

## Health & Safety Governance in Swiss Industrial SMEs: Why Boards in Owner-Led Companies Must Guard Against “Silent Risk Drift”

In Swiss industrial SMEs, Health & Safety is rarely neglected. On the contrary, proximity, craftsmanship, and personal accountability often create a strong baseline of care. Owners know their people, boards know the plants, and many risks are managed through experience rather than formal systems.

This strength, however, can also become a blind spot.

In owner-managed and family-led industrial companies, **the most significant Health & Safety risks are often not visible incidents, but gradual shifts in how risk is tolerated as the business evolves.**

---

### The SME reality: proximity replaces structure — until it doesn't

In smaller organizations, safety governance often relies on:

- direct oversight by owners or long-tenured leaders
- informal escalation paths
- personal trust rather than formal controls

This works well **as long as complexity remains stable.**

The governance challenge begins when:

- production volumes increase
- product complexity grows
- key individuals become overloaded
- generational or leadership transitions occur
- external pressure (delivery, cost, skills shortages) rises

Boards in Swiss SMEs must recognize that **risk exposure can increase faster than governance structures adapt.**

---

### Why KPIs are even more misleading in SMEs

In many SMEs, boards take comfort in low accident rates and a “nothing serious has happened” narrative. While understandable, this perspective can be dangerous.

Low incident frequency in smaller organizations often reflects:

- fewer exposure hours
- experienced personnel compensating for weak systems
- undocumented workarounds that “have always worked”

From a board perspective, the question is not whether people are careful, but **whether the organization would remain safe if one or two key individuals were suddenly unavailable.**

That is a governance question.

---

### **The typical SME safety trap: normalizing exceptional effort**

A common pattern in growing industrial SMEs is the normalization of exceptional behavior:

- overtime becomes standard
- shortcuts become accepted
- maintenance is postponed “just once more”
- informal knowledge replaces training

None of these decisions are reckless in isolation.

Together, they create **silent risk drift**.

Boards add value by identifying these patterns **before** an incident forces formalization under pressure.

---

### **What effective SME boards do differently**

Boards in Swiss industrial SMEs with mature H&S governance typically focus on four principles:

#### **1. They explicitly separate commitment from capability**

Good intentions do not equal resilient systems. Boards ask whether safety depends on personal dedication or on organizational capability.

#### **2. They test succession resilience**

Boards assess whether safety-critical knowledge and authority are person-dependent, especially in production, maintenance, and logistics roles.

#### **3. They govern thresholds, not details**

Instead of reviewing procedures, boards ensure clarity on:

- when work must stop
- who decides under uncertainty
- how escalation works when owners are not present

#### **4. They link safety to growth decisions**

Boards treat expansion, automation, and outsourcing as **safety-relevant events**, not purely commercial ones.

---

### **A practical board question for SMEs**

A simple but powerful question for SME boards is:

*If we doubled volume, lost one key person, or introduced a new process next quarter — where would safety risk increase first?*

If the answer is vague, governance attention is needed.

---

### **Why this remains evergreen for Swiss SMEs**

Swiss industrial SMEs will continue to evolve — through growth, succession, consolidation, or specialization. What will not change is the **tension between informal strength and formal necessity**.

Health & Safety governance is where this tension becomes visible first.

For boards in owner-led companies, **recognizing when “it works because of people” must become “it works because of structure”** is one of the most important governance contributions they can make.