EFFECT OF COMPANY SIZE ON OCCUPATIONAL HEALTH AND SAFETY

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Abstract

It is mandatory in all Australian jurisdictions for construction companies to provide a safe working environment for their workers and sub-contractors. Consequently, occupational health and safety (OHS) is a major issue for construction companies mainly due to the fear of prosecution. The introduction of zero tolerance by the Victorian government “WorkCover Authority” in 1999 provided increased legislative OHS standards for the construction industry. This has placed an increased burden on construction companies especially small firms that are not in a position of financial strength.

This research is based on benchmarking study of OHS performance of 44 construction companies in Victoria, Australia. The results show that the size of the company is a major contributing factor to their OHS performance. Small companies employing less than 25 employees have comparatively low levels of OHS performance compared to larger firms. Company size is a limiting factor that impacts on the ability of small firms to implement comprehensive OHS plans. This research calls into question that notion that increasing legislative requirements will improve OHS outcomes.

Keywords

building, construction, occupational health and safety, company size

INTRODUCTION

There was a major change in our OHS legislation in Victoria with the introduction of Occupational Health and Safety Act, 1985. The Act was based on the findings of the Roben Committee of Inquiry in the UK have the following features (VWA, 1998):

• To focus the attention of the workplace parties on the need to prevent work-related injury, illness and death.
• To impose a duty on the parties in the workplace to ensure that, ‘so far as is practicable’, that they exercise their responsibilities in a way that is not harmful to the health and safety of any person.
• To provide mechanisms for consultation between employers and employees on health and safety issues.

The building and construction industry is often a dangerous one by its nature, and increased emphasis needs to be placed on occupational health and safety (OHS) in order to reduce the cost to the industry. Over the period from 1993 to 1998, the construction industry accounted for 11% of all workplace fatalities in Victoria, yet it only makes up 5% of the workforce (VWA, 1998).