ISO 45001 Commentary Two

Why Not All in the World Will Adopt ISO 45001

Top management in any type of organisation is responsive to the imperatives of financial success, legal and social accountability. Each of these forces is simultaneously driven and constrained by both motivating and limiting factors. The sanction costs push for implementation, but the associated costs of making it happen are a restraint.

In the same way that governments can no longer treat their citizens as they wish because of international laws (although many in practice violate their duties of protection and provision) so too businesses are faced with an array of legal and financial penalties when they fail to protect their workforce.

> Organisations regard employees as human capital either for good or for exploitation

Some of the questions businesses are asking about the Standard

What are the challenges?

Which organisations will this apply to?

Is it what business wants?

Can it be delivered?

It is by the combination of a "carrot and stick" approach that top management will be drawn to regard their employees as human capital to be invested in through education and training, health and well being and the provision of a safe working environment.

Well meaning standardisation does not guarantee a majority following

Or so the story goes; but just how realistic are some of these goals? In the "Fair Pay and Safe Workplace" Executive Order in the USA, which comes into force this month, October 2016, failure to comply with OHSA requirements will effectively blacklist organisations, contractors and sub contractors from undertaking any federal government contracts. It is vehemently opposed by the Associated Builders and Contractors who believe many of their members do not have the human or financial resources to either evaluate the risks involved in contracts or to ensure compliance and to cope with the bureaucratic red tape involved.

ISO 45001 could fall into this trap of assuming a level of resourcing to enforce an overly prescriptive and ambitious framework of standardisation. Which furthermore is entirely voluntary and is ultimately not subject to legal sanction and brings with it the variation of auditing of their performance.

Will the gap widen between those standard compliant and those who are not?

The parallel of an ever increasing divorced bureaucracy creating overly more interfering regulation can be readily drawn between EU bureaucrats and many of the citizens of the EU. The danger when like minded individuals create a set of rules and regulations, is that they have failed to grasp the realities of existence outside their own rarefied circle. Dotting "i"s and crossing "t"s when a more pragmatic approach is required.

There is a risk of creating a divide between types of organisation. There will those who are multinational or larger organisations who see a reputational benefit to compliance and who will force the same system onto their supply chains. Against are those smaller operating units who will reject the 45001 management speak of integrated management systems and instead make a decision to work within their national and sector frameworks - those which are already well understood by their employees and customers. These familiar frameworks however could be detrimental to the well being of workers and the public at large.

The public sector and private sector are driven by differing goals

In the capitalist model financial reward is paramount, which for the larger corporate entities is to deliver profit for shareholders. There is a distinction between state controlled institutions and private sector, the former are accountable to government and the later answerable to financial markets. Sadly for these larger organisations the willingness to comply with health and safety regulations very often is retrospective. Recently in the UK a serious, but non fatal accident led to a fine of £5m. Subsequently there was acceptance by top management that although failure of maintenance staff led to the accident the greater failing of management to pursue a more proactive culture of health and safety was where the blame lay.

In spite of huge fines enterprises still repeat their fundamental mistakes

Investigation into the Deepwater Horizon accident in which 11 lives were lost revealed a poor culture of health and safety enforcement where leadership prioritised production over safety. The subsequent penalties certainly served to focus shareholder attention on these failures. Through fines and clean up costs damages so far exceed 50m. dollars US. In addition the reputational costs although unquantifiable have to include the significant

A poor culture of health and safety where leadership prioritised production over safety

share price collapse.

Similarly the disaster at Bhopal where the Union Carbide factory leaked a toxic chemical due to poor standards the costs in human terms of life were high, eventually rising to 15,000 killed and 500,000 affected.

These two examples emphasise the financial and human cost of poor governance. Surely this exemplifies the consistent failure of top management to prioritise safety over production. For the first time ISO 45001 attempts to inhibit this gambling philosophy of paying the costs and not limiting exposure to such risks.

Whereas those cases were directly attributed to the performance of the operating company, in the case of the Bangladesh clothing factory collapse 2013, killing over 1000, the blame and fall out of public opinion focussed not only on the factory management but on the multinational organisations who used the manufacturer in their supply chain.

National governments must accept responsibility for their failings in setting and enforcing safety standards

Was the Bangladesh Nobel Prize Winner, Muhamad Yamas correct when he said about the factory collapse it was a "symbol of the failure as a nation" and "the crack in the building has shown us that if we don't face up to the cracks in our state systems we as a nation will get lost in the debris of its collapse"?

How can 45001 be enforced by small companies if states fail to deliver basic protection to workers?

Globalisation driven by economic and technological forces has a ever widening and intensifying impact on our lives. There is also an unacknowledged criminal element present in this expansion. Where bribery, corruption, tax evasion, counterfeiting, piracy, human exploitation and trafficking are realities. When nations sign up to global accords, for example climate warming, and yet flagrantly act in a way

that exacerbates the situation how can we realistically expect a voluntary and aspirational code to do anything other than create a situation of the haves and have nots. In effect a blacklisting embodied in a global system. If a regulatory system is found to be unenforceable it will fail and fall into disrepute and furthermore damage the organisation that created it. A more modest and pragmatic approach may yield better results?

In my next commentary #3, I will explore how the "context" of an organisation will affect its desire to take up ISO 45001

What should I consider doing before this standard is introduced?

Have you evaluated your state of preparedness? Following the publication of the Second Draft Standard, January 2017? further guidance will be available on this site. Not registered, click here: Register ISO45OO1assessment.com

Further Information