Insight aims to provide useful information, links and tips in the areas of Risk Management, Work Health and Safety, Business Continuity Management, and other areas relating to management systems and corporate governance.

When Good Workers Hide Poor Systems

In many organisations, dedicated employees often go above and beyond to keep processes running smoothly. They patch gaps in flawed processes, navigate unclear direction, and take responsibility for the parts of the process that need to happen but aren't well structured or supported. While this kind of individual commitment is admirable, it can also mask deeper problems, and often issues that are only recognised when these good employees depart the business.

These "quiet fixes" create the illusion that the management systems are working effectively, when actually it's being propped up by human effort and is in fact failing quietly in the background.

And usually, no news of this failure reaches management to facilitate them spotting what's broken, let alone fix it. In some organisations, the situation is even worse, where good workers are relaying system flaws to management but for one reason or another, the warnings fall on deaf ears and are not prioritised for action. Sometimes, restricted financial or human resources may prevent effective redress of the flaws.

Over time, this dynamic creates a dangerous feedback loop. There's an overreliance on key personnel, and broken systems remain unaddressed. For leaders, this presents a serious blind spot. Performance metrics may look fine on the surface, but without digging deeper, organisations can miss the warning signs of systemic failure. For workers, this reliance on human and manual fixes leads to process inconsistencies, worker fatigue and frustration, and eventually cynicism and organisational disengagement. The goal should be to build systems that support sustainable performance for everyone.

In the Safety sphere, by over-relying on one person – be that the HSR, the Safety Advisor or the Engineering Manager – there is a concentrated risk of failure inherent to your safety processes. The obvious outcomes of that are worker injury (or worse) and an increase in associated costs when these risks

are realised. This is not to say that all points of weakness will fail when put to the test, but rather that the system and process will certainly fail at some point in time because they are not functioning properly.

To break this cycle, organisations must stop patching and start re-building—beginning with the management system itself. We need to ask: *Is our management structure designed to support sustainable success?* and *Do management system processes actually detail what is being done or do they just articulate what management thinks should be done?*

In redeveloping a management system to solve this problem, key considerations include:

- how decisions are made,
- how communication flows,
- how accountability is shared, and
- how feedback is acted upon.

In addition to this, Leaders must foster a culture where:

- honest feedback is welcomed, and blame does not figure,
- system flaws are addressed proactively,
- system improvements are rewarded, and
- management systems and processes are continually promoted and improved.

Strong people deserve strong systems. And it's the responsibility of leadership to build them.

Please contact QRMC for more information or assistance.

Are we ready to solely rely on risk-based proactive performance indicators?

WHS performance metrics have traditionally been lagging in nature – that is, based on reviewing the events that have passed and reporting on the injuries, the productive time-lost and the associated workers' compensation claims that have already occurred. While understanding historical trends can be important, the process is essentially a reactive one.

While an Organisation's Senior Executives (or 'Officers') do need to be aware of workplace incidents as part of their Due Diligence (sec 27(5)) duties, this is only one component of clause (d) in sec 27(5), while the broader management of workplace risks is embedded in three of the other Due Diligence clauses. But does reporting to Senior Management talk to the management of WHS risks three times as much as it does to lagging indicators? The answer is typically no.

There is an evident need to shift towards more proactive, risk-based metrics and leading indicators as organisations strive to improve safety outcomes and foster a culture of continuous improvement. And this reporting needs to be identified as part of the information needed by Senior Executives to enable them to ensure they are in a position to fulfil their Due Diligence requirements from sec 27.

Given the fact that WHS academics and professionals have been pushing this shift to leading indicators for over 2 decades with limited success, perhaps the industry still isn't ready to solely rely on risk-based proactive performance metrics. Perhaps the way forward is to retain the lagging injury data that's known and understood by all, but provide additional information about risk-based metrics until a level of comfort with the approach is attained and it no longer feels like a leap of faith.

An organisation's past incident, injury and claims data will always remain important in providing an insight into where WHS risks are historically for an organisation, and where future attention, management and resourcing may still need to be allocated. Patently, this should continue to be part of the package of WHS information that Senior Executives need to be across for their Due Diligence duties. That said, organisations should also be looking to complement this with information on the proactive risk management activities that are being undertaken and consideration of metrics which promote and report on:

- Hazard Identification for emerging risks,

- Risk Assessment and Control to mitigate the effects of risks,

- Reviewing risks and their controls to ensure their ongoing effectiveness, and

- Management and employee Training in relation to risk management.

Please contact QRMC for more information or assistance.