

Stakeholder engagement and discovery report

SUMMARY

The **Better Governance**
Report Series

Introduction to the *Better Governance* project

Health and safety are generally on the agenda for boards and their officers. But, performance in Aotearoa New Zealand has stalled against some measures and, in some cases, is getting worse. Kaimahi (workers) are still being killed and harmed at mahi (work). The agenda is not driving the needed change. The Better Governance project (the project) was initiated in this context, and the renewed focus by *Mahi Haumaru Aotearoa – WorkSafe New Zealand* (WorkSafe) on those with influence and control.

Governance had also been identified as an area of improvement by a number of health and safety leadership organisations and professionals. This is why the project is being led by the *Business Leaders' Health and Safety Forum* (BLHSF) and the *General Manager Safety Forum* (GM Safety Forum). It has support and subject matter expert representation from the *Institute of Directors* (IoD) and WorkSafe.

The team and its resources are small, but it has a big ambition. Its vision is that:

Governance leadership genuinely improves health and safety performance in Aotearoa New Zealand

Background to the stakeholder engagement and discovery exercise

A stakeholder engagement and discovery exercise was undertaken to better understand the problems confronting boards. A series of planned workshops gathered quality contributions but attendance was lower than anticipated. As a result, emails were sent to stakeholders inviting one-on-one meetings with the team or written feedback on a series of questions focused on:

- if people considered **good governance as important to health and safety decision-making** and outcomes
- what people thought about the **flatlining of health and safety improvements** since the introduction of the HSWA, and the case for further change
- the different governance contexts, and if there were **commonalities and differences in decision-making across boards in different contexts or sectors**
- what was driving governance and assurance currently and **what is working well or not**, including whether it was compliance driven or driven by principles
- what key **mindsets and principles would be required to fix the problems** or to build on the positives.

Summary of the engagement findings

The challenges to better health and safety governance

There is widespread agreement that good governance is important to achieving good health and safety outcomes. It is generally accepted that good governance unlocks opportunities, improves resilience and helps mitigate risk. But, the project team heard that there is no shared baseline for:

- the governance obligations on officers, and how far these obligations extend
- what good health and safety governance looks like
- the expectations of the regulator(s) with regard to good health and safety governance.

Stakeholders from a range of sectors suggested that communication about good health and safety governance should be frequent, and undertaken across multiple channels. It was thought that this could help build a picture of what good looked like, and a culture of boards actively considering health and safety, rather than it only being discussed in meetings at the end of a busy agenda.

We heard that senior leadership teams and health and safety practitioners were often driving the board agenda, and that boards were often dependent on them directing the conversation. We also heard some board members could dominate the conversation and this was not always helpful. Stakeholders were of the view that few practitioners were at senior levels in organisations, and few were given the opportunity to develop the experience and skill to effectively drive board-level conversations.

Governance has not been the catalyst for change that was anticipated with the introduction of the HSWA

Most stakeholders agreed that there remained a case for change and identified a range of challenges to be addressed. They include:

- a wide diversity of governance sectors
- a range of capability issues confronting boards and officers
- an increasingly complex environment in which boards govern.

It was clear from the stakeholder engagement that there is a range of maturity of health and safety governance, and governance generally.

We heard that there are pockets of maturity across all sectors, we also heard about a continuing:

- **compliance focus**, even though there was a desire to move beyond this
- **reliance on lag data**, and the challenges of monitoring and measuring what really matters
- **reactive response to harm**.

Most stakeholders considered that the issues identified applied more generally; that there is a lack of clarity about what good governance looks like, and that capability and capacity are an issue across a range of duties and obligations. Stakeholders mentioned the wide range of obligations on boards and officers, and the challenges of finding time on the board agenda to address them all.

Key mindsets and principles that could help improve performance and build on the positives

In our engagement, the project team were interested in the mindsets and principles that could help improve performance, and build on the positives and opportunities. We described mindsets to be those things that determine how a person behaves when they're thinking about health and safety governance. Mindsets are driven by beliefs. Principles are things that businesses and organisations can act on, and see outcomes from their implementation.

The project team heard that there was support for a principles-based approach to health and safety governance, and from some, that a commitment to Te Tiriti o Waitangi – the Treaty of Waitangi and a tikanga-based could provide a foundation for this.



Although neither a mindset or a principle, **context** was repeated as important by stakeholders. They told us that improving performance and achieving better outcomes was about understanding the complex and dynamic environments in which businesses and organisations operate; the nature of mahi; and kaimahi and the way they actually work, rather than the way boards imagine they work.

The need for officers to be **curious** about the way mahi was done in their organisations, came up in most of our engagements. Along with the need for them to be open and willing to acknowledge what they don't know, and to engage in a positive way with constructive feedback. We heard that this takes **courage**. These stood out as two important values that we heard mentioned by many.

There was various levels of wordsmithing of the mindsets and principles at the workshops, and various ways in which they were expressed in our engagement meetings. The team has pulled them together into key themes to present back to stakeholders in this report, and for use to leverage from.

The mindsets that the project team drew from our engagements included:

- **he aha te mea nui? Māku e kii atu, he tāngata, he tāngata, he tāngata. People matter**, without them mahi does not get done, and businesses and organisation cannot be successful
- **health and safety are outcomes of the messy and dynamic way mahi is actually done** in complex organisational and social systems, not just *imagined* to be done
- **health and safety are about mahi, wāhi mahi and kaimahi, and cannot be separated from them**
- **you can't fix a secret**, so it is important to embrace feedback from a wide range of stakeholders and respond well to challenging news
- **even when things appear to be going well, it doesn't mean we are not causing harm** or creating the potential for things to go wrong if the risk is not well managed
- **relationships are key to improving performance, and they matter at all levels** within an organisation, across supply chains and in sectors
- **an uninterested board generates an uninterested workforce**; a genuine and interested board is visible, asks the right questions, listens and responds appropriately
- **diversity of experience and perspective brings us benefits** as it enables us to see and understand things in different ways – it is important to our organisation
- **cultural competency, and enabling cultural safety, will enable kaimahi to bring their whole selves to work** in a way that is safe
- **a proactive and people-centred approach gives us a competitive edge** in the fight for talent, improves health, safety and wellbeing, our reputation and the outcomes for our business.

The suggestions on what could improve health and safety governance

Throughout the engagement process, the project team were provided with a range of suggestions about what would help improve health and safety governance, to improve outcomes for kaimahi and resilience of businesses and organisations. They included that:

- a basic information pack, with reference to all key regulatory and legislative requirements, could be sent out when new businesses and organisations were legally constituted
- more detailed, and example-based, guidance on the meaning and extent of *significant influence* and who is an officer under the HSWA could be produced for the different sectors
- value that could be gained from sharing case studies and stories of what good looked like, both generally and for different sectors, so that boards and officers had examples to learn from
- benefit could come from boards and officers being able to better connect, and learn from each other such as through peer support groups and mentoring
- health and safety practitioners could benefit from engaging with each other and across different sectors to learn from shared experiences
- communication about good health and safety governance (and practice more generally) should be frequent, and undertaken across multiple channels, to keep it front and centre
- regulators could provide greater clarity about their expectations of boards and officers in meeting their health and safety obligations and how and when they will engage with officers during investigations
- diversifying the officer community would help bring new and fresh perspectives, and there should be a focus on succession planning and recruitment to bring new perspectives
- guidance on why and how to embed health and safety practitioners at the right level in an organisation, and on how organisational systems could support an active and integrated approach to health and safety
- guidance on contemporary approaches to risk management, and to measuring what matters would be useful for boards across all sectors
- technology could be leveraged to facilitate and review continuous improvements by supporting the monitoring risks and hazards, identifying hot spots, tracking activity and performance, and reporting incidents.

Next steps

The project team will continue to welcome feedback, insights and suggestions. Please feel free to share this report and to contact info@forum.org.nz to be further involved.

We are reviewing all the health and safety governance information, guidance, training and tools that are available to us. We invite stakeholders to confidentially share materials with us. We will share the findings of this in early-November 2022. We will take what has been learned, the insights and suggestions and develop a range of interventions that will help improve health and safety governance. They will be shared in late 2022 – early 2023.

We have heard that there is good will towards change and improving performance. And, we have had multiple offers of help. The project team will seek to leverage this into the future.

Kia ora (thank you) to all who have been, will continue to be, generous with your time.

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