#84 – ALL CHANGE FOR FUTURE MANAGEMENT SYSYEM STANDARDS – IAN DALLING, CHAIR OF THE CQI INTEGRATED MANAGEMENT SPECIAL INTEREST GROUP

Changing Management Standards Landscape

"It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than a new system. For the initiator has the enmity of all who would

profit by the preservation of the old institution and merely lukewarm defenders in those who gain by the new ones. " Niccolò Machiavelli.
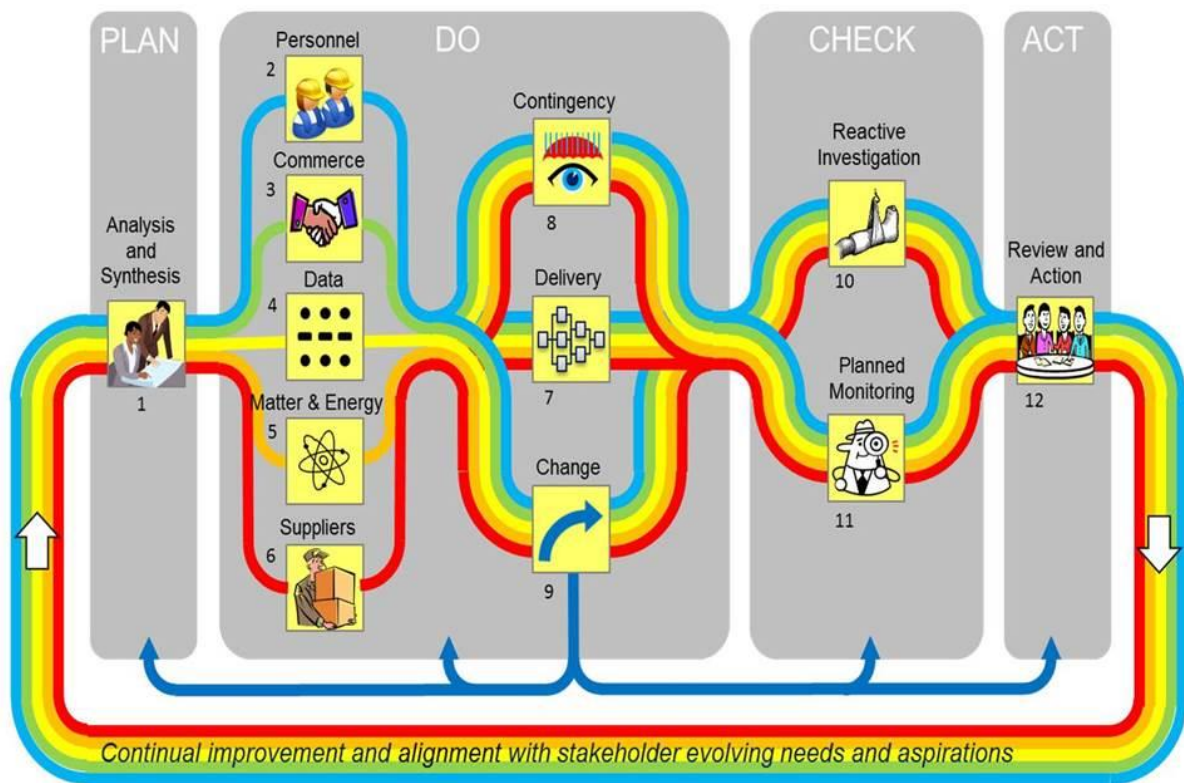
What is changing?

Entering 2015 heralded a significant change in the management systems standards landscape providing more choice for organisations. New revised ISO standards will become available with the headings of the various fragmented management system standards aligned to what has been termed Annex SL making it easier to compare the requirements for managing different aspects of organisational performance. However, the content will remain non-integrated and as far as we know, ISO has expressed no intention of going any further. ISO 9001 will make the management of risk more explicit but how will need more guidance.

The intention of introducing the Annex SL structure was to help facilitate integrated management systems, which have tended to become the norm in recent years. A survey conducted in 2012 indicated that 80% of respondent's organisations already had an integrated management system or were intending to implement one. Standards bodies such as ISO tend to be reactive and not proactive in initiating progress.

Older non-aligned ISO and other standards body standards will remain available, at least until they are possibly withdrawn.

Some management system standards bodies have already taken a structure and process focused approaches rather than focusing on an isolated aspect of performance, such as product/service quality, occupational health and safety, environmental protection, data security, supply chain management, contingency planning etc. An example is the International Atomic Energy Agency, who merged their safety and quality series nuclear standards.

At the beginning of 2015, the CQI Integrated Management Special Interest Group published the world's first universal management system standard that totally focuses on the structures and processes of the organisation and facilitates fully integrated management systems without boundaries. It is based on seventeen universal management principles that transcend the various silo disciplines. MSS 1000:2014 is a free and open-source standard that may be downloaded via the Integrated Management Community web site: www.integratedmanagement.info. The great strength of MSS 1000 is its simple and elegant hierarchical managemnt topic taxonomy, which is shown in the diagram below. This may be readily carried over into structuring a full IMS contained within only twelve top tier or middle tier management sections or procedures.

PLAN

Analysis and Synthesis
1

Personnel
2

Commerce
3

Data
4

Matter & Energy
5

Suppliers
6

DO

Contingency
8

Delivery
7

Change
9

CHECK

Reactive Investigation
10

Planned Monitoring
11

ACT

Review and Action
12

Continual improvement and alignment with stakeholder evolving needs and aspirations

Generally up to now, organisations, have been confronted with choices such as whether to have a formal management system and if so whether to go for an integrated management system. An integrated management system only implies combining at least two formal management systems that could potentially exist separately. Organisations now need to decide whether to adopt a universal management system standard for managing everything, and whether to go for a fully supporting universal management system standard that also covers managing all aspects of the organisation embracing strategic, tactical and operational structures and processes. The next two sections will aid these decisions by exploring exactly what a management system is and its benefits.

What is a management system?

A management system is simply the organisation's overall or partial plan for how it is to be managed and operated to deliver its purpose, which is the supply of goods and/or services to satisfy customers. Put more formally, a management system is a set of formally defined intentions, principles, rules and guidance used to systematically manage an organisation's structures and processes to achieve its objectives. A management system can be primitive or very sophisticated and can even manage its own evolution based on feedback and analysis of customer and other stakeholder needs, expectations and aspirations. All organisations, whatever their type and size, can benefit from an appropriate management system. As managing all aspects of change is critical to success, these processes also need to be included in the management system. While the prospect (positive risk) of change may be high there are nearly always associated risks requiring a systematic project-based approach.

Everyone's behaviour, within their respective roles, should be compliant with the management system and made aware during their induction, training, and supervision. Some elements such as policy statements are broad-brush principles with a generic focus while others are sharply focused operational instructions.

Benefits of a management system

Many new organisations created by intelligent and creative people grow to a size where they struggle to manage because they lack a management system and are constantly micromanaging every detail such they have no time to develop and grow the organisation let alone get time to play an occasional game of golf. A management system allows senior management to give clear formal direction and guidance on how the organisation is to be managed and operated. It frees up higher management to focus on developing the organisation's vision and strategic planning, rather than constant intervention or firefighting in operational processes. This enables personnel throughout the organisation to perform much better in their respective roles and to interact effectively and efficiently with others internally and externally to the organisation.

A formal management system provides a home for the organisation's explicit management knowledge and a firm springboard for review and subsequent improvement initiatives. It is a powerful and valuable asset, which contributes to effective and efficient management control.

Management system architecture

The wisdom contained in an organisation's management system, if it is to be of any value, must be easily accessible to each person who needs direction and guidance. Management system architecture, like building architecture, needs to be functional but also elegant. Employees need to be comfortable interacting with it, value it and take an active role in its evolution and improvement. It needs to able to respond quickly to its external environment and continually improve so that it remains aligned with evolving needs, expectations, and aspirations of the organisation's stakeholders.

The structuring of management systems has been strongly influenced by the publication of numerous management system standards, each focusing on a fragmented aspect of organisation performance such as product/service quality, environmental protection, personnel health and safety, and data security etc. This has sadly resulted in organisations operating multiple management systems inhibiting joined up thinking and coherent management processes. These fragmented management systems have encouraged silo management rather than a strong focus on the organisation's structures and processes that determine all aspects of performance. Reductionist discipline based silo management inhibits the receipt of synergistic benefits obtained by taking a total coherent focus on the organisations structures and processes in order to equitably satisfy the needs and expectations of the stakeholders while making the best use of resources. An IMS has a host of advantages, which deliver increased effectiveness and efficiency, refer to [Top management brief on integrated management](#).

How will future evolve?

MSS 1000 subsumes quality management and risk management seamlessly. A major difference from the risk management guide ISO 31000 is that MSS 1000 explicitly addresses the management of upside and downside events when operating under uncertainty and does it throughout the standard. It also addresses both prospect (positive risk) and risk tolerability individually and as an aggregate.

MSS 1000 is arguably the most significant disruptive innovation that has occurred in the theory and practice of management for some time. It is already out of the box and cannot be reversed, although as always people will remain in denial, resist positive change and seek to maintain the status quo. Well before the new millennium, it was questioned whether a universal system standard was possible, even PAS99 only recognised that an IMS could be created from multiple management system standards. The impossibility of a universal management system myth has now been exploded, opening up new avenues of thought and research.

So what does this mean for risk management standards/guides such as ISO 31000? Not as much as it does for the ISO certifiable standards that post 2015 still only have their headings aligned leaving the content unintegrated. Although ISO 31000 does not address all aspects of management, its scope of application of risk management pervades all management and is therefore unlike the other ISO silo fragmented management system standards that focus on an isolated aspect of an organisation's performance. This provides the ISO 31000 Technical Committee, with an opportunity to review it with a fresh perspective against MSS 1000 and enable the content to be made more user-friendly and accessible to those who are not qualified and experienced risk practitioners.

How will organisations react to the new choices that they are confronted with? The further penetration of the IMS seems like a no-brainer, but will the adoption of a full IMS managing everything within an organisation become more commonplace? How will top management take to using an IMS to systematically manage strategic, tactical, and operational commercial management processes in a joined-up way? Up to now, it has generally been something that the quality, health and safety, and the environmental silos did. How quickly will they recognise that it is a way to be in greater control of the business as a whole, improve all facets of performance and get more time to play golf?

Evolutionary forces are enormously powerful, but they tend to play out at their own pace and I believe we only influence the process as one of many interacting players. I think that the logical argument for one-stop universal management system standards, with specialist supplements as necessary, is very difficult to counter. But there are certainly those who will want to resist it for as long as possible because of their personal agendas and commercial interests, and of course to provide time to plan their transition to a new way of delivering even more effective and efficient services, while maintaining profits during the transition.

In general, management practices are slow to change but enlightened proactive organisations take the lead with the rest following reactively fearing a loss of competitive edge or are compelled to comply with customer requirements. The accredited certification bodies, for example, may take their time acting collaboratively to resist the threats to their interests or one may break ranks early and steal a competitive lead. The non-accredited certification bodies may take the initiative and offer a more streamlined and effective service. Exactly what will happen and when is a tough call - is

there is a quality or risk practitioner in the world who could advise where the smart money should be placed?

The potential benefits and impacts of MSS 1000:2014 is something that all organisations need to have on their strategic agendas and include in their SWOT analysis to stay aligned with the trends of time.

If you have found this article thought provoking and informative you may also like to read the LinkedIn Impulse article 'The World's first Universal Management System Standard'

Anyone interested in joined up thinking approaches to management, referred to as integrated management, is very welcome to join the Integrated Management Special Interest Group - it has an international membership and is not restricted to CQI members.