholder pressure, including pressure from the Board of Directors.

Figure 2.1

Shifts in senior leader engagement on H&S over the last 3 years in 2024 and 2021



We found a positive correlation in the data between anticipated changes in expectations on H&S for various stakeholder groups and changes in senior leadership engagement on H&S.[2] The relationship was strongest for anticipated changes in expectations by Boards of Directors.[3] Special note to Board of Directors members who are reading this: you have more impact on senior leadership engagement on H&S than prospective or current employees, regulators or customers. Your perspectives and engagement on H&S matter a great deal!

We also found a positive correlation between the participant assessment of various levels of leadership engagement on H&S and performance.[4] The relationship was strongest for middle management.[5] We also found a positive correlation between the assessment of impact achieved in middle management engagements on H&S and performance.[6] It would appear from the data that middle management engagements are especially crucial. This may well be a crucial insight. Anecdotally, there is much focus on developing the safety leadership capabilities of senior and frontline leaders in organizations but middle management is often overlooked.

2. The Spearman coefficient is 0.274, with a p value of 0.000602, below the chosen alpha of 0.05 for changes in all stakeholder expectations vs changes in senior leadership on H&S.
3. The Spearman coefficient is 0.308, with a p value of 1.03e-06, below the chosen alpha of 0.05 for changes in Board of Director expectations vs changes in senior leadership on H&S.
4. Engagement by all levels of leadership vs p, where p is composite measure of performance using participant assessment of trends in leading and lagging indicators, performance vs their peers and number of fatalities in last 3 years. The Spearman coefficient is 0.286, with a p value of 0.000359, below the chosen alpha of 0.05.
5. Engagement of middle management engagement vs p (a composite measurement of performance using participant assessment of trends in their leading and lagging indicators, performance vs their peers and number of fatalities in the last 3 years). The Spearman coefficient is 0.321, with a p value of 6.64e-05, below the chosen alpha of 0.05.
6. Impact delivered in engagement by middle management vs p, where p is composite measure of performance using participant assessment of trends in leading and lagging indicators, performance vs their peers and number of fatalities in the last 3 years. The Spearman coefficient is 0.182, with a p value of 0.0275, below the chosen alpha of 0.05.

Figure 2.2

Rank by number of participants citing factor	Factors driving senior leadership engagement on H&S
1	Shifts in perceptions amongst leaders arising from: • Greater understanding of the risks/performance challenges • Greater visibility driven by the H&S function • Increased recognition of the business benefits • Training and coaching of leaders • Recognition of the need to do more shift in senior leadership perceptions and engagement
2	Change in senior leadership
3	Stakeholder pressure: • Pressure from employee and union pressure cited by 3% • Regulatory drive • Stakeholder focus on ESG/sustainability
4	Performance challenges • Serious incidents in the company • Company-specific or broader industry performance challenges
5	H&S a core value, culture of care and deep commitment from leadership to H&S
6	Covid • Sustained positive impact on leadership engagement on H&S • Increased during Covid but has declined since • Covid inhibited engagement that has persisted
7	Metrics/clear accountability established for leadership engagement/ H&S broadly
8	Variable at different levels/in different parts of the organization

The growing impact of ESG on leadership engagement

Playing into the mix is enormous focus on ESG. Sixty-eight percent believe leadership engagement on H&S has been impacted by the rising (though perhaps recently dampened) focus on ESG. Many, but by no means all, see ESG as adding firepower to H&S with heightened focus on the topic in the C-suite. Thirteen percent of the cohort felt focus on ESG had undermined focus on H&S. See Figure 2.3.

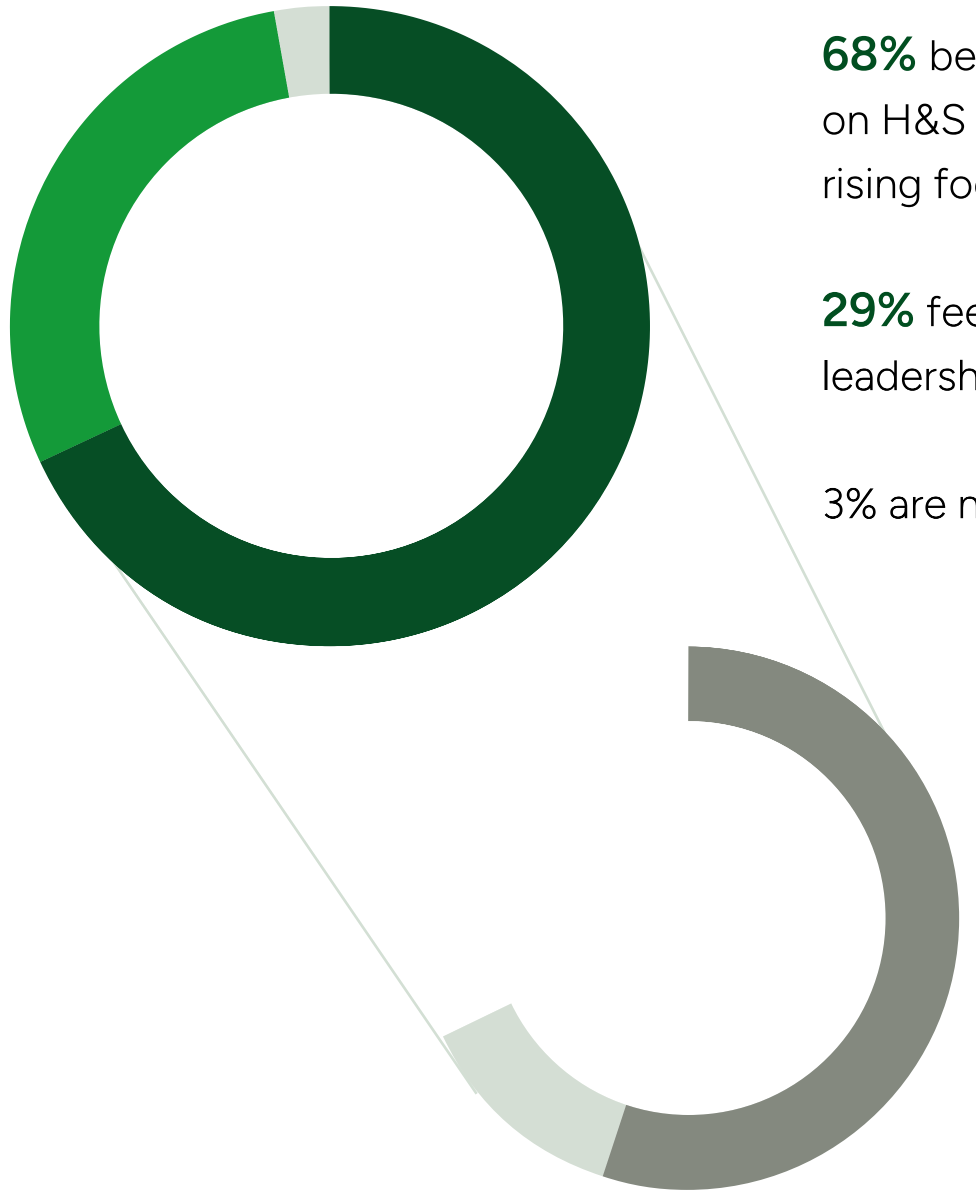
Those who identified ESG as a drag on leadership engagement saw it as a competing priority for senior leadership attention and resources. Almost half of those who identified negative impacts are working towards alignment through collaboration and some are building a set of common tools.

'ESG is overshadowing safety'

'Longer term, <focus on ESG> will be a plus, so we are just waiting for that to rebalance. <The ESG rating indexes> include more and more questions on H&S, so it's not going away'

Figure 2.3

Impact of ESG on senior leaders engagement on H&S



68% believe leadership engagement on H&S has been impacted by the rising focus on ESG

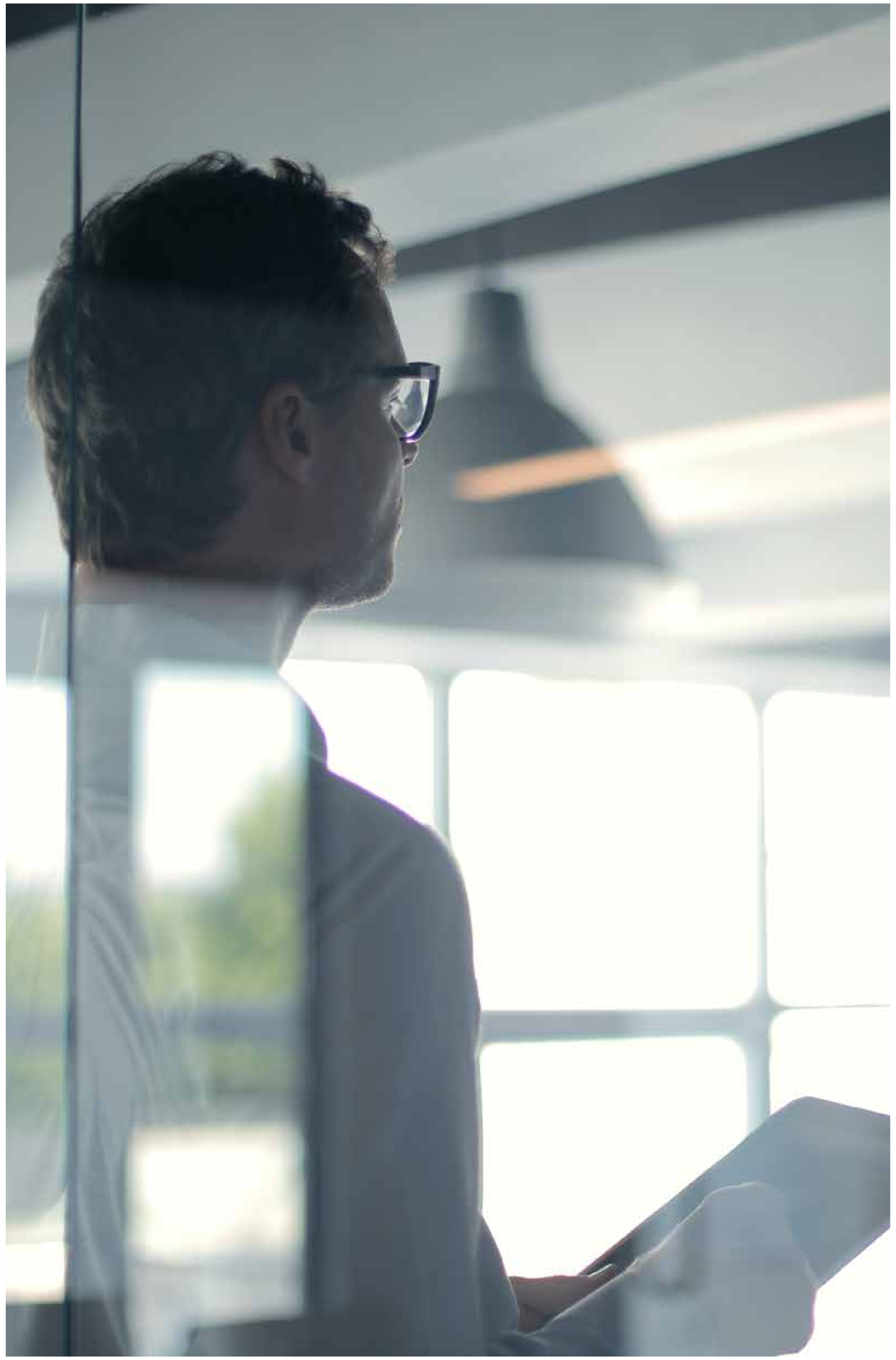
29% feel ESG has had no impact on leadership engagement

3% are not sure

Of the 68%...

55% believe the impact has been positive

13% believe the impact has been negative



How much leadership engagement is enough?

Perspectives from the Function Leaders in their interviews, and especially in the Roundtables, suggest that ‘initiative overload’ and ‘the burden of administration’ is impairing middle management and even frontline leader engagements on the frontline.

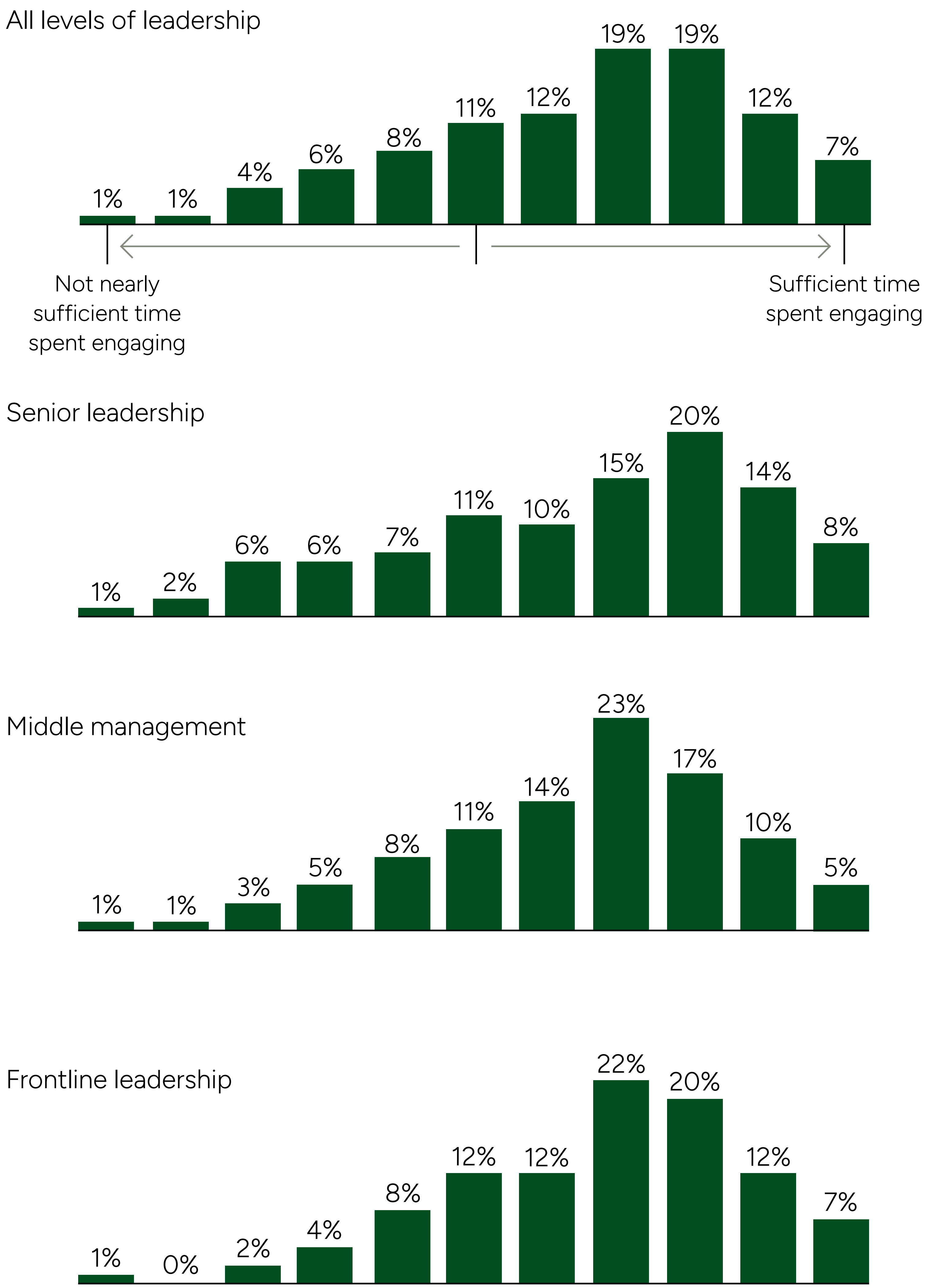
Issues that also surfaced in the 2021 survey, which apparently haven’t been resolved, though some of the Function Leaders talked about initiatives, including the use of digital tools, to reduce the burden of administration (see Section 4).

Despite significant increases in leadership engagement on H&S over the last 3 years (see Figure 2.4) with similar observations reported in the 2021 and 2018 surveys,[7] only 7% of participants said leaders in their organizations are actually ‘spending sufficient time engaging on Health and Safety,’ with similar patterns across all three levels of leadership including frontline leaders. See Figure 2.4. In other words, the vast majority of the Function Leaders (93%) believe leaders at every organization level are not spending sufficient time engaging on H&S. Clearly a widespread concern, especially in light of persistent performance challenges in H&S. See Section 4. Adding weight to the perspective that observed increases in leadership engagement are not (yet?) achieving the desired end, is a somewhat alarming statistic: **84% of participants affirmed that there are material differences in risk tolerance between different levels in their organizations**, corroborating a finding from the 2021 Survey (see page 26).[8]

7. 2021 and 2018 surveys
8. In 2021 we found that 79% of participants believe there is a material difference in risk tolerance between senior leaders, middle managers, frontline leaders, frontline workers and contractors. ERM 2021 Global Health and Safety Survey

Figure 2.4

Perspectives on whether all levels of leadership are spending sufficient time engaging on H&S



Engagement and impact

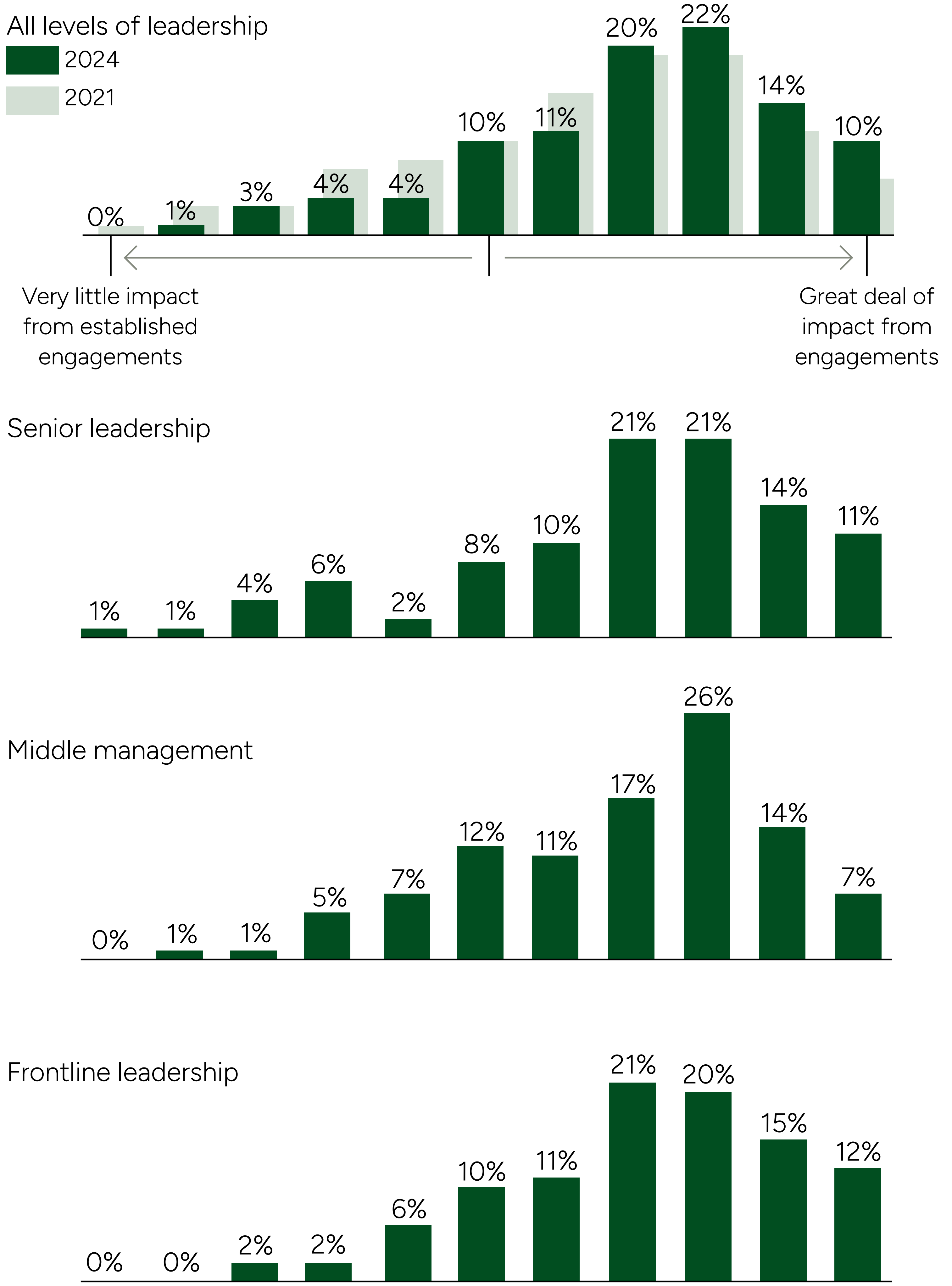
Difficult to measure, but we all know 'good engagement' when we see it.

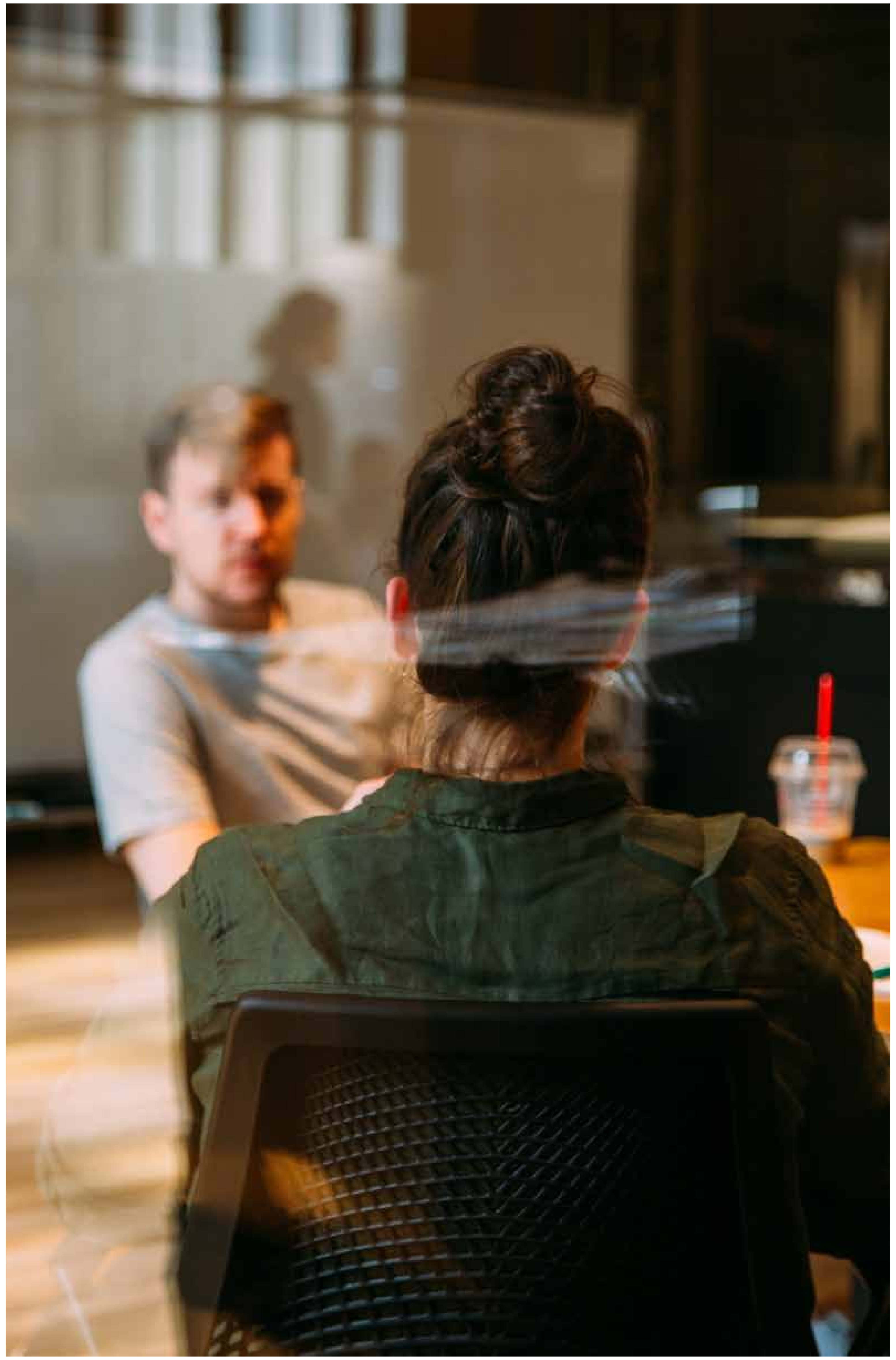
It's not just about making a good personal connection with a colleague in the office or in the field. It's more. And it's something about breaking through with people, in a style that creates meaningful, and ideally, enduring impact. Bearing all of that in mind, what do the data on leaders' impact in Figure 2.5 tell us?

First, near zero of the participants believe leaders at any level have very little impact in their engagements. Good! On the other hand, a relatively small proportion believe their frontline leaders (12%) and their middle managers (5%) have a great deal of impact on their engagements. The vast majority of the Function Leaders believe there is significant potential for leaders to deliver more, and for many a lot more, impact in the engagements. That's not about more engagements, it's about getting more from the engagements that are already taking place. That's about style and technique.

Figure 2.5

Perspectives on impacts from leaders engagements for all levels of leadership (2021 and 2024) and for senior leaders, middle managers and frontline leaders in 2024 only

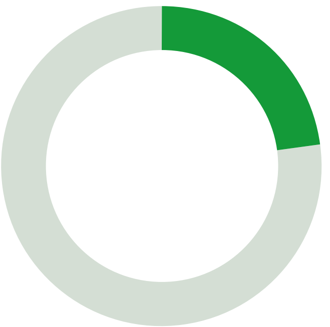




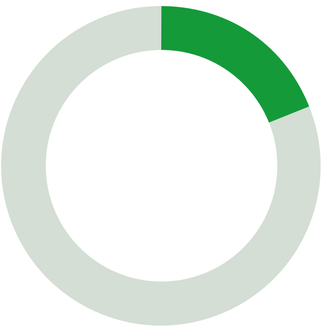
Differences in risk tolerance

Some interesting insights from the analysis of responses from the 84% of participants who identified a material difference in tolerance of risk between different levels of their organization.

42% cited top management commitment, corporate values or the wider perspective of the risks and changing stakeholder needs to explain why tolerance of risk was lower at the top

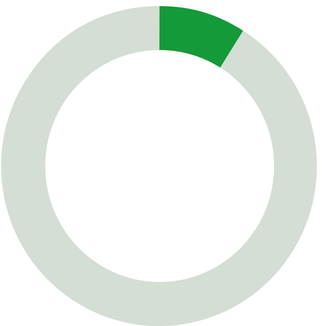


23% cited a lack of understanding of the risks at the top to explain the differences and most of these (21%) attributed this to a lack of operational experience at the top of the organization



19% cited business or operational priorities (production over safety) as a factor

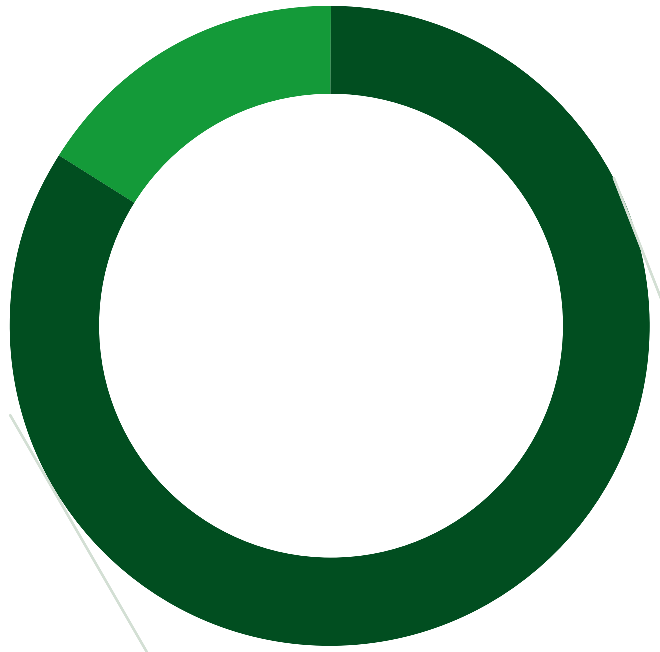
14% cited differences across operational and geographic boundaries



9% shared the perspective that frontline complacency (over-familiarity with the work) as a key factor to explain differences in risk tolerance

Other less frequently cited factors which are giving rise to differences in risk tolerance include recent incidents (5%), poor communication (2%), misleading metrics (1%) and the global pandemic (1%). Interesting to note that many of these factors and those listed above were cited in some cases as explanations for higher and in other cases as explanations for lower tolerance of risk at the top!

Altogether a useful list of factors to consider for organizations who are determined to improve alignment on risk tolerance across their businesses.



84% agree there is a material difference in risk tolerance between different levels of their organization

16% do not agree there is a material difference in risk tolerance between different levels of their organization

Of the 84%...

76% believe risk tolerance is lower at the top of the organization

24% think risk tolerance is higher at the top of the organization

Upskilling for increased leadership impact

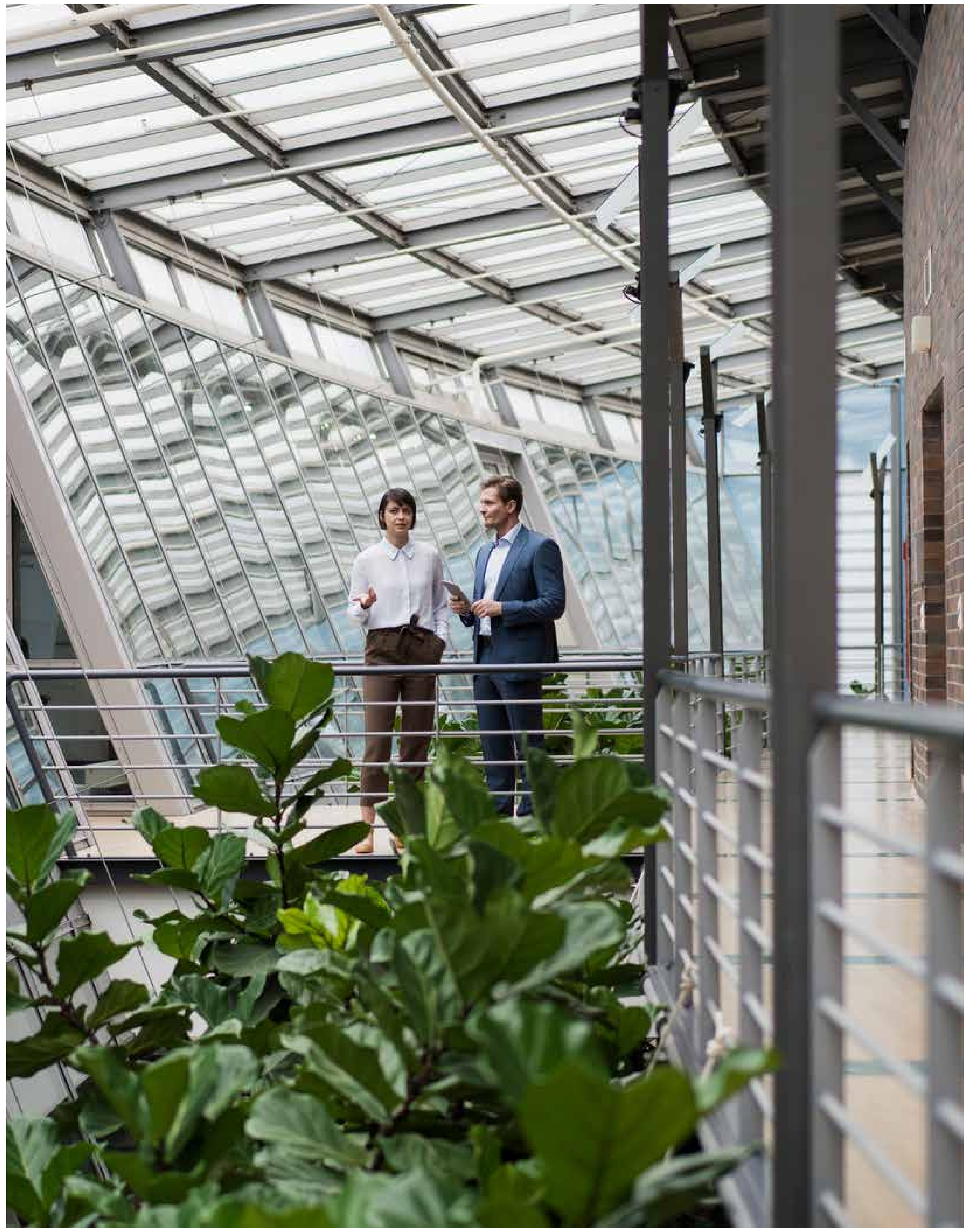
Training and coaching for leaders on driving H&S cultural change is a top 4 investment priority for the participants. It is the #1 ranked measure that participants are planning to adopt to improve the quality and extent of leaders' engagements in H&S. Eighty-five percent of the Function Leaders are planning to adopt new measures to improve the quantity and quality of leadership engagements on H&S in the next 3 years.

That is an elephant-sized opportunity to dial up safety culture, leadership and performance. The most frequently cited measures participants are planning to take, including training for leaders, and a number of other measures, are set out in Figure 2.6.

Company-specific circumstances will vary (for the organization as a whole and across their operational footprints) but the data broadly suggest there may be greater value in directing this investment in leadership capability building at enhancing the quality of the engagements (increasing the impact delivered) rather than the quantity of engagements. And, for sure, that is the need. A world where turnover in the workplace, and hybrid, flexible and gig working are becoming the stable norm for many, is a world where there are fewer opportunities for in-person engagement between leaders and the people they are accountable for.[9,10,11,12] So, when leaders do get the opportunity to engage with their people on their health, safety and wellbeing at work, and everything else for that matter, the pressure is on leaders at every level and especially frontline leaders and middle management to ensure their engagements really do hit the mark. That is a trainable, coachable skill.

Figure 2.6

Rank by number of participants	Measures participants are planning to adopt to improve the quality and extent of leaders' engagements in H&S
1	Training and coaching programs to enhance safety leadership (more care, more insight, more impact)
2	Training program and communication for leaders on technical aspects, hazard and risk recognition, process safety and management systems to build awareness and deeper competence
3	Increasing the number of leadership engagements on the frontline and improving the quality of them: deeper observations and coaching on the frontline
4	Providing better quality data to leaders to support decision making (refining KPIs, better management and sharing of data and use of AI for enhanced insight)
5	Setting out clear H&S leadership capabilities and expectations and measuring/tracking performance
6	Revamping H&S management system for more impact/less bureaucracy and more time for engagement
7	Establishing or revitalizing leadership focus groups for H&S
8	Assessing cultural maturity/efficacy of established programs to share and engage with leaders
9	Integrating principles of human and organizational performance into established processes and programs



9. One out of five workers teleworked in August 2023: The Economics Daily: U.S. Bureau of Labor Statistics (bls.gov)
10. Changing patterns of work - Australian Institute of Health and Welfare (aihw.gov.au)
11. https://www.forbes.com/sites/rachelwells/2023/10/23/the-future-of-work-key-emerging-workplace-trends-to-watch-for-2024/?sh=2f5cb6f72eb3
12. https://www.worldbank.org/en/news/press-release/2023/09/07/demand-for-online-gig-work-rapidly-rising-in-developing-countries

Communicating in the changing world of work

A noisier world with distractions from every quarter is a challenge for those at work and their leaders who are seeking to influence their behaviors. As a participant in one of the Roundtables stated:

"We are struggling to get attention in this over-stressed and multiple communication world. How do we get their attention?"

And perhaps more concerning ...

"The effectiveness of communication is lower for people who are most at risk"

The mixed data on the overall effectiveness of H&S communication programs suggest a challenge in this area for many with only 2% describing their programs as highly effective and 30% scoring it at the middle of the range or lower (see Figure 2.7). Data on understanding of leaders' messages on H&S are more favorable (see Figure 2.8).

The changes in the workforce and the growing number engaged in hybrid or peripatetic working and the consequent reduction in opportunities for in-person leadership engagement increases the relative importance of building effective, high-impact H&S communication strategies and programs to build awareness, and educate and engage people on their health, safety and wellbeing at work.

Eighty-eight percent of the participants have a mobile workforce. Some have as little as 1% of employees working peripatetically (e.g field engineers working at customer sites).

Continued on next page >>>

Figure 2.7

Overall rating of effectiveness of H&S communication programs

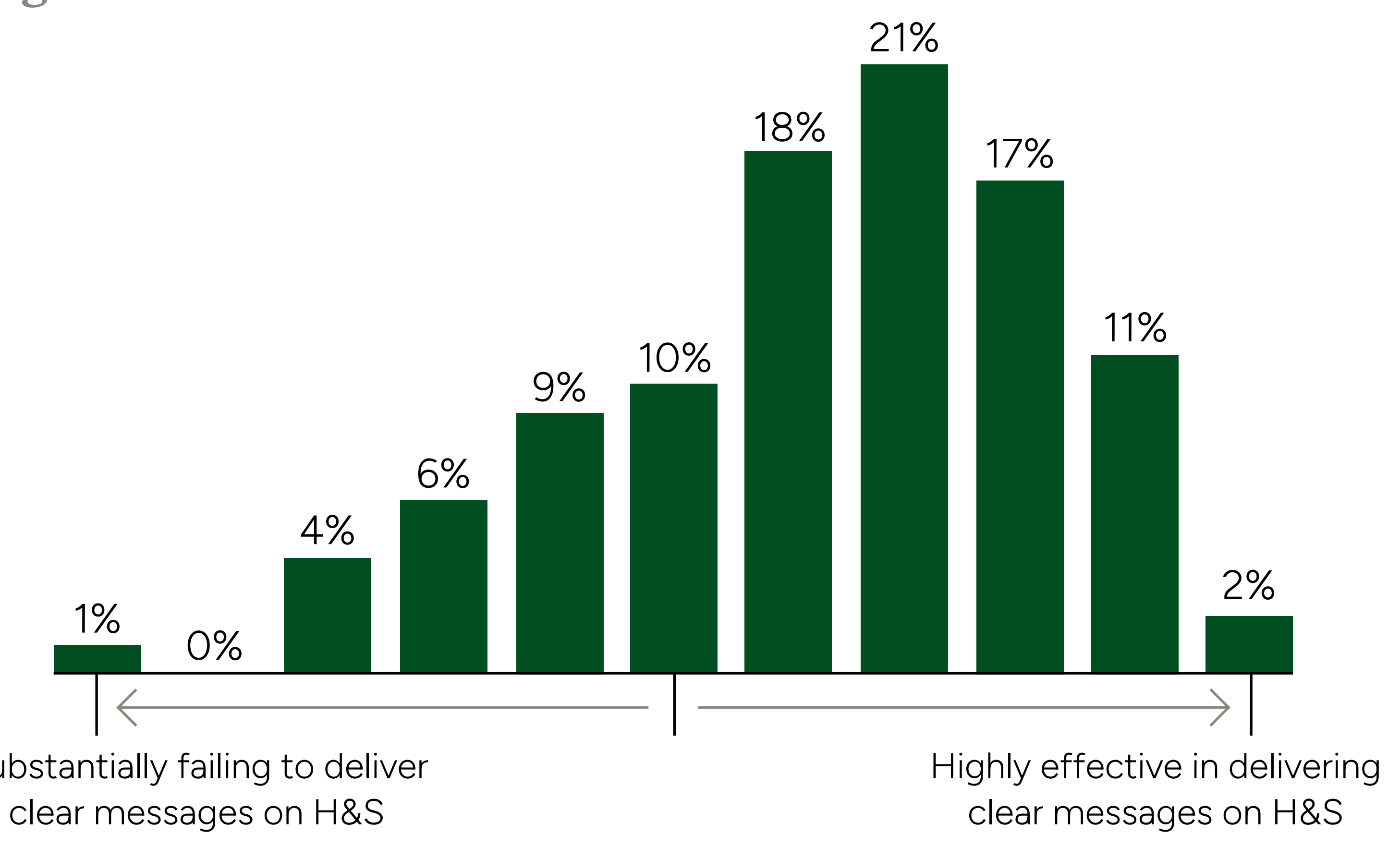
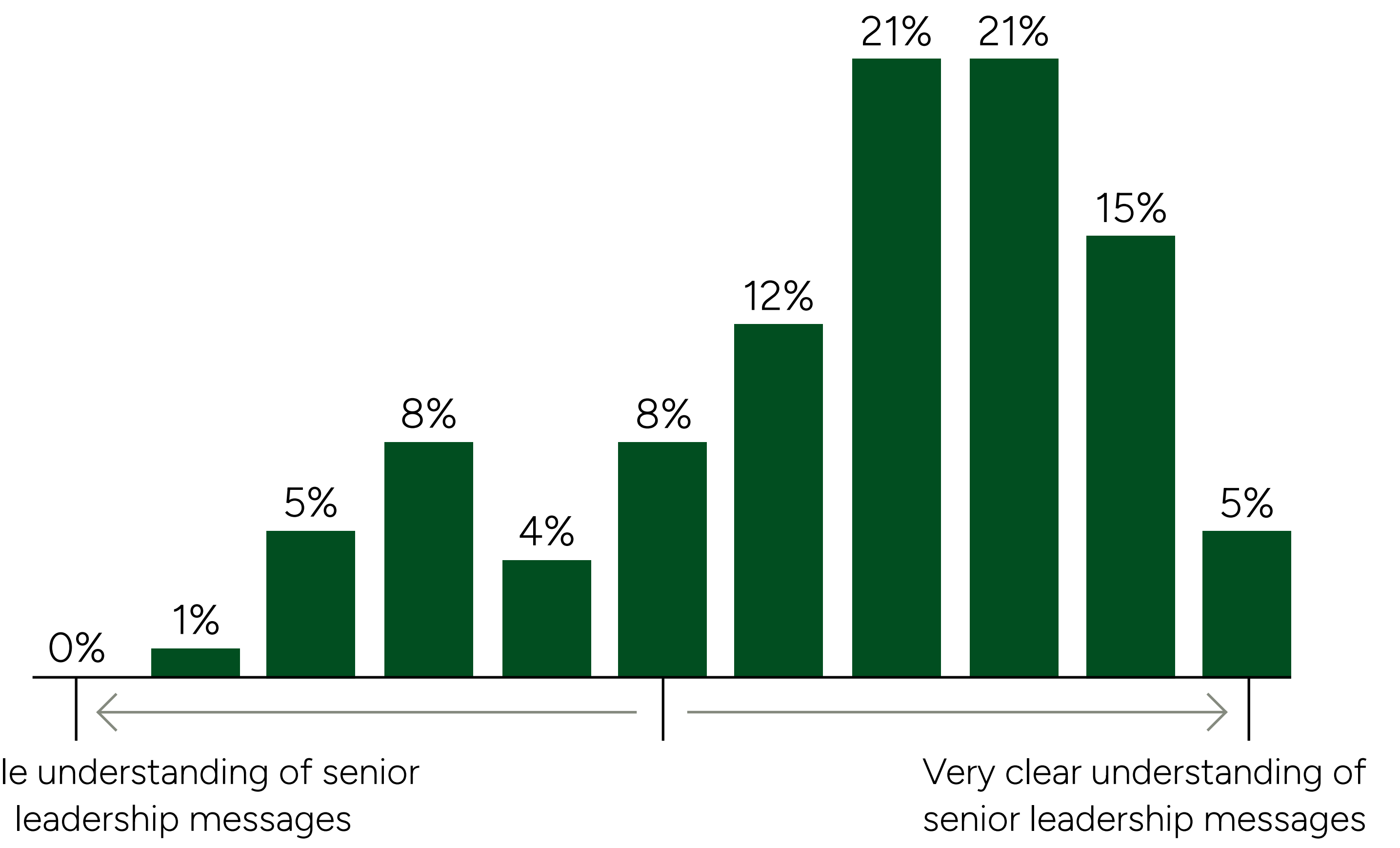
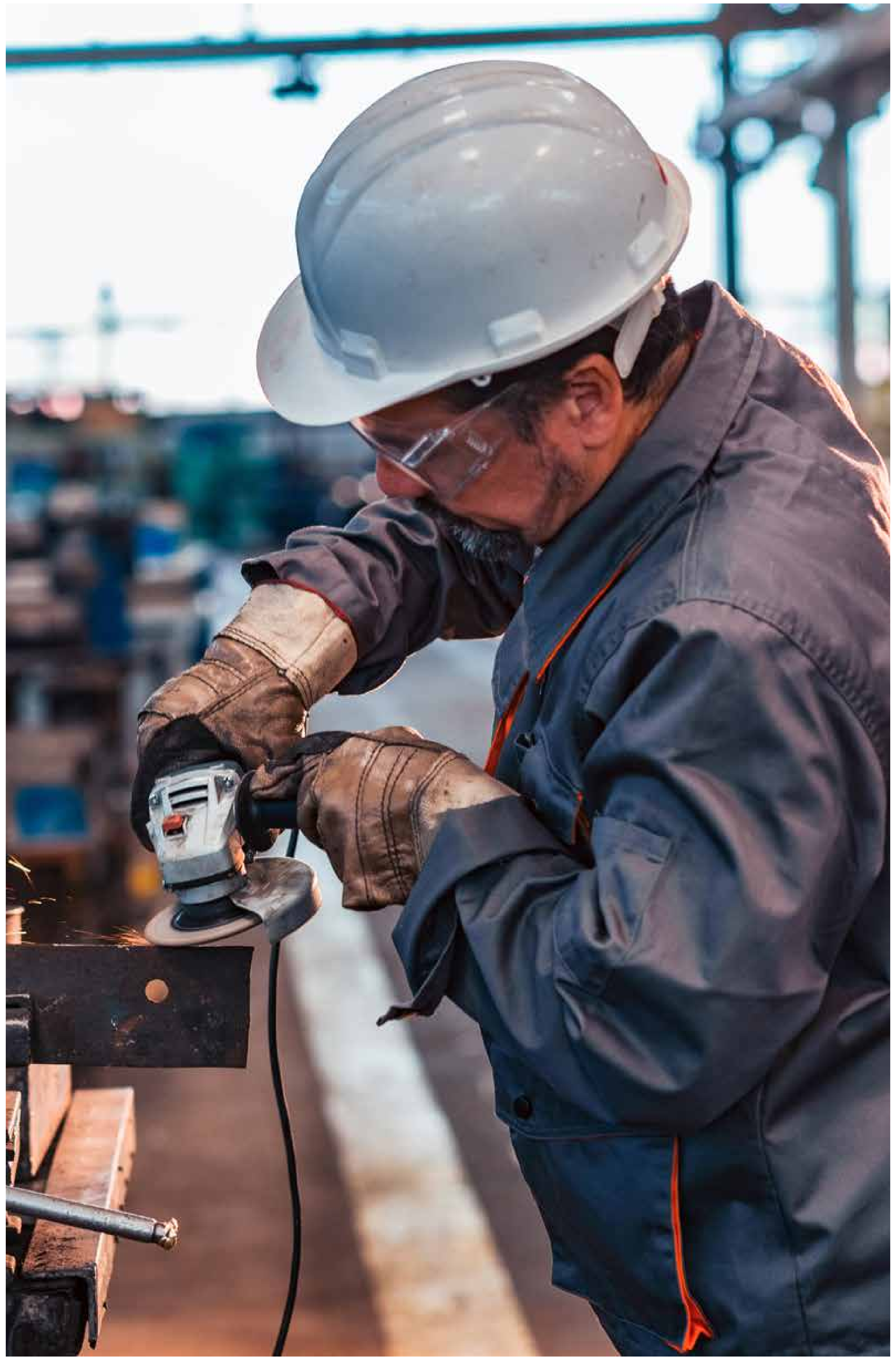


Figure 2.8

Understanding of senior leaders' messages on H&S on the frontline





COMMUNICATING IN THE CHANGING WORLD OF WORK

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For others it's as high as 95% of their workforce. Just over half of the participants (54%) have at least 20% of their workforce working peripatetically (see Figure 2.9).

Slightly less than half (48%) of those with mobile workforces have developed specific strategies to engage these employees on H&S. The top 10 approaches they employ to address these challenges are set out in Figure 2.10.

But the need to adapt approaches to the changing reality in the workforce extends to those working in manufacturing facilities, in process plants, on construction sites and other places of work. Some Roundtables attendees felt the communication strategies and tools are more effective for peripatetic/mobile workforce than for shopfloor employees, as the latter may not have access to a laptop or mobile device for work.

Figure 2.9

Number of participants with different percentage of their workforces working peripatetically

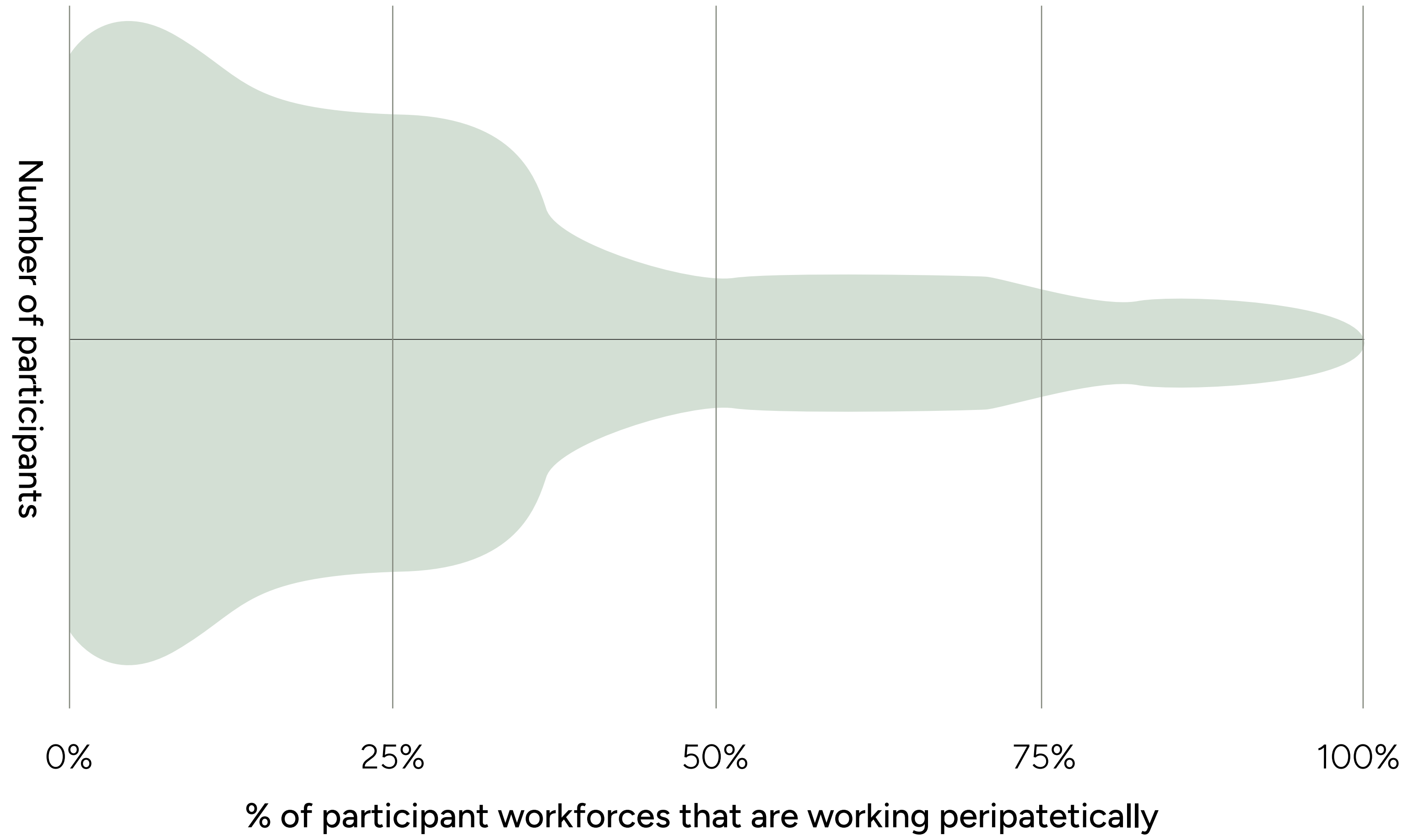


Figure 2.10

Do you have specific communication strategies to engage mobile/peripatetic workers (e.g., field engineers traveling to and working on client sites) on their H&S?

Overall Approaches

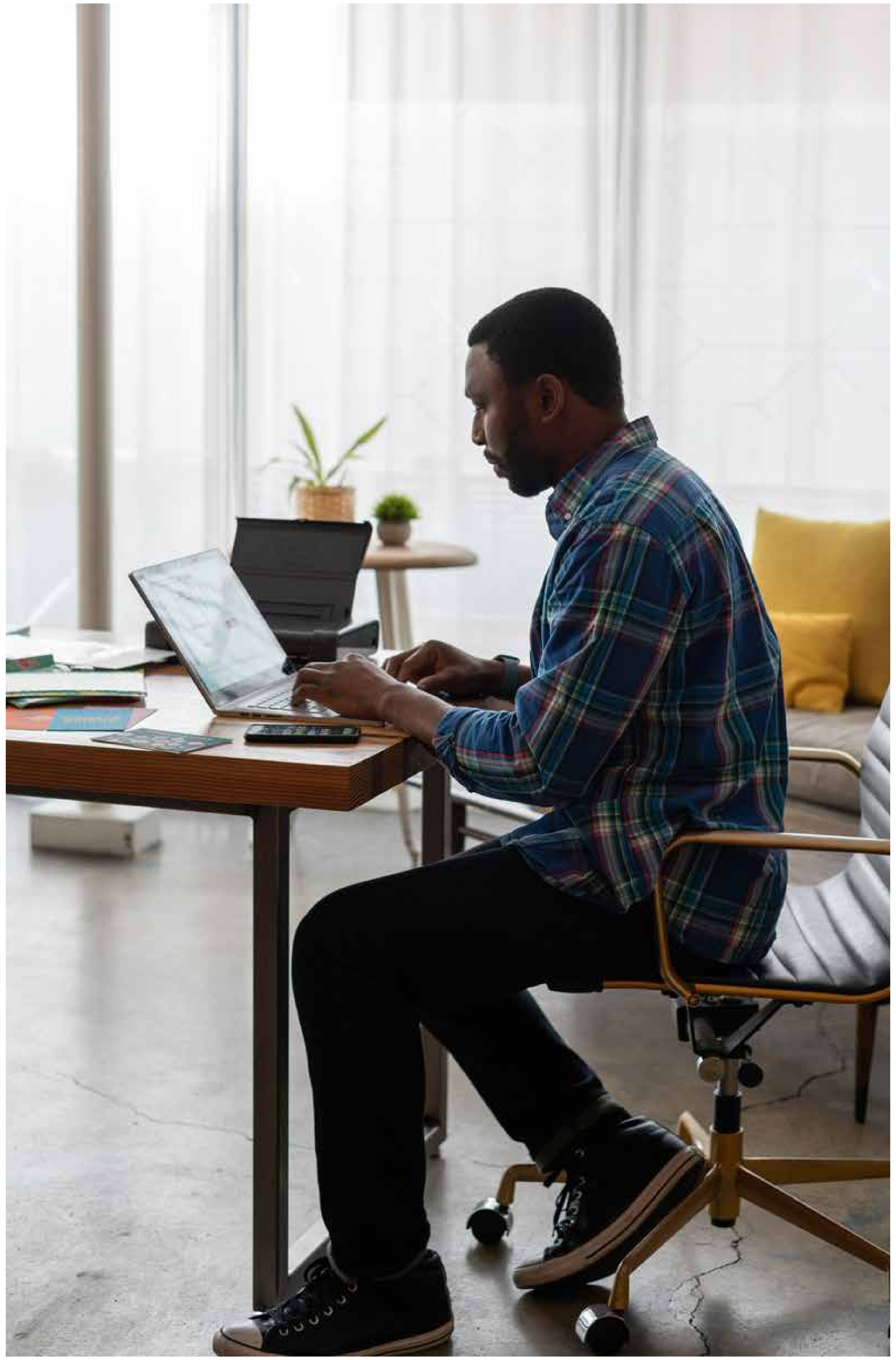
- Specific program for this group based on location or activities
- Dedicated H&S focal point / team to lead engagement
- Plans to address this topic are being developed
- Challenges - Communicating with our employees/contractors is challenging given information security constraints, different systems, etc.
- Leadership engagement (virtual)
- Leadership engagement (F2F)

How are you engaging with peripatetic workers?

- Meetings - Regular team meetings (gatherings): face-to-face at a base location or place of work
- Social media (Viva/TEAMS/Apps)
- Traditional comms - emails, newsletters, SharePoint
- Meetings - Virtual and use of video communications
- Technology - iPads and tablets to provide access to information for peripatetic workers
- Phone calls
- Training - E-Learning program
- Meetings - Pre-start calls
- Meetings - Face-to-face at a base location or place of work
- Induction/onboarding programs
- WhatsApp/SMS
- Use of animation/cartoons

And on what risk topics?

- Transportation/vehicle safety communication
- Travel safety (ISOS etc)
- Ergonomics
- Home working
- Fatigue



Novel approaches to communication

Participants in the Roundtables discussed communication programs and the merits of face-to-face versus remote engagements.

Some of the challenging reflections that emerged from the participants:

- **Safety days are seen as highly impactful by some, but others felt they were going “off trend” and “every day should be a safety day.”**
- **On remote campaigns, “... safety culture cannot be built using remote communication methods. You need multiple human interactions.” And “...we need to admit that in-person engagement is more engaging.”**
- **On the same topic, “...Alternating in-person with remote communications <is best> as the shared experience is that the remote model works only when there is the anticipation of an in-person contact.”**
- **“Anonymising and sanitising of communications by legal functions can mean the communications around safety are very diluted and have little impact.”**
- **“Communication needs to change constantly and adapt to be attractive. Technology can work, <but only> if it is very visual.”**
- **“People want quick information – 30 sec TikTok videos. But I wonder if this really is an effective way to convey the messages?”**

Figure 2.11

Novel approaches used by organizations to communicate with particular workers such as home workers or Gen Z

Clarify the message	Develop content to communicate the message	Media employed to deliver the message	Technology used
• Customized for demographics • Simplify • Establish H&S brand/Work with comms professionals • Storytelling	• Video • Animation/Cartoons • Gamification/Hands-on • Infographics • Email/Newsletters • Podcast	• Social media (Viva/TEAMS/Apps) • Social media (Text/WhatsApp) • Leadership engagement • SharePoint/Intranet • F2F engagement (inc. meetings) • Safety standowns/safety days • Online/virtual • F2F field visits (shopfloor) • Inductions, onboarding & buddying • Use of AI chatbots • Industrial theatre	• Mobile devices • TV screens • Communication boards • AR/VR tech • Touch screens

There were also a number of remarks on not overwhelming people by over-communicating with them on H&S.

“Less is more. Keep the campaigns to a minimum and allow time for messages to be absorbed and give them time to work.”

Just over half of the survey participants are using novel approaches to communicate with particular groups in the workforce such as Gen Z, which will account for 27% of the workforce in the OECD by 2025.[13]

Figure 2.11 shows the range of different (some novel) approaches that companies are deploying to engage with their employees.

Figure 2.12

Are you using novel approaches to communicate with particular workers, for example, Gen Z or home workers?

13. https://www.forbes.com/sites/rachelwells/2023/10/23/the-future-of-work-key-emerging-workplace-trends-to-watch-for-2024/?sh=2f5cb6f72eb3

3. Partnering with contractors

The definition of the 'workforce' has become increasingly blurred in practical, if not legal, terms as more of the 'work' is undertaken by contractor employees.

A long-standing trend that will continue for the foreseeable future as companies seek to capture the strategic, operational, technical and economic advantages of engaging contractors for more and more aspects of frontline delivery.

In fact, the migration of work (and risk) to contractors is expected to accelerate with 63% of the participants expecting to increase their use of contractors in the next 3 years: a significant uptick in the rate of change versus 2018 and 2021. Those expecting to increase their use of contractors estimate a 26% increase in exposure hours on average over the next 3 years.

Contractors are engaged to perform a wide range of activities with some embedded at host facilities and others delivering the work at contractor-owned facilities. Roundtables participants felt that the approaches to contractor management should take better account of different contractual arrangements and service delivery models. One size does not fit all.

Contractor impact on companies’ risk profiles

Issues on contractor H&S management were identified in the data in both the 2018 and 2021 surveys.[1] But the challenge of contractor and 2nd, 3rd and 4th-tier sub-contractor H&S management has been amplified over the last few years.

Year in, year out, more and more work is undertaken by contractors (see Figure 3.1).

Contractor work activities are disproportionately focused on higher-risk activities. (75% agree in 2024 versus 72% in 2021 – see Figure 3.2)

Contractor H&S is more challenging to manage than for a company’s own employees (65% agree in 2021).

Risk has therefore continued to migrate into the contractor base, but at a rate which is faster even than the uplift in the volume of activities undertaken by them. Management of H&S has consequently become more challenging as a direct consequence of the migration of work into the contractor base, and it will become a lot more challenging over the next few years.

1. pp 38, 39 of ERM 2021 Global Health and Safety Survey

Figure 3.1

Do you expect to make greater or less use of contractors over the next 3 years?

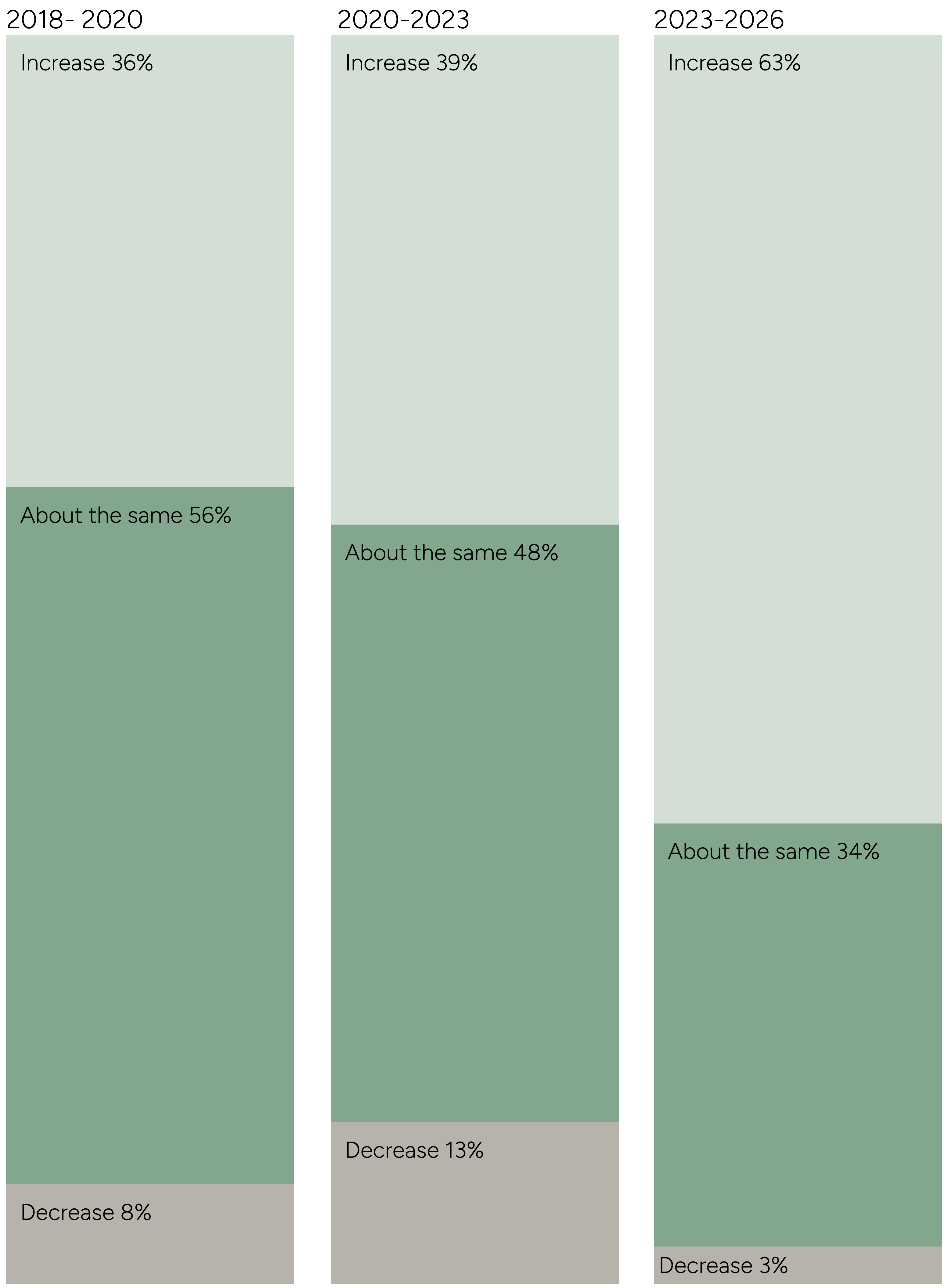


Figure 3.2

Risk profile of contractor activities vs own employees

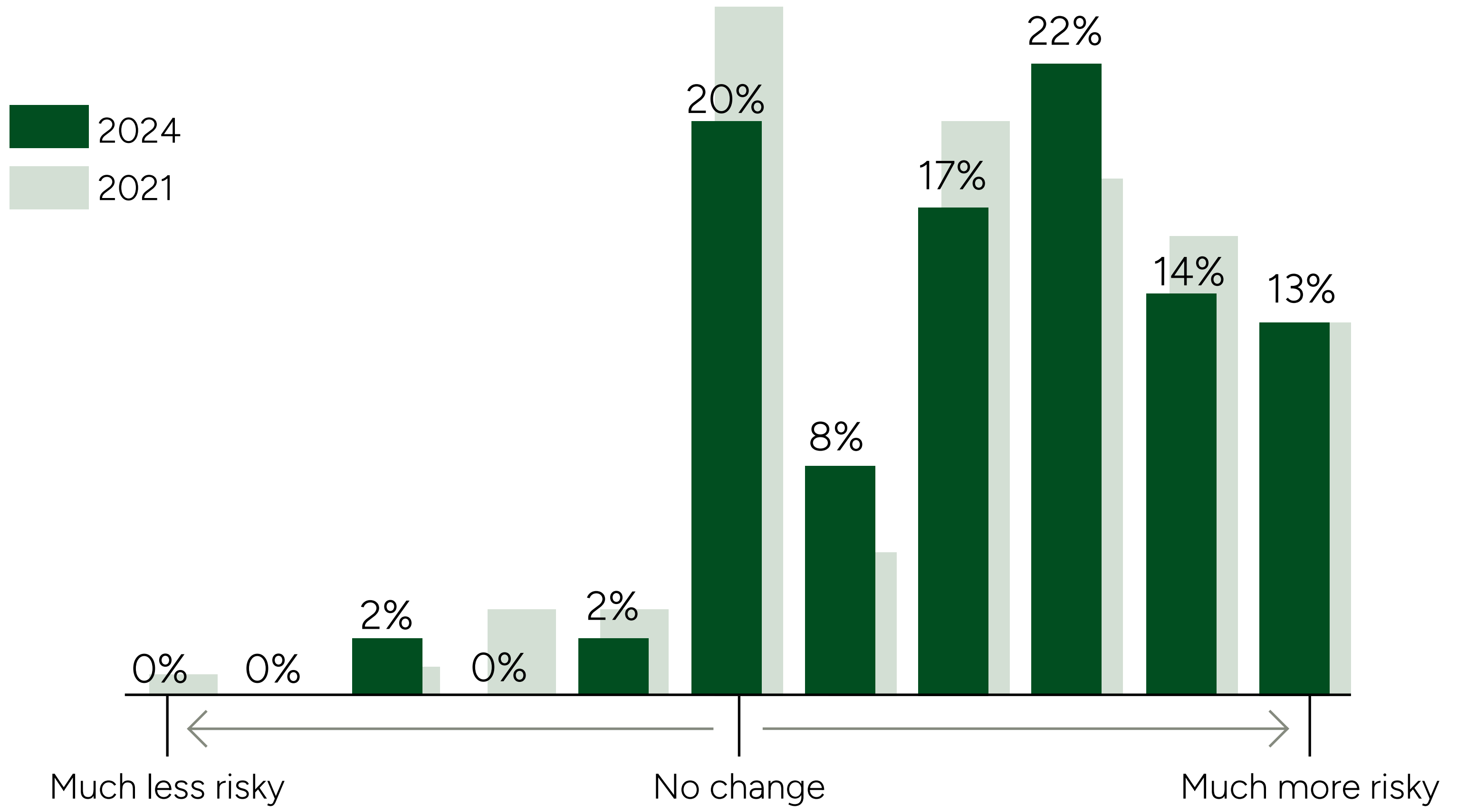
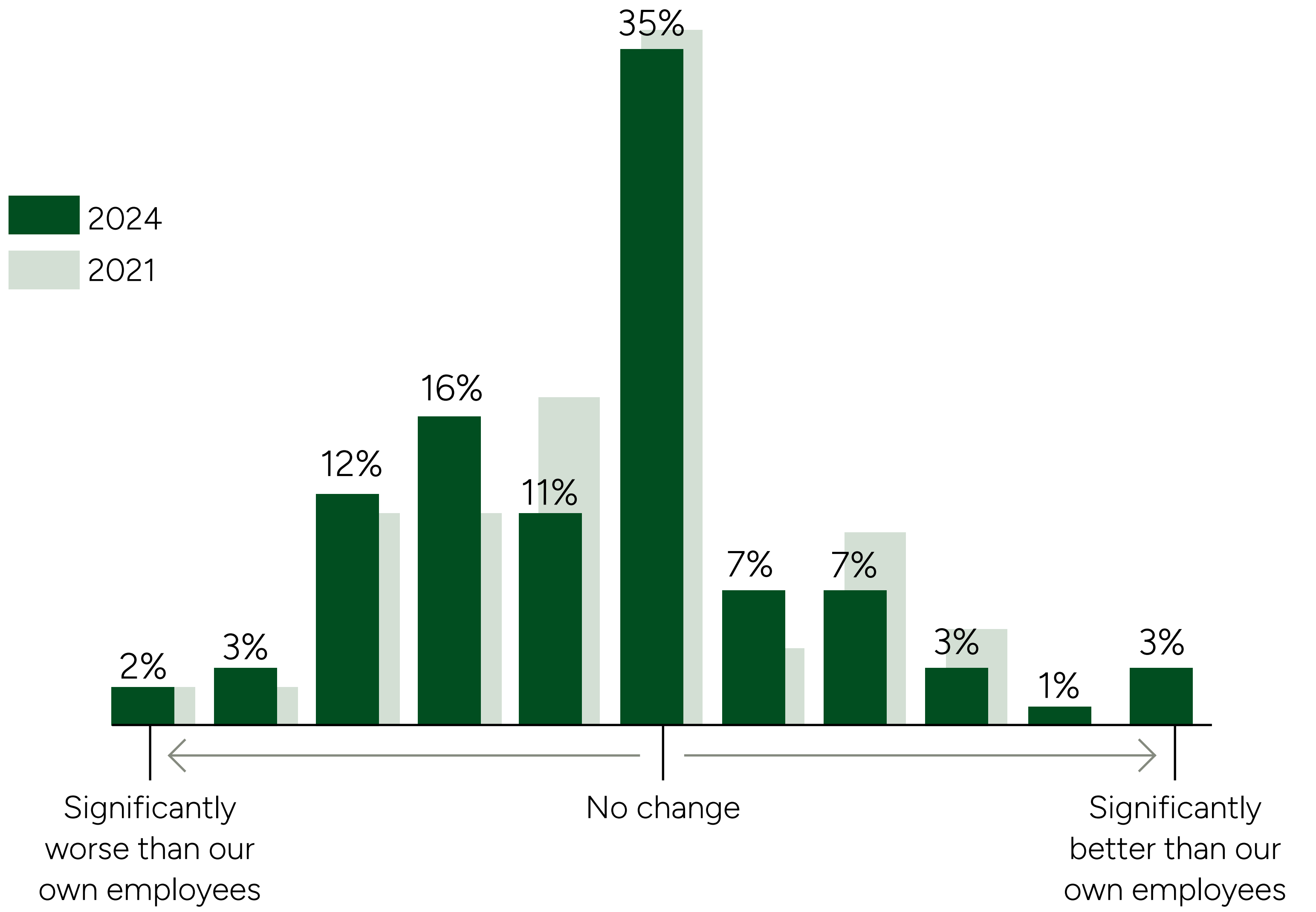


Figure 3.3

Contractor H&S performance vs own employees



Tackling contractor safety performance challenges

Forty-four percent of participants said their contractor H&S performance is worse than that of their own employees (Figure 3.3 on previous page). This was exactly the same proportion as in the 2021 study[1] though there was some debate in the Roundtables about inconsistent H&S incident reporting from contractors.

We also found that 65% of the 567 fatalities reported by the Function Leaders in the last 3 years occurred to contractors (see Section 4). Contractor H&S management was the third most frequently cited concern by the Function Leaders.

These persistent and very real issues with contractor safety performance arise despite 65% adopting a more hands-on approach in engagements with their contractors over the last 3 years (see Figure 3.4) and a clear bias in the data towards a more hands-on approach. See Figure 3.5.

A more 'hands-on' approach meant different things to the participants in practice: closer partnering with contractors (cited by 31%); enhanced pre-qualification vetting (cited by 30%), with some discussion in the Roundtables about the merits of vetting the company versus the individuals who will be engaged to deliver the work; and broad-based improvements in contractor H&S management processes and programs (cited by 29%).

There was enthusiastic sharing of interesting initiatives in contractor H&S management in the Roundtables:

- **Assessing proactive management signals from contractors before selection (e.g., how they manage language barriers across contractor teams)**
- **Peer reviews between contractors**
- **Single contractor-specific standdowns to address performance challenges**
- **Risk categories for different contractor activities (including embedded, long-term versus transient contractors)**
- **Use of visual standards and monitoring against them**
- **Moderating the degree to which a hands-on/off approach is appropriate based on the risk profile and performance of the contractors.**

Figure 3.4

Change in approach to management of contractor H&S in the last 3 years

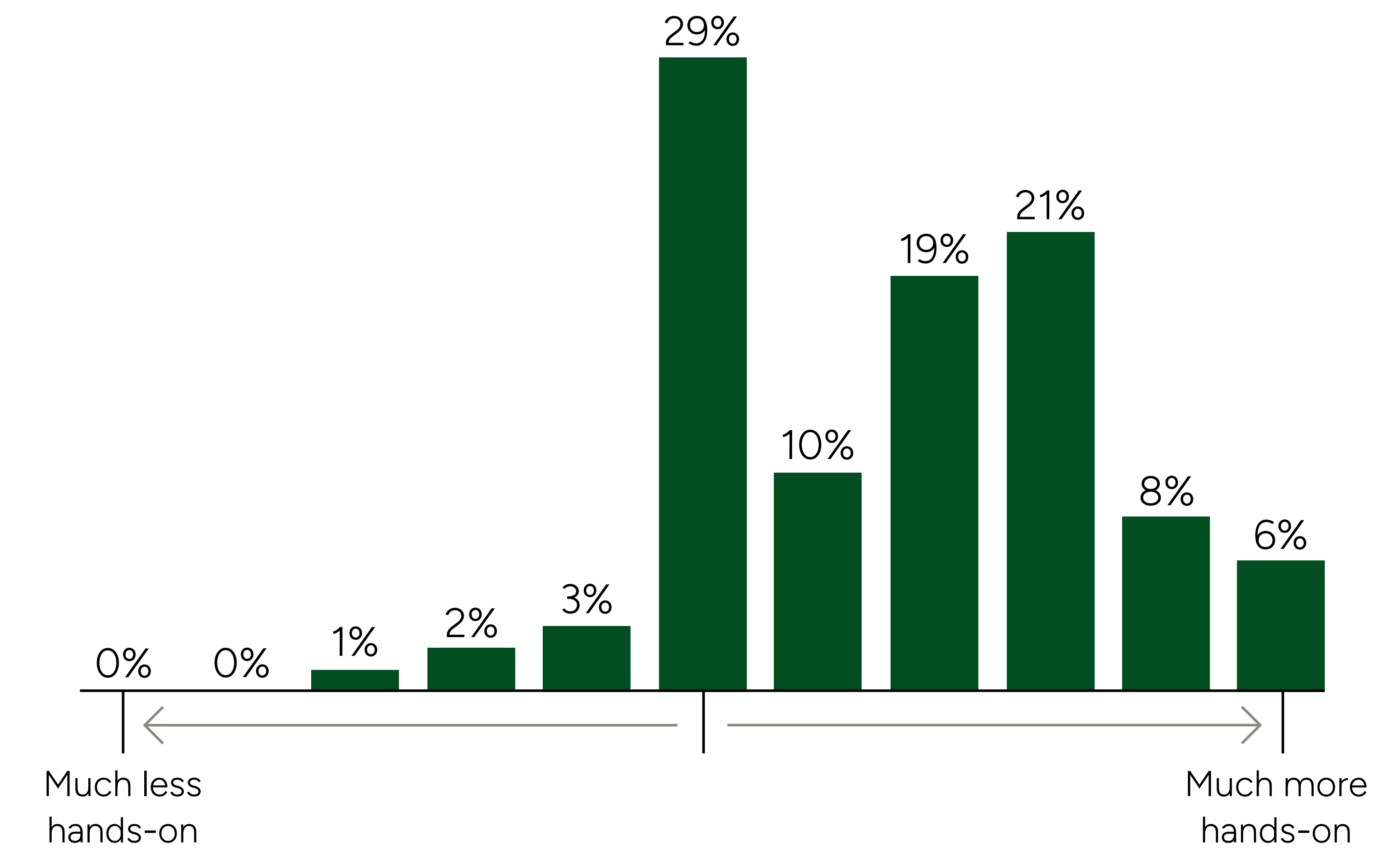
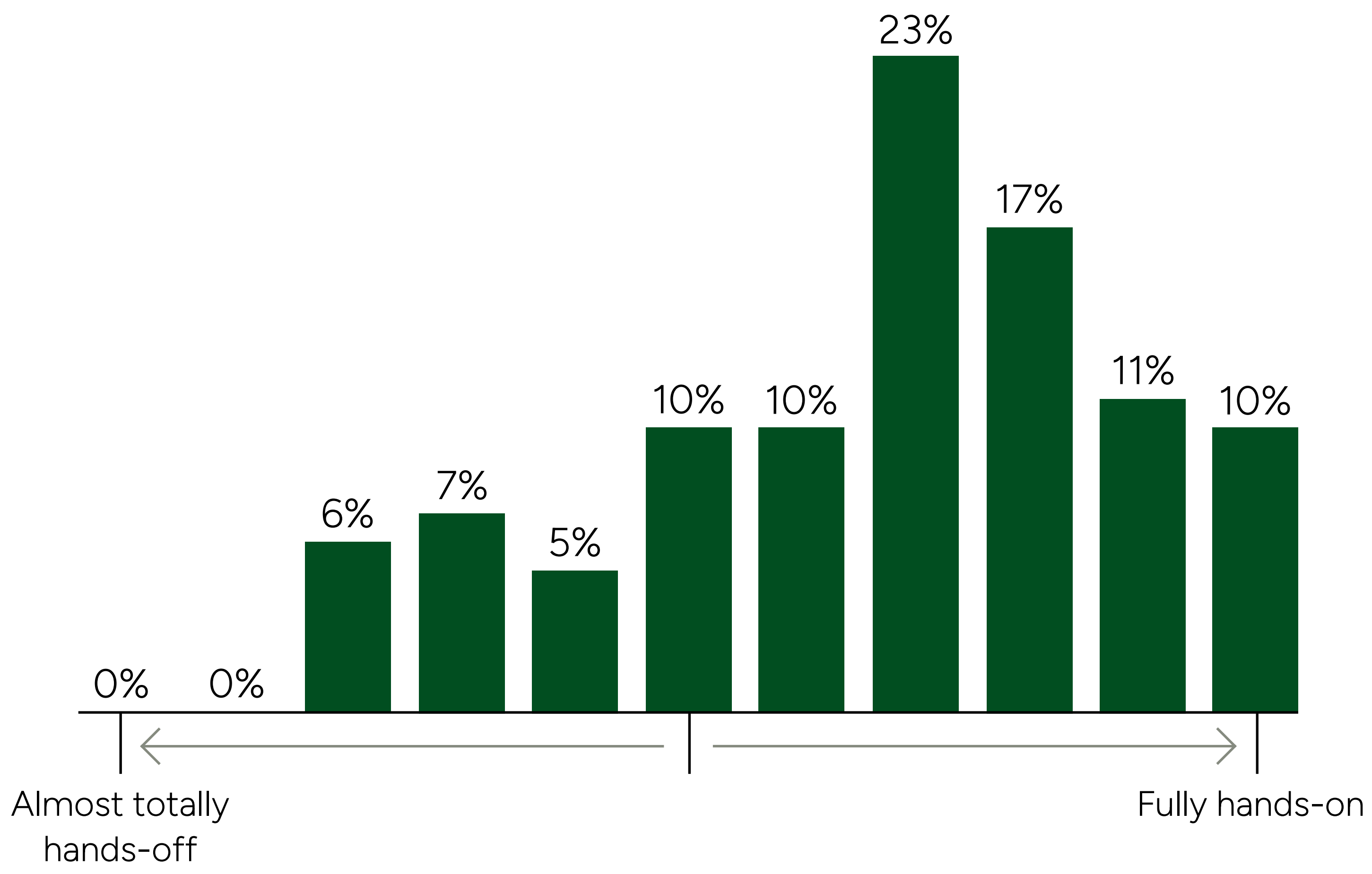


Figure 3.5

Current approach to management of contractors



Will more of the same hit the mark?

See Figure 3.6 for the top 10 changes in the participants' approach to contractor management in the last 3 years.

These same program elements were also identified as offering the greatest potential for improvement in the future, albeit with a jumbling of the ranking of the top 3. It does appear to be very much a case of 'more of the same' and quite a contrast with the very real innovations being applied to enhance communications with other segments of the 'workforce.'

It is evident that the need to bolster contractor H&S management is on the radar of the H&S Function Leaders, but only 2% cited contractor management as a top 3 investment priority. That does sound like a misalignment of priorities given the continued migration of risk into the contractor base and the challenges with H&S in the contractor base identified here.

The engagement with the Function Leaders suggests that management of contractors is perhaps too compartmentalized and there is likely an opportunity to deploy senior leaders' engagement on H&S and the many communications innovations in the field to better reach this growing, vital part of the 'workforce.'

Figure 3.6

Contractor H&S performance improvement initiative	Ranked changes in the last 3 years	Ranked aspects offering greatest potential for improvement
Working more closely with contractors as 'partners' and embedding contractors in company programs	1	3
Pre-qualification vetting internal and external	2	1
Improvements in contractor H&S management processes	3	2
Contract language	=4	n/a
More field-based oversight and focus on contractor management	=4	4
Inductions and training of contractors	6	5
KPIs/metrics	=7	7
Training for company's own contractor holders	=7	n/a
Audit	9	6
Recognition programs	10	8

4. Organizational capacity and capability building to respond to the change

The data on H&S performance from the survey participants present an ambiguous picture. On the plus side:

Eighty-two percent of participants scored their performance, as measured by their lagging indicators, improved (56%) or stable (26%). See Figure 4.1 over page.

An even more impressive 93% scored their performance, as measured by their leading indicators, as improved (75%) or stable (18%). See Figure 4.2 over page.

Seventy-seven percent of participants track their H&S performance versus their peers. Eighty-three percent of that cohort assessed their performance equal to (22%) or better than (61%) their peers. See Figure 4.3 over page.

All of that is positive. Unfortunately, a darker picture emerges from a deeper review of the data.

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Figure 4.1

Are your lagging H&S performance indicators trending in a positive or negative direction?

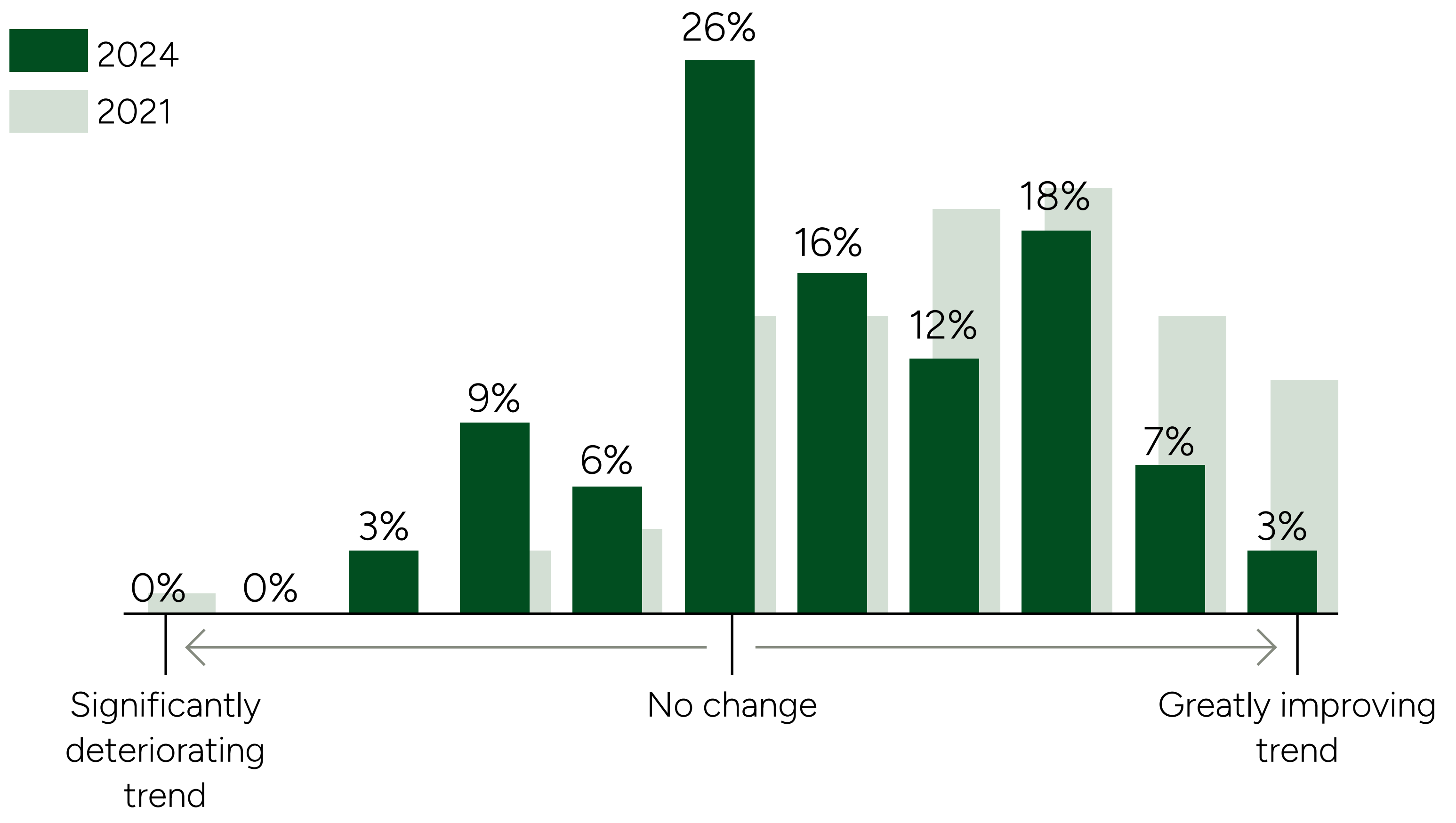


Figure 4.2

Are your leading H&S performance indicators trending in a positive or negative direction?

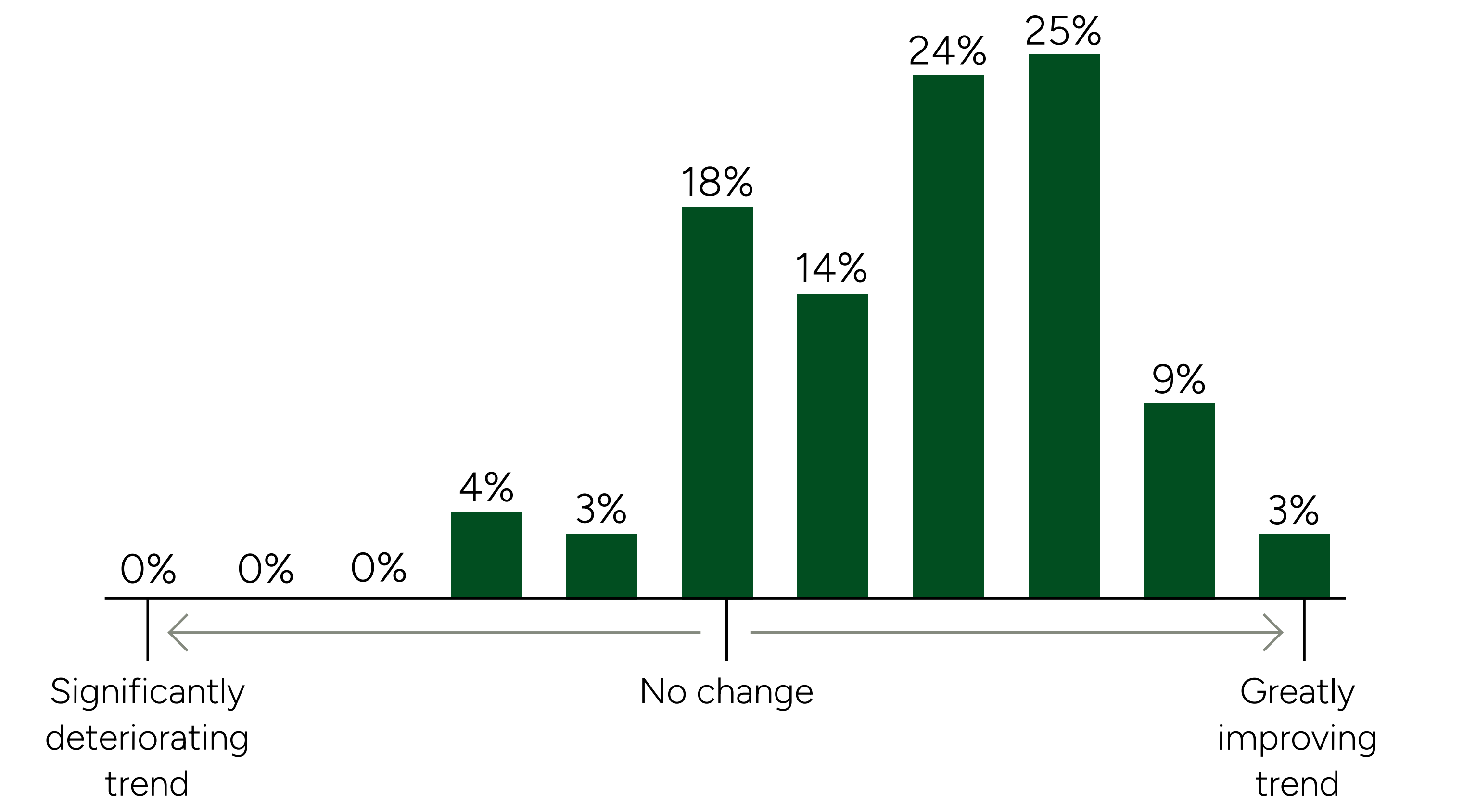
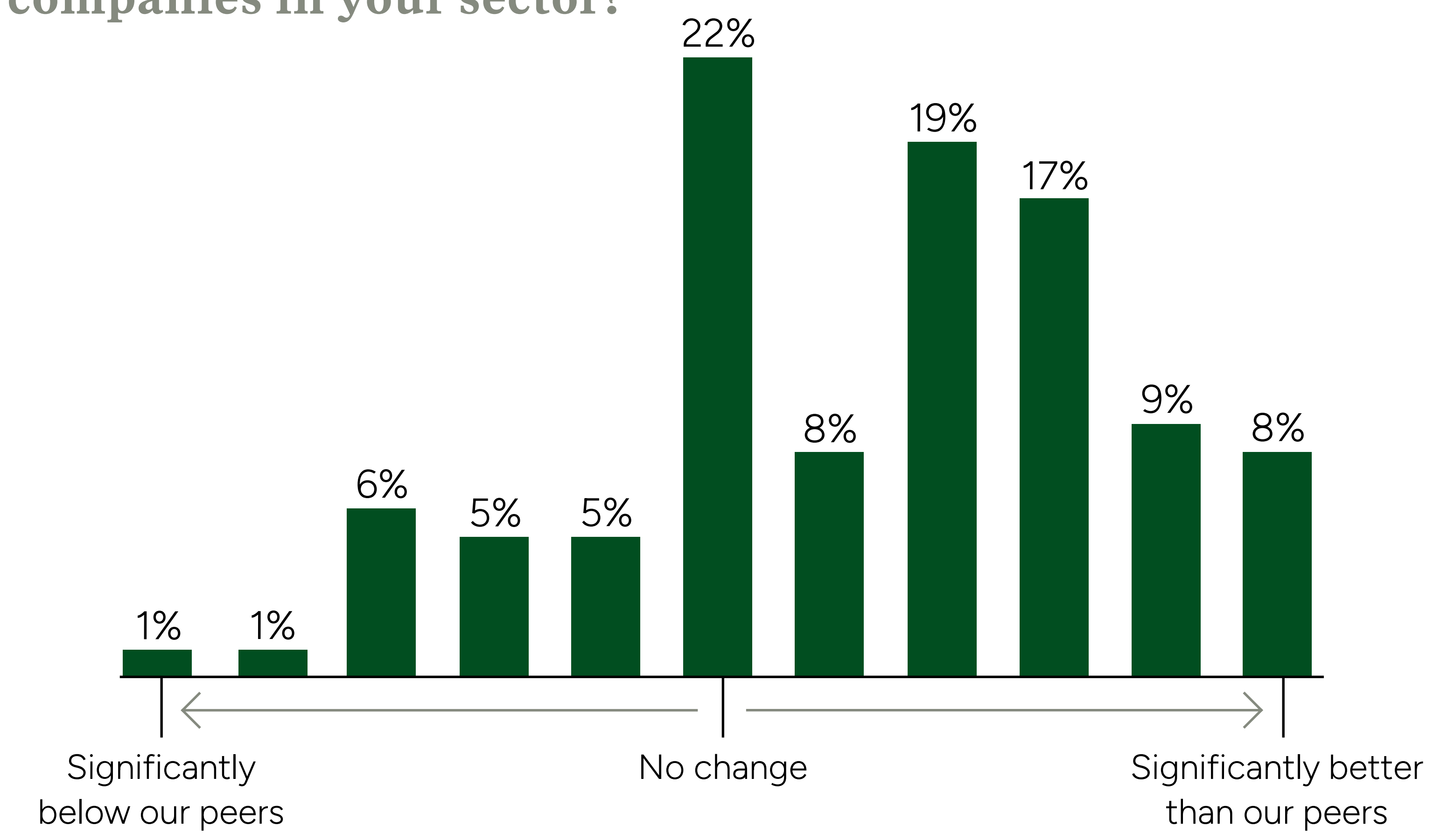


Figure 4.3

How do you think your performance rates compared to other companies in your sector?



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While broadly positive, the lagging indicator data in Figure 4.1 do indicate a marked deterioration versus the data from 2021 survey participants.[1] The data on management of process safety is also more concerning (see Box), as are the data on work-related stress, anxiety and depression (see Section 5). Of greatest concern, however, is the shocking statistic that 60% of the participants reported one or more fatalities in the last 3 years with a total of 567 fatalities reported across all study participants.

A review of data from the International Labour Organisation, the US, the EU, the UK, Japan, Singapore and Australia[2] indicates the number of fatalities in industry globally has at best flatlined over the last decade.

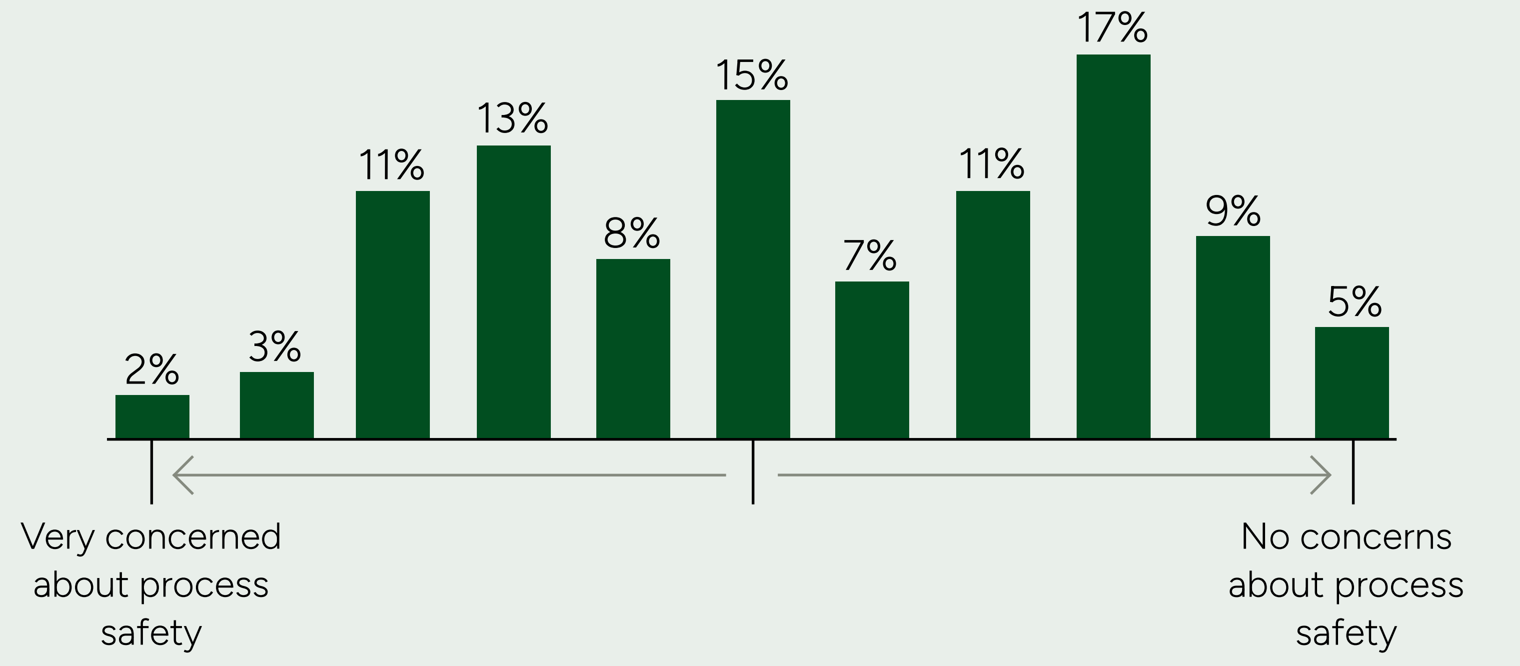
Continued on next page >>>

Process safety

Concerns about process safety/major accident hazards were the second most frequently identified top concern for the Function Leaders (cited by 17%) and it was the fifth most frequently cited investment in H&S (cited by 13%). The participant ratings of their level of concern about process safety are among the least favorable in the survey and especially so for the mining and metals, downstream oil and gas, food and beverage, and the manufacturing sectors. There was relatively low attendance at the Roundtables on process safety. The participants that did attend shared that process safety in their organizations was largely managed by maintenance and engineering functions. They also shared that challenges in managing process safety are especially acute in regions where there was little regulation. The participants also expressed some concern with a lack of experience in those engaged in HAZOPs and HAZIDs and how that could impact the rigor of the process.

Figure 4.4

Participant satisfaction with process safety management



1. Figure 1.1 ERM 2021 Health and Safety Survey: Towards Building A Thriving Workforce

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In some countries there has actually been an upward trend in the last few years, notably in the US, Germany, France and Spain. Data presented by the US National Safety Council using Bureau of Labor Statistics (BLS) data[3,4] illustrate the picture very clearly: an intact trend of continuous reduction in non-fatal injuries and an increase in the absolute number of fatalities and the fatal injury rate over recent years (see Figures 4.5 and 4.6).

The conundrum

The data on performance from the participants and the macro data from national and international bodies do not align with the ever-increasing investment in H&S, higher levels of leadership engagement, substantive focus on fatality prevention and the plethora of other innovations in the field shared by the participants and discussed at length in this report. An area that requires further research and an important theme for the next ERM Global Health and Safety Survey in 2027.

2. Sources as follows:
- International Labour Organisation https://www.ilo.org/moscow/areas-of-work/occupational-safety-and-health/WCMS_249278/lang--en/index.htm
- US Bureau of Labor Statistics https://www.bls.gov/news.release/pdf/cfoi.pdf
- Eurostat EU 27 Fatalities 2012-2021 https://ec.europa.eu/eurostat/databrowser/view/hsw_n2_02$defaultview/default/line?lang=en
- UK Health and Safety Executive https://www.hse.gov.uk/statistics/assets/docs/fatalinjuries.pdf
- Japan Industrial Safety and Health Association https://www.jisha.or.jp/english/statistics/
- Singapore Ministry of Manpower https://www.mom.gov.sg/-/media/mom/documents/safety-health/reports-stats/wsh-national-statistics/wsh-national-stats-2022.pdf
- Safe Work Australia https://data.safeworkaustralia.gov.au/interactive-data/topic/work-related-fatalities

3. https://injuryfacts.nsc.org/work/industry-incidence-rates/work-related-incident-rate-trends/
4. https://injuryfacts.nsc.org/work/work-overview/work-related-fatality-trends/

Figure 4.5

Work-related-injury and illness incidence rates, private industry, United States 1973-2022

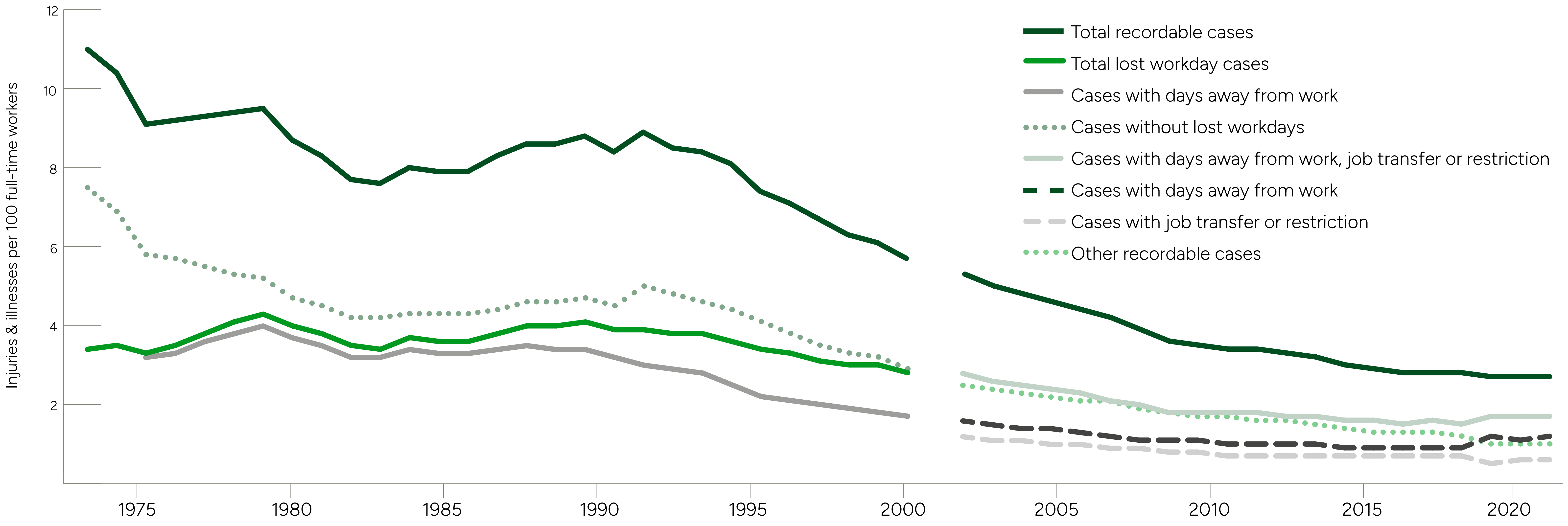
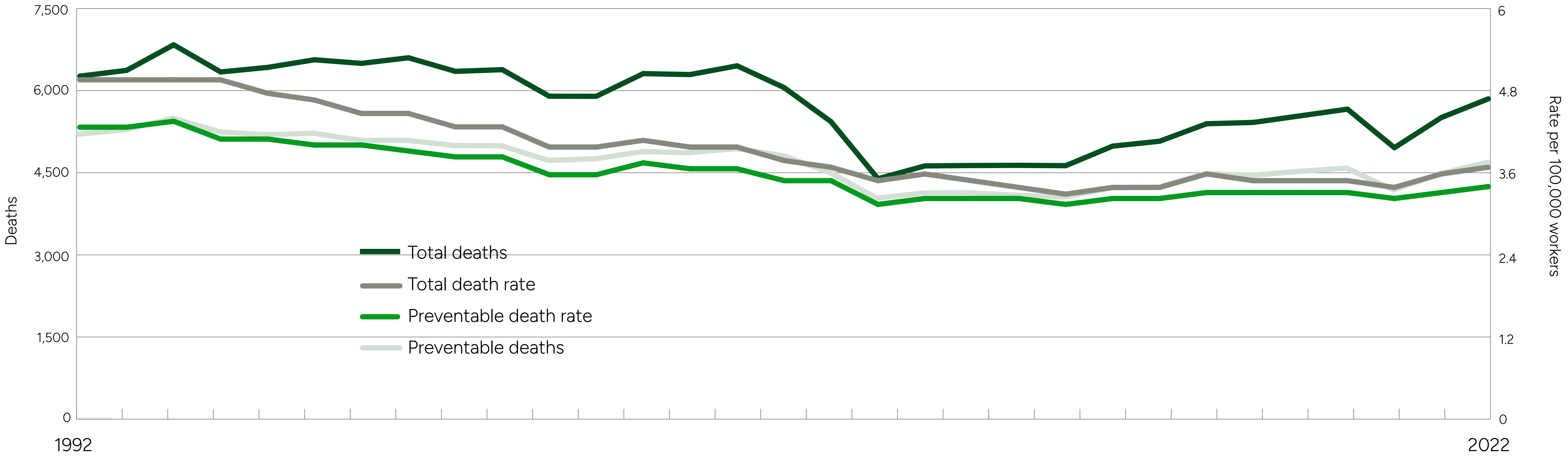


Figure 4.6

Work-related-injury deaths and death rates, 1992-2022



Key concerns for the Function Leaders

The Function Leaders identified their top 3 concerns for their organizations at this time.

Twenty-three percent of the participants expressed concerns with leadership engagement and capability, the most frequently cited amongst the list of 32 different concerns identified by the Function Leaders. The top 6 are as follows:

- **Leadership engagement, capability and culture change (cited by 23%)**
- **Major accident hazards/process safety (17%)**
- **Contractor management, competence and performance (17%)**
- **H&S team resourcing – insufficient resources to address needs and challenges with recruitment (16%) and a further 2% identified concerns with the capabilities of their teams**
- **Psychosocial risk and wellbeing (14%)**
- **Competency and engagement on the risks broadly (14%)**

A full list of all 32 concerns identified by the Function Leaders is set out in Annex 1. This may be a useful list of prompts for those seeking to identify vulnerabilities in their own H&S cultures, programs and approaches.

Factors that have yielded improvement

The Function Leaders also identified 24 unique factors that have yielded improvements in performance.

Shifts in senior leadership engagement was cited by one-third (34%) of the participants and topped the list. The list of the top 5 factors is as follows:

- **Shifts in senior leadership engagement was cited by one-third (cited by 34%)**
- **Improved H&S data was second (21%)**
- **Enhanced H&S standards, management systems, programs and tools (12%)**
- **H&S team capacity, capability and reporting lines (10%)**
- **Improved contractor engagement and management (9%)**

A full list of all 24 key factors that have given rise to improved performance is set out in Annex 2; a useful list for those who are kicking off initiatives to improve their H&S performance. The list opposite (Figure 4.7) of the 10 most frequently cited key factors that have given rise to a deterioration in performance identified by the participants could also be a useful resource and certainly makes interesting reading.

Figure 4.7

	The 10 most frequently cited key factors that have given rise to a deterioration in performance identified by the participants
1	Staff attrition/resourcing challenges giving rise to loss of capability
2	Business growth/acquisitions
3	Poor reporting of H&S data/access to the data/data analytics
4	Variable engagement and performance across different geographies/activities
5	Complacency
6	Low levels of leadership engagement
7	Poor leading indicators
8	Weak hazard and risk recognition
9	Aging plant
10	Ambiguous priorities

Investment in health and safety

Companies are continuing to invest heavily in H&S. The mean estimated increase in investment over the last 3 years was 26%, with significant variation across sectors ranging from 12.5% increase in transportation to 65% increase in the media sector. See Figure 4.8.

The average anticipated increase in investment for the participating companies in the next 3 years drops to 20%, but off a higher base, so actually the same level of increase in absolute terms as the last 3 years. The scale of the increase for the next 3 years ranges from 2.5% for media to 51% for the renewables sector. See Annex 3 for a breakdown of investment by sector.

Seventy-nine percent of the participants anticipate increased investment in the next 3 years (the highest proportion across the surveys in 2018, 2021 and 2024[1]). Only 1% are anticipating a reduction in their investment in H&S. If the estimates for 2023-26 prove accurate (as the estimates in 2018 and 2021 have done) the compound growth in investment in H&S over the decade to 2026 will be 83%.

1. Reference ERM 2018 and 2021 Global Health and Safety Surveys

Figure 4.8

Average estimated change in investment in H&S for 2018-2021, 2021- 2023 and percent of participants estimating increases, little change and decreases in investment

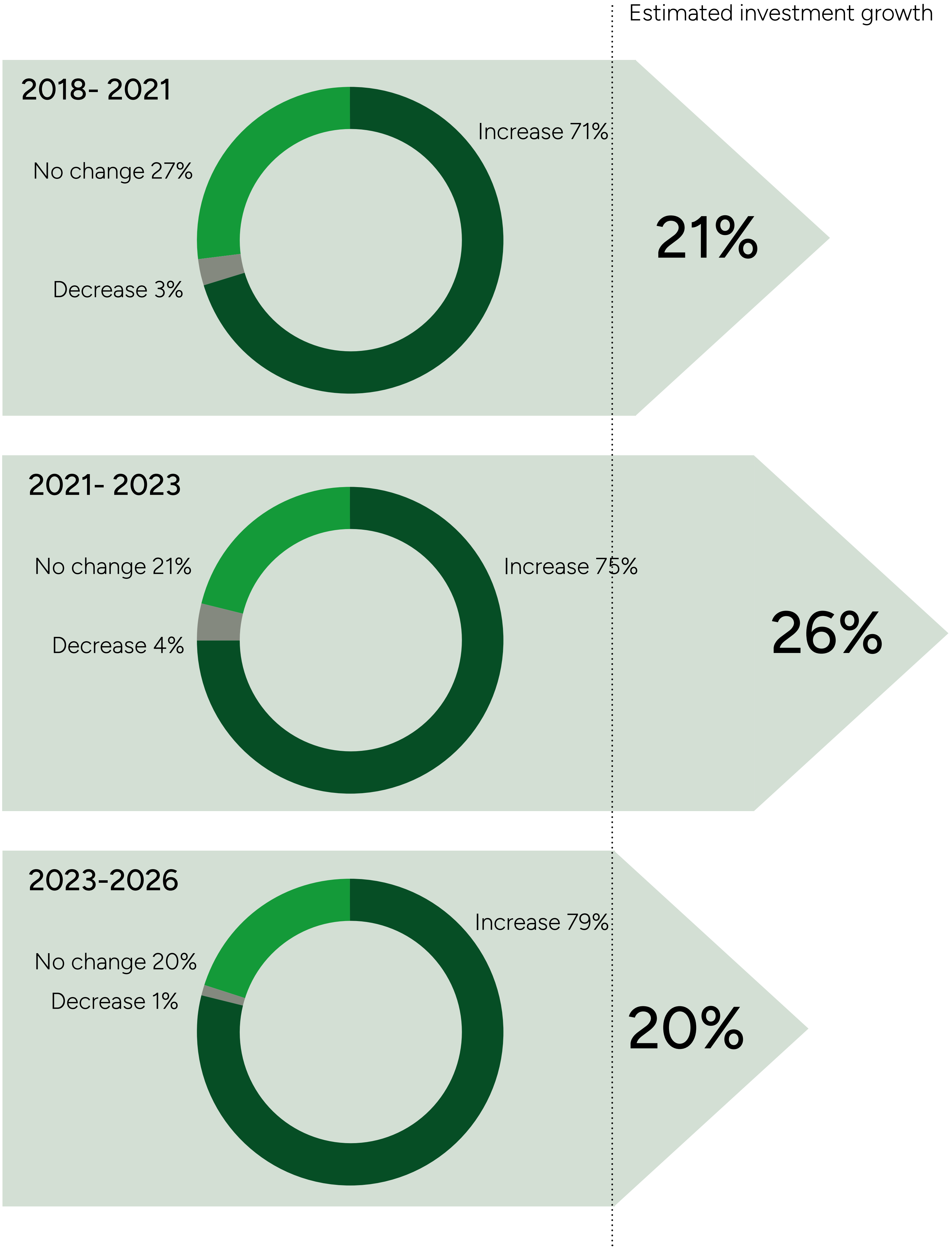
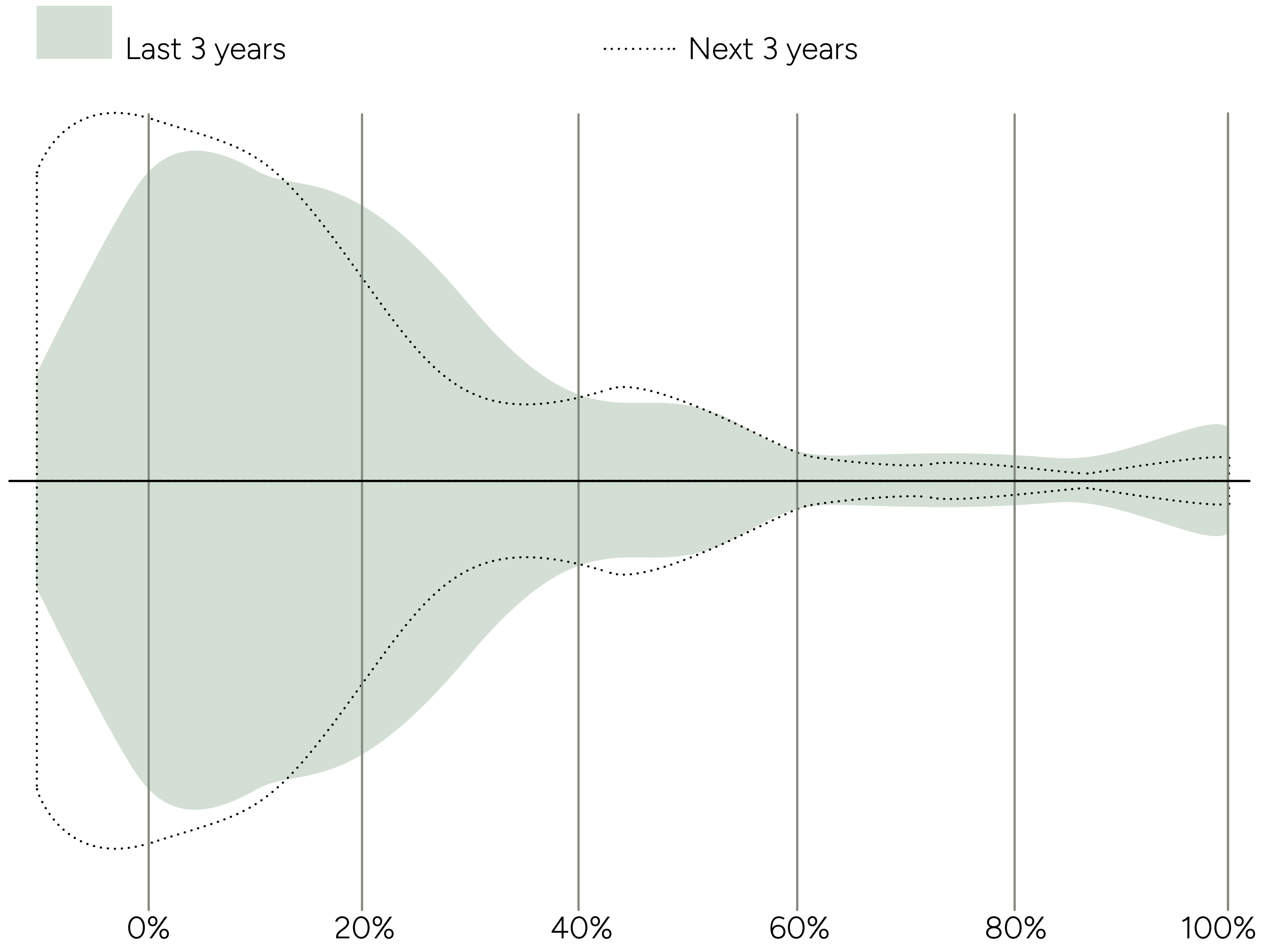


Figure 4.9

Curves showing number of participants for a given level of increase in investment for the last 3 years and next 3



A concerning anomaly

Increased investment in H&S over the next 3 years will be directed at a much-changed set of priorities for the participating companies. Thirty-one percent of the participants will invest in digitalisation of H&S processes, the number one priority investment in 2024, it was ranked 7th in 2021. A full list of all 30 investment priorities identified by the Function Leaders is set out in Annex 4.

A comparative analysis of the data suggests a misalignment between investment priorities and key concerns identified by the participants, especially in the top 3 investment priorities cited by them (see Figure 4.10). Analysis of the top 3 investment priorities for each of the participants against (a) the top 3 concerns identified by them and (b) the key factors they identified that have given rise to a shift in performance indicates:

- **Only 40% of participants identified one or more investment priorities (of 3) aligned with any of their top 3 concerns on H&S**
- **Only 23% identified one or more investment priorities that were aligned with any of the 3 factors that the participants identified as key to driving performance improvement by them**

The scale of the investment being directed at H&S by organisations is substantive and running ahead of all key economic indicators. This is a tremendous opportunity for those charged with accountability for protecting the health, safety and wellbeing of people at work and all that this means for sustained business success in a changing world.

Notwithstanding the fact that 22% of the Function Leaders shared that their increased understanding of H&S risks had shifted their priorities, the findings strongly suggest a need for more careful consideration on how these investment resources are deployed. The anomalies identified here may go some way to identifying why key measures of performance are trending negatively despite the level of effort directed at improving H&S performance by companies.

Figure 4.10

Top 15 investments in H&S over the next 3 years with percentage citing each, ranking in the list of all investments, and ranking in the list of top 3 concerns in H&S

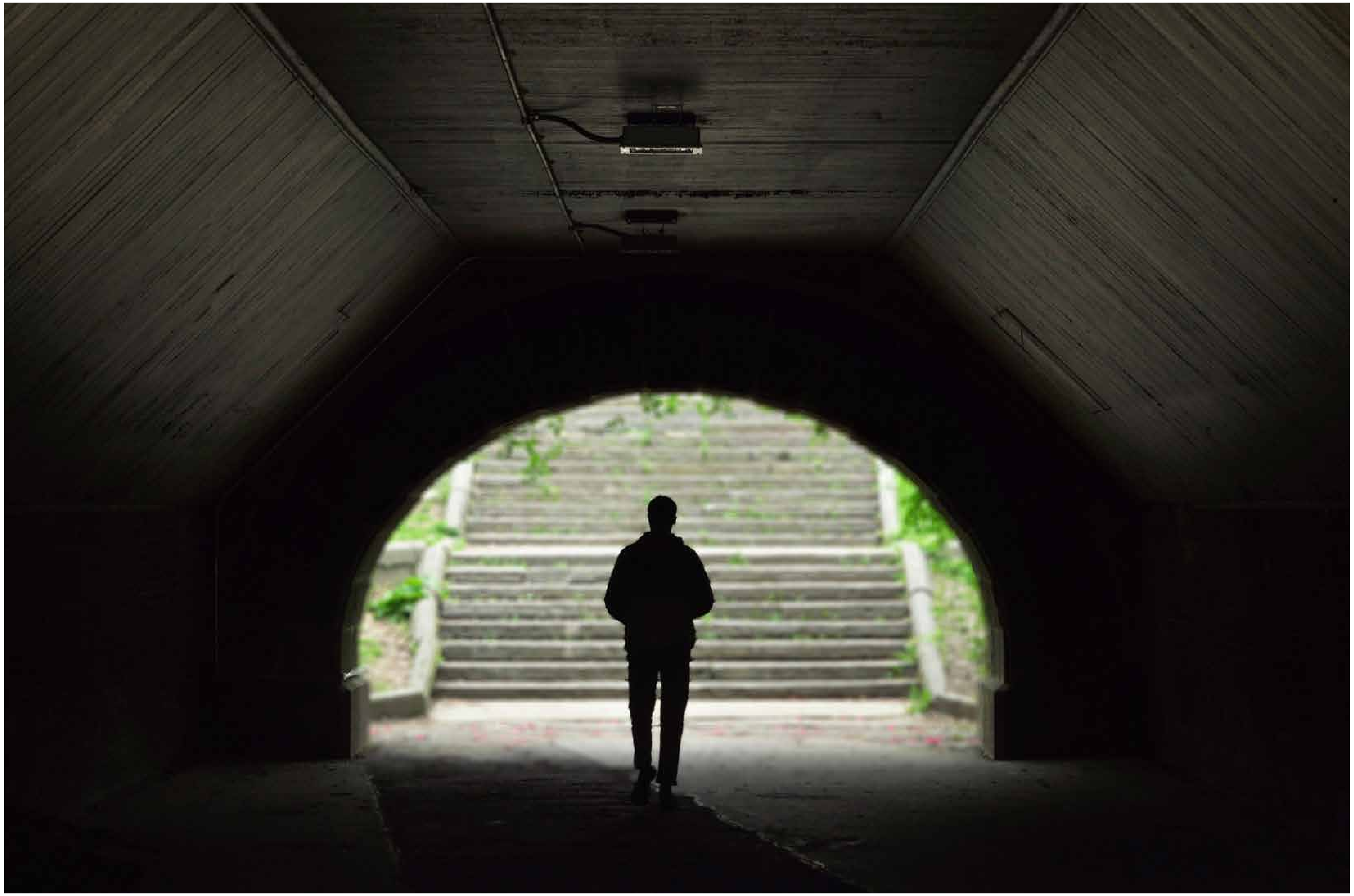
Investment	% of Participants Citing this Investment in 2024	Rank in the list of investments in 2024	Rank in the list of investments 2021	Rank in list of concerns identified in 2024
Digitalization of H&S processes and tools	31%	=1	7	Not a key concern
Enhanced training for increased competence. Including training in hazard recognition and risk assessment	31%	=1	-	6
Extracting more insight from data/leading and lagging indicators through better data management and predictive analytics including the use of software solutions and the use of AI	17%	3	13	11
Safety leadership and culture	13%	=4	3	1
Asset integrity/process safety/prevention of major accident hazards	13%	=4	4	2
Automation/robotics	12%	6	1	Not a key concern
Collision avoidance, driver safety, IVMS and telematics	11%	7	15	9
AI digital twin, AI enabled intelligent cameras/CCTV/drones for surveillance and monitoring	10%	8	-	Not a key concern
Engineering controls, machine guarding and machine functional safety	9%	=9	=1	Not a key concern
Increase H&S team capacity and competence	9%	=9	10	15
IH: occupational exposure to heat, noise, air quality, hazardous chemicals and materials	7%	11	6	4
Hazard recognition, risk assessment processes and training	5%	=12	-	Not a key concern
Safety management system	5%	=12	12	Not a key concern
Ergonomics	5%	=12	8	Not a key concern
Psychosocial risk	5%	=12	-1	Not a key concern

5. Psychosocial risk

The statistics on declining mental health in the workplace make grim reading.

- **Twelve billion working days are lost every year due to depression and anxiety according to a joint WHO/ILO study, which was published in September 2022.[1]**
- **In the UK alone 17.1 million workdays were lost in 2022/23 due to work-related stress, anxiety and depression (49% of all days lost due to ill health) according to data from the UK Health and Safety Executive.[2]**
- **Nearly two-thirds (65%) stated that work adversely affects stress levels in ADP's People at Work 2023 Survey, an enormous if slightly reduced number versus 2022.[3]**
- **Forty-five percent of employees say poor mental health is having an adverse impact on productivity in Asia according to the Asia Mental Health Index, a recent study from AON and Telus Health.[4]**

Psychosocial risk factors and the mental health challenges that arise from them (see definitions in Figure 5.1 over page), remain a growing source of concern to companies. Eighty-seven percent of participants identified it as such for their companies, little changed from the 90% who identified it as an increasing source of concern in 2021 (see Figure 5.2 over page). Concerns about psychosocial risk and declining mental health ranked 5th on the list of top concerns for the participants.



1. https://www.who.int/publications/i/item/9789240057944
2. www.hse.gov.uk/statistics/assets/docs/hssh2223.pdf
3. https://www.adpri.org/assets/people-at-work-2023-a-global-workforce-view/ and https://blog.dol.gov/2023/05/01/mental-health-at-work-raising-awareness-of-current-resources
4. https://www.aon.com/apac/insights/health/asia-mental-health-index-report

Factors driving concern on psychosocial hazards and risks in the workplace

A range of different factors is driving increased concerns on psychosocial risks, which may affect mental health. Covid-19 was again identified by many as a catalyst for the spike in psychosocial aspects that may affect declining mental health and a need to continue to focus on the topic (cited by 38%).

The second factor, companies' own efforts to put a spotlight on psychosocial hazards and risks related to declining mental health, and a need to continue driving engagement on these issues. The third factor (cited by 26%) was constant pressure to perform at work, a faster pace of work, increased workload, and an 'always-on' work environment, all being psychosocial risk factors.

Other factors could be regarded as emerging concerns such as hybrid working, rising expectations of the workforce generational factors (less in-built resilience amongst Gen Z was mentioned by a number). See Figure 5.3.

Participants in the Roundtables expressed the view that employees (and especially those in their 20s and 30s) want to thrive at work, but their expectations of the workplace (and especially in North America and Europe) are significantly higher post Covid-19. The emergence of new legislation was also identified as a factor that creates a new focus and urgency, especially in Australia, where new Work Health Safety (WHS) regulations are enacted. Significant legislation is under development in Europe, which will likely require organizations to take account of psychosocial hazards and related risks in both the design and management of work.[7]

Figure 5.1

Psychosocial Risks and Mental Health

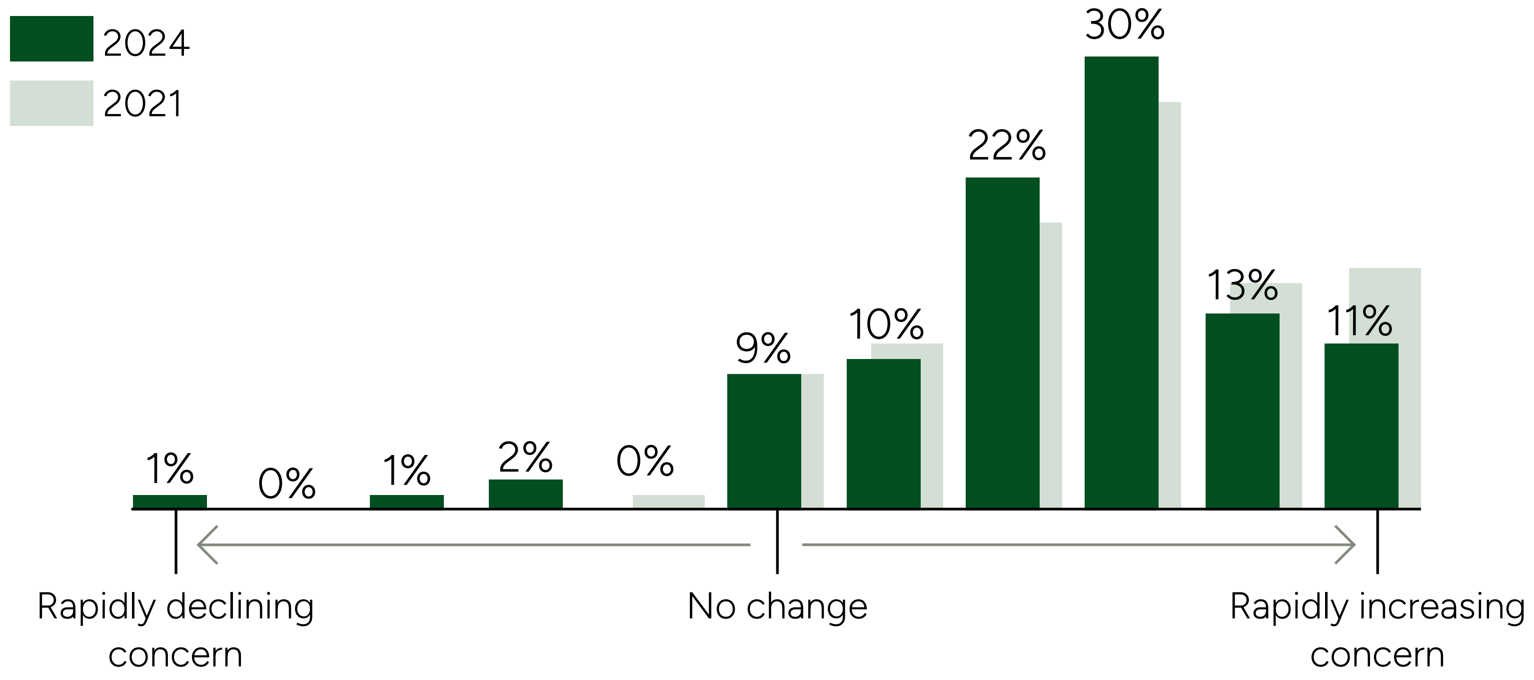
There was quite a bit of discussion in the Roundtables about the widespread misunderstanding that the terms are interchangeable.

Psychosocial Risk refers to work-related factors that may have negative effects on an employee's mental health and wellbeing due to job demands like excessive workloads, time pressure, low job control, role ambiguity or conflict.[5]

Mental Health is a state of mental wellbeing that enables people to cope with the stresses of life, realize their abilities, learn well and work well, and contribute to their community.[6]

Figure 5.2

Participant perspectives on shifts in level of concern about mental health and psychosocial risks in their organizations



5. https://www.ccohs.ca/oshanswers/psychosocial/mh/mentalhealth_risk.html
6. https://www.who.int/news-room/fact-sheets/detail/mental-health-strengthening-our-response#:~:text=Mental%20health%20is%20a%20state,and%20contribute%20to%20their%20community.
7. https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/740086/IPOL_ATA(2023)740086_EN.pdf

Figure 5.3

	Factors giving rise to increased concern about mental health
1	Covid and increased focus on mental health challenges during/after the pandemic acted as a catalyst for greater focus on the issue
2	Greater awareness and openness on mental health, psychosocial risk and their causes in part arising from companies' focus on the issues
3	Pressure to perform, faster pace, increased workload, always-on work environment arising from growth or underperformance in the business, M&A activity, drive from leadership and connectivity
4	Leadership focus on the issue because it's important for the business
5	Increased number of cases of stress, anxiety, depression and suicide
6	Social, environmental and geopolitical tensions
7	Legislation has driven awareness and action
8	Hybrid working
9	Generational factors and expectations of the workforce
10	Cost of living crisis, economic uncertainty, job insecurity

The role of leaders in eliminating and mitigating psychosocial hazards and psychosocial risk in the workplace

The participants' scoring of their leaders' capabilities to address psychosocial risk factors in the workplace is amongst the weakest of any aspect addressed in the survey.

A marginally higher proportion rated their leaders' capabilities in addressing psychosocial risk factors as very poorly equipped (3%), than very well equipped (2%). See Figure 5.4.

The Roundtable participants discussed leadership engagement on psychosocial risks and many were of the view that creating a thriving work environment is a leadership issue. An insight that was corroborated by the data.

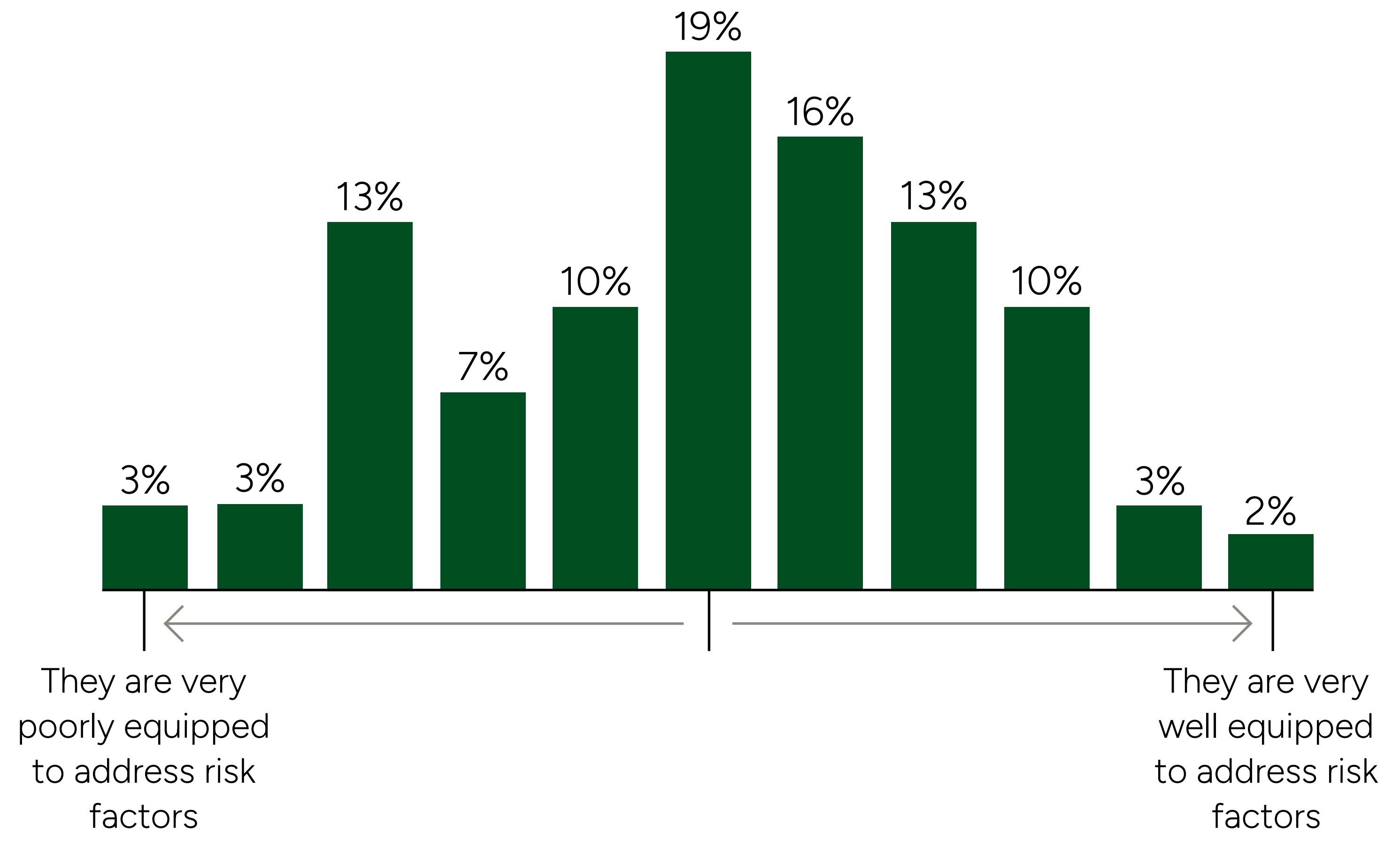
We found a positive correlation in the data between leadership engagement on H&S (a good proxy for care for people) and leadership capability in addressing mental health and psychosocial risks.[8]

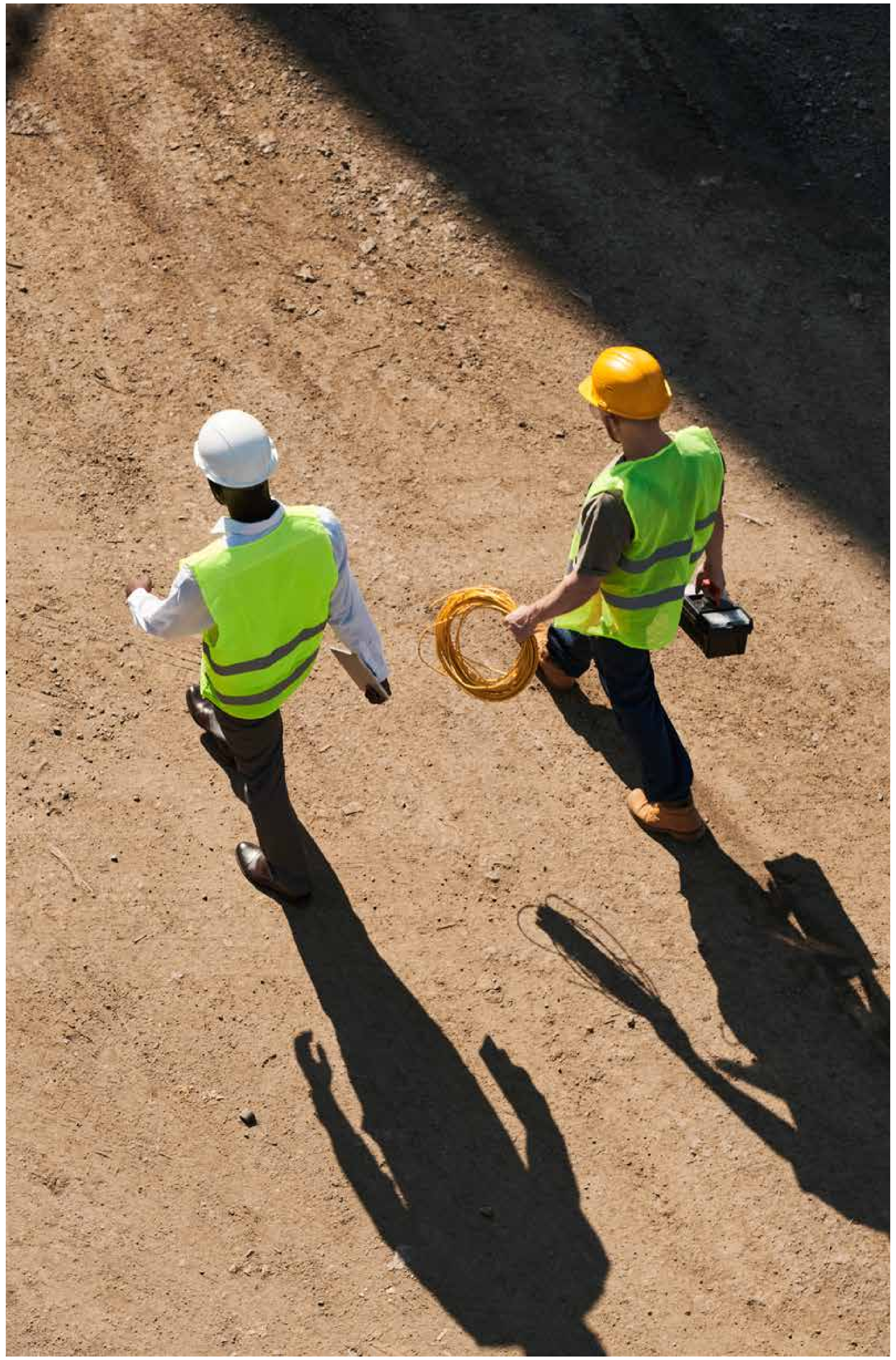
The data suggest that competence in handling psychosocial risks is a function of the degree of 'care' an individual leader has for other people.

"Creating a thriving work environment is a leadership issue"

Figure 5.4

Participant assessment of leaders' capabilities in addressing psychosocial risk factors in the workplace





8. The Spearman coefficient is 0.344, with a p value of 4.86e-07, below the chosen alpha of 0.05 for C-suite engagement on safety vs the participant rating of leadership capabilities in addressing psychosocial risk factors in the workplace. For leaders below C-suite the Spearman coefficient is 0.319, with a p value of 3.42e-06, below the chosen alpha of 0.05 For middle managers the Spearman coefficient is 0.279, with a p value of 5.78e-05, below the chosen alpha of 0.05 For frontline leaders the Spearman coefficient is 0.149, with a p value of 0.0332, below the chosen alpha of 0.05.

Measures to address psychosocial risks in the workplace

Most organizations (84%) adopted measures to drive improvement in their management of psychosocial risk factors in the last 3 years.

Most participants in the Roundtables on this topic agreed that vulnerabilities with employee wellbeing is a key risk, that H&S functions need to become more deeply involved in this area and that it should not be left solely to the HR function. A somewhat more strident view was expressed that: *“H&S functions need to help create the ‘workplace of tomorrow,’ because the ‘workplace of today’ is not working very well for the younger generation especially.”*

However, not all Roundtable participants embraced the concept of psychosocial risk being a work H&S issue to address the psychosocial hazards in the workplace.

The most frequently adopted initiatives to drive improvement in management of work-related psychosocial risk factors are set out in Figure 5.5. The top ranked initiative adopted by over one-third (37%) of companies were Employee Assistance Programs (EAPs), by far the most frequently cited of over 20 different approaches identified by the Function Leaders. Those who implemented an EAP were, however, least likely to identify that as the initiative that delivered the greatest benefit. We reached a similar conclusion in 2021 when we found “established programs are reactive and designed to address issues when they arise and may not be very effective when they do.”

Participants in the Roundtables were also quite negative on the value of EAPs, with one participant saying they are: *“a total waste of time and money based on the number of people using the service.”*

Other initiatives cited by the participants included:

- **Individual wellbeing/mental health risk assessments, sometimes integrated into core risk assessment processes**
- **Improving work environment and amenities**
- **Policy, strategy, standards and/or guidelines on activities to enhance wellness in the workplace**
- **Increased leadership engagement on the topic**

Hybrid-working, the 8th most frequently cited factor that gave rise to increased concerns about mental health, was also cited as a means of addressing concerns with mental health by the participants.

Ten percent of participants were not sure if their organisations had adopted new measures (accountability for the issue assigned to other functions, notably HR) and 6% said they had not taken any initiatives on mental health and psychosocial risk. Participants in one Roundtable observed that:
“The real risk in dealing with psychosocial risk is doing nothing!”

Those implementing the following approaches were most likely to identify them as the most beneficial:

- **Broad-based programs to address wellbeing and mental health**
- **Investing in improvements in the physical work environment and amenities**
- **Addressing work-life balance, workload issues including providing additional annual leave**
- **Establishing a team of specialists to address psychosocial issues**

Figure 5.5

	Initiatives by organizations to drive improvement in the management of work-related psychosocial risk factors
1	EAP including helplines and/or access to a specialist support. 10% of these outsourced their EAP
2	Programs/initiatives including webinars, external speakers, dedicated ‘mental health days’ to build employee awareness of mental health, wellbeing and resilience and available support
3	Employee training
4	Training for managers/leaders
5	Rolled-out broad-based wellbeing/mental health policies and programs
6	Company-wide assessments and action planning, sometimes part of broader people/culture surveys
7	Mental health first aiders/champions
8	Provision of online tools/access to advice
9	Recruited specialists/established a dedicated team
10	Addressed work-life balance, workload issues including providing additional leave

An ongoing challenge

Fifty-four percent of the Function Leaders are planning to adopt additional measures to address psychosocial risk factors and positively influence worker mental health in the next 3 years.

Twenty-three percent are not planning any further investments and the remainder (also 23% of participants) are undecided about further investments to address ‘psychosocial hazards and risks,’ which affect workplace productivity and performance. Only 1 in 20 (5%) of the participants ranked psychosocial risks as a top 3 investment in H&S, despite it ranking 4th in the list of top concerns by the participants.

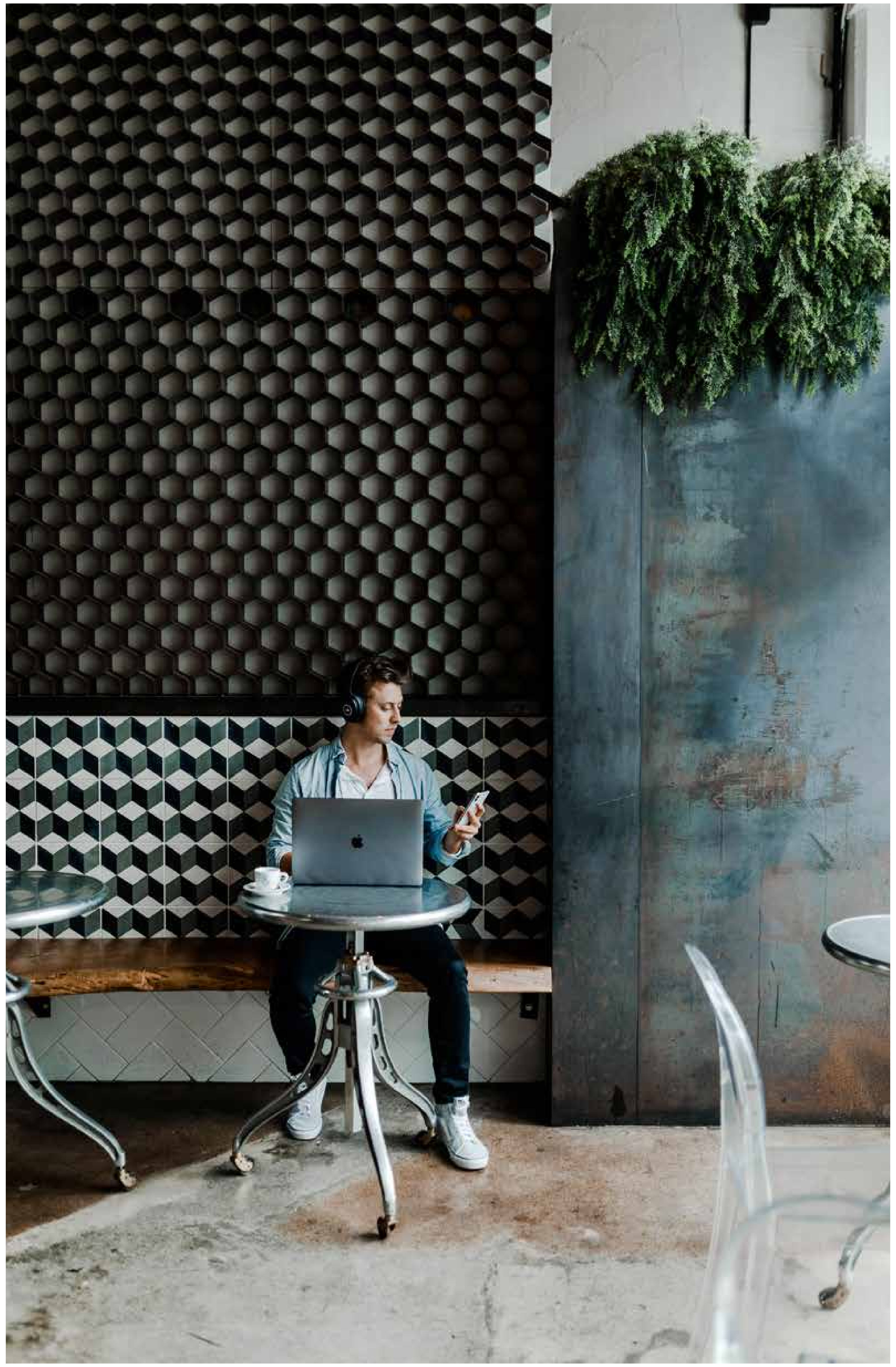
The data suggest that organizations continue to struggle with the enormity of the challenges on psychosocial risk. Now into the third year of the Covid-induced explosion of issues on mental health, 29% of the participants are just now embarking on company-wide diagnostic studies and working on the development of strategies, policies and programs in this area.

The list of the most frequently cited initiatives participants are planning is set out in Figure 5.6. Thirteen percent of participants were uncertain what their plans are for investment in this area. In a number of cases, this is because psychosocial risks and related mental health issues are managed by HR or other functions other than H&S. It is a concern that the approaches participants are most likely to identify as most beneficial (see middle column of page 44), are not being widely integrated into companies’ plans to tackle challenges with psychosocial risk. The top 6 most frequently cited initiatives planned for the next 3 years do not include these same approaches.

Figure 5.6

	Planned initiatives to address concerns about psychosocial risk/mental health in the next 3 years
1	Company-wide assessments, diagnostics, strategy and policy development, defining standards and action planning, sometimes part of broader people/culture surveys
2	Equip leaders with training and tools
3	Programs/initiatives to educate employees on mental health, wellbeing and resilience and available support including webinars, external speakers, dedicated mental health month or days
4	Continue, extend and/or strengthen current initiatives
5	Risk assessment, monitoring, predictive analytics
6	Training for employees
7	Deploying wellness/wellbeing program +
=8	Adding additional specialist resources +
=8	Collaborating with HR and other functions
=8	Employee Assistance Program (EAP) including helplines and/or access to a specialist support
=8	Address fatigue, workload issues +

+ Approaches most likely to be identified by participants as delivering greatest impact



6. An agile health & safety function

Transformation of a profession: The profile of a mid-level H&S professional circa year 2000 and the equivalent today presents a remarkable contrast.

A profession that was typically a 'back-office,' technical, compliance-led function has morphed into a fast-changing, strategy-led, business critical enabler of human performance and organizational culture change. It employs advanced technologies and AI, addressing human health and wellbeing, psychosocial risk, data analytics, pandemic and emergency response while proactively engaging with increasingly sophisticated regulators, the C-suite and the Board of Directors. Quite a list!

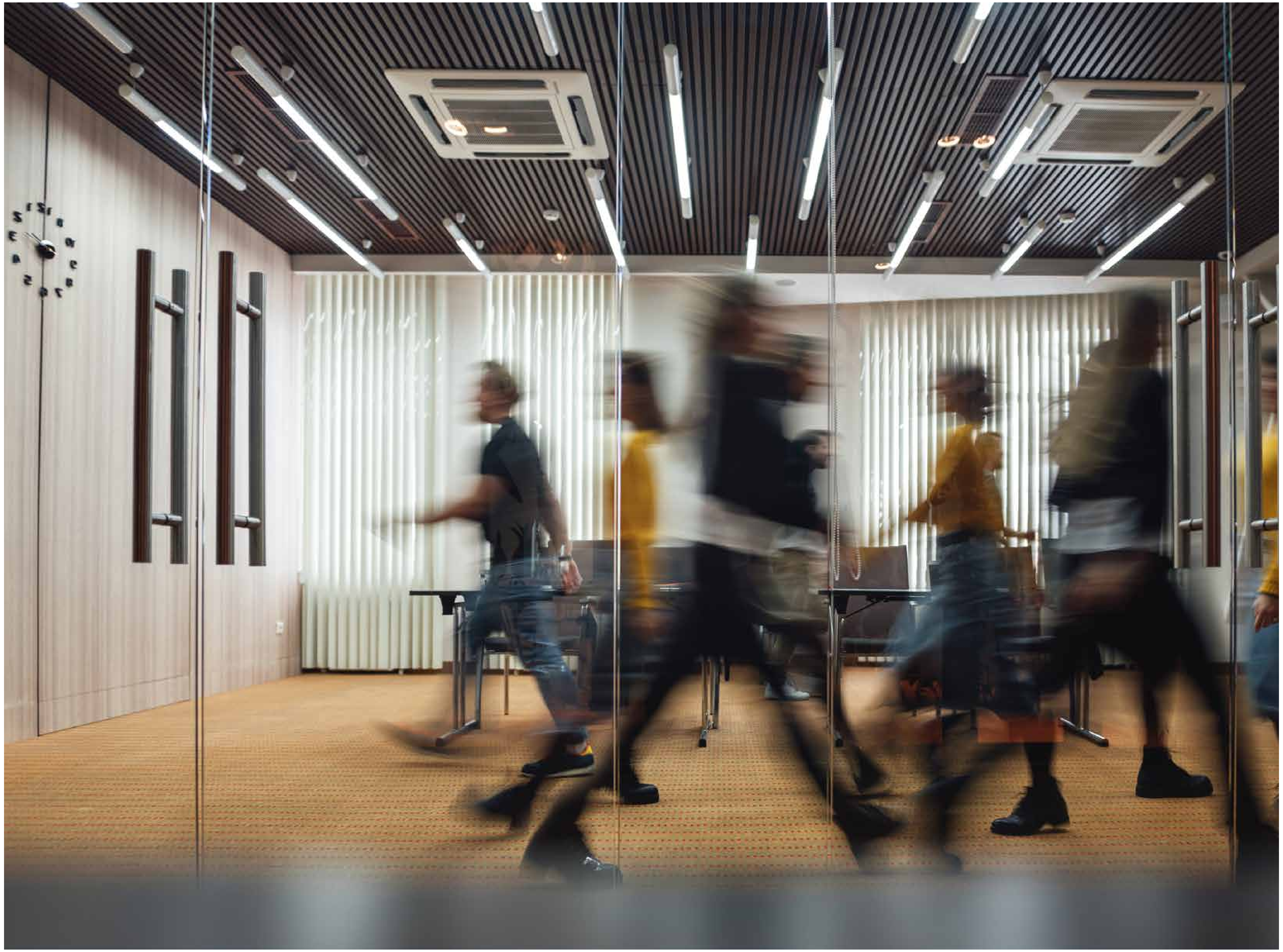
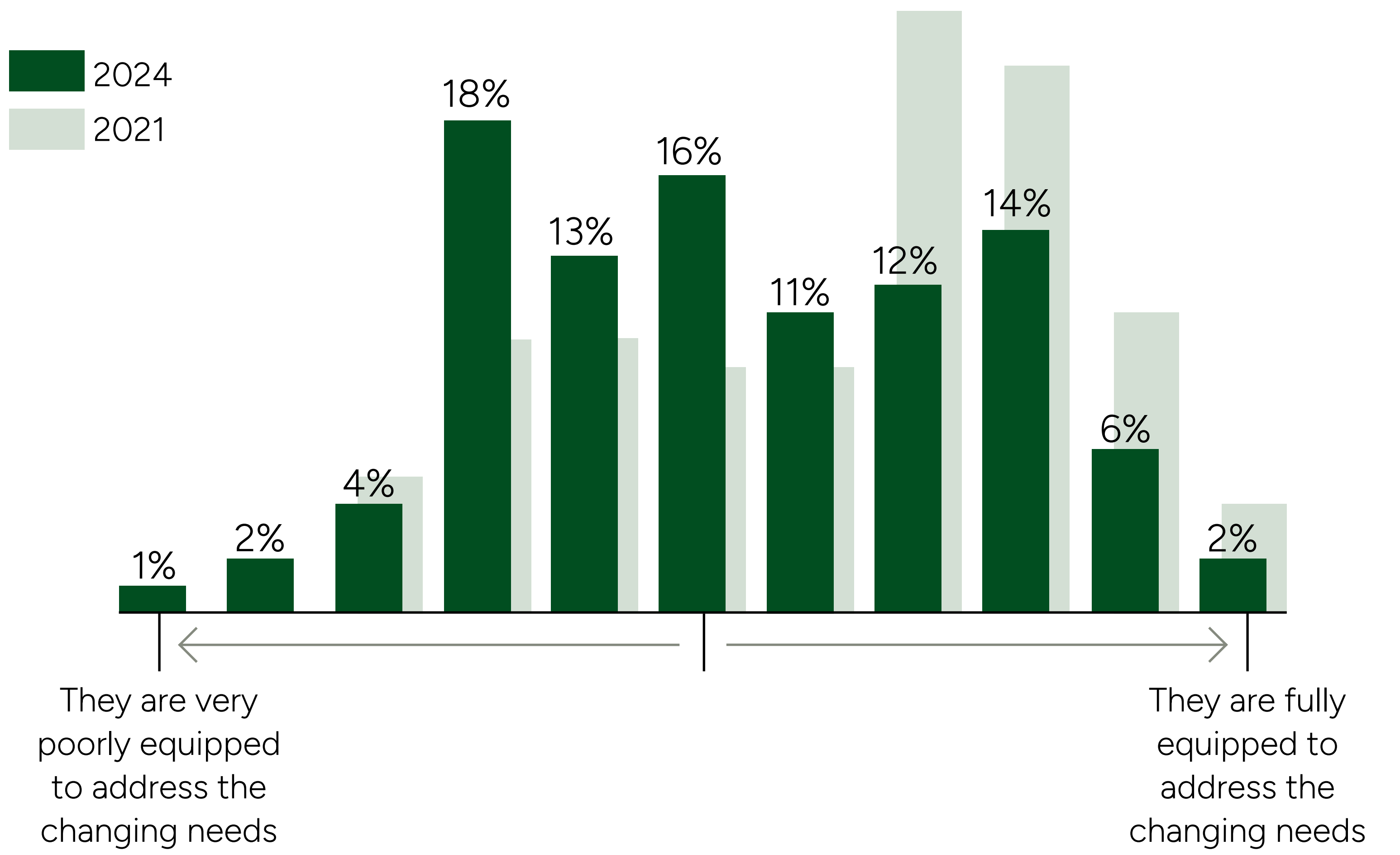


Figure 6.1

Participant assessment of how well equipped their teams are to meet changing stakeholder needs



Keeping pace?

Given the origin, the pace of change in the field and the increasing demands placed upon those working in the function, it should be no surprise that there has been a sharp reduction in the Function Leaders' assessment of how well equipped their teams are to address rapidly changing stakeholder needs; a function of the elevated expectations of the professionals and not because of diminishing capabilities in their teams. See comparative data for 2021 and 2024 in Figure 6.1. Only 2% rated their H&S professionals 'fully equipped' to address changing needs of their stakeholders. Investment in the capabilities of those working in the field has evidently not kept pace with changing needs. But that is not universal. Ten percent of the Function Leaders attributed improvements in their H&S performance to H&S team capacity, effectiveness and improved reporting lines.

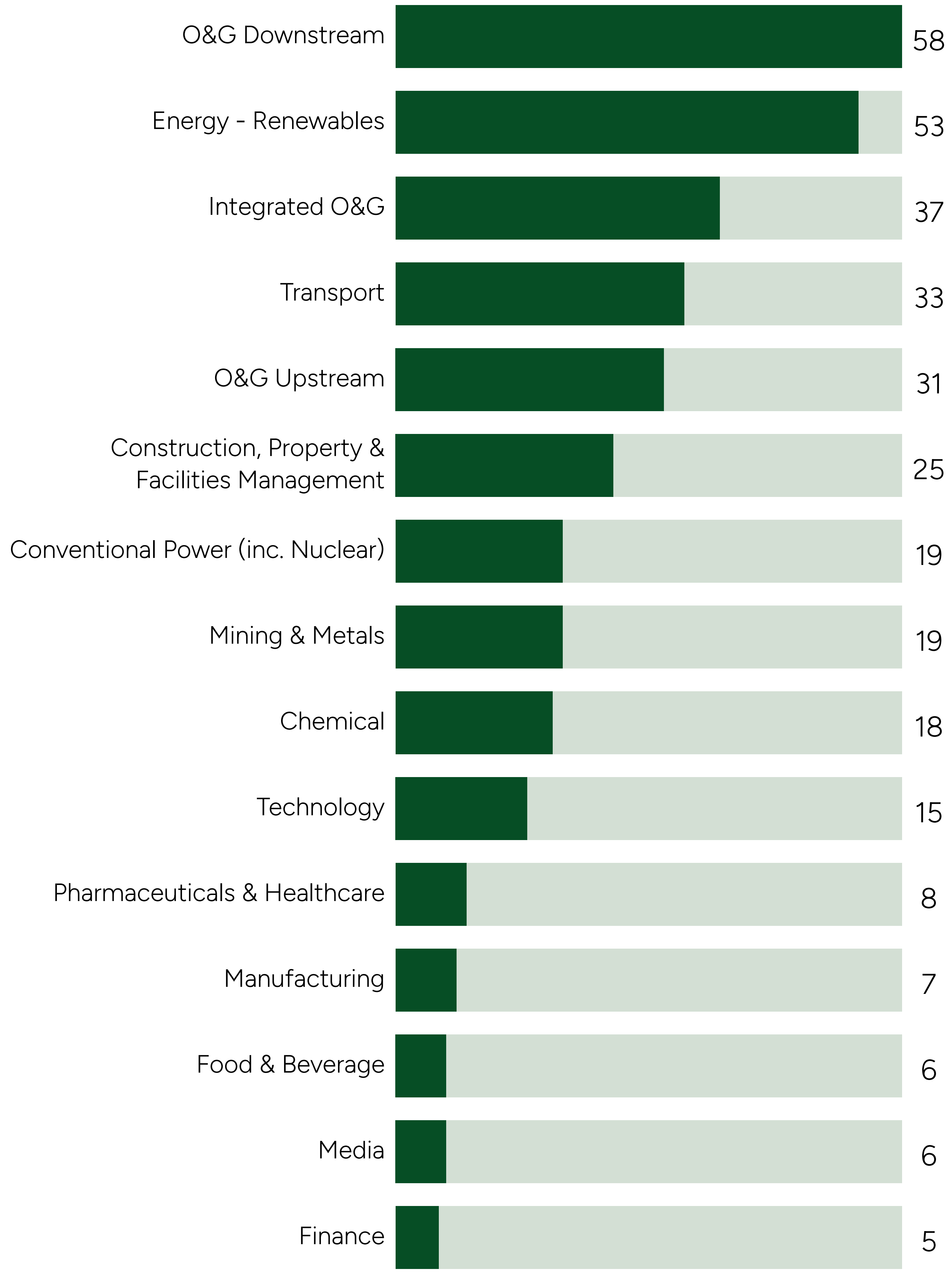
There was a positive correlation in the data between the participant assessment of H&S function capabilities and performance, but not between function capacity and performance.[1,2] The data suggest that enhancing team capabilities will deliver better results than building capacity!

1. Participant assessment of H&S function capability vs p, where p where p is a composite measure of performance using participant assessment of trends in their leading and lagging indicators, performance vs their peers and number of fatalities in the last 3 years. The Spearman coefficient is 0.219, with a p value of 0.0118, below the chosen alpha of 0.05.
2. Participant assessment of H&S function capability vs p. The Spearman coefficient is 0.0972, with a p value of 0.259, not below the chosen alpha of 0.05.

Ratios and reporting lines

Figure 6.2

Average number of H&S professionals per 1,000 employees by sector. Global average is 18 per 1,000 employees



The participating companies collectively employ over 36,000 H&S professionals. Five of these companies employ >1,000 H&S professionals alone. The average ratio of H&S professionals to employees is 18 per 1,000 employees with a >10x variation across sectors: 58 per 1,000 employees in downstream oil and gas and 5 per 1,000 in finance. See Figure 6.2.

Fifty-eight percent of the H&S functions for the participating companies report into the C-suite with 27% reporting into the CEO. See Figure 6.3. Nearly one-quarter (24%) of site H&S functions report into the corporate H&S function and near half (46%) report the into the site operations/production organizational line. See Figure 6.4. Top of the wishlist for 3% of the Function Leaders was an expressed wish to change the reporting lines for the function.

The Function Leaders have been in role for an average of 3.6 years, with variation depending on role. See Figure 6.5.

Figure 6.3

Reporting lines for the corporate H&S function for participating companies. 7% reporting into other functions

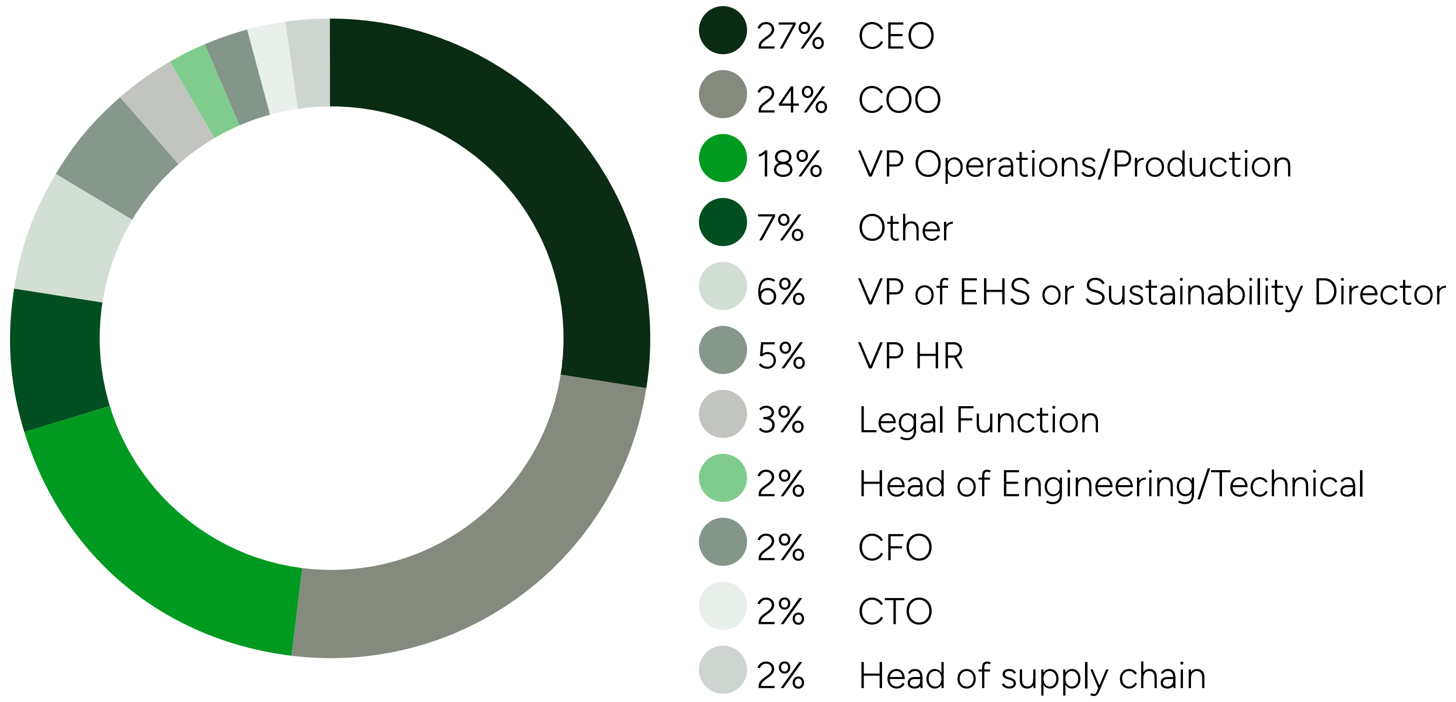


Figure 6.4

Site H&S Function Reporting Lines with 8% reporting into other parts of the organisation

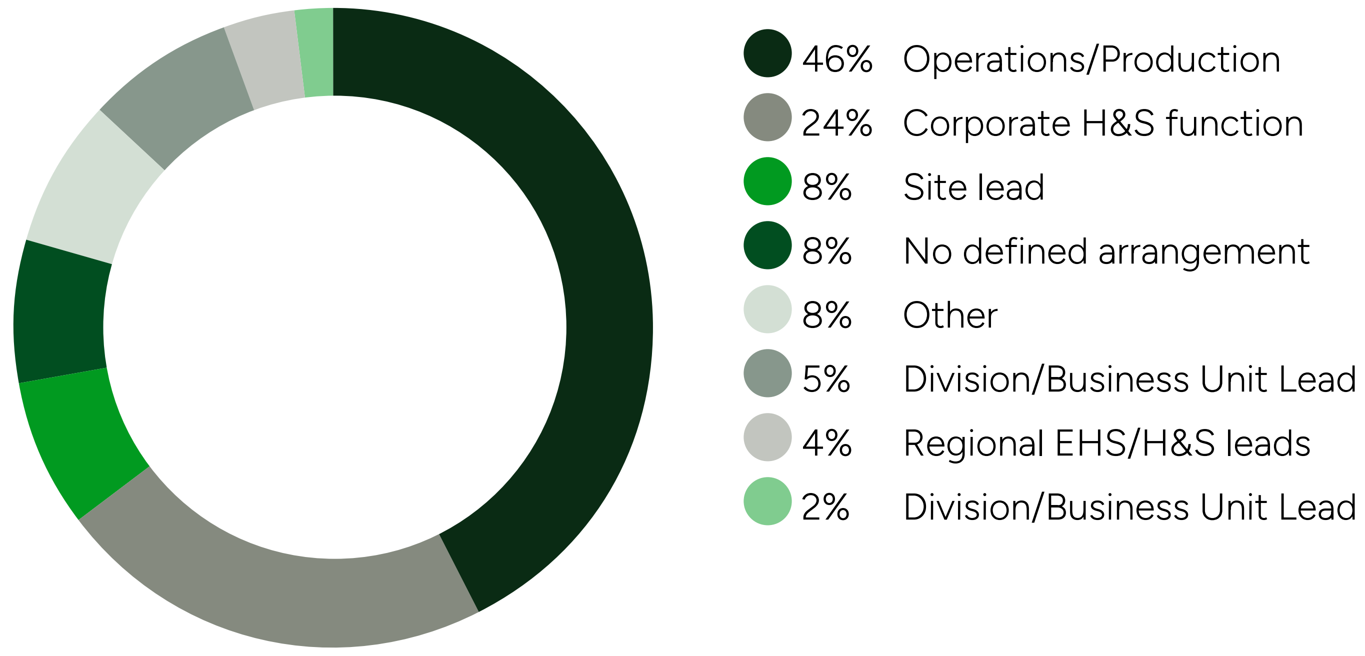
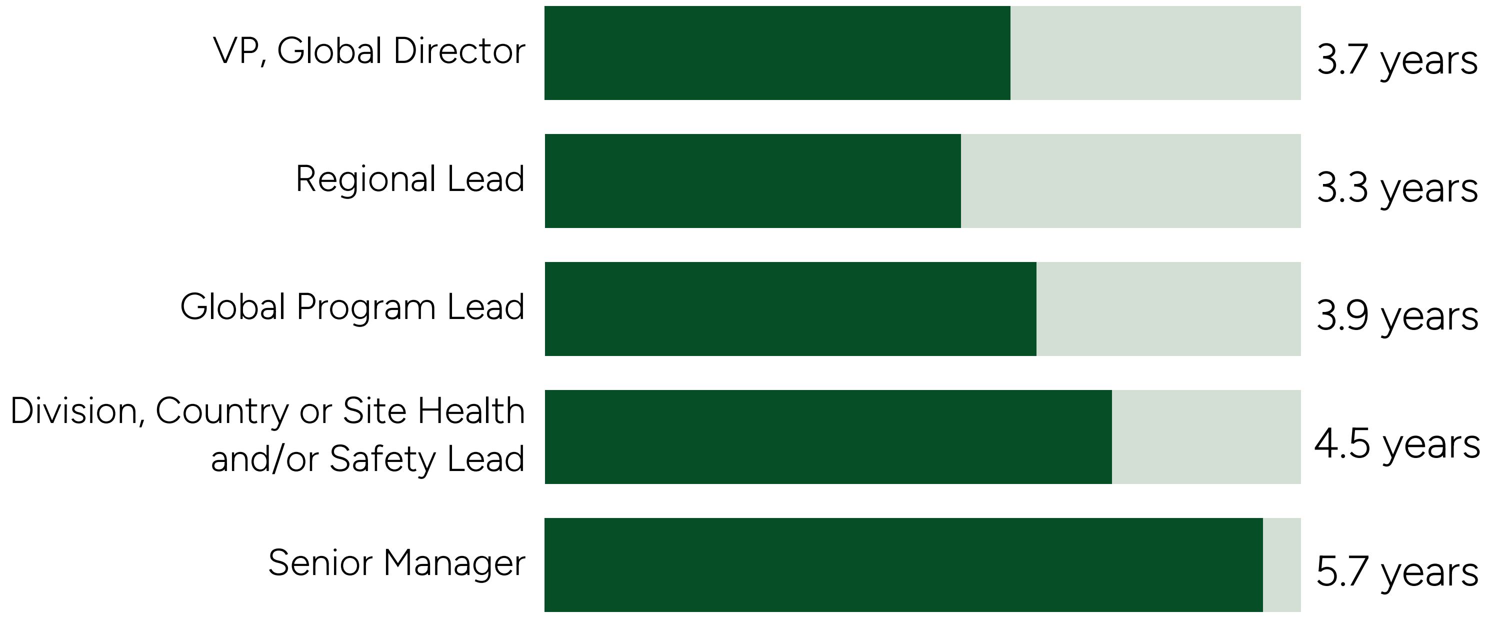


Figure 6.5

Average years in role for Health and Safety Function Leaders



A global capacity crunch

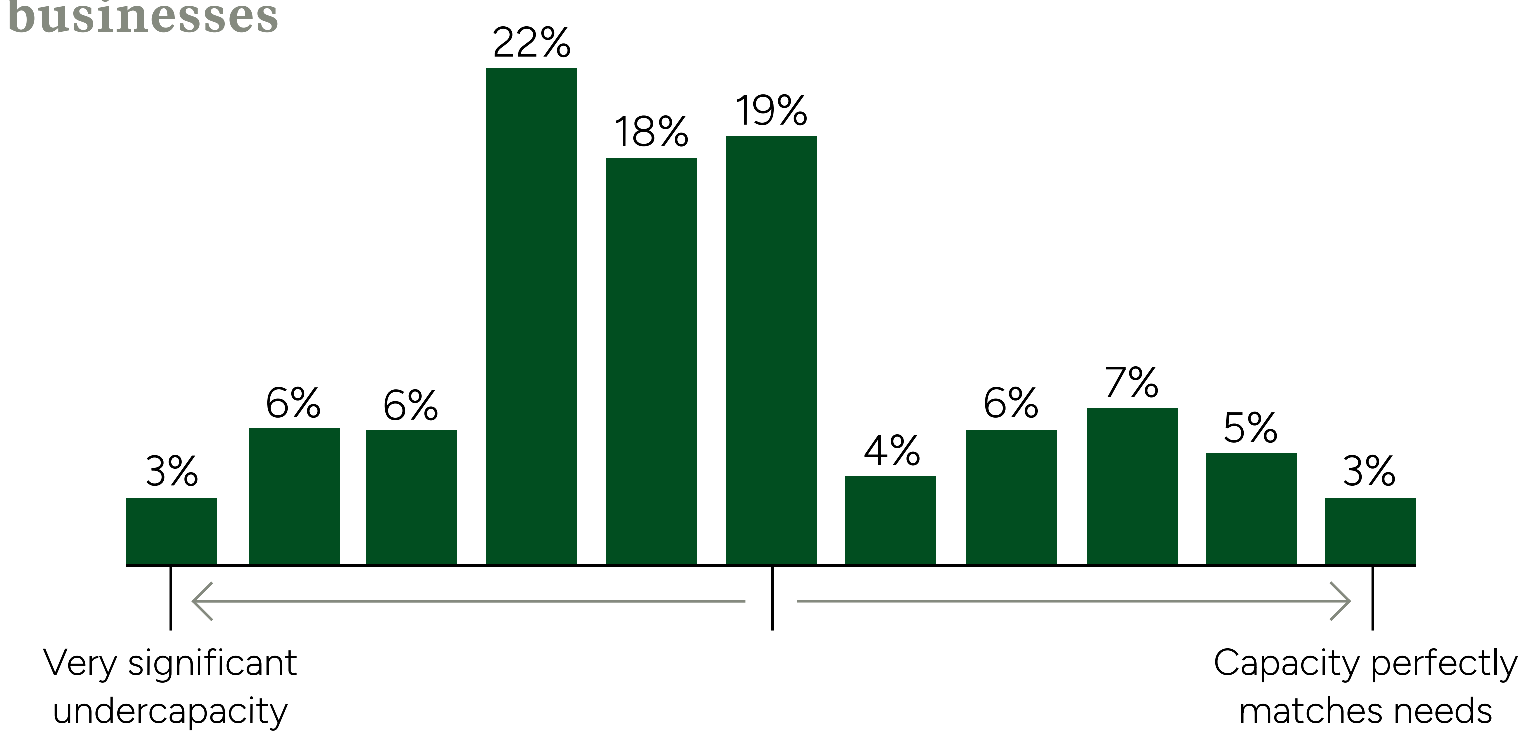
Concerns with how well equipped H&S functions are to address changing stakeholder needs are compounded by what appears to be an even more serious, worldwide scarcity of H&S professionals.

Few (3%) of the Function Leaders said H&S function capacity (as opposed to capability) 'perfectly matches their needs.' See Figure 6.6. There are especially acute challenges with capacity in the manufacturing, construction and transportation sectors.

Under-resourced H&S functions that are already challenged by the rapid changes and increased complexity of the role will be more stretched in the future as expectations continue to rise, unless substantive and urgent measures are adopted to build capacity and capability in the field. No wonder then, that over half (56%) of the Function Leaders are taking specific actions to increase their success in recruiting and retaining H&S professionals in their organizations.

Figure 6.6

Participant perspectives on H&S capacity vs needs in their businesses



Building capacity and capability

The ten most frequently cited H&S function capacity building initiatives are set out in Table 6.7. Top of the list is investing in the capability building for the established team, focused on developing enhanced leadership capabilities, for example (cited by 28%). Second is providing enhanced opportunities for career progression for those working in the function (cited by 16%). A further 15% (6th on the list) are adjusting compensation and recognition policies and programs to ensure they are better aligned with changing market conditions. Other are engaging in benchmarking to assess market conditions at present.

Other measures to enhance recruitment and retention of talent are as follows:

- **Using agencies as a stop gap**
- **Shifting towards hiring for defined personal attributes (vs technical competencies)**
- **Improvement in recruitment processes**
- **Enhanced retention programs (including formal retention interviews)**
- **Opportunistic hiring in advance of the need**
- **Extending retirement dates**

A number of the participants are also recruiting from outside the function.

The curriculum for development of H&S professionals is heavily biased towards non-technical skills, a similar finding in 2021.[4] Leadership skills, for H&S professionals (defining priorities, effective engagement and influencing skills, and driving change) was cited by 51%. Other, less frequently cited non-technical needs were high-impact training skills, basic understanding of business dynamics and change management.

Specific technical competence needs were cited by 21%. Other H&S domain capabilities needs identified were incident investigation (identified by 10%), process safety management (cited by 9%), psychosocial risk management and occupational hygiene (both 5%). Five percent also identified a need to educate H&S professionals on H&S in the context of the broader sustainability, ESG and energy transition agenda.

Senior leaders of the future will be more H&S literate. A quite substantial 44% of the participating companies encourage high-potential employees from other disciplines to spend a few years in leadership positions in H&S as an integral part of their development. This is consistent across most sectors apart from Finance, Tech, Pharma and Healthcare where it is much less commonplace.

Figure 6.7

	Ten most frequently cited initiatives to increase success in recruiting and training H&S professionals
1	Investing in the capabilities of the team, including development of leadership capabilities, use of tech, etc.
2	Providing clear pathway for career progression/development
3	Assessment of resource needs/gaps, roles and competence/experience needs in these roles
4	Purposeful activities focused on retention, including retention interviews, focus on key individuals, team and network building
5	More targeted recruitment of individuals with high levels of capability
6	Adjusting compensation with more frequent reviews to ensure aligned with market/providing retention packages
=7	Hire junior staff/graduates at job fairs, invest in their capabilities and provide a pathway to career progression
=7	Clarifying roles and eliminating non-value adding activities and, where appropriate, shifting activities to operations personnel
9	Developing a business case for hiring/engaging leaders on resourcing needs
10	Improve the organisation's branding in H&S to make it more appealing to potential recruits

3. See page 23 of the ERM 2021 Global Health and Safety Survey: Towards Building a Thriving Workforce
4. See Page 23 of the ERM 2021 Global Health and Safety Survey: Towards Building a Thriving Workforce

7. Data and insight to guide decision making

An increasing appetite for data: The demand for reliable data rises proportionally to leadership accountability for any aspect of their business.

If it really matters to them, they'll want real time data to know if they are on track to deliver on their goals. Increased senior leadership engagement on H&S, driven by mounting pressure from stakeholder groups, has been stable across the ERM H&S surveys in 2018 and 2021 and remains so today. Virtually all Function Leaders anticipate increased expectations from all stakeholder groups in the next 3 years (see Section 1). That is driving leadership engagement, and, predictably, the effort focused on data in H&S has escalated over this time. Better indicators, improved data management and increasingly sophisticated data analytics were ranked by the participants:

- **#3 on the list of all planned investments in H&S**
- **#1 investment in technology (#6 in 2018 and 2021 surveys)**
- **#1 application of AI in H&S**
- **#2 on the list of factors that have given rise to improvements in performance over the last 3 years**
- **#3 on the list of factors that have given rise to deterioration in performance in the last 3 years**

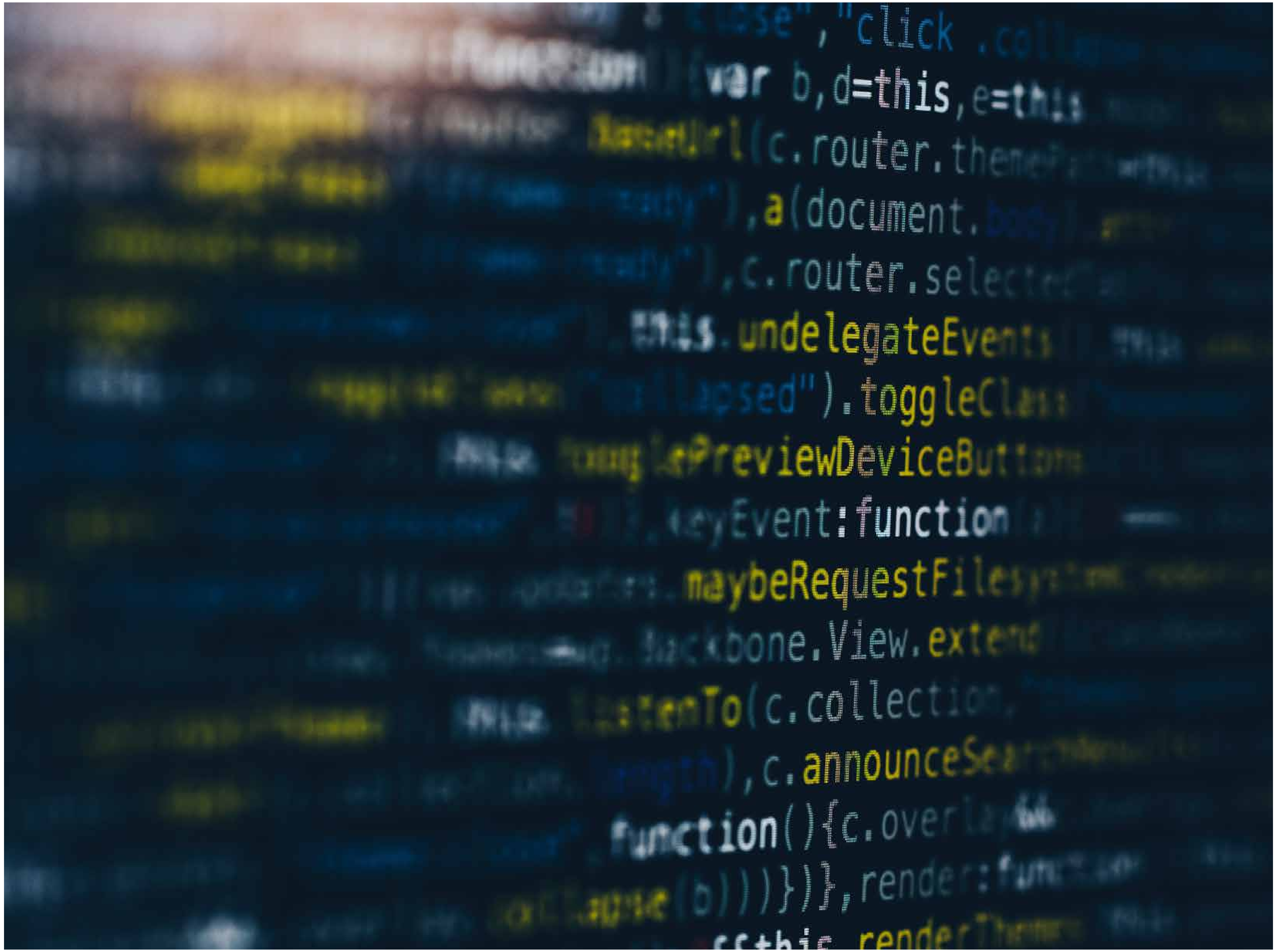


Figure 7.1

15 most frequently cited leading indicators that provide the greatest insight

1	Behavioral observation program participation/ unsafe behaviors or conditions reports submitted/trend analysis	28%
=2	Leaders' field walks focused on safety/gemba walks (14%) and broader leadership and employee engagement metrics (10%)	23%
=2	Near miss data	23%
4	Corrective action closeout	18%
5	Audits completed (9%), audit findings and timely closeout (10%)	16%
6	Training attendance	15%
7	SIF potentials/HiPOs	11%
8	Program/standards implementation (3%), non-conformance to standards processes (3%), MOC compliance (3%), PTW compliance (2%)	9%
=9	Inspections of field conditions/maintenance checks on equipment	7%
=9	Risk assessments completed	7%
11	Process safety assessments/PSM audits	5%
=12	Critical control verifications/barrier management	5%
=12	Culture audits/people surveys	5%
=12	Quality of incident investigations/RCA	5%
15	IVMS/telemetric data for drivers	4%

What to measure?

Figure 7.1 sets out the list of 15 most frequently identified leading indicators that the participants believe provide the greatest insight.

Data on participation in companies' behavioral observation programs and observational data was the leading indicator that the participants most frequently cited as providing the greatest insight by the Function Leaders (cited by 28%). Some of the participants in the Roundtables had a different view of behavior-based safety (BBS) observational programs, regarding them as a dated model and providing less value.

Leader and employee engagement metrics and especially metrics on leaders' field engagements were identified as the preferred leading indicator by 23%, joint second in the ranking with near miss data (also cited by 23%). There is some debate on whether near miss data (incidents without a consequence) is in fact a lagging and not a leading indicator.

Other useful leading indicators identified by the participants include:

- **Frequency of contractor engagements**
- **Contractor workload (over-stretching delivery capacity)**
- **Safety meeting participation**
- **Frequency of stop-work authority being exercised**
- **Staff attrition**
- **Blind-spot reporting**
- **Process upsets**
- **On-time completion of incident investigations**

A useful list from the participants for those who are considering expanding their range of leading indicators!

A number of participants in the Roundtables are tracking a broader range of metrics to identify error and incident inducing conditions, for example, tracking off-trend production volumes, rising maintenance backlogs, excessive overtime and staff turnover. Others are relooking at historical data to identify trends.

Many are using AI for enhanced insight from the H&S data. One-third of the Function Leaders reported that they are targeting the use of AI to support H&S data analytics. Using AI for data analysis, indeed the perceived value in H&S data generally, remains constrained for a number of the participants by concerns about data quality (garbage in, garbage out).

Learning from incidents

Learning from error was at the heart of the quality revolution in the 1980s. Learning from incidents is a core element of Human and Operational Performance: a body of thinking that has been adopted by a number of the participants in the study. But the concept of using error to drive improvement is certainly not a new idea:

"To make no mistakes is not in the power of man; but from their errors and mistakes the wise and good learn wisdom for the future."

Plutarch, 46-119 CE, Greek philosopher, historian, biographer, essayist, and priest at the Temple of Apollo in Delphi

It is a well-understood concept. Overall, Figure 7.2 suggests reasonably positive perspectives from the participants on learning from incidents in their organizations.

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Figure 7.2

How do you rate the effectiveness of your learning from incidents?

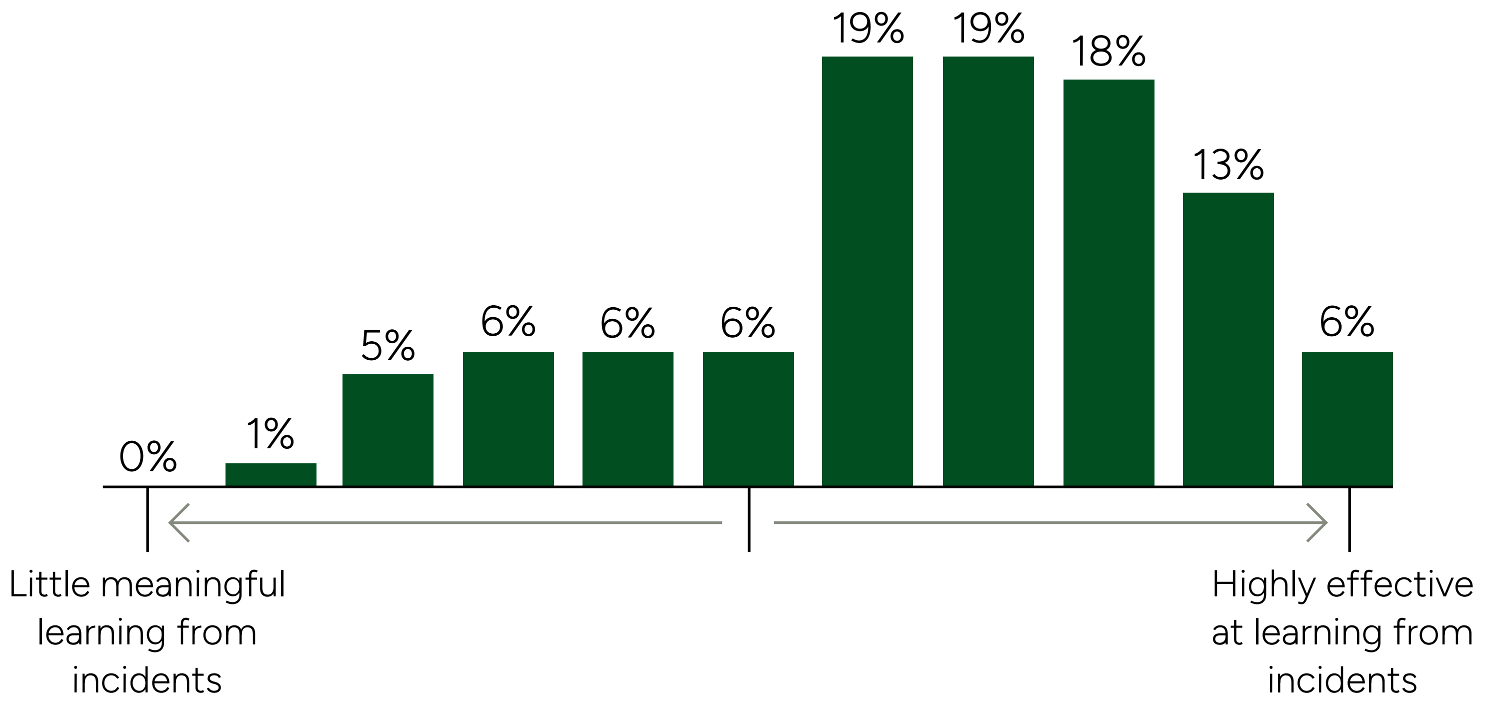

Figure 7.3

Key improvements that would enhance learning from incidents

1	**Better and more consistent approach to sharing incidents** • Reports and lessons learned enterprise-wide across different cultures and operational boundaries - beyond sending an alert
2	**Improvement in the process, methods, approach and execution** • Better definition and improvement in the quality of the investigation process and methods, apply techniques and approaches to more consistently identify true root causes • Integrating human factors and human and operational performance principles, including no blame or punishment • Enhanced forensics and sharing of the data with the investigation team • More consistent application of the process/best practice across the organization • Apply management of change approach/tools • Use the company's established business processes to investigate accidents • Better embedding of lessons learned in systems, training and audits • Cross-check incident report with prior inspections and audits
3	**Team, engagement, accountability, collaboration and capability** • Training in incident investigation principles, methods and practice to enhance capability • Increase senior leadership buy-in and engagement in the process • Consultation/engagement with the frontline on causes, insights and corrective actions and deeper engagement with contractors on learning from incidents • More cross-organization collaboration and engagement in the process • Driving greater accountability for understanding lessons learned and disciplined implementation of corrective actions across the organization • Ensure that the team has the bandwidth to undertake the work
4	**More considered application of the process** • To HiPOs and near misses, not just on high consequence events and including more careful selection/screening of incidents to investigate to avoid being overwhelmed, better assessment of applicability of lessons learned and actions to address them at each facility
=5	**Closure** • More robust reviews to assess if corrective action has addressed the underlying issues, tracking completion of corrective actions
=5	**Systems** • Implement a common platform/software solution for incident management and data capture and sharing • Improve incident reporting system and culture
7	**Defining corrective action** • More focus on defining appropriate corrective actions to address causes of failure
8	**Data analysis** • Better analysis of incident data, predictive analytics, machine learning and AI to look for trends in the data
9	**Speed of execution** • Faster completion of the investigation, corrective action and data analysis

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Learning from incidents is 7th on the list of 25 different factors that have given rise to improved performance. However, many organizations do struggle to deliver meaningful change in their culture, behaviors and performance following incidents. Participants in the Roundtable observed that effectiveness in investigating incidents does not imply real organizational learning. As one said "... but learning is a verb and it means we actually have to do something with the information."

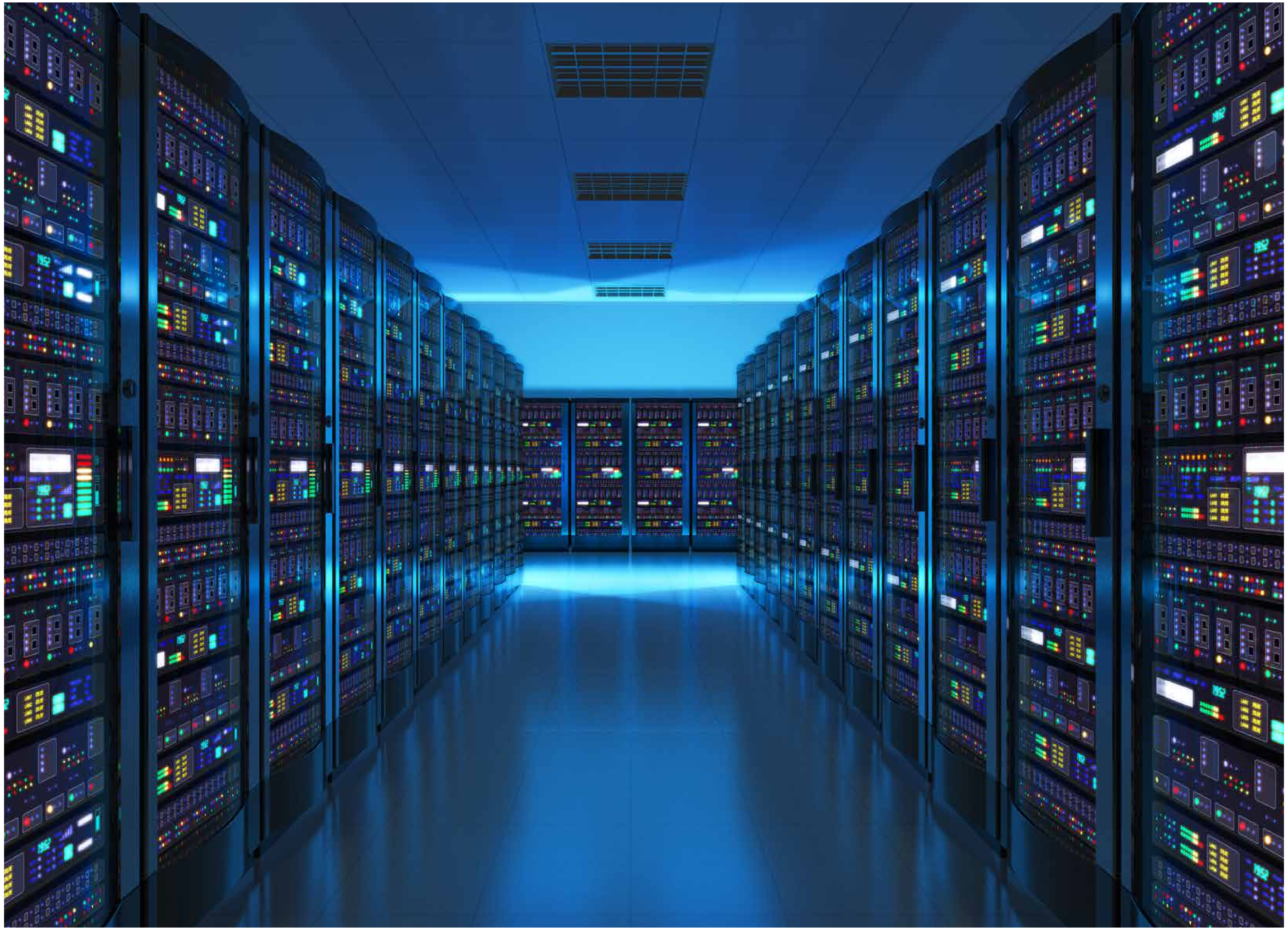
The full range of the key improvements that would enhance learning from incidents from the participants is set out in Figure 7.3 . A treasure trove of ideas from the Function Leaders for those seeking to drive meaningful change in how their organizations learn from incidents!

8. Harnessing artificial intelligence and technology

Speeding up: The Fourth Industrial Revolution, according to the World Economic Forum, represents a fundamental change in the way we live, work and relate to one another.

It is a new chapter in human development, enabled by extraordinary technology advances commensurate with those of the first, second and third industrial revolutions. These advances are merging the physical, digital and biological worlds in ways that create both huge promise and potential peril.[1]

A Google search for 'technology in safety' delivers almost 2.3 billion results. A search for 'technology solutions for mental health at work' alone produces nearly 1 billion. Technology in H&S is growing apace, both in terms of the range of technologies that are available and the uptake of them. Eighty-eight percent of the participants deployed new technologies in H&S in the last 3 years and 6 of the top 10, and half of the top 30 investments in H&S were directed at harnessing new technologies to improve H&S performance.



1. World Economic Forum https://www.weforum.org/focus/fourth-industrial-revolution/

What's new?

The participating companies deployed a wider range of solutions to address a broader range of H&S challenges over the last 3 years.

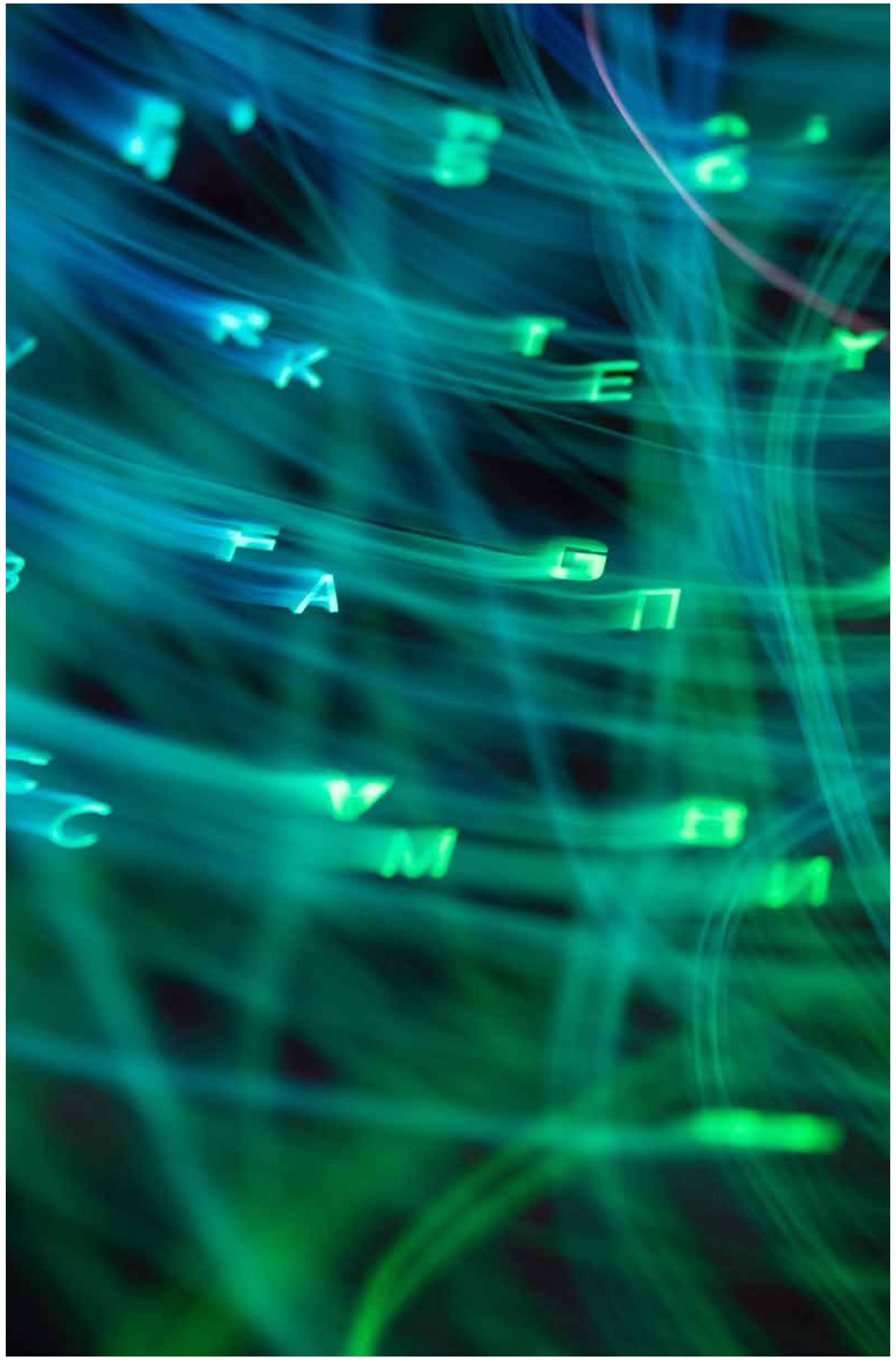
Seventy-five percent invested in new software solutions for a variety of applications including improved incident management, data analytics and reporting, audit and inspection, training records management and other areas such as mental health and contractor management. Twenty-four percent deployed IVMS and pedestrian/vehicle detection systems to enhance driver, vehicle and pedestrian safety. Other technologies deployed included drones, automated process controls, VR, digital twins, wearables for fatigue monitoring (cited by 7%) and lone-worker apps.

The participants in the study were animated about their investments in automation and robotics: 39% shared insights on these increasingly prevalent mechanisms for risk reduction and avoidance.

The top 8 investments in technology for the next 3 years (2023-26) are set out in Figure 8.1. The same broad categories cited by the participants in the 2021 and 2018 surveys, but with a much-changed order of precedence. Data analytics tops the list (6th in 2021); automation and robotics is second (3rd in 2021) and digitalization of H&S processes has dropped to third. It topped the list in 2021. See the comparison of the rankings in Figure 8.1.

Figure 8.1

	Ranking of investment priorities for 2023-26	% identifying this investment priority for 2023-26	Ranking of investment priorities for 2020-23	Ranking of investment priorities for 2018-20	Change in rank 2023-26 vs 2020-23
Data analytics	1	42%	6	6	↑
Automation/robotics, engineering controls, machine functional safety	2	33%	3	2	↑
Digitalization of H&S processes	3	20%	1	1	↓
VR and AR and digitalization of Learning Management Systems	4	16%	2	5	↓
Remote observation, AI enabled intelligent cameras, digital twin, drones	5	15%	3	3	↓
Wearable devices – lone worker, proximity monitors, etc.	5	15%	7	4	↑
Collision avoidance and vehicle safety incl. telematics	7	8%	8	8	↑



The application of AI in health and safety

Figure 8.2

Rank	Anticipated use of AI in health and safety
1	Data analytics – using AI to undertake deep analysis of the data to identify pre-cursors deeper into data, including predictive analytics/identifying incident precursors (51%); review procedures and work execution and make improvements (8%) and to support maintenance optimization and reliability of safety critical equipment
2	Computer vision – using AI to detect hazards, risks and non-conformance (27%)
3	Use of AI (LLM/ChatGPT) to enhance H&S management tasks such as procedure writing, pre-populating HAZOPS, develop training content and capturing data from meetings etc. (25%)
4	Early-stage investigations/creating focused team/group to explore how AI can support the business (8%)
5	Ergonomics – use of AI to support ergonomic programs and risk reduction (6%)
6	Vehicle/pedestrian detection (4%)
7	IIVMS – with AI capabilities such as fatigue detection (3%)
8	Automation in the workplace to reduce risk to people (3%)
9	Hardware – hazard detection (2%)
10	VR used for training (2%)

Just over one-quarter of the participants (27%) are using AI in H&S for data analysis, improvement in the quality of training materials, and enhanced computer vision and monitoring.

Just over half (53%) of those not currently using AI are planning to do so. The anticipated range of applications of AI is set out in Figure 8.2. A somewhat surprising one-third of all participants have no plans to make use of AI.

An interesting remark from one of Roundtable participant:

"AI is a 'buzz-word' which people are using to sell digital solutions. Often, they are not adapted to address safety needs. Companies need to do due diligence to review what is being offered to ensure it addresses a particular need."

"AI is a 'buzz word' which people are using to sell digital solutions. Often, they are not adapted to address safety needs."

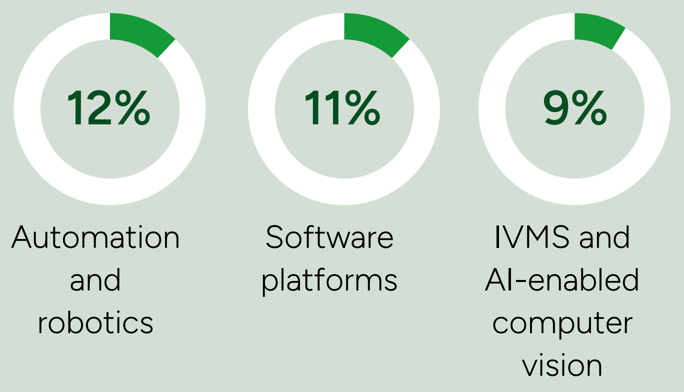
The benefits (and some challenges) of technology in health and safety

Fourteen percent of participants in the 2021 survey felt it was too early to evaluate their investments in data and technology, but 92% of those who felt able to do so, said their investments met or exceeded their expectations (30% met, 62% exceeded).[2]

With the benefit of 3 additional years of experience of deploying technology for H&S in their operations, a lower proportion (86%) said their investments met or exceeded their expectations (14% met, 72% exceeded) (see Figure 8.3).

SNAPSHOT

Most beneficial investments in technology in H&S



Twelve percent of the participants identified automation and robotics as the most beneficial of their investments in technology in H&S, followed by the implementation of software platforms (cited by 11%), IVMS (9%) and AI-enabled computer vision for workplace monitoring and detection, also cited as the most beneficial investment by 9%.

A number of participants expressed some level of concern about the intrusive nature of increasingly sophisticated surveillance technologies.

Overall, a very positive reading on the application of technology and those who are positive are *more positive* on the value derived from the application of technology in H&S in 2024 vs 2021, but a higher proportion are disappointed with their investments.

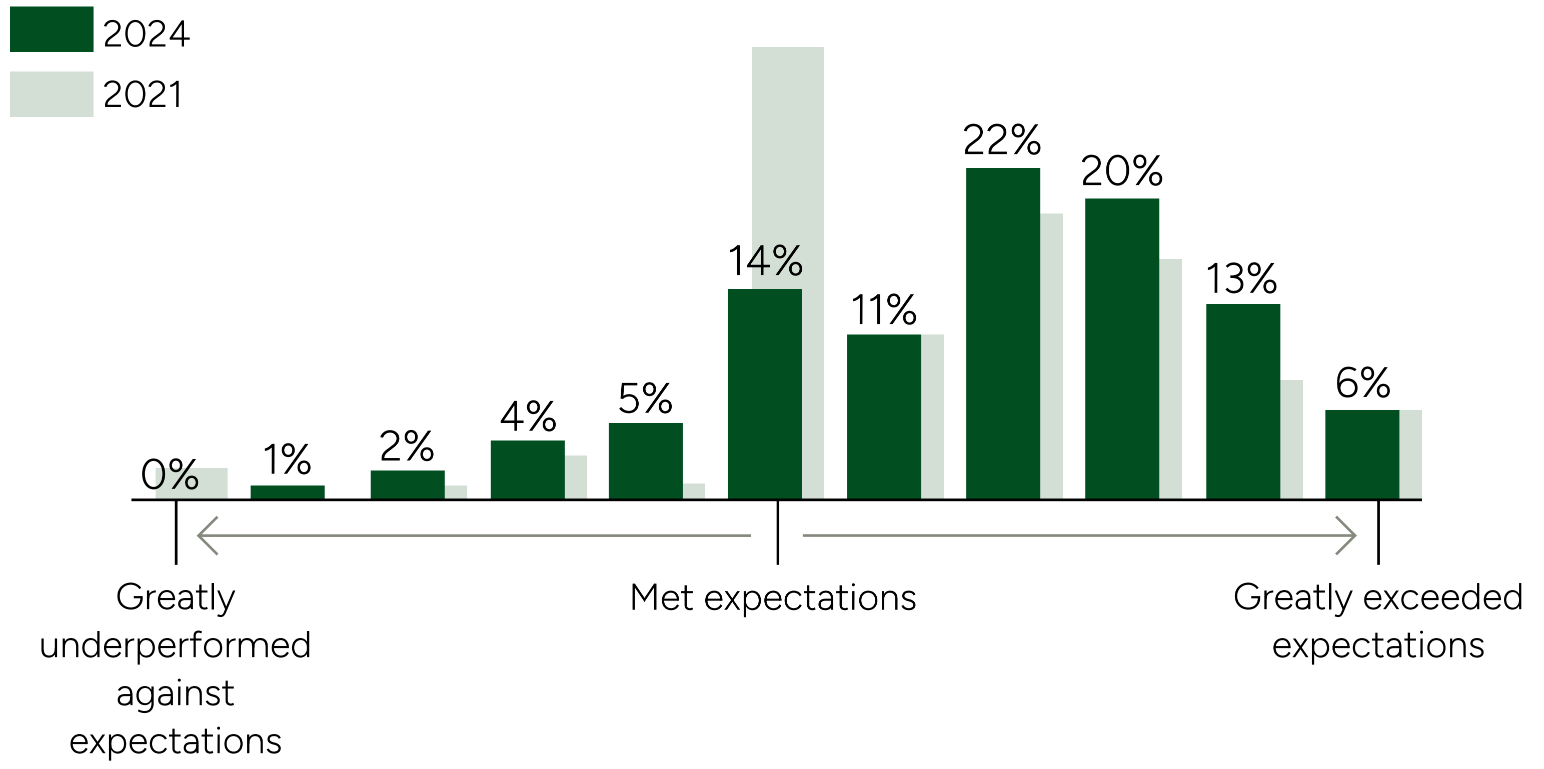
New technologies do offer the potential to deliver breakthrough performance, transforming risk profiles and offering novel approaches to monitoring and managing risk. Technological development, and acceleration in the pace of change it is facilitating in how and where work is delivered, is also creating a new, complex array of challenges in their own right for those concerned with the health, safety and wellbeing of people at work.

As mentioned elsewhere in this report, some participants observed, with a degree of concern, that there is an increasing personal bias in favor of digital engagements and a growing reluctance to engage face-to-face communications, especially amongst the younger cohort in the workforce (Gen Z). There was discussion in the Roundtables about the limitations of some technologies. One participant shared that their organization had abandoned the use of e-permitting in their business, when they found it undermined the benefits of human engagement on the risks. Another observed:

"Technology in safety is maturing, but we know it will not solve all of our problems"

Figure 8.3

Assessment of the benefits derived from investments in technology



Two noteworthy pieces of advice from the participants in the Roundtables on maximizing the benefits of technology in H&S:

- **Develop and evolve enterprise-wide strategies for digital enablement. Ad hoc, opportunistic deployment of new technologies has resulted in some having an array of tools that don't communicate with each other**
- **Apply robust change management principles and practices in deploying new technologies**

2.See Page 27 of the ERM 2021 Global Health and Safety Survey: Towards Building a Thriving Workforce

9. Function Leaders wishlist

Each Function Leader identified the one thing that they would, personally, like to do more of/do differently.

Their categorized responses are set out in Figure 9.1 on the following page. Just over half (52%) of the responses speak to a personal appetite for more engagement.

The participants are pretty much split three ways in terms of where they see the priorities for engagement: at the top of the house, the middle and on the frontline. Just over a third (37%) speak to an appetite to be more strategic in their approaches and engagements (items ranked 1, 3 and 4).

Continued on next page >>>

Figure 9.1

Rank	The one thing each of the Function Leaders would like to do more of/do differently	
1	More face time with the CEO, C-suite and other senior leaders and key stakeholders to engage and educate	18%
2	More time in the field	18%
3	More focus on driving cultural change: ownership and engagement in H&S at all levels and onto the frontline. H&S as a core value.	13%
4	Increased focus on strategy, less on day-to-day aspects	6%
5	More engagement with site leaders and leaders down the line	5%
6	Build the capabilities of the H&S team	5%
7	Enhance H&S data quality (leading and lagging indicators), predictive analytics and translating insights into actions and change	4%
8	More collaboration and engagement across the business	4%
9	Focus on human factors and Human and Operational Performance	4%
10	More powerful messaging on H&S and a stronger voice	4%
11	Better exploit technology and digatilization in H&S	3%
12	Establish more robust governance and a culture of accountability	2%
13	Acquire more funding for H&S	4%
14	More time coaching and mentoring	2%
15	Simplify systems/processes	2%
16	Change reporting lines for the H&S function	2%
17	More time engaging with contractors	1%
18	More external engagement	1%
19	More focus on key aspects such as psychological safety, health	1%
20	Better understanding of best practices	1%
21	Create a more open culture	1%
22	Gain better alignment with ESG	1%

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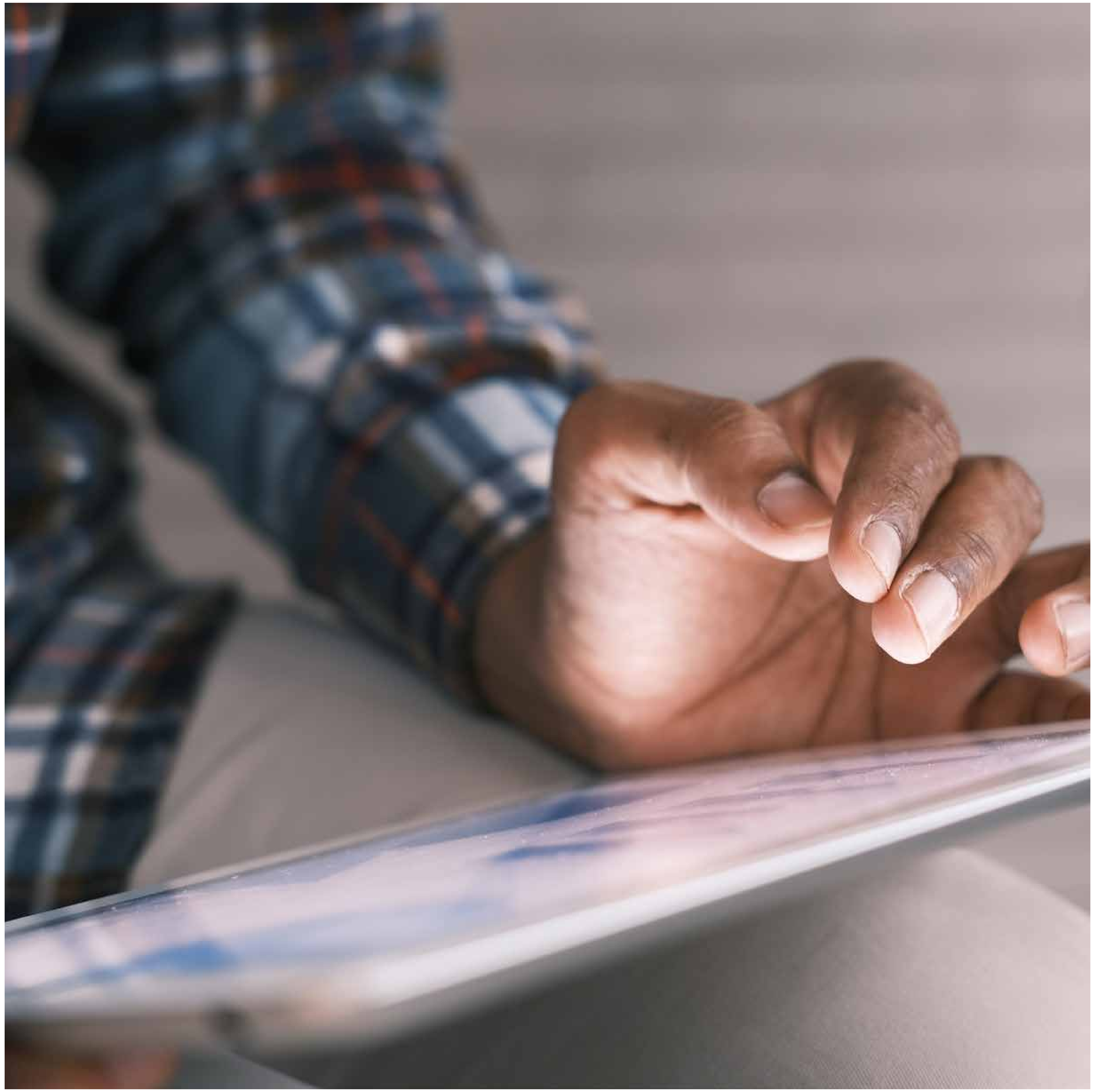
The factors that are inhibiting the Function Leaders from delivering on these aspirations make interesting reading. See Figure 9.2. Just over half (54%) are stretched (factors ranked 1, 2 and 6). Organizational arrangements and a lack of access to or engagement with senior leadership account for a combined 13% (factors ranked 3, 8 and 13).

In many respects the two lists, not surprisingly, encapsulate the many-faceted breath and depth of the challenge that emerged from the engagements with the participants. Leading H&S functions at a time of extraordinary change and growing complexity in the field is enormously challenging, with constantly evolving expectations from every internal and external stakeholder group, where the impacts on business are rising relentlessly. And all of the indicators point to more of the same for the foreseeable future.

Confronted by these challenges, taking the time to engage deeply with the organization, to think strategically and engage substantively with senior leadership are imperatives, not ideals.

Figure 9.2

Rank	Factors inhibiting the Function Leaders from addressing aspects of the one thing they would like to do more of/do differently	
1	Workload, lack of time/bandwidth and meetings	39%
2	Resource constraints and lack of capability in the H&S team	10%
3	Company structure makes it challenging	9%
4	Budget constraints, challenging financial performance	8%
5	Nothing	8%
6	Competing priorities and initiative overload	5%
7	Immature H&S culture	5%
8	Lack of engagement from and with senior leadership	4%
9	New in role or in an interim position	3%
10	The organization has a reactive culture	3%
11	Challenges with operating in different time zones	1%
12	Covid	1%
13	EHS doesn't have a seat at the table	1%
14	Intentional measured pace of change	1%
15	Structural/industry challenges	1%
16	Competing with ESG	1%



Thank you for taking the time to read this report

ERM's Point of View is presented in the section titled Executive Summary and ERM's Point of View on pages 5-14.

If you are a global or regional leader working in the field of H&S and you would like to participate in the ERM 2027 Global Health and Safety Survey, or you have any thoughts on the study that you would like to share with us, please email: ERMGlobalHealthandSafetySurvey@erm.com

Key concerns identified by the survey participants

1	Leadership engagement and capability and culture change	23%
2	Major accident hazards/process safety	17%
3	Contractor management, competence and performance	17%
4	H&S team resourcing – insufficient resources to address needs and challenges with recruitment	16%
5	Psychosocial risk and wellbeing	14%
6	Competency and engagement on the risks broadly	14%
7	Serious injury/fatality reduction	13%
8	Occupational health, including health concerns arising from occupational exposure to chemicals, hazardous chemical management and biosafety	12%
9	Driving and road safety	8%
10	Integrating H&S into project planning, new product development and transactions	8%
11	Incident reporting and learning from incidents	8%
12	Lack of disciplined execution/risk tolerance	7%
13	Resourcing levels/attrition	6%
14	Ergonomics	6%
15	Machine safety/LOTO	6%
16	New employees – competence	5%
17	Gravitational hazards	5%
18	Regulatory compliance	5%
19	Complacency	4%
20	Incident prevention	4%
21	Mobile equipment	4%
22	Aging workforce	4%
23	Electrical safety	3%
24	New technology in H&S and operations and the risks and challenges that arise from it	3%
25	Inconsistent performance (and challenges) geographically or in different parts of the business	3%
26	Slips, trips and falls	3%
27	Bureaucracy	2%
28	Critical risks and controls	2%
29	Aging facilities	2%
30	Communication	2%
31	Fire safety	2%
32	H&S team – competency	2%

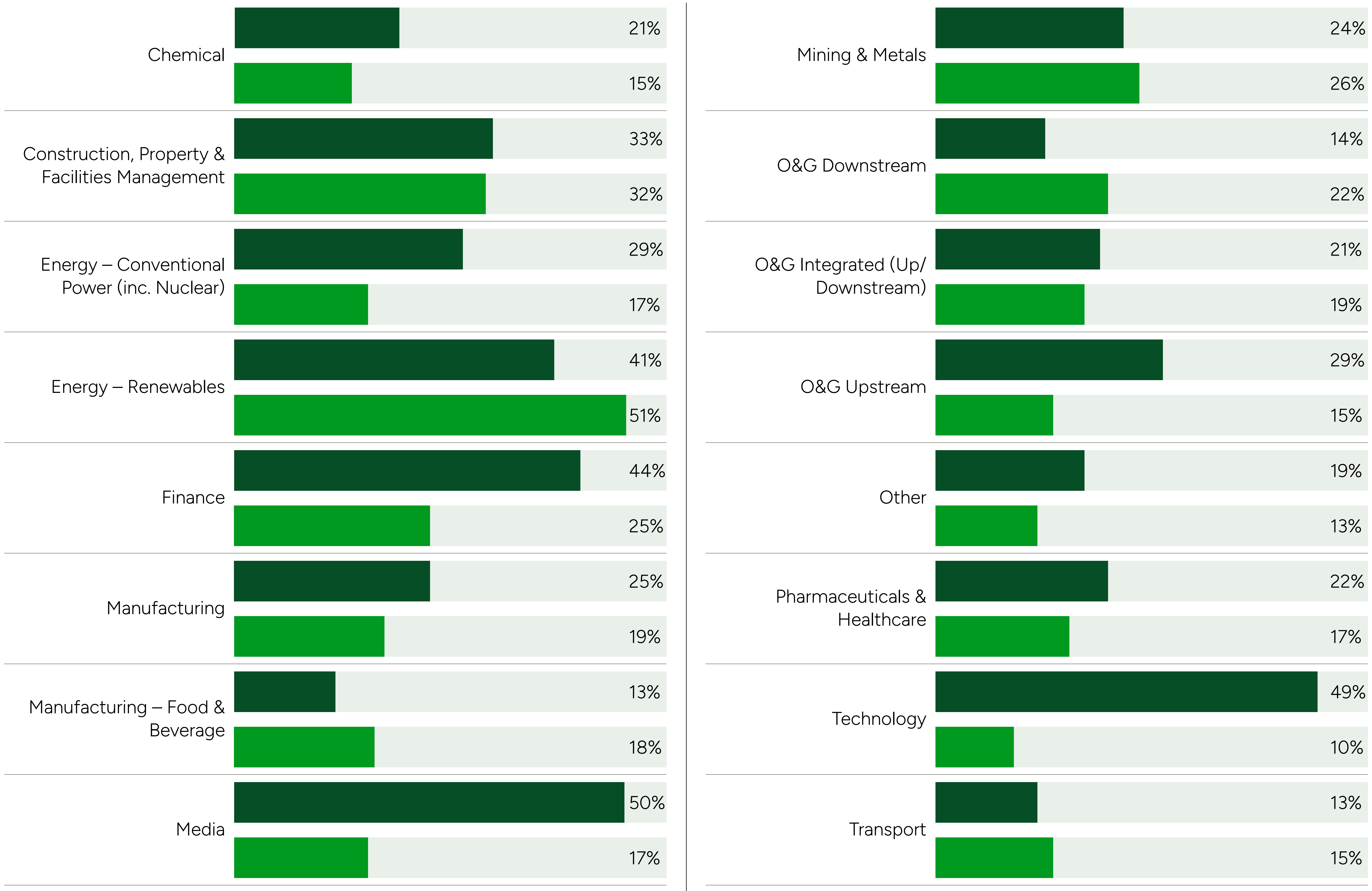
Key factors that have given rise to performance improvements in the last 3 years

1	Shifts in senior leadership engagement
2	Better H&S metrics/data management
3	Enhanced H&S standards, management systems, programs, tools
4	H&S team capacity, effectiveness, reporting lines
5	Improved contractor engagement/management
6	More focus on higher risk activities, SIFs
7	Better learning from incidents
8	Covid a game-changer
9	Better definition and communication of ambitious targets
10	Ongoing evolution in the culture
11	More/better quality training
12	Cross-organization collaboration
13	Investment in engineering controls, new technology and automation
14	Industry trends/market pressure
15	Shift in focus from lagging to leading indicators
16	Better understanding of the hazards and risks
17	More focus on areas of greatest challenge
18	Audit program
19	Reduced tolerance of risk
20	Regulatory drivers
21	Adoption of a new strategy
22	More robust planning
23	Innovation
24	Organizational changes

Average participant estimates of percentage increase in investment in H&S for the last 3 years and the next 3 years by sector

Investment increase in the past 3 years

Estimated investment increase in the next 3 years



ANNEX 3

The full list of 30 investment priorities for 2024-2026 identified by the participants

=1	Digitalization of H&S processes and tools
=1	Enhanced training for increased competence. Including training in hazard recognition and risk assessment (11/214 or 5%)
3	Extracting more insight from data/leading and lagging indicators through better data management and predictive analytics including the use of software solutions and the use of AI
=4	Safety leadership and culture
=4	Asset integrity/process safety/prevention of major accident hazards
6	Automation/robotics
7	Collision avoidance, driver safety, IVMS and telematics
8	AI digital twin, AI enabled intelligent cameras/CCTV/drones for surveillance and monitoring
=9	Engineering controls, machine guarding and machine functional safety
=9	Increase H&S team capacity and competence
11	IH: occupational exposure to heat, noise, air quality, hazardous chemicals and materials
=12	Hazard recognition, risk assessment processes and training
=12	Safety management system
=12	Ergonomics
=12	Psychosocial risk
16	AI
=17	PPE
=17	Advanced safety controls embedded in new facilities under construction
=19	Focus on SIF reduction
=19	VR and AR
=21	Enhanced communication on H&S
=21	Human and operational performance/human factors
=21	Health and wellness
=21	Boost established investments
=21	Contractor safety program improvements
=21	Emergency response and incident management
27	Wearables and exoskeletons
=28	Autonomous vehicles/collision avoidance systems
=28	Contractor management
=28	Behavioral safety observation program

List of abbreviations

ADP	Automatic Data Processing, Inc., a US provider of human resources management software and services, headquartered in Roseland, New Jersey
AI	Artificial intelligence
AR	Augmented reality
BBS	Behavior Based Safety
BLS	US Bureau of Labor Statistics
CCTV	Closed circuit television
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief operating officer
CTO	Chief technology officer
DEI	Diversity, equity and inclusion
EAP	Employee Assistance Program
EHS	Environmental, health and safety
ESG	Environmental, social and governance
F2F	Face-to-face
GDP	Gross domestic product
H&S	Health and safety
HAZID	Hazard identification
HAZOP	Hazard operability
HiPO	High-potential incident
HR	Human Resources
IH	Industrial hygiene
ILO	International Labour Organization
IVMS	In Vehicle Monitoring System
KPI	Key performance indicator
LOTO	Lockout/tagout
M&A	Mergers and acquisitions
MOC	Management of change
O&G	Oil and Gas
OECD	Organisation for Economic Co-operation and Development
PPE	Personal protective equipment
PSM	Process safety management
PTW	Permit to Work
RCA	Root Cause Analysis
SIF	Serious injuries and fatalities
UK	United Kingdom
US	United States
VP	Vice president
VR	Virtual reality
WHO	World Health Organisation
WHS	Work Health Safety

We conducted the interviews on a confidential basis and the Roundtable engagements were conducted under Chatham House Rules, so we cannot identify the 256 Health and Safety Function Leaders who participated in this study. We would, however, like to formally acknowledge the contribution of each of them here.

Study design and execution lead:

Brian Kraus working with a team of 105 ERM Partners, Principal Consultants and technical support staff

Report prepared by:

Brian Kraus – Lead Author
Irene Lee
Teegan Innis
Andrew Bakert

Report reviewed by:

Valery Kucherov
Tim Cooper
Alistair Hocking
Mark Lee
Aiste Brackley

Survey coordination and logistics:

Sarah Jane Sanson
Roisin Carroll
Lorna Diaz
Stephanie Hughes-White
Chantelle Lee Zogbessou
Hanna Naquin
Warayut Ubolcharoen

Graphics, layout and editing:

Vince Bamford
Amy Beernink

Study contributors

Karen Aitchison, Edinburgh, UK
Bondan Ariawan, Jakarta, Indonesia
Margaret Averill, Hartford, USA
Khaliq Abu Bakar, Kuala Lumpur, Malaysia
Urbain Bruyere, London, UK
Simon Burwood, Horsham, UK
Ricardo Camargo, Sao Paulo, Brazil
Christian Cardenas, Lima, Peru
Philippe Chemel, Paris, France
Yenyen Chin, Singapore
Kane Choy, Hong Kong
Adriano Correa, Mexico City, Mexico
Andrew Derbyshire, Manchester, UK
James Descheneaux, Austin, USA
Brian Desrosiers, Hartford, USA
Steve Duckworth, Bangkok, Thailand
David Duncan, Houston, USA
Troy Ferguson, St. Louis, USA
Brittani Fillmore, Overland Park, USA
Roy Fitzgerald, Perth, Australia
Peter Franke, Frankfurt, Germany
Kevin Funke, Paris, France
Martina Furler, Sierre, Switzerland
Marcos Gallego, Madrid, Spain
Ashley Gill, Dallas, USA
Michael Goldman, Atlanta, USA
Peter Gordon, Dublin, Ireland
Paul Greeves, London, UK
Mark Huang, Irvine, USA
Chris Israni, Houston, USA
Ivan Ivanov, Utrecht, Netherlands
Brian Keith, Ewing, USA
Philippa Knapp, Milan, Italy
Seung Hyun Kwak, Seoul, South Korea
Wesley Leavitt, Salt Lake City, USA
Jodie Lewis, Bristol, UK
Yuanlong Li, Beijing, China
Alastair McKenzie-Kerr, Bristol, UK
Chris McNally, London, UK
Jon Meier, Yokohama, Japan
Toshimichi Nishi, Yokohama, Japan
Almudena Ordejon, Madrid, Spain
Manuel Pompe, Frankfurt, Germany
Russell Powell, London, UK
Marv Richardson, Atlanta, USA
Omar Rios, Mexico City, Mexico
Marilee Robertson, Houston, USA
Nathan Robinson, London, UK
Alejandro Rojas, Frankfurt, Germany
Saugat Roy, Frankfurt, Germany
Chiara Sacco, Milan, Italy
Vadim Samsonoff, Vancouver, Canada
Noppadol Sangiampaisalsuk, Bangkok, Thailand
Diondria Smith, Houston, USA
Robert Smith, Sydney, Australia
Patrick Sontrop, Calgary, Canada
Geni Stevens, Houston, USA
Paul Tacey, Manchester, UK
Emma Toner, Utrecht, Netherlands
Kim Tran, Hong Kong
Warayut Ubolcharoen, Bangkok, Thailand
Filipa Vicente, Madrid, Spain
Jye Yng Voon, Kuala Lumpur, Malaysia
Patrick Wallior, Seattle, USA
Amy Wang, Shanghai, China
Kimberly Witkowski, Raleigh, USA
Fred Woody, Dallas, USA
Tom Woollard, London, UK
Amber Yang, Shanghai, China

ABOUT OUR WORK

Keeping people and assets safe is a fundamental requirement in any business, but often the substantial resources that companies invest in safety still fail to achieve the desired goal.

Increasingly, we are seeing that a number of approaches to safety may actually impede progress in improving safety performance, as they are often difficult to embrace, replicate and sustain.

ERM encourages clients to move beyond traditional compliance and corrective programs so that they can maximize the return on their investments in safety – to safeguard lives, protect assets and strengthen reputation.

ERM helps organizations to:

- **Strengthen their existing safety culture and demonstrably improve their safety performance**
- **Reduce risks by developing skills to better observe unsafe behaviors, identify hazards and by empowering people to take action**
- **Enhance the effectiveness of leaders, employees and contractors to promote safer outcomes**
- **Reinvigorate existing processes and programs – maximizing the value of safety investments**

ERM has a broad and diverse global consulting team that includes health, safety and risk management consultants, stakeholder management consultants, data analysts, human factors specialists, engineers, and coaches.

With this range of technical competencies and experience across most sectors, ERM co-designs solutions for leadership and culture programs, contractor and construction safety, process safety, fatality prevention and many other specific client objectives to keep people and assets safe.

To do this, we have more than 8,000 people in 40+ countries and territories working out of over 140 offices.

For further information, please contact:

Valery Kucherov
Global
valery.kucherov@erm.com

Michael Lewman
North America
michael.lewman@erm.com

Steve Duckworth
APAC
steve.duckworth@erm.com

Brian Kraus
Global
brian.kraus@erm.com

Al Hocking
EMEA
alistair.hocking @erm.com

Ivette Catalan
LAC
ivette.catalan@erm.com

ERM

ERM.COM