

How do we transform health, safety and wellbeing during tough times?

Courage under fire
March 2024



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The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font.

Building a better
working world

Contents

03

Introduction

05

Should we still be talking
HSW transformation?

A time of economic, geopolitical and climate
uncertainty - what should we anticipate?

07

What are the alternatives
to transformation?

Where things tend to fail

09

How do we ensure success?

Humans@Center

10

How do we measure meaningful,
impactful change?

11

Don't shy away from
the conversation

12

Contact us



While the agility, integration, simplicity and focus of health, safety and wellbeing (HSW) remain areas for significant improvement, we need to consider if transformative strategies are appropriate during tough times.

Should we shift our approach? If so, what are our options? How can we transform HSW in a way that considers our current capabilities and the potential impact of inaction?

Introduction

EY teams published its paper on the case for **HSW transformation** in March 2022, introducing four elements for a modern approach to improving health, safety and wellbeing: integration, simplicity, focus and agility as outlined below.

Since its publication, the global economic and geopolitical landscapes have changed and continue to evolve and bring uncertainty. Organisations are facing significant upheaval as well as internal and external pressures on budgets, resourcing and productivity. Does this mean HSW transformation is no longer on the agenda?

Integration

01 Integrate HSW business processes to help achieve business objectives and performance by taking the function beyond legislative compliance.

Simplicity

02 Create simple, person-centric HSW systems and processes in line with basic neuroscience insights for maximum employee engagement and participation.

Focus

03 Focus on managing critical HSW risks via fit-for-purpose initiatives facilitated by digital technology.

Agility

04 Develop agile HSW frameworks that allow for a specific work context and promote innovative solutions to drive continuous HSW improvement.



Should we still be talking HSW transformation?

When we published the HSW transformation paper, the urgency and impetus for transformation were apparent, as were the business benefit for doing so. We accept that the response required to meet current and future HSW challenges remains significant - the need to modernise HSW remains critical for future success.

However, external and internal pressures mean that large-scale transformation may no longer be the most appropriate change strategy. Post COVID-19, organisations are responding to inflationary pressure on organisational budgets and a wide array of business impacts that require organisational redesign and reset. The appetite and energy for HSW transformation may not be there as teams face relentless disruption across other aspects of work.

Business is experiencing a wave of redundancies across industries and we continue to experience a tight labour market where the war for talent means recruitment and retention of expertise is challenging. People with deep HSW transformation capability and experience are in demand and already over-utilised.

These concerns have been reflected in conversations with EY clients. They highlight the disparity between organisational desire for redesign and revolution and organisational appetite, capacity and capability to tackle the complexity of transformation. EY teams facilitated two separate surveys of over 200 HSW leaders and practitioners across Australia and New Zealand in May 2023.

Three key barriers to transformation were identified:



With these barriers present, can meaningful and impactful change or improvement still be achieved in the near term? The answer is yes, but it requires an alternate approach to HSW change. We need to be innovative and creative with a good dose of realism and pragmatism at the same time.

A time of economic, geopolitical and climate uncertainty - what should we anticipate?

The economic and geopolitical landscape has changed and continues to evolve bringing with it uncertainty. These factors are important to understand when considering potential alternatives to transformation.

- ▶ Ongoing geopolitical unrest
- ▶ Economic market uncertainty and inflation
- ▶ Shift in budget focus within organisations
- ▶ Lack of resources and talent to deliver plans
- ▶ Supply chain shortages impacting productivity
- ▶ Climate response from EU and ESG obligations impacting strategy direction and resource allocation and consumer behaviour

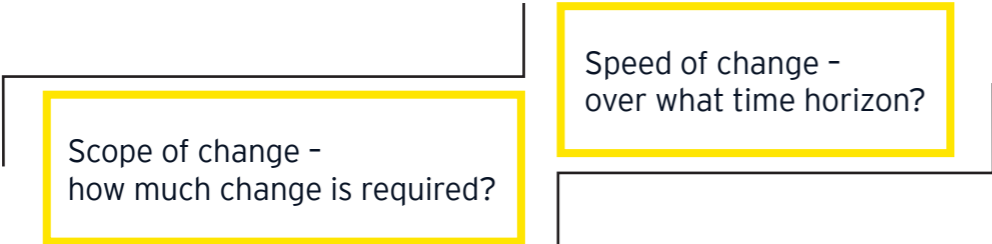
Download the full paper, [Global economic outlook](#), to find out more.



What are the alternatives to transformation?

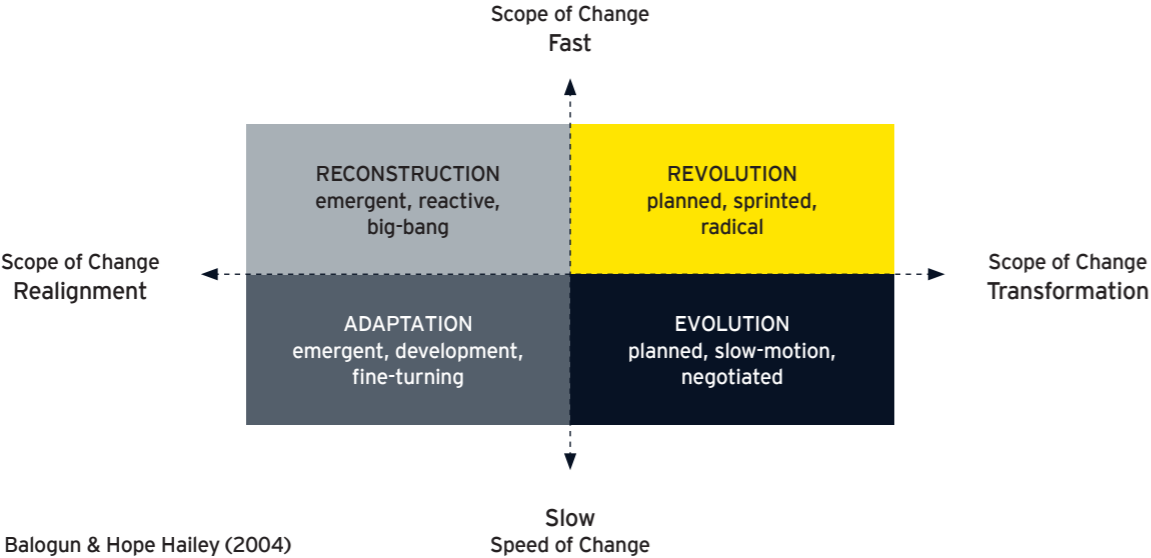
Given the current economic landscape, perhaps now is the time to talk about all forms of HSW change. We should not limit ourselves to the ends of the spectrum; there is almost no change at all or mass disruption.

Leveraging Balogun et.al's research (2004) into change, we can map HSW change on two axes;



Adaptation and evolution are well planned and focused on getting the change right. They enable us to progress towards our goals in a paced manner. They have a domino effect, building momentum over time to secure desired outcomes with lower organisational risk.

Reconstruction and revolution are high-energy, high stakes change programs designed to disrupt, securing desired outcomes quickly.



Adapted from Balogun & Hope Hailey (2004)

By considering these axes, we can elevate our conversations with boards and executive stakeholders around the HSW outcomes they are seeking versus the investment and appetite that exist for change.

more successful. Keep in mind that COVID-19 demonstrated that organisations are very capable of revolution when aligned around purpose and outcomes. COVID-19 also taught us that rapid behaviour change is possible, and often less painful than drawn-out processes that happen over many years.

By having these conversations, we can align objectives and impacts and map a more realistic change program that will ultimately be

Where things tend to fail

- ▶ When the fundamental question of 'why are we doing this?' is not tackled. While the rationale may seem obvious, the vision must be clearly articulated and easily understood by all stakeholders. Closely aligned to this is the question 'why do we need to do this NOW?'
- ▶ When the focus is too heavily on systems and processes rather than creating a sense of community or providing safe spaces for people to share their experiences and support one another through the change period.
- ▶ When senior leaders are not provided with coaching and support to adapt new behaviours and language, and therefore unwittingly sabotaging the changes sought.
- ▶ When the scope of expectations and likely speed of change are unrealistic, and the effort required to achieve outcomes is under-estimated.
- ▶ When the new ways of working take too long to deliver tangible benefits and don't quickly address organisational resistance.



What are the steps to achieve success?

Regardless of the scope of change or the speed of change your organisation is prepared for, there is an overarching blueprint for success with humans at the centre.

- ▶ Be purposeful: Align all activity to the 'why' and the delivery of tangible and sustainable business value through relentless focus on outcomes.
- ▶ Be insightful: Use a diverse data set and powerful analytics to set strategy, guide approaches and drive the right interventions throughout the change journey.
- ▶ Be interactive: Create an experience that takes people on the journey through immersive engagement that is designed to accelerate behavioural change and business adoption.
- ▶ Personalise it: Seek to understand individual needs, perspectives and expectations (valuing the diversity of your workforce, and not just catering to the majority). Customise the change experience and cater to preferences.

This blueprint for success is embedded into the EY Change Experience Model where humans are at the centre. Adapted for HSW, the model provides an agile and flexible approach to navigating change; be it revolutionary or adaptive.

Humans@Center

In 2021, EY teams collaborated with the University of Oxford's Saïd Business School to study what makes a transformation effort successful.

The study results were clear: a transformation's success or failure is rooted in human emotions. By giving specific focus to the human, the probability of transformation success can increase to more than 70%.

Download the full report, [How do you harness the power of people to double transformation success?](#), to find out more.

How do we measure meaningful, impactful change?

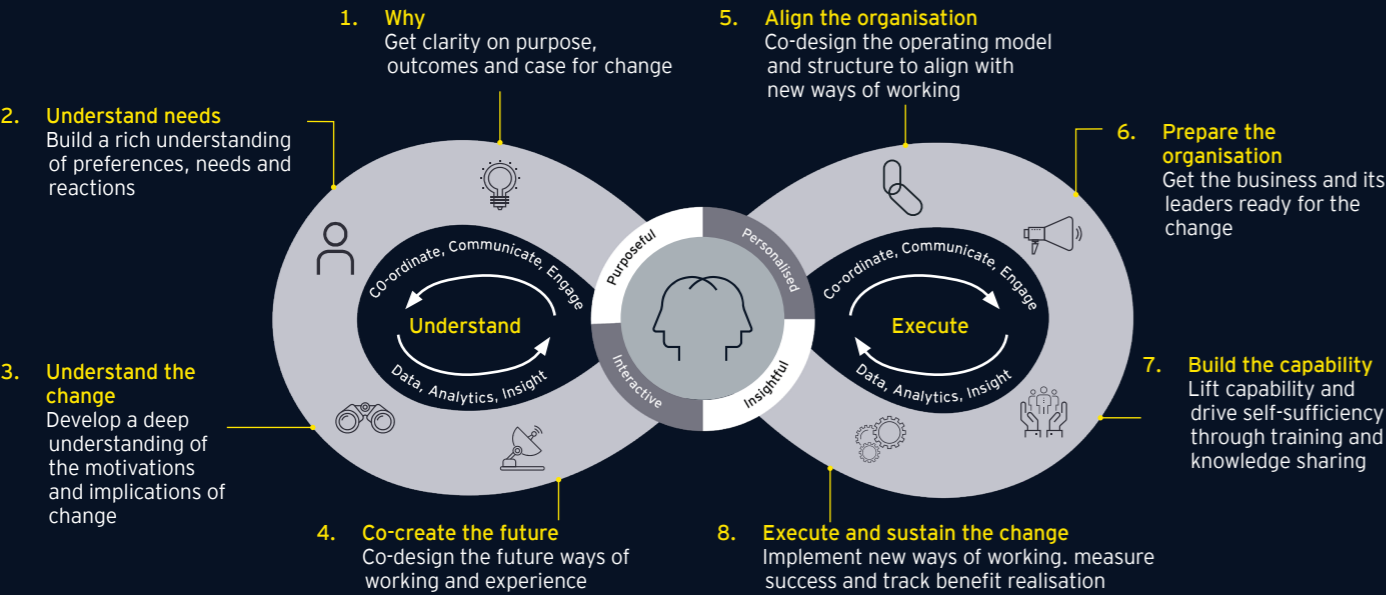
Organisations have often struggled with how to monitor and evaluate transformations and to change programs of work, regardless of how big or small they are. How do you monitor the success of implementation outcomes?

There is a need to design a systematic process for assessing the progress, appropriateness, effectiveness and outcomes of change programs. This extends beyond the traditional return on investment (ROI) metrics and needs to consider the human at the centre of the change. We have identified some focus areas to measure meaningful and impactful change throughout the change continuum outlined in the EY Change Experience Model:

- ▶ Shift the focus from outputs to outcomes
- ▶ Better link work health and safety (WHS) initiatives and their impact on WHS

outcomes (social, commercial and legal), looking beyond traditional measures that have been frustrating the WHS profession for decades

- ▶ Leverage the model to "sell" the value of your WHS team and WHS initiatives
- ▶ Demonstrate accountability to stakeholders
- ▶ Measuring impact on workers and internal and external stakeholders
- ▶ Use meaningful measures to inform decision-making, improve understanding of risk and drive continuous improvement
- ▶ Continuously identify areas for improvement through implementation
- ▶ Using learnings to make improvements to future change management initiatives



Don't shy away from the conversation

Many organisations are currently experiencing tough times. To help your organisations successfully navigate this next period and emerge with stronger, healthier and safer places to work, we will need to flex and adjust our approach to HSW transformation.

We need to embark on difficult and honest conversations with board and executive stakeholders around our current maturity and appetite for change.

To kick off your change journey in a way that is right for you, consider:

- What do you want/need to achieve?
- Where should you focus your efforts?
- What are the timeframes for delivery?
- How much energy do you have?
- What are the competing priorities?
- Do you have the right capabilities?

The investment in HSW today will determine the competitive advantage of tomorrow - whatever the HSW spend, it must consider the size and pace of change, alignment of key stakeholders, and deliver desired outcomes with measurable impact. Setting realistic expectations around change will be crucial and placing humans at the centre of your change program will be essential.

HSW has a direct impact on organisational performance, culture and success. It is our time to lean into the challenge and deliver impactful, safe change. To understand how investment in HSW can drive corporate success, read the EY paper [here](#).



Contact us



Roberto Garcia
Partner
Climate Change and Sustainability Services
EY Australia



Julia Mardjetko
Director
Climate Change and Sustainability Services
EY Australia



Karen Mealmaker
Partner
Climate Change and Sustainability Services
EY Australia



Samantha Thomas
Senior Manager
Climate Change and Sustainability Services
EY New Zealand



Liz-Mari Luttig
Associate Partner
Climate Change and Sustainability Services
EY Australia



Adam Hughes
Senior Manager
Climate Change and Sustainability Services
EY Australia



Amy McKie
Director
Climate Change and Sustainability Services
EY Australia

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EYSCORE 001907-24-AUNZ

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