

Safety Corner

What is Corporate Safety Governance?

Safety practitioners have devoted much effort in the past decades to promote the implementation of modern management processes to manage safety in a structured manner within an organisation. While the introduction of safety management system has achieved significant success in the industry, and is, directly and indirectly, responsible for the decreasing trend in industrial accidents over the past years, in many sectors there is a concern of the lack of engagement at the highest levels within organisations – directors are still unclear as to their role in controlling safety within their organisations.

Failure to control safety risks properly can have a damaging effect on the business and its stakeholders– these are crucial matters for corporate governance. Ensuring that safety risks within their business are properly controlled, many world class organisations have started to engage in the process of strengthening their corporate governance by explicitly including safety as their governance directive.

In Board term, “governance” is the system by which organisations are directed and controlled by their boards of directors. It is different from “management,” which can be thought of as the regular day-to-day decisions and actions required to run the business. Corporate governance refers to a set of higher level processes, practices, traditions, policies, rules, and organisation structure that affects the way a corporation is directed, administered, managed, and controlled by the top management.

While it is difficult to measure the effectiveness of corporate safety governance directly, an organisation can be said to have a sound safety governance if the top management actively

- Sets safety strategic direction and leads;
- Sets safety key performance indices;
- Sets effective communication channels;
- Sets management safety objectives, ensures availability of resources, defines boundaries & respective authorities;
- Reviews safety performance against defined accountabilities;
- Maintains oversight on internal controls;
- Ensures obligations to stakeholders (including shareholders) are met.

A HSE Publication, Successful Health and Safety Management (HSG65), has been seen as the guidance document for effective safety governance by providing guidelines and standards for directors, managers, health and safety professionals and employee representatives in setting effective health and safety policies; organising for health and safety; planning and implementing; measuring performance; and auditing and reviewing performance.

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