CHAPTER VI

Performance Assessment and Optimization of the HSE Management Systems.


CHAPTER  6  

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6.1 INTRODUCTION

MSMEs often find it difficult to maintain all ISO standards independently because of the scarcity of the skilled manpower and the burden of maintaining the individual documentation for each standard. The Management of these standards is often taken care by the task force rather than the individual person overcoming the departmental barriers. The priority identification becomes issue when an individual in responsible for the management of the systems.

This Chapter describes the Integration of standardized environmental, health and Safety as well as quality management systems audits in MSME units in Maharashtra It also uncovers some of the challenges encountered by MSMEs during the integration process and the benefits of having integrated audit systems, such as the optimized use of resources or the synergies created among the audit systems.

MSMEs, with limited financial and human resources, require systematic approaches through well-defined frameworks in order to efficiently tackle quality and environmental issues.

MSMEs, in changing times, are keeping with the pace of demands of various interested parties expectations of ‘Right first Time Quality’ and also at the same time, reduction of defective products is crucial. This helps in attainment of customer satisfaction and excellence in product quality.

In addition, lost time due to the accidents is also one of the prime focus. As MSMEs are eyeing for greater profitability and organizational systems, safety culture is also playing an important role.

Most of the MSMEs have Quality Management Systems implemented. Implementation principles of Quality Management Systems are based on preventive actions rather than corrective actions. Hence, OHSAS 18001 has been compatible to ISO 9001.

Therefore, prevention of dangerous occurrences for processes at work and risk preventions will lead to the production of defect free products for the MSMEs.
Considering all these facts, more and more MSMEs are voluntarily opting for the implementation of safety and environmental management systems. The implementation of these systems will not only reduce industrial accidents and loss of life but also reduce environmental pollution and will encourage safe waste disposal practices.

The Quality Management systems in coordination with environmental and occupational health and safety management system will greatly help in achieving the goals of zero accidents.

Majority of the studies find that small companies are having increased risk of accidents compared to large enterprises. MSMEs are also keen on reduction of accidents to zero level by implementation of EMS and OHSAS management systems, which include reporting of all incidents and Near misses in the MSME. In addition to that, identification of hazards related to the processes and risk mitigation to those processes are also playing important roles. These actions will improve the safety and morale of the employees. Human assets are the ones, which are most valuable for an organization. However, in most of the MSMEs they are not valued.

Employees working with MSMEs in which the management systems are implemented and those who have not, perceive the safety aspects and variables from different levels. MSMSEs with QMS, EMS and OHSAS implemented, will be having the upper hand over those who have not implemented it, because of the safety culture.

6.2 NECESSITY OF INTEGRATION

Automotive segment in India is growing every year with increasingly demanding legislation on quality and environment and safety. Most of the Automobile makers are demanding their suppliers to have the compliance to the Environmental and safety norms with the implementation of the QMS-EMS-OHSMS. MSMEs find it extremely difficult to establish these management systems because of the investment in the resources and manpower, specific requests and performances.

The implementation of ISO 9001 (QMS), ISO 14001 (EMS) & OHSAS 18001 (OHSMS) and nowadays ISO 50001 (Energy Management Systems) requires MSMEs to have additional documented management systems, periodic audits, objectives and targets and
different human resources. Fulfilment of these requirements are very stringent and needs to be in line with organizational objectives.

6.3. Enhancement of the Performance of the MSME by Integration of the Management Systems.

Integrated Management system is very much advantageous as compared to the individual management system. It can be handled by inter departmental cross-functional team. The savings in the resources and manpower is evident. Inter departmental barriers are reduced with cross functionality. The documentation required is also common for the management of the integrated management system. The cost savings can be done in the external audits man-days.

Integration of the Quality Management System with Environment as well as health and Safety management system is need of the hour for the MSMS Industries. It has several advantages but it has some possible disadvantages too. Integration of the management system also leads to the loss of focus for the individual management system and may not be able to do the right justice to the implementation of individual management system in totality.

However, in today’s fiercely competitive world, MSME has to have multi-tasking of the people in order to sustain with the onslaught of the OEM requirements of implementation of the different management systems. In addition, Government legislative compliances for Environment Pollution and Occupational Health and Safety is growing. Whereas customer focus is on quality of the products and processes the organization implements.

Therefore, it is necessary that, the rationalization of the management systems is required for the MSMEs for better utilization of the available resources with the minimum cost of the implementation without losing the sight of the business objectives and targets.

While Implementation of the Integrated Management systems, Most of the MSME loose the focus on the requirements of the individual management, systems like ISO 9001, 14001, OHSAS 1001 and nowadays ISO 50001.
For integration of the management systems, there is no specific guidelines available; therefore, it is dependent on the MSMEs, which processes they would want to integrate for the auditing purpose for the integrated management systems like health and Safety with Quality or Environmental management system.

**6.4 Optimization Process for the Integration of the Management Systems**

The need of the integration is felt by many MSME organizations because of the complexities and increased documentation and majority of them are opting for single integrated management system. The benefits of the integration process are reduced operating manpower costs, lesser paperwork and time required to manage the paperwork. This has been experienced by some MSME organizations in different industry segments.

According to the general experience, the first certificated system is, normally, the quality system. After that, when the system is totally implemented and specific knowledge and experience had been achieved, comes the environmental system certification that in some cases is integrated with the implemented quality system. This has been made easier with the introduction of ISO 19011, “Guidelines on quality and environmental management systems auditing”. For the integration of the QMS & EMS, it is milestone. The OHSMS certification is the final milestone on the path of the integration of management systems.

MSMEs often find it difficult to maintain all three standards independently because of the scarcity of the skilled manpower and the burden of maintaining the individual documentation for each standard. The Management of these standards is often taken care by the task force rather than the individual person overcoming the departmental barriers. The priority identification becomes issue when an individual in responsible for the management of the systems.
6.5 Integration Methodology for MSMEs Manufacturing Industry

MSMEs based on their nature of the operations can decide the process of the integration of the management systems at their workplace. There is no thumb rule available for the process of the integration. The process is based on the operational requirements of the MSMEs and the need of the interested parties like government agencies and the customers and the society in which they are operating.

There can be three different types of the integrations based on the needs felt by the MSMEs.

**First Level Integration:** With No overlapping of the procedures of the Quality, Environment and Safety management systems. However, common management reviews can be done. Management representatives may be one or three in numbers based on the size of the MSMEs. Identifications of the training needs can be done for all the three management systems.

**Second Level Integration:** Some part of the Quality, Environment and safety management system may be integrated with respect to the addressing common procedures with specific mentions to the clause requirements of the all three management systems. Objectives and Targets may be set according to the requirements of the individual management system. Work instructions and forms may be integrated at level 3 documents based on the necessity. There will probably still be three sets of objectives and targets.

**Third Level Integration:** One Common Policy for the three-management system. Level 1 documents that is management manual and level 2 Procedure manual is integrated with specific mentions of the clause requirements of the environmental aspects and impacts and hazard identification and risk assessment of the health and safety management systems. Objectives and targets are set in common for all the three management systems. Common task force is formed to carry out the smoother integration process of management system as well as carry out the audits and related processes.
6.6 Synergies between Different Management Systems, which can be integrated;

There are various synergies in the three management systems QMS (Quality), EMS (Environment) and OHSAS (Occupational Health and Safety) which can be tapped to form the integrated management system. Like,

- Policy,
- Objectives and targets,
- Procedures
- Management manuals,
- Forms and formats.
- The communication and the internal audits can also be integrated to some extents for some components.
- During the external audits, cost reduction can be achieved through combining the audits for the management systems.

MSMEs have the choice to carry out concurrent audits of OHSAS and EMSs along with QMS, which are different systems, conducted by separate audit teams. A “combined audit is the audit for the combined Management Systems. The separate audit plans are made for quality, environment and safety. The audit teams are different, which aim specifically the different criterions for the same process simultaneously resulting in savings of the manpower cost and repetition of the tasks.
6.7. BENEFITS OF INTEGRATION OF MANAGEMENT SYSTEM

Some MSME organizations in different industries have successfully integrated portions of their management systems and has experienced significant returns from

- Reduced operating costs
- Management system complexity and
- Time required to manage the processes.
- The organization with the help of the integrated management system will be able to attain the objectives and targets with the lesser paperwork,
- simpler integrated system requirements and
- Better hygienic conditions and
- Environment friendly waste disposal practices.
- Elimination of Duplicate Processes.

The core of integration is normally the standard, which is already in place, in most cases it is the quality management system (QMS). The integration of the Environmental management system (EMS) and Occupational Health and safety management system (OHSMS) with Quality management system (QMS), the system is called as EHSQ (Environment, Health & safety and Quality). The integrated system contains one manual that addresses the combined environment, Health & safety management, and quality system requirements.

The priority identification becomes issue when an individual in responsible for the management of the systems.
6.8. The important aspects of the integrated system (EHSQ) processes:

- Clearly defined Roles & responsibilities;
- Well defined objectives & targets;
- Employee Participation & Training;
- Compliance to Legislations of the Environment, Health & Safety norms.
- Corrective and preventive actions;
- Cost reduction through combining the process of audits;
- Continual improvement
- Duplication of Work and efforts are avoided.
- Reduced/ Zero customer Complaints.
- Enhanced Image of the Company amongst the Customers.
- Increase in Customer Base with better brand image.

One of the main obstacles for auditing the integrated management systems is auditor with the knowledge, experience and ability of auditing all the QMS, EMS and OHSAS is very difficult to locate.

6.9. Disadvantages of the Integrated Management system:

- Focus on single system instead of the entire integrated standards.
- Requirements of the experienced auditors in auditing the integrated management system.
- Legal Compliance of EMS and OHSAS to be balanced.
- Complex Audits because of the simultaneous Process.
- Required more Trained Auditees.
6.10 Summary

The chapter gives brief outline about the Performance assessment and optimization of the Health Safety and Environmental Management System for the MSME organizations.

The initial section traced the necessity of the integrations followed by the optimization process for the integration of the management system methodology and its benefits. The next section discusses about the disadvantages of the management system integration.