

Extending Safety Practices to Contractors

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Introduction

Many operators across the transport industry rely on contractors. But the often transient nature of this employment arrangement creates a unique safety challenge for organisations. How do you, for example, help contractors align with your safety culture and ensure they are carrying out their work to the same safety expectations that apply in your organisation? This can be critical for organisations because workplace law means the legal safety obligations you have for your employees also apply to your contractors.

Managing contractor safety breaches

The consequences of safety breaches by contractors can vary from mild to extreme. In mild cases, contractors not adhering to the organisation's safety standards undermines the workplace safety culture. When employed staff are held to expectations that do not extend to colleagues on contract arrangements, animosity can develop, which can lead to defiance toward safety systems¹. In more severe cases, contractor safety violations place the organisation at risk of breaching the workplace health and safety law.

One key step in managing the safety of your contractors is to treat contractors the same as employees when it comes to safety practices and expectations. However, there are many social and psychological dynamics, that is human factors, in contracting relationships that can erode the layers of defence. It is important therefore to consider first whether your systems are designed to support the expectations you have for contractors, and then consider how social and psychological factors could be eroding contractor safety.

The law around contractor safety



The Work Health and Safety Act (Cth) 2011 (WHS Act) defines a worker as including contractors while they are on your work site or carrying out your work. This distinction means any liability you carry concerning employee safety is extended to contractors and suppliers while they are carrying out your contract.



Systemic factors that influence contractor safety

There are several system-level factors you can check for in your organisational processes to determine if your systems are supporting or undermining your efforts to manage contractor safety behaviours.

Role clarity and reporting structures

Contract workers often work in close contact with employees, on construction sites for example, yet their role requirements and reporting around safety can be very different. Employees and contractors have reported these situations often lead to confusion over who is responsible for monitoring risk, especially where risks cross different roles². There can also be confusion among leadership, who are unclear if it is their responsibility to manage contractors.

This means sub-contractor safety behaviours depend on the contract holder monitoring and managing their safety. This external person may not be on-site to monitor slips or breaches. Incident investigations have also shown not having clear roles and responsibilities around managing risk has contributed to major incidents where sub-contracting was involved².

It is crucial to keep in mind 'diffusion of responsibility'. This occurs where there are multiple capable people present, yet no-one takes responsibility for a safety issue because they assume others are responsible. This can lead to major disasters, and these cases demonstrate the importance of not assuming someone is going to make themselves accountable. This is particularly relevant in contracting relationships where the contract worker may feel detached from the business' practices. Responsibility for monitoring specific safety measures needs to be discussed and clearly appointed to individuals.

Internal communication systems and training

Contractors often have less interaction with management or with organisation information, policies and procedures more readily available to employed staff. They may not, for example, have access to the intranet, internal newsletters or other internal communications around safety. Contractors may not be included in toolbox talks or team meetings, or are not expected to complete the same mandatory safety training as employees.

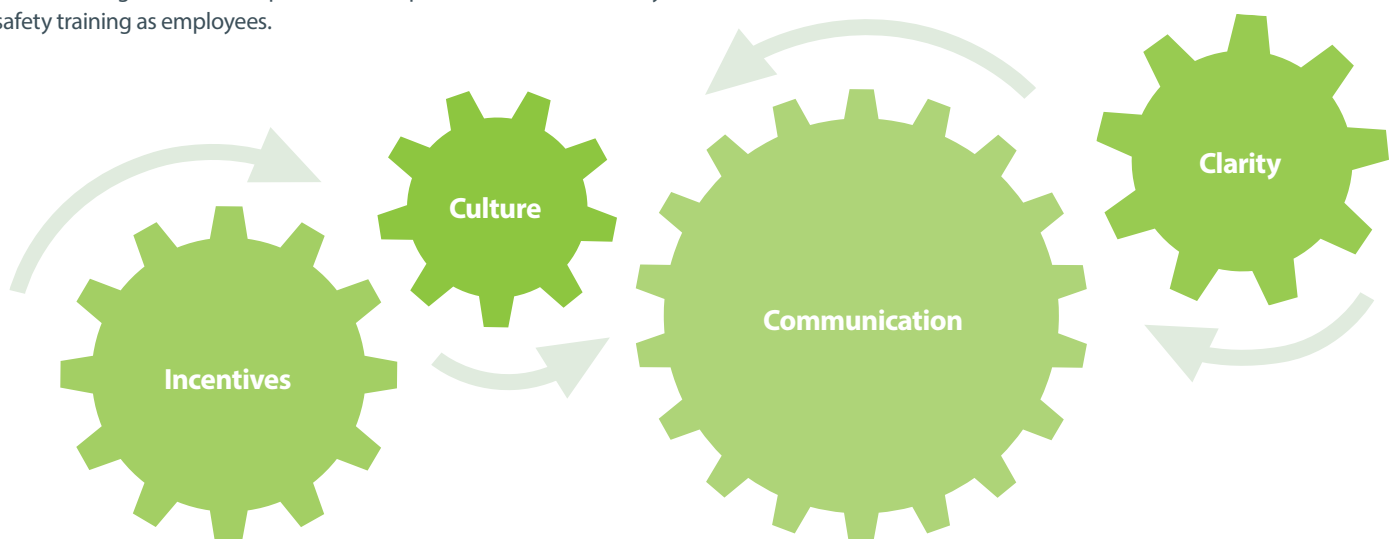
Safety cultures clash: the efficiency-thoroughness trade-off

While many aspects of safety are 'cut and dry', others require a degree of subjectivity. When considering the extent of controls, checks and precautions to implement, organisations must consider the costs involved. This is often referred to as the 'efficiency-thoroughness trade-off'. Over time, an organisation may develop norms around the degree of resources and time devoted to managing risk when considering high resource costs.

Differences in the degree of thoroughness given to safety measures can create conflict between principal and contractor. While this balance will vary between organisations, the nature of contracting means contractors may give greater priority to efficiency, incentivised by being paid on outputs and minimising costs. For this reason, organisations working with contractors need to consider how the contract itself incentivises safety (see next point) in addition to outputs.

Misaligned incentives

As contractors are usually paid on outcomes and output, their incentives are sometimes more aligned to efficiency than safety. In addition to the conflict of cultures discussed above, lack of emphasis on safety activity can be a sign of poorly aligned incentives. Contract timelines may not allow for the same safety training afforded to employees, or contract fees don't allow for additional time needed or safety resources expected by the contract principal – so-called 'unfunded mandates'. At the same time, pressure is often placed on contractors to deliver outcomes at the lowest possible cost. The design of a contract can have the unintended consequence of motivating workers to prioritise speed over safety.



Contracting to mitigate risk

Organisations can consider the following steps as a proven framework to ensure alignment in safety expectations between principal and contractor. Smith and LLC² suggest taking the below measures at each stage of contracting to ensure safety expectations are at the centre of contracting relationships.



Contractor selection: Prioritise safety when awarding contracts; ask for past safety metrics when accepting proposals and tenders.



Contract preparation: Factor processes around safety into contract agreements.



Contract aware/establish expectations and standards: Establish roles and responsibilities and explicitly discuss the agreements set out in the contract. Ensure these standards are easily communicated to the operators. Remember, operators of the contract may not always see the contract.



Orientation and training: Provide your own orientation and training to contractors, creating clarity around roles, responsibilities and reporting.



Monitoring safety activities: The owner of the contract (the organisation) needs to take responsibility for checking compliance with agreed safety terms.



Evaluate safety performance against contractual expectations: Evaluating a contractor's adherence to the agreed safety expectations is very important for ongoing contracting relationships and will demonstrate a commitment to safety practices and expectations.

Shifting perspective when resolving violations

At the stage of monitoring and evaluating contract safety compliance, it is important to consider the implied or unspoken message you send when resolving non-compliance issues.

Taking a directive, command and control approach might temporarily prevent violations but an operator or contract holder may have valid and complex reasons for non-compliance. Understanding these reasons is key to improving your safety systems.

The study of human factors shows repeatedly that human error is inevitable, major accidents are rarely the outcome of a single unsafe act, and procedural violations can at times represent an attempt to improve safety³. Working with contractors to understand why they were unable to meet safety expectations – and working together to solve those challenges – will help safeguard you against future violations.

Taking this solution focussed approach to non-compliance also shows a willingness to work collaboratively. Using 'no blame discussions' to understand safety violations establishes a collaborative, rather than transactional, relationship with contract holders. This prioritises learning over punishment and sets the foundation for continuous improvement and open communication.

Contractors and safety – Key questions to ask

Risks

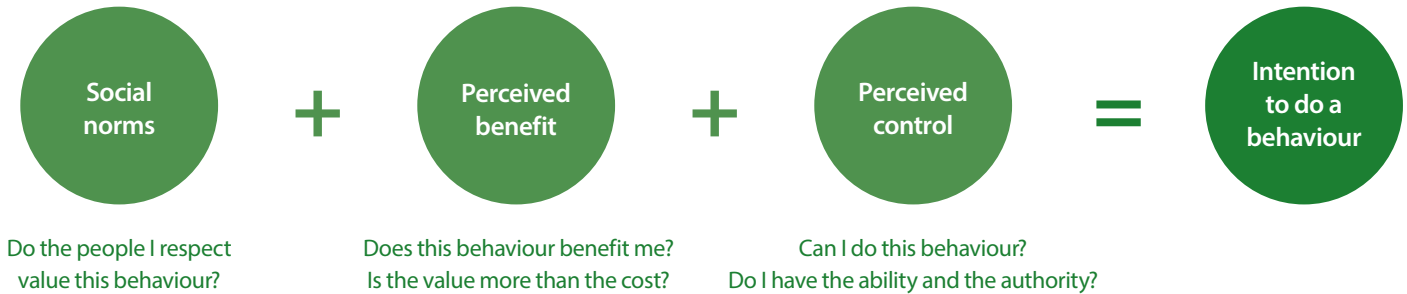
- Do our contractors compete only on price?
- Do we emphasise efficiency at all costs?
- Is there a cost for contractors to comply with our safety practices?
- Do our safety expectations align with our contractors' expectations?
- Are those expectations being passed on to the right people?
- Are job demands incentivising time over safety?
- Are our contractors experienced with our safety challenges?

Protectors

- Do our contractors feel part of the team?
- Are we regularly talking about safety with contractors?
- Are we including contractors in safety training?
- Do contractors have the freedom to follow our safety practices?
- Is our efficiency trade-off clear in the contract?
- Are contractors clear on their roles and responsibilities?
- Do we include contractors in safety feedback loops?

Improving contractor safety behaviours: Social and Psychological predictors to leverage

Three factors are known to have a substantial effect on a person's intention to undertake a safety behaviour: social norms, perceived benefit-cost ratio, and perceptions of control⁴.



Social norms

Contractors often have a distal membership with the organisation, making them less likely to identify with the organisation's safety values and to commit to its safety goals⁵. Professional contractors, those who provide the organisation with a professional service at an expert level, are often less inclined to be instructed or directed by the contract holder on task or procedural processes. Social connectedness, however, can sway and influence behaviours even in contexts where you have no direct authority over someone's actions.

Social approval is a strong motivator even for people who appear to have low interest in social engagements. We are all social creatures, and the approval of peers or respected others is a strong driver of behaviour. In the context of safety behaviours, creating a sense of belonging to a team or building rapport with suppliers can support adherence to safety practices⁶. Leaders in particular play a critical role in creating a sense of mutual respect, which increases compliance if leaders model the values of a safety climate⁷. The effects of social connectedness can be leveraged when looking for ways to encourage contractors to adopt the safety norms of your organisation. Conversely, when workers do not identify themselves as a member of the group, such as in the case of many contractor/employee divides, they will show little concern for conforming to group expectations. Creating a sense of community and helping contractors feel part of the team will naturally encourage them to adhere to the safety norms already embedded in the broader workforce⁶.

Perceived benefit or cost

Before engaging in any behaviour, people naturally evaluate for themselves if the behaviour is beneficial to them. In the safety space, this means people accept some risk when they subjectively decide the risk is minimal compared to the gain. The degree of risk an individual will accept, sometimes referred to as their 'target risk level', varies from person to person. This subjectively accepted degree of risk is also influenced by the degree of difficulty of the task, that is people are more cautious with tasks that feel difficult⁸. Though you may not

be able to use task difficulty to raise risk awareness, you can use this subjective benefit-cost process to nudge or sway a contractor's target risk level to be more aligned with the organisation's risk level. Nudging someone's perceived value for safety is a far more reliable method for behaviour change than simply monitoring adherence to contractual clauses that are perpetually sensitive to breaches.

This nudging can be done through presenting information that influences the balance of perceived costs to benefits. Safety is under-valued when the individual does not consider precautions to be personally beneficial. One reason people don't appreciate the benefit of safety practices is a lack of awareness about the prevalence of incidents. When contractors are not included in internal communications and toolbox talks, and are therefore not aware of incidents and near misses, they are more likely to disregard and devalue safety practices. This feedback cycle is known to be crucial for reducing risky behaviour.

Perceived control

Control in this context refers to the extent that workers feel they have the ability and autonomy to act on a behaviour⁹. Contractors will engage in more violations if they do not feel they have the capacity or freedom to undertake the safer practice. If contractors are not given the same safety training as employees, they may not be capable of meeting more complex safety and risk controls. Sub-contractors or suppliers may feel a lack of control or freedom of choice if the employer is asking them to follow a procedure. In such cases, it's important to acknowledge this constraint and look to contract arrangements (discussed in systems issues above) to resolve safety issues.

What can I do?

Here is a brief checklist for assessing your systems and contractor arrangements when it comes to safety performance.

Risks

Do our contractors/suppliers compete on price only?

Price competition can lead people to sacrifice safety. Make sure contracts are awarded on safety as well as price.

Do we emphasise efficiency at all costs?

Contractors paid only on outputs, with no expectations around safety, are likely to be incentivised to operate hastily and prioritise efficiency over thoroughness. Delivery driver contracts for example may reward speed and punish lateness.

Does the safety practice 'cost' the contractor in some way, and have we factored this cost into the contract?

This can be a monetary cost or a time cost not factored into the initial pricing.

Is there an unspoken difference in the degree of thoroughness we expect compared to what our contractors/suppliers expect?

Misalignment in expectations can lead to gaps in safety performance.

Are job demands incentivising time over safety?

Stringent timelines can lead to unsafe workarounds to meet deadlines¹⁰.

Does our work require safety knowledge that contractors may have little experience with?

Contractors may not have worked in your industry and may lack knowledge on safety practices outside their usual domain.

Do we know if the contract principal is passing on our safety standards and contract expectations to their operators?

It is important to have expectations communicated in contracts and throughout the contracting process because operators often never see the contract.

For more on extending your safety practices to contractors, see *'The Contractor Conundrum: at arm's length on safety?'*

Protectors

Do our contractors feel part of the team, and do we make time to build rapport with our suppliers?

Create a sense of collaboration with the contract principal and make personal contact with contract operators. Building social networks between employed workers, contractors and community partners will leverage the positive effects of social influence.

Are we regularly talking about safety with contractors?

Regular communication with contractors about safety shows the organisation values contractor safety and wellbeing.

Are we inviting contractors to safety training?

Invite contractors to toolbox talks, in-house safety training and add them to safety newsletters. This will bridge the gap in knowledge while also providing opportunities for a collaborative relationship around safety.

Do operators of the contractor have the freedom of choice to follow the safety practice set out by you?

Ensure no restrictions are placed on the operator to follow the expectations you set out. This issue is especially relevant for sub-contracting.

Have we made our efficiency trade-off explicit in the contract or in discussions with suppliers?

You may need to dedicate time and resources to communicate your standards to contractors, especially when contract operators are not involved in contracting and may not ever see the contract.

Are sub-contractors, suppliers and employees clear on their roles and responsibilities regarding safety?

Sub-contractors may fail to speak up about observed breaches if they are unclear on your internal processes, or if they haven't been explicitly encouraged to do so.

Do we include contractors in safety feedback loops?

Ensuring contractors are receiving safety news and updates about near misses reduces the chances that they underestimate risk. Feedback on any issues they highlight also encourages future reporting.

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