

Executive engagement: A foot in the door

In our second article on engaging with corporate boards we suggest some ways to bring executives inside.



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Last month we highlighted some common obstacles that prevent board executives prioritising safety and health, and illustrated them with reference to three high-profile incidents. This time we present potential solutions.

We will draw on "nudge"• theory as well as compliance requirements. Nudge, coined in 2008 by Richard Thaler and Cass Sunstein in their book of that name, refers to the way people can influence others' decisions, sometimes without them noticing, by presenting options in ways that gently promote desirable choices over less desirable ones.

A growing body of research evidence shows simple communication tweaks can generate large returns if implemented at a population level. Inserting reciprocity-based organ donation prompts into the UK Driver and Vehicle Licensing Agency's web pages increased donor registrations by about 100,000 a year. The prompt line was: "If you needed an organ transplant, would you have one? If so, please help others."•

Can such nudges be applied to influencing boards' decision-making on safety and health matters? We think they can. In particular, they can reinforce the persuasive power of "shoves"•, emphasising organisations' legal requirements outlined last month.

The ideas that follow are a mixture of nudges and shoves. They are grouped according to the EAST acronym - easy, attractive, social and timely ideas - used by the UK government's Behavioural Insights Team.

Easy now

The terrorist attacks in Paris last year were a shocking reminder for many Europeans of the growing unpredictability of risk day to day. Organisations, including governments, need to mitigate risks without excessive disruption to

business as usual.

An expanding risk horizon could provide health and safety professionals with the chance to offer themselves as coordinators of a wider approach to risk management. Last month we described how choices that follow a path of least resistance can sway executives' decision-making. Bolstering security risk management and contingency planning by grafting them to safety management processes could provide organisations with a more manageable solution to what might seem to board members a daunting problem.

Integrated approaches to risk management are reviewed in IOSH's 2015 publication *Joined-up Working: an introduction to integrated risk management* (bit.ly/1QGnrYZ [1]). They require assessment and management of a broad range of risks, including financial, cybersecurity and environmental ones using similar assessment processes. This kind of integration should help ensure that health and safety is not treated as a "bolt-on", but as fundamental to organisational resilience.

Business assurance expert Tim Leech argues that managing risks by business objectives rather than risk registers could promote greater risk oversight. This would mitigate the tendency for companies to operate against short-term rather than long-term payoffs since they would be focusing on delivering against the organisation's goals and funding cycles.

Attractive options

Behavioural safety is founded on the principle that behaviour that is reinforced will be repeated (see [Lexicon](#) [2]). Incentives represent reinforcements. Positive incentives offer a gain that follows desired behaviour, whereas negative ones represent an outcome to be avoided.

Breaching legal obligations enshrined in the organisation's duty of care, with increasing liabilities as a consequence of corporate manslaughter law and higher fines set by the UK Sentencing Council, present negative incentives that responsible board members will want to avoid. Senior managers should also shrink from the prospect of reputational damage - even if it falls well short of that incurred by Mid Staffordshire NHS Foundation Trust - particularly if it could affect their company's market position.

Reminding executives of these risks represents a shove. More subtle methods include encouraging them to visualise how it would feel to:

- represent the organisation when it was defending a corporate manslaughter charge
- see unwanted and protracted headline news as happened to Merlin Entertainments after the [Smiler ride crash at Alton Towers theme park in 2015](#) [3]
- break bad news to bereaved relatives.

In the first two instances the moral and financial cases appear closely linked. Realisation of the financial risk could follow an awakening of moral sensibilities.

Considering broader risks, safety and health practitioners could encourage board members to consider newer vulnerabilities afforded by communications media. As the US government might concede after former Central Intelligence Agency contractor Edward Snowden's mass leaks of classified information, the networked society and social media provide channels through which a disgruntled or morally enraged employee can unleash reputational harm.

Listing and quantifying types of short- and long-term reputational damage could help gain the board's attention. Reputational risks include:

- loss of current and future customers
- exit of key employees and managers
- inability to recruit top talent
- loss of current and future business partners
- increased costs of funding in credit and equity markets
- loss of market capitalisation

- loss of revenue
- decline in stock price and shareholder confidence
- decline in global prestige
- time taken to recover reputation.

These arguments could expose a safety professional to accusations of making a crisis out of nothing. But, as Karl Weick and Kathleen Sutcliffe note in their book *Managing the Unexpected: resilient performance in an age of uncertainty*, it is the ability to anticipate and visualise the hard-to-imagine that separates high-reliability organisations operating in major hazard environments from those with poorer safety records.

More positive incentive is provided by the growing body of evidence showing a robust business case for good health and safety standards. In a business benefits literature review in 2014, the British Safety Council identified some companies that had generated a £12 return for every £1 spent (bit.ly/1HNZITc [4]).

Increasingly, companies market themselves on the basis of their social responsibility credentials, environmental performance and philanthropy. The grocery chain Whole Foods Market, for example, has marketed itself as doing "a whole lot of good"•.

Coherence between how such organisations treat their staff and the face they present to the world helps to reinforce the legitimacy of any marketing strategy that is founded on a company's moral integrity. Strategies such as making pledges on staff wellbeing highly visible (see feature on the [construction health summit](#) [5]), tying senior executives' performance metrics to workforce morale, and publicly reporting health and safety statistics may appeal to consumers interested in making ethical purchases. For such organisations, health and safety investment can be sold to the board as a competitive advantage.

Social convention

Complying with social norms can provide a powerful motivator because it satisfies the human herding instinct. Benchmarking health and safety performance against similar organisations, especially competitors, could encourage board members to want to help shape company norms.

Lobbying shareholders or investment committees to champion safety and health, naming awards after senior managers, providing the workforce a voice through which they can influence values and rewarding individual board members' performance on safety and health could similarly help shape boards' norms and, by implication, organisational norms.

Participation in safety and health industry forums and sharing lessons learned at industry conferences can provide an opportunity for the board to be recognised among their peers as leaders in the field.

Timely intervention

Some board members are likely to take longer to persuade. A more practical and pragmatic strategy is to adopt a flexible, medium-term set of tactics for converting them to the safety and health cause. These include influencing the influencer, and picking out those senior executives who will be most open to driving safety and swaying their board peers. The "herd effect", or forming new social norms, may help bring their colleagues on side.

Initial approaches to the influencers should be based on a reading of what motivates each individual, and framing the benefits of health and safety around the payback they seek. It's worth remembering that a board member's primary preoccupation is the organisation's stability and success, whether that is judged by the stock market, financial institutions or a parent body. Remember too that executives with industrial operational experience will have a different view of safety from a chief financial officer with a pure finance background. The safety and health messages should be aligned with business speak and business drivers to create the hook.

It is vital the workforce thinks that the board is behind safety, even when this is less than sincere. It is important to stick to the facts; board members will value pertinent information and ideas on which they can act.

Because of the risk management framework involved, being seen as ahead of the game on security issues, for example, and by implication safety, can boost a practitioner's career prospects and status.

Similarly, arranging regular communication that promotes the board as consisting of safety heroes may convince those of dubious mind to change their attitudes.

Small steps

It is unrealistic to expect rapid progress. Being prepared for setbacks and accepting small steps forward will help the safety and health professional to stay resilient. Similarly, avoid having rigid expectations that "safety starts at the top". The ability to adapt to protect the employees and the organisation is integral to the role of the professional even if board commitment is lacking.

Medium-term strategies include educating the rising stars of senior management before they become contaminated by the prevailing view, or collaborating with other risk disciplines to develop a strategy for influencing the board on risk in its broadest sense.

A more opportunistic strategy would be to use "high charge" moments, as the UK government did when announcing extra investment in security staff in the aftermath of the Paris attacks. Using crises when the opportunity arises should, however, be employed sparingly to maximise the impact.

Not all of the ideas above have been subject to highly controlled testing and they cannot be guaranteed to work in the ways suggested. Grafting the management of high-profile risks to an established safety and health framework, for example, might provide too little flexibility for accommodating catastrophic events.

Similarly, the categories into which they have been grouped are not mutually exclusive. The ideas intentionally go beyond the usual moral, legal and business arguments to include more subtle influencing strategies based on the psychological biases that affect decision-making. Embedding safety and health into a wider risk management strategy and framing safety and health and messages according to business drivers is key to board engagement.

Ideas were also selected on the basis of their being amenable to the narrow windows of opportunity that exist to nudge and shove executives.

We hope this article, together with its predecessor, triggers debate on broadening the options for pushing safety and health onto the agendas of those responsible for steering organisations in an increasingly complex and unpredictable world.

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Board engagement tips

- Couch messages in business language and align them with business drivers.
- Use crises to leverage influence (but not too often).
- Work on those senior executives who are open to driving safety - herd effect may draw in others.
- Appreciate that a board member's first preoccupation is the success and continuation of the business as seen in the eyes of the stock market, shareholders or funding bodies.
- Appreciate that board members don't usually have performance objectives for safety and health but they have ones such as market share, sales growth and share performance.
- Executives with industrial operational experience will have a different view of safety from those with a pure finance background, so consider adapting messages to each board member.
- Coach, nudge or shove senior executives subtly as appropriate.
- Manage safety communication with the workforce. Involve the board and make executives into safety heroes.
- Stick to the facts: give them relevant and timely information on which to act.
- Be prepared for setbacks and accept small steps forward.
- Don't be rigid in insisting that "safety starts at the top". This is not true in all organisations and the role of the senior safety professional is to adapt to protect the employees and the company. Be an adaptable professional.

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