

Corporate "Health and Safety"

The loss of experienced staff during the current recession could not only cost companies financially but could lead to the law courts, an Aberdeen expert has warned.

If the understanding of the nuts and bolts of the way an organisation works leaves with those retiring or victims of "streamlining" it could even result in manslaughter charges, according to Peter Fraser, of business management consultancy MandOS.

"A common business problem, not least in the oil and gas sector, is that organisations fail to identify and manage the lessons learned from past projects and events, even when they have a full complement of well-trained and motivated staff," he said. This is now much more of an issue as organisations face losing valuable corporate knowledge.

"Cutbacks and a general lack of resources affect all sectors and, in the public sector particularly, a plethora of performance targets compound the problem. Audit Scotland warned in 2009 that 'the public sector is under the greatest financial pressure since devolution in 1999.'

"Occupational health and safety legislation is designed to protect individuals from potential harm from work activities, but there is no similar legislation for "**corporate health and safety**" to protect against possibly terminal damage to the organisation.

"At the occupational level an organisation must show compliance by identifying hazards, assessing risks and implementing controls. The Corporate Manslaughter Act should now, more than ever, ensure that if directors don't already know how their organisation functions on a day-to-day basis, that they find out, understand and control it.

"Under the new Act an organisation is guilty of corporate manslaughter if the way in which its activities are managed or organised causes a death and amounts to a gross breach of a duty of care. Importantly, a substantial part of the breach must have been in the way activities were organised by senior management."

The first director to appear in court under the Act, whose case is scheduled to be heard early next year, has been charged with gross negligence leading to the death of a young geologist who was killed when a pit collapsed as he was taking soil samples at a site near Stroud. If found guilty, the company will face an unlimited fine and the director a potential life sentence.

"For existing staff, even knowing their exact roles and responsibilities can be difficult, and managers do not always have a good grasp of how their organisation operates on a day-to-day basis," said Mr Fraser.

"But this is an essential first step to improving performance in the good times, and to the very survival of the business when times are hard.

"The concept of "continual improvement" is now an intrinsic part of management standards and it would be so much easier if they had defined their processes in a concise, clear and relevant format. Even this exercise can identify weaknesses, risks and misunderstandings which will make business life much easier when addressed. Defining and communicating a description of these processes should not be a major undertaking and it can provide immediate benefits.

If appropriate software (such as MandOS' PROMANADE ADVANCED) is used, much additional information (such as job descriptions) can be generated automatically, which makes it much easier to identify the skills and knowledge required for specific roles. This means that when the economy recovers and markets pick up, the organisation will be better placed to enable new staff to see just where they fit in, and how they interact with others.