

Health and safety

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July Health and Safety Required health and safety practices

First, the company should ensure that the oil and gas pipelines are well maintained and any recommendations of the maintenance team acted upon quickly to avoid further risk. Secondly, the maintenance records and schedules should be well documented and updated regularly to keep up with required maintenance works. Thirdly, all maintenance backlogs should be cleared quickly. Fourthly, poor and ageing equipment should be replaced with new, modern and better equipment. Additionally, the company should embrace better designs and well planned risk management. Lastly, the company should avoid over ambitious cost-cutting plan that impact severely on infrastructure and maintenance budgets.

The effects of poor health and safety practices:

Effects on employee motivation and morale

First, the employees stop feeling proud to be associated with the company. Secondly, the careless accidents can instill fear on the employees on learning how they are working in poor conditions. Additionally, high cost-cutting and reduced infrastructure budget exposes the employees to more workplace hazards. Finally, these practices make the employees to lack role models.

Effects on employee/industrial relations

First, they can lead to fatal accidents that cause massive ecological damages, like the Gulf of Mexico oil spill in 2010, which can lead employees to lack confidence in the company (Balaguer, 2010). Secondly, they can lead the employees to take court action against the company. Thirdly, the employees may plan mass protest or strike which can paralyze the

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operations of the company. In addition, they can lead accidents, which cause death and injury to employees straining the relationship between the two parties. Lastly, they can lead the employees to question the company commitment to their safety and wellbeing.

Effects on relations with regulators and government

First, the BP operations license may suspend. Secondly, the company license may be revoked due to failure to meet the standards set. Thirdly, the authorities can close part of BP facilities they deem hazardous, like it happened in 2006 on some part of Prudhoe Bay oilfield in Alaska (Coy and Reed, 2010, p. 53). Additionally, huge fines can be imposed on the company. Finally, the authorities make sure that the company cleans up the mess from accidents, pays damages, and contributes towards restoration of the ecology.

Effects on publicity and customers

First, they cost the company's reputation a major blow once revealed. Secondly, the customers lose confidence in the company's products turning to competitors. Thirdly, the public and customers may sue the company due to environmental damages. Further, the public and customers may shun the company's social responsibility efforts. Lastly, due to reduced output caused by accidents customers reliant on the company's products may experience shortages.

Effects on finances and shareholders

First, the resultant accidents place a huge financial burden on the company's finances. Secondly, they make the company suffer huge losses. Thirdly, they cause the value of company shares to reduce in worth. Fourthly, they cause the potential investors to shun the company. Moreover, many shareholders

may lack confidence with company. Lastly, they make the shareholders to get reduced returns on their investments.

Reference List

Balaguer, A., 2010. The Black Gulf. Americas. (Online). Available from: Ebscohost. com (Accessed 05 July 5, 2011).

Coy, P. and Reed, S., 2010. Lessons of the spill. Bloomberg Businessweek May 10-May 16, 2010. (Online). Available from: Ebscohost. com (Accessed 05 July 5, 2011).