



➤ ISO Revisions Whitepaper

The importance of leadership in the new ISO standards

Approaching change

Background and overview to ISO Management system standards

ISO has over the years published many management system standards for topics ranging from quality and environment to information security, business continuity management and records management. Despite sharing common elements, ISO management system standards all have different structures. This, in turn, results in some confusion and difficulties at the implementation stage.

To help make the implementation process smoother, ISO has completed work to provide an identical structure, core text, common terms and definitions for management system standards of the future. This will ensure consistency among future and revised management system standards and make integrated use simpler. It will also make the standards easier to read and, in so doing, be understood by users.

ISO 27001 for information security has already been published using this format.

A brief overview of Annex SL's high-level structure

The new high level structure of Annex SL which will be adopted in the new version of ISO 9001, ISO 14001 and all new ISO management system standards is outlined below:

Annex SL and its new structure should not present concerns for those organizations that have embraced the management system philosophy, but could present a challenge for those that have certification for the 'badge on the wall'.

For example: There is increased reference to "organizational" context - the need to demonstrate an understanding of the internal and external issues that impact on the business. These clauses are closely linked to "leadership" which require that the management system is not held at arm's length by management, but is linked to the strategic direction of the business. This means the business has to align its processes effectively.

So Annex SL should assist management system managers by:

1. Raising the standards in the boardroom
2. Aligning standards with the needs of the business.

Introducing Annex SL

ISO technical committees developing management system standards have to follow Annex SL. Annex SL harmonizes structure, text and terms and definitions, while leaving the standard's developers with the flexibility to integrate their specific technical topics and requirements.

The timetable for the core management system standards to be published in the Annex SL format is as follows:

- ISO 14001 revision: Quarter 3 2015
- ISO 9001 revision: Quarter 4 2015
- ISO 45001: Quarter 4 2016

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|-----------|-----------------------------|
| Clause 1 | Scope |
| Clause 2 | Normative references |
| Clause 3 | Terms and definitions |
| Clause 4 | Context of the organization |
| Clause 5 | Leadership |
| Clause 6 | Planning |
| Clause 7 | Support |
| Clause 8 | Operation |
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Why is **leadership** important in today's business environment?

Leadership, the ability to motivate groups of people towards a common goal, is an important skill in today's business world. Without strong leadership, many otherwise good businesses fail.

Many of the world's most respected leaders have several personality traits in common. Some of the most recognizable traits are the ability to initiate change and inspire a shared vision, as well as knowing how to "encourage the heart" and model the skills and behaviours that are necessary to achieve the stated objectives. Good leaders must also be confident enough in themselves to enable others to contribute and succeed.

The difference between leadership and management

Management is mostly about processes. Leadership is mostly about behaviour.

Management relies heavily on tangible measurable capabilities such as effective planning; the use of organizational systems; and the use of appropriate communications methods.

Leadership instead relies most strongly on less tangible and less measurable things like trust, inspiration, attitude, decision-making, and personal character. These are all necessary to motivate an organization to achieve its management systems objectives.

➤ How is leadership being incorporated into today's new ISO standards?

Firstly let's understand how Leadership is defined by ISO.

'Leadership is the person or group of people who directs and controls an organization at the highest level. Top management has the power to delegate authority and provide resources within the organization. If the scope of the management system covers only part of an organization, then top management refers to those who direct and control that part of the organization.'

Defining the responsibilities of leadership according to Clause 5

This states that top management shall demonstrate leadership and commitment ... by ensuring:

- the policy and objectives are established for the management system and are compatible with the strategic direction and the context of the organization. Please note the Context of the organization, clause 4, is a new requirement compared to the current version and leadership will have to demonstrate an understanding of the business environment and its impact on the organization;

- the policy is communicated, understood and applied within the organization;
- the integration of the management systems requirements into the organization's business processes and promoting the process approach;
- the resources needed for the management system are available;
- the management system achieves its intended results;
- taking accountability of the effectiveness of the management system;
- communicating the importance of an effective management system and of conforming to the management system requirements;
- engaging, directing and supporting persons to contribute to the effectiveness of the management system;
- promoting continual improvement and innovation;
- supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.

Leadership and policy

Leadership needs to establish, review and maintain a policy, but also needs to ensure that it is applied within the organization.

Roles and responsibilities

Leadership needs to ensure that responsibilities and authorities for relevant roles are assigned, communicated and understood within the organization.

Organizational change

Leaders need to ensure - the integrity of the management system is maintained when changes are planned and implemented.

Some of the above tasks will of course be delegated, but it is the management's responsibility to ensure they are planned, implemented and achieved.

➤ What are the **benefits**?

Let's look at what is said about leadership by ISO as one of the 8 or now 7 quality management principles that underpin existing management systems.

Leaders establish unity of purpose and direction of the organization. They should create and maintain the internal environment in which people can become fully involved in achieving the organization's objectives.

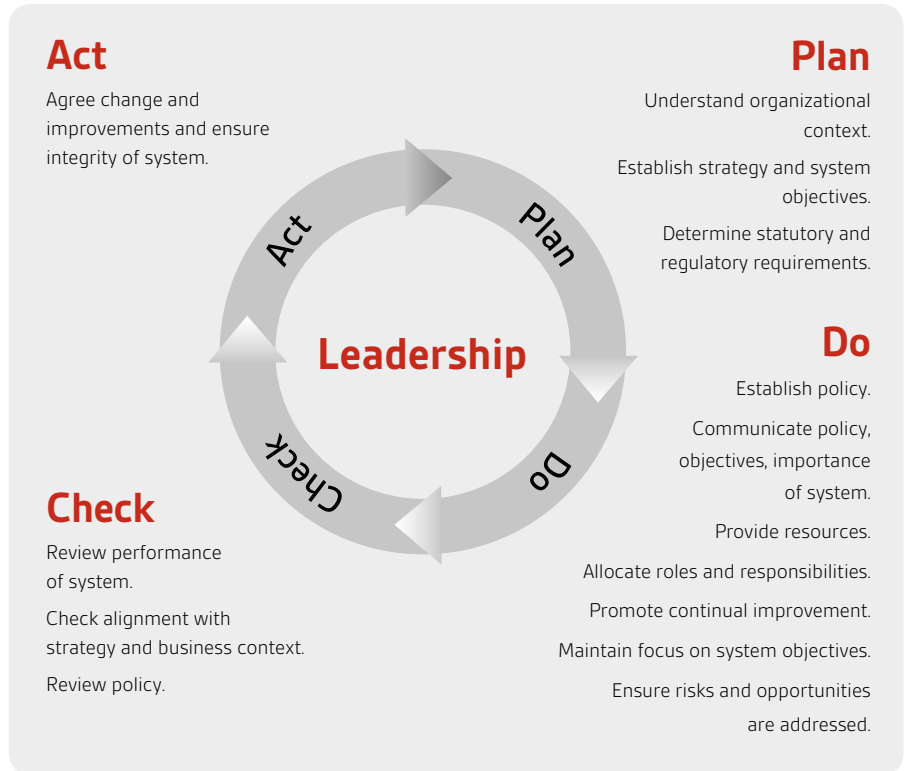
Applying the principle of leadership typically ensures that:

- People will understand and be motivated towards the organization's goals and objectives
 - Activities are evaluated, aligned and implemented in a unified way
 - Miscommunication between levels of an organization will be minimized
 - A clear vision of the organization's future is established
 - Challenging goals and targets are set
 - Shared values, fairness and ethical role models are established at all levels of the organization
 - Trust is established and fear is eliminated
 - People are provided with the required resources, training and freedom to act with responsibility and accountability
 - People are inspired, encouraged and their contributions are recognized.
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➤ What does this mean for organizations and how can they prepare?

The major additional or strengthened requirements for leadership compared to the existing management system standard requirements are:

1. The ability to demonstrate an understanding of the business environment and how it impacts on the organization's strategy. The system objectives need to be compatible with this strategy and set at relevant levels within the organization. The organization needs to be able to demonstrate alignment between system objectives and its strategic direction.
2. Ensuring they have identified the significant risks that can have an impact on the achievement of the system objectives, for instance customer satisfaction in the case of ISO 9001.
3. Review the approach to process identification and management and ensure there are clear responsibilities and authorities defined for those processes. How the processes contribute to the achievement of the system objectives needs to be clearly identified. Measures need to be established.
4. Internal communication channels need to be reviewed for their effectiveness and the policy needs to be applied within the organization.



5. The process for managing change and improvement within the organization should be reviewed and leaders need to ensure that the effectiveness of the system is maintained during improvement and other organizational changes.

Many of the leadership responsibilities are contained in the standard text of Annex SL. So the principles and requirements for the other management system standards will be very similar, but with a changed focus to for instance environmental management or health and safety management.

➤ Next steps

After the formal publication of ISO 14001 and ISO 9001 in 2015, there will be a 3-year transition period for certified organizations. However, early planning is advisable so:

- Please talk the transition through with your BSI Client Manager at the next visit.
- Obtain a copy of the Draft International standard at <http://shop.bsigroup.com>
- Look out for and attend BSI seminars and training courses on the revision.
- Review your current approach to leadership as contained in the draft and identify the gaps.
- Create an implementation plan and monitor progress.
- Continually check BSI's dedicated web pages for the latest news and resources on bsigroup.com/en-IN