

# Risk Management, Excellence And Beyond In HSW



**Malcolm Staves**

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## Audience Questions

- **How do you try to encourage compliance, for example, a risk register, but not convince them based on compliance?**

 **Malcolm writes:**

Good question. In some areas, where we can have a fatality or an irreversible injury or illness, compliance is non-negotiable as is resolving any high risks identified during risk assessments or audits and we are top-down. In other areas, it's all about giving the why and sense of purpose.

- **When you were embedding the culture. Was there a visible strategy and stepped timeframe?**

 **Malcolm writes:**

Yes, we created our first strategy for culture change around 2011. We started off by wanting to achieve an interdependent health & and safety culture across our sites which meant we needed to define what an interdependent safety culture looked like and design the tools to get us there. We thought it would take around 7 -8 years. In reality, it's a never-ending journey, culture often takes a backward step when senior management changes, and after 13 years we don't have many sites at this level. However, it remains the vision.

- **How do you drive culture in a low-risk industry and engage workers who are both direct employees and internal contractors?**

 **Malcolm writes:**

This is difficult. We address these more from a health & and wellbeing angle and by developing a sense of pride in health & and safety. A typical operations approach doesn't always work, so we adapt to the specific local risk culture and appetite.

- **What of modern work where team members work from home? What is L'Oréal's approach to hybrid/remote work, please?**

 **Malcolm writes:**

For workers who can work remotely, L'Oréal allows them to work 2 days from home a week and they get to choose those days. One week per month, the team come into the office Monday - Thursday to collaborate, socialise and have that all-important face-to-face time.

- **Have you designed or used a tool to check culture and its shift at sites? On what cycle?**

 **Malcolm writes:**

Yes, we have developed a tool that assesses where you are on the culture journey. It has several roadmaps each with specific questions that allow you to identify where you are and the next steps. The sites self-assess themselves whenever they wish to check progress. All Operations and Research sites and then audited against the roadmap every 3 or 4 years. Administrative sites can choose to have a culture as we are very often focused on risk management and compliance auditing on these low-risk sites.

- **What would you consider as the number 1 priority for implementing wellbeing risk controls?**

 **Malcolm writes:**

Assuming you have your risk assessments done its finding allies within senior management to drive the HS&WB initiatives.

- **Love to know what KPIs or top indicators are used to measure mental health and workplace wellbeing.**

 **Malcolm writes:**

It's through annual surveys e.g. Pulse. However, we have some specific ergonomics KPIs for operational sites. For mental health, this is very often local and the main reason for this is that in many countries in the world, mental health is not really on the agenda and where it is, it has to be adapted to local needs. At the corporate level, we can set the vision and maybe the framework. Overall, I would say this is a work in progress.

- **Do businesses respond to a mental health issue by developing a strategy? Or are businesses more aware of, and supportive of, mental health issues once they have a mental health strategy?**

 **Malcolm writes:**

Good question. I think all businesses are aware of the importance of mental health, especially after COVID and in L'Oréal we are seeing a lot of local initiatives in particular in the USA, Australia, New Zealand and the UK. What a strategy will do, is get those countries not doing anything to maybe start as well as give the Group a framework of expectations from Corporate. So I think it's both and I don't think it matters as long as we try and deal with mental health in a systematic way.

- **I understand the benefits of having healthy conversations etc., but have you done any work around addressing how work design can be a factor in mental health issues occurring in the workplace?**

 **Malcolm writes:**

Yes, primarily through our global ergonomics program where we involve employees in the design of their workstations. We have even developed our own digital tools to allow these risk assessments to be done. We also try and "create" a nice place to work for our employees so that they can also relax and chat with colleagues. We also have HR initiatives and our real estate team that work on workplace design.

- **How is L'Oreal proactively addressing workplace organisational risk factors i.e.; the way work is designed, the work is controlled, and the amount of control a person has over their work?**

 **Malcolm writes:**

Organisational risk factors depend on which country we are talking about and which type of activity e.g. line operator, sales rep or a research assistant. We try and give the maximum autonomy to the workstation, work environment and work design. That said, we need to find the right balance so it's a win-win for the company and our employees. Not easy, but we try.

- **What's your thoughts on LTIFR and TRIFR becoming retired?**

 **Malcolm writes:**

I mentioned this in my presentation, and I believe there is still a place for these imperfect indicators in the work of work. They need to be used alongside other indicators like Serious accident rate or number, and leading indicators that drive your System. Senior management need single figures that they can benchmark against and they know that when there is a lost time accident it's not good, people have been injured because they work for L'Oréal and this can impact their families. Many companies that I know who follow just lagging indicators are losing focus on the fact that behind a lost time accident, there are families that are indicated.

When it comes to benchmarking no other companies have the same leading indicators so you can benchmark. Even with all its issues, I do not know of a better indicator that is out there for benchmarking. When I benchmark with other companies, we don't look at the absolute values, but the delta and then ask what we have done to get this, and what has changed. We can't do this with leading indicators as they are different from company to company, there is no universal standard! We should do a session just on this, I'll stop now!

- **"Lost time is not perfect" - do your senior managers who receive that statistic understand that too?**

 **Malcolm writes:**

I would say not so much at the C-suite level and they still use these for comparing to other companies and others to us. It doesn't help when external stakeholders and ESG-type reporting companies ask for this from our C-suites. However, is there anything better that is comparable across companies?

- **What lead indicators ARE reported to executive management?**

 **Malcolm writes:**

To the board none. To all executive teams below in operations this will include indicators on high risk management, visible felt leadership and employee engagement. For marketing and sales, it will probably be none. This will start to change as we deploy our new road safety program.

- **Are critical control effectiveness or application monitored at a country or enterprise level? And if so, how do you bring focus to these broadly?**

 **Malcolm writes:**

If it is a critical control for BCP then it will be identified at the corporate level through our directives and then integrated into audits. So on a day-to-day basis, it's managed at the site level. If you mean crisis management, this is managed at an appropriate level depending on the crisis.

- **What are your top tips for HSE folks to communicate effectively upwards and down to shop floor?**

 **Malcolm writes:**

We could do a seminar here 😊 I would say know your audience, and their preferred style of communication, and adapt as needed. For example, our shop floor training tends to be very interactive. I would also say go out and get trained to help you enhance your communication and presentation skills. That's what I did. I worked on improving what I already had rather than trying to be someone I'm not.

- **Safety Observation reports: Are they embedded into your safety system, e.g. along with incidents, and near misses, or is this done through a separate reporting system?**

 **Malcolm writes:**

They are part of our safety system and get reported each month using the same tool. Our monthly communications include them as well alongside our indicators.

- **Given it is a multi-cultural society now and we all come from different aspects of the society. Without waving the legal requirements wand in front of them how do you get them on board for risk management?**

 **Malcolm writes:**

Give them the why and sense of purpose and that these are necessary to identify and mitigate where employees can get injured. Also, risk assessments are a L'Oréal requirement irrespective of the legal requirements (some countries don't require them). These are a fundamental building block in developing the foundation for our safety culture. We require many risk assessments and that at least 90% of employees participate in them.