

DEMONSTRATING DUE DILIGENCE THROUGH ACCREDITED TRAINING

The Shift in Organizational Structures

All organizations are facing up to the increased complexity of managing in a resource poor environment. The public sector is having to invest in innovative and more economical ways to demonstrate its ability to compete with the private sector on services. In addition, modern management theory and practice leads us to believe that "empowerment", i.e. pushing accountability and decision making to the lowest levels, will lead to greater productivity and involvement of the employee in the work of the organization.

In many industries, there has been an evolution in structures, from hierarchical, to matrix, to self-directed teamwork. While pieces of former structures remain, e.g. strong direction from the Executive level, senior managers in many organizations have established the work team concept with working team leaders as an innovative way to meet the ongoing demands for the highest level of initiative and productivity. Now, organizations face the balance between empowering people to do their jobs, and supervising their safety and well-being.

The Need for Due Diligence

This balance is needed because authorities in the various levels of government have increased their vigilance over organizations who, through lack of established processes of management, training and record keeping, may place their employees in danger. There are two separate motives for this vigilance:

1. ***The actual protection of the employee against injury or death, and***
2. ***The costs incurred to the public purse in the event of an injury or death.***

The classical example of not showing due diligence is the case of a new employee being given the responsibility of a complex piece of equipment with only a cursory introduction to its operation:

1. ***There is a high probability that this person will hurt themselves or others as they learn the operation of the machinery in question and;***
2. ***Management has sinned both organizationally and legally by not ensuring the safety of the person and of those working with him.***

Due diligence also extends to supervision. If it can be shown that through lack of appropriate supervision, an employee was caused to be injured or killed, then the organization is in violation of due diligence provisions.

The Dilemma

So, on the one hand, organizations are evolving to more creative and flexible structures to meet the changing demands of the market place. On the other hand, there is a sense that these structures may not meet the requirement for due diligence in the work place.

First of all, there is a need to be clear on principles from the outset and accept that:

- 1. Any management scheme that increases workplace danger cannot and should not be tolerated.**
- 2. Due diligence carries with it a genuine motivation to protect the employee against injury or death and to police organizations who might otherwise introduce or maintain unsafe practices.**

Therefore, it is not appropriate to treat due diligence as an administrative or risk management matter, driven only by the threat of legal action.

It is appropriate however to get in at the ground level of due diligence, accept the clash in values between evolving structures and the need for demonstrated safety, and seize the opportunity to demonstrate due diligence in action. This means coming up with the process to exceed due diligence requirements, and the means to demonstrate and prove that the organization has successfully married self directed work teams with the health and safety of its people.

The Process of Due Diligence

When introducing a new structure or approach to the organization, most agents for change forget to analyse all of the impacts of the change. For example, the introduction of work team concepts has as impacts:

- 1. Greater accountability placed on the individual employee for his work.**
- 2. Decreased supervision (in the sense of the hierarchical organization) replaced by coaching, facilitating, and modelling of work values and practices.**
- 3. Specialized training for teams and team leaders in the functioning of the team in the work place, e.g. in the assumption of accountability for health and safety management.**
- 4. Tracking of organizational information on work team and individual performance.**
- 5. Accreditation of team leaders in the pre-identified skills of leadership.**
- 6. Accreditation of technical training through third party testing.**

The Process of Due Diligence is thus designed around these principles in 4 major steps:

STEP 1: Identification of the core skills of:

- those being trained;
- those training;
- those supervising the training;

These skills are identified and validated from:

- provincial, federal and organizational standard core skills inventories
- internal focus groups.

STEP 2: Establishment of the accreditation framework:

- strengthening of the training tracking system
- selection of accreditors from outside agency
- set up of interim due diligence processes if required
- set up of data tracking for health and safety and other parameters
- getting governmental authorities' buy-in to the process

STEP 3: Training:

- accreditation of trainers and supervisors in the core skills;
- training of teams as units;
- setting up of accredited internal training.

STEP 4: Establishment of maintenance functions:

- ensuring that the process replicates itself continuously;
- ensuring flow of information to any and all stakeholders.

At any time, the organization needs to be able to demonstrate the importance it places on due diligence.

Options

There are two fundamental approaches being taken to ensure due diligence:

1. Systemic:

The process gets included in a certification such as ISO.

2. Non-systemic:

The process is developed outside of ISO as an Organizational Development feature.

Basic Design Effort

Basic Design Effort (BDE) relates to the amount of money and resources that will need to be expended to make a due diligence process functional.

Some basic assumptions are:

1. ***The organization is committed to new ways of doing things, and in doing those new things right.***
2. ***The organization's legal authorities are willing to help in the design of the approach, through their advice and guidance.***
3. ***In the organization, work teams are less expensive to operate as a structure than others.***

With these assumptions confirmed, some of the BDE factors as follows:

1. ***There is always some initial resource expense in setting up Core Skills inventories and data base tracking.***
2. ***The Training Section needs to treat the approach as a major project.***
3. ***The organization would wish to set up internal accreditation processes as soon as practical, i.e. independence from external resources. This implies additional in-house resources, whose time for training and maintenance activities needs to be factored in.***
4. ***The effort expended is likely to reinforce productivity and motivation in learners, i.e. they are achieving something. The cost benefit is generally on the positive side.***

Concluding Remarks

The conservative approach when confronted with the fear of litigation or of criminal charges is to retrench, and go back to the tried and true, even if less effective structures and methods. The proactive way is to consult, design, bridge, implement and evaluate. This is what is being suggested for the modern organization by linking training, self-directed work and due diligence.

Prepared by:

Paul H.J. Cormier
Vice-President Research & Development
RANA International Inc.