SafeWork NSW

Strengthening the priority of WHS for business leaders

Industry Summary Report – Phase 2

August 2023

This summary report is based on the qualitative study which sought to examine the perceptions and experiences of business leaders regarding commitment to Work Health and Safety (WHS) in their organisations. The study was conducted as part of the *Strengthening the priority of WHS for business leaders* project conducted by the Centre for Work Health and Safety, and Edith Cowan University, Southern Cross University, and University of New South Wales. Special thanks to, Professor Tim Bentley, Dr Leigh-Ann Onnis, Associate Professor Sharron O'Neill, Professor Yvonne Brunetto, Dr Kate Blackwood, Dr Pieter-Jan Bezemer, Dr Esme Franken, Professor Ben Farr-Warton, and Dr Aglae Hernandez Grande for collaboration on this project.

Organisational leaders hold significant responsibility for shaping a workplace environment conducive to prioritising WHS. This study (Phase Two) responds to the findings and key research gaps identified in Phase One of this project which highlighted that there was limited evidence of commercial and business drivers of WHS prioritisation for business leaders in the international literature and the ASX200 company reports reviewed by the research team. The available evidence was limited and largely linked to the role of governance, including board influence on WHS commitment, and board competencies, in terms of WHS knowledge and experience. Therefore, this study, sought to examine these issues further by directly exploring the perceptions and experiences of business leaders regarding the prioritising of WHS in their organisations.

For this study, we interviewed 43 senior business leaders of large Australian private sector companies, including, but not limited to, ASX-listed companies. The business leaders were from 12 industries, including a balance of white-collar and blue-collar workforces; and were

classified as executives (46.5%, n=20), board members (25.5%, n=11), CEOs (19%, n=8) or other (9%, n=4).

Our analysis identified three broad categories reflecting the different approaches that appear to drive business leaders' behaviour towards prioritising WHS: compliance-driven; commercially-driven; and pro-socially-driven. We found that these three approaches do not exist in purely distinct categories but should rather be considered on a continuum where compliance reflects the most rudimentary level of WHS prioritisation, through to a purely prosocial or morally driven approach whereby business leaders prioritise WHS because they believe that it is the right thing to do. The strategies identified by business leaders to drive the prioritisation of WHS, when mapped across the three approaches, show that external stakeholder influences drive change from compliance through to the prosocial end of the continuum. The internal motivation for change was found to be associated with the extent to which business leaders were driven by pro-social values and the extent to which they were aware of why they prioritise WHS.

Overall, the interviews with senior business leaders and board members revealed that while many perceive that some progress has been made toward elevating the importance of WHS in Australian workplaces, there are industry differences, variations in focus for white-collar and blue-collar workers, and many senior leaders fall closer to the compliance-driven end of the continuum in terms of what is motivating them to prioritise WHS. Additionally, there was further confirmation of the role played by board members in setting the agenda for discussion about WHS issues. Hence, efforts to drive behavioural change will need to meet Australian business leaders, especially board members where they are, and the drivers will need to shift their mindset towards pro-social WHS behaviour through a multi-pronged approach.