How can auditing programmes be used to influence workplace culture?

David Smith
Senior Consultant
Act Associates, Stourbridge

Outline

Developing culture

One of the clients I audit in Dubai introduced me to the top team at an Opening Meeting as follows:

- "This is David; he is not like any of the other auditors we usually meet. He is provocative. He asks difficult questions. That is why we like him and why we have been inviting him to assess us for 5 years"

Developing culture 2

- The above statement is indicative of an organization which is open, which encourage me to probe and identify how they can manage things better

- This assessment is about all their risks and they benchmark their performance with similar operations around the world - in reality they are becoming the benchmark

- So, they look forward to me coming and questioning them as they always want to improve and are willing to share information

Lessons from above case study

- The Chairman is tough but walks the talk
- He attends at least one management review meeting, of each of his 43 entities that he controls, each year
- He empowers the internal audit and reviews the findings – questioning why action to close a non-conformity takes so long
- Everyone wants to improve

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The taxi company

- There are 4 Emirati Directors of a taxi company with 5000 cars that I met at my very first meeting

- Being provocative I stated "when I came here about 2000, as a tourist, I noted the drivers were very unhappy and talking about returning to India, Pakistan etc". It has changed – "Why?"

- They admitted at that time there were not looking after the drivers properly and have changed

- Now, the taxi drivers seem to be happy

The situation today

- Last year it was rated as the third best taxi company in the world but they aim to top the table
- The Operations Manager drives a cab to make sure he knows the current and emerging problems
- The Directors sit in the cabs with drivers and talk to them and ask them what they need
- They have built a gym, provide medical care and also legal assistance in the event of any accident
- All incidents are investigated even when the cab driver has not been found at fault

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Management standards
BS and ISO

Key management standards

- BS 135000 – Governance code of practice

- (Culture **:** ideas, values and customs that underlie behaviour)

- *"The governing body should recognize that organizational culture, whether deliberately created or not, is a crucial determinant of everyone's behaviour. A good governance system demands good behaviour, but it cannot deliver good behaviour – only people can do that"*

Key management standards 2

- ISO 31000 – principles and guidelines

- Principle h) *"risk management takes human and cultural factors into account"*

- Need to recognize the capabilities, perceptions and intentions of people that can facilitate or hinder achievement ----

- Recognizes the need to evaluate *"the organizations' culture"* when considering the internal context

Key management standards 3

- BS 65000 - guidance on organizational resilience (and ISO 22316)

- *"Leaders should consider the impact of all strategies and decisions on an ongoing basis"[...] "building a culture in which it is normal to consider resilience"*

Links to safety management

1) BS OHSAS 18001

2) BS 18004

3) ISO 45001 (draft)

- The above standards on OHS recognize the importance of people and culture

Management system audits

Context for OHS Audit

- According to the ILO some 2.3 million workers die as a result of activities at work every year
- 2 million are as a result of occupational health and disease
- World Congress on Safety and Health at Work press release Aug. 2014 stated there are 860,000 occupational accidents every day, with consequences in terms of injuries. (The direct or indirect cost of occupational illness and accidents at work is estimated at US$2.8 trillion worldwide)

Development of auditable standards

- The development of management standards has progressed substantially in the last 25 years and OHSAS 18001 had some 90,000 organizations certified against it at the end of 2011

- ISO 45001 is now being developed and it is hoped it will gain recognition as ISO 9001 (quality – 1.3 million certificates) and ISO 14001 (environment 350000 certificates)

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What do management system audits do?

- Firstly it is important to understand what we mean by audit.
- It is not an inspection!
- The ISO definition is:

*"systematic, independent and documented process for obtaining audit **evidence** and **evaluating it objectively** to determine the extent to which the audit **criteria** are fulfilled"*

Objective evidence

- ISO 19011 sets out what is required of an audit
- Internal audits are essential because the auditors from the workforce have an understanding of the processes and can spend time on evaluating any concerns
- External audits are invaluable as they should provide more of a helicopter view – and possible have a few "provocative questions". They rely on good internal audit systems

ISO 19011
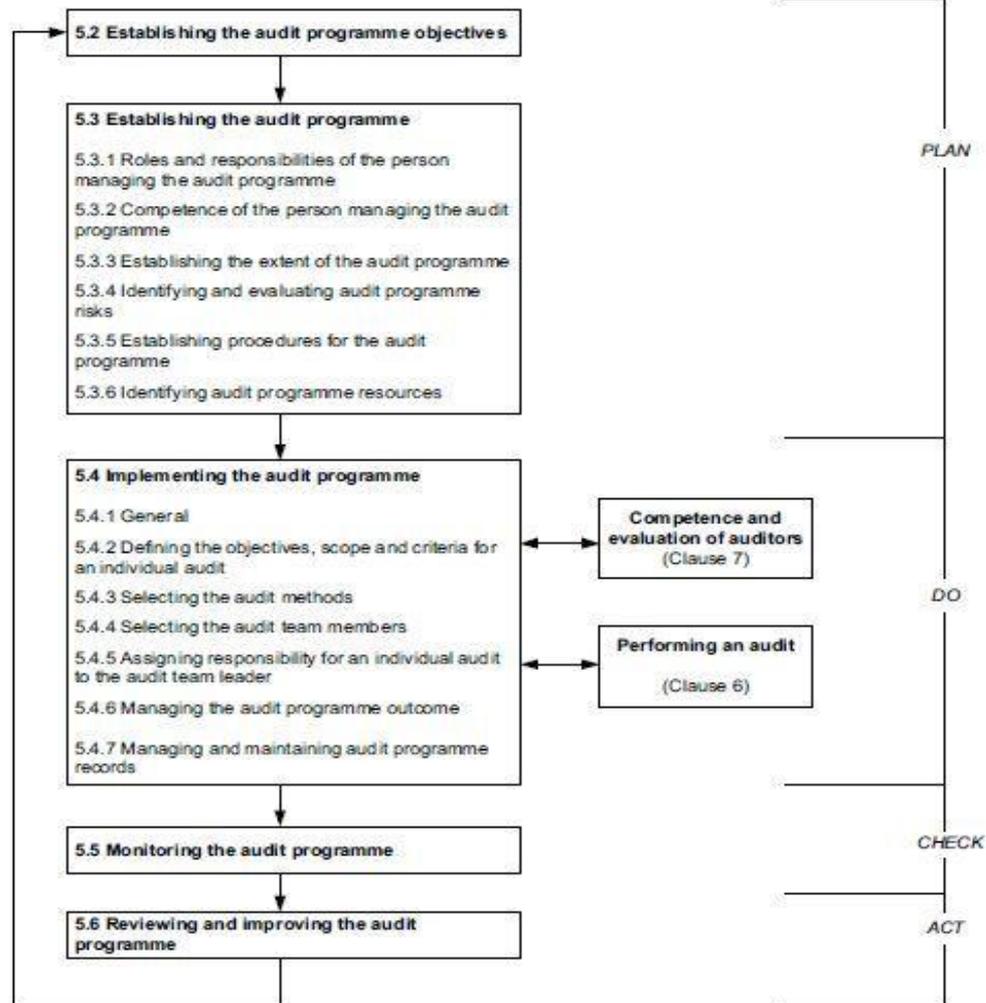
There are three key components

1) Observation

2) Interview

3) Examination of documents/systems

- In the case of OHSAS 18001 and the new ISO 45001 the criteria for assessment are the requirements within the standards

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An audit is not intended:

- To find fault
- To blame someone for not working in accordance with instructions
- To be hypo - critical
- To tell the organization how to do it!

A "no blame culture" is essential

An auditor needs to have a good "bedside manner"

Audit vs inspection

- An inspection may find a fire extinguisher out of date and request that a new one is installed
- An audit would also why it was not checked/replaced and ask for records that all were being checked and that there is a contract
- This helps to establish that the organization "cares" – there is commitment

Key requirements of OHSAS 18001

- Clause 4.4.1 Roles and Responsibility etc

Top management shall demonstrate its commitment by:

a) ensuring the availability of resource,

b) defining roles, allocating responsibilities and accountabilities, and delegating authorities, to facilitate effective OH&S management;

- All those with management responsibility shall demonstrate their commitment to the continual improvement of OH&S performance

Auditing 4.4.1

The audit will:

a) Determine adequacy of resources
b) Adequate definition of roles, responsibilities etc
c) Management demonstration of their commitment and involvement

- There is no hiding place and hence the willingness to improve
- Good organizations find the audit helps them

Clause 4.4.3.2 Participation and consultation

- The organization shall ensure:
- the participation of workers by their:
  - appropriate involvement in hazard identification, risk assessments and determination of controls;
  - appropriate involvement in incident investigation;
  - involvement in the development and review of OH&S policies and objectives;

Auditing 4.4.3.2

- The auditor needs to determine that the organization is actively involving and encouraging workers and everyone's ownership of the risks around them that they can control and influence

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Participation

- This is a key requirement. Workers who are involved in the risk assessment process and selection of appropriate controls are far more likely to embrace them and display the necessary culture – because "they own it"

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Key requirements of the draft ISO 45001

- This standard will appear as a draft ISO standard in January/ February next year for vote and comment

- There are about 100 members of the Committee, representing countries and NGO's – including IOSH, NEBOSH and ILO

- The ILO (a UN organization) is responsible for many international workplace standards and focuses on protecting workers

Key aspects of ISO 45001 for leadership and commitment

Top management shall:

- Demonstrate leadership and commitment with respect to the OH&S management system
- Ensure that the OH&S policy and objectives are established and are compatible with the strategic direction of the organization

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Key aspects of ISO 45001(2)

- Ensure the integration of the OH&S management system processes and requirements into the organization's business processes;

- Ensure that the resources needed for the OH&S management system are available;

- Communicate the importance of effective OH&S management and of conforming;

Key aspects of ISO 45001 (3)

- Ensure that the OH&S management system achieves its intended outcome(s);

- Direct and support persons to contribute to the effectiveness of the OH&S management system for all functions;

- Support other relevant management roles to demonstrate their leadership;

- Promote and lead a positive culture with regard to the OH&S management system

Clause 5.4 Participation, consultation and representation

- This clause will go much further than the requirements place upon organizations adopting OHSAS 18001 and will enhance the need for workers to be actively involved in consultation and by participating in developing and implementing the OHS management system

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What ISO 45001 will do

- If audited to the required standard, the audit should ensure that management are displaying the commitment to OHS and encouraging all to follow their lead

- It should encourage active worker participation and empowering them to build the necessary culture

Incident investigation

- One of the approaches I adopt is to look at incident, near miss and accident reporting

- Those organizations starting on this journey need to be encouraged to report all events (sometimes an integrated approach)

- Any event of significance needs to be investigated to determine the root cause and encourage transparency

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The concerns

- When starting this journey, few reports on incidents are recorded and the accident book is the only record of the state of OHS management

- Encouraging reporting and investigation suddenly leads to more information and apparently a worsening situation. This is a common outcome and one that management should encourage as it is probably a more true reflection of the "state of play"

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Using auditing programmes to influence workplace culture

Summary:

- Leadership and management commitment to audit
- Active involvement of workers
- Competent auditors
- Objective evidence and willingness to learn

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Thank you