



# **UK RISK MANAGEMENT MATURITY MODEL – RM3.**

## **A SUMMARY**

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## BACKGROUND.

- The Risk Management Maturity Model (RM3), established in 2011 and recently updated, provides criteria for measuring management capability against five maturity levels across 26 criteria.
- Classic management approach with focus on:- evidence, analysis, review and continuous improvement.
- Review significantly increases the weighting of '**Organisational Culture**'.
- Safety management linked to other aspects of business management.
- *"Excellence is not a theory, it relates to an organisation and what it does, how it does it, the results it gets and the confidence that these results will continue into the future."*

# THE 'PLAN, DO, CHECK, ACT' CYCLE.

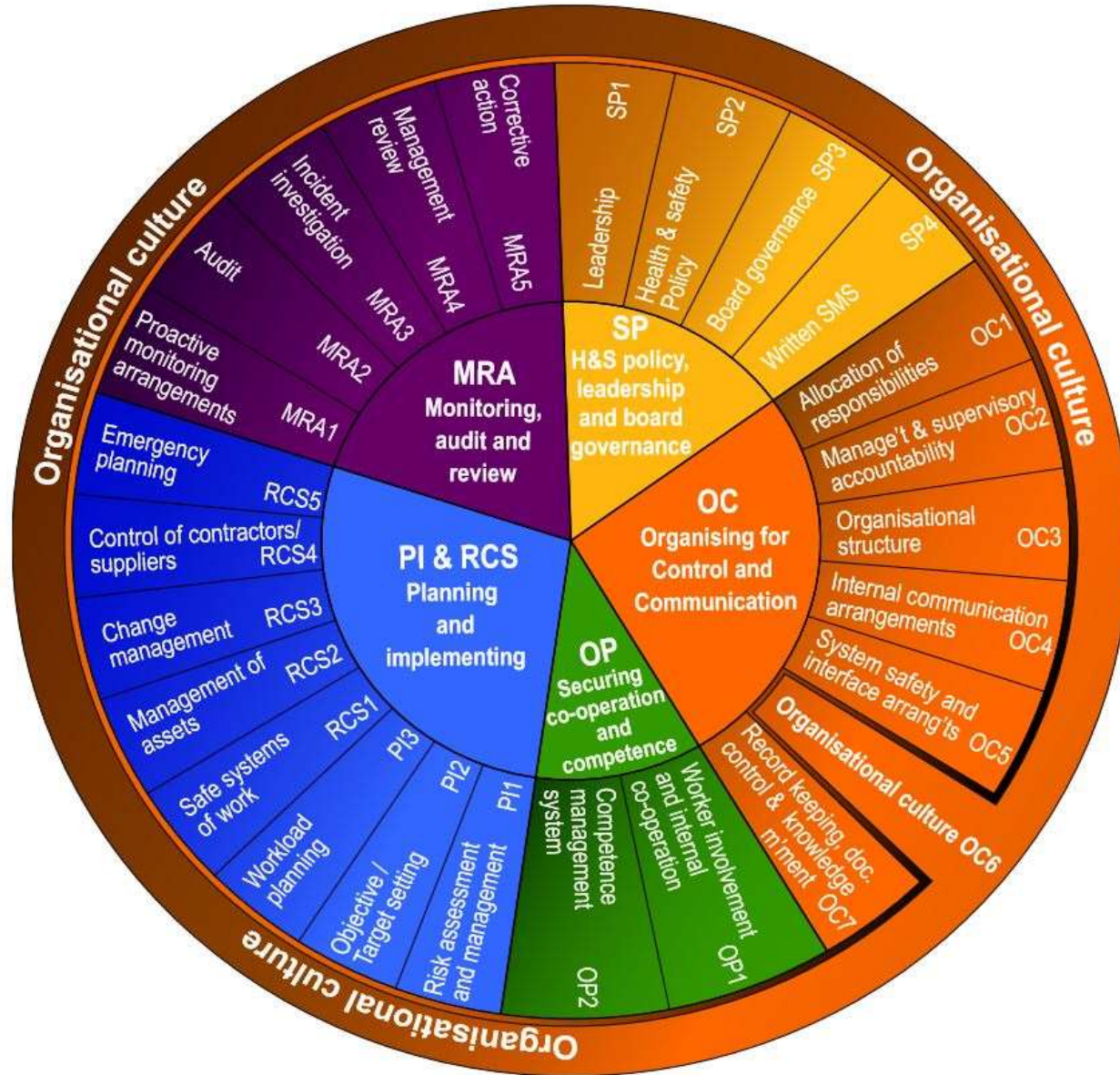


# FRAMEWORK.

- Health and Safety Executive's publication 'Successful Health and Safety Management' (HSG 65). European Railway Safety Directive 2004/09 (UK – ROGS). EU Common Safety Method for risk evaluation and assessment. EU Common Safety Method for monitoring.
- Key features of good practice in Health and Safety Management System's (SMS).
- Reviews of recent incidents from safety and commercial risk areas. Including:
  - The Baker Report into the Texas City explosion. The Haddon-Cave Nimrod Review.
  - The Walker report into Governance within the UK Finance sector.
  - The UK Government report into the collapse of Carillion.
  - The Aircraft Accident Report 1/2017 Hawker Hunter on 22 August 2015.
  - The emerging findings from the Grenfell inquiry. RAIB investigation reports.



# THEMES AND CRITERIA.



## FIVE MANAGEMENT MATURITY LEVELS.

- **Excellence** - Pro-active, continual improvement.
- **Predictable** - Delivery can be predicted by the management system. Variation and change is controlled.
- **Standardised** - Good practice synthesised into standard processes.
- **Managed** - Local groups are organised to ensure repeatable performance BUT each work group performs similar tasks differently.
- **Ad Hoc** - As a need arises, uncoordinated.

# ORGANISATIONAL CULTURE AND EXCELLENCE IN THE 5 THEMES.

## Health and safety policy, leadership and board governance

- The organisation's policies are visionary, based on solid evidence of what the organisation can achieve, and promote a consistent approach to health and safety at all levels of the organisation.
- Leaders of the organisation set and communicate clear direction that reinforces a consistent approach to health and safety and shapes the day-to-day activities as well as striving to continuously improve risk control.
- Leaders at all levels of the organisation act in a consistent way that reinforces the values, ethics and culture needed to meet their organisation's objectives.
- The leadership style throughout the organisation is transformational as opposed to transactional.

## Organising for control and communication.

- The organisation is structured to help put the organisation's policies into practice as efficiently as possible.
- There is a clear understanding of how each person's role affects the organisation's ability to achieve specific goals and the overall objectives.
- The organisation provides the framework for using people, plant and processes successfully.
- Communications up, down and across the organisation are highly effective.
- Communications from management should be appropriate for the target audience. The right message should be received at the right time, by the right people, and through the appropriate channels.

## Securing co-operation, competence and development of employees at all levels

- Competences (knowledge, skills, experience and abilities) needed to work effectively, efficiently and safely are understood by the organisation, with the right number of people, in the right place, at the right time with the right competence.
- Recruitment, selection, training and continued development focus on meeting the organisation's objectives.
- Employees are actively involved in developing processes and making the business successful and safe.
- Trade unions are recognised as an essential means of employee involvement.

## Planning and implementation of risk controls through co-ordinated management arrangements

- Organisations systematically implement processes to make sure that the plant, people and processes are fully used, continually improving effectiveness, efficiency and safety to achieve the organisation's objectives.

## Monitoring, reviewing and auditing to provide effective governance, management and supervision

- Monitoring is an important part of the organisation's management arrangements at all levels.
- Performance measures and audit programmes are used to continually encourage everyone to achieve the organisation's objectives and reduce the risk to the business.
- Variations from expected outcomes are reviewed to understand where the organisation is falling and what corrective action is necessary to restore and improve performance.
- The organisation actively seeks opportunities to identify good practice from both within the organisation and from others.



# CRITERIA AND ASSESSMENT - SMS.

## SP 4 Written health & safety management system (SMS)

SP 4

A written health and safety management system (SMS) is designed to control all H&S risks which arise as a consequence of the business activities.

The SMS should:

- set out the arrangements for the control of H&S risk describing the Roles, Responsibilities, Authorities and Accountabilities, (R2A2) of those at all levels of the organisation and how these are integrated into business operation;
- identify:
  - those who 'own' H&S risks in each part of the business, (individuals or business functions) and implement risk controls;
  - the process owners responsible for creating and maintaining systems of risk control;
  - the contribution of H&S and professional advisers to decision making; and
  - those who provide audit of the SMS;
- identify proportionate, appropriate hazard identification, risk assessment methods, and the design of risk controls which:
  - consider personal as well as process/system risks;
  - are based on the reality of the way work is done and engage employees, (or volunteers) and/or their representatives;
  - recognise the impact of ageing assets;
  - recognise the impact of interfaces and shared risk and involve business partners; and
  - apply human factors knowledge about behaviour and consider both health and safety risks; and
  - consider both the risks of performing work and the impact of work on other risk controls;
- identify the mechanisms for engaging all employees at all levels in learning from experience.

Excellence

- The SMS demonstrates how the organisation will identify opportunities to improve, not only against its own targets but against other organisations' targets which have been identified as being excellent.
- The SMS clearly demonstrates how the organisation is kept aware of good practice in the rail and other industries so that continuous improvement can be maintained.
- The SMS is adaptable and responsive to change to accommodate emerging risks and reasonably foreseeable developments in legislation, technology, social, environmental and political influences, whilst maintaining assurance.

### Culture

The SMS demonstrates a commitment to measuring and improving organisational culture.

- The SMS is an integral part of the overall management system.
- Stakeholders are consulted on and informed of good practice to continually improve collaborative relationships and shared risk reduction.

Predictable	<ul style="list-style-type: none"> <li>• The SMS presents a clear approach to managing safety. It shows how the organisation proactively controls risk through continual improvement of its internal arrangements, including through periods of change.</li> <li>• Everyone in the organisation can explain their role or how they might be involved in the SMS and know where to find things.</li> <li>• Standards are reviewed to ensure that the SMS uses and delivers the up to date standards.</li> <li>• The SMS is proportionate to the organisation's hazard/risk profile and features appropriate risk assessment methods.</li> </ul>	<p><b>Culture</b> There is a collaborative approach across the organisation in implementation and reviews of the health and safety management system.</p> <ul style="list-style-type: none"> <li>• The SMS remains accurate and the relevant parts subject to change through a formal change management system as and when necessary.</li> <li>• Stakeholders are regularly informed of any changes to the SMS.</li> </ul>
Standardised	<ul style="list-style-type: none"> <li>• The SMS meets the elements laid down in relevant standards and regulations.</li> <li>• Each document contained within the SMS has its own author/owner and it is approved and authorised as being fit for its intended purpose.</li> <li>• The SMS reflects clearly the systems in place to manage risk effectively.</li> <li>• The SMS clearly indicates the standards on which it is based and those it is intended to achieve.</li> </ul>	<p><b>Culture</b> There is a clear understanding at all levels and across the organisation of how the SMS sets out to control risks and to what standard.</p> <ul style="list-style-type: none"> <li>• The SMS is communicated to stakeholders.</li> </ul>
Managed	<ul style="list-style-type: none"> <li>• The SMS presents a systematic approach to controlling risk, with appropriate checks and balances, and all aspects of health and safety are considered. It reflects the PLAN DO CHECK ACT model.</li> <li>• There is a process in place within the organisation to produce and maintain a legally compliant SMS but, once produced, the SMS is not consistently applied in all parts of the organisation.</li> <li>• Both H&amp;S receive proportionate consideration in the SMS to the levels of risk they present.</li> </ul>	<p><b>Culture</b> The SMS is understood by most staff as an important part of how risk is managed.</p> <ul style="list-style-type: none"> <li>• There is inconsistent application of standards in the implementation of the SMS.</li> <li>• The SMS is communicated internally and to regulators but not to collaborators and those with shared risks.</li> </ul>
Ad-hoc	<ul style="list-style-type: none"> <li>• There is no written SMS, or if there is one it is poor and does not reflect the business activities, operations and risks.</li> <li>• The SMS is based on a template or copied from another organisation. It does not reflect the business's activities, operations and risks.</li> <li>• The SMS does not address all the H&amp;S risks within the organisation e.g. occupational health.</li> </ul>	<p><b>Culture</b> The SMS is seen as unimportant and poorly understood.</p> <ul style="list-style-type: none"> <li>• It is not clear what standards the organisation is using.</li> <li>• Staff who should be aware and involved in the SMS are not.</li> </ul>

SP 4



# CRITERIA AND ASSESSMENT - CMS.

## OP 2 Competence management system (CMS)

The organisation is capable of managing H&S effectively by having sufficient employees with the appropriate competences at all levels.

An organisation needs to maintain an adequate organisational capability for H&S, including:

- having the right number of people, in the right place, at the right time with the right competence;
- ensuring recruitment, training and development systems are able to anticipate and cater for retirements and resignations, especially when there is an ageing workforce and/or a potential skills shortages; and
- understanding the minimum human resource needs to maintain safe operation and particularly to ensure effective risk control during times of organisational change.

A competence management system should secure the competence of all those who have roles, responsibilities, authority and accountabilities, within the organisation's SMS, at all levels of the organisation. This includes directors, senior, middle and junior managers, supervisors and front-line workers.

Regulation 13 of the Management of Health and Safety at Work Regulations 1999 (MHSWR) requires consideration of people's capabilities in regards H&S when appointing them. Regulation 24 of The Railways and Other Guided Transport Systems (Safety) Regulations 2006 (ROGS) requires companies to have a system in place for ensuring that staff who carry out safety-critical work are competent and fit to do so.

- Excellence**
- The organisation looks to improve and test its staff competence by using innovative and technological solutions.
  - The organisation considers innovative technological solutions, addressing human factors issues, to continuously improve risk control and resilience.
  - The right people are always in the right place at the right time and there is in-built resilience with some staff competent in both current and next roles.
  - The CMS is subject to regular monitor, audit and review to ensure that risk controls are continuously improving.
  - The organisation uses employee involvement to gather ideas for improvement and puts them into practice.

**Culture**

The organisation makes full use of its employees' potential and actively involves them through shared values and a culture of trust, openness and empowerment.

- The CMS clearly considers operational competences related to safety-critical work, referencing relevant legislation where necessary (e.g. ROGS).
- There is a clear and well defined link between the CMS and the need to maintain necessary organisational capability.

<b>Predictable</b>	<ul style="list-style-type: none"> <li>• There is a comprehensive CMS based on thorough risk assessments of tasks and includes policies on recruitment, selection and training in line with identified objectives.</li> <li>• There are a range of processes in place to manage organisational competence including succession and resilience planning. Changes to roles are planned.</li> <li>• Staff have the necessary competencies to ensure effective risk control when undertaking safety-critical tasks, including when their role may change.</li> <li>• Appropriate priority is given to managing competence by sharing resources.</li> </ul>	<p><b>Culture</b> Staff believe they have a role to play in the CMS and routinely act to support and develop themselves and colleagues.</p> <ul style="list-style-type: none"> <li>• Changes in the risk profile routinely trigger a review of the CMS.</li> <li>• The CMS is proactive and predictive in identifying emerging operational risks associated with safety critical staff and activities.</li> </ul>
<b>Standardised</b>	<ul style="list-style-type: none"> <li>• The organisation has an effective CMS in place. This covers the competencies needed to meet the business's objectives and manage risks; and includes both technical and non-technical skills.</li> <li>• There is a process which consistently ensures that the appropriate skills, knowledge and experience are included in the CMS and this leads to effective control of identified and emerging risks.</li> <li>• The organisation provides individuals with the skills, knowledge and experience required and makes full use of the competencies of its staff.</li> </ul>	<p><b>Culture</b> The value of the CMS is understood by all staff and there is a consistent belief that it will provide them with the necessary competencies to undertake tasks safely and manage risks competently. Staff accept ownership of their own competence and its development.</p> <ul style="list-style-type: none"> <li>• Risk controls repeatedly identify the skills, knowledge and experience needed by individuals to manage the risk.</li> </ul>
<b>Managed</b>	<ul style="list-style-type: none"> <li>• There is a CMS, which is linked to the risk profile, but it is inconsistently applied and does not apply to all staff.</li> <li>• There are policies on recruitment, selection and training, but they do not always link to the risk profile, or are not in line with the business objectives.</li> <li>• Training is provided as and when training needs are identified locally. The right people may not be in the right place at the right time to manage the risks.</li> </ul>	<p><b>Culture</b> Staff believe that the competence management system is important for H&amp;S but effectiveness varies depending on the managers implementing it.</p> <ul style="list-style-type: none"> <li>• Risk controls identify the skills, knowledge and experience needed by individuals to manage the risk, but not consistently across the organisation.</li> </ul>
<b>Ad-hoc</b>	<ul style="list-style-type: none"> <li>• There is no evidence of any clear approach to managing competence or the system is inappropriate for the risks to be controlled by people.</li> <li>• Employees may have the competencies they need, but there are no arrangements to check this.</li> </ul>	<p><b>Culture</b> Staff do not believe they are provided with the necessary information, instruction and training to undertake their roles, which may result in them deviating from procedures and ineffective risk control.</p>

OP 2

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