



Health, safety and well-being with BSI

Building your business case



Overview

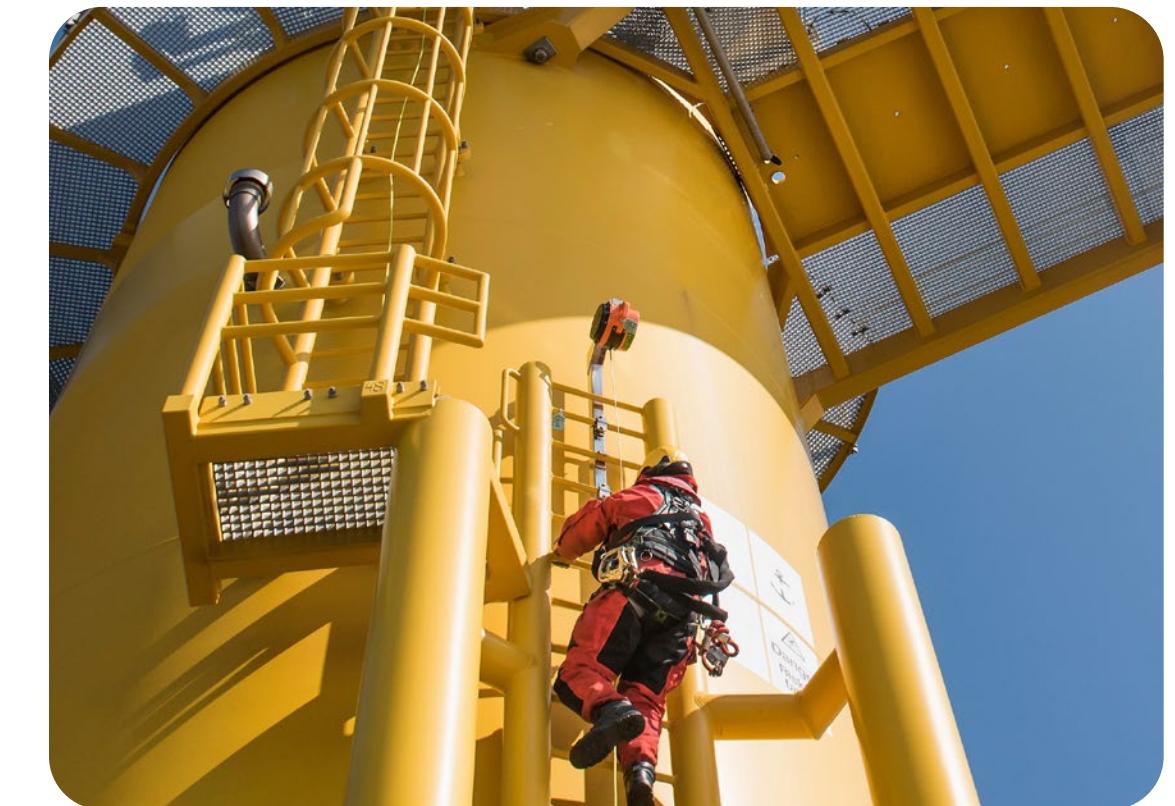
Making the case for a culture of trust and empowerment

Culture plays a vital role in an organization's success, longevity and resilience. A strong, positive culture which is focused on people, planet and purpose will outperform an organization with a toxic culture. John Kotter and James Heskett from Harvard Business School found that organizations, where leaders focused on their cultures, outperformed organizations that did not, by a huge margin².

The relationship between culture, trust and empowerment is simple - trust is at the heart of a positive organizational culture – you cannot create a strong culture without it.

In order to establish a culture of trust, organizations must focus on:

- Work and workplaces that prevent physical and mental harm.
- Work and workplaces that promote good physical and psychological health.
- Collaborative, communicative, emotionally intelligent leadership.
- Diverse, inclusive and ethical workplace relationships based on respect and fairness.
- Opportunities for lifelong learning and employability.
- A balanced ratio between effort, reward and recognition.



"Investing in health and safety increases staff morale, organisation loyalty, and contributes to its reputation.¹"

- British Safety Council



However, this will be impossible to achieve if workers feel that their physical or mental health is being harmed by their work. This is why experts from around the world came together to develop the best practice guide on occupational health and safety management – the international standard known as ISO 45001.

The focus on occupational health and safety has never been greater. The COVID-19 pandemic shone a light on the need for organizations to truly care for their people. The ripple effect from the pandemic has also heightened the demand from workers for work that is purpose-driven and that does not undermine their physical and mental health.

The International Labour Organization has added occupational health and safety to their list of fundamental rights, and governments around the world are strengthening their legislative frameworks with regard to physical and psychological health and safety. The knock-on effect of all this is that investors and other stakeholders are looking much more closely at occupational health and safety as a key element of the 'S' in environmental, social and corporate governance

(ESG). A recent Harvard Business School study (2021) found that where organizations have a strong, positive culture across the organization, social practices tend to be strong³. Where there is weak or toxic culture, social elements tend to follow the same path.

Even within this global context, organizations that want to implement occupational health and safety best practice, still have to build a business case for health, safety and well-being (HSW) strategies.



This is where BSI comes in. As your trusted partner in progress, we are uniquely placed to support you and add true, demonstrable value to your business as you implement a more robust, future-ready HSW strategy.

In the following pages you will find tips for finding evidence to build your business case to implement ISO 45001. It is important that you frame your evidence in the context of top management priorities, so the following is only a guide but will give you a good starting point.

Benefits

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Performance and productivity

A recent Gallup study showed that organizations with a strong organizational culture experienced a 25% growth in workforce over a three-year period, and an 85% net profit increase over a five-year period⁴.

ISO 45001 goes beyond simply seeking to prevent injury and ill-health. It is designed to create a safe and healthy environment underpinned by a positive culture. In fact, creating this culture is a requirement running throughout the best practice framework.

Creating a positive culture enhances productivity and performance by:

- Increasing discretionary effort, as employees show their appreciation for a positive, safe work environment.
- Decreasing absences from sickness, injury or employee burnout, as well as staff turn-over.
- Creating higher employee engagement, which can lead to a more efficient, communicative workforce.
- Reducing quality issues and customer complaints as errors decrease.
- Unlocking innovation and creativity.

Building your business case

Gather data on productivity ratios per employee, such as revenue or profit per employee, injury and absence rates, employee engagement, quality issues, customer complaints and levels of innovation.

Using this data to tell a story about current performance can be extremely powerful. It also allows you to benchmark current performance against future performance under ISO 45001. If you can put monetary values to this, it will significantly increase top management's engagement.

For instance, the UK's Health and Safety Executive found that a major work-related ill-health absence cost ~UK£9,000 per absence. This is an example of a figure that top management will be interested to know.

Performance and productivity: the statistics



⁴Culture Transformation, Gallup, gallup.com, 2023

02

Talent recruitment

A UN Global Compact Report found that 96% of CEOs reported talent scarcity as a top global challenge impacting their business — the second highest of all global challenges surveyed⁶.

If you don't lose your top talent directly as a result of poor health and safety, you may lose them indirectly through quiet quitting and sickness absence, as a toxic culture leads to workplace stress, burnout, anxiety and depression. There will also be higher levels of grievances, misconduct cases and unethical practices. What is often more significant, but harder to quantify, is the negative impact on productivity, quality, innovation and ultimately, reputation.

Upgrading your HSW management to ISO 45001 creates a safe, trustworthy and accountable workplace culture which provides a long-term boost to talent recruitment and retention.

The benefits include:

- **An increased appeal to a new generation of talent**, who will hope to see HSW embedded into the fabric of an organization's culture, rather than just a legal requirement.
- **Better staff retention**, the result of a contented, stable working environment.
- **A more diverse, inclusive working culture**, with talent from multicultural, multigenerational, and diverse backgrounds appreciating a more empathetic approach to workplace culture.

Building your business case

Gather data on aspects such as retention rates, length of service, unfilled vacancies; levels of outsourcing; use of contractors; employee demographics (particularly age, gender and ethnicity); grievances and exit interviews.

Articulating the financial impact can have a great impact. For instance, a study found that back-filling a role can cost 150% of the salary⁷. So, a role with a salary of US\$30,000 can cost US\$45,000 to fill – scale that up against turnover rates, and the financial cost is significant.

Talent and recruitment: the statistics



25%

growth over 3 years
for companies with a
human-centered culture⁵



29%

better life satisfaction
for companies with a
strong trust culture⁵

2.5X

lower staff turnover rate
for companies that
prioritize HSW⁵

03

Financial benefits and compliance

Even before the COVID-19 pandemic, the global impact of poor health and safety cost two million workers their life every year, and cost 5.4% in global GDP⁸. The pandemic has refocused the need – morally, financially, and legally - to prioritize people, and in particular provide a safe and healthy workplace with effective management of occupational health and safety risks – which is exactly what ISO 45001 is designed to deliver.

Many business cases hinge on the financial implications of the changes being argued for. Fortunately, when it comes to HSW, the numbers add up. The quantifiable rewards of improving your HSW management strategy can also include:

- **Reduced costs** for a diverse range of expenditures including insurance premiums, compensation claims, fines, legal fees, repairs, maintenance, and business disruption.
- **Improved compliance**, with a strategy designed to avoid business risk and maintain standards.
- **Bolstered reputation among employees**, clients and customers, leading to a long-term increase in business and profit.
- **Increased competitiveness**. Demonstrable excellence in occupational health and safety is often a basic requirement for bidding on tenders or winning contracts. This is often most effectively demonstrated with certification to ISO 45001 from BSI, your partner in progress.
- **Increased investment**. With more investors looking at the 'S' of ESG when making their decisions, empirical evidence of not only minimizing harm but actively enhancing health, safety and well-being is becoming a critical component of any investment portfolio.

"Implicit in the duty of care [required in legislation] is the expectation that you will systematically manage the risks in your workplace, and, therefore, the existence and implementation of a safety management system becomes in and of itself, a defence to any prosecution."

- Michael Tooma, Managing Partner, Clyde & Co.



Financial benefits and compliance: the statistics

BSI clients who have adopted an Occupational Health & Safety (OH&S) management system tell us they benefit in the following ways:



Studies have also found that organizations with a human-centered culture experienced an **85% net profit increase over a five-year period⁴**.

Building your business case

Gather data on insurance premiums and payouts; fines, compensation and legal fees associated with OH&S or related areas such as unfair dismissal or discrimination cases. Data on repairs and maintenance due to poor OH&S practices within workplaces, on work equipment or vehicles, as well as costs from business disruption such as a machine out of action while an incident investigation is conducted.

For instance, data from the UK's Health and Safety Executive shows that the average fine per conviction is ~UK£145,300.

Summary of benefits

Driving through the implementation of the world's first best practice guide on occupational health and safety – ISO 45001, can deliver a significant return on investment (ROI).

Independent research by the Harvard Business School analyzed proprietary certification data from some of the world's largest certification companies and injury microdata from the U.S. Bureau of Labor Statistics. It is the first study to directly examine the effects of the health and safety management standards on establishment-level health and safety performance using injury and illness data.

The study finds that certification reduces the total number of illness and injury by **20%**, and the number of illness and injury cases associated with job transfers or restrictions by **24%**.

There is evidence that it also reduces the most severe injuries and illnesses — those that lead to days away from work — by a similar magnitude³.



What you need to do?

Once the business case for implementing ISO 45001 is signed-off, it is important to track the impact it has across your organization. Below are some important factors to consider as you implement ISO 45001:

Plan

Organizations should begin their ISO 45001 implementation with a clear goal in mind. This should be specific, measurable, attainable, relevant, and time-bound.

Train

Organizations should invest in training their employees on the requirements of ISO 45001. This should include both theoretical and practical components.

Mitigate

Organizations should use a risk-based approach to their ISO 45001 implementation. This means they should focus on identifying and mitigating the risks that have the greatest potential impact.

Measure

Organizations should measure their progress towards their ISO 45001 goals. This will help them to identify any areas where they need to improve.

Review

Organizations should regularly review their ISO 45001 implementation to ensure that it is still effective. This review should identify any areas where the organization needs to make changes.



BSI provides complementary ISO 45003 solutions

BSI provides solutions for a number of best practice standards, designed to help your organization embed HSW throughout the foundations of your business. These include ISO 45001 and ISO 45003, which build on ISO 9001, Quality Management Systems.

ISO 45001 is the world's first Occupational Health & Safety (OH&S) management system ISO standard.

Its focus on risk prevention, innovation and continual improvement will benefit organizations with the foresight to achieve this global standard through improved organizational strength. It also builds upon ISO 9001 Quality Management System (QMS), which provides a good setup and foundation.

As well as increasing employee engagement and publicly demonstrating commitment to sustainable work by providing safe and healthy workplaces, this standard focuses on key business challenges such as the supply chain and continuity planning. This allows organizations to anticipate, adapt and respond, providing both resilience and agility in a global marketplace.



Make your next HSW move today

To find out more about how you can benefit from an improved HSW management system, feel free to get in touch.

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