

November 2013

# **Bosch Australia**

***Increased safety,  
reduced costs:  
Hazard, near miss  
reporting system  
successfully  
implemented***

**Fleet Size:**  
150

**Vehicle Type:**  
Passenger and  
light commercial vehicles

CASE STUDY



**NRSP**  
NATIONAL ROAD SAFETY

**PARTNERSHIP  
PROGRAM**

**PARTNERSHIP  
PROGRAM**

**Organisation:** Bosch Australia  
**Fleet Size:** 150  
**No. of Staff:** 1000



## **Case Study:**

# ***Turning hazard and near miss reporting into a commercial advantage***

## **Key Outcomes:**

- Hazard and near miss reporting systems can translate into a commercial advantage through the ability to 'self-insure' for WorkCover
- Reporting must be simple and straightforward to ensure employees are engaged in the process
- Hazard and near miss reporting systems can be successfully implemented, through sustained commitment, management leadership and real consultation that engages employees
- Involving people affected by policies and procedures in their development allows users to see how policies work for them and results in relevant and practical policies that consider all stakeholder needs
- Empowering employees to make decisions that increase their own safety, and supporting that with complementary safety policies, helps employees identify and avoid risk
- Insisting on 5-star ANCAP safety rated vehicles and comprehensive driver training, as part of an integrated Safe Systems approach, can play a key role in maximising employee safety

### **Synopsis:**

As an engineer of vehicle safety systems, road safety is at the core of Bosch Australia's operations. The company's internal safety culture, which treats the reporting of hazards and near misses as an opportunity, and mandates 5-star ANCAP safety rated vehicles, is working to maximise employee safety and has resulted in major savings in insurance premiums.

## PARTNERSHIP PROGRAM



### Company Overview

Bosch is the world's largest supplier of cutting-edge automotive technology. Bosch Australia has more than 1000 employees across its four business sectors – automotive technology, energy and building technology, industrial technology and consumer goods – with most employees based in Clayton, Melbourne.

Bosch Australia's Chassis Systems Control department engineers and tests vehicle safety and driver assistance components and systems, such as electronic stability control (ESC) and anti-skid braking (ABS).

The company operates its own fleet of 150 passenger and light commercial vehicles for its sales representatives and component testing staff.

***Bosch has proven that in the long run a good safety record is not expensive, it provides excellent value.***

Bosch's motto is 'Invented for Life', and this approach is reflected through all its product and service areas. Through its development and testing of life saving vehicle technologies, Bosch has a significant influence on the road safety of others. This business focus complements a strong internal focus on road safety, which is reflected in Bosch Australia's commitment to set an example in this area.

It takes a Safe Systems approach to safety, implementing an integrated safety package across the company where each element contributes towards a common goal: maximising the safety of employees and all road users. This Safe System framework focuses on four key elements – safe road use, safe roads and roadsides, safe speeds, and safe vehicles – and is based on the notion that safe road users using safe vehicles, and travelling at safe speeds on safe roads, will reduce severity of injuries and the number of deaths and serious injuries resulting from using the road network. For example, Bosch's insistence on 5-star safety-rated vehicles promotes safe vehicles, while mandating driver training reflects a commitment to safe road use.

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### ***Integrated Safety Culture***

While Bosch Australia's employees have been involved in traffic incidents, a company-wide safety focus has evolved over the past decade rather than in response to a specific incident. A strong safety culture is driven from the top down, with each General Manager expected to lead by example in implementing company safety procedures.

A consultative approach in developing policies, coupled with effective internal communication, means all employees understand their role in maximising safety, and how their safety decisions affect not only themselves but their colleagues and the company.

Bosch's proactive safety culture, which includes a comprehensive hazard and near miss reporting system, has also been developed in response to an operating environment where safety has grown in importance.

The company's hazard and near miss reporting system has become an effective element in addressing workplace and road safety. However, such a system has proven particularly challenging for industry to implement successfully. For that reason, this case study will primarily focus on Bosch Australia's efforts in successfully creating and implementing a hazard and near miss reporting system. It will also demonstrate how creating a culture that values reporting can help minimise employee injuries and reduce business costs. It is important to recognise that the company's success in implementing the system rests on it being just one element of a comprehensive and integrated safety approach.

### ***Safe Vehicle Use***

Reflecting its commitment to the safe vehicles element of a Safe Systems approach, Bosch Australia only buys and hires vehicles with a 5-star ANCAP safety rating to maximise the safety of employees, pedestrians and other road users. Its fleet is always properly maintained to ensure wear and tear does not reduce the effectiveness of safety systems.

Employees in the Trade Sales divisions of Bosch, who travel significant kilometres as part of their work, are subject to detailed procedures and training that goes beyond just having a driver's licence. Consistent with the safe road use element, defensive driver training is mandated for all employees who drive significant distances, and there are additional procedures in place for those who drive in remote areas, such as a guideline to plan driving only during daylight hours.

Some employees also have the flexibility to decide to stay overnight in local accommodation to avoid potential safety risks, such as driving tired, and seek post-authorisation rather than following usual procedure of having travel pre-approved.

This is particularly relevant to employees in the Chassis Systems Control business unit, who often test and tune new vehicle safety systems in controlled environments at automotive proving grounds, which are usually located in regional areas. Advanced driver education is provided for these employees, reflecting the higher speeds and risks involved in their roles.

***Hazard reports are opportunities for improvement – a genuine hazard reported and corrected is an injury avoided.***



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### ***No Blame, Just Opportunity***

Bosch Australia's integrated Safe System approach is complemented by a strong hazard and near miss reporting culture, where rather than accept 'these things happen,' employees are encouraged to highlight risks or incidents and these reports are treated as an opportunity to improve practices.

The Bosch Australia Health, Safety and Environment (HSE) team operates on the principle that hazard reports are opportunities for improvement. A genuine hazard reported and corrected is an injury avoided, and even when an employee identifies something as a hazard when it may not be, they are at least exhibiting a level of safety awareness the company encourages.

The company's procedures and training classifies hazards, near misses and actual accidents all as 'incidents' to be escalated and investigated through the same process. An incident is defined as an event that could have caused injury, illness, property damage or damage to the environment, with an accident then becoming a type of incident where there actually was injury, illness, property damage or damage to the environment. All reports are investigated, with trained incident investigation personnel applying recognised problem solving methods for reports deemed significant enough by supervisors and the HSE team.

The hazard and near miss reporting system is built on an open approach to hazard reporting and a 'no blame' culture. This attitude has not resulted in false or frivolous reports being submitted. On the warehouse or workshop floor, employees have the expectation and experience that reporting of hazards does not lead to blame – reports are followed up and appropriate changes are made.



### ***Reporting – Keep it Simple***

The effectiveness of any hazard or incident reporting system rests on the willingness of employees, and management, to actually report. At Bosch Australia, the key to encouraging employees to report near misses and hazards is making reporting simple and straightforward. The more complicated the system the lower the participation, reinforcing employee's instincts not to 'create waves' or weigh their bosses down in reporting.

However, Bosch's focus on treating every report as an opportunity and making it easy to report has encouraged higher levels of reporting, and helps employees quickly identify the hazard level and report accordingly.

Reporting is done via a company intranet page, where forms can be downloaded and completed, or verbally direct to managers. For a minor hazard, for example, it is sufficient for staff to simply inform their manager. However, a hazard or near miss report must always be completed to ensure the HSE Department is informed and investigates and addresses the issue. To keep the system simple and encourage reporting, only one short form is ever required to be completed either by the employee or their manager. In high-risk or emergency situations, such as a fire, employees are also able to dial the internal emergency number.

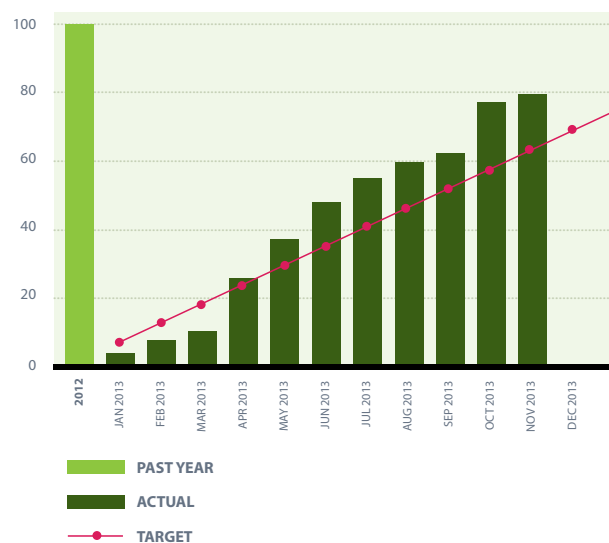
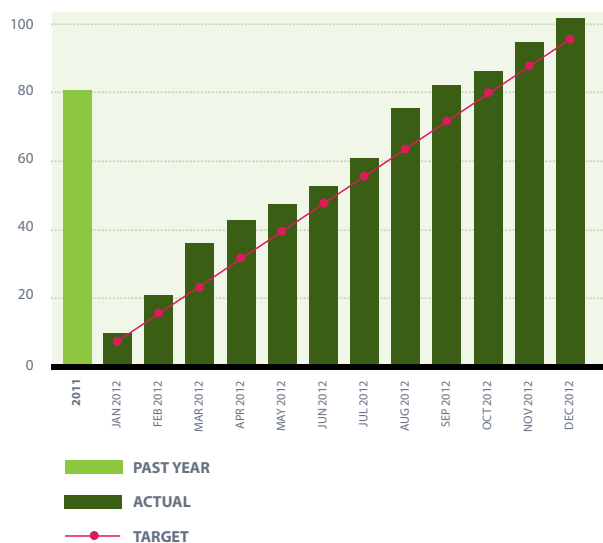
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### Chain of Responsibility

The HSE Department also tracks hazard reports monthly, regarding reports as a positive lead indicator to encourage awareness and reporting instead of 'no harm done, no need to report.' Rather than a reduction in reports being interpreted as a positive – less reports equally less incidents – if tracking reveals reporting is diminishing the company treats that as potential complacency and increases efforts to remind employees to remain vigilant. A lack of reporting is an opportunity missed for improvement.

Importantly, near miss reporting continues all the way up the responsibility chain so General Managers are also expected to report hazards and near misses. This translates to creating and strengthening the reporting culture from the top, with management leading by example.

## Reported Hazards & Near Misses 2012 & 2013 Comparison



*The key to encouraging employees to report near misses and hazards is making reporting simple and straightforward.*

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### ***Creating Buy-In and Engagement***

A sustained commitment is critical in creating a culture of hazard and near miss reporting. At Bosch Australia, it took at least two years to entrench a reporting culture in most areas of the company. However its success in doing so is built on two key factors: real and extensive consultation that allowed employees to provide input into policy development, and strong management leadership demonstrating both the commitment to and potential benefits of the system.

One critical part of engaging employees with hazard and near miss reporting, like any safety or corporate responsibility program, and achieving 'buy-in' on policies and procedures, is to ensure everybody who is affected by a particular policy has an opportunity to provide input. Affected stakeholders must be included in discussions, and consultation must be held over a period long enough for employees to be properly informed and provide input during the development.

Another key aspect of creating and sustaining a reporting culture is that all levels of management demand and maintain such a culture by demonstrating it is an important part of how day-to-day operations are expected to run. To provide further incentives at management level, HSE separately tracks hazard and near miss reporting as a positive key performance indicator. It sets targets for how many hazard reports and near misses it wants to see and this is reflected in the goal agreement of key managers, which potentially translates into financial bonuses. That means in addition to driving the consultation process, management plays a crucial leadership role in demonstrating the value of a hazard and near miss reporting system.

### ***A Consultative Approach***

This consultative approach applies to all safety and other corporate policies and procedures Bosch Australia introduces. The consultation process may include employees, managers, the HSE Department, health and safety representatives for each business area, a specialist team that devises global company policies, staff who create standard operating procedures, and external expertise in a specific area.

While increasing the potential for disagreement across business units, this collaborative process ensures all relevant factors and impacts have been considered and results in a policy or procedure that more accurately reflects as well as complements the operations of each department. More importantly, by making the outcome relevant to 'users', it clearly demonstrates to them the value in the policy and how it works to their benefit.

Bosch Australia's process for creating or changing a policy begins with a 'collaboration team', which includes the responsible department plus representatives of affected business areas. This team drafts the policy, taking into account its impact and application to each business area, and any specific factors unique to that area.

A draft is circulated for feedback to each department safety champion, who is responsible for distributing it to those within their team that are affected. Enough time is allowed for input to be collected and that feedback is considered and incorporated into a final draft that is presented to the regular General Manager meeting, where an 'open and honest discussion' takes place about the policy before it is approved or re-drafted.



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### **Commercial Advantage**

The consultative way safety and other procedures are introduced at Bosch has been a key element in driving employee acceptance of and engagement in safety policies. While Bosch has not specifically looked for clear evidence to separately attribute changes in serious accidents to hazard and near miss reporting, there is a strong relationship between those areas where the culture of everyone always looking for 'what could go wrong and do something about it' is most entrenched, and areas where risks controls are most evidently in place and being adhered to.

From a commercial point of view, the development of effective hazard and near miss reporting systems has been the cornerstone of a key commercial advantage that has saved Bosch Australia millions of dollars. The company has eliminated WorkCover premiums through the ability to 'self-insure'. This bold but successful strategy demonstrates another key message that is communicated to employees: that not only do their safety practices have an impact on their own health and that of their colleagues, they can also have a significant impact on the commercial 'health' of the business.

Management buy-in is also improved when such a significant commercial benefit can be shown from investing time and money in implementing safety policies and procedures.

In this way, Bosch has proven that in the long run a good safety record is not expensive, it provides excellent value.



### **Key Lessons**

Involving stakeholders in its development is a critical factor in successfully implementing a hazard and near miss reporting system, or any other policy or cultural change. While also resulting in a more relevant and streamlined outcome, this demonstrates the reason for and benefits of the program to users of the system, resulting in increased engagement and buy-in as users see the benefits for them, and ensures policy developers are armed with all the relevant information.

A sustained commitment and management leadership are also crucial in implementing safety procedures and creating a strong safety culture. Regardless of the safety program being implemented, change takes time. However once the benefits begin to materialise, the pace of attitude change often grows significantly, and can become self-perpetuating.

Hazard and near miss reporting must be simple and straightforward to ensure employees are engaged in the process, and reporting systems can translate into commercial advantages through reduced insurance premiums. As part of an integrated Safe Systems approach, reporting systems can also translate to other bottom line and safety benefits through a reduction in the number of incidents and accidents.

Bosch Australia believes that it is important to continually keep working at safety, and to talk to and learn from others about how they are addressing issues. There are always measures that can be improved or introduced, and what is considered best practice today may not be best practice tomorrow.