



Persuading Directors

Ian Clements BSc, MSc, CEng, MIET, CMIOSH

Managing Director

Quadriga Health & Safety Ltd





Why do we want director buy-in?

- It might make our life easier
- Employees may be safer
- More may be achieved
- Status and salary may be higher
- We can focus on a more interesting and professional role
- We may get more resources
- There will be less hassle from the HSE





Which of the following is most important to achieve?

- Employee buy in
- Management buy in
- Board buy in
- Shareholder buy in





Some interesting questions....

- Does the Board normally get its way?
- Do managers normally ignore the instructions and requirements of the Board?
- Who sets management performance targets?
- Who sets the recruitment and competence criteria of managers?
- Who fires incompetent managers?





Some more questions to ask....

- Who chooses the directors?
- What happens when directors behave incompetently?
- What happens when the organisation's reputation is shredded due to poor publicity and poor financial performance?
- What is the ultimate shareholder/stakeholder interest?







Some opening thoughts...

- Managers are likely to be aligned with what the directors want
- Directors will be aligned with what the Board wants
- The Board will be aligned with the interests of shareholders or stakeholders which increasingly incorporate ethical standards
- Very few directors and managers find the thought of damaged reputation, financial loss and a criminal record an attractive option





Some more thoughts...

- Getting director 'buy in' is easy; all you need to do is communicate the facts properly
- If directors are engaged it is easy to get most managers engaged
- Some managers will not be engaged and will not align with the objectives of the Board
- All you need to do is assist in developing a system which results in those not engaged either changing or being fired





The downsides of poor H&S management

- Massive reputational damage
- Large and unnecessary costs
- Personal liability of directors and managers
- Business disruption
- Poor staff morale





Explanation of corporate responsibilities – the language

- Are you intimately familiar with the financial structure of your company or organisation?
- Do you understand the business drivers and what is of concern to the directors and managers?
- Can you easily explain how good health and safety management will contribute to, or avoid disruption of, other business objectives?



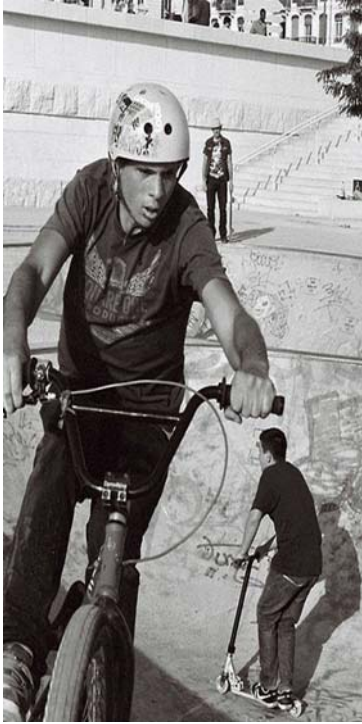


Explanation of corporate responsibilities – the language

Do you have a working knowledge of:

- Market capitalisation
- Return on funds employed
- Company strategy
- Regulatory framework
- Capital requirements
- Borrowing requirements
- Interest costs?





Securing commitment -the background

- The need for good health & safety and risk management should now be obvious to any responsible manager or director
- Poor management of health and safety constitutes a fundamental failure to manage the business or organisation effectively
- The costs and consequences of failure are now unacceptable to any professionally managed organisation





How do we get the message across?

- Those directors who are most ‘bought-in’ have often had a real experience of the adverse consequences of failure
- How do we “impart a worthwhile experience” without the actual experience of failure ?
- Our whole “*raison d’etre*” is to get others to recognise the potential consequences of their actions without this first hand experience





A little on the legal background

- Personal prosecutions of directors for an offence due to their consent, connivance or neglect
- It is not possible to insure against a criminal penalty
- Company Directors' Disqualification Act
- Individual Manslaughter Prosecutions
- Corporate Manslaughter Prosecutions





Corporate Manslaughter - factors for the jury

- A jury may also consider to which the evidence shows that there were 'attitudes, policies systems or accepted practices within the organisation that were likely to have encouraged... (the offence)... or to have produced tolerance of it'





How to secure commitment

- Directors and senior managers generally don't need persuasion, they need well communicated information on which to base decisions
- Information given needs to be succinct and relevant to their needs and those of the business
- Directors and senior managers, as well as other employees, have health and safety training needs





How to secure commitment ②

- Recognise that directors will not necessarily have detailed health and safety knowledge unless they are trained (briefed)
- The training and information needs of directors should be assessed as for any other group of employees
- Communication needs to be relevant to the target group and succinct





How else can we secure commitment?

- Identify key health and safety information of relevance to the Board
- Gain access
- Provide high quality information based on the real business issues and recent changes in the external legal environment
- Be clear about the decisions and actions needed





What approaches might help us persuade?

- Include the need for monitoring by, and feedback to, the Board
- Demonstrate that health and safety is an issue to manage like any other
- Don't create a climate of fear, but "impart a worthwhile experience"
- Ensure director education programmes include relevant health and safety issues





Other considerations

- The business advantages of success and the downsides of failure need to be communicated
- Those communicating with directors need to recognise the competing and conflicting issues which need to be reconciled at Board level
- Nearly all directors now recognise that management of risk is a key Board responsibility





Relevant questions for your Directors

- Would a 40% fall in the share price be important to you?
- If taking this action could improve the profitability of the company by 25% would it be worthwhile?
- Do the auditors realise that this exposure exists and how does it fit in with Turnbull/Sarbanes-Oxley reporting?
- What would be the impact of this on our insurance cover and the ability to renew it at a reasonable premium?





...and some more which might influence

- If a Prohibition Notice was served on this activity, stopping it for three months, what would be the financial impact on the business?
- What would be the impact of this on our insurance cover and the ability to renew it at a reasonable premium?
- Could this stop us winning that next vital contract?





Confident expectation of commitment

- No intelligent director faced with the correct information and briefing will fail to act responsibly - why?
 - The business and personal risk is too great to do otherwise
- If the Board is not getting the message could this be due to:
 - Poor communication skills of the messenger
 - Poorly thought out content
 - The wrong timing





Some thoughts to take away

- Does your company have a minimum training standard for employees undertaking high risk tasks such as work in the highway, work at height, work on electrical equipment etc?
- Does your organisation have a minimum health and safety training standard for directors and managers?
- Which is more dangerous - an untrained operator or an ill informed and poorly trained director?





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Support Available from Quadriga Health & Safety Ltd

- Director briefing and training
- IOSH accredited Safety for Senior Executives and Managing Safely courses
- Strategic health and safety reviews, identifying key health and safety risks
- Reviews of health and safety teams
- Mentoring for senior health and safety professionals
- Management health and safety training
- Assistance in managing enforcement action
- Expert witness services

info@healthsafety.co.uk





Open Safety for Senior Executives Programme - June 10th in Reading

- High level one day accredited programme relevant to any director or senior manager
- Covers key exposures of directors and how to minimise liabilities and risks
- Essential for any Board Member
- What others have said:

“Entirely first rate - completely ‘on top’ of his subject, but very engaging as well”

“I must say I thought the course was excellent”

“Engaged with delegates, especially answering difficult questions!”

- £400 plus VAT for one place , £300 plus VAT for each additional delegate from the same organisation
- To make a booking please email Emma Gathern on emmagathern@healthsafety.co.uk





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