Aon Casualty Risk Control Solutions for Organizational Safety Performance
Safety Culture Improvement; Solutions for Organizational Safety Performance

As safety programs mature, emphasis shifts from foundational elements of safety such as physical conditions, regulatory training, etc.; policy and procedure development and implementation, inspections, and accountability to more robust topics such as safety leadership, continual improvement, cultural improvement, engagement, and ownership. Aon’s SCI (Safety Culture Improvement) process is a holistic approach to building a sustainable process of long-term reductions in accident frequency and workers compensation costs while improving the work environment.

The SCI process elevates ownership of your leaders and managers in the safety process while engaging employees. Aon’s SCI team can help you leverage this increased level of safety engagement to yield meaningful improvements across your organization. Our comprehensive approach to safety culture optimizes safety programs to produce world-class results.

Aon’s SCI process applies the techniques of risk assessment, organizational safety improvement, injury prevention, behavior based safety, and safety management system development to control the contributing factors of workplace injuries. Our consultants work collaboratively with you and your team to develop long-term goals for positive culture change; identify risk reduction opportunities; and implement an inclusive safety program with a formal management system.

Our SCI process uses a continual improvement model built around a six module approach to drive safety management enhancement.

These modules include:

- Leadership and Transformational Safety
- Safety Culture Assessment
- The SCI 6 Module Process
- Safety Culture Enhancement
- Safety Management System Configuration
- Behavior Based Safety

SCI Description

<table>
<thead>
<tr>
<th>Aon SCI Module</th>
<th>Activity &amp; Detail</th>
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</table>
| **Safety Culture Assessment** | • Evaluate key culture elements to identify program strengths and opportunities for improvement using tools such as:  
- Employee perception surveys  
- Management focus groups  
- Individual employee interviews  
- Documentation review  
- Physical hazard assessment  
- Observations of cultural norms  
- Claims/post injury management analysis  |
| **Safety Culture Enhancement** | • Identify leading and lagging metrics and associated operational improvements.  
- Metrics can be tailored and aligned with your organizational objectives  
- Measures may include:  
- Traditional incident metrics  
- Percent of coached observations  
- Number of Kaizen events completed  
- Total number of workplace condition improvements, or  
- Employee perception survey improvements  
- Metrics will evolve over time and lead to Total Cost of Risk (TCOR) reductions and greater degrees of employee engagement  
- Using the right metrics helps engage employees and will greatly enhance safety culture  |
| **Behavior Based Safety** | • Coaching and observation process with benchmarks, focusing on achievement and positive reinforcement, and establishment of a model of continual improvement  
- Data tracking of observation suggestions and advisement of possible solutions  
- Improvement solutions based on aggregate results and individual comments from employee perception surveys  
- Education encompassing safety leadership, supervisor and employee observation skills, communication techniques and feedback skills  |
| **Safety Management System Configuration** | • Safety practices gap analysis  
- Leading indicator review  
- Safety audit effectiveness evaluation  
- Near miss program audit & evaluation  
- Behavior Based Safety (BBS) program valuation & gap analysis  
- Safety training protocol review  
- Safety accountability and responsibility evaluation  
- Safety policy, procedure, and practice evaluation  
- Root cause analysis evaluation  
- Ergonomic program assessment & identification of improvement opportunities  |
| **ISO 45001 Alignment** | • Evaluation of current safety management efforts and alignment of activities with ISO 45001  
- Completion of a specific gap assessment of the following:  
- Safety leadership  
- Employee engagement in safety  
- Alignment of safety with organizational objectives  
- Planning of safety  
- Support for safety  
- Operations of safety  
- Organization of safety  
- Performance evaluation metrics & process  
- Corrective action tracking & improvement plans  |
| **Leadership and Transformational Safety** | • Evaluation of organizational behavior, ethics and integrity  
- Interviews with managers and leaders including assessments of their individual leadership styles  
- Establishment of organizational safety charter  
- Creation of individual safety development plan  
- Creating a model of transformational leadership leading to a highly reliable organization  |
The Aon Client Promise®

The Aon Client Promise® is the model that our SCI consultants follow to ensure the creation of an effective solution set that is customized for your organization; configured to flourish, and continually improve. It is the framework of four fundamental elements that allow Aon’s SCI solutions drive world-class safety performance to be optimally designed and managed throughout their implementation.

Discover
We will work with your organization to understand the vision of safety excellence that you wish to achieve. We will conduct our safety culture survey, focus groups, and management system reviews to discover the scope of organizational strengths and opportunities. We will use this knowledge to develop detailed plans for improvement that leverage your strengths to address opportunities for improvement.

Develop
Solutions will be developed in a collaborative, systemic and comprehensive manner. We will develop a strategic roadmap with prescriptive solutions based on your organization’s aspirations to evolve safety systems, culture, and leadership practices. All solutions are customized to conform to the environment where they will be applied. This customization process is completed collaboratively by working with the key stakeholders in your organization using our highly effective SCI methodology. By relying on the tools of SCI, BBS, Safety Management System Review, and Safety Leadership Transformation, we will design and develop effective strategies for continual safety improvement.

Deliver
The delivery of solutions is the most important aspect of the SCI offering. Delivery is made in a collaborative manner where we work to implement the customized solutions in the most effective manner. Timelines are established, and our dedicated team of experienced SCI consultants will deliver the service in a manner that takes advantage of your strongest organizational attributes. SCI solutions are comprehensive and result in positive cultural changes. These improvements are measured using leading indicators and benchmarked against Aon proprietary benchmarks.

Review
We review all actions and steps of SCI Projects to ensure their effectiveness and the efficacy of the solutions. SCI project reviews focus on the performance of leading projects. Leading indicators are a critical component to managing safety since they are process oriented and function upstream as influencers of outcomes. Aon will help you establish metrics for your initiatives during the development phase and will validate the relevance of each metric during the review phase. Systems will be established to monitor key aspects of the solutions and focus on variations within leading indicators. Variations will be managed and trends that occur will be identified and addressed. We will then correlate success of the leading indicators with the downstream metrics and ensure foundational acceptance of the solutions to make sure the safety management system fosters continual improvement.

Safety Culture Survey and Safety Cultural Improvement

SCI is a continuous improvement process designed to help your organization implement long-term, sustainable reductions to accident frequency and cost, while improving workplace behaviors. Our comprehensive safety culture survey evaluates your organization’s current safety climate. Deploying SCI’s safety culture assessment tool is the first step in understanding your current culture, establishing goals, improving safety climate, and creating a model of continual improvement.

To deliver an effective and tailored solution, a fact-finding process must be undertaken. Our fact-finding mission begins with Aon’s organizational safety culture survey. The survey is well controlled, validated, and highly reliable. We have verified that the survey accurately measures its intended content, employee’s perceptions of the role of safety within the organization. The survey is controlled by ensuring that the responses received are valid and that the survey has been filled out in earnest. Finally, the survey produces consistent results and is statistically reliable and precise.

The survey can be configured with additional demographic or company specific questions as needed. The survey can be deployed electronically or via paper to ensure all participants have access to provide responses.

Employee responses to the safety culture survey are aggregated and analyzed to form the foundation for your organization’s safety culture improvement plan. The results of the survey are validated through follow-up interviews and safety practice evaluations to understand the beliefs and perspectives about safety in the workplace. Aon’s SCI safety culture survey includes 45 questions that probe an employee’s perception of your safety organization including:

• Senior management support,
• Safety management systems,
• Supervisors,
• Peer employees and,
• Themselves.

The survey can be configured with additional demographic or company specific questions as needed. The survey can be deployed electronically or via paper to ensure all participants have access to provide responses.

SAMPLE: Aon’s Organizational Safety Culture Survey

This survey will be used to assess the overall level of safety engagement that employees have within the workplace. This survey is for informational purposes only and all participation will be kept completely confidential.

All of the answers you provide will be combined with your workplace. Your involvement in completing this survey is appreciated. Rest assured, your thoughts and will take all responses and comments very seriously.

Answer all the questions honestly and objectively. Questions that involve supervisors are easy to answer because you will not supervise and questions that pertain to managers and professionals that will provide leadership level of management within your organization.

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• Supervisors,
• Peer employees and,
• Themselves.

The survey can be configured with additional demographic or company specific questions as needed. The survey can be deployed electronically or via paper to ensure all participants have access to provide responses.

Please rate the following statements and rate your organization.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Completely Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Completely Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company values safety</td>
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<td></td>
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<tr>
<td>Employees are held responsible for safety actions</td>
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<tr>
<td>Senior management holds supervisors accountable</td>
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<tr>
<td>You look for ways to improve safety and make it easier to do</td>
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<tr>
<td>Employees are aware of the importance of safety</td>
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<tr>
<td>Employees are expected to be able to perform their job safely</td>
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<tr>
<td>Employees are expected to report unsafe conditions and are encouraged to do so</td>
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<tr>
<td>Employees feel safe when working with other employees</td>
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<td></td>
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<tr>
<td>Employees are expected to work safely</td>
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<tr>
<td>The workplace does not create undue pressure that can affect personal relationships and</td>
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<tr>
<td>The organization treats employees well</td>
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SCI Success Case Studies

CASE 1
Aon SCI consultants assisted a natural resource client with the development of a comprehensive Behavior Based Safety (BBS) client. This program was developed at the facility level and included the following phases:

1. Conducted the Aon SCI safety cultural survey
2. Analyzed the results and presented baseline perceptions to management
3. Established BBS steering committees at each facility
4. Using the ALERT (Assessment of Latent Exposure to Risk Technique) risk assessment process (see page 7) to identify key areas of focus for observations
5. Created observational checklists that were customized to each of the client’s locations
6. Assisted with data management, aggregation and on-going analysis
7. Followed up to ensure foundational acceptance of the BBS process

CASE 2
Aon SCI consultants have assisted a defense logistics contractor with improving safety culture and initiating Behavior Based Safety (BBS). Aon assisted the client with the following:

1. Conducted semi-annual safety culture survey assessments
2. Analyzed results and presented baseline and annual perception results to management
3. Created BBS observation, feedback, and coaching process at locations at targeted international facilities
4. Trained key employee groups to participate in the BBS observation and feedback processes
5. Conducted an alignment review with ISO 45001 and their safety management system
6. Improved the operational flow of safety activities and enhanced the performance of leading indicators
7. Reduced claim costs by $2,990,247 over a 12-month period
8. Reduced claim frequency (count) by 15% over a 12-month period
9. Reduced average claim cost from $44,332 to $19,231 over a 12-month period
The ALERT (Assessment of Latent Exposure to Risk Technique) is a quantified (numerically driven) risk assessment method that creates scaled and numerically valid rankings of the relative levels of risk. This makes the ALERT process a valuable approach for evaluating risk.

One of the hallmarks of a quantified risk assessment methodology is the ability to compare the risks of disparate and distinct activities with one another. This can occur as long as the risk assessment scale is calibrated for the organization and then synchronized within all future evaluations.

What is Risk?
Risk is the opportunity for an unplanned event to occur that will create a loss. Risk is also the potential outcome of that unplanned event and the degree of severity of the loss that may result. A risk assessment is the evaluation of the levels of risk and the ranking of risks in an attempt to prioritize exposures that will necessitate action. Risk assessments can be either qualified (subjective) or quantified (numerical).

Components of Risk
Aon SCI consultants developed the ALERT system to provide an effective means to rate and quantify the levels of risk, which will then allow prioritization of risk mitigation. The ALERT process evaluates risk based on four factors:

1. The number of people exposed to a possible loss causing event
2. The number of times per-day the average person is exposed
3. The possibility of a negative event occurring
4. The worst-case reasonable severity-if it occurs

Each of these ratings are considered independently of the others. After a numerical value is selected for each of these categories, they are combined to create a single index of risk.

ALERT Rating Scale

<table>
<thead>
<tr>
<th>Frequency of Exposures</th>
<th>Possibility of Negative Event</th>
<th>Severity of Outcome</th>
<th>Number of People Exposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>2</td>
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<td>3</td>
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<tr>
<td>4</td>
<td>4</td>
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</table>

The rating scale above can be aligned within the context of the organization with numeric values. Once the numerical values are assigned, the scale must be kept consistent to allow for the comparison of different risks to one another. The values from the scale are multiplied together and aggregated to create a composite risk score for comparison. The rating scale can be used to quantitatively evaluate risk and prioritize continual improvement activities.

ALERT Current & Future State Example

In the following example of the ALERT Risk Assessment process, a pre-intervention risk assessment of the use of ladders under existing controls is presented first. This risk assessment results in a risk score of 120. The second risk assessment is conducted after controls have been enacted. The control of implementing a Behavior Based Safety Process reduces the likelihood of falling from a ladder and reduces the overall level of risk by 50%.

Falls from Ladders

<table>
<thead>
<tr>
<th>Person</th>
<th>Exposures</th>
<th>Possibility</th>
<th>Severity</th>
<th>Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT STATE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Countermeasures</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Informal ladder maintenance program</td>
</tr>
<tr>
<td>• 3 points of contact stickers on portable ladders</td>
</tr>
<tr>
<td>• No ladder safety training program</td>
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</table>

<table>
<thead>
<tr>
<th>Proposed Countermeasures</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Formalized ladder maintenance program</td>
</tr>
<tr>
<td>• 3 points of contact stickers on portable ladders</td>
</tr>
<tr>
<td>• Implemented ladder safety training program</td>
</tr>
<tr>
<td>• Institute a Behavior Based Safety System and improve the percent safe over baseline by 80%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUTURE STATE</th>
</tr>
</thead>
</table>

| Current Risk – Existing Controls = 120 |
| Updated Risk – New Controls = 60 |

Risk Reduction for Ladder Safety is 50%
Aon’s safety leadership module focuses on an incremental approach, to building a leadership model that creates self-actualization for all members of the organization. Cultural attributes and values are evaluated to understand the key drivers of organizational behavior. Safety oriented mission and vision statements are established that are strategic and meaningful. Aon is experienced at identifying barriers to organizational success; both breaking down those barriers; and shaping a positive culture that is driven to success by powerful leadership.

Our process begins with an in-depth assessment of your organization’s current safety leadership state. Once these attributes are evaluated, Aon will develop a leadership profile that identifies your organization’s current phase in the transition from transactional safety leadership to transformational safety leadership. The organizational safety leadership profile is the instrument Aon uses to guide future activities to strengthen management’s participation in the safety process.

Aon’s SCI process builds a sustainable model of long-term reduction in accident frequency and workers compensation costs while improving the work environment. Long-term goals for positive culture change will be established; risk reduction opportunities will be identified and included within a collaborative formal safety management system. The Safety Culture Improvement process will increase ownership and engagement at every the organization. Aon’s SCI team will leverage this increased level of participation to push your program to the peak, creating a sustainable process of continuous improvement driving world class results.
Contact us

Deborah Weigand  |  Managing Director  |  Casualty Risk Consulting
Commercial Risk Solutions
Aon
t +1.248.936.5217
deborah.weigand@aon.com

Stephen Bennett  |  Director  |  Casualty Risk Consulting
Commercial Risk Solutions
Aon
t +1.312.618.9803
stephen.bennett@aon.com

Rene Hilgemann  |  Director  |  Casualty Risk Consulting
Commercial Risk Solutions
Aon
t +1.612.819.7159
rene.hilgemann@aon.com

About Aon
Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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Revised May, 2019