Research reveals workplace safety and health implications of outsourcing

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Workplace safety and health challenges from outsourcing across several sectors and industries have been revealed as part of a new study by Cranfield University.

The new study published today and funded by the Institution of Occupational Safety and Health (IOSH) saw researchers from Cranfield University explore how [outsourcing](#) practices vary when working with different types of contractors. The study focused on the [relationship](#) between client firms and the main sub-contractor.

Challenges for maintaining [occupational safety](#) and health standards when outsourcing included tensions between organizations and varying regulations across countries.

The research also found limited reviewing of [safety](#) performance during and after contracts were signed in outsourced relationships—which acted as a barrier to improvements in safety performance.

Outsourcing can introduce safety risks into an organization

Dr. Colin Pilbeam, reader in safety leadership at Cranfield University, said: "Outsourcing is a significant and increasingly common organizational change initiative of the modern era, occurring not only in [private companies](#) but also in public sector organizations across the globe. However, outsourcing can also introduce safety risks into an organization.

"This research, funded by the Institution of Occupational Safety and Health, highlights some of the safety challenges involved in outsourcing relationships and shows many industries manage safety through a common set of practices. While this can establish an acceptable level of safety performance, there can be issues around execution in organizations. More needs to be done to understand how safety can be managed in outsourced relationships between organizations."

Five key challenges identified

As part of the study the research team developed a framework to distinguish between tasks that were core to a firm's strategic goals and the difficulty of a task, accommodating both firm-to-firm and firm-to-individual relationships. They then conducted a systematic literature review to identify safety risk factors and safety management practices found in 44 empirical studies of outsourcing relationships. The study engaged with three global companies across the engineering, logistics and pharmaceuticals sectors. These companies outsourced a variety of activities including construction and facilities management to other global companies. Through a series of 60 semi-structured interviews with employees in both organizations in each outsourcing relationship, the study investigated safety risks and the management of safety in these relationships.

Challenges associated with the management of safety in outsourced relationships included:

- Operating across national borders where the legal and regulatory frameworks for safety found locally differ from those which govern the policies and procedures developed by the headquarters and prescribe wider company practices.
- Outsourcing to another company where expectations of monitoring safety performance, e.g. for near misses and safety-related incidents, differ.
- Tensions at board level can adversely affect otherwise amicable and effective relationships locally. Conversely, agreeable relationships at board level. cannot mitigate antagonistic relationships locally.
- Hard fought negotiations over the contract can adversely affect resource availability and subsequent safety performance
- A safety dip at the beginning of an outsourcing relationship can

be mitigated by transferring staff from the old to the new provider. But this limits innovation and improvements in safety performance.

Employers can minimize safety risks

Mary Ogungbeje, research manager at IOSH, said: "Employers can't abdicate their health and safety responsibilities just by having a contractor in place to do the job.

"History has shown us that health and safety disasters happen when contractor arrangements are not managed properly. So, whilst each context may be different, this study usefully reveals some common set of practices in outsourcing relationships, that can help employers to minimize the safety risks. The specific case studies also highlight some learning opportunities for businesses to consider."

 More information: Managing safety in outsourced relationships: [www.iosh.com/media/7267/outsou … hips-full-report.pdf](http://www.iosh.com/media/7267/outsou)

Provided by Cranfield University

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