

Review

Harmonising stakeholder interests: The role of occupational health and safety

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The concept of stake holding is grounded on the idea that, the organization depends on multiple constituents or stakeholders with varied interest that needs satisfaction to ensure its success and survival. Many scholars have indicated that the best deal for managers is to strive to satisfy the interests of all these stakeholders else organizations risk some stakeholders exiting the relationship. The difficulty has however remained that; most of the times with the limited resources left for organizations it becomes impossible to satisfy every stakeholder's interest at a time, therefore organizations are torn between whose interest must be satisfied. This paper attempts a solution using occupational health and safety as the guiding principle. Findings from the study indicate that since the health and safety of employees and their quality of life addresses or aids in addressing the concerns of most stakeholders, it should become the steering wheel of the CSR concept which has become a household concept within the extractive industry and the balancing act for the stakeholder theory.

Key words: Stakeholder, health and safety, working environment, performance.

INTRODUCTION

"In the last few decades, socially responsible business behaviour has come to mean not just charity philanthropy but also greater transparency, environmental care and direct engagement in community involvement... Corporate Social Responsibility has moved from the margins to the mainstream, from the arena of charity to the arena of corporate strategy, the emphasis is no longer just on external giving but now internal business processes, the focus is less on how companies give money away, to focussing on how companies make money" Gordon Brown MP, British Chancellor of the Exchequer. Major Disasters, such as the Longford gas explosion in Australia

in 1998 and Piper Alpha in the North Sea in 1988, have increased awareness of the importance of factors such as safety climate and the long term impact that tragedies can have on organisations and communities in which these organisations operate (Reason, 1997).

Consequently, there is an increasing recognition within industry of the need to manage health and safety on a pro-active basis in order to improve safety for individuals at work and to prevent significant financial loss. The issue of health and safety more than any other area in management points out diversity of approaches that might be taken to the same problem- accident reduction.

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Such approaches as the engineering and personnel approach have been widely used and continues to be used to address health and safety issues in organisations. The attraction and retention of highly skilled, quality and healthy employees as a necessary component of the competitive advantage of organisations is gaining importance among many firms (Pfeffer, 1994; Teece, 1998; Turban and Greening, 1997). Reasons for this current development are not far-fetched. Previous sources of competitive advantage (e.g., product and process technology, access to financial markets, developing economies etc.) have become less important overtime (Pfeffer, 1994; Snell et al., 1996). Recently, however, scholars have noted that the selection and management of a quality and healthy workforce has become an increasingly critical factor to organizational success (Pfeffer, 1994; Snell et al., 1996).

The effects of the Longford gas explosion on its stakeholders as documented by Hopkins (2000) further epitomises the importance of occupational health and safety not only to employees and employers but by extension all individuals who have a stake in an organisation (i.e., consumers, government, contractors, suppliers, community members etc.).

Today, organizations are being tasked to be actively involved in the solution of communal problems such as the provision of health and educational infrastructure as well as the eradication of poverty in communities. Thus, the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large, and improving welfare of society at large independently of direct gains of the company" (Kok et al., 2001, p. 287). This paper therefore seeks to draw on the stakeholder theory of the CSR concept to establish the importance of occupational health and safety in organisations and further use it as a wheel to promote health and safety in organisations.

THE STAKEHOLDER CONCEPT

The stakeholder concept has its origins in the study of organisations and how they make decisions. It is derived from a simple premise that organisations exist in constellations of relationships. Thus organisations operate in a network of market and non-market relationships with individuals, groups and other organisations (Encyclopaedia of Science, Technology and Ethics, 2006).

Freeman (1984) whose book-"Strategic Management: A Stakeholder Approach"- is regarded as a strong influence in the study of stakeholders, attributes the term stakeholder to scholars at the Stanford Research Institute in the 1960's. Freeman defines stakeholder as – "any group or individual who can affect or is affected by the achievement of the organisations objectives" (Freeman,

1984: 46). Although this definition has been widely cited in literature, it has not been universally accepted by scholars working in the field, particularly, those who contest the narrowness (e.g., Brenner, 1993; Clarkson, 1995; Cornell and Shapiro, 1987; Bowie, 1988; Hill and Jones, 1992; Donaldson and Preston, 1995; Clarkson, 1994) and broadness (e.g., Freeman, 1984; Freeman and Reed, 1983) of the perception and attributes of a stakeholder.

Scholars who favour a narrow definition of the concept have done so with the aim of advising managers to focus their scarce resources; energies, time, finances etc on the claims of a "normative core" of few "legitimate" individuals who have power to influence the very existence of the organisation (Mitchell et al., 1997). For those in favour of the broad definition on the other hand the aim has been to equip managers with the ability to recognise and respond effectively to a disparate, yet systematically comprehensible set of entities who may or may not have "legitimate" claims but who may be able to affect or may be affected by the firm (Mitchell et al., 1997) either directly or indirectly and can therefore affect the very existence of the organisation thereby making nonsense of the terminology "legitimacy" (Freeman, 1984; Freeman and Reed 1983). The current study is not to add to the debate but to bridge the gap or provide a via-media for these two camps, thereby contributing to the ongoing intellectual discourse.

Advocates of the stakeholder approach generally maintain that, while the interests of shareholders should not be ignored, they are just one of many stakeholders. Waddock (2002) speculates that the list of deserving stakeholders is so extensive that it may be necessary to dichotomise them into primary and secondary claimants. Waddock's attempt to mediate between the narrow and broad "mindedness" of the concept through his classification of stakeholders is yet to be realised as the list of stakeholders remains endless and differs from one organisation to the other. This makes the classification not a static phenomenon but subject to constant review depending on the nature of the organisation and who is in control.

The pragmatic questions that have plagued the stakeholder theory since its inception, is well epitomised by Jones (1980),

1. What are the groups called stakeholders?
2. How many of these groups must be served?
3. Which of their interests are most important?
4. How can their interests be balanced?
5. How much corporate money should be allotted to serve these interests?

These questions still linger on and have contributed to the increase in the number of books and articles on the theory as many scholars seek to address some of these questions. Donaldson and Preston (1995) note that a

dozen books and more than 100 articles with primary emphasis on the stakeholder concept have appeared and that the stakeholder model has become a standard element of Introduction to management lectures and writings.

Most stakeholder discussions in addressing the question of whose interest should the organisation be run and who it is that management serves, (which appears to be the summary of Jones's (1980) five point teaser), have focussed on the allocation of organisational resources to entities considered as stakeholders of the organisation without touching on how the organisation creates these value resources. An understanding of how these value resources are created will perhaps give an insight as to which entities are the stakeholders of the organisation, how many of them must be served, which of their interests are most important, how their interests can be balanced, how much corporate money should be allotted to serve their interests and more importantly, how to prioritise the various stakeholders, having identified them. Some scholars in their identification and prioritisation of stakeholders and their interests have used such concepts as legitimacy (Cornell and Shapiro, 1987; Carroll, 1989; Hill and Jones, 1992; Freeman and Eva, 1990; Clarkson, 1994), power (Freeman, 1984; Freeman and Gilbert, 1987; Savage et al., 1991; Starik, 1994; Brenner, 1995), urgency (Mitchell et al., 1997). It has well become the norm that for an entity to be classified as a stakeholder and therefore gain recognition or attention from an organisation, it should have some legitimate claim to the organisation and for the claim to receive the needed attention and on time, the stakeholder should have some powers and the claim itself should be urgent. This view is strongly shared by Mitchell et al. (1997) in their stakeholder identification and salience approach. This phenomenon is quite characteristic of environmental NGOs and human rights activists operating in the extractive industry. To address the myriad of problems that have arisen as a result of the introduction of such concepts as salience, power and legitimacy in the execution of the stakeholder theory, some scholars have called on organisations to balance stakeholder interests. However, many stakeholders' critics and advocates have interpreted the call to "balance" stakeholders' interests as implying that all stakeholders should be treated equally. But this is not a convincing interpretation of the stakeholder theory. More importantly, organisations are yet to find the balancing act as expressed by some scholars. It appears that the act of balancing stakeholders' interests as referred to by some scholars imply pursuing programs that satisfy the interest of most if not all stakeholders at the same time- a utilitarian philosophy highly shared by Jeremy Bentham in his equity principle. This notion of fairness is appealing. It seems reasonable or fair that something should be allocated among those who can put it to best use, or to those who need it the most. The difficulty however, is

putting this principle into practice. Consider a mine in a very poor community, which made a surplus of \$100 revenue. Where is the greatest good? Does this surplus revenue create the most wellbeing in the hands of the mining company and its owners, who might invest it on mineral exploration and the creation of additional mineral wealth? In the hands of the local community, which might spend it on improved schools and health care in the community? Or in the hands of a national government, which uses the surplus to fund education in an even poorer community elsewhere in the country? The current study will attempt a solution using occupational health and safety as the guiding principle.

Missing in the concept of stakeholder identification and salience however, is the existence of an organisation without which there will be no stakeholder. Indeed, the issue of "existence preceding essence or essence preceding existence" has not been adequately addressed by most Corporate Social Responsibility (CSR) theories of which the stakeholder theory appears to reign supreme. Thus, the business logic of whether social responsibility drives profits or vice versa remains unresolved and therefore makes the position of the organisation in any such debate an uncomfortable one. However, the fact still remains that without an organisation, there will be no stakeholders.

The mining industry is one industry that has come under increased pressure in recent times for stakeholders' accountability and social and environmental responsibility. This is perhaps due to the fact that they often operate in remote locations with indigenous peoples, and their potential negative social and environmental impact quite significantly. More importantly, the mining industry continues to be a very important industry in the global economy and therefore will continue to attract attention from various stakeholders. There was a time, not too long ago, when all a mining company needed was a permit from the host government and everything else would fall into place.

Today a wide range of stakeholders have a voice; governments, non-governmental organisations, local communities, banks and shareholders are all able to scupper a project (Howard, 2006). This development is an interesting but a complex one. This might have informed Hamann et al's (2005) choice of the complexity theory as a more useful model in trying to understand the citizenship practices of a multinational mining company in Africa. All these stakeholders either have legitimacy, power or/and an urgent claim to the organisation. However, the organisation has limited resources to meet their interests. How does the organisation balance the various stakeholder interests to ensure continuous existence?

According to Wheeler et al. (2002), CSR is a helpful conceptual framework for exploring the corporate attitude of companies towards stakeholders. The legitimacy theory for instance underpins corporate disclosure in the

form of environmental and social reporting in most mining organisations. Legitimacy theory relies on the notion of a social contract between company and society or a community, and on the maintained assumption that companies will adopt strategies, including disclosure, that show society that the organisation is attempting to comply with their expectations (Waddock and Boyle, 1995). Thus, there is an unwritten contract (social contract) between organisations and their communities, which makes them legitimate stakeholders of the organisation.

Companies are deemed to use disclosure media, such as social and environmental reports, to allay stakeholder concerns, or more particularly what they perceive to be stakeholder concerns (Lindblom, 1994). In spite of the various corporate disclosure mechanisms used by mining companies in the form of annual reports, monthly/quarterly reviews with particular focus on the environment and local communities, they continue to incur the wrath and displeasure of some stakeholders particularly, members of the community and some local as well as international environmental non-governmental organisations. Coupled with this is the increasing impatience of shareholders for returns on their investments. Here again the balancing principle proposed by some supporters of the stakeholder theory is brought to question.

The stakeholder theory therefore becomes a useful framework for studying the various interests in the mining industry and how to harmonise them. What are the various interests in the mines and how can they be harmonised?

INTERESTS OF STAKEHOLDERS OF AN ORGANIZATION

By consensus, shareholders, employees, suppliers, customers, governments, competitors and activist groups have been considered as the stakeholders of an organisation. Also included in the list are community (Brenner and Cochran, 1991; Donaldson and Preston, 1995; Hill and Jones, 1992) and the general public (Hill and Jones, 1992; Clarkson, 1995). These stakeholders appear to be active in most organisations and therefore an understanding of their interests will be a first step in addressing the myriad of problems that they bring to the organisation.

Table 1 shows a list of stakeholders and examples of their interests.

Profitability and performance are two key issues at the heart of most shareholding decisions. Investors are more likely to invest in ventures that have high profitability in terms of financial returns and/or benefits to society. Thus, the performance of the organisation, which determines its profitability and hence continuous existence, is very important to shareholders. However, the performance of the organisation and therefore level of profitability is

invariably tied to the performance of employees among others. There appears to be a direct correlation between reputation and share price, making firms acutely vulnerable to scandal and accusations of wrongdoing (Amis et al., 2005). There is also a growing recognition that financial health correlates with investments in employee well-being (Goetzel et al., 2001). Shareholders can therefore not continue to gloss over important employee issues as health and safety and quality of life, which have the tendency of affecting the reputation of the organisation as well as performance of employees and hence the profitability and performance of the organisation, which happen to be their interest. Recent publications from Hermes, "Corporate Governance and Performance" and Barclays Global Investors, "Corporate Governance Policy", among others, address respectively, the link between the active promotion of good corporate governance and long term shareholder value and the corporate governance policies and practices companies invested in are encouraged to adopt. Similarly, a broader review of institutional investor policies by the Health and Safety Executive in UK revealed significant levels of interest in health and safety (HSE, 2002). There is therefore every indication that if occupational health and safety issues are integrated into CSR, companies may achieve increase in productivity, consumer loyalty and even additional value for shares (Zwetsloot and Starren, 2004). Thus, pointing to the importance of occupational health and safety in meeting shareholders' interests, it is therefore not surprising that investors are beginning to request for some indicators to follow and assess health and safety at work actions in order to make investment decisions (Mansley, 2002).

Governments through legislations regulate the activities of organisations operating in the country. Legislations are used to attract investors into the country even as they are used to protect the interest of the country and its citizens. Governments depend on corporate and income taxes from organisations and their employees respectively, to develop their economies. High performing and profitable organisations serve the interests of governments better; as they either provide useful services to the citizens thereby relieving governments off some of their burdens or pay "heavy" taxes which are used to develop the economy. Taxation and regulation of organisations are made possible through their continuous existence, which is dependent on their performance and profitability- two variables, dependent on the performance of employees. Issues like the quality of life and health and safety of employees, which have the potential of affecting their performance and hence the continuous existence of the organisation should therefore be of equal interest to governments just as issues of taxation and regulation. At the macroeconomic level, the International Labour Organisation (ILO) has estimated that global financial losses due to workplace injuries and ill health exceed \$1,250 billion. In the UK, HSE's statisticians have

Table 1. List of stake holders and their interests.

| Stakeholder | Examples of interests |
|--------------------------------|--|
| Shareholders | Profit and performance |
| Governments | Taxes and legislation |
| Senior Management Staff | Performance targets |
| Non-Managerial Staff | Rates of pay, job security, |
| Trade Unions | Working condition and minimum wage |
| Customers | Value, quality and customer care |
| Creditors | Credit score, liquidity and business ethics |
| Suppliers/Contractors | Liquidity and credit score |
| Local Community | Employment, involvement, health and environment issues |
| Non-Governmental Organisations | Human rights and environment issues |

calculated that in 2001/02 the total costs to society of health and safety failures amounted to between £20 billion and £31.8 billion. The European Agency for Safety and Health at work has estimated that 4.6 million occupational accidents happen every year in the EU resulting in 146 million lost working hours (EU OSHA, 2001). According to Rikhardsson (2006), this means, approximately 2.6% to 3.8% of the collective EU Gross National Product (GNP) is lost every year. However, it seems logical that these costs might be avoided if these accidents could be prevented, through the formulation and enforcement of effective and efficient health and safety legislations. Preventing occupational accidents should therefore make good economic sense for governments as well as being good business to companies (Dorman, 2000).

From a business perspective, health is closely associated with the ability to work and to be productive. Kets de Vries (1984) establishes the association of healthy people to healthy organisations in the generic and real sense. The quality of a working environment has a strong influence on productivity and profitability (De Greef and Van den Broek, 2004). Senior management staffs of organisations are under continuous pressure from the board of their organisations as well as shareholders to meet performance targets. However, demands from other stakeholder groups such as members of the local community and other activist groups, sometimes run parallel to that of the boards, thus making the pressure even more unbearable. Most senior management staffs in their bid to meet performance targets are sometimes forced to employ various measures, which compromises the interests of employees (Hearit, 1995). This they might do by cutting down on resource allocation to the health, safety and environment sector in order to meet their performance targets, which are mostly measured in monetary terms. If the performance of the organisation is a function of its employees whose performance are being influenced by such factors as health and safety and quality of life, then it stands to reason that compromising on the health and safety of

employees to achieve performance targets is a misplaced priority. Certain company practices enhance quality of life, work performance and innovation in organisations (Breucker et al., 2005). These practices may include effective health and safety procedures. Failure to control OHS risks properly can therefore have a damaging effect on the business, its employees and others on whom its work activities impact – these are crucial matters for corporate governance (HSE, 2006), which is one of the core duties of senior management staffs.

Non managerial staffs (employees) are concerned more about earning money and supporting their families, and often this takes precedence over the nature of the work they may have to do. This situation is more prevalent in the developing world where development is limited and there is high unemployment (Munchiri, 2003). Rates of pay and job security are of prime interest to employees basically because they will want to maintain a high quality of life for themselves and their families. Employees are able to secure their jobs when they are in good health and have high performance, which translates to high performance of the organisation. Thus the continuous existence of the organisation, which is a function of employee and organisational performance in a way, guarantees employees some form of security. If the continuous existence of the organisations serves the interests of employees (i.e., Rates of pay and job security), and is a function of employee and organisational performance, which can be affected by their health and safety, then it stands to reason that the health and safety of the organisation should be given premium attention. Needless to say that, organisations with poor safety records will lose their experienced and quality employees as well as potential employees to their competitors who appear relatively safe and have better working conditions (Herman and Gioia, 1998; Hamel and Prahalad, 1997). Sanders and Roefs (2001) stress that a good integration of occupational health and safety in CSR will foster the image of a good employer, improving its position on the labour market, making it more attractive to potential recruits as well as encouraging loyalty from existing

employees.

Trade unions represent the interests of employees in the organisation. They become very visible and active during the drawing up and signing of collective bargaining agreements between employers and employees. Unions basically negotiate for "better" conditions of service, which may include health and safety and wages for their members (usually employees). In the past some unions have negotiated for higher risk allowance (monetary value) for jobs, which are considered hazardous at the expense of safety or healthy measures and policies. This has been criticised by many but the situation persists in some developing countries. Of what use is a high risk allowance to an amputee or dead employee? Employees are more likely to be at peace with themselves and their employers and therefore provide quality output when their quality of life and working conditions are improved. Hazardous organisations without excellent safety measures in place are more likely to breed over-protective employees and attract very few quality workforces (Turban and Greening, 1997). This situation has the tendency of undermining the very existence of the organisation, which hinges on high performance and profitability and thus threatens the existence of any such group as trade unions.

Customers as stakeholders of an organisation are always in search of value for their monies. Most customers of an organisation, which may include employees of that organisation, are always on the lookout for quality products at a minimum cost. Organisations are more likely to produce quality and cheaper products with quality and healthy workforce, who work under healthy and safe conditions and have better conditions of service. Thus quality and cheap products, which happen to be the interests of most customers is also a function of quality and healthy workforce, who are attracted to organisations which are conscious of the health and safety and quality of life of employees (Sanders and Roefs, 2001).

Finance has always been the life blood of any capital-intensive resource industry (Howard, 2006). Under its own pressure to act responsibly, the banking industry is attaching increasingly stringent conditions to the funds it lends for investment in the developing world. For instance, the Equator Principles, which have been recently updated, are designed to ensure signatory banks' investments are socially and environmentally sound. Creditors like the IFC look out for social and environmental impact assessment documents in addition to business plans before advancing credit facilities to extractive industries operating in developing countries. Although the primary objective is to ensure ethical business operations, these principles also aim at reducing the rate of organizations filing for bankruptcy. Disruptions in the operation of organisations by members of local communities have become a constant feature of extractive industries operating in developing countries. Ghana and Nigeria are typical examples of countries in which multi-national companies

extracting gold and oil continue to experience disruptions for a simple reason that they are less concerned about the environment and the local community. This situation has the tendency of affecting their ability to redeem their financial obligations to their creditors. Thus being a likely cause of bankruptcy. However, the performance of an organisation which is a function of its employees can also cause the organisation to file for bankruptcy. That is the financial health of the organisation, which is also a function of employee health/performance, can also be a likely cause for the filing of bankruptcy if not the main cause. Hence organisations need to address issues of employees that seek to affect their performance (e.g. health and safety and quality of life).

Suppliers and contractors just like creditors look out for credit worthiness in their dealings with organisations. They will always want to be assured of prompt payments after delivery. However, organisations are unable to pay promptly if they are not performing well in the market. Thus, the credit worthiness of an organisation is dependent on its performance. However, the performance of an organisation as stated earlier is a function of its employees whose performance is influenced by such factors as health and safety and quality of life. It therefore stands to reason that fulfilling the health and safety needs of employees has the potential of satisfying the interest of suppliers. Contractors who undertake various projects on behalf of organisations also look out for the working conditions in the organisation before committing their staff to undertake any such project. Contractors will either not accept a contract or at best charge astronomical prices where an organisation has a bad safety record. This affects the profit margin of the organisation and hence its very existence. The health and safety record of an organisation therefore becomes as important to contractors and suppliers as the liquidity of the organisation.

Members of the community of which employees of organisations are a part, desire to be employed by organisations established in their locality. However, organisations can not at any point in time offer employment opportunities for all members of the community (both skilled and unskilled). The organisation is only able to employ more people when it has expanded. The expansion of the organisation however, depends on the efforts put in by existing employees. Employees, who feel less safe at the work place and have low quality of life, are not likely to give off their best, thereby causing the organisation to have fewer resources to expand. Not managing the spectrum of staff related risks in the organisation could also lead to higher costs in the form of insurance, compensations, replacements etc, thereby depleting the resources of the organisation and not allowing for the needed expansion. Secondly, environmental, social and health concerns raised by community members are all in the bid to ensure the quality of life and in general protect their lives. Employees who are

themselves members of the community are either the cause or part of the cause of the many environmental and health problems in the communities either through their associations with organisations, or by the various tasks they perform on behalf of organisations. It therefore becomes imperative that environmental and health concerns raised by community members starts from within the organisation, with the focus on excellent health, safety and environment practices within organisations. Zwetsloot and Starren (2003) have also argued that there are wider cost savings with healthier workers as they are themselves members of the society thus leading to a reduced societal cost. Indeed, occupational health and safety concerns and quality of life of employees should be at the core of any CSR agenda as it has immense benefit for all stakeholders involved. As Barry (2000, p. 68) summarizes:

Business ethics now seems to be imposing positive moral values on commercial enterprises. They are now required to perform duties which private persons are not expected to perform: that is, actions which go beyond the observance of basic and conventional rules, respect for property, contract and conventionally established rights. They are not merely to refrain from wrongdoing but are to act positively for the public good. The rationale for the imposition of such duties on corporations derives largely from the claim that their existence depends solely upon a grant of privileges from the state. It would seem that they owe something to society in return for this (in addition to supplying wanted consumer goods and creating employment) (Barry, 2000: p68).

The right to life, which is a fundamental human right as enshrined in the Universal Declaration of Human Rights (1948), informs the interests of NGOs. Human rights and environment issues as propagated by NGOs are directed at restoring human dignity. Most environmental NGOs and human rights activists are noted for their aggressiveness in pursuing their agenda- protecting the fauna and flora and maintaining human dignity respectively. The perception that the lives of individuals living in the communities are threatened by activities of organisations operating in the communities, has led to the evolution of many NGOs and human rights groups. If this perception is anything to go by, then addressing these concerns should start from within the organisation rather than without. This is because employees, who are themselves members of the community and in whose interest these NGOs stand, are the cause of the problem or a part of it. Secondly, other members of the community who are not as yet employees of organisations are themselves seeking to be employed in these same organisations and therefore defeat the very purpose of antagonising organisations and asking for their closure as many Environmental NGOs and Human Rights activists are doing currently. Perhaps, addressing environmental,

health and safety issues within organisations will not give rise to such concerns outside of organisations and hence create the needed conditions for development as propagated by some NGOs.

Given that organisations have limited resources and cannot meet the needs of “legitimate” stakeholders not to talk of other “derivatively legitimate” stakeholders, at the same time, it becomes imperative that they look out for a common interest that satisfies most of the stakeholders as well as the organisation. This is what has been referred to by others as finding the balance.

A cursory look at the various interests as presented above provides the opportunity to tease out one or two variables that appears to satisfy the interests of most stakeholders if not all.

THE EMPLOYEE AS A CRITICAL STAKEHOLDER

A healthy worker is more likely to be a productive worker. People in good health are more likely to be productive and participate more effectively in the labour market. They are able to stay longer at work, postpone retirement and relieve the welfare state (Suhrcke et al., 2005). The health and safety of employees transcends beyond the confines of the working environment. Thus an organisation that is concerned about the health and safety of her employees looks beyond the working environment to include the external environment where the workers reside. Providing for the health and safety needs of employees within the working environment without recourse to their health and safety outside the organisation can be a wasted effort. A health problem either contracted in the working environment or outside it, makes an employee unfit to deliver quality output. Therefore an organisation cannot profess to be concerned about the health and safety of its employees just by ensuring a healthy and safe working environment without being concerned about the external environment (non-work environment) within which they reside. More importantly, is the situation where the operations of some organisations have generated a lot of concerns with regards to their health and safety impacts on the external environment where their employees reside with their families.

A healthy mind resides in a healthy body and a healthy body is more likely to produce high performance translating into quality output; thus addressing the concerns of shareholders, managerial staff and some consumers if not all. The health of the employee should therefore be looked at in its entirety if organisations are to derive the full potential of the employee. Employees, who have sick or unhealthy relatives unattended, are less likely to have the soundness and presence of mind to operate safely irrespective of the health and safety measures put in place by an organisation. It therefore stands to reason that for the sake of employees,

organisations should not seek to undertake any operation that will be ingenious to either the employee or their family members who reside in the communities; thus addressing the concerns of NGOs, Creditors and members of the community. To this end a holistic approach to Occupational Health and Safety is being proposed as the driving force of the CSR agenda as a whole and the balancing act of the Stakeholder Theory in particular. In the final analysis we say a healthy organisation is a function of a healthy community producing a healthy workforce, working in a healthy environment to produce healthy output, which helps to sustain the health of the organisation.

It is therefore being argued by the authors that since the health and safety of employees and their quality of life addresses or aids in addressing the concerns of most stakeholders, it should become the steering wheel of the CSR concept which has become a household concept within the extractive industry and the balancing act for the stakeholder theory. The authors therefore join the Health and Safety Executive (2005) who encourages companies to use CSR as a strategic investment into the core business strategy where occupational health is concerned, treating it as an investment like quality management where the payoff is longer generally but more sustainable (Kok et al., 2001).

Conflict of Interests

The authors have not declared any conflict of interests.

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