



risk management and assessment for business

The Importance of Competency in Maintaining Risk Management during Organisational Change

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Introduction

- n Brief Introduction to Risktec
- n The growing importance of competence
- n What this means in a Safety Context
- n Case Studies
 - Nuclear Manufacturer
 - Fire and Rescue Service A
- n Summary



What we do

Safety & Risk Assessment (what are the risks?)

- n Assess risks to:
 - people (safety)
 - business
 - environment
- n Provide written reports, manuals, models and training (level of detail dependent on industry & regulations)

Management Systems (how is risk managed?)

- n System development
- n Implementation and improvement support
- n Management of organisational change

Culture & Behaviour (what really happens!)

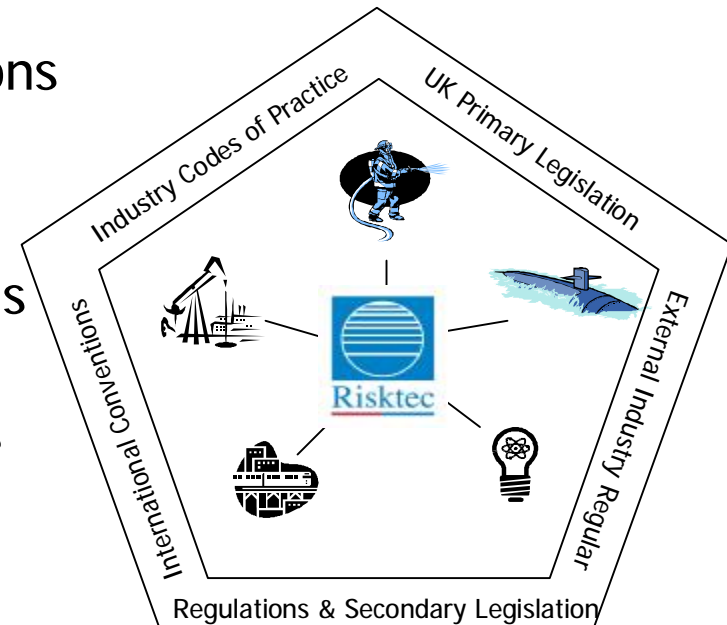
- n Diagnosing culture
- n Managing competence
- n Supporting improvement



Our Business

We have an established record of undertaking business consulting in the UK and International regulated industries such as:

- **Oil and Gas** – exploration, operations and process plant activities
- **Nuclear power generation**
- **Transportation** of people and goods
- **Defence** with special focus on high risk, safety case governed projects
- **Public sector** such as Emergency Services





The Growing Importance of Competency





The Growing Importance of Competency

- n We have all heard that:
- n "In a hierarchy every employee tends to rise to his/her level of Incompetence."



The Growing Importance of Competency

Its author also suggested that:

“Competence, like truth, beauty and contact lenses, is in the eye of the beholder.”

Laurence J. Peter, *The Peter Principle* (1969), US Educator & Writer (1919 - 1988)

To set the scene it is useful to have a clear understanding of Competency and Competency Management . . .



The Growing Importance of Competency

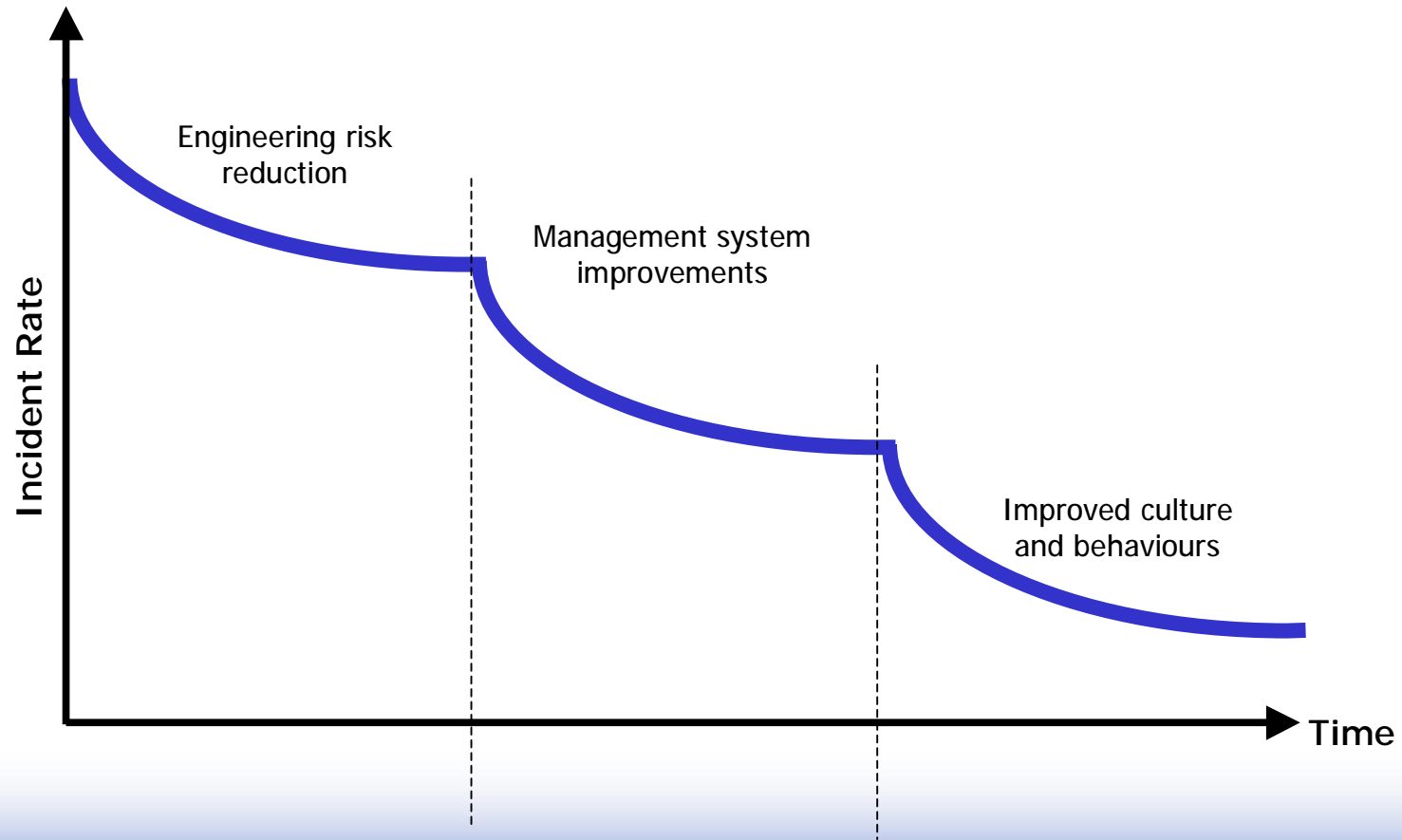
- n Competencies are required to perform a particular job at a certain performance standard and are aligned to effective job performance in three areas:
 - Knowledge (What we know),
 - Skills (What we can do) and
 - Attitudes/behaviours (How we go about it).

“Competence is commonly regarded to be the ability to perform the activities within an occupation or function to the standards expected in employment. This definition makes reference to standards. Thus, competence is equated to an ability to perform to the expected standard. Hence, competence assessment entails measuring a person’s performance against a standard.”

Source: Competence assessment for the hazardous industries, HSE 2003

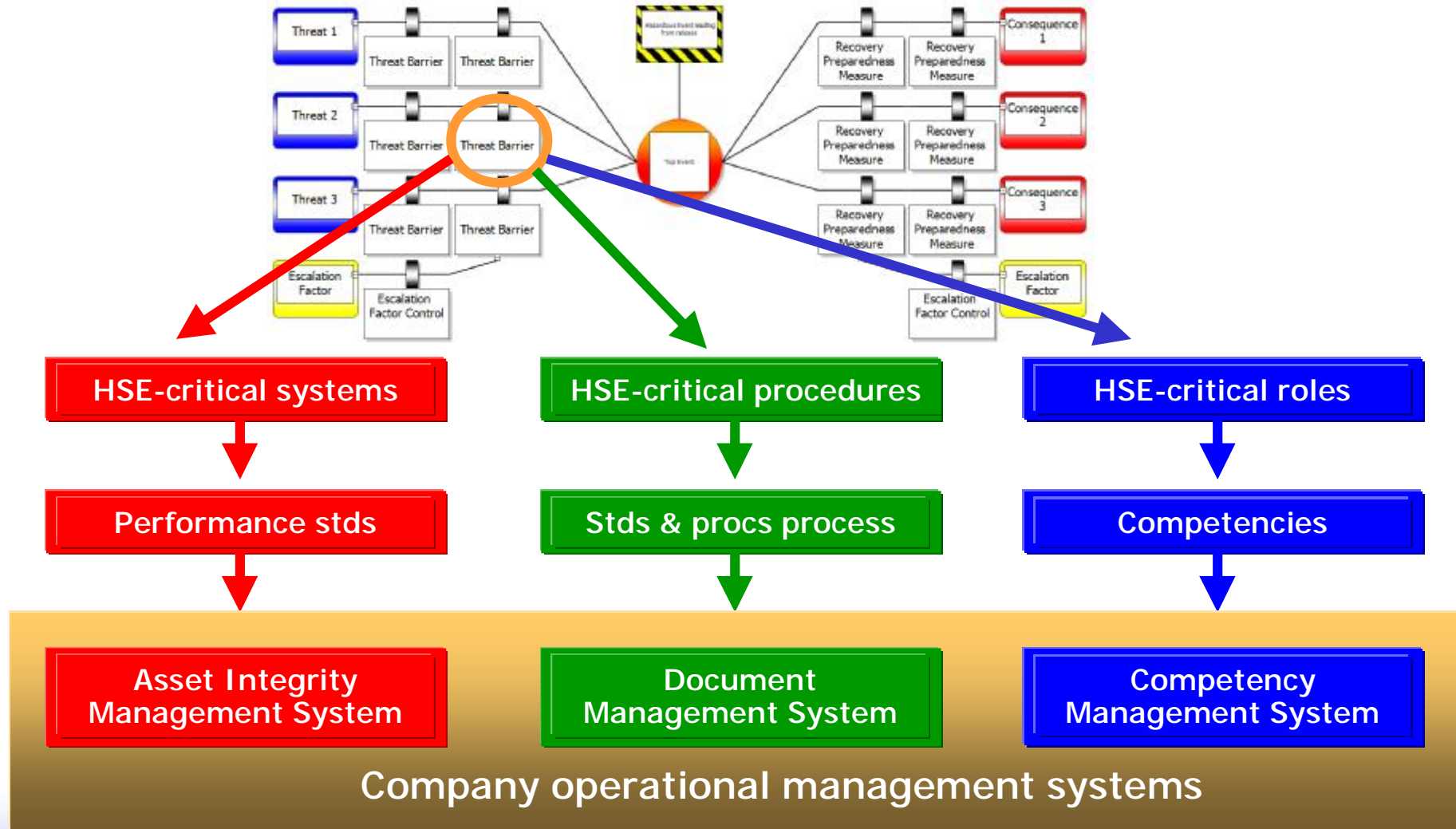


In a safety context

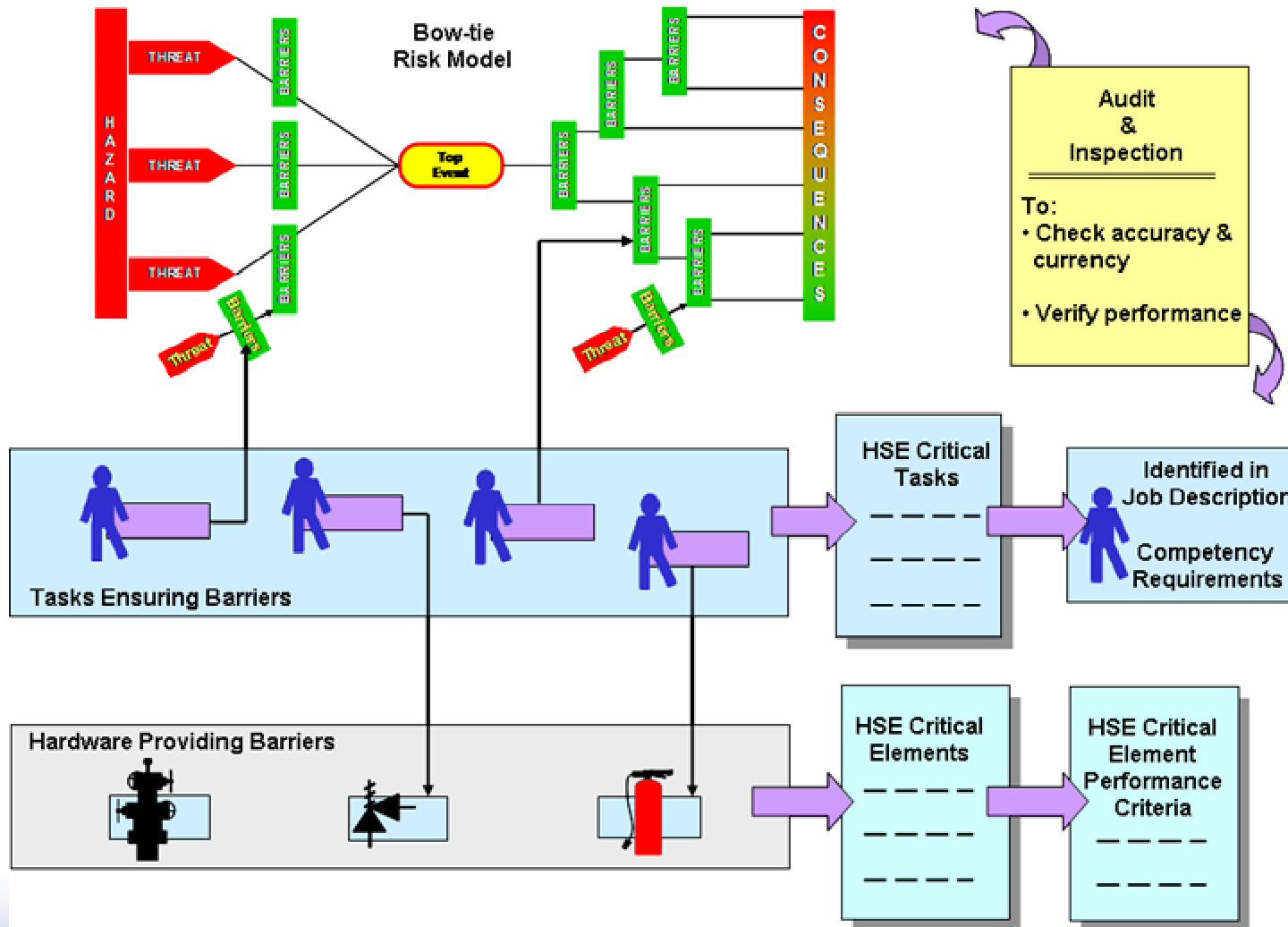




In a safety context...



Bow-Tie Links





What Can we do with this?

- n We can develop systems to manage competency
 - Maintain Organisational Competency as well as an individuals competency
 - Demonstrate that changes to our business and hence risks are still being managed by competent people and that there are sufficient resources available



High Risk Industries

- n Most have to comply with some legislation that ultimately requires a competent organisation
 - Health and Safety at Work act 1974
 - Management of Health & Safety at Work Regulations 1999
 - Corporate Manslaughter 2007

- n Many require some form of licensing
 - Nuclear
 - Oil and Gas
 - Railways
 - etc



Nuclear Industry

- n NII has a series of site license conditions
- n Three of these deal with Training, Competency and Organisational Change
- n Specifically, the management of organisational change was introduced in 1999 when many contractors were released and left companies potentially no longer competent
 - The purpose of this Condition is to ensure that the licensee has adequate arrangements to control any change to its organisational structure or resources which could affect safety.
 - These arrangements require the licensee to assess the safety implications of any proposed changes before they are carried out.
 - For changes that could have a significant effect on safety if they were inadequately conceived or executed the Condition gives HSE the power to require the licensee to submit its safety case to HSE



Case Study – Nuclear Manufacturer

- n Management of Organisational Change
- n Ensure Management of Safety Risk is Maintained



How? - The Aim to Demonstrate the Organisational Baseline

- Defined as:
The required resources to adequately discharge the safety duties of the site
- The Organisational Baseline comprises:
 - Key roles required for organisational competence
 - Key responsibilities and competencies
- Role of Organisational Baseline
 - Demonstrate that safety activities can be discharged effectively
 - Demonstrate sufficient numbers of competent personnel to cope with foreseeable changes
 - Demonstrate the means by which organisational changes are captured

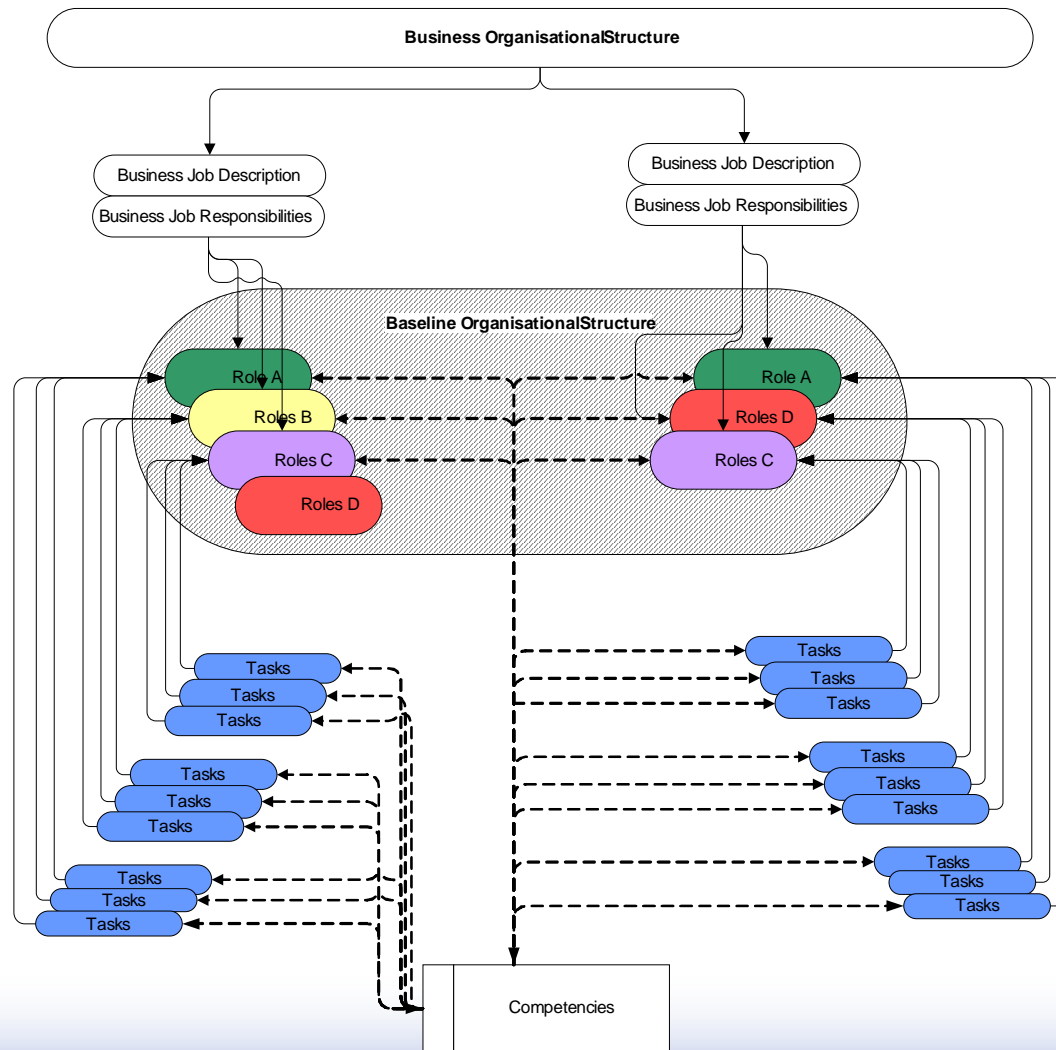


The Cascade

- Organisational Requirements
(placed by legislation & corporate documents)
- Organisational Objectives
(how the requirements are interpreted)
- Organisational Roles
(how the organisation discharges its objectives)
- Organisational Tasks
(what the organisation does)
- Organisation Personnel
(the people who undertake the roles and tasks, their competence, certification, training and qualifications)
- Personnel Management
(day to day management of shifts, leave, etc.)

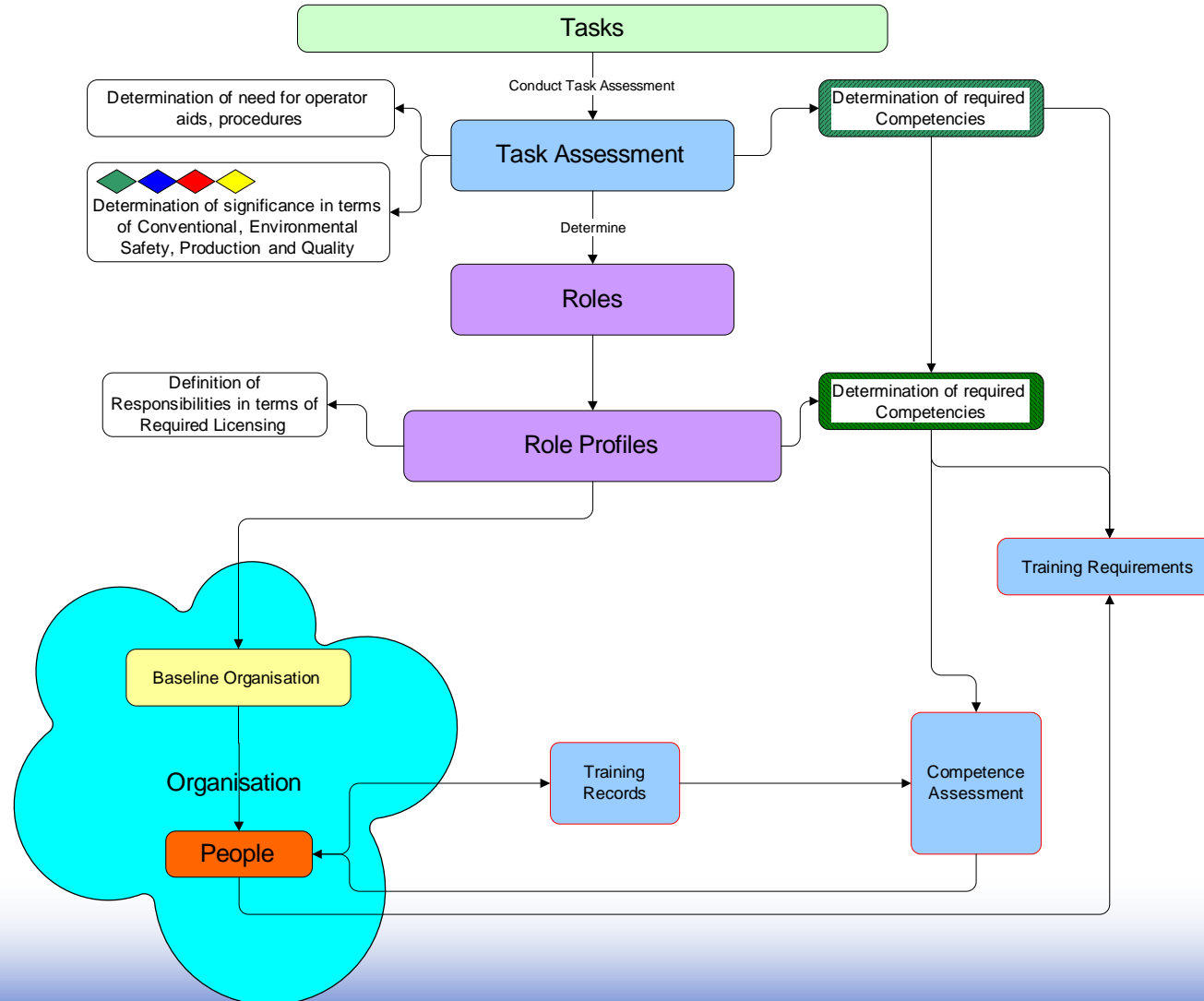


The Organisational Picture





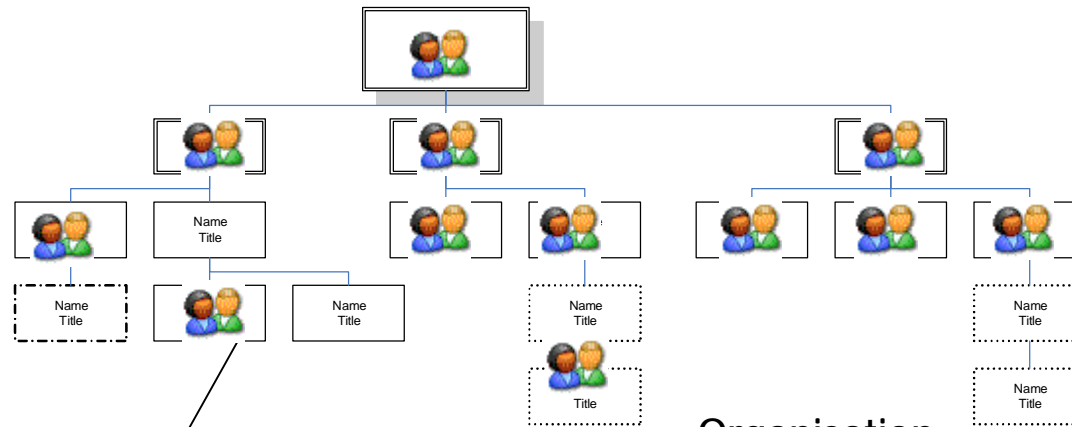
How – Flow Diagram



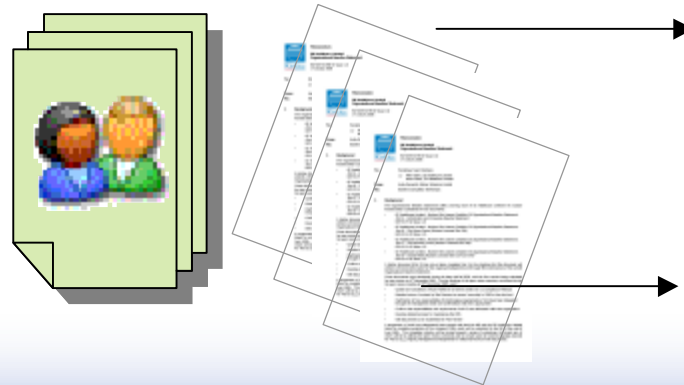


How – Capture Current Organisation

Organisation



Jobs



Organisation

- Job Descriptions
 - Responsibilities
 - Accountabilities
 - Departments
- Personnel
- Age
 - Certification
 - Qualifications
 - Experience



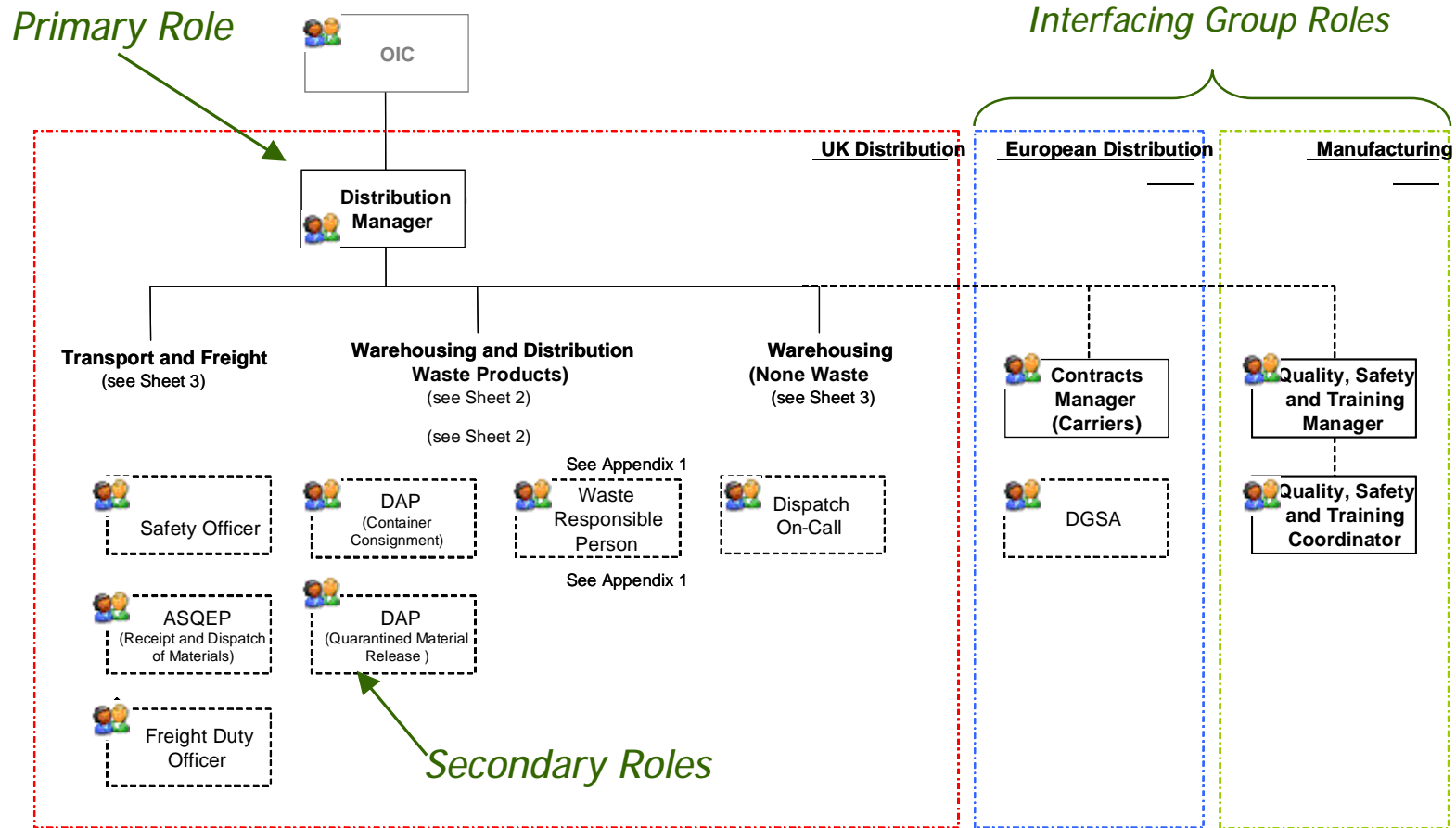
How – Identify Required Organisation

n By –

- Conducting Task Assessments to determine: required competencies, training needs, certification, qualifications and job aids for the task.
- Identify which roles conduct which tasks and therefore relate task requirements to roles.
- Determine the roles required to make up the baseline organisation, from legislative requirements and the tasks conducted.
- Structured process to manage organisational change



Identify Required Organisation





All this provides . . .



Control of Organisational Change

- Structured process to manage organisational change
- For each change, demonstrate:
 - Sufficient, competent persons remain
 - Management responsibilities defined and understood
 - Training needs and procedural modifications identified
- Process:
 - Assess proposed change – potential safety impact, risk
 - Safety category and independent check
 - Approval route
 - Plan and prepare for change
 - Monitor
- Periodic review of these changes and update Baseline



Case Study 2

- n Fire and Rescue Service A
 - Capturing Risks introduced through Change





The Change

- n Recent Changes in the UK Fire and Rescue Services include
 - An independent review of the Fire Service by Professor Sir George Bain in 2002
 - The Government's response in the White Paper "Our Fire and Rescue Service" June 2003
 - The replacement of the Fire Services Act of 1947 with the Fire and Rescue Services Act, on 1st October 2004 (FRSA)
 - Removal of the Standards of Fire Cover
- n This has led to a significant change to the requirements on the FRS and hence the skills and resources required to carry these out



The Change

n New legislation

- Covers statutory duty to respond to fires
- Formally recognises other duties carried out (such as responding to Road Traffic Collisions)
- New responsibilities identified, including
 - Overall responsibility for fire safety and prevention
 - Terrorism response
 - flooding
- Gives wide discretion to plan, equip and respond to meet local risks and priorities
 - FRS now has to operate in a risk based regime (as opposed to the previous, relatively inflexible prescriptive standards of fire cover)



Command Gap - The Cascade

- Organisational Requirements
(placed by legislation & corporate documents)
- Organisational Objectives
(how the requirements are interpreted)
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Review of cascading objectives

- n A management of change process is implicit in delivering the cascade
- n Any change will be likely to expose gaps in the Service
 - Hardware (appliances, ladders, etc)
 - People, Staffing
 - Competencies
- n Identifying these gaps will allow the FRS to manage its risks and provide a clear development plan
- n At the highest level in the FRS this could be termed the command gap
 - *'Shortfall in organizational competence which the service needs to have to meet the organizations objectives'*



Delivery of the Process

- n The following key tasks are being carried out
 - Identify all documentation placing requirements or constraints on the Service
 - Structure the requirements into related aspects of work
 - Develop a set of cascading high level objectives (goals)

- n Effectively this will structure the requirements of the National Framework and other relevant documents in terms of generic objectives aligned with relevant aspects of operation and structure



Delivery – Stage 2

- n The myriad of new requirements means that the service is, over time, developing
 - new structures and competencies
 - Personnel and suppliers
 - New physical resources
 - Procure, Operate and maintain appropriate equipments

- n In this phase of work, generic organisational competencies and resources are developed for each objective form stage 1



Delivery – Stage 3

- n Resource requirements and gap analysis
 - To meet the requirements of government (now understood following stages 1 and 2) resource must be deployed
 - Level and prioritisation dependant on local needs
 - Combined with IRMP actions and priorities this will allow determination of where resource should be focussed



Summary Thoughts

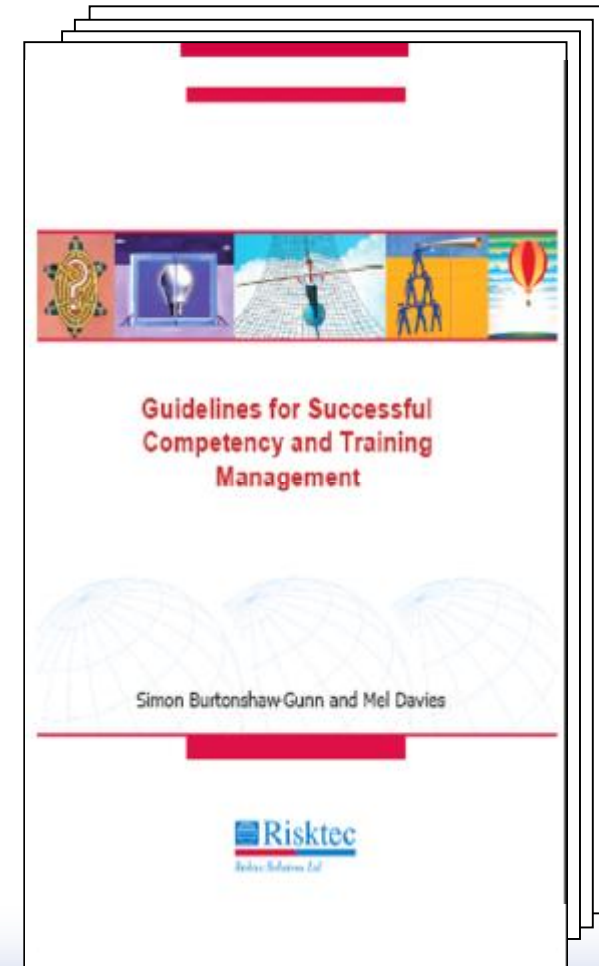
- n Competency management is a key area in managing risks within any organisation
- n The required competencies can be directly linked to the key controls on critical risks
- n Development of a baseline organisation is a great tool in allowing the safe management of organisational change
 - And as shown in the FRS case study, can also be used to assist in identifying gaps in the organisational competence
- n Change in systems needs to be carefully managed so as not to introduce additional risk

Guidelines on Competency Management

- n **Topics covered include:**
 - The Business Need for Competency and Training Management
 - Understanding Competency Management
 - Competency Management Systems in Practice
 - Understanding Training Management
 - Training Management in Practice
 - Commitment to Continuous Improvement
 - Final thoughts

- n **Available from the Risktec Website**

www.risktec.co.uk





Thank you!

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