

The Internal Responsibility System and Hospital Safety Culture

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Notice

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Changing Perspective

- Can we look at an old problem in a different light?
- Perhaps “patient safety” is merely a symptom of a larger problem.
- Perhaps “patient safety” is a subset of a broader category of “loss”.
- Perhaps techniques used to build better cars are the same techniques that can improve patient safety.

Obliquity

Are there some things you can't get by aiming
at directly?

Happiness? Love? Sincerity? Leadership?

Obliquity

Aim at “A” and get “B” as a side effect, even though “B” may be what you really want.

To be happy, you must aim at completing challenging activities – result is satisfaction or happiness.

Obliquity

After a certain point you can't get more safety by aiming at safety directly. You plateau. To achieve world class status, an organization has to aim at individual creativity in improving the processes individuals are involved with – and we get continued risk reduction as a side effect.

Obliquity

After you reach a certain level of “patient safety” it becomes difficult to motivate staff about “patient safety” directly. All the obvious hazards, defects and exposures have been dealt with.

Complacency reigns.

Have to switch gears such that individuals creatively improve the processes they are involved with – and we get continued reduction in risk to patients as a side effect.

The Argument

Techniques used to achieve world class occupational health and safety can be used simultaneously to reduce risk to patients.

Creative improvements in work processes, done through the Internal Responsibility System can drive down risk of all types of losses.

Patient Safety

Broad approach:

- Traumatic events
- Disease
- Professional error

We take the same approach in OHS – we integrate our concern for worker health **and** safety.

Protection vs Promotion

- Traditional worker safety – protect the worker so that the worker goes home in the same condition he or she arrived at work.
- Modern approach – promote the worker's well-being so that he or she goes home in better health than when he or she arrived at work.

Protection vs Promotion

- Traditional approach – promote the patient’s well-being so that he or she goes home in better health than when he or she arrived at the hospital.
- A modern concern – protect the patient so that he or she suffers no other or further harm while at the hospital.

Why is Patient Safety Becoming a Big Issue?

- recent studies show
- are more people dying from adverse events in hospitals than from occupational hazards generally?
- patient safety becoming public safety?
 e.g. SARS, drug resistant bacteria escaping hospitals, the coming flu pandemic?

Prediction

- What happens in the US tends to happen here... disclosure legislation.
- In a few years there will be mandatory disclosure of infection rates and adverse events statistics ... posted in the lobby.
- hospitals will compete in a way they never have before.

The Big Ideas

- Accident theory
- Risk
- Quality
- Due diligence
- The IRS
- Management Systems
- Safety Culture
- Leadership

What do we want to do?

- Drive down risk of employee fatalities, injuries, ill health
- Drive down risk of property damage, production interruption, environmental harm, etc. (total loss approach)

What do we want to do?

Drive down legal risk by ensuring compliance with detailed prescriptions in the regulations and with broad performance standards

What do we want to do?

Reduce costs associated with misunderstandings, conflicts, confused roles, etc. with regard to work refusals, labour relations and health and safety committee activities

What do we want to do?

Avoid catastrophic losses that are low probability, have never happened before, but are high severity ... have major impact on goodwill (aside from obvious losses)

What do we want to do?

Improve processes at all levels by capturing the creativity of the individual on an on-going basis... resulting in improved quality, improved competitive position, "employer of choice", morale, etc.

What do we want to do?

Decrease risk to patients and visitors such that there are no accident and disease losses.

Do You Believe?

Health and safety is the way in which commercial enterprises become more productive, satisfy their customers and gain market share?

Do You Believe?

Health and safety is the way in which a hospital can improve quality of health care and reduce harms to patients and visitors?

How should this be done?

- Ensure that an Internal Responsibility System is working well
- Ensure that individuals within the IRS can apply due diligence concepts on a day to day basis

How should this be done?

Integrate quality concepts into the functioning of the IRS so that everyone is involved in improving processes they work with, and so we are not merely avoiding losses

How should this be done?

Design the occupational health, safety and environmental management system (or risk management system) around the "people framework" of the IRS

Who should be doing these things?

- Everyone is engaged in due diligence activities at all levels
- Everyone is engaged in “risk management”
- Everyone is part of the IRS and works within its problem-solving and communication processes

Who should be doing these things?

- Everyone adopts quality concepts into how they think about improving processes
- Everyone is using tools provided by the management system

In addition to the above, what should senior people be doing?

"Systems"

The IRS does not work well unless it is designed well, it is promoted, the "bugs" are worked out, it is monitored for weaknesses and for opportunities for improvement

In addition to the above, what should senior people be doing?

- The same applies for the larger OHS&E management system
- Only senior people are in the best position to drive "systems" in their entirety

In addition to the above, what should senior people be doing?

Personally

- The IRS and due diligence are based on a set of values and principles; these should be part of the day to day language of senior people
- Asking everyone at all levels what they are doing to reduce risk and improve processes

In addition to the above, what should senior people be doing?

- Asking how an individual knows that IRS and due diligence processes are working; asking about measurement
- Use "IRS analysis" ... when problems arise, go behind the immediate causes and ask what went wrong with the IRS that the problem arose; ask how the IRS can be improved

Safety Culture – What is it?

Material

From the perspective of everyone, but especially the operational worker, it is apparent from the physical condition of the workplace that H&S is a priority. The workplace “speaks” to observers.

Safety Culture – What is it?

Organizational

An examination of the management system reveals that H&S is integrated into all aspects of the management system.

Safety Culture – What is it?

Philosophy – Values

From the perspective of everyone, but especially the operational worker, it is apparent from leadership practices of everyone that protection and promotion of human life and health are primary values.

Health & Safety Perspectives

- Total Loss Control
- Quality Management
- Risk Management
- Management Systems – Root Causes
- Personal responsibility and creativity – IRS

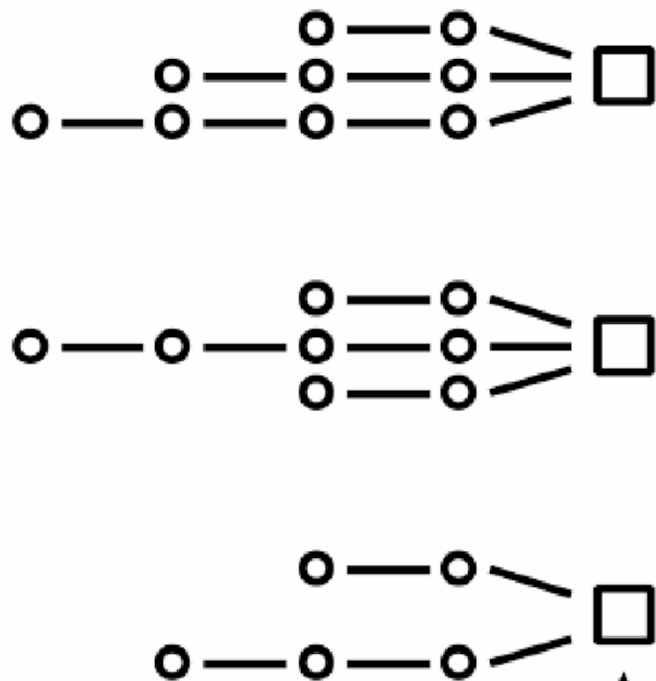
World class performers integrate these.

Total Loss Control

- All losses are of interest
- Particular losses are often a matter of chance ... resulting from same “incident”
- All losses are connected at source ... at the root causes in the management system.
- Correct the root causes of one loss and you have reduced the probability of other future losses.

Multicausation Models

System Elements (Programs) and People



Simultaneous Behaviors and Conditions

ACCIDENT



Losses

- Environmental harm
- Fire, explosion
- Process interruption
- Reputation, goodwill, PR
- Poor quality
- Poor service
- Property damage
- Public safety, visitors
- Worker health
- Worker injury
- Worker fatality

Close Calls

Quality Management

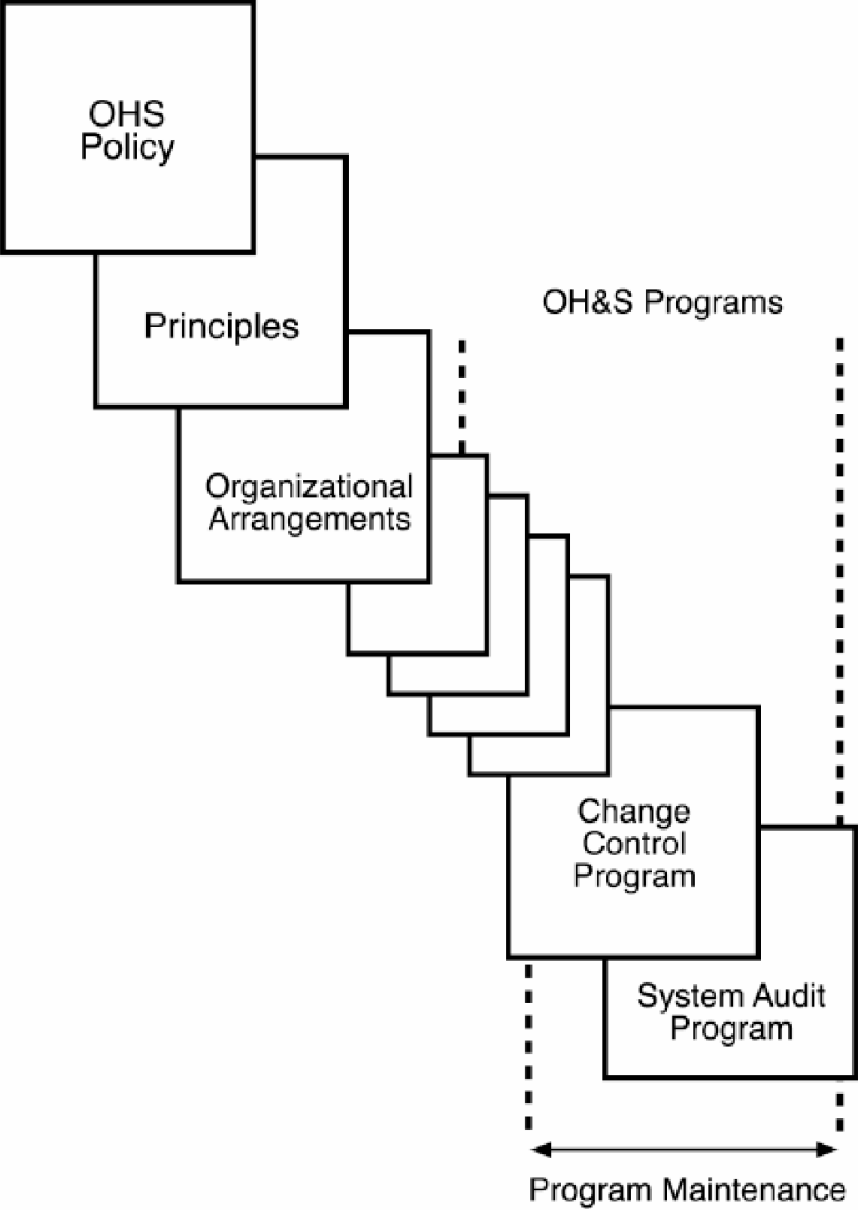
- Quality is no longer a matter of “fixing defects” at the end of the line...
- We assure that there is conformance to standards by everyone “upstream”.
- Quality is no longer done by the Quality “Officer”, but is part of everyone’s job.
- “Continuous improvement” by everyone.

Risk Management

- A phrase used by organizations under influence of insurance companies.
- Usually used where there are much greater risks to customers, students and patients than to workers.
- Techniques are similar to loss control.
- Weakness is that risk is done solely by the “Risk Manager” – no one else “owns” risk.

Management Systems – Root Causes

- A development in loss control, quality and risk management where the root causes of accidents and exposures lie in the management systems.
- Has given rise to ISO 9000, 14001, BS or OHSAS 18000, DNV model, etc.
- “Systems thinking” critically important – weakness is the “system” is reified and we lose touch with the people behind the system elements – the IRS.



Personal Responsibility and Creativity – Internal Responsibility System

- In many approaches, it is the “expert” who does risk, quality, safety, environmental protection.
- Left over from “scientific management” or “Taylorism”.
- Today we know best performance is when all individuals in the organization are doing these things as a normal, intrinsic part of the job.
- Today we know that it is individual knowledge, experience and creativity that will improve processes and drive down all types of risk.

World Class Performance

- Personal responsibility
- Everyone
- High standard of performance
- Continuous improvement
- Internal motivation
- Personal integration of risk concepts
- Personal integration of quality concepts

**The
Internal Responsibility
System**

The Usual H&S Dilemma

“We are doing very well. We have instituted various H&S programs and brought our lost time down to an acceptable level. We are better thanX. Things have reached a plateau. Can't go any further. In fact, been some recent spikes and an upward trend...”

The Dilemma

Do you really want to go to zero?

For how long?

Is it just tinkering that will get you there? Or
is there something fundamental that you are
missing?

The IRS

- The most potent ingredient in efforts to get to zero
- The most misunderstood and underestimated ingredient ...

World Class Performance

The IRS and Due Diligence are the
foundations of world class performance in
OHS

... and quality, and environmental
protection and

Two Ideas -- Traditional

“Everyone is responsible for integrating health and safety into his or her job, and should take every precaution reasonable in the circumstances to avoid losses.”

Two Ideas -- Positive

“Everyone should personally take every measure reasonable to continuously improve processes such that, among other benefits, the risk of occupational injuries and illnesses is driven down as low as it can reasonably go.”

Getting to Zero

If you focus on lost time alone, you will “surf along the bottom of the graph”. *Negative*

But if you focus on improving processes – in a personal and creative way -- you can continue to drive down risk and “suck” lost time down to zero and keep it there for a very long time. *Positive*

The Internal Responsibility System

- The IRS is a way of allocating responsibility, authority and accountability for safety that precedes law
- First named in the 1976 Ham Royal Commission Report “Safety in Mining”
- The philosophy behind the OHSА 1979

James Ham

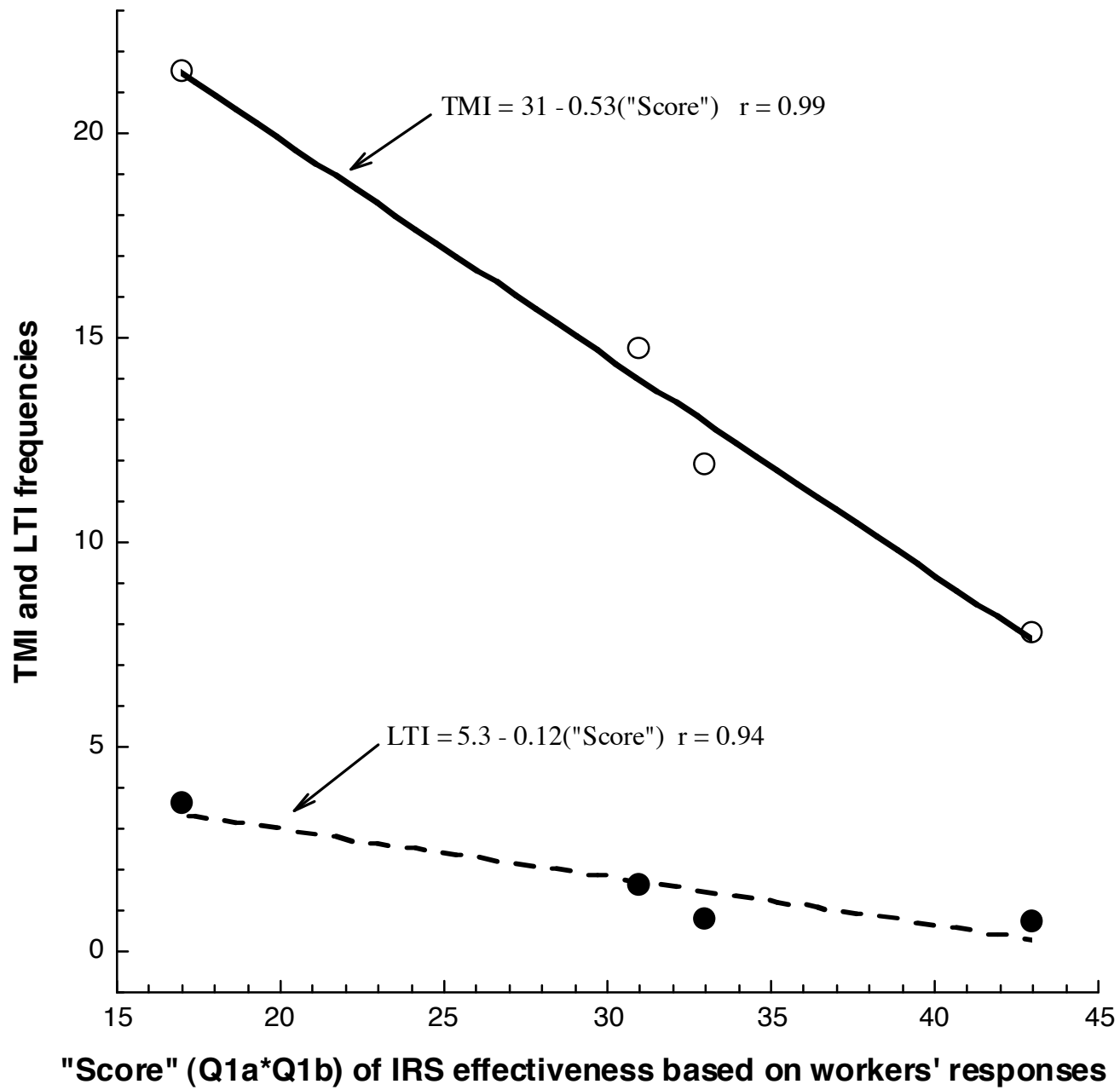
James Ham got it right in 1976:

1. OHS should be integrated into production; it's not a separate function.
2. Everyone should be doing OHS directly as part of his or her job.

MOL IRS Study

IRS audit in 6 Ontario mines showed that an IRS audit can measure the IRS and that a high IRS score goes with a low accident rate, while a low IRS score means more accidents.

The results from 4 of the mines (the other 2 didn't have appropriate data) were:



Power of the IRS

It is the only philosophy that captures the knowledge, experience, skill, insight, observational position, initiative, creativity and enthusiasm of every human mind in the workplace.

It is the ultimate expression of respect for the human element in the workplace.

Power of the IRS

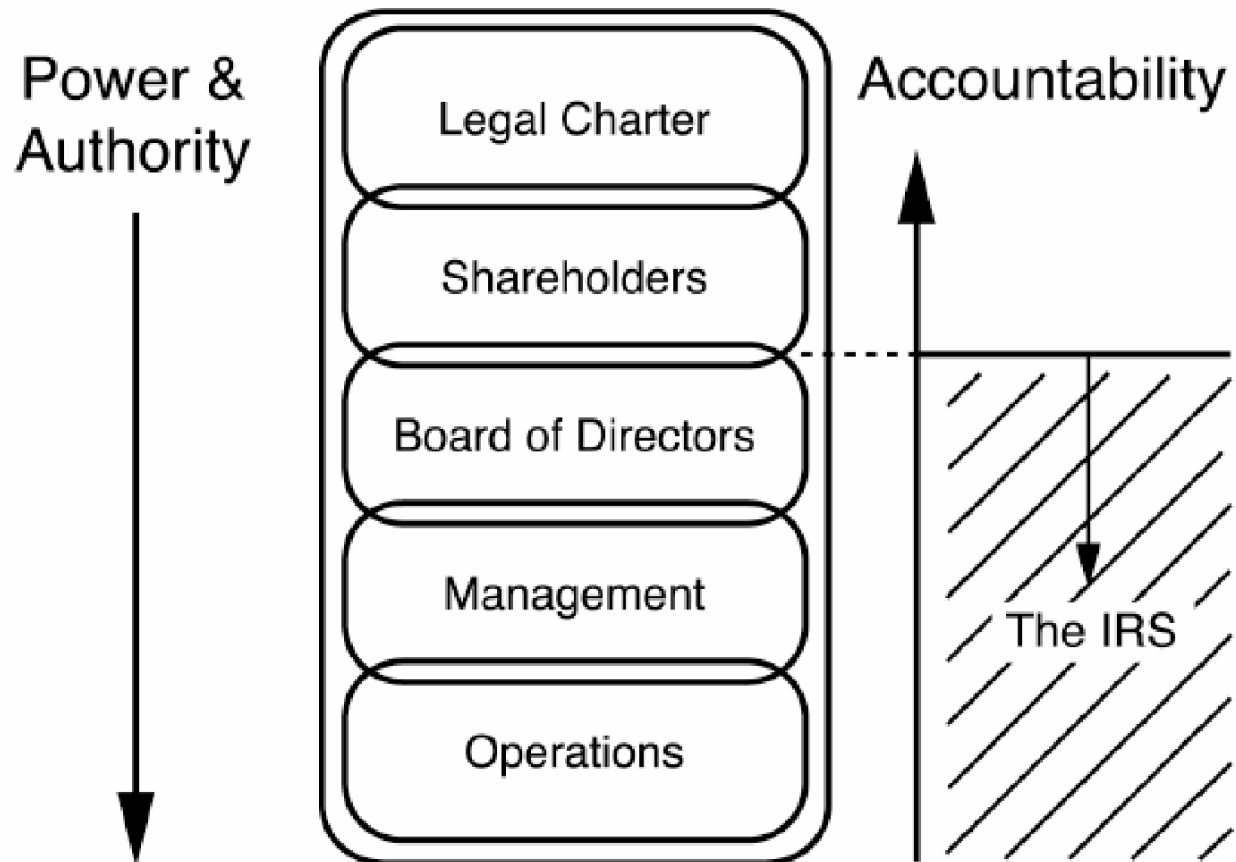
- The IRS is the “people framework” around which the management system is built.
- An OHS management system without the IRS is lifeless.
- Programs and techniques are built on top of and around the IRS.
- A weak IRS will sabotage any other OHS initiative.

Definition

“The IRS is a system, within an organization, where everyone has *direct* responsibility for health and safety as an essential part of his or her job.

An individual does health and safety in a way that is compatible with the kind of work that person does. Each person takes initiative on health and safety issues and works to solve problems and make improvements on an on-going basis. A person does this both as an individual and in co-operation with others.”

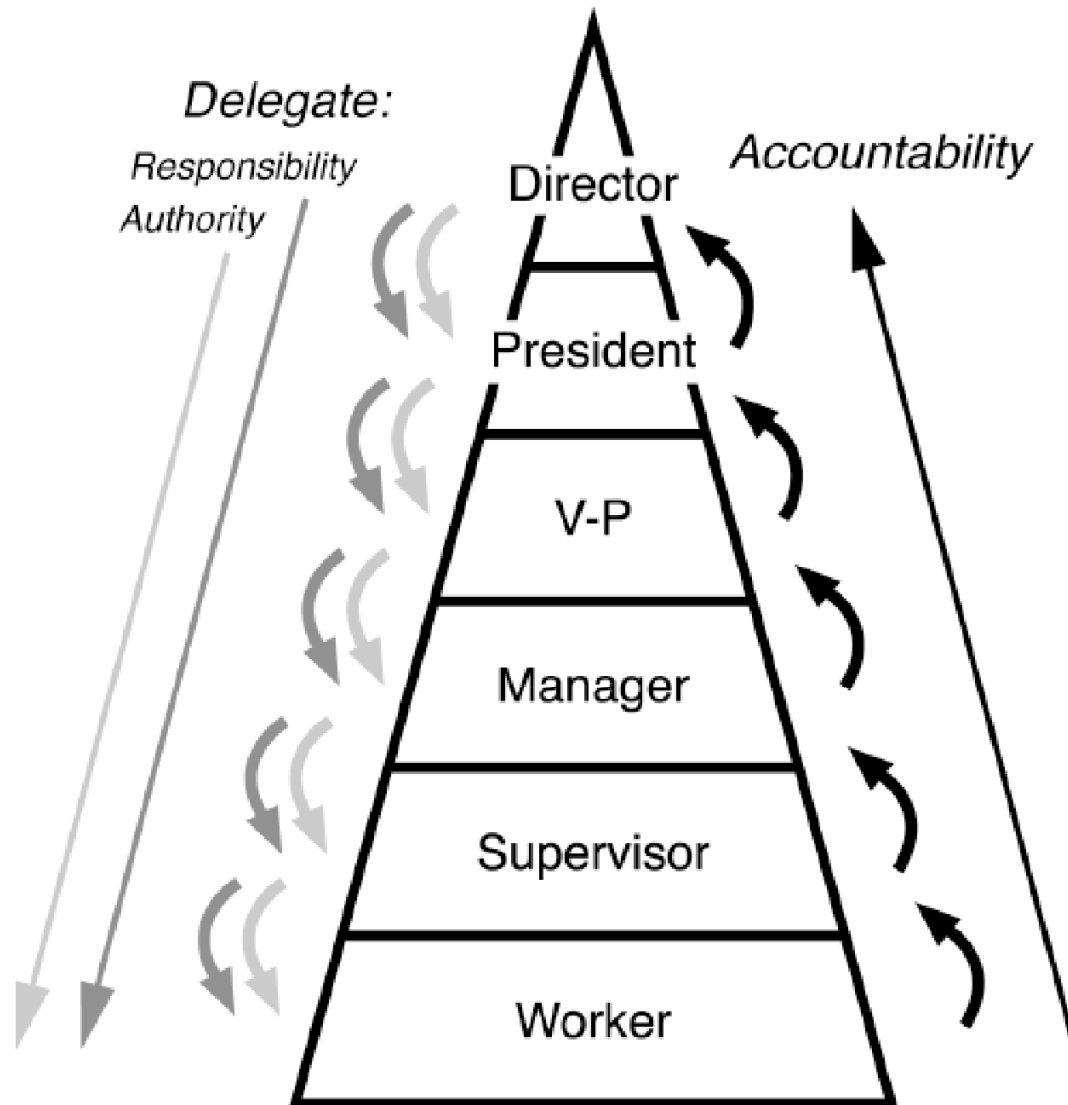
The Company and It's Constituent Parts



From *Making Boards Work: What Directors Must do to make Canadian Boards Effective*,
by David Leighton and Donald Thain, 1997

Basic Structures of the IRS:

Authority, Responsibility, Accountability



IRS

Internal – many meanings

Responsibility – it's about obligations not rights

System – it's a true system, requiring “systems thinking”

“Internal”

Health and safety is:

- internal to the workplace
- internal to the individual
- internal to the job description of everyone
- internal to routine decision-making
- driven by “internal motivation”

IRS and ERS

The Levels

1. Can I do it myself?
2. Do I need action from the management system? (supervisor, manager, executives)
3. If #2 not working (IRS core), do I need help from worker rep/Committee?
4. Committee not working, #3, do I need help from MOL – the External Responsibility System?

Internal to the Job Description of Everyone

- Everyone, no exception
- Staff and line
- Workers, supervisors, managers, officers and directors
- Personal, individual responsibility
- Do the kind of OHS work that fits with authority and control

Accident Theory & IRS

Descriptive

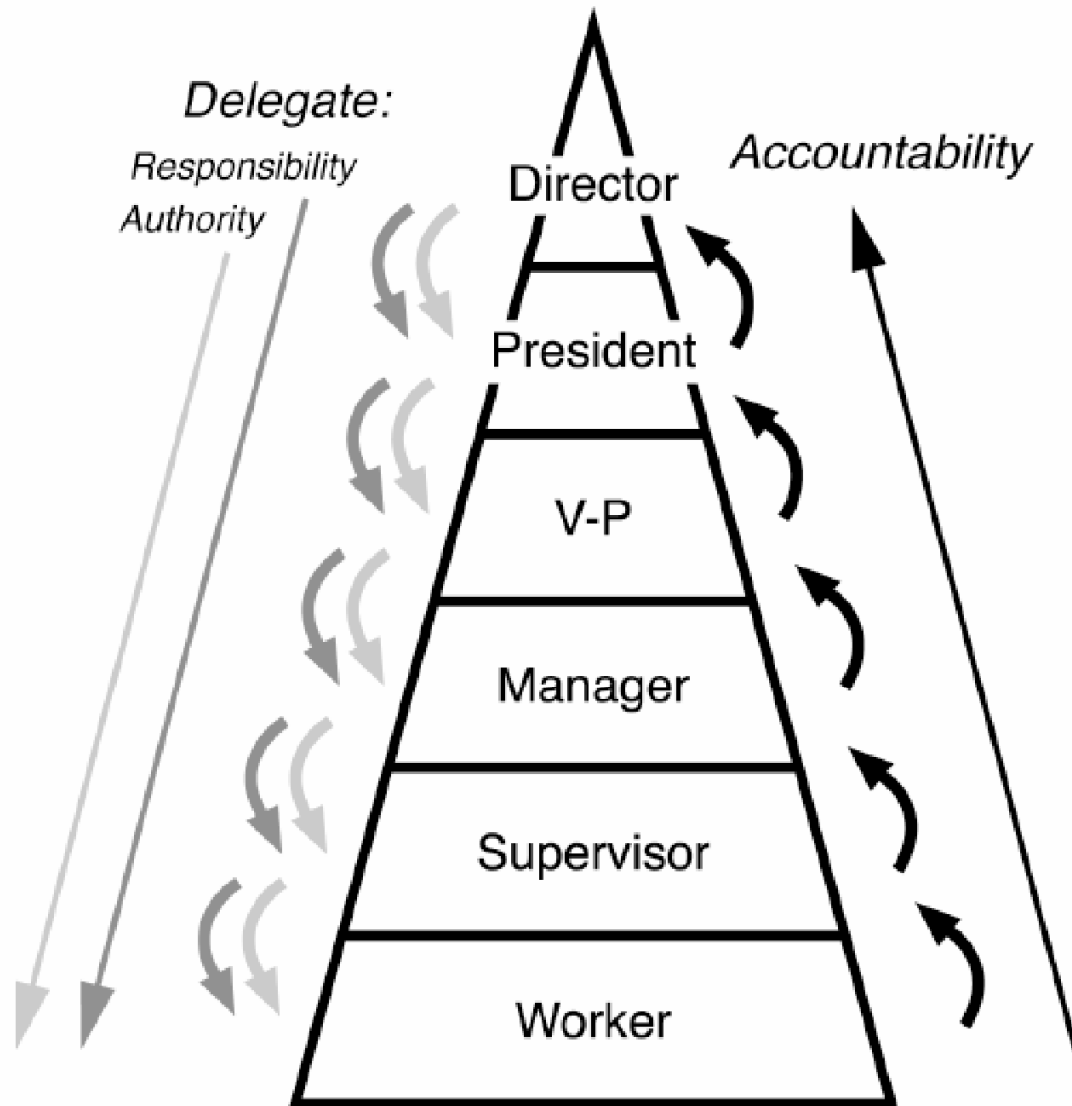
- | | |
|---------------------------------|--------|
| 1. Who can cause an accident? | Anyone |
| 2. Who can prevent an accident? | Anyone |

Prescriptive

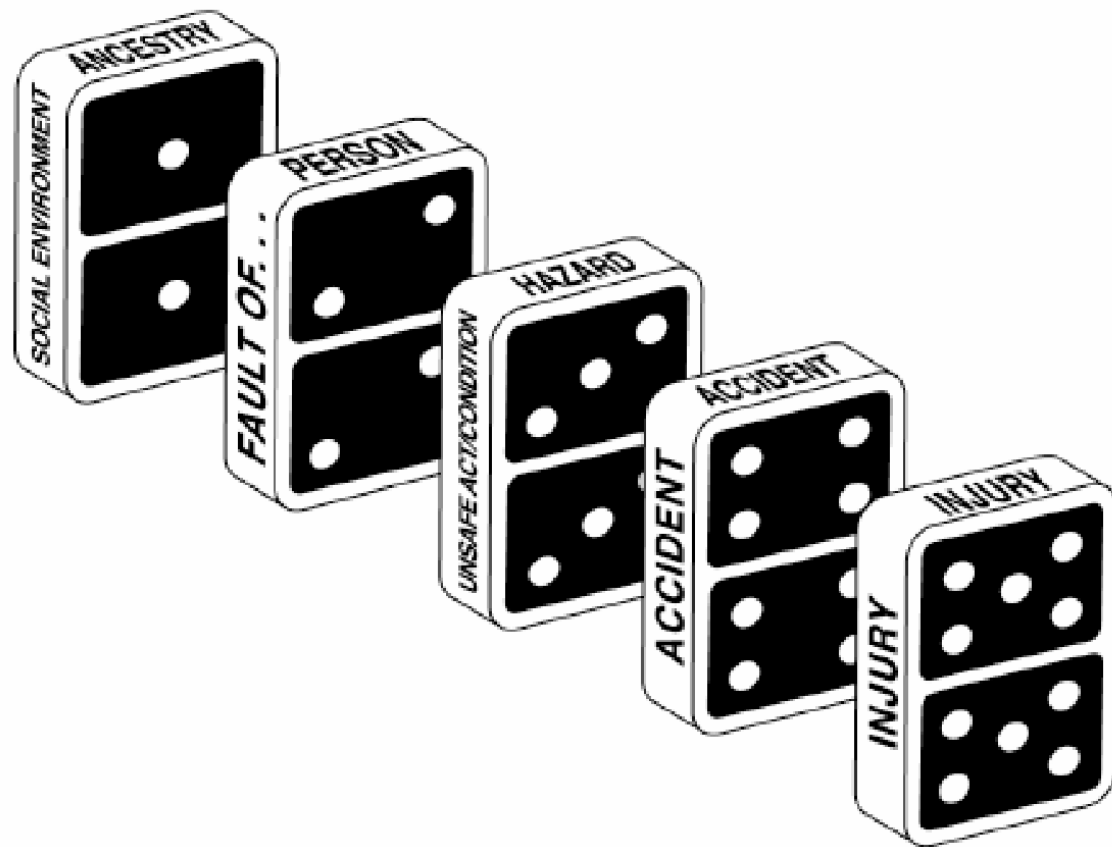
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|----------------------------------|----------|
| 3. Who SHOULD prevent accidents? | Everyone |
| 4. Who SHOULD be doing OHS here? | Everyone |

Basic Structures of the IRS:

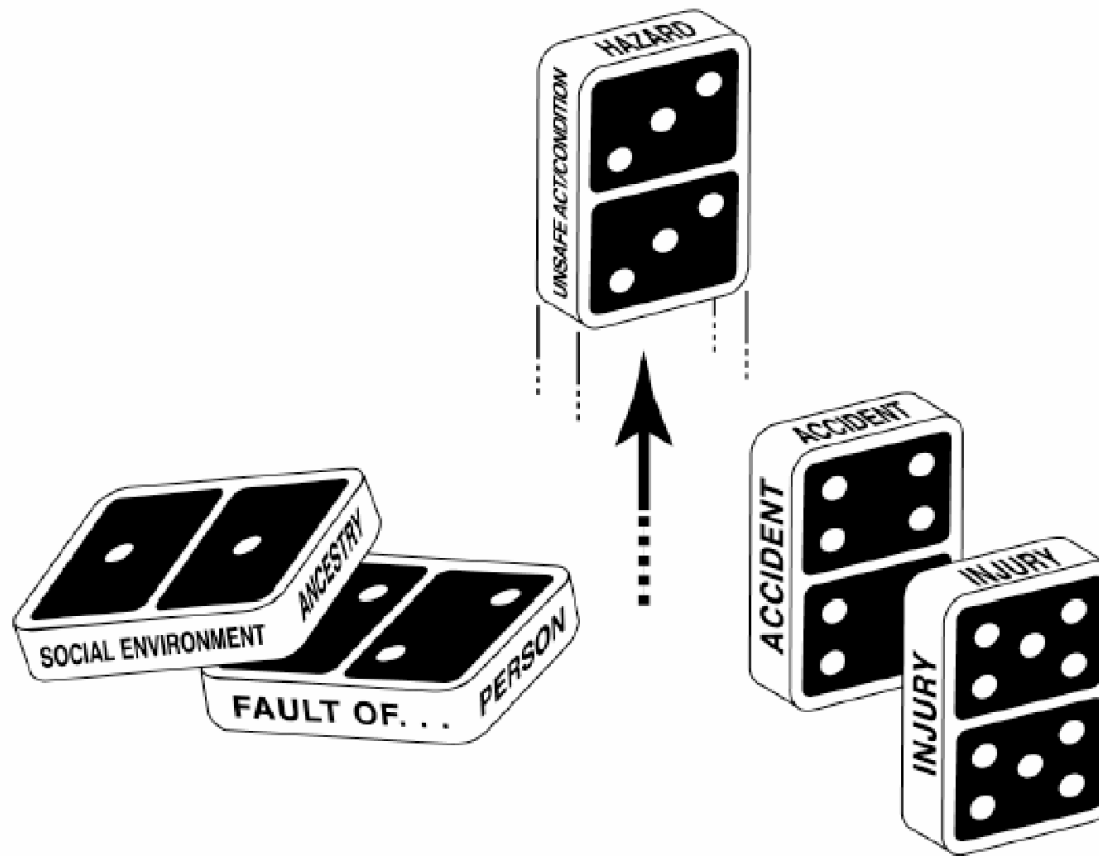
Authority, Responsibility, Accountability



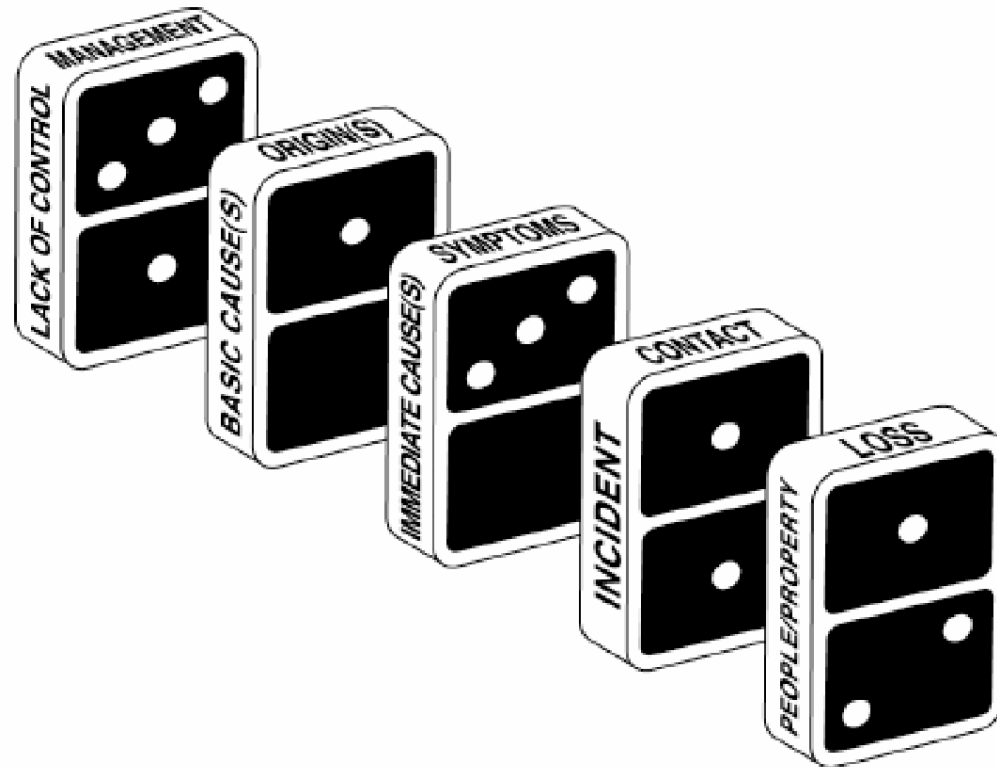
Heinrich's Domino Theory of Accident Causation



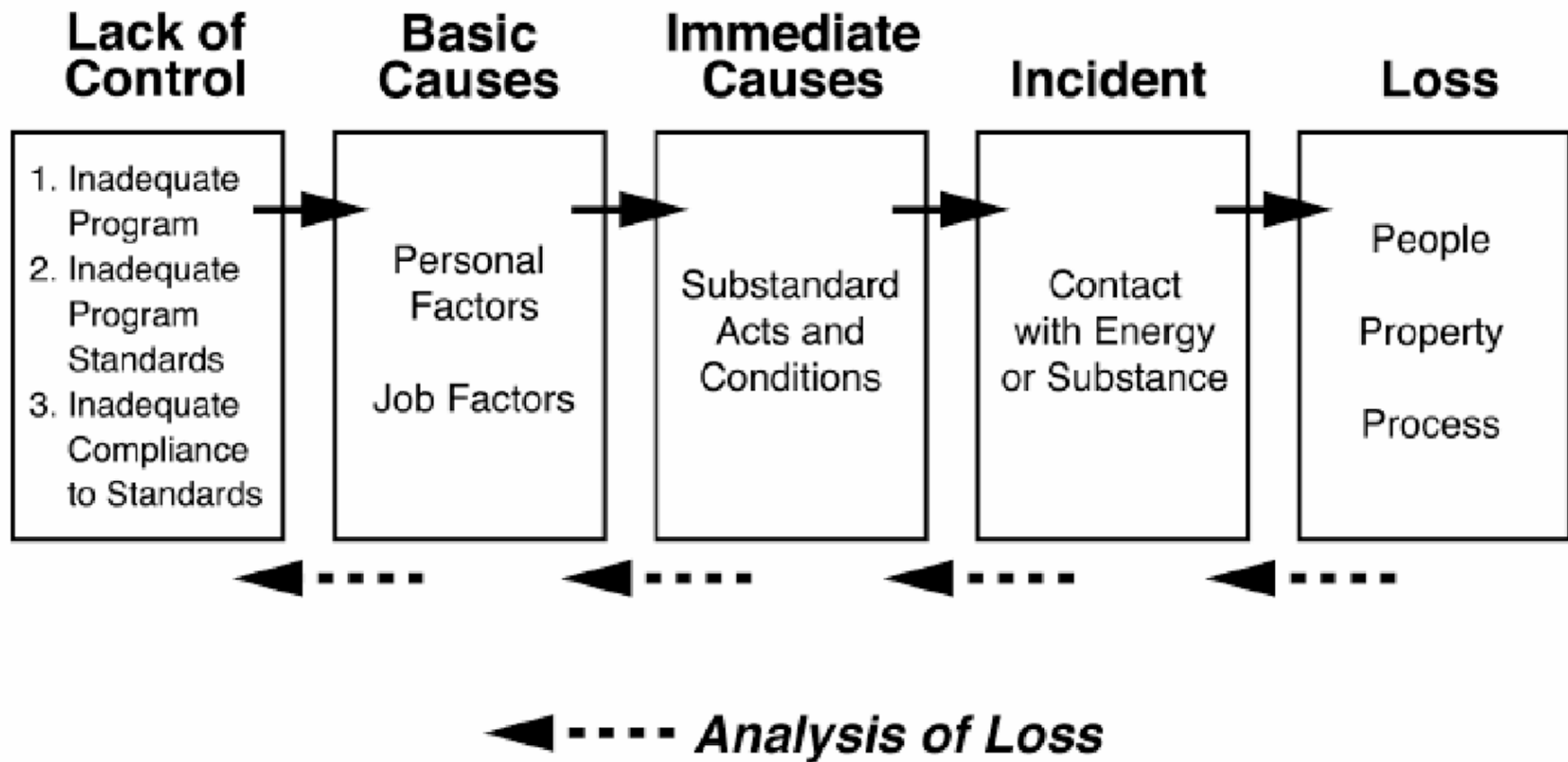
Heinrich's Domino Theory of Accident Causation



Frank Bird's Original Theory of Accident Causation

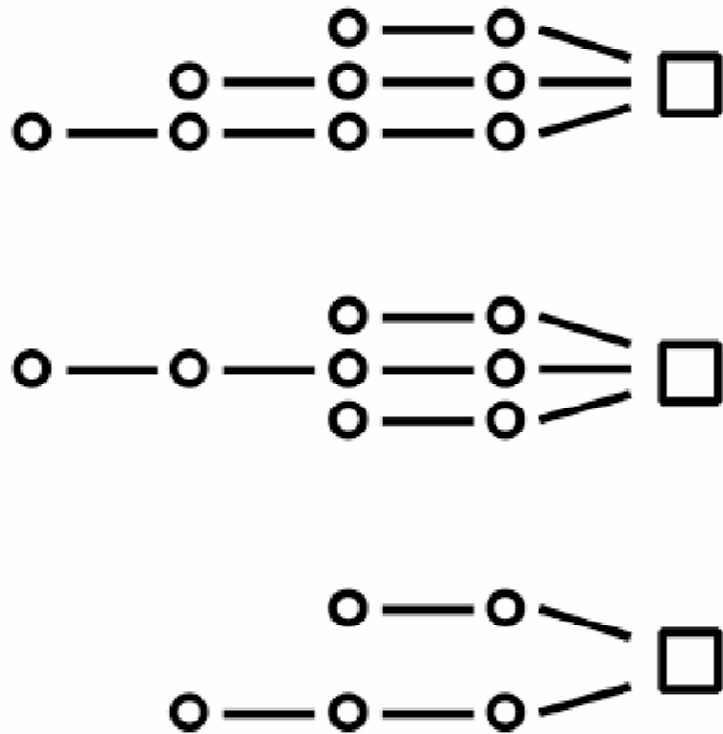


Loss Causation Model



Multicausation Models

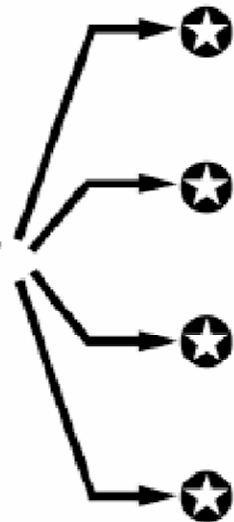
CAUSES



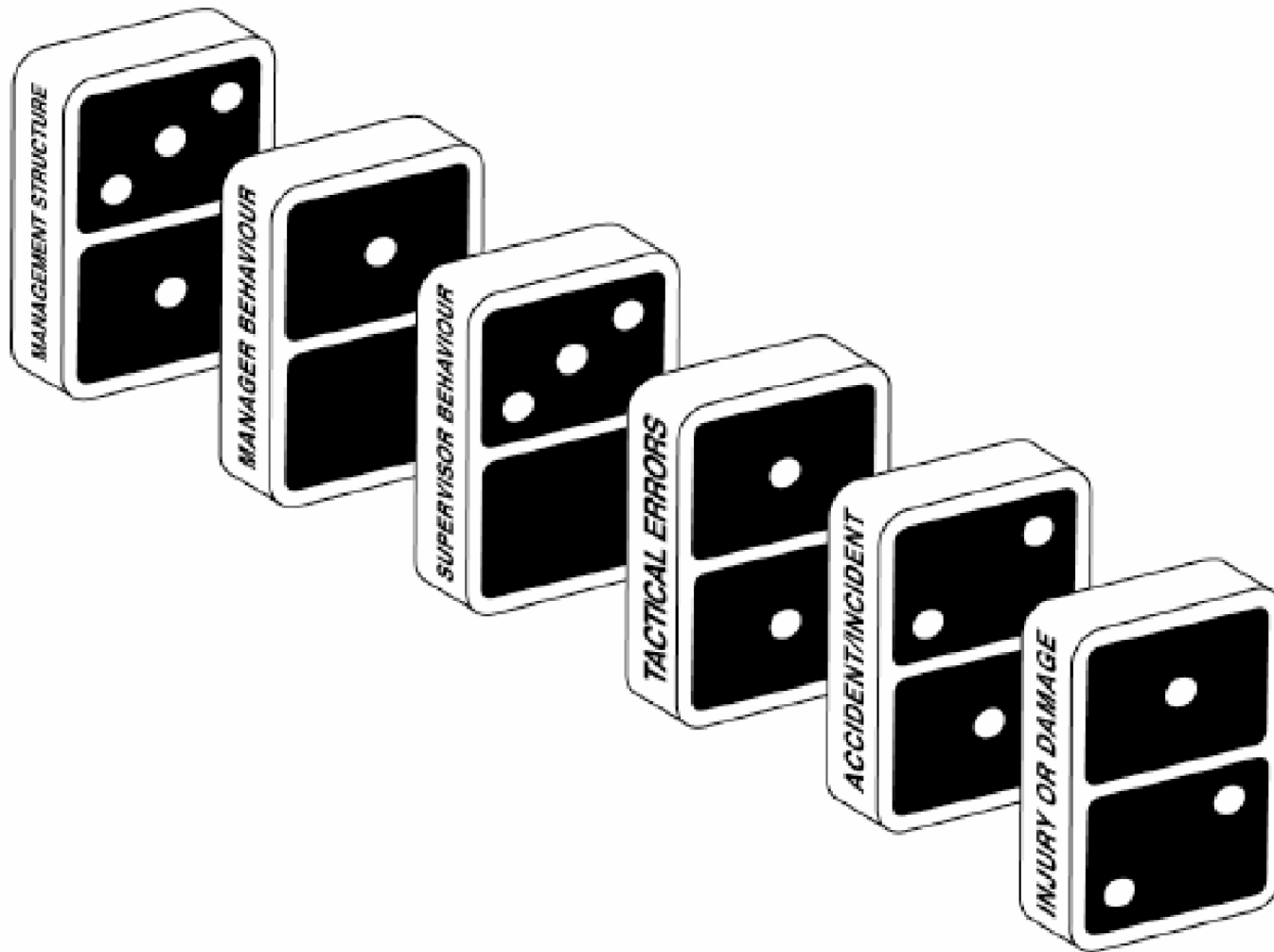
ACCIDENT



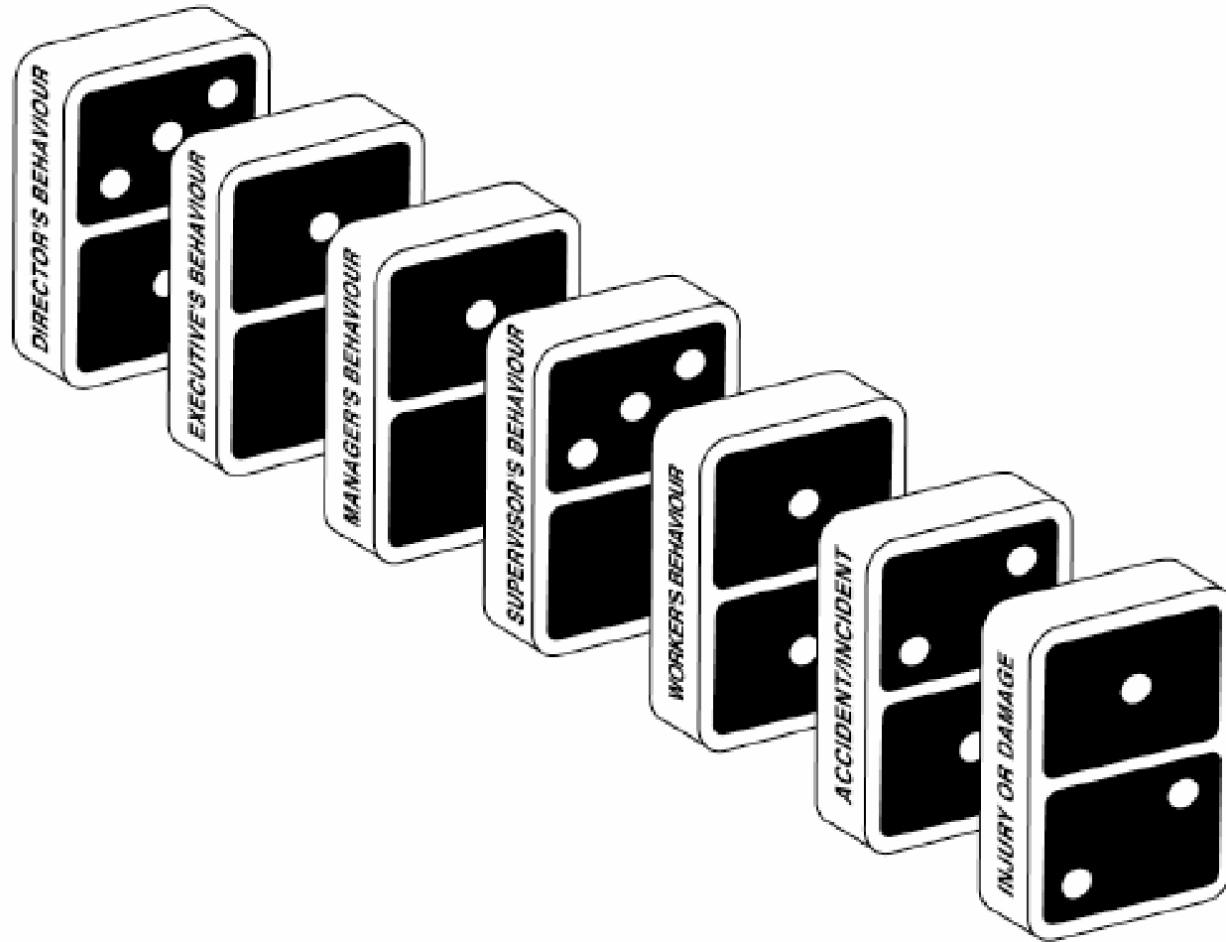
OUTCOMES

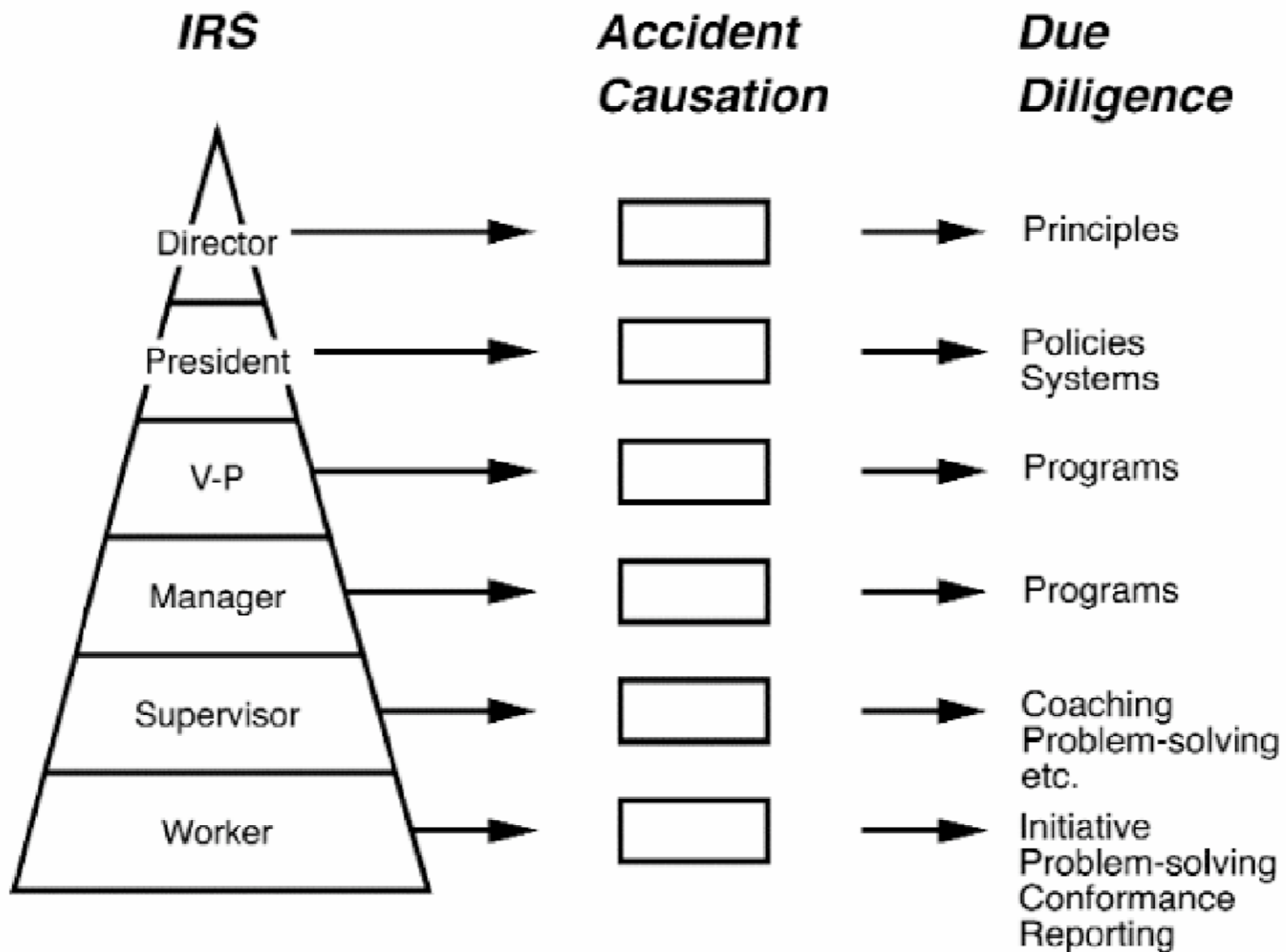


Adams' Domino Theory

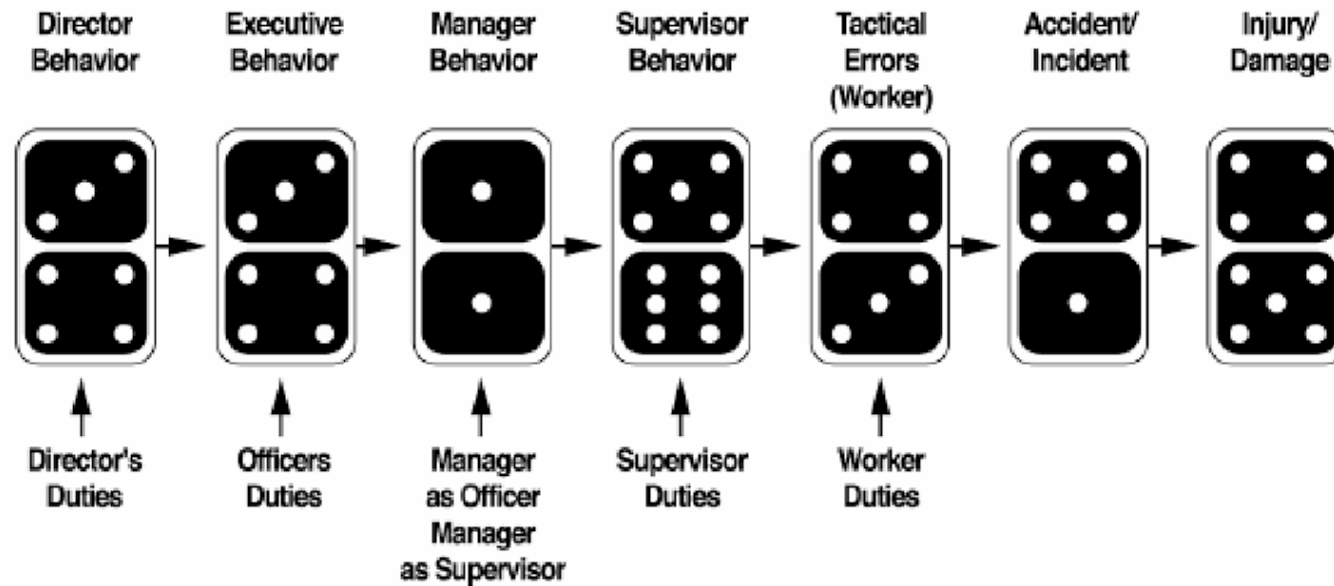


The People in the Accident Process





The Legal Duties Match Causation



Origin of IRS

IRS isn't true by definition or created out of thin air by policy.

IRS is based on physical causation of accidents in the workplace by people – all people – in the organization.

IRS is “true” because of basis in accident theory.

Internal to Routine Decision-Making

- OHS not an add-on, an afterthought
- OHS not a separate function
- As you do your ordinary work you think about risk, hazards, controls and adjust your work accordingly
- Easy to see with workers and supervisors
- Hard to see with mid to senior managers and with staff positions

Workers

- Following regulatory procedures
- Following employer's procedures
- Following supervisor's procedures
- Identifying defects, contraventions and dangers
- Using initiative to reduce risk
- Applying discretion to solve OHS problems
- Reporting unresolved problems
- Working cooperatively with co-workers, supervisors and others

Supervisors

- Using initiative to reduce risk
- Applying discretion to solve OHS problems
- Responding properly to reports
- Encouraging reports
- Training
- Ensuring qualifications

Supervisors

- Safety talks
- Job planning
- Tailboard conferences, pre-job briefings
- Coaching
- Job observation

Supervisors

- Post-job assessments
- Enforcement of rules and regulations
- Discipline
- Working cooperatively with workers, other supervisors, managers and others
- Taking unresolved problems to senior management

Managers

- Using initiative to reduce risk
- Engaging in leadership activities for OHS
- Applying discretion to solve OHS problems
- Responding properly to reports
- Encouraging reports by supervisors

Managers

- OHS performance evaluation
- Holding others accountable
- Developing, implementing programs
- Post-project/program assessment
- Properly allocating resources
- Staffing decisions

Managers

- Considering system wide problems
- Taking unresolved problems to senior management
- Working cooperatively with workers, supervisors, other managers and others

Executives

- OHS Policy
- Ensuring the development of an OHS system
- Ensuring periodic "system audits"
- Responding properly to reports by managers
- Ensuring that a proper IRS is functioning
- Ensuring that competent professionals are hired

Executives

- Sufficient resource allocation
- Leadership — taking initiative; inspiring others
- Holding subordinates accountable
- Considering system wide problems
- Taking appropriate, unresolved problems to the directors

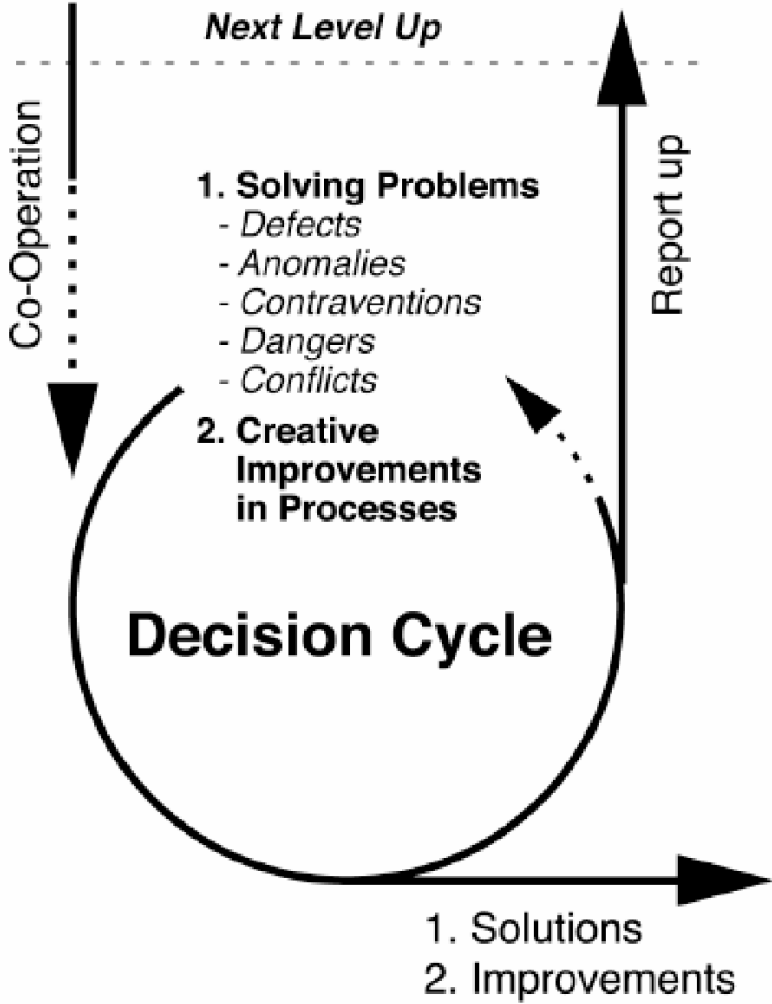
Directors

- Setting the broad vision for OHS performance
- Ensuring that the officers are capable and motivated to establish and maintain the IRS and the OHS management system
- Requiring evidence that in fact the IRS and OHS system are functioning well
- Responding properly to reports by officers
- Holding the officers accountable for their OHS performance

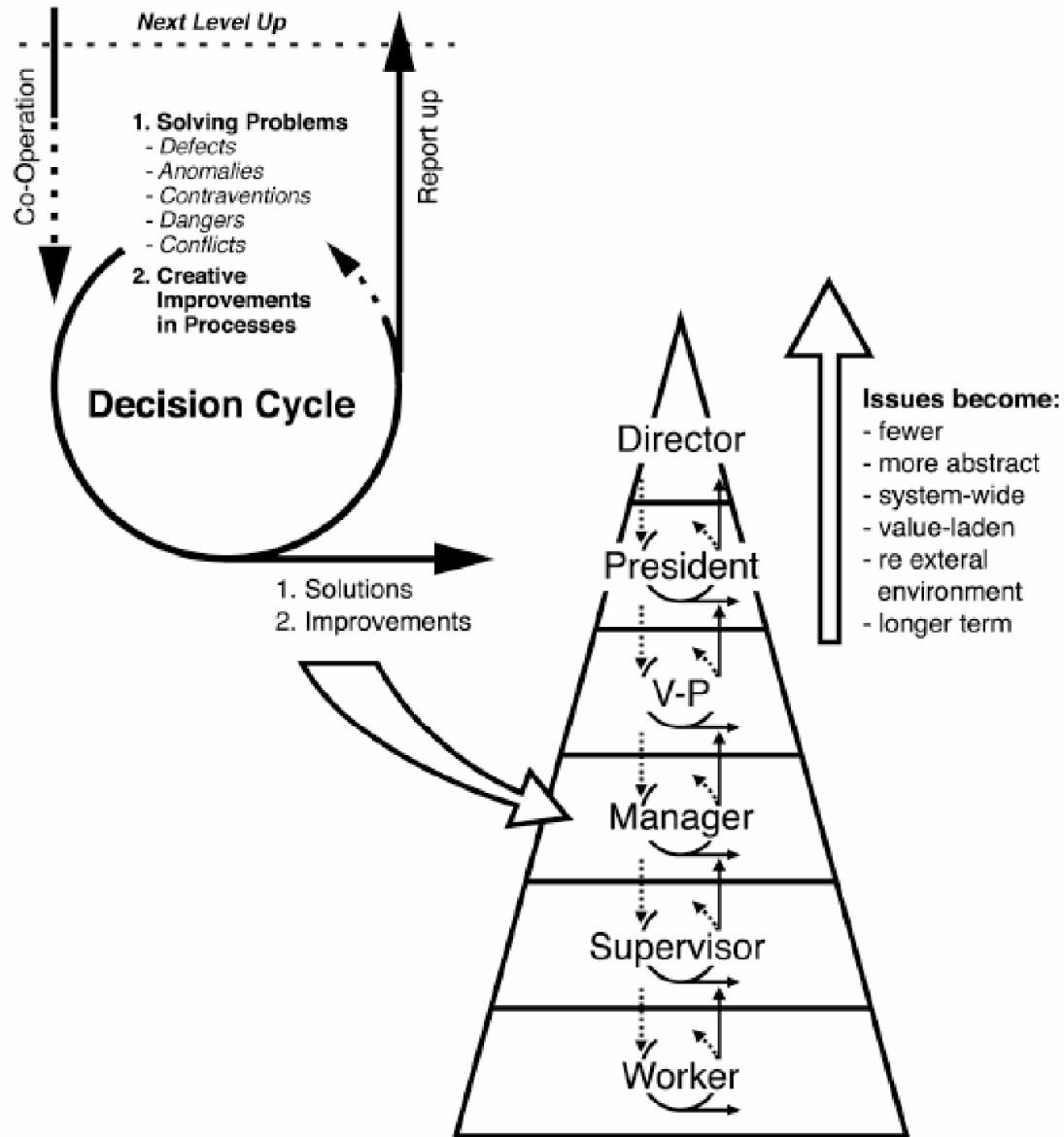
The IRS is a Dynamic Problem Solving “Machine”

- Attempted resolution of problems within each level
- Attempted improvements within each level
- The upward flow of unresolved problems and opportunities for improvement
- Cooperative interaction between levels for problem-solving and improvements
- The number of problems flowing up decreases with each level

Creative Improvement and Problem Solving in the IRS

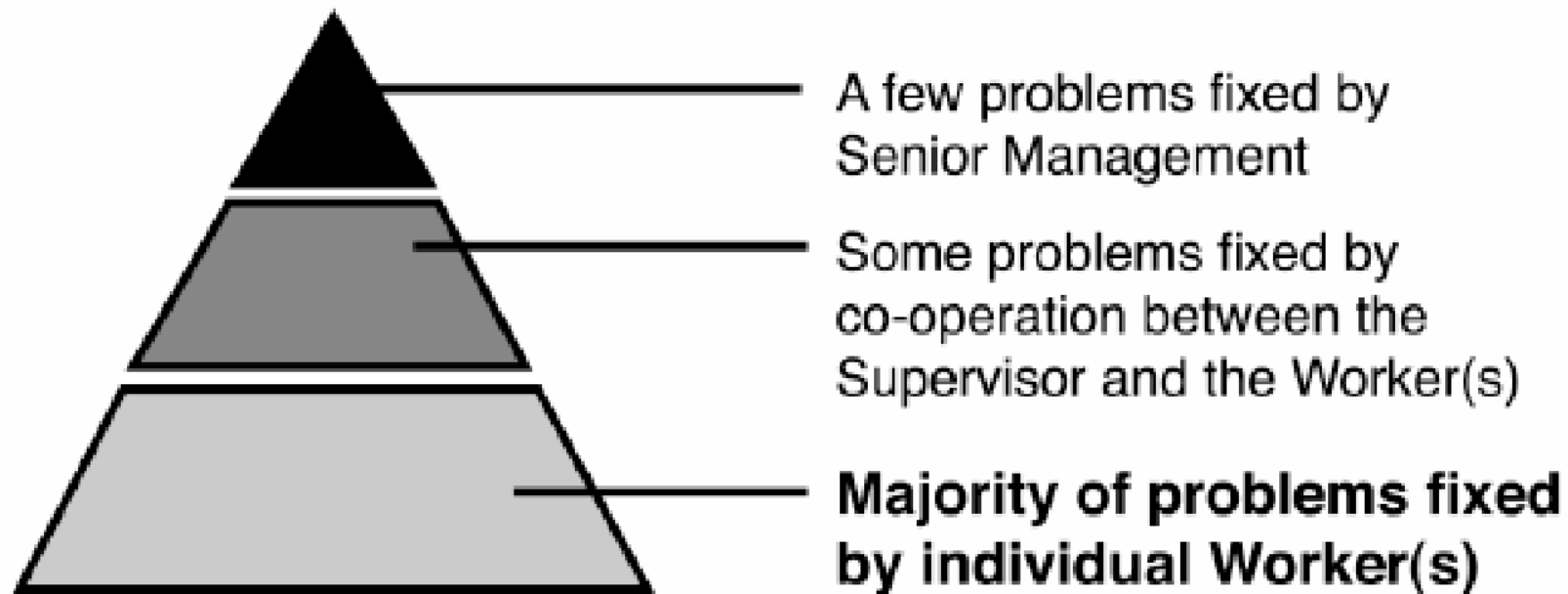


Creative Improvement and Problem Solving in the IRS

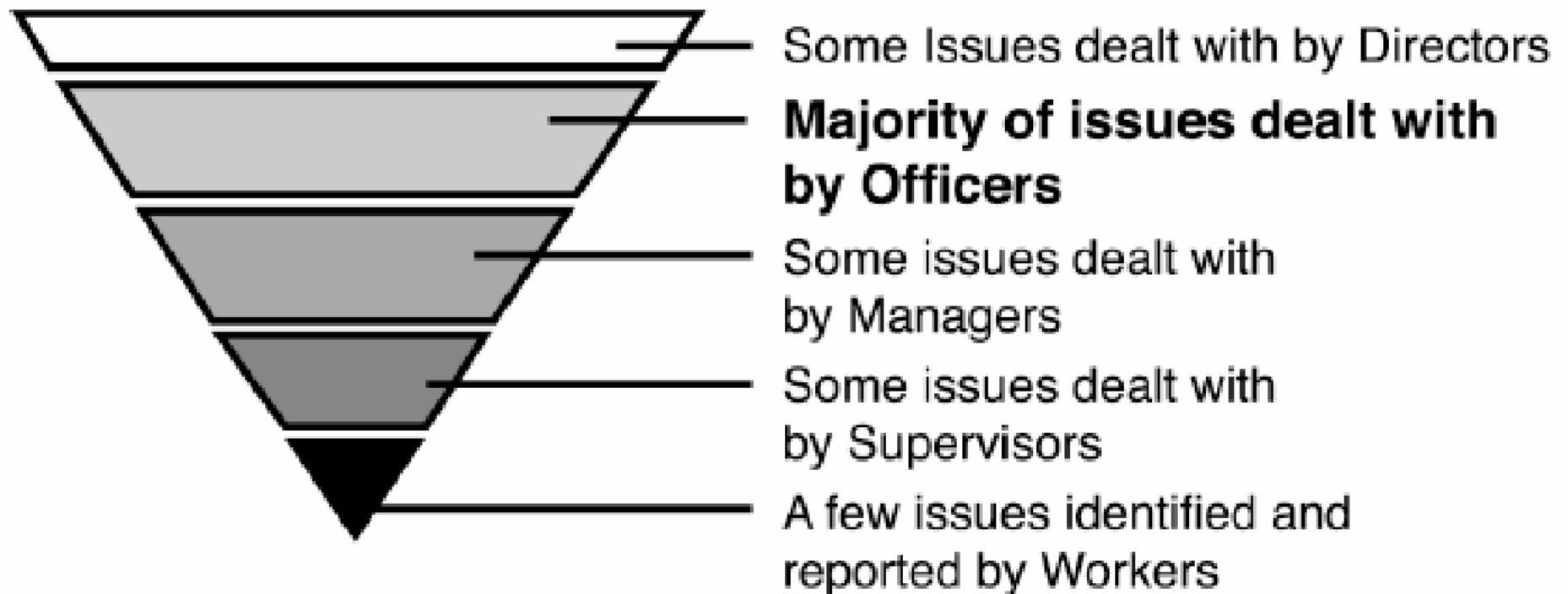


People in the IRS Deal With Different Issues

Direct Causes of Losses



Fundamental Causes of Losses



Power of the IRS

Everyone is in a position to see things that other people cannot see well. The IRS is the only philosophy that captures the perspective, experience, skill, creativity and wisdom of every person in the organization.

Power of the IRS

So ... why would a hospital not use this concept in its efforts to deal with concerns that are closely related ... patient safety, visitor safety, infection control, adverse events?

Example

Infection control in hospitals important?

Any employee using the hospital's washrooms can see that they were designed for adults. Children cannot reach the faucets, soap dispenser or paper towels. A design flaw that discourages hand washing among a demographic group that wanders around the hospital.

Solutions?

Example

An employee moving wheeled devices ... chairs, beds etc. can feel that the wheels don't run smoothly

Discusses with another employee how devices are cleaned ...

Together they conclude that moving parts degreased/delubricated in the cleaning process...

Need to re-visit the cleaning process and re-lubing.

In a small way will this improvement decrease various risks? Which ones?

Size Doesn't Matter

Toyota didn't come within a hair's width of becoming #1 car manufacturer by waiting for the "One Big Improvement", but by encouraging every employee to come up with 100's of small ideas for improving things.

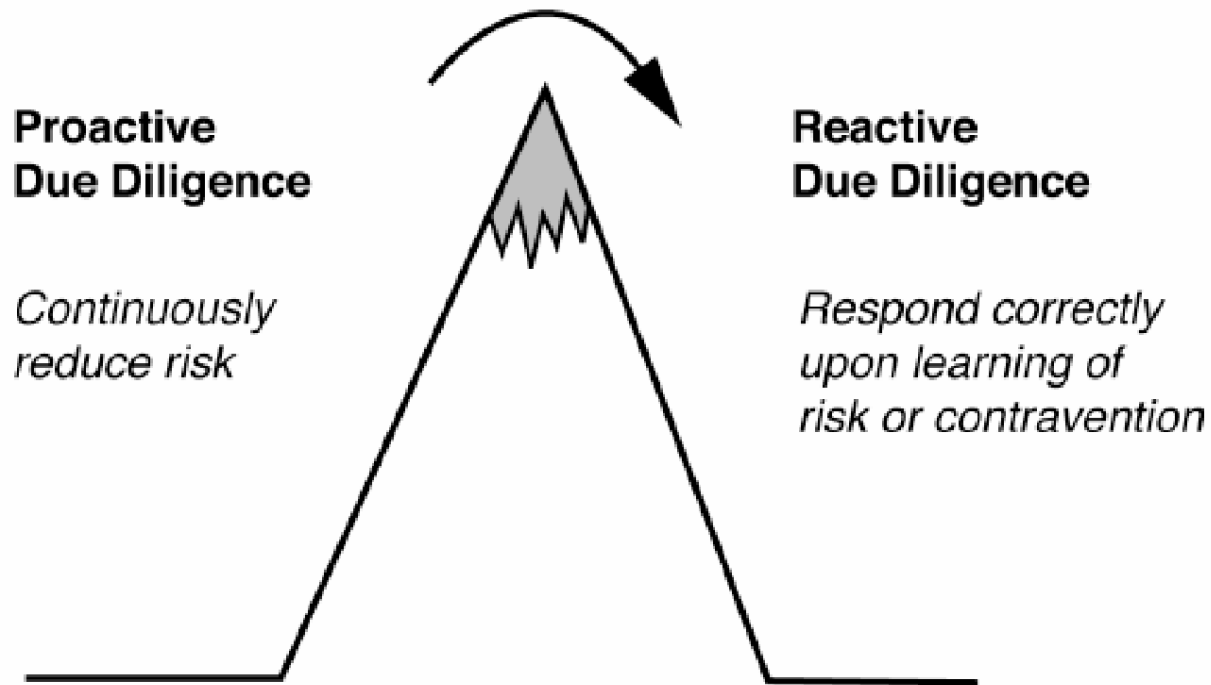
Problem Solving “Machine”

- The number of initiatives that could be taken at each level without waiting for an issue to come up from below does not necessarily decrease with each level
- The nature of the problems and the opportunities will be different at each level
- Implication that people at lower levels need to be kept informed of what is happening to a problem or initiative that was sent up the system, or frustration will set in
- Implication that weakness in the IRS can occur at any or all levels

Response Driven by Reactive Due Diligence

When a person receives a “hot potato” from below, his due diligence position shifts. Now he KNOWS about hazard X or non-compliance Y. Proactive due diligence is erased. Now what matters is response to the standard of the reasonable peer. Understanding of DD drives the IRS.

You Know!!



***Taken together makes the IRS
a dynamic problem-solving machine***

Initiative versus Response

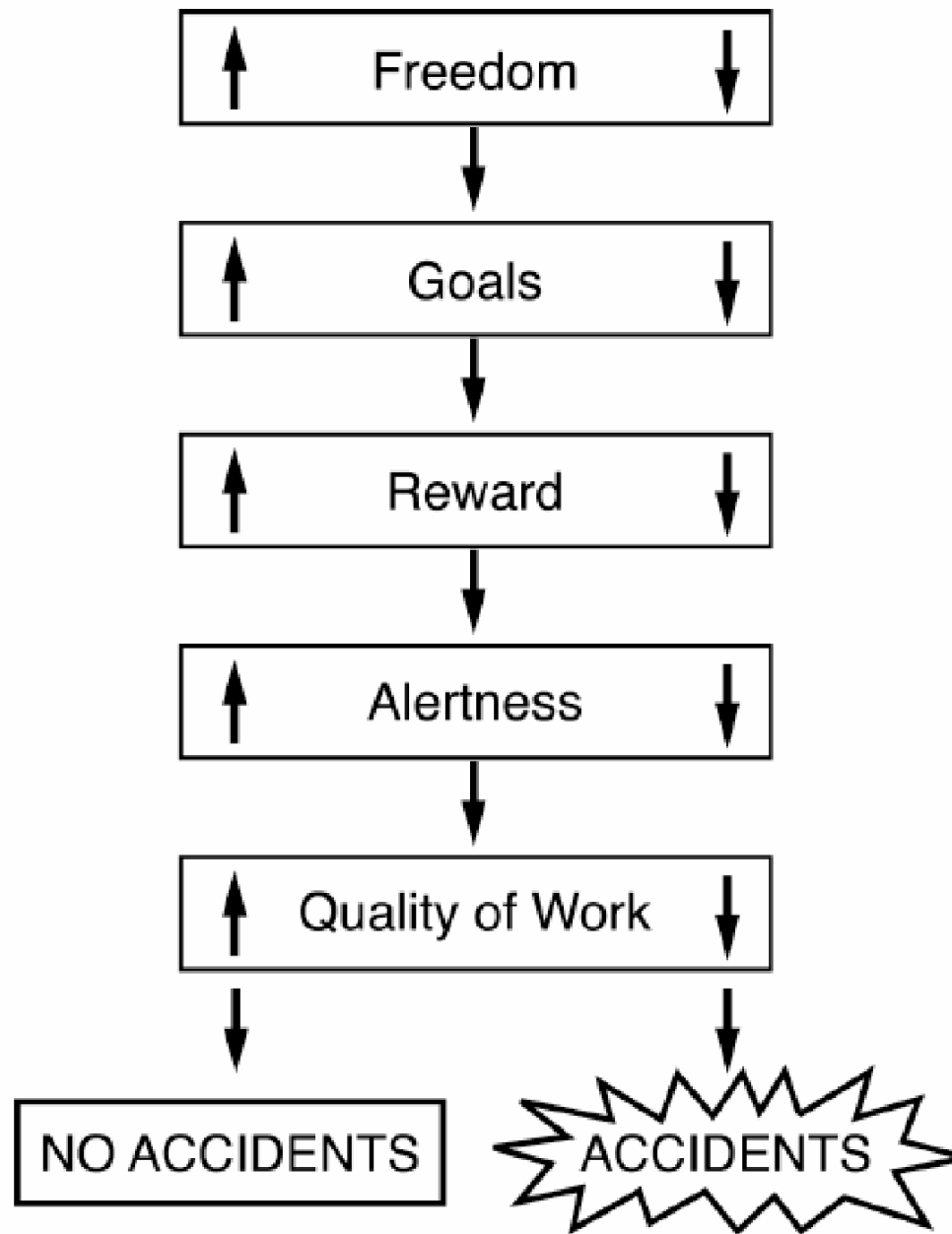
- IRS at levels above the hands on worker is not just about responding to issues from below.
- Individuals at all levels are in the best position to see how their own processes can be improved.

IRS Activities

- Individual problem solving — identification of defects, anomalies, contraventions, hazards and risks and their resolution
- Individual creative and continual improvement of work processes
- Reporting up when in need
- Cooperative problem solving
- Further reporting up if necessary

OHS Driven by “Internal Motivation”

- Difference between motivation from within the person and motivation from without
- External “rewards and sanctions”
- Internal “satisfiers” pride, sense of achievement, self-development, control, curiosity, self-respect, morality, etc.
- Which works best for “out of sight short cuts”?
- Which works best for obtaining creativity and initiative for OHS?



Enemy of Zero

Complacency

By thinking that a lost time statistic is the goal, or an acceptable level of risk is the goal, we ease off (rarely intentional).

Solution

“Quality thinking” is the answer. Shift from finding “bad things” – defects, hazards, contraventions – to improvements in processes.

BUT done through the IRS !!!!

IRS and Quality

We do not want quality to be done *solely* in a staff function; done globally for the organization.

We want quality to be done daily by *individuals* as they are routinely making decisions.

Due Diligence and Quality

“Take every measure reasonable in the circumstances to improve processes you are involved in.”

For world class OHS performance, we must incorporate quality principles into OHS decision-making.

Quality Thinking

“I don’t necessarily see any bad things – defects, contraventions and hazards – but I can see ways of:

- simplifying things
- automating things
- reducing the number of steps
- narrowing variation
- applying a new technology
- making it comfortable
- reducing stress”

IRS and Quality

If everyone in the IRS is seeking to continuously improve the processes they are involved in, there will be many benefits:

- cost reduction
- environmental protection
- improved service to clients
- better product
- reduced risk to workers

IRS and Quality

..... AND !!

- reduced risk to patients
- reduced risk to visitors
- improved infection control
- reduction in all those gremlins that can cause other adverse effects.

The Nature of Due Diligence

Due Diligence

“Take every precaution reasonable in the circumstances”

“Take all reasonable care”

“Do everything reasonably practicable”

Scope of Due Diligence

Aiming for due diligence generally can be helpful in:

OHS

Environmental prosecutions

Lawsuits

Criminal negligence prosecution

Products liability

Occupier's liability

Due Diligence

An important concept, simple at first glance, but possesses layers of subtlety.

What are the many forms due diligence can take?

What are the uses of the due diligence concept?

What factors must be considered to determine due diligence?

We Want to See ...

... how Due Diligence is affected by:

- Status
- Knowledge
- Risk
- Cost
- Technology
- Peers (industry standards)

Who Needs to Know?

Just your lawyer?

Just the OHS&E professional?

Due diligence has to be done before the accident/event to be a defence, therefore we should be thinking about it before the accident. Everyone needs to understand what would be due diligence for a person in their shoes.

Forms of Due Diligence

1. A defence
2. A duty
3. A mitigating factor in sentencing
4. A possible shield against prosecution in the first place.

Also ...

1. We can view DD in a non-legal way as a moral concept
2. DD can be seen a management principle
... a performance measure and a risk reduction driver

Myths About Due Diligence

1. It's an attitude
2. It's documentation
3. It's mere regulatory compliance
4. There's a set number of universal actions that amount to due diligence for everyone
5. It can be delegated
6. It's vague and subjective

Due Diligence

- Origin in the English law of negligence
- Concept of the “reasonable person”
- Concept of “reasonable care”
- Concept of “reasonably foreseeable”

General Rule

If the defendant can go to jail or face a severe financial penalty, the defendant ought to be given an opportunity to show that he or she was duly diligent and therefore not guilty of the offence

Due Diligence and Deterrence

Purpose of criminal law is punishment
(primarily)

Purpose of regulatory law (OHSA) is
deterrence (motivate the defendant and
observers to a higher level of behaviour)

Due Diligence and Deterrence

If the defendant was duly diligent before the accident, then the defendant cannot do anything more (that is reasonable) – therefore a conviction would be futile.

Due diligence not an excuse, but a full defence.

Due Diligence Defence

Crown goes first and proves the offence beyond a reasonable doubt.

(If fails to do this, case can be dismissed without hearing from Defendant.)

Then Defendant proves DD on a balance of probabilities.

Proving Due Diligence

- Witnesses' oral testimony
- Defendant's testimony (but get cross-examined)
- Documentation

DD as a Defence

- Look for a very specific duty in the Act, often connected to a detailed requirement in the regulations – what would the duty holder have to do in order to show that he or she “took every precaution...” w.r.t THAT specific duty?
- Can view DD as what is implied in the specific duty.

DD as a Duty

- Look for a very generally worded duty “take all reasonable care”.
- No specific hazard mentioned
- No connection (usually) with the regulations
- No specific control mentioned

Limits to Procedural Regulation

It is not possible for regulators to prescribe detailed rules for OHS&E that will cover all workplaces, technologies, tools, processes, machines, circumstances

The “knowledge problem” – the world is too rich, complex and ever-changing for us to rely on procedural regulation alone.

Limits to Command and Control

It is not possible for employers to prescribe detailed company rules for OHS&E that will cover all technologies, tools, processes, machines, circumstances

The “knowledge problem” – the workplace is too rich, complex and ever-changing for us to rely on command and control alone.

Solution

Establish a broad performance standard:

“Take every precaution reasonable in the circumstances for the protection of a worker.”

Open-ended, all inclusive.

Due Diligence and the Internal Responsibility System

Impossible to fully understand each concept unless you can see how they necessarily fit together.

IRS: “I’m responsible”

DD: “How far I have to go with my responsibility”

Due Diligence

Forget (for the moment) Due Diligence as:

- a legal concept
- a legal defence
- regulatory compliance
- a minimum standard
- a means of avoiding prosecution
- a way to get a reduced sentence

Due Diligence

Think of Due Diligence as:

- a moral principle
- a management principle
- a practical way to account for risk
- a very high performance standard, that to go beyond is “irrational”

Due Diligence

“Take every precaution reasonable in the circumstances to avoid harm.”

“Take every measure reasonable in the circumstances to improve processes you are involved in.”

IRS and Due Diligence

“Under the IRS, I know I am responsible for OHS, but what do I do exactly? How far do I go? What is the standard for my performance?”

Do what the “reasonable peer” would do in my circumstances.

Performance Standard

Due Diligence as a philosophy, a way of life, requires an individual to constantly assess personal performance against an objective standard that is very high.

Requires thinking, creativity, initiative – not just rule-following and conformance.

Objective Standard

Because the Due Diligence standard is broadly worded, people mistakenly think it is vague and therefore subjective.

Due Diligence is measured by the standard of the reasonable peer, so one must be able to justify decisions in terms of an external standard.

Subjective/Objective

Subjective:

We all have opinions and we are entitled to keep them without judgment.

Objective:

We all have opinions but the test is not up to any individual; the test is outside the individual An external standard of right and wrong.

Reasonable Person or Peer

The “**reasonable person**” is a hypothetical person who is experienced, knowledgeable, motivated, unbiased and without character flaws.

The “**reasonable peer**” is the reasonable person **plus** industry or trade knowledge ... is less than superman, but more than the “average peer”.

Reasonable Peer

Superman

Reasonable Peer

Average Peer

Reasonable Person

Average person

Daily Test

Is what I am about to do (or not do) something that a jury of reasonable peers – knowing what my circumstances are right now – would do (or not do)?

Helps you get outside your own subjective self.

Due Diligence Variables

- What industry are you in?
- What are the intrinsic risks of the industry?
- Who are you in terms of position, authority?
- What are your duties?
- What knowledge and skill should a person like you have?
- What are existing standards?

Due Diligence Variables

- What constraints are you under?
- Who are you responsible for?
- What area are you responsible for?
- What risks have emerged today?
- What controls are available to you?
- What special or specific knowledge do you have today?

Due Diligence and Risk

We do not want risk assessment to be done **solely** in a staff function; done globally for the organization.

We want risk assessment to be done daily by **individuals** as they are routinely making decisions.

Risk

Personal assessment of risk allows an individual to figure out:

- what techniques to use
- when to use them
- how often to use them
- with what emphasis
- what to forego, as resources are limited

Risk is Always Shifting

Risk varies with:

Novelty – people, location, tools, equipment,
materials, processes, technology

Energy – forms of energy

Complexity

Matching Activities to Risk

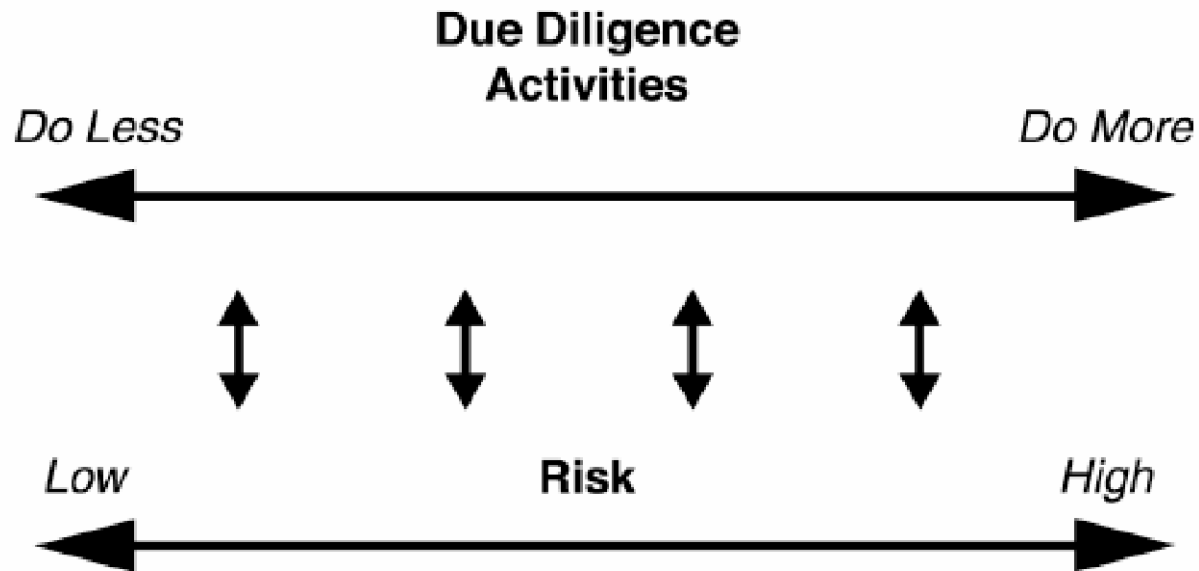
Think of a gradient of risk.

Think of a gradient for each due diligence activity.

Match the level of due diligence with the level of risk.

In a world of scarce time and resources, you must be able to show that your “balance” of effort is reasonable in the circumstances.

Due Diligence Maps Onto Risk



What's high risk?

- Novelty
- High Energy
- Special Structures
- Complex Tasks

Cost

Does cost affect what is “reasonable”?

Is there a set amount of money that is reasonable in all circumstances?

Always need to combine cost with risk.

Size of Organization

Do large, rich organizations have to do more than small organizations for due diligence?

All must reach the minimum standards in the regulations.

For general duty clauses, what would the reasonable PEER do? Larger must do more.

Industry

Is there an acceptable level of risk that is the same for all industries?

Once you reach that level of risk you can quit taking due diligence steps to further reduce risk?

No, get risk down as far as you can reasonably go ... different end points in different industries.

Technology

As technology improves, the standard for due diligence activities goes up.

New technologies often involve unknown risks, so caution ...

Due diligence does not mean latest technology, but is high risk, can mean “best practice”.

Requires constant surveillance of external environment.

Knowledge

Knowledge changes everything.

What would the reasonable peer do, not knowing of specific defects, contraventions and hazards? -- proactive due diligence.

What would the reasonable peer do, **knowing** of specific defects, contraventions and hazards? -- reactive due diligence.

Due Diligence and Quality

We do not want quality to be done **solely** in a staff function; done globally for the organization.

We want quality to be done daily by **individuals** as they are routinely making decisions.

Due Diligence and Quality

“Take every measure reasonable in the circumstances to improve processes you are involved in.”

For world class OHS performance, we must incorporate quality principles into OHS decision-making.

Due Diligence and Quality

“I don’t necessarily see any bad things – defects, contraventions and hazards – but I can see ways of:

- simplifying things
- automating things
- reducing the number of steps
- narrowing variation
- applying a new technology
- making it comfortable
- reducing stress”

Due Diligence and Quality

If everyone in the IRS is seeking to continuously improve the processes they are involved in, there will be many benefits:

- cost reduction
- environmental protection
- improved service to clients
- better product
- reduced risk to workers

IRS and Quality

..... AND !!

- reduced risk to patients
- reduced risk to visitors
- improved infection control
- reduction in all those gremlins that can cause other adverse effects.

Failures in the IRS

Failures in the IRS

- At what level can it fail?
- Workers disengaged, unmotivated, cynical, untrained in OHS, frustrated
- Supervisors discourage reports, discount risk, production first, pass on problems without attempting solution

Failures in the IRS

- Managers don't want to hear about problems, bounce issues back to supervisors, take long time to analyze without status reports to workers
- Executives ignorant of systems approach, OHS solely for the little people, poor leadership skills, delegate OHS entirely to the experts, don't prioritize OHS

Failures in the IRS

- Directors don't hire interested executives, don't ask questions except in a *pro forma* superficial way, don't ask for system audits
- OHS professionals behave like “Mr. Safety”
- JHSC committees try to do work of everyone in IRS
- Worker reps encourage workers to come to them, not to their supervisors

Internal Self-Correction

Ultimately senior management personally responsible for the health of the IRS as part of their mandate to get the “corporate culture” right.

OHS professionals also monitor the IRS performance at all levels and advise corrective measures.

“Failsafe Devices”

James Ham aware that the IRS could fail. The “Three Rights” originally seen as “failsafe devices” to ensure correction of the IRS.

- Right to know about hazards and controls
- Right to refuse unsafe work
- Right to participate in OHS through worker reps and Committee

IRS Analysis

“IRS Analysis”

A New Way of Thinking

Analyze every OHS issue in terms of the underlying IRS, e.g.:

- Inspections
- Investigations
- Complaints
- Orders
- Recommendations
- Work Refusals
- JHSC Activities

“IRS Analysis”

1. What went wrong with the IRS?...fix it.
2. What could go wrong with the IRS?...avoid it
3. How can we strengthen the IRS?

The Internal Responsibility System is:

- A set of responsibilities for every individual in the organization
- A hierarchy of responsibility, authority and accountability
- A set of values and principles
- A system of processes and activities
- A pattern of individual creativity
- A true “system”. It has built devices for monitoring, feedback and control

Communicating the IRS

- Everyone needs to know about IRS
- Need clear definition
- Need clear descriptions
- Understand the myths and the false versions and the language problems

IRS Audits

IRS Audits

We “audit” the workplace and we do “system audits” of the OHS management system.

Can we directly audit the IRS?

Yes, survey individuals at all levels.

IRS Audits

Surveys, interviews and observations to measure the health of the IRS at each level of the organization; identifying strengths and weaknesses with a view to correction

Two audits in Ontario mining sector done since 2001.

IRS Audits

Ask questions about:

- understanding
- beliefs
- cooperation
- communication
- involvement
- response time
- recognition for initiative

IRS Audits

Ask questions about:

- individual's perception of how **others** are performing in the IRS
- whether “IRS analysis” is applied to problems
- whether internal failsafe devices are working
- about behaviour in addition to beliefs

IRS, Due Diligence, Risk and Quality

If everyone in the IRS is personally taking every measure reasonable to continually improve processes he or she is involved in, we can drive risk down as low as it can reasonably go. Tomorrow, we drive it down a little further. The lower the risk, the longer we can go with zero accidents.

IRS Analysis ...

- ... should be the governing philosophy of the Committee; a natural, integrated way of thinking.
- ... is a skill that can be sharpened with a better understanding of the subtleties of the IRS and experience.

Example #1

Wet paper towels on the washroom floor.

Superficial: Committee recommends employer cleans up.

Intermediate: Committee recommends housekeeping program be re-assessed w.r.t. washrooms

Fundamental: Committee asks WHO has been given responsibility for developing, implementing and monitoring housekeeping program and what are the obstacles in the way of performance.

Example #2

Guarding off moving parts.

Superficial: Put guarding on.

Intermediate: Review guarding on all machines.

Fundamental: WHO has been given responsibility for developing, implementing and monitoring machine guarding what are the obstacles in the way of performance?

Levels of Analysis

Superficial: Direct causes – conditions and behaviours

Intermediate: Programs and procedures in the system

Fundamental: People in the system (IRS) – responsibility, authority, accountability, resources, communication, etc.

Levels of Analysis

Are there similar levels of analysis in our other areas of concern ... patient safety, visitor safety, infection control, adverse events?

Levels of Analysis

Superficial: Direct causes – nurse pricked with needle

Intermediate: “Sharps” program and procedures

Fundamental: Did the people in the system do the right things to ensure that the program and procedures were effective, continuously improved? Have people been encouraged to come up with better ideas for making sharps procedures more effective?

IRS and Blame

- We want root cause systems analysis.
- Does this mean we don't look at individuals? Just the management system?
- Under IRS analysis we look at the individual people in the organization.
- Does this mean we are back to “blame and shame”?
- Can we focus on people without including atmosphere of blame and shame?

IRS and Blame

Causation and blame are not the same thing.

We can help people improve without blame.

The time for blame is when there is wilful,
intentional neglect or harm ... which is very
rare.

Integrating the Big Ideas

The Big Ideas

- Accident Theory
- Risk
- Quality
- The IRS
- Due Diligence
- Management Systems
- Leadership
- Safety Culture

Accident Theory

Events that lead to spills, fires, explosions, leaks, fatalities, injuries and disease can be explained by many types of “accident theories”. Of special interest are explanations that show how any individual in the organization can cause such unwanted events.

Risk

Each person can see risks in the processes they are involved in better than an outside observer can. Risk must be done qualitatively and continuously by every individual. Specialized risk management processes are extra. Leads to ability to solve DD problems

Quality

Quality must be done by individuals on a continuous basis. Continually improving processes allows risk to be driven down when otherwise people would become complacent with their success in eliminating obvious traditional negative defects, anomalies, contraventions, etc.

The Internal Responsibility System

Every individual in the organization is personally and directly responsible for improving processes, reducing risk, avoid losses of all kinds (environmental, occupational, etc.).

Due Diligence

Everyone should be personally duly diligent – take every precaution reasonable in the circumstances to avoid losses (and every measure reasonable to improve processes).

This is a high performance standard, a philosophy, a way of life, a way to solve problems.

The Management System

The management system is the means by which the organization as a whole will be duly diligent (compliance plus the highest level of due diligence)

.... As well as provide the tools by which each individual can be personally duly diligent.

World Class Safety Culture

- IRS is functioning well – everyone accepts that they are personally responsible
- Due diligence is understood by everyone as a way of life – can apply principles day-to-day. Due diligence is understood to be continuous improvement in addition to prevention of loss.

World Class Safety Culture

- The OHS management system covers regulatory compliance and goes beyond to the highest levels of due diligence – covers issues not dealt with by regulation; gives everyone the tools to be personally duly diligent.
- Leadership practices constantly reinforce values and inspire individuals to be responsible and creative – to take initiative.

World Class Safety Culture

If everyone in the IRS is duly diligent on a on-going basis (creatively), then risk is driven down as low as is reasonably practicable, and we go for longer and longer periods of time without accidents and exposures. As side benefits we have compliance, cost reduction, productivity, customer satisfaction, quality, environmental protection, public safety, product safety, and **patient safety**, etc.

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