DNV·GL

BUSINESS ASSURANCE

THE NEW ISO 9001, ISO 14001 AND ISO 45001 REQUIREMENTS

5.1 - Leadership & Commitment

DEAR READER,

The much anticipated new standards ISO 9001 and ISO 14001 were released last year. Development continues of the Occupational Health and Safety standard, ISO 45001(this survey is based on the DIS version), which will replace OHSAS 18001:2007 when released.

Primary objectives for the International Organization for Standardization (ISO) are to align and improve how their standards support companies in building sustainable business performance. The big question for certified companies and organizations is how compliant they already are to new requirements and how to meet them.

In this issue of the Espresso Survey, we investigate clause 5.1 **Leadership & Commitment.** Previous surveys have focused on the requirements 4.1 **Understanding the organisation and its context**; 4.2 **Understanding the needs and expectations of interested parties**; and requirement 6.1 **Actions to address risks and opportunities**.

In this work, all of ISO's management systems standards are being aligned to a common framework, including a High Level Structure (HLS) with common clauses, text and terms, and definitions. Naturally, ISO 45001 is adapting this framework as well.

When it comes to the requirement on **Leadership & Commitment**, how compliant do companies certified to one or more of the three standards think they are and what parts of this requirement may be the most challenging to implement for top managers? Compared to the requirements examined so far, companies perceive a higher degree of compliance. 25% of the companies certified to the quality and/or environmental standards indicate compliance. For OHSAS 18001 certified companies, 39% say they are compliant.

Turn the page to find out what is behind these numbers and which behaviors and activities companies think will be the most challenging for their top management to implement.

THE VIEWPOINT ESPRESSO

- The Viewpoint Espresso is our way of sharing with you what your peers think and how they are moving on hot topics. Our hopes are that what we share may trigger some curiosity, improved understanding and possibly action on select topics.

- This is an extended initiative of ViewPoint, our customer community. While the main ViewPoint surveys provide in-depth analyzes, the ViewPoint Espressos are meant to be more agile, providing a concentrated injection of insight.

- Previous initiatives can be found here: dnvgl.com/assurance/viewpoint
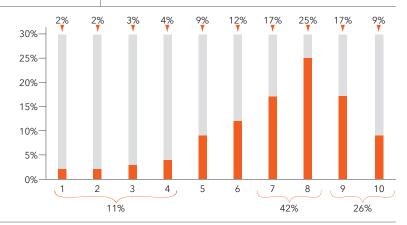
ARE COMPANIES ALREADY COMPLIANT WITH 5.1?

On a scale 1 to 10, where 1 is NOT COMPLIANT AT ALL and 10 is FULLY COMPLIANT, to what extent do you consider your organization already compliant with 5.1?
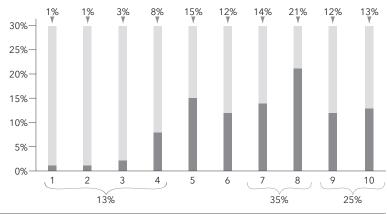
→

Clause 5.1 in ISO 9001:2015, ISO 14001:2015 and ISO 45001 requires top management to demonstrate leadership and commitment to the company's management system.

Respondents are customers with a certified quality, environmental and/or occupational health and safety management system. The latter are new to the Espresso Survey as we now have the draft version of ISO 45001.

ISO 9001

	1	2	3	4	5	6	7	8	9	10
	2%	2%	3%	4%	9%	12%	17%	25%	17%	9%

11%   42%   26%

ISO 14001

	1	2	3	4	5	6	7	8	9	10
	1%	1%	3%	8%	15%	12%	14%	21%	12%	13%

13%   35%   25%

ISO 45001

	1	2	3	4	5	6	7	8	9	10
	0%	2%	0%	2%	6%	3%	20%	27%	23%	17%

4%   46%   39%
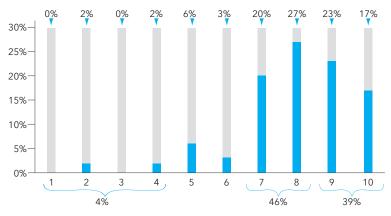
WHAT ARE THEY SAYING?

- The OHSAS 18001 certified companies stand out with 39% indicating full compliance (respondents with rating 9 and 10).

- For the other two standards, 26% of the ISO 9001 certified companies say they are fully compliant and 25 % of the ISO 14001 certified companies. This is higher than in previous surveys, where full compliance percentages ranged between 11-17%.

- Those reporting they are somewhat compliant number 42% for ISO 9001, 35% for ISO 14001 and 46% for OHSAS 18001 (vs a range of 39-44% in previous surveys).

- On average, 10% of the ISO 9001 and ISO 14001 certified companies indicate that they are not compliant (respondents with rating 1 to 4) against 17-21% in past surveys. For OHSAS 18001 certified companies, this number is much lower (4%).

WHAT DO WE THINK?

Clause 5.1. **Leadership & Commitment** is intended to drive accountability. It requires top management to demonstrate leadership and commitment with respect to the management system. This represents an intentional shift in thinking from management towards leadership. It strengthens the emphasis and expectations to top management to take accountability for the effectiveness of the management system and its ability to ensure achievement of intended results.

The general feeling seems to be that companies have better control of this requirement than others previously surveyed. Exceptional efforts to become compliant seem not to be necessary. Given its nature, this requirement is possibly perceived as more familiar territory compared to other new requirements.

Interestingly, we see that for ISO 45001, the percentage of those indicating full compliance is significantly higher than for the other two standards (39% vs 26% and 25%).

This could be because legislation around labor practices, including the assurance of healthy and safe working conditions for employees, is prevalent. There is legislation in many countries triggering broad management involvement

and formal channels for employee participation. Moreover consequences of not complying may be severe and measures must therefore be implemented. Companies who choose to work through a certified occupational health and safety system will therefore most likely already have management commitment and practices in place to cope with some of the new requirements in 5.1.

When looking at the total distribution, we see that the percentages of those who respond to be far from compliant (scores 1 to 4) are significantly lower for 5.1 than for the other new requirements we have surveyed. For quality the total is 11%, for environment 13% and for occupational health and safety only 4% report to be non-compliant. In previous surveys, this range was between 17 and 21%, confirming the conclusions that overall companies feel to have a much higher degree of compliance when it comes to this requirement.

PREVIOUS ESPRESSO SURVEYS TOPICS
- 4.1 Understanding the organisation and its context.
- 4.2 Understanding the needs and expectations of interested parties and requirement.
- 6.1 Actions to address risks and opportunities.
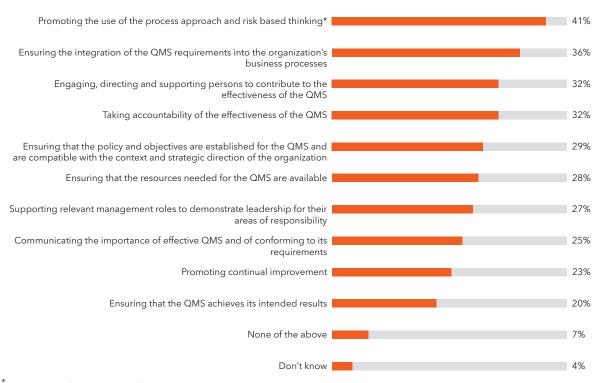
HOW WILL COMPANIES MEET 5.1 IN THE FUTURE?

→

Top management shall demonstrate leadership and commitment with respect to the Management System by a set of behaviours and activities listed below. Please indicate up to four behaviours or activities which are likely to be the most challenging ones to implement for the top management in your organization.

Clause 5.1 in ISO 9001:2015, ISO 14001:2015 and ISO 45001 requires top management to demonstrate leadership and commitment to the company's management system.
Respondents are customers with a certified quality, environmental and/or occupational health and safety management system. The latter are new to the Espresso Survey as we now have the draft version of ISO 45001.
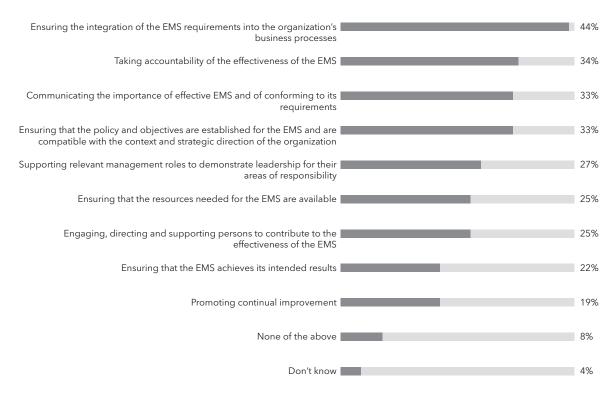
ISO 9001

Promoting the use of the process approach and risk based thinking*	41%
Ensuring the integration of the QMS requirements into the organization's business processes	36%
Engaging, directing and supporting persons to contribute to the effectiveness of the QMS	32%
Taking accountability of the effectiveness of the QMS	32%
Ensuring that the policy and objectives are established for the QMS and are compatible with the context and strategic direction of the organization	29%
Ensuring that the resources needed for the QMS are available	28%
Supporting relevant management roles to demonstrate leadership for their areas of responsibility	27%
Communicating the importance of effective QMS and of conforming to its requirements	25%
Promoting continual improvement	23%
Ensuring that the QMS achieves its intended results	20%
None of the above	7%
Don't know	4%

Standard specific requirement for ISO 9001 only.

- **Promoting the use of the process approach and risk based thinking** is considered the most challenging (41%). Note that this requirement is unique to the ISO 9001 standard.

- The three runner-up challenges are **Ensuring the integration of the quality management system (QMS) requirements into the organization's business processes** (36%); **Engaging, directing and supporting persons to contribute to the effectiveness of the QMS** (32%); and **Taking accountability of the effectiveness of the QMS** (32%).

ISO 14001

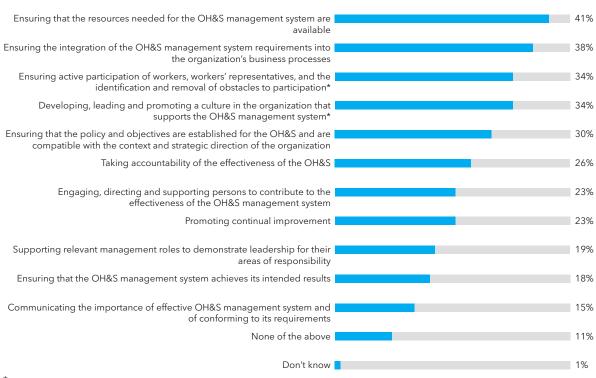|	
Ensuring the integration of the EMS requirements into the organization's business processes	44%
Taking accountability of the effectiveness of the EMS	34%
Communicating the importance of effective EMS and of conforming to its requirements	33%
Ensuring that the policy and objectives are established for the EMS and are compatible with the context and strategic direction of the organization	33%
Supporting relevant management roles to demonstrate leadership for their areas of responsibility	27%
Ensuring that the resources needed for the EMS are available	25%
Engaging, directing and supporting persons to contribute to the effectiveness of the EMS	25%
Ensuring that the EMS achieves its intended results	22%
Promoting continual improvement	19%
None of the above	8%
Don't know	4%

WHAT ARE THEY SAYING?

- **Ensuring the integration of the environmental management system (EMS) requirements into the organization's business processes** is highlighted by 44% as most challenging.
- The next three challenges are **Taking accountability of the effectiveness of the EMS** (34%); **Communicating the importance of an effective EMS and of conforming to its requirements** (33%); and **Ensuring that the environmental policy and objectives are established and are compatible with the strategic direction and the context of the organization** (33%).

ISO 45001

Category	Percentage
Ensuring that the resources needed for the OH&S management system are available	41%
Ensuring the integration of the OH&S management system requirements into the organization's business processes	38%
Ensuring active participation of workers, workers' representatives, and the identification and removal of obstacles to participation*	34%
Developing, leading and promoting a culture in the organization that supports the OH&S management system*	34%
Ensuring that the policy and objectives are established for the OH&S and are compatible with the context and strategic direction of the organization	30%
Taking accountability of the effectiveness of the OH&S	26%
Engaging, directing and supporting persons to contribute to the effectiveness of the OH&S management system	23%
Promoting continual improvement	23%
Supporting relevant management roles to demonstrate leadership for their areas of responsibility	19%
Ensuring that the OH&S management system achieves its intended results	18%
Communicating the importance of effective OH&S management system and of conforming to its requirements	15%
None of the above	11%
Don't know	1%

*Standard specific requirement for ISO 45001 only.

WHAT ARE THEY SAYING?

- **Ensuring that the resources needed for operating the occupational health & safety (OH&S) management system are available** (41%) is identified as most challenging.
- Then follows **Ensuring that integration of the OH&S management system processes and requirement into the organization's business** processes (38%); **Ensuring active participation of workers, workers' representatives, and the identification and removal of obstacles to participation** (34%); and **Developing, leading and promoting a culture in the organization that supports the OH&S management system** (34%).

STANDARDS COMPARED

	ISO 9001	ISO 14001	ISO 45001
Taking accountability of the effectiveness of the MS.	32%	34%	26%
Ensuring that the policy & objectives are established for the MS and are compatible with the context & strategic direction of the organization.	29%	33%	30%
Ensuring the integration of the MS requirements into the organization's business processes.	36%	44%	38%
Promoting the use of the process approach and risk based thinking.*	41%	N/A	N/A
Ensuring that the resources needed for the MS are available.	28%	25%	41%
Ensuring active participation of workers, workers' representatives, and the identification and removal of obstacles to participation.*	N/A	N/A	34%
Communicating the importance of effective MS and of conforming to its requirements.	25%	33%	15%
Ensuring that the MS achieves its intended results.	20%	22%	18%
Engaging, directing and supporting persons to contribute to the effectiveness of the MS.	32%	25%	23%
Promoting continual improvement.	23%	19%	23%
Supporting relevant management roles to demonstrate leadership for their areas of responsibility.	27%	27%	19%
Developing, leading and promoting a culture in the organization that supports the OH&S management system.*	N/A	N/A	34%
None of the above.	7%	8%	11%
Don't know.	4%	4%	1%

*Standard specific requirement and applies to the standard as indicated in the chart only.

WHAT ARE THEY SAYING?

- **To ensure the integration of the management system requirements into the organization's business systems** seems to be perceived as a particular challenge across the board. It is ranked as the top challenge related to EMS (44%) and second for OHSAS (38%) and QMS (36%).
- This challenge goes hand in hand with another aspect felt also as one of the most challenging requirements for top management: **ensuring alignment and compatibility between policy and objectives and the strategic direction of the organization**, which is also a matter of integration.
- **Taking accountability of the effectiveness of the management system** is also perceived as quite challenging across all standards.

- For companies certified to occupational health & safety, the challenges seem to be more operational whilst for the two others main challenges are more strategic. For example, **Ensuring that the resources needed for operating the OHSAS management system are available** is perceived as the most difficult area for occupational health & safety certified companies and by a total of 41%.
- **Engaging, directing and supporting persons to contribute to the effectiveness of the MS** seems to be more particular to ISO 9001 while for ISO 14001 **communication of the importance of the management system** seems to be a challenge particular to this standard (33% while only 15% for OHSAS).

WHAT DO WE THINK?

Ensuring the integration of the management system requirements into business processes is perceived to be challenging to fulfil. It is interesting that such a high number of certified companies find this the most challenging.

Another reflection is that it is somewhat surprising that ISO 9001 certified companies do not score better compared with the two other standards as quality related requirements in general and by nature should be more closely connected to strategy and business (core) processes.

Integration into the business processes may not be the easiest thing to do, but success means that you have a better framework to achieve your goals and build sustainable business performance over time.

For quality, in particular, the main challenge seems to be to promote the process approach in combination with risk based-thinking. The new element here is risk-based thinking.

For occupational health and safety, the main challenges seem to be less about getting a high-level buy-in for the importance of an occupational health and safety management system and certification. Rather the top 4 selections among these companies reflect more operational needs of getting enough resources, getting the employees engaged and following procedures, and developing and promoting a safety culture to support the occupational health and safety management system. Two of the challenges pointed to are, as noted, not requirements for the other two standards. Nevertheless this seems to support our conclusion of an inherent buy-in from top management in companies choosing to address workers health and safety through a risk-based management system approach.

It is also supported by the fact that communicating the importance of an effective management system seems to be a challenge for 1 in 3 ISO 14001 certified companies, but for ISO 45001 less than 15% feel the same. In the case of occupational health and safety, the understanding that it is important to have an effective management system seems quite obvious.

EVOLUTION OF SAFETY CULTURE

Safety cultures are measured in terms of maturity based upon how they handle and address accidents when they occur. The closer to the generative characteristics the safer the culture.

GENERATIVE
Safety is how we do business around here

BUREAUCRATIC
We have systems in place to manage hazards

PATHOLOGICAL
Who cares as long as we are not caught

- INFORMATION IS ACTIVELY SOUGHT
- MESSENGERS ARE TRAINED
- RESPONSIBILITIES ARE SHARED
- BRIDGING IS REWARDED
- FAILURE CAUSES INQUIRY
- NEW IDEAS ARE WELCOMED

- INFORMATION MAY BE IGNORED
- MESSENGERS ARE TOLERATED
- RESPONSIBILITY IS COMPARTMENTALISED
- BRIDGING IS ALLOWED, BUT NEGLECTED
- ORGANIZATION IS JUST AND MERCIFUL
- NEW IDEAS CREATE PROBLEMS

- INFORMATION IS HIDDEN
- MESSENGERS ARE "SHOT"
- RESPONSIBILITIES ARE SHIRKED
- BRIDGING IS DISCOURAGED
- FAILURE IS COVERED UP
- NEW IDEAS ARE ACTIVELY CRUSHED

References:
https://www.researchgate.net/profile/Dianne_Parker/publication/222357685_A_framework_for_understanding_the_development_of_organisational_safety_culture/links/0a85e531606d1a73ac000000.pdf
http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1765804/pdf/v013p0ii22.pdf

THE IDEAL SAFETY CULTURE

Safety culture refers to the ways safety issues are addressed in a workplace. It often reflects "the attitudes, beliefs, perceptions and values that employees share in relation to safety."[1] In other words, "the way we do safety around here."[2] But what is an ideal safety culture? And are there different kinds? Yes, there are. They can be measured in terms of maturity, which is based upon how they handle and address accidents when they occur. The maturity of a safety culture can range from pathological (preoccupations with power, needs, and glory) to generative (preoccupations with the mission) [3]. The closer an organizational culture is to demonstrating the characteristics of the generative level, the safer the culture is.

To err is human. Reason [4] suggests that latent failures (i.e. the delayed-action consequences of decisions taken in the upper parts of an organization or system such as organizational structure or resource allocation) are found to cause more adverse events than active failures (i.e. errors and violations committed by those at the sharp-end such as negligence, carelessness and recklessness). The effects of latent failures may lie hidden for a very long time until when these failures are combined with active failures and create an accident.

Although the first common reaction when an error becomes an accident is to blame and punish the person on the sharp-end, this approach will paradoxically worsen and significantly hurt the safety of the organization [5]. This is because such reactions imply that the error happened only because of the person on the sharp-end involved and that it must have been due to incompetence, inexperience or lack of dedication. As a result, attention is diverted from the investigation of systematic improvements that could decrease future errors. In addition, blaming and punishing people on the sharp-end who commit errors is very likely to create a culture that discourages error-reporting.

GENERATIVE SAFETY CULTURE: SAFETY IS HOW WE DO THINGS AROUND HERE

When an organization has achieved the most mature cultural level (i.e. a generative a culture in the organisation that supports OH&S), the organization will demonstrate the following characteristics [5,6,7]:

- AN OPEN CULTURE. The workers of the organization are prepared to look proactively at the weaknesses in the design and delivery of the products and services and to report their errors and near misses. As part of this process, data are analyzed, fed back to staff and translated into shared actions to lower the risk.
- A FLEXIBLE CULTURE. The organization respects the skills and knowledge of workers, which allows control and authority (combined with support) to pass to more senior workers.
- A JUST CULTURE. The organizational members agree on and understand acceptable and unacceptable levels of behaviors. Within the organization, there is an atmosphere of trust and accountability, rather than an absence of blame, in which people are encouraged to report and discuss OH&S related information and where procedures are in place to identify and manage poor performance.
- A LEARNING CULTURE. There is a willingness and competence to draw appropriate conclusions from risk management and OH&S management information systems, together with a will to implement reform where it is indicated.

1. ^ Cox, S. & Cox, T. (1991) The structure of employee attitudes to safety - a European example Work and Stress, 5, 93 - 106.
2. Jump up ^ ZCBI (1991) Developing a Safety Culture., Confederation of British Industry, London.
3. Westrum, R., A typology of organisational cultures. Quality and safety in health care, 2004. 13(suppl 2): p. ii22-ii27.
4. Reason, J., Human error: models and management. Bmj, 2000. 320(7237): p. 768-770.
5. Dekker, S., Just culture: Balancing safety and accountability. 2012: Ashgate Publishing, Ltd.
6. Reason JT. Managing the risks of organizational accidents: Ashgate Aldershot; 1997.
7. Guldenmund FW. Understanding and exploring safety culture: TU Delft, Delft University of Technology; 2010.

FINAL THOUGHTS

Clause 5.1 addresses top management's leadership and commitment to the company's management system.

This places a greater responsibility on the top management to lead the way. It requires that they actively engage and take accountability not only for the effectiveness of the management system but, also to ensure its ability to achieve intended results.

A DEFINITION BY JOHN KOTTER HIGHLIGHTS THE FUNDAMENTAL DIFFERENCE OF THE TERMS MANAGEMENT vs LEADERSHIP:

Management makes systems of people and technology work well day after day, week after week, year after year by
- Planning and budgeting
- Organizing and staffing
- Controlling and problem solving
- Taking complex systems of people and technology and making them run efficiently and effectively, hour after hour, day after day

Leadership creates systems that managers manage and changes them in fundamental ways to take advantage of opportunities and to avoid hazards by
- Creating vision and strategy
- Communicating and setting direction
- Motivating action
- Aligning people
- Creating systems that managers can manage and transforming them when needed to allow for growth, evolution, opportunities, and hazard avoidance

To demonstrate leadership and commitment, there are specific responsibilities related to the management system in which top management should be personally involved or direct. Top management may still delegate responsibility for some actions to others, such as a management representative, but remains accountable for ensuring that actions are performed. Words used to describe this shift are **demonstrate**, **promote**, **directing and take accountability for**.

Moreover, the requirement outlines how the management system should be considered within the company. It shall be an integral part of the business processes with the aim of supporting achievements of the organization's strategic direction, policy and objectives. This highlights the relevance of a management system as a tool to support companies in reaching their business goals and building sustainable business performance over time.

The shift from management to leadership applies to all the three standards. However, the specific requirements and what is emphasized varies slightly between the three.

ISO 9001
Out of the 11 requirements in clause 5.1, only 3 are covered in the previous 2008 edition:
- Ensuring that the quality policy and objectives are established for the QMS and are compatible with the context and strategic direction of the organization.
- Ensuring that the resources needed for the QMS are available.
- Communicating the importance of effective QM and of conforming to its requirements.

Promoting the use of the process approach and risk-based thinking is a specific clause to ISO 9001 compared to the High Level Structure (HLS).

The new requirements clearly extend the expectations to the top management to take a leading role. While they are all important, those that may be the more challenging (also supported by our respondents) are the areas that require that the management system is connected strategic direction of the organization, the integration of requirements into the organization's business processes and promoting awareness of process approach and risk-based thinking.

ISO 14001

The requirement on **Taking accountability for the effectiveness of the EMS** is the only ISO 14001 specific add-on compared with the HLS and this is aligned with ISO 9001. Compared to the 2004 edition (clause 4.4.1), the requirements clearly represent extended requirements and expectations to the top management to take an active and leading role. Similar to ISO 9001, perceived key challenges are to connect to the strategic direction and integration into the organization's business processes.

ISO 45001

The release of ISO 45001 will replace the OHSAS 18001:2007 standard as the leading international standard on occupational health and safety. When we compare chapter 5.1 in ISO 45001 with clause 4.4.1 **Resources, roles, responsibility and authority** in the OHSAS 18001 standard, it highlights the extended expectations to the top management to take an active and leading role.

There are also 5 requirements that are new compared to today:
- Connection to strategic direction.
- Integration of requirements into the organization's business processes.
- Taking overall responsibility and accountability for the protection of worker's work-related health and safety.
- Ensuring active participation of workers and workers' representatives, using consultation and the identification and removal of obstacles or barriers to participation.
- Developing, leading and promoting a culture in the organization that supports the OH&S management system.

The last 2 requirements in the list are important occupational health and safety specific add-ons compared with the HLS. Especially, focus on workers participation and consultation is prominent throughout ISO 45001 standard. It is also included in chapter 5.4 **Participation and consultation** in the draft version of the standard.

HOW TO DEMONSTRATE COMPLIANCE?

Clause 5.1 consists of a set of behaviors and actions from the top management in the company. It is clearly required and expected that they take an active and leading role, but what could be means of proving compliance?

Examples of potential evidences include:
- Active involvement in strategy development, policies, business plans, including deployment and progress reporting (which can demonstrate clear direction).
- Active involvement in objective setting, performance evaluation and follow up.
- Managers promoting and driving use of process approach and incorporation of risk-based thinking (also related to the processes).
- Clearly defined and understood responsibilities and authorities.
- Minutes of meetings, action lists and various means of repeated communications related to relevant management system topics (e.g. emails, newsletters and meetings with employees).
- Broad and active involvement from top management in management reviews and other management forums where the management system is on the agenda.

SURVEY METHODOLOGY

- 981 qualified management system customers completed the online survey between April 25 to May 1, 2016.

- DNV GL experts surveyed span around quality, environment and safety certified customers in the following proportions:

  - 78 % Quality
  - 12 % Environment
  - 10 % Safety

DEMOGRAPHIES & RESPONDENTS

IN TOTAL

981

AMERICAS	EUROPE	ASIA	OTHERS
184	**434**	**345**	**18**

TOR GUNNAR TOLLEFSEN
Global Service Manager – Management Systems
Tor Gunnar Tollefsen participated as national expert
delegate to ISO committee TC 207/SC1 WG5, which was
responsible for the ISO 14001 revision.

BASTIAAN POLDERMANS
Global Service Responsible – ISO 9001
Bastiaan Poldermans participated as member of ISO
committee TC 176/SC2 WG24, which was responsible for
the ISO 9001 revision.

PATRICK SMINK
Global Service Responsible – OHSAS 18001 and ISO 45001
Patrick Smink is member of ISO committee ISO/PC 283 WG1,
which is responsible for the development of ISO 45001.

ViewPoint
ESPRESSO

viewpoint@dnvgl.com
dnvgl.com/assurance/viewpoint