

Health and safety: Good business cents?



Rose
McVeagh

New Zealand has one of the worst rates of workplace injury in the OECD and farming has the highest rates of all industries. The statistics for dairying aren't pretty – in 2015 our industry put 8118 new claims through ACC.

We know farming can be dangerous – we're out in all sorts of weather, dealing with all sorts of situations and things don't always go to plan. The odd close-call or accident is just par for the course, isn't it? You can't stop accidents happening – common sense isn't that common. And people will always get sick.

But what if there was a way we could improve the way we operate to improve our farming business? Perhaps it's time we looked at the business benefits of health and safety and whether the cost of good systems pays dividends to our bottom line.

WorkSafe's agriculture programme manager Al McCone is convinced a farm with strong health and safety systems will generally be better-run than if the systems are half-hearted.

"The processes that create effective management of health and safety not only save the cost of injuries and ill health, but are the same process that install effective management of the whole business and create business excellence," he says.

Project manager for DairyNZ's new FarmTune programme, Sarah Watson, found the same.

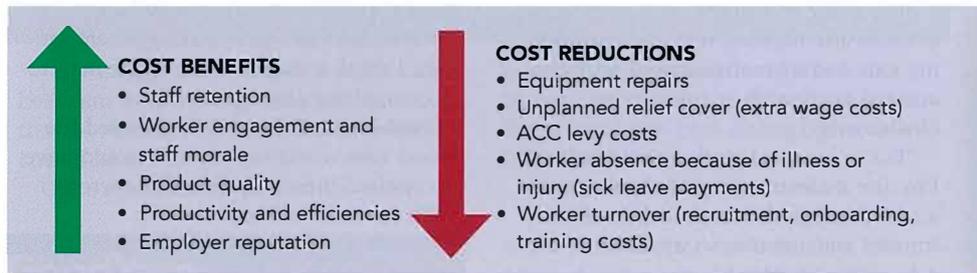
"During the FarmTune programme, farmers had the opportunity to assess operational farm systems looking for efficiencies. The outcome for farmers who completed the programme was less waste, more efficient practices, fewer errors, and improved productivity.

"The FarmTune programme produced stronger business management systems in all farm businesses – no matter what size farm or location. Interestingly though, and unexpectedly, we also found having good quality business practices was intrinsically linked with having strong health and safety systems," she says.

This makes sense. In a well-run business with good general processes you would expect to find high-quality structures and systems, whether in health and safety or any other area.

Likewise, you would expect the systems and their impact, and the people running the systems, would influence the company's goals and business performance and therefore the profits. Why would this be any different in dairy farming?

How could we measure return on investment in health and safety? We see the costs of putting in safety fences, buying safety equipment and employing relief milkers when staff are sick, but can our health and safety systems save us money?



McCone says the direct costs of injuries are well-known.

"[It's] things like medical costs, paying ACC levies and also indirect health and safety costs like damage to equipment or vehicles, the cost of extra labour and the loss of production. However, many farmers don't know there are additional benefits to having good business practices, which also equate to better health and safety outcomes.

"In practice, having decent health and safety systems doesn't only prevent injury, illness and loss of life to employees – you also find that they save direct costs, which are relatively quantifiable, indirect costs, which are less quantifiable, plus you gain a multitude of business benefits like more efficient productivity, better organisation, time savings, increased worker morale and stronger leadership. All these things are precursors to lower health and safety incident rates and are known to impact business success."

This is exactly what Sarah Watson found when piloting the DairyNZ FarmTune management practices onfarm.

"The FarmTune programme gets the whole team involved with improving the standard operating procedures and

organising the work environment. There is a strong emphasis on creating a culture in the workplace that supports efficient behaviour."

"The benefits of these systems were things like improved organisation, increased worker morale, team responsibility, stronger leadership and more effective communication. When we look at the onfarm change over time, we expect to see a decrease in staff illnesses and injuries. The extent of the impact to the bottom line is not yet fully known but we do know efficient systems are leading to less pressure on the team, less fatigue, less rushing to get things done and better awareness of risk," Watson says.

"This is resulting in a strong culture that will support better health and safety practices as well as better work practices and positive financial implications for farm businesses."

There is clearly a strong link to effective people management too. If everyone is engaged in the business, has a say in their work and their working environment, and feels free to suggest alternate ways of doing things, then both they and the business will benefit.

Most farmers would probably prefer pay for a helmet than the cost of a head injury. We would rather spend a few dollars on ear muffs than pay the price of long-term hearing damage. We know the quad bike training for young employees is going to be cheaper than paying for repairs if there's an accident, and the cost of buying the team wet weather gear and paying for their flu jabs will be better than having staff off work with winter ills.

Perhaps it's time we started working smarter with health and safety. The evidence suggests it makes good business sense.

• Rose McVeagh is a DairyNZ people management specialist.