

DO YOUR EMPLOYEES UNDERSTAND YOU?

MARY CLARKE looks at how companies can protect themselves from breaking new health and safety laws

EARLY in 2009 the business landscape became significantly more risky for employers for reasons entirely unconnected to the unstable financial climate.

New legislation

On the 16th January, the Health and Safety (Offences) Act 2008 was enacted, making employers far more accountable for any health and safety failings that occurred within their organisation. Not only has the maximum fine for a breach increased fourfold from £5,000 to £20,000, but the range of offences for which individuals are responsible is now much larger. Even more notable is the fact that serious offenders now also face the threat of long-term imprisonment.

With stricter punishments now in place, employers must avoid complacency and the adoption of an 'it won't happen to me' attitude. Employers need to be, and should already be, taking a proactive stance on health and safety so that they are not at risk for the harsher consequences of the new law.

The impact of poor knowledge

The need to ensure scrupulous health and safety procedures is reinforced by IDC's 2008 white paper, 'Counting the Cost of Employee Misunderstanding,' commissioned by Cognisco.

Amongst other findings, the paper revealed that one in four employees at US and UK companies do not understand certain aspects of their job role. Since then, further research has revealed that the number of workers misunderstanding their job roles and responsibilities has actually grown to 41 percent. These misunderstandings manifest themselves in a variety of ways, including the misinterpretation of company policies, business processes and job functions.

Employee misunderstandings cost businesses dearly for numerous reasons, including the potential damage they can do to key customer and client relationships. Ninety-nine percent of the 400 companies questioned confessed that their sales and customer satisfaction was put at risk because of a staff misunderstanding.

For the purpose of the balance sheet, this equates to a 100,000-employee company averaging a loss of £31 million every year. Projecting this to include all UK and US enterprises produces a total annual figure of £18.7 billion in losses.

Losing out on potential sales due to employee misunderstanding is a serious issue – regardless of the current economic downturn. However, perhaps even more serious now, due to the new Health and Safety (Offences) Act 2008, is the repercussions of employee misunderstandings in relation to health and safety issues.

Costly health and safety errors

The IDC research also discovered that more than one in four UK and US companies has paid out personal injury claims and industrial tribunal settlements as a direct consequence of employee misunderstanding. The case of industrial equipment manufacturer, Caltherm UK gives a tangible example. In December 2008, the company was fined £13,000 after an industrial oven fell on an employee's foot, breaking three bones and dislocating five toes.

"Lack of information, instruction, training and planning for the movement of such heavy equipment, coupled with an unsuitable means of transport, all contributed to an unsafe system of work which led to the accident," concluded the Health and Safety Executive (HSE) inspector. Under the new regulation, employers are held much more accountable when an issue like this occurs.

Despite the overwhelming evidence to suggest that employee knowledge must be treated as a boardroom priority, only one in three organisations surveyed by IDC have taken any action to address this

Taking control

Given the current economic climate, many previously successful companies and organisations are now suffering because of circumstances beyond their control. However, when it comes to health and safety, companies do not have

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to leave their fate to chance or situations that they can't control. Implementing employee knowledge development programmes, which assess levels of individual understanding and confidence, is a critical first step in removing companies from this kind of risk.

Regular and structured employee knowledge development programmes measure the degree to which staff understand their job function, as well as their employer's business processes and company policies – all of which determine the risk posed to health and safety regulation.

By combining these assessments with an evaluation of employees' confidence levels, employers can determine who is putting the company at risk by being fully convinced of inaccurate information. Furthermore, making these programmes scenario-based and testing employees on what they would do in specific 'at risk' circumstances would serve to further strengthen company employees.

Enabling informed choices

By formally quantifying knowledge gaps and identifying weaknesses through assessments, companies have a practical evaluation of each employee's competence and confidence. The benefits are two-fold. Firstly, informed choices about improving organisational health and safety compliance can be made by looking at where employees need additional training or information, or where companies need to correct their employees' misguided interpretations.

Secondly, training can be made more effective because it can be implemented exactly where it is needed and not wasted on employees who are already fully competent at their jobs and completely understand their responsibilities under the law.

Mary Clarke is the CEO of Cognisco, a provider of customised employee knowledge development programmes