

# How the Integration of OS&H into the HR Function Improves Organisational Outcomes

## The Edith Cowan University Experience



# Edith Cowan University (ECU)

- ECU is located in Perth Western Australia and is 1 of 4 Public Universities
- The University has 3 Campuses
  - North – Joondalup & Mount Lawley,
  - Regional – Bunbury
- Staff – 1790 FTEs (2010)
- Students – 24,240 (2010)

# ECU Service 2000 (S2k)

Conducted in 1999/2000, S2k was a strategic restructure to align all corporate services with the University's newly defined mission and strategic themes

Strategic Themes were:

- Service
- Professionalism
- Enterprise

# ECU Service 2000 (S2k)

## Desired Project Outcomes were:

- Embedding a culture of customer focus and service orientation
- Better integration and alignment of business units and processes
- To redirect administrative savings to core business activities
- To redesign organisational structures and roles, affecting 410 positions
- To outsourcing non-core business functions

# Edith Cowan University's Experience

## Where was OS&H in 2000?

- Little management support or executive commitment
- Ad-hoc OS&H Committee structure with no supportive consultative network
- No OS&H strategic or operational focus and little or no involvement or consultation with HR
- OS&H was located remotely from the HR function
- No plans, performance indicators or links to HR functions and money was seen as more important than people
- No performance accountability

# Edith Cowan University's Experience

## What was our experience?

### *Statistics:*

1200 FTE's with an annual payroll of 65 Million

- Lost time injuries (LTI) – 65
- Working days lost – 1200
- Workers' compensation as a % of Payroll – 1%
- Lost time injury frequency rate (LTIFR) – 23.5
- Industry average LTIFR – 23.7
- Average time lost rate (ATLR) – 18.5 days per LTI

# Case Study

## Pre 2000

- Workplace performance that spilled over into the use of sick leave and then workers' compensation went unnoticed
- Areas were unaware of employees on workers' compensation or moving between jurisdictions
- Performance was never noted as causation for the claiming of workers' compensation
- Workplace stress was never linked to performance
- Claims were accepted without question and were costly

# AUSA Positive Performance Indicator Project

## Objective of the Project:

1. To establish a common university sector framework using PPI's for the evaluation and measurement of performance
2. To provide a base line for universities to assess their safety management activities against State and National averages
3. To encourage networking and the sharing of information and best practice

# AS/NZS 4801 Occupational health and safety management systems – Specifications with guidance for use

## Elements of the Standard

- Policy
- Planning
- Implementation
- Measurement & Evaluation
- Management Review



# Participating Agencies



# PPI Benchmarking Project Summary Comparison 2006

<b>Element</b>	<b>Max Available Score</b>	<b>Highest Rank</b>	<b>Lowest Rank</b>	<b>University Sector Average</b>	<b>WA Average</b>	<b>ECU Average</b>
<b>Policy</b>	24	22	7	18.1	17.2	19.0
<b>Planning</b>	32	31	12	22.0	23.5	23.0
<b>Implement</b>	32	26	11	20.8	19.0	18.0
<b>Measurement &amp; Evaluation</b>	36	35	15	27.3	27.7	30.0
<b>Management Review</b>	16	14	5	10.0	8.5	6.0

# Benchmarking – Summary of Identified Weaknesses

- Executive representation and the organisational level at which OS&H Committees existed
- The low percentage of managers who had completed OS&H training and set OS&H targets
- Acceptance of OS&H responsibility, accountability and the allocation of resources by managers to existing and new OS&H initiatives
- The absence of a system supporting risk assessments and verification that audit shortcomings were addressed

# Post 2004/06 Strategy

## What we set out to achieve

- CEO and executive management support
- Integration of OS&H and HR into a single Unit
- Individual Business Unit OS&H Plans supported by KPIs
- Due-diligence statements supported by OS&H Hazard Risk Registers and senior executive sign-off
- Executive performance accountability aligned to a workers' compensation cost apportioning model
- Regular self-assessment audits and internal checks
- Reporting to the Vice-Chancellor's Management Group

## Strategy (Cont)

- The development and implementation of an interrelating suite of positive and negative performance indicators
- To measure and benchmark ECU's performance against internal and external recognised indicators
- Mandatory reporting of OS&H performance at all levels
- To change the focus from how much did it cost to dealing with the person
- To humanise the event and demonstrate that staff are an important asset
- To provide organisational and emotional support to injured staff

# Benefits of the Strategy

- Is the reduction in workers' compensation costs (premium and working days lost) contributed to employee moral, productivity and influenced organisational outcomes such as:
  - human and financial resources became available as a result of improved performance and accountability
  - staff felt valued and adopted a sense of pride
  - accountability and planning was seen as an organisational commitment
  - injured staff were provided with HR support and recognised that they were important to the University

## Benefits of the Strategy (cont)

- Industrial relations, OS&H and Equal Opportunity no longer operated in silos
- Regular cross-communication between areas highlighted hot-spots and performance likely to spill over into workers' compensation
- OS&H was viewed as a key component of HR management
- Improved influence at a strategic level
- Improved consultative network

# PPI Benchmarking Project Summary Comparison 2008

Element	Max Available Score	Highest Rank	Lowest Rank	University Sector Average	WA Average	ECU Average 2006	ECU Average 2008
Policy	24	24	13	17.4	18.5	19.0	22.0
Planning	32	29	9	21.1	23.3	23.0	28.0
Implement	32	30	11	20.0	21.0	18.0	24.0
Measurement & Evaluation	36	33	18	27.6	31.5	30.0	33.0
Management Review	16	16	3	10.2	11.3	6.0	12.0

# PPI Project & Value to Edith Cowan University

## Edith Cowan University Benchmarking rankings

- 2004 **20<sup>th</sup>** (23 participating agencies)
- 2006 **14<sup>th</sup>** (36 participating agencies)
- 2008 **3<sup>rd</sup>** (41 participating agencies)

The question is “Did we achieve our objectives and what were the results?”

# Case Study

## Post 2000

- HR, OS&H, & IR linked as a unit
- Claims, cases and performance discussed at a team level
- An appointed leader to team manage issues
- Workplace performance is not compensable and this can now be identified as the causal consequence of workplace stress
- Accidents, lost time injuries and workers' compensation claims & costs have reduced significantly

# Edith Cowan University's Experience

## Where were we in 2010? (2009/10)

**Statistics:** 1790 FTE's with an annual payroll of 135 Million

- Lost time injuries (LTI) – 4 [65]
- Working days lost – 12 [1200]
- Workers' comp as a % of Payroll – 0.2% [1%]
- Lost time injury frequency rate (LTIFR) – 1.3 [23.5]
- Industry average LTIFR – 9.8 [23.7]
- Average time lost rate – 3 days per LTI [18.5]

# Lessons Learnt & Key Achievements

- OS&H plans, direct reporting to the VCPMG, setting of KPIs and measurement has become a mandatory compliance action at all levels of the organisation
- Responsibility for OS&H has been devolved to Faculty & Centre Executive & OS&H accountabilities are included into performance agreements and duty statements
- The creation of a hazard risk management framework tailored to individual Faculty & Centre operations
- The completion of a due-diligence statement and a hazard risk register on an annual basis
- The Implementation of a workers' compensation cost apportioning model to reward good performance

# Is Safety Expensive?

## Yes

### If you get it wrong



**Thank you for your time.  
Any questions?**

