



MHSC

Mine Health and Safety Council

***Achieving Zero Harm through
Culture Transformation in the South African Mining Industry***

26 June 2019

***Limpopo Underground Tripartite Forum Meeting
Report Back: Culture Transformation Breakaway Session***

2018 Mine Occupational Health and Safety Summit

Dr Sizwe Phakathi

How is South Africa's mining culture of safety and health is being transformed? 2012 Gap Analysis Study

CTF Pillars and Minimum Standards	Yes	Partly	No
1. Leadership	64%	12%	25%
(a) Annual performance assessment	44%	4%	52%
(b) Leadership development at all levels	88%	10%	2%
(c) Visible felt leadership programme enabled by freeing time	50%	23%	27%
(d) Programme to effectively engage and empower workers	73%	10%	17%
2. Risk management - accident investigation	67%	4%	29%
(a) Distinction between different types of human error	32%	0%	68%
(b) Explicit consideration of organisational factors	82%	6%	12%
(c) Regular evaluation of corrective measures	87%	7%	6%
3. Bonus and performance incentives	23%	44%	33%
(a) Enhances safe and healthy production	0%	100%	0%
(b) Combine leading and lagging health and safety indicators	0%	31%	69%
(c) Regular evaluation - is it understood and regarded as fair?	70%	0%	30%
4. Leading practices	65%	8%	27%
(a) Support sector level initiatives on adoption	73%	13%	14%
(b) Objective investigation	71%	13%	15%
(c) Leadership support at all levels	67%	4%	28%
(d) Involvement of those affected by adoption	61%	4%	35%
(e) Adequate training, technical support and resources	58%	12%	30%
(f) Monitoring of progress	57%	3%	40%
5. Elimination of discrimination	49%	20%	30%
(a) Diversity management a competence requirement at all levels	53%	23%	24%
(b) Focal point on diversity management	55%	22%	23%
(c) Regular diversity audits	45%	4%	51%
(d) Culturally-sensitive way to deal with and mourn fatalities	86%	5%	9%
(e) A culturally-sensitive health awareness process	3%	67%	30%
(f) An understanding that serious injuries have a serious impact	53%	1%	45%

Bonuses and Performance Incentives

The discussion was centred around minimum standards of the Culture Transformation Framework for Bonus and Performance Incentives, which are:

- a) Enhance safe and healthy production
- a) Include a combination of leading and lagging safety and health indicators in the determination of Zero Harm
- a) Include a regular evaluation of whether those affected by the bonus system understand it and consider it fair



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Bonuses and Performance Incentives: Issues Raised

Against

- a) Bonuses do not encourage health and safety
- b) There is a temptation to take shortcuts
- c) Bonuses create a conflict of interest
- d) Supervisors are under pressure to produce and overlook safety
- e) Government has no say on bonuses, they are driven by companies



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Bonuses and Performance Incentives: Issues Raised

Against

- a) Get rid of bonuses, it does not change behaviour
- b) Safety representatives are afraid of stopping production if things are not working
- c) Penalties encourage people to hide injuries
- d) The ratio of production bonus is way more than the safety bonus (R3000 vs R300)
- e) Bonuses do not encourage safety. Workers compromise safety. It is rather better to give incentives for safety



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Bonuses and Performance Incentives: Issues Raised

For bonuses

- a) Incentivise safe behaviour. Certain key performance indicators (KPIs) drive certain behaviour. For example, incorporation of leading indicators
- b) Let's not do away with bonuses. The problem is with the systems we have. The bonus is not a problem
- c) The safety bonus needs to be proportionate to the production bonus
- d) Bonuses will always be an emotional issue. Safer operations will always perform better
- e) Unsafe practices do not lead to production. Production and safety are not mutually exclusive



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Bonuses and Performance Incentives: Issues Raised

For bonuses

- a) We need to be safe while also producing. There is a need to create a culture of safe production. Do it for yourself! We cannot separate safety from production. Otherwise, there will be no mining companies
- b) If structured well, bonuses are not a problem. If structured to promote compliance with standards, bonuses are not a problem. We need to incentivise drivers that promote efficiency, which includes safety
- c) There must be bonuses but these need to drive [desired] behaviour
- d) There is need to look at the key drivers of unsafe incidents. No employer wants to see people getting injured. We need a framework of implementation to manage these risks



Bonuses and Performance Incentives: Other issues raised

- a) The bonus is tempting. It brings conflict of interest among crews because of peer pressure
- b) The review of bonuses should to include everyone
- c) Employees are working unsafely. Supervisors also have their own pressures of production
- d) Behaviour and bonuses compromise safety
- e) The living wage versus bonuses. This makes workers chase bonuses



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Bonuses and Performance Incentives: Other Issues Raised

- a) The national culture is also important. Safety behaviour cannot be divorced from what is happening in society
- b) There is a need to focus on leading indicators relating to behaviour
- c) Workplace leaders such as shift-overseers have a lot of responsibilities that prevent them from addressing unsafe acts triggered by bonuses
- d) Employee overtime is also another factor associated with bonuses and fatigue become another challenge
- e) There is need to look at the key drivers of unsafe incidents. No employer wants to see people getting injured. We need a framework of implementation to manage these risks



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Bonuses and Performance Incentives: Other Issues Raised

- a) Government must come to play to help with the issue of bonuses. Bonuses need to be regulated. It is a site specific issue because it only management that decides on bonuses
- b) The ratio of safety to production bonuses. The production weighting on bonus system is higher than safety. Maybe we need to make the safety bonus competitive to the production bonus

When asked which companies have reviewed their bonuses to address the minimums standards of the bonus and performance incentive pillar of CTF:

- a) There were more companies that indicated to have reviewed their bonuses and performance incentive systems (9) than those who did not (only 1)
- b) The rest of the delegates did not indicate



Bonuses and Performance Incentives: Recommendations

- a) The issue of the impact of bonuses on safety needs to be discussed at Regional Tripartite Forums (RTFs) to educate workers about the dangers compromising safety because of bonuses. The Culture Transformation Framework pillars are not visible and it should be taken to RTFs
- a) Limpopo and Mpumalanga RTFs have invited the MHSC to facilitate the discussion on these CTF pillars (bonuses and leadership)
- b) There are code of practices developed by the companies. Workers need to be aware of this
- c) “We have weapons” with which to fight this challenge. We have documents (research reports, toolkits, etc.) that can help with designing and implementing zero harm operations bonus systems.



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Bonuses and Performance Incentives: Recommendations

- a) The delegates were made aware that the CTF pillars were approved at the Summit of November 2011
- b) The MHSC has conducted research on the various pillars of the CTF. The CTF pillars and their minimum standards were not new.
- c) There are pockets of excellence in the industry regarding the design and implementation of Zero Harm Operations Bonus Systems and Leadership
- d) Based on research findings, the MHSC has developed an OHS Incentive Toolkit to help companies to review their bonus systems to drive safe behaviour in the workplace



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Bonuses and Performance Incentives: Recommendations

- a) The MHSC has also conducted research on the Leadership Pillar of the CTF
- b) The industry has also developed a 360 degree Health and Safety Leadership Assessment Tool for various leaders in the workplace from Head of Operations, E-Band Management to other levels of leadership in the workplace
- c) All stakeholders (Business, Government and Organised Labour) need to implement this Tripartite Leadership Assessment Tool. The MHSC needs to make these tools and outcomes of its research project more visible to mining companies



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EVERY MINE WORKER RETURNING FROM WORK UNHARMED EVERYDAY



**20 Years of Positive Contribution to Zero Harm for mine workers.
Pursuing Research Excellence**

