

Behavioural-based Assessments – Background, Principles and Case Study

iema
INSTITUTE OF ENVIRONMENTAL
MANAGEMENT & ASSESSMENT

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*Sharing experience and ideas
about the ‘next generation’ of assessments*

Today's Presenters:

Rob Peddle – The HPO Group

Phil McNee – Pinnacle Associates

Iain Walpole & Julie Phillips – Castle Cement

What do we need to Audit - Compliance Auditing

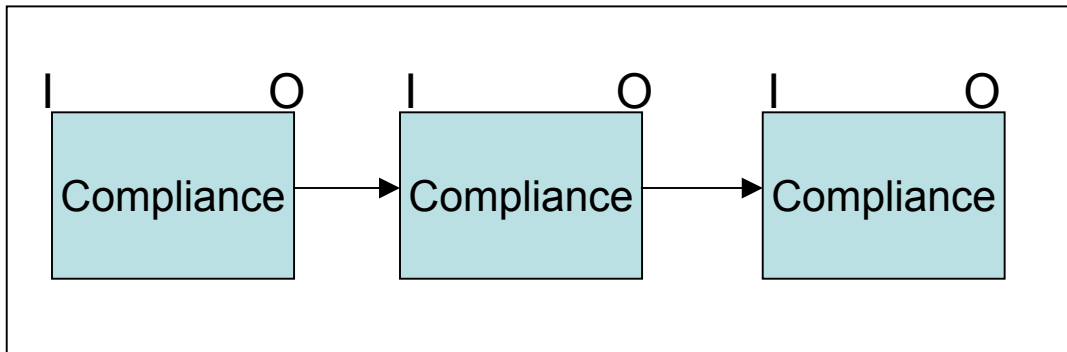
Compliance

Compliance

Compliance

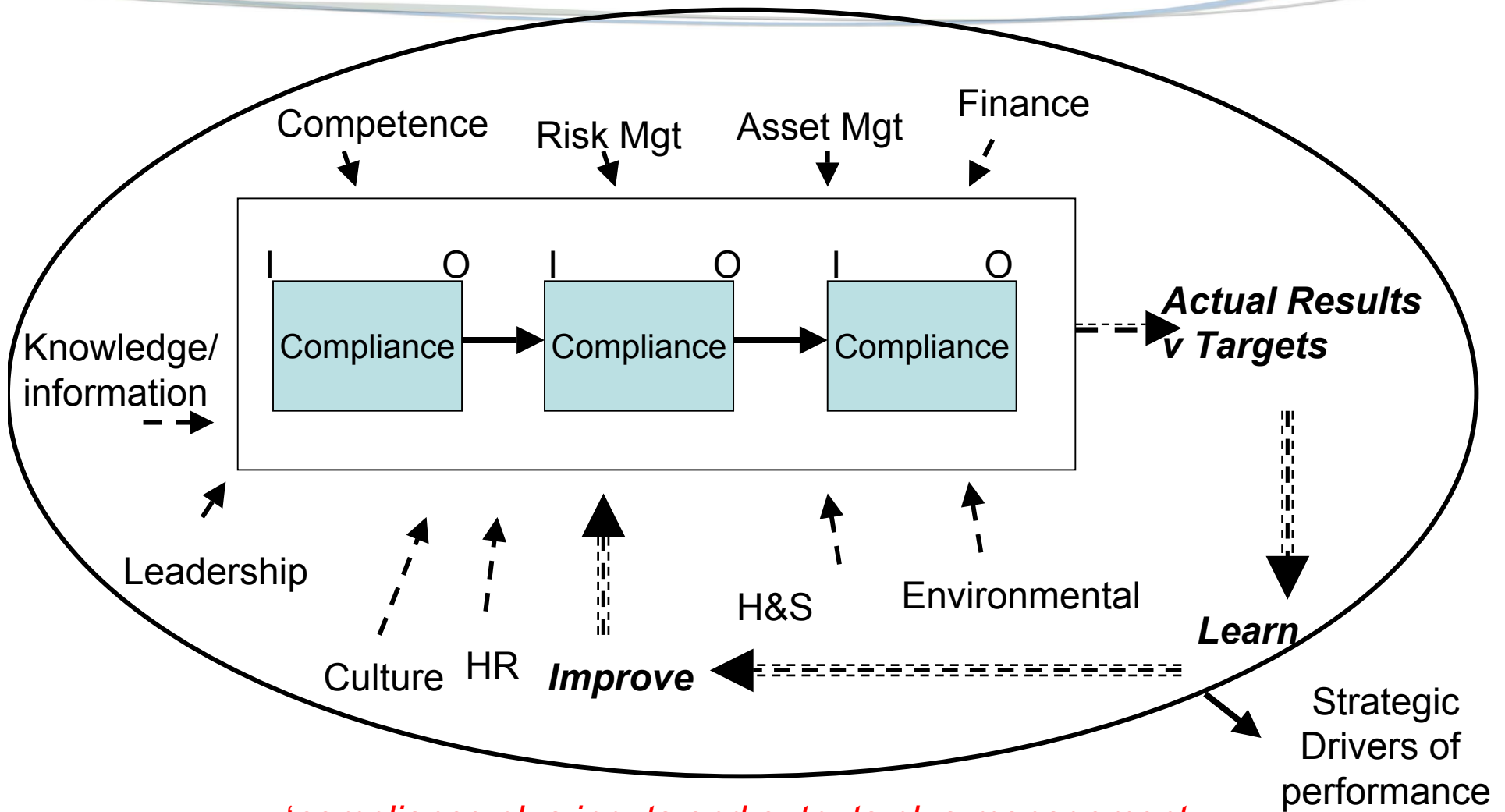
‘if it isn’t written down it isn’t audited!!!!’
– but is this looking at the real world?’

What do we need to Audit - Process Auditing



*‘compliance plus inputs and outputs
– getting closer to the real world?’*

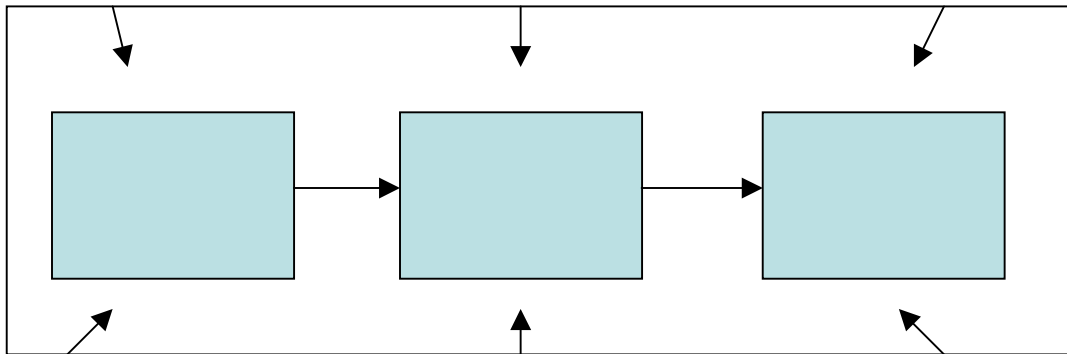
What do we need to Audit - EHS Process Management Auditing



'compliance plus inputs and outputs plus management

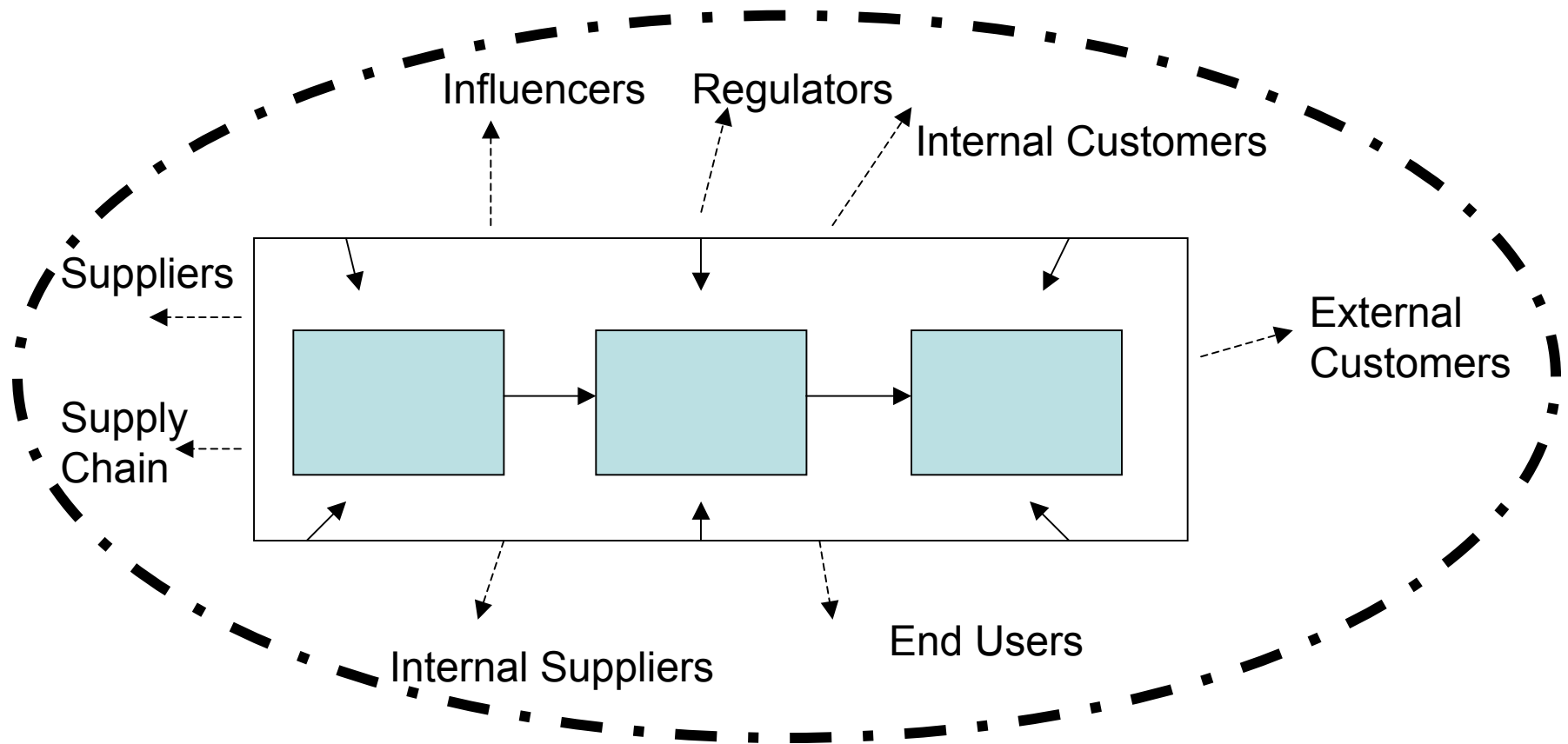
*– more like the real world, but the **super auditor** does not exist?'*

But it gets worse – the typical internal auditing viewpoint



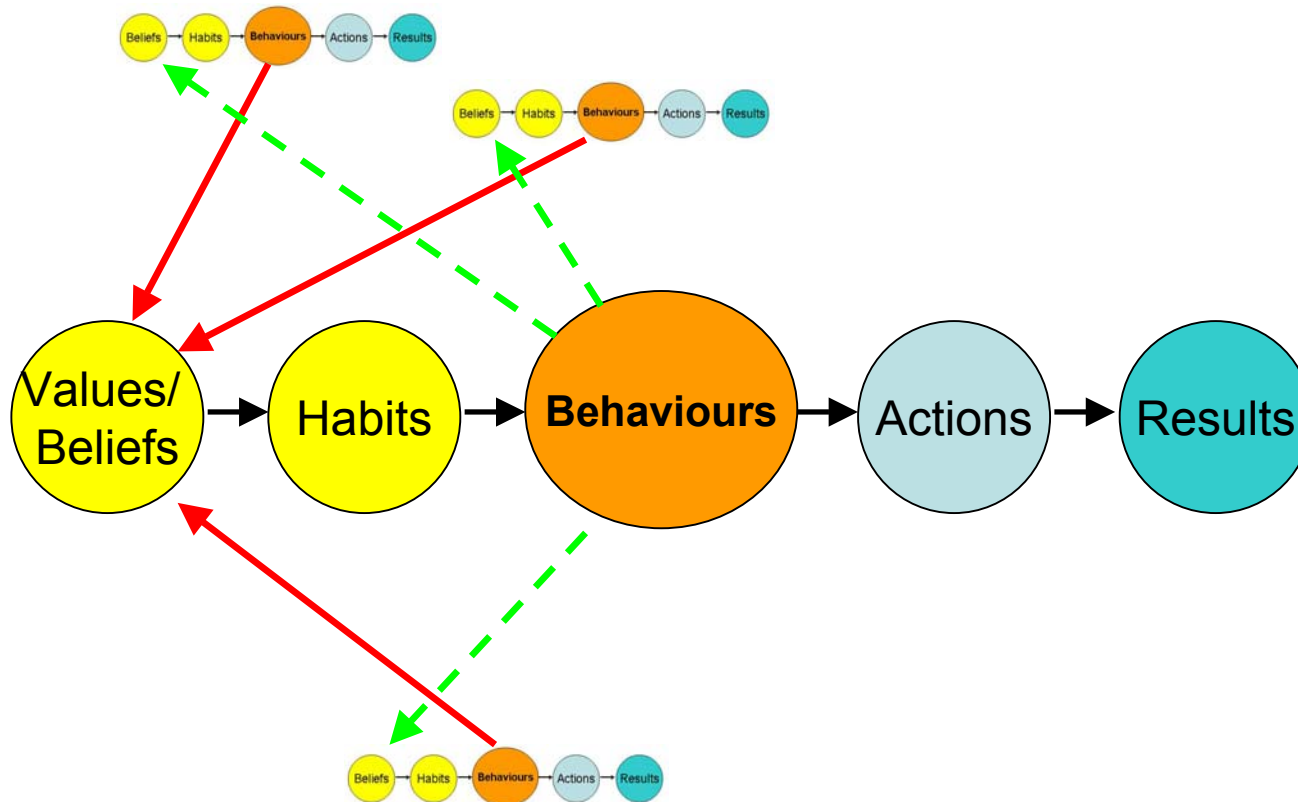
‘focuses inwards and engages people internal to the process but this only generates part of the picture’

Organisations need a 360 degree view



‘engages people **internal and external** to the process who **experience behaviour**, are **impacted by or contribute to the process**’

What can / should you audit?



Behaviours are the lead indicators of risk - to both compliance and effectiveness

Why Behavioural Assessments?

Provide information to:

- Highlight current strengths and weaknesses/ potential risks
- Identify and focus priority areas for improvement activity
- Support the next phase of business growth
- Creates a compliance and effectiveness gap analysis against required standard(s) / drivers of performance

Everyone has the opportunity to input their experiences of the Organisational and individual behaviours.

The system relates these to business risks

What is Behavioural-based Assessment?

By combining a mix of on-line and on-site assessment:

- **On-line**: An assessment method that measures performance, asking participants to respond to statements presented by selecting the most appropriate response that describes the behaviour they are seeing exhibited and/or experiencing.
 - Anonymous and secure environment, allowing honest of feedback
 - Allows different groups participating to review behaviours in a way that is meaningful and relevant to them

and/or

- **On-site**: Targeted follow-up focused on potential risks and compliance coverage

What does the Online Assessment deliver?

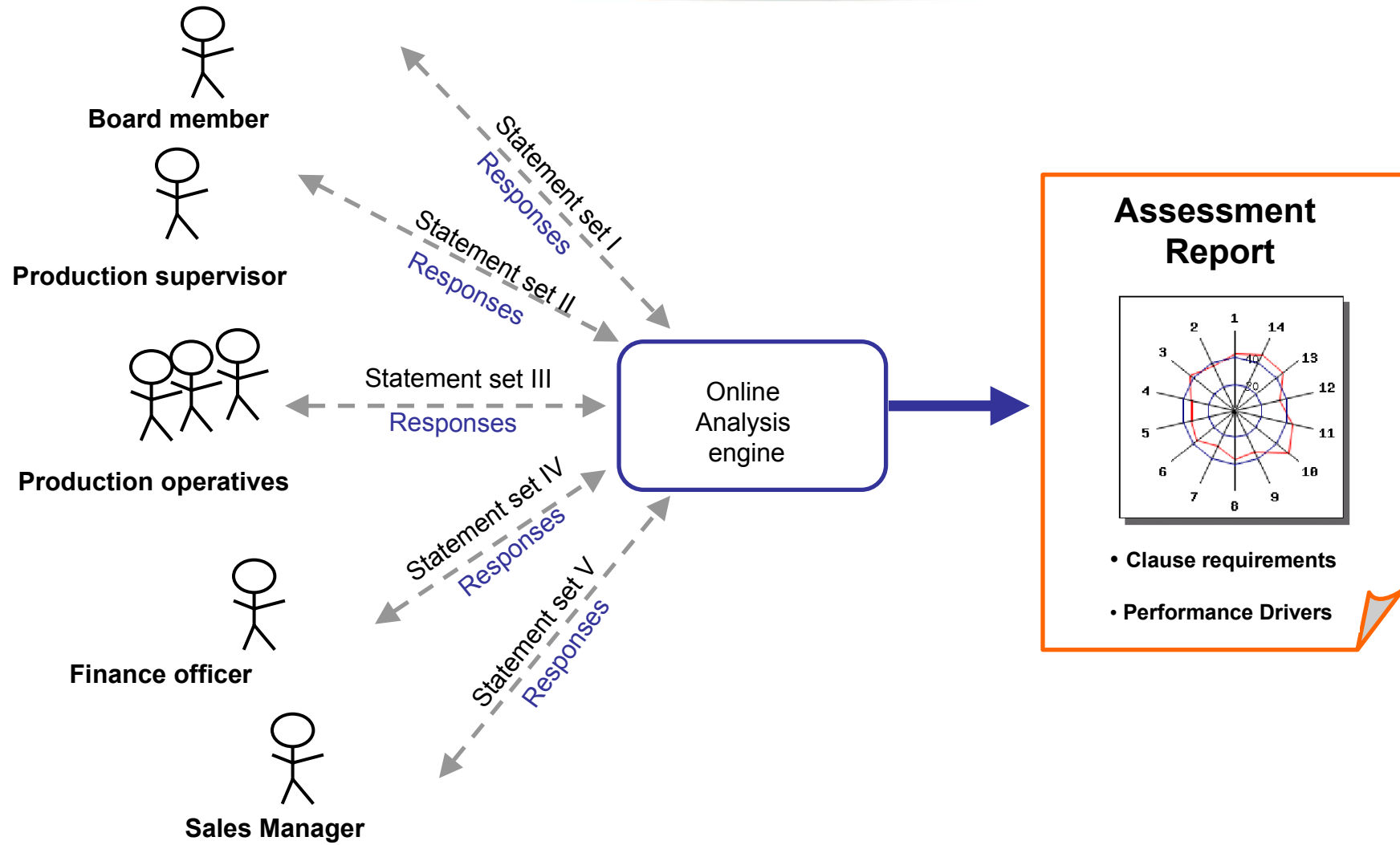
Reports Performance:

- Against the **organisation's business performance drivers** – compliance is set at a 40% result with higher numbers indicating maturity towards best practice
- Against the **clause requirements** of ISO 14001:2004 and/or OHSAS18001:2007
- Against the environmental/health and safety principles of ISO 14001:2004, OHSAS 18001:2007 and best practice
- **By groups, depts, sites** in the organisation to benchmark and identify risk & improvement areas

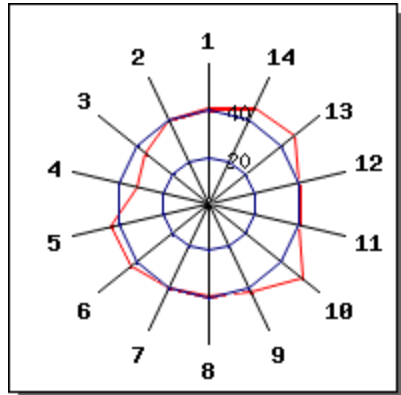
Enabling:

- Accurate **targeting of improvement** activity
- **Consistent benchmarking** of performance, between sites and over time
- Demonstration of **due diligence** and measurement of 'effectiveness'

How the assessment works – participation may include ...



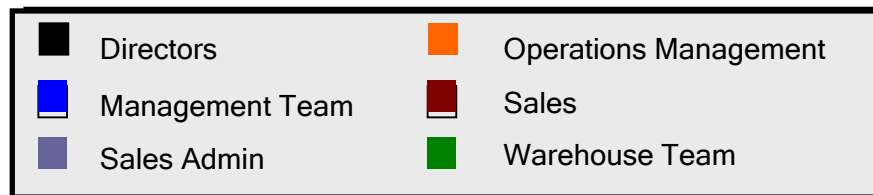
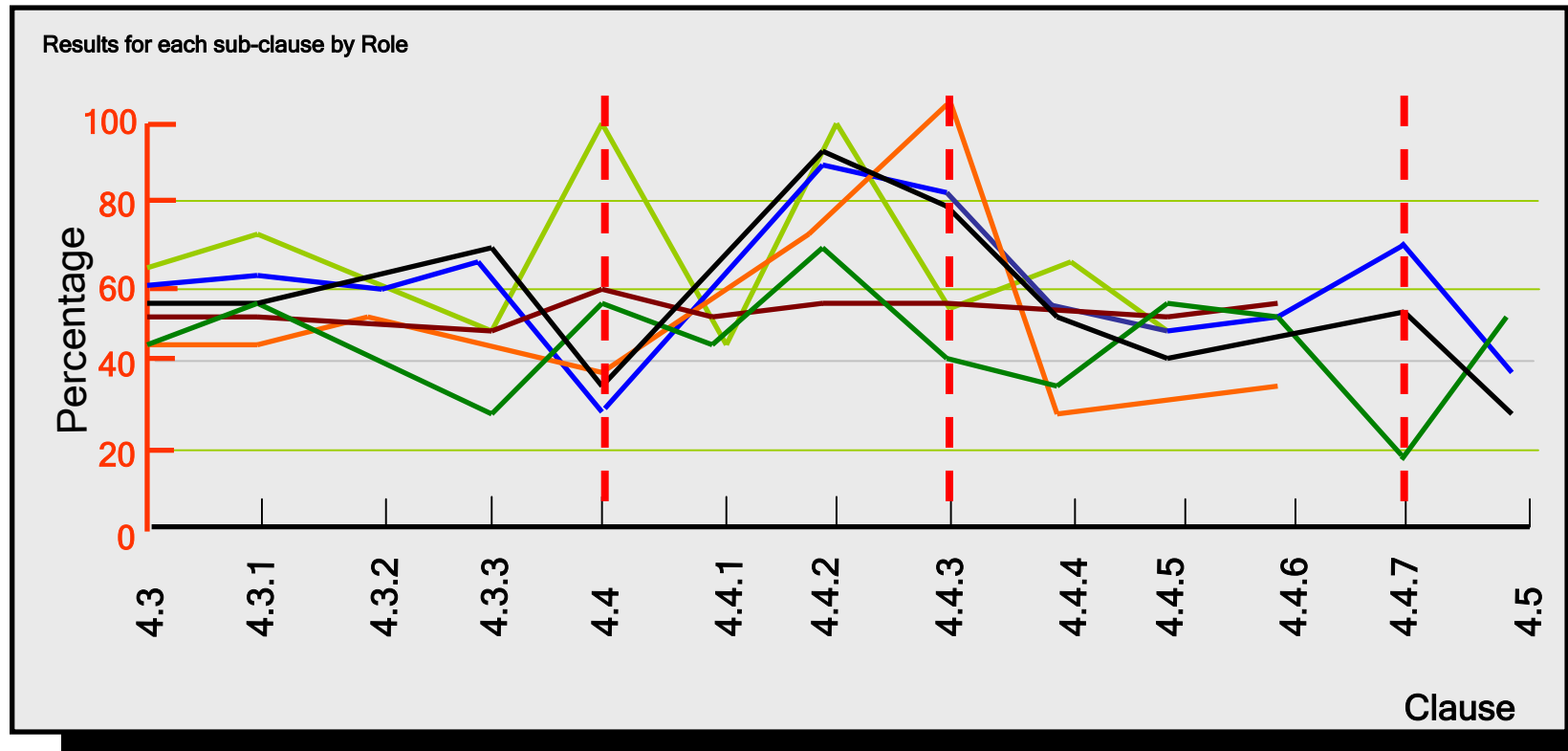
Results are reported against the Drivers of Performance



Performance Driver	Description	%
1	Sustainable and appropriate HSE business practices are promoted	41
2	Industry best practice is applied	40
3	Stakeholder needs drive HSE activities	35
4	Close alignment exists between HSE management and the business needs	32
5	The Leadership Team visibly support HSE activities	43
6	HSE activities are delivered within effectively managed business processes	43
7	Factual HSE information supports decision making	40
8	The HSE requirements of suppliers and contractors are managed appropriately	39
9	A HSE related project programme supports business objectives	42
10	HSE performance is managed, communicated, monitored and controlled	51
11	Resources needed to deliver HSE targets are managed	40
12	HSE requirements are managed within a single Business System	40
13	People are fully engaged with HSE requirements and contribute to delivery	47
14	Continual improvement of HSE performance is embedded	46

Improvement areas??

Also reported against clauses, Benchmarked by Groups



Enables accurate targeting of face to face auditing where it is needed

What is involved?

- A local assessment coordinator (fully supported) to:
 - complete basic set-up
 - Invite and monitor participation
- Typically 10 to 15 mins. per participant to complete an assessment, normally through Internet access, but other methods can be used

The rest is automated

Example reports can be provided

What are the Benefits ?

- Accurate targeting of improvement activity
- Wider coverage for more representative and deeper information, confidential environment promotes honesty
- Automated collection, collation, analysis and reporting to save time
- Convenience - minimise disruption to the business:
 - Involve key staff at their convenience
 - Potential for reduced on site assessment
- Consistent basis for benchmarking performance
- Measures effectiveness and not what is written down

Auditing behaviour is the 'real world' not the paper one

Behavioural-based Online Assessment provides organisations with the ability to **assess the real world**, not just what is written in procedures and documents.

People only sometimes follow procedures, **they introduce risk into an organisation** as a consequence of their behaviour, and organisations need to know about it in order to manage it!

New and upcoming legislation and stakeholder pressure demands that **business leaders effectively manage their business risk**

Who do we work with ?

Amongst others, we work with a Registration Partner who is a Global Certification body having UKAS and peer accreditations inc. ANAB (US)



Case Study – Castle Cement, ISO14001:2004 Multi Site Behavioural Assessment



- Assessment set up:
 - Split company up into:
 - Sites
 - Departments
 - Levels of job responsibility e.g. board members, general managers, supervisors, administration, shift staff etc.
 - This was to enable us to look across sites and across departments and at different levels of responsibility within the company to identify potential areas of risk

Case Study – Castle Cement

- September 2007 – multi site Environmental Management Review
- Ketton - Production Site (Approx 160 employees)
- Padeswood - Production Site (Approx 110 employees)
- Ribblesdale - Production Site (Approx 110 employees)
- Avonmouth - Import & packing terminal (Approx 15 employees)
- Head Office - (Approx 50 employees)

Case Study – Castle Cement

- We initially put a note on the monthly internal newsletter to tell employees about the planned assessment
- Emails and hyperlinks were sent out from the MD
 - To add weight to the assessment
 - to encourage a maximum response level
- The assessment was open for a month to allow employees plenty of time to access it
- A reminder email was sent out to everyone at the half way point of the assessment
- There were some questions and comments along the way which were dealt with promptly by the HPO

Case Study – Castle Cement

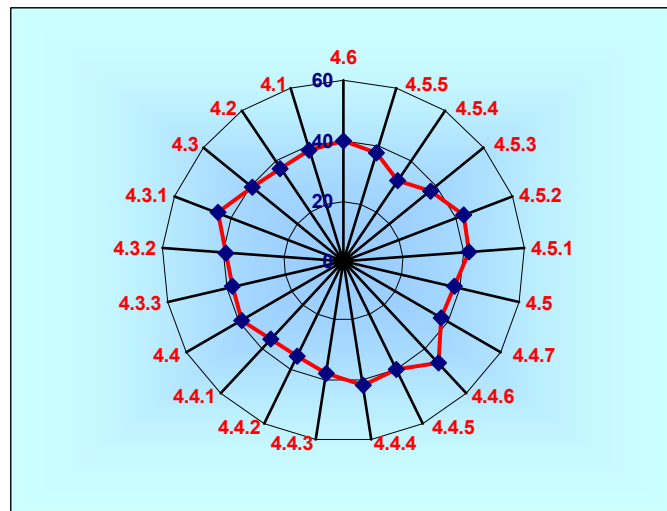
- Site differences:
 - Poor response to the assessment from our Avonmouth site
 - Fairly consistent response from departments and job functions from Ketton & Ribblesdale
 - There was less consistency in the levels of response from different departments and job functions at Padeswood
 - Most of the responses from Head Office were for Production & Distribution and fewer from other departments such as Finance, Commercial, Company Secretary etc

Case Study – Castle Cement

Results provide different views suitable for different uses:

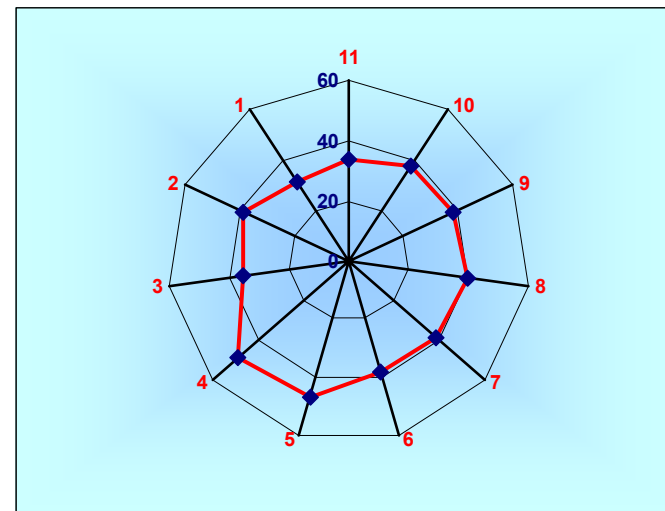
Results by **Clauses of ISO14001:2002**

Overall Result 38.6%



Results by **Environmental Performance Drivers**

Overall Result 38.1%



One view reports against the Standard –

- the other against what management need to focus on!

Case Study – Castle Cement – Summary Findings & Benefits - 1

Finding	Risk	Validation	Potential Change (CA or Improvement)
EMS requirements are being applied through business processes	<p>The processes do not relate to all business areas and functions – a barrier to Policy implementation.</p> <p>There are areas of environmental activity that may well be uncontrolled and where Management may not have information about its performance</p>	This is in line with the Integrated Management System	Investigate use of a single process-based management system across the whole business to consolidate all activities and impacts within a consistently prioritised and managed approach

Case Study – Castle Cement – Summary Findings & Benefits - 2

Finding	Risk	Validation	Change (CA or Improvement)
Stakeholder needs are not specifically driving environmental activities	Operational processes and products may not meet stakeholders' specific environmental needs	We focus on some stakeholders e.g. EA, local communities. We could be more active on customer needs. LCA is considered but there is low awareness across the company.	Investigate how key stakeholder needs are currently identified, assess them against different strategic issues to determine which ones are most important to address within the business
	Brand image and sales may be affected without Castle Cement initially being aware if customer needs are not fully known or measured		
	Life cycle impacts of Castle Cement products may not be being fully considered or aligned with stakeholder expectations		

Case Study – Castle Cement – Summary Findings & Benefits - 3

Finding	Risk	Validation	Change (CA or Improvement)
Most of the ISO14001 clauses were compliant – but the EMS is not fully embedded	Current continual improvement objectives and Policy requirements may not be delivered into the future. Management could be making environmental decisions based on incomplete information	At a recent internal audit one site was found to be not fully aware of the corporate objectives and approach	Review the desired leadership behaviours needed to demonstrate and instigate required change. Measure the effectiveness of the improvement at a later stage

Case Study – Castle Cement – Summary Findings & Benefits - 4

Finding	Risk	Validation	Change (CA or Improvement)
Resources needed to maintain and improve the EMS are not always provided	EMS objectives and Policy may not be delivered and/or people put under undue pressure to deliver. If it is unclear who is responsible for what, some activities may not be being managed or carried out correctly, which could effect indemnity insurance, potential plant closedown, waste and effluent management, etc	We have a good system for capturing where improvements are required but the time taken to complete corrective & preventative action is often longer than considered to be reasonable	Review finding, quantify the risk and reallocate resources if needed

Case Study – Castle Cement – Conclusions

- The assessment methodology is straightforward and simple to deploy
- Results represent an assessment of the whole organisation
- The assessment found specific tactical issues we knew about and confirmed other more strategic risks (e.g. stakeholder needs)
- Some of the findings of the assessment were highlighted in our most recent internal audit at our Padeswood site
- It is a useful tool to enable us to plan our internal audits as it enables us to understand where our risks are and where we need to focus more attention
- There are no 'black and white' answers – we have to interpret the findings from our own knowledge of the business in conjunction with the diagnostic skills of the HPO

Case Study – Castle Cement – What Would We Do Differently Next Time

- Use accurate numbers of employees for each of the departments to enable us to get better results from completed assessments
 - E.g. At Avonmouth, only 3 people responded to the assessment
- We were not sure exactly how many employees had access to email – we may have had a lack of responses from shift operatives and drivers
 - For those groups not on email, PDAs, paper based responses could be used to include the responses into the assessment result
- Study in more detail the use of some language used in the assessment – some words may have been misinterpreted e.g. stakeholder
 - More tailored in depth assessments can be developed as it is recognised that language used in these types of assessments should be developed with organisations

Contact Details and More Information



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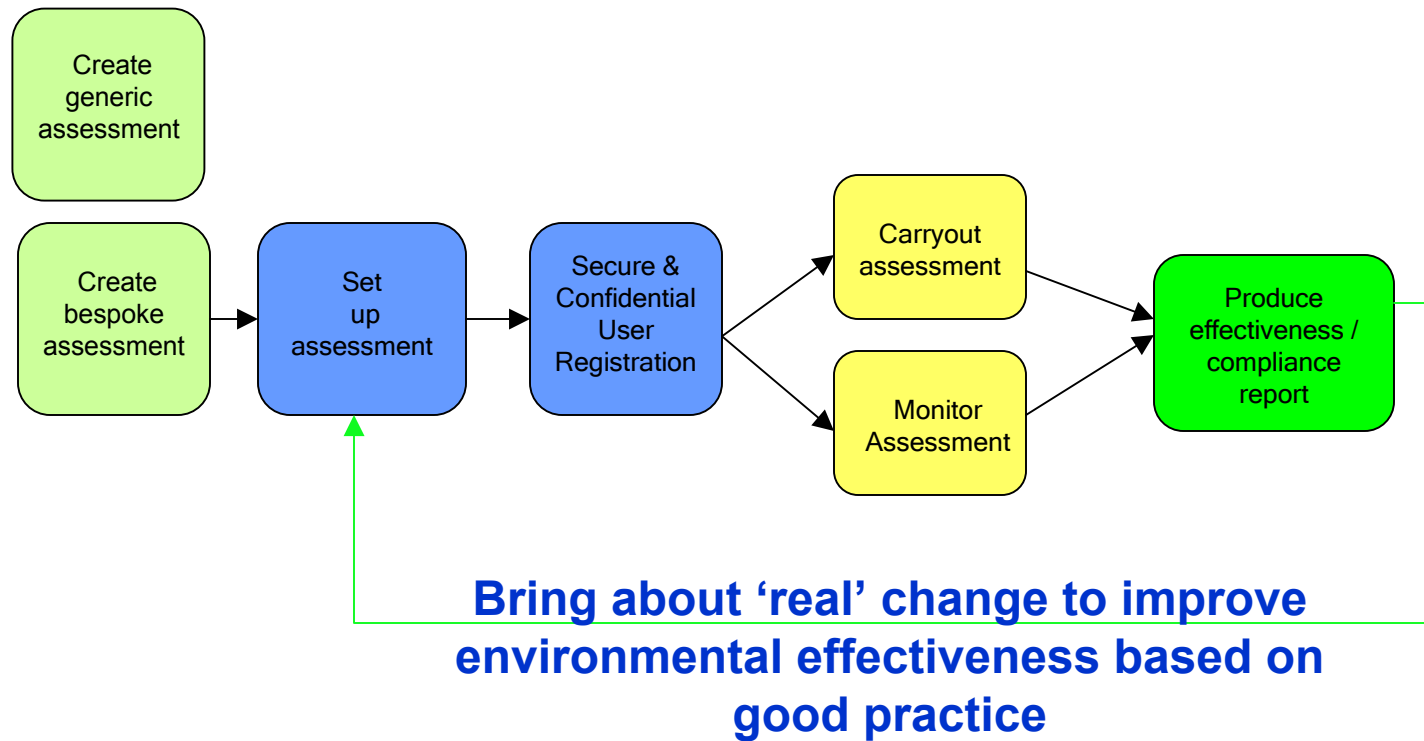
Additional Slides



Behavioural based Assessments

**IEMA Conference, London
29th November 2007**

Online Assessments – the Mechanics



..realising the opportunity to improve at all levels

How is the behavioural evidence collected?

Logged in: Julie Phillips

Your Home

Assessment: EHS Initial Assessment
Organisation: Castle Cement
Scope: Benchmarking Site Performance

Statement

Environmental, Health and Safety (EHS) incidents are reported

Responses

- I know of at least one significant EHS incident in the last six months that was not reported as it should have been.
- I can confidently say that all EHS incidents however small, are reported and recorded.
- Everyone is comfortable with reporting EHS incidents, big or small, so all get reported, addressed and communicated.
- Some of us report EHS incidents, both major and minor, but I do not think that everyone does this.
- A summary of all EHS incidents and their causes is regularly issued and I believe this gives a fair reflection of what is happening.

Proceed

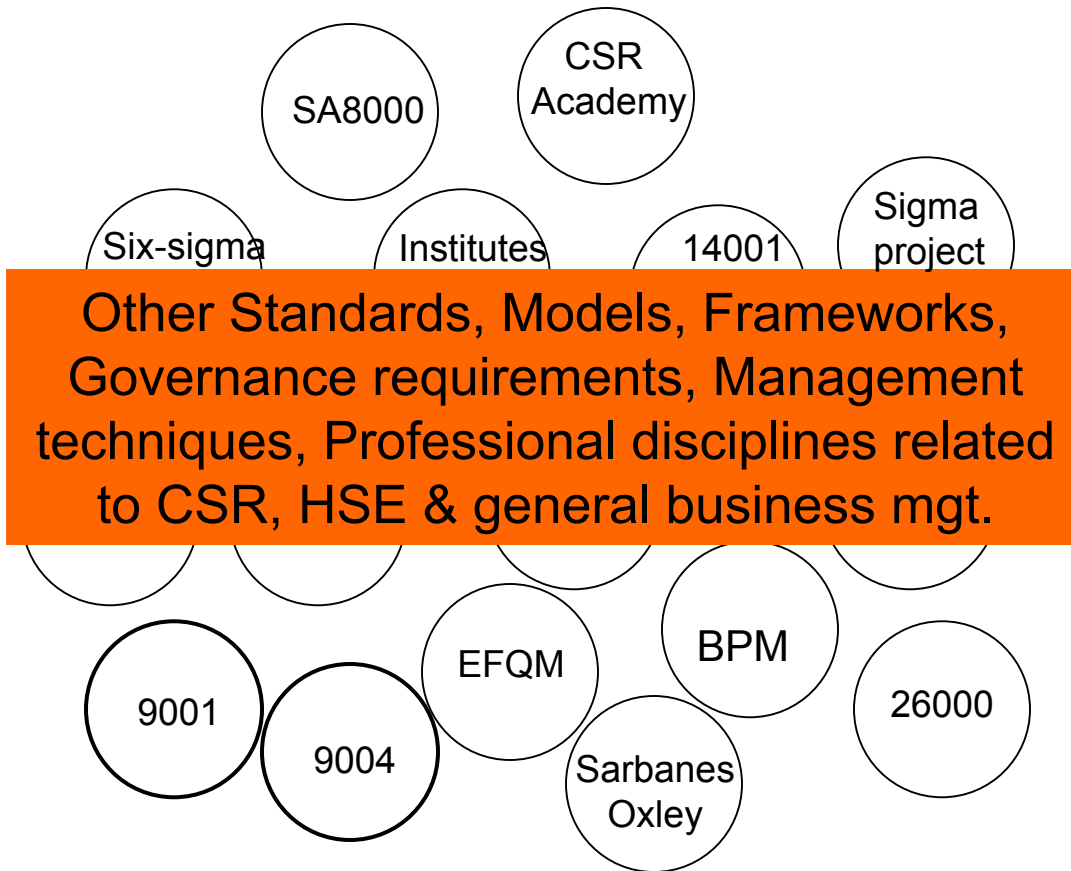
Progress



Business Management System not Integrated Management Systems

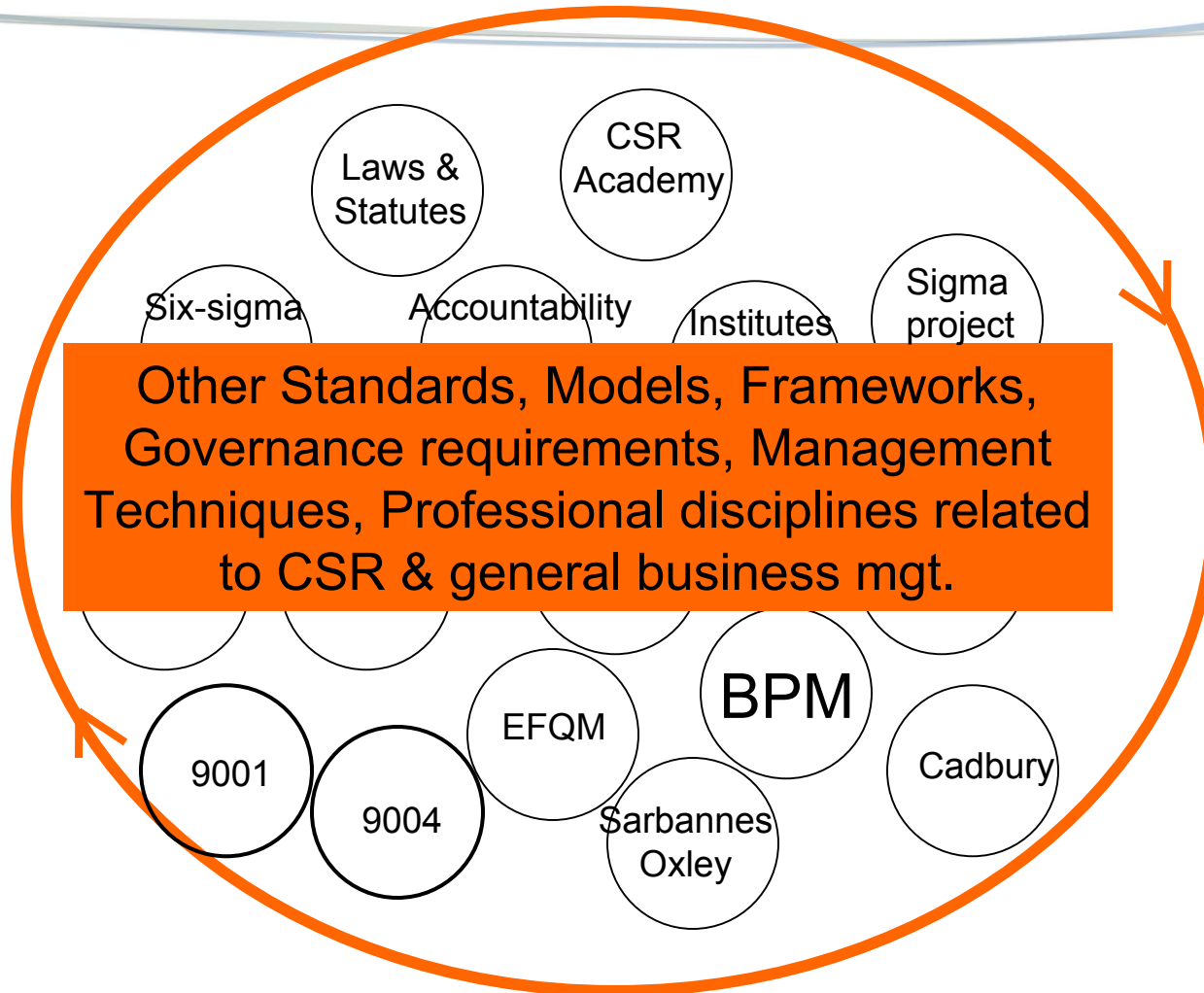
- Too many HSE systems are not integrated into organisations, they operate ineffectively and inefficiently at a middle-lower level
- The market is demanding greater real integration between all individual Management Systems and a commensurate change of thinking
- Key Business Processes deliver results, not departments or individual Management Systems
- They need to be cohesively managed within a single Business Management System
- Applying this through a BMS Intranet/Internet portal creates business focus, true integration through managing the processes and promotes the required culture and behaviour

The Traditional Management System model - independence



All fighting for recognition & use = **potential chaos, market confusion and misuse.**
But none are wrong and **all equally valid** when used in the appropriate way.

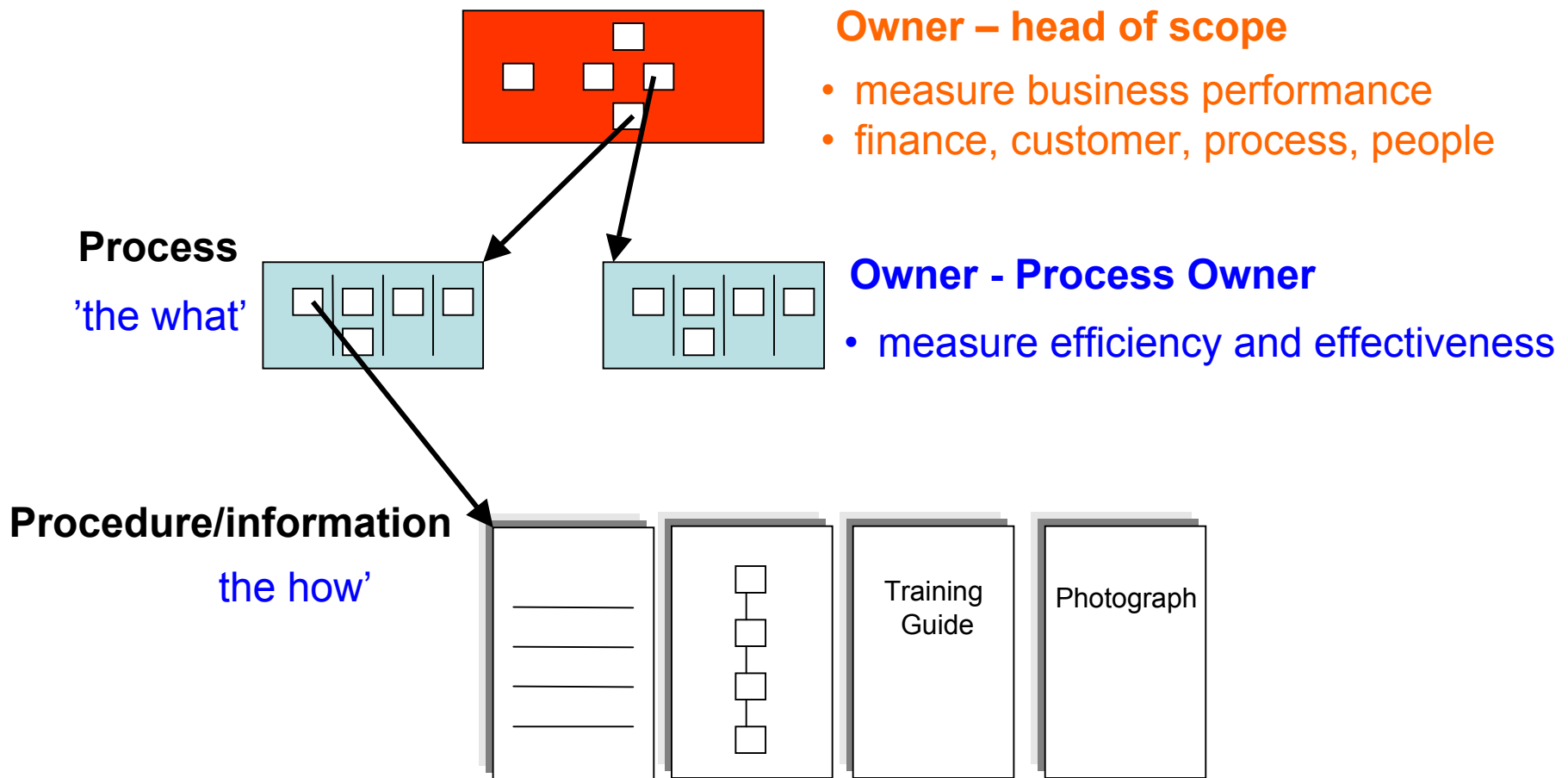
The 21st Century Management System must truly encompass them all



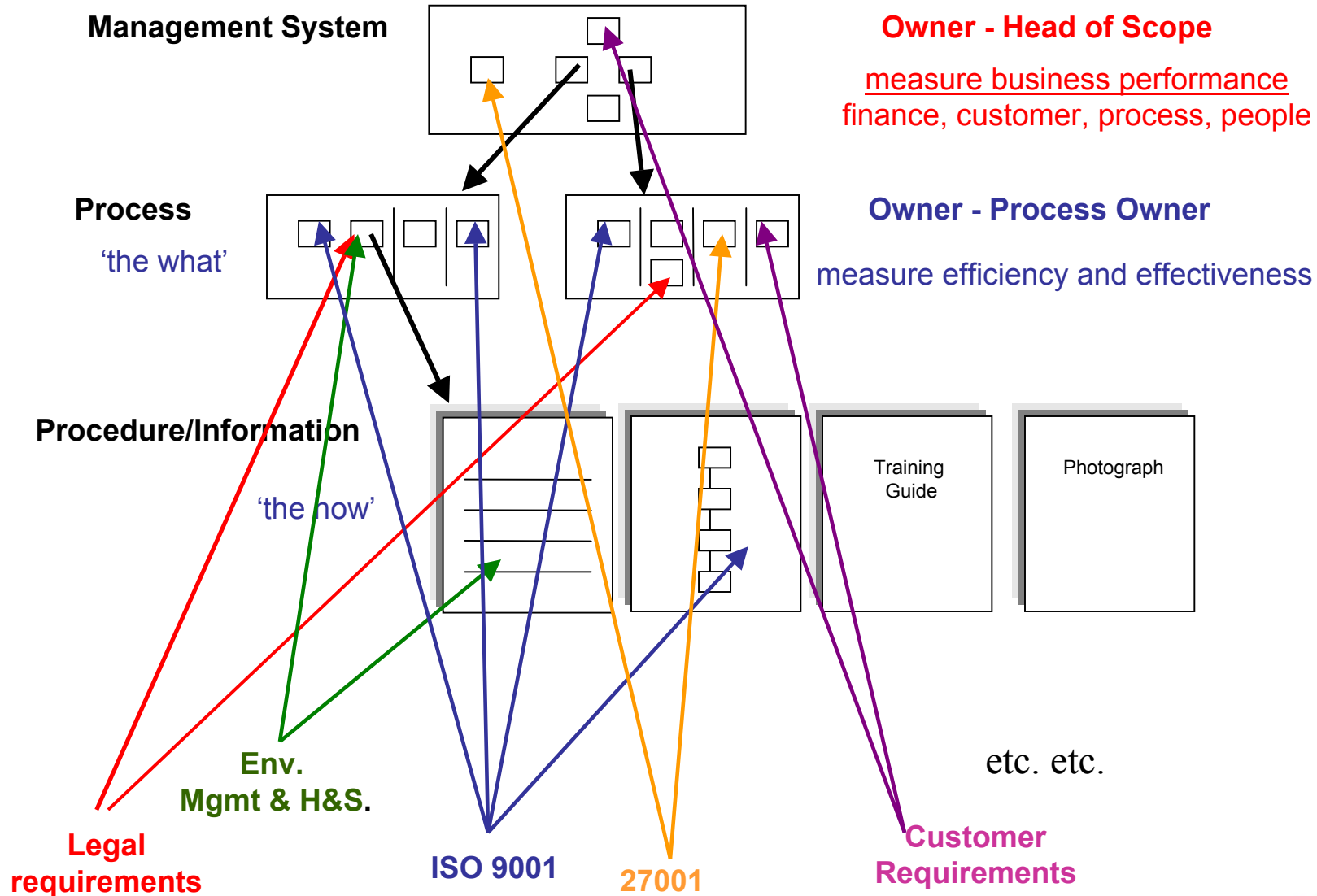
Organisations need a Mechanism to manage, use and apply statutory requirements, standards, models and frameworks based upon stakeholder needs

Management System Structure – The IT Portal should supported this

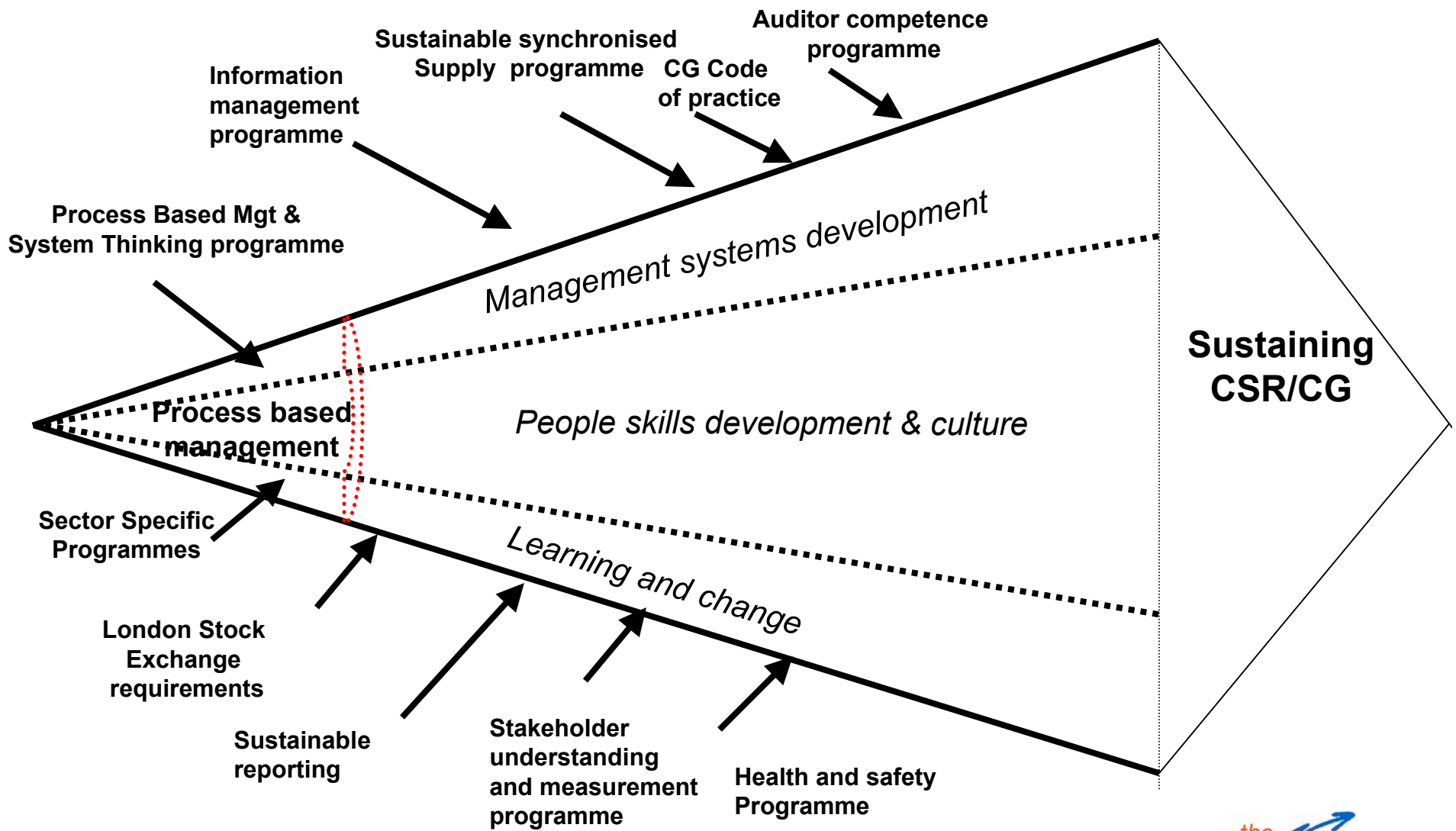
Management System



Organisational Risk elements are all part of these processes



The System Thinking Journey



Typical Performance Drivers – ISO14001:2004 & OHSAS 18001:2007

1. Close alignment exists between EHS management and the business needs
2. Continual improvement is an integral part of EHS management
3. Suppliers of EHS management services/products deliver what are required
4. The EHS management system is designed to support business processes
5. Policies are in place for all EHS management resources and their complete life cycles
6. EHS Management Services Performance Targets are set and reviewed with the business
7. Improvement activity takes place
8. EHS Projects are business driven and project performance is known
9. EHS management system performance meets the business need
10. EHS support services and processes are effective and efficient
11. Users of the EHS management system understand how to operate it
12. The process is managed and understood
13. Process activities take place
14. The EHS Business Management system is understood

Summary

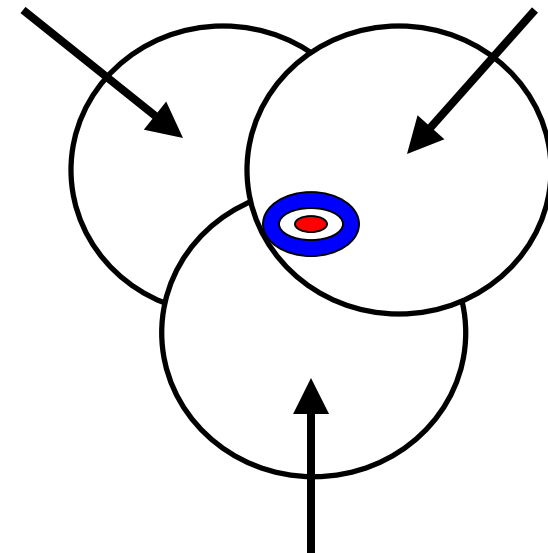
Online assessments are complimented by System Thinking embedded in an online Management System Portal solution is that is based on Business Process Management (System Thinking)

Three elements WORKING TOGETHER

- INDEPENDENTLY they provide benefits
- but:-**
- combined, they MULTIPLY BENEFITS

Real world
System
Thinking

Online Risk
Assessments



Online Management

System Portal