

## Financial and Moral Responsibility-are they Irreconcilable? Will ISO 45001 Provide the Bridge?

Private enterprise is predicated on the assumption that investment will yield a financial return. The greater the degree of separation between the source of funding from its involvement with business processes the greater the moral isolation between investors and workers.

Where business is funded locally, regionally or even nationally there is reciprocity between those who are employed, those who run the organisations and those who benefit from possible profits or returns.

When a business is a result of worker or management buy-out, or workers partnership there are commonly shared values, aspirations and goals. These can place worker well-being and health and safety at their core.

In these instances, an implicit decision has been taken both to achieve profit and to include workers in the distribution of returns and benefits through the principles of partnership, as exemplified by organisations like the John Lewis partnership and the co-operative movement.

The recent phenomena of crowd funding also creates a direct link between investors and small business enterprises where the backers have made a decision to invest in an organisation sometimes with varied motivations.

These may range from the ideas of novelty, innovation, or on a more socially aware level concern about individuals, local groups or communities. The link between finance and business is close and personal in these circumstances and implicit within this form of investment is the desire to provide for and protect the workforce.

Where an organisation is established and controlled by an individual, family or tight knit group of persons there is a general sense of responsibility for worker welfare as accountability for accidents and incidents can be directly financially and morally attributable. Many small and medium enterprises fit into this category.

The larger, more structured an organisation becomes greater the gulf is between these who finance it, those who administer it and those who work for it.

In this instance profit seems to become more of an overriding concern, with functionaries appointed to oversee worker health and safety and where minimum compliance to standards may become the norm and concern for worker health and well-being being reduced to the bare minimum. Example of these are Deepwater Horizon, etc.

The ISO 45001 standard, whether that was the intention of the standard's makers or not, has within it an implicit moral stance.

That is one of responsibility to workers its philosophy is akin to that of 19<sup>th</sup> century philanthropists such as Robert Owen, or the Quaker family's such as Rowntrees and Cadbury's. The belief that the provision for the health and well-being of workers is central to the activities of the organisation.

Such political belief gave rise to the Labour and Trades Unions movements where the need to protect the well-being of workers became a force that created conflict between governments, finances, organisations and workers.

The 45001 standard is an embodiment of the principle of the rights of workers to be protected, to have a voice in creating procedures of work, to have a safe workplace, to be protected from hazards and to be trained to carry out their tasks safely. These rights also extend to their mental health and well-being. The idealistic philosophies have been given from and detail.

Central to the delivery, financing and overseeing of the standard, as it is applied to organisations, is the pivotal role of leadership. The "buck stops here" approach of direct responsibility for creating, implementing, overseeing and resourcing OHSMS is laid bare. Top management can be held accountable for failures and shortcoming of systems they are responsibility for. In tandem with this is the right of worker participation, through individuals, representatives or committees or trade unions.

The Standard embodies the important principles that workers have a right to be involved in decision making regarding their safety, be allowed to give feedback on their own experiences and express concerns, and be free of threat of retribution, such that they truly participate in the safe functioning of the organisation for which they work.

So where will resistance to the standard appear? In an ideal world all would embrace these altruistic regulations but is that how the business would really function?

Currently the second largest construction group in the UK has been put into administration. Amongst the initial citings for the failure is that leadership was concerned with the payment of salaries to executives and dividends to shareholders whilst failing to adequately fund pension schemes which became a liability on the balance sheet.

Such actions exemplify a dereliction of the duty of leadership. Failures of government, councils and regulators to learn from accident enquiries and reports contribute to a woeful repetition of tragedies where lessons from previous incidents have not been learned or acted upon.

It becomes wearisome to hear the repeated litany of failures of leadership. The ISO 45001 standard now appears as a beacon of enlightenment, the acceptance of the need for the accountability of top management to be central to the process of OHSMS.

How will this sit with the money providers, backers and investors that soar, albatross like in the higher atmosphere of global financing? Investment managers, pension fund investors, hedge funders, venture capitalists the bit coiner, the spread better.

The more remote the investors become from the organisations they put their money into it is likely the less moral responsibility they feel for the workforce. Only financial sanctions through business failures, legal and other sanctions, negative publicity, falling dividends, punitive fines and direct top management accountability will give pause to the free flow of money that is currently morally unaccountable where the level of return is the only guiding light and incentive.

Can 45001 be the focus of a new era of responsibility and accountability, one believes and hopes so.