

Addressing driver behaviour
Fleet Risk Management Guidance



Addressing driver behaviour

A fatal tram accident, accusations of dangerous driving practices by online retailers and a conviction following a fatal road collision have pushed fleet operators and scrutiny of their risk management practices into the spotlight throughout 2016. As well as the tragic human cost, there are wider implications for businesses, such as the potential impact on insurance premiums, reputational damage and the ongoing operational interruption. All of which can have a significant financial cost.

Traditionally, fleet risk management improvements focus heavily on procedures to prevent incidents and protect the organisation from potential claims. However attitudes and behaviours also have a great influence on driver safety. People-related risk is one of the greatest uninsurable threats to fleet operators. The industry must seek more robust ways to prevent incidents by managing driver behaviours.

This paper highlights how fleet operators can identify drivers' risky attitudes and behaviours through screening and how to influence and shape them to improve a business's risk profile.

Driver screening

Driver recruitment can rely too heavily on collating the minimum documentation on health and previous employment, and the efficacy of the interview process. Although time consuming and resource heavy, these processes alone cannot predict drivers' attitudes towards safety. New developments in occupational psychology are now available to strengthen the screening of drivers.

As the impact of behavioural risk gains increasing attention, occupational psychologists encourage organisations to be more proactive in its management. Rather than simply reviewing past performance, it

is now possible to assess a drivers' natural tendency towards risky behaviours. For the first time operators have the opportunity to go beyond the interview process to identify and screen for the character traits that drive risky behaviour. This helps predict how drivers will behave or react in particular situations in a way that interviews cannot, to create a more robust pool of drivers from the outset.

How an organisation influences driver behaviour

Through extensive global research, occupational psychologists have also developed tools to identify the root causes of risky employee behaviours. An enterprise-wide anonymised survey can provide a reliable and honest presentation of employees' attitudes, perceptions and understanding of risk management procedures. Supported by audits, claims and incident data, it will provide a much deeper insight into the effectiveness of the fleet risk management framework. Through this process, operators can better understand the effectiveness of risk processes and the extent to which they are embedded into an organisation.

Completing both driver screening and an enterprise-wide risk survey highlights alignment or fragmentation between risk management processes and other people management processes, helping organisations answer key questions. For example, do HR practices such as compensation and performance management processes, incentivise and reward the right approaches? Are drivers pressured into breaking protocol or using unsafe behaviours to ensure they achieve the targets upon which their compensation is decided?

Interpreting results

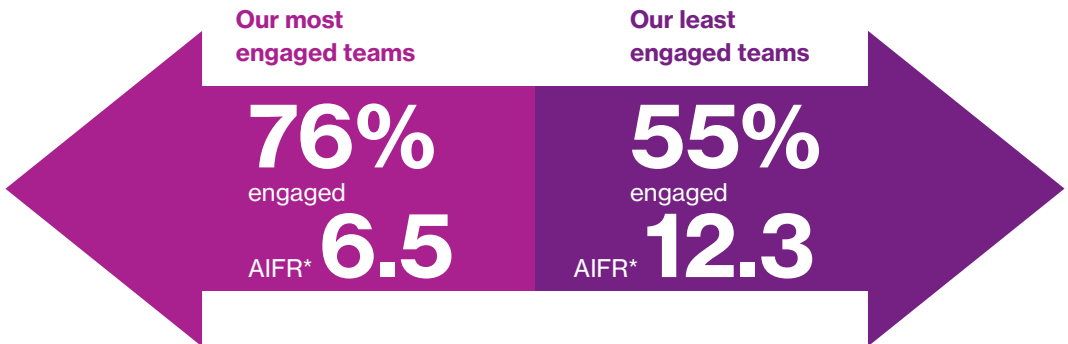
By undertaking a study, fleet operators can identify links between key elements of the enterprise-wide risk survey and the frequency and severity of incidents. Research further supports and has identified a strong correlation between specific employee responses, such as line manager behaviour

and engagement in work, with the frequency and severity of incidents across industries. An example of research findings can be seen below.

The results enable organisations to target elements of driver experience which are most likely to have a positive or negative impact on the number of incidents and subsequently claims.

Research example:

Linkage research carried out for a UK fleet operator with over 4,000 vehicles and 9,000 drivers, outlined that more engaged employees experienced lower injury rates.



*All injury frequency rate (AIFR) – number of injuries per hour worked



From insight to action

For too long, risk management and HR have operated in siloes to solve similar issues surrounding employee behaviour. Addressing the behaviours that lead to a higher frequency or severity of incidents requires joined-up interventions across four key areas:

Nature of Activity	Key Areas of Focus
Traditional risk management	<p>Compliance & controls - risk management must have greater consideration and understanding of driver behaviour when developing and monitoring controls, including:</p> <ul style="list-style-type: none">▪ Adherence to regulation and effective reporting▪ Controls process improvement – an agile approach to the development of policies and management (risk maturity framework) ensures effective controls and procedures▪ Benchmarking – balancing internal review with market best practice to ensure the effectiveness of processes <p>Governance - organisational structures must be designed to promote effective risk management through:</p> <ul style="list-style-type: none">▪ Clarity of individual accountability and decision-making processes▪ Effective supervision of drivers▪ Appropriate staffing and workload to mitigate against creation of an environment that lends itself to incidents, such as tired and overworked drivers▪ Effective management and control of contract/temporary drivers through engagement with third parties.
Additional areas of risk management - the missing link	<p>Human resources - more effective screening is the just the beginning. Organisations must continue to manage employee behaviour through:</p> <ul style="list-style-type: none">▪ Performance management systems – must be aligned to an organisation's risk framework, ensuring that the right behaviours are encouraged and that risky behaviour is dealt with effectively▪ Rewards and incentives – must incentivise the right approach rather than just the right results in order to avoid drivers taking unnecessary risks to meet targets▪ Leader and manager capability – HR must promote and develop leaders and managers who understand an organisation's risk processes, to champion and embed the right behaviours, and manage poor performance effectively <p>Targeted processes - combining HR and risk data ensures an effective defence against unsafe driver behaviour through:</p> <ul style="list-style-type: none">▪ Safety – understanding drivers to build, monitor and improve the effectiveness-wide of behavioural safety programmes▪ Claims data – examining the correlation between enterprise risk surveys and HR data such as performance management data, to reduce incident frequency / severity▪ Procedures and systems maintenance programmes – using insights to inform recommendations for improvements to programmes▪ Employee communications – effective communication through various channels, including effective supervision, and programmes that enforce the organisation's position, avoiding 'mixed messages'



Summary

Risk management is only as effective as its implementation. Understanding employee behaviours and attitudes provides a more robust defence against the severity and frequency of incidents by highlighting which processes are embedded effectively within the organisation, and driving the right behaviours.

The financial benefits for the organisation are clear – a robust mitigation approach and fewer claims will have an impact on insurance premiums and retained costs. In addition, this approach to managing risk will significantly reduce the threat to brand and reputation, by the potential for fewer incidents and more impactful communication.

How can we help?

Through a blend of deep risk management and people expertise, Willis Towers Watson is uniquely qualified to align risk and people processes through:

- **Bespoke driver screening** – behavioural measures and cognitive ability tests to investigate what kinds of behaviours and actions relate to increased risk. By combining those with various other sources (e.g. telematics, risk surveys/profiles), it is possible to build a sophisticated and nuanced picture that can be used to help predict risk behaviours. Psychometric testing can be delivered online or in-person to a large pool of candidates globally.
- **Enterprise-wide risk surveys** – development and deployment of risk surveys across the driver and/or wider fleet employee base in multiple languages. Survey outputs can be benchmarked against results from the wider industry to provide a more complete picture of behavioural risk.
- **Linkage analysis** – occupational psychologists work with risk and HR experts to interpret the results and agree the most impactful interventions to mitigate risk. This creates targeted interventions through identification of relationships between elements of the survey and the frequency and severity of incidents.
- **HR interventions** – aligning HR and risk policies to design and implement more effective processes. Typical interventions include review, redesign and implementation of compensation and incentives, manager selection and development, and performance management.
- **Organisational effectiveness** – independent review of organisation structures to ensure optimal outcomes, such as effective decision-making and role accountability.
- **Risk management** – independent review of policies, procedures and documentation in relation to fleet risk against market best practice. Support to implement best practice enterprise-wide risk management.

For further information, please contact your local Willis Towers Watson office or visit www.willistowerswatson.com.



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