

Briefing the Boardroom on OSH

By Fay Feeney

Boards are concerned with strategy, risk, and how people and natural resources are integrated into strategy execution. As OSH professionals, we should be, too. Although it is smart to speak the language of business, you also need to translate OSH for the C-suite. When you are invited to present to the board, it will be to support them in OSH leadership and governance, which is a material business challenge.



If corporate boards are focused on helping the CEO build relevant strategy, OSH professionals can also work on that effort.

The executives and board directors expect that you are expert in OSH, they are not. Your work is to close that knowledge gap so they can achieve good business outcomes from their deliberations.

Be Strategic

If corporate boards are focused on helping the CEO build relevant strategy, OSH professionals can also work on that effort. It is easy to see how a safety professional's interest in the mechanics of OSH can overwhelm directors who have limited knowledge. They want to know how the value can be unlocked to solve the business issue on the agenda.

Therefore, OSH professionals must align their OSH expertise with the specific issue on the agenda. For example, if the invitation to present comes from an investor's request, then learn the investor's approach to responsible investing. If it comes from a compliance issue, provide a brief

overview to build context on how, for example, OSHA works.

An OSH professional must use this opportunity to show his/her value in helping advance an issue and not make the mistake to "tell all" about what you know about OSH. The briefing is a way for the board to understand the OSH opportunities and risks as they assess an investment: money, resources, people and time. Think about how to make the 30 minutes valuable for those in the room.

Before OSH professionals can be strategic, let's examine how the dictionary defines *strategy*: The skill of making or carrying out plans to achieve a goal. Before one can be strategic, learn about the plan under discussion. It is essential to know:

- where you are now (the current position/place);
- where you are going and how OSH might be a competitive or compliance advantage;
- an approach for how to achieve the plan and where OSH connects to the execution.

Boardroom Time—Not Speech Time

Depending on the issue, OSH professionals may be speaking with people who do not know them. Some may not even have a clear idea of the scope of the OSH professional's role. However, knowing who will be in the room provides an advantage. Approach this opportunity with the mind-set of an investigative reporter.

Use preparation time to learn who is on the board. Identify which directors are assigned to the various committees. Speak with the boardroom executive, CEO, CFO or corporate counsel on how to relate to the directors and their concerns. Even if some directors have operational knowledge, provide an introduction that level sets on the important information. Everyone should be working with a shared set of OSH facts and insights.

Given the extensive preparation, remember that you will have an allotted time with the board. Respect that these meetings have packed agendas across an array of topics from new product developments, pending litigation and compliance to global challenges, human resources, cybersecurity and sustainability. Use the time to cover the important information along with suggested next steps.

Before beginning, ask the board chair, "Based on your reading of the material, would you like me to hit the high points or provide more detail?"

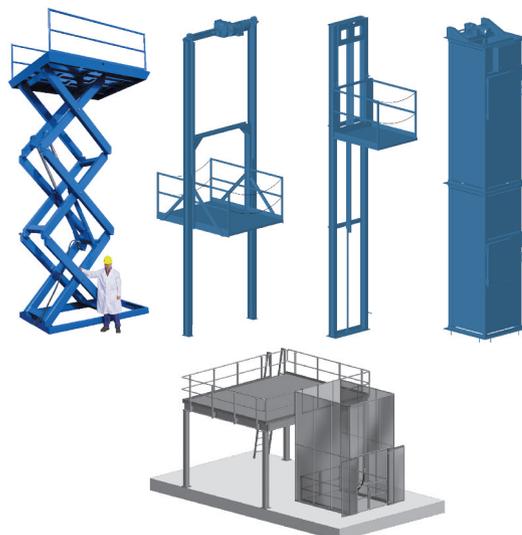
When structuring the presentation, think about the questions that will be raised. If possible, insert them into your presentation and use them to build confidence that you have anticipated the issues.

As questions are asked, remember not to use jargon. It is the exception that someone will want to take the time to interrupt and ask for the meaning. Most people will work to figure out the meaning in context. Do what you can to make it easy to understand.



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Where to Begin

OSH professionals should give themselves credit for focusing on building their skills for boardroom interactions. However, safety professionals are challenged to get time with the CEO. Many senior-level OSH professionals have not been asked to brief their corporate directors. At best, they may provide updates for the board book.

As a result, it is fair to say that board involvement in OSH is limited, and it could be considered an emerging best practice. Few companies seek board members with OSH expertise.

Those invited into the boardroom represent themselves, the C-suite and the profession. Be mindful of opportunities to engage the C-suite and build confidence among the executive team to represent them in the boardroom.

Questions Directors Are Asking the CEO

To understand the questions being asked of the CEO, one must know how the corporate board performs its duties: fiduciary, legal and regulatory/compliance.

A fiduciary agent is defined legally to act solely in another party's interests. In the boardroom, this agent oversees the interests of investors. When performing fiduciary duties, the director may not profit from the relationship and s/he must strive to avoid conflict of interest. In the U.S. legal system, a fiduciary duty is the strictest duty of care.

Legal concerns are always on the minds of directors. It is an area where directors will ask legal counsel to provide them with an overview to incorporate into their decision making.

Via this process and inquiry, boards oversee firms' regulatory and compliance efforts. Board members will look to management to provide information on how the organization has established broad policies and controls.

The audit committee provides compliance oversight by its charter on internal controls. It is responsible for considering the effectiveness of the company's internal control system, including information technology security and control.

In addition, it is the audit committee's responsibility to understand the scope of internal and external auditors' review of internal control over financial reporting, and to obtain reports on significant findings and recommendations, together with management's responses.

The audit committee relies on the internal audit to help improve the enterprise governance, risk management and management controls. Internal audit provides insight and recommendations based on analyses and assessments of data and business processes. If invited into the boardroom, an OSH professional should meet with the internal auditor when preparing briefing materials.

The invitation to brief the board may be about compliance or strategy. Either way, the OSH professional must understand the responsibilities of those in the room, as it will influence what they want to know. Here are some questions the CEO may be asked:

- 1) What is the management team doing to actively engage employees in the safety program?
- 2) What resources would help enhance OSH activities?
- 3) Given your risk assessment, what incidents are likely to occur this year?
- 4) How are we reviewing losses and measuring successes?
- 5) What systems are in place to hold employees, man-

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agement and the C-suite personally accountable for workplace safety?

6) What inquiries have we seen from investors on the company's OSH programs?

7) What are the plans for crisis management given an OSH incident?

Any of these questions could lead the CEO to ask for the OSH professional's help in getting a response ready for the boardroom.

A Path to the Boardroom

Through study and experience, you have earned the right to talk about the business implications of OSH. The OSH professional is likely to work on the path to the boardroom with three audiences. Each audience has unique needs.

Boardroom Executives

The C-suite encompasses members of senior management who regularly attend board meetings and work with board committees on an ongoing basis. They are the likely OSH sponsors being asked to brief the boardroom. Build

an understanding of why they want your expertise. Some cases may call for preparing written material for them to present to the board.

In this case, provide the material in a manner that minimizes unintended questions that require more depth to answer. It is expected that CFOs will be reporting on OSH issues that are supported by their financial projections.

The general counsel is the company's chief legal officer. S/he will have an interest in the effects of regulatory and compliance issues. Keep in mind the implications of programs mandated by OSHA, EPA and other regulatory bodies when working with the general counsel.

Corporate Secretary

In complex organizations, the boardroom is supported by a corporate secretary who generally works for the general counsel. This individual ensures that board members have the proper advice and resources for discharging their fiduciary duties to shareholders under state law.

By job function, the corporate secretary spends time with individual directors and knows how to operate in the boardroom. If invited into the boardroom, make time to consult with the organization's corporate secretary. Known as "shuttle diplomats," corporate secretaries must understand the working of the boardroom; needs of the individual directors and management; and the demands and expectations of investors and stakeholders.

Conclusion

Every individual who gets invited into the boardroom can expect that the experience will contribute to his/her professional and personal development. An OSH professional should use all resources available to build a reputation as a trusted source of quality information in a simple, concise manner.

Boards do important work that enhances shareholder wealth. OSH is a contributor to that wealth. Do a great job in getting the value seen and heard.

