



# ERM INSIGHTS

## Contractor Safety Performance

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November 2017

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### Abstract

Contractor safety performance is becoming an increasing concern for many companies. Traditional contractor management is often adversely affected by factors such as inadequate safety induction programs and a lack of leadership presence or impactful engagements in the field. Safety influence should be maximized at all stages of contractor management (from qualify to close-out) to positively impact safety performance. To achieve this, leaders should be driving open and meaningful engagements with their staff and contractors to effect improvements in contractor and staff confidence and intuition.

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# Contractor safety performance

## Introduction

Industry is operating in a challenging environment. Despite trends suggesting that workplaces are becoming safer, life-altering injuries and fatalities are still occurring – affecting both staff and contractors. Incidents such as these, as well as other poor safety performance indicators, erode business value and operational efficiency, while impacting morale and reputation.

Contractors are becoming increasingly integral to many companies' business models, and contractor safety performance is a growing challenge that, when poorly managed, can create vulnerabilities outside of your direct lines of sight and control. An increase in incidents involving contractor workforces can be attributed to a number of factors, including but not limited to:

- Contractors are often performing the higher risk activities and tasks on sites;
- Tight budgets hence contractor margins;
- Challenging deadlines;
- High contractor turnover;
- Language barriers; and
- Incidents that are often perceived as an inevitable part of work.

Overall, your safety culture and performance expectations and those of your contractors may be markedly different.

## Embedding safety in each contractor management stage

Traditional contractor management techniques are jeopardized by a disconnect between the qualifications and the competence of contractor teams working in the field. This is often the result of low levels of understanding or poor retention following safety inductions and by a lack of leadership presence or impactful engagements in the field.

Whilst it is possible to influence contractor safety performance once contractors are working on site (i.e. in the execute phase), these efforts could be undermined by what did not occur in the prior stages (from qualify to induct). To positively impact contractor safety performance, safety influence at all contractor management stages (Figure 1) should be maximized (Figure 2).



Figure 1. The six stages of contractor management

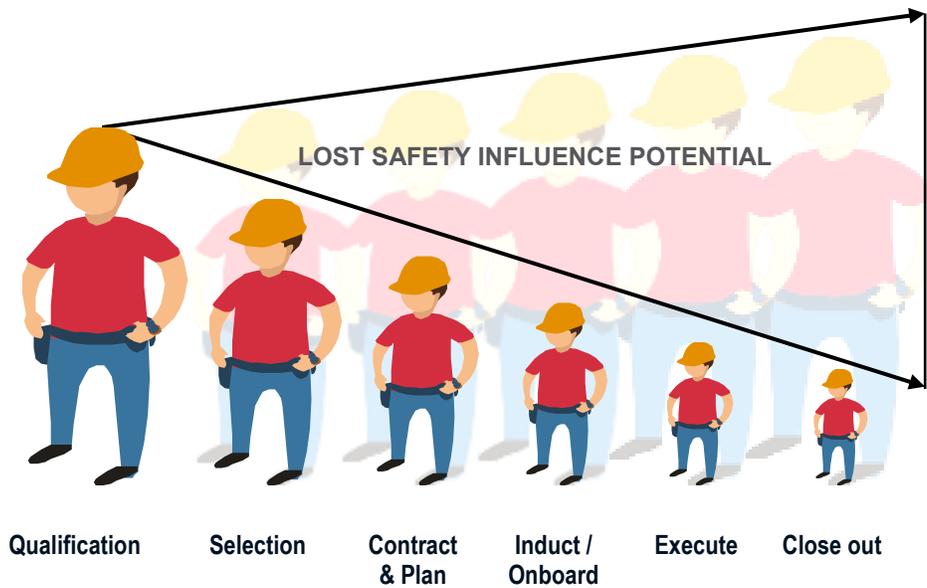


Figure 2. Safety influence should be maximized at all stages of contractor management

Effective contractor safety performance involves not only selecting the best performing contractors, setting clear expectations from the beginning, and preparing contractors to succeed during the induction and execution, but also creating a situation where there is a culture of continual improvement and self-motivation amongst contractors to produce lasting performance improvement. Often the processes in place to ensure effective contractor safety performance

have all the potential to be successful, but at every stage the effectiveness is diminished. Numerous factors are to blame for this, but a principal one is the disconnection between the office and how the work is actually carried out at site. Procedures and scope of work are often developed, with all the best intentions, in the office where there is the possibility that some of the circumstances of the front line are overlooked. For example, the time required to complete a task may be longer than anticipated, or the equipment required may not be available or suitable to the task.

## More than anything else, leaders need to drive the performance

The behavior of leaders is the most critical factor determining the behavior of contractors on site. Through their performance objectives, communication style, expectation setting, disciplinary action, and reward systems, leaders can contribute to the behaviors and decisions that contractors are taking at the front line. Unknowingly, leaders can erode the effectiveness of the contractor safety management processes and at the same time create underlying factors that can lead to an accident. As such, leaders have a key role in shaping the safety culture at every level in the organization. They can do this by encouraging the focus on safety, demonstrating and rewarding good practice, and enforcing the requirements and expectations of the company across all stages of contractor management (noting the importance of holding your own employees just as accountable as your contractors). In the early stages of contractor management, for example, leaders should look to influence internal staff such as the procurement department. Ultimately, safer outcomes are a result of robust contractor management processes underpinned by excellent leadership at all levels – from the front line to the boardroom.

## Encouraging the right intuition

Contractors take hundreds of decisions every day that impact safety performance, and the distinction between being safe and ‘at risk’ is not always black and white. A continuous balance between risk and reward influences our decision-making. The more information our brains are fed, the more decisions will be taken by intuition. Research in behavioral science strongly suggests that behavior is, in the first instance, driven by intuition and emotion. If leaders want to influence behavior and help people make the right decisions, engagements with staff and contractors need to be emotive, personal, as well as consistent. This will ensure that the right choice becomes the intuitive choice.

## We can only change how people act if we get them to think differently

Engaging people on compliance (which is a data- and information-driven engagement) creates little enthusiasm and no sustainable change. In fact, it can create fear, which is a poor driver for

change. If leaders use open questions and sincerely try to understand, by seeking the person's insight, why certain decisions were taken, then discussions become more respectful. This style of engagement creates a coaching opportunity to help people assess the risks and to imagine the potential consequences of harm. Visualizing what can go wrong evokes emotions, thereby involving the intuitive part of the brain. Once coached in this way, people will automatically be more motivated to find and own solutions that improve the safety of their job and keep them and their colleagues safe.

## Leaders as coaches

By setting the example for positive and impactful engagements at all stages, leaders are communicating their expectations for safety – that there is a goal of zero harm to staff and contractors, and this is how we interact with our contractors. The strength lies in the leverage effect: if all supervisors and leaders are committed to being more visible and impactful in the field, the number of engagements increases significantly. Furthermore, the quality of the engagements increases as leaders are coaching their managers and supervisors in the high impact techniques to adopt. They are influencing the behavior of their teams and their contractors, helping them to make better choices and take care of each other, resulting in improved safety performance and culture.

## Conclusion

We can create a safer workplace with strategic effort across the contractor management cycle, embedding safety at each step. To be sustainable and to create maximum impact, the involvement of leaders to coach and develop the skills to influence another's perspective and change behavior is paramount. At the early stages, leaders should influence internal staff (e.g. procurement, EHS departments) in order to elicit safe outcomes, while in a later stage, their focus should be on the contractors and their leaders. Leaders who engage in a high impact manner, and importantly coach others to do so too, create an environment where employees and contractors are sincerely taking care of each other. The great thing is that leaders do not have to choose between high safety performance and productivity. Organizations with a robust safety culture and high levels of safety performance are also excelling in efficiency and productivity; it goes hand in hand.

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