The future of ISO 9000 and ISO 14000

The chairs of the ISO technical committees responsible for environmental management (ISO 14000) and quality management (ISO 9000) press the "pause" button to review current cooperation on ISO's management system standards, and "fast forward" to look at the path ahead for these and for management system standards in general.

by **Dan Gagnier** and **Trevor Smith**, with input from **Jim Pyle**

Worldwide business and organizations of all kinds are rapidly changing. The global village is shrinking and the nature of international cooperation is becoming more complex. Countries and trading partners are becoming increasingly dependent on each other for business, prosperity and socio-economic change and environmental responsibility.

To remain effective and relevant, standardization and standards' processes need to meet the changing expectations of industry, regulatory authorities, society and multiple stakeholders.

There is, we believe, an essential role for International Standards in this changing world. The risks of not doing things right are high so the standards and guidelines we

develop have to be carefully positioned because they maintain the foundation of international consensus on which ISO is built.

The ISO vision is about international cooperation for the global good. The contribution of standards to the well-being of all people is known and has been a proven catalyst of international trade.

> There is **an essential role** for International Standards in this changing world

The management systems standards ISO 9001 (quality) and ISO 14001 (environment) have gained international recognition. On the one hand, ISO 9001:2000 alone is approaching 700 000 certifications worldwide across a diverse range of organizations in the manufacturing, service and government areas.

On the other hand, the numbers of certifications to ISO 14001 have substantially jumped in the last few months leading to worldwide figures as high as 120 000 being quoted.

The demands on companies have intensified over recent years due to rapid social political and environmental changes and standards play a role in determining corporate performance and "license to operate". There has been a tendency to address these in a "silo" fashion.

Management system standards such as ISO 14001, EMAS, OHSAS 18001, ISO 9001 and Six Sigma contribute to determining corporate performance.

Integrated systems

A sustainable approach to business needs to be supported by integrated business systems that enhance the credibility of the enterprise through both its performance and its products.

These integrated business systems help organizations address increasing regulation on environmental, trading and societal fronts and growing demands on industry by stakeholders.

ISO's challenge is to ensure that individual management system standards are compatible with increasingly integrated business models and pressures are growing for revamped standards and standards' development processes.

> The ISO vision is about **international cooperation for the global good**

Building on individual management system standards, integrated approaches offer the following additional benefits:

- improved learning processes and shared learning across functions;

- reduction of risks;

- realization of efficiencies;

- less duplication and overlap of efforts including: training/ paper work/ administration/ management:
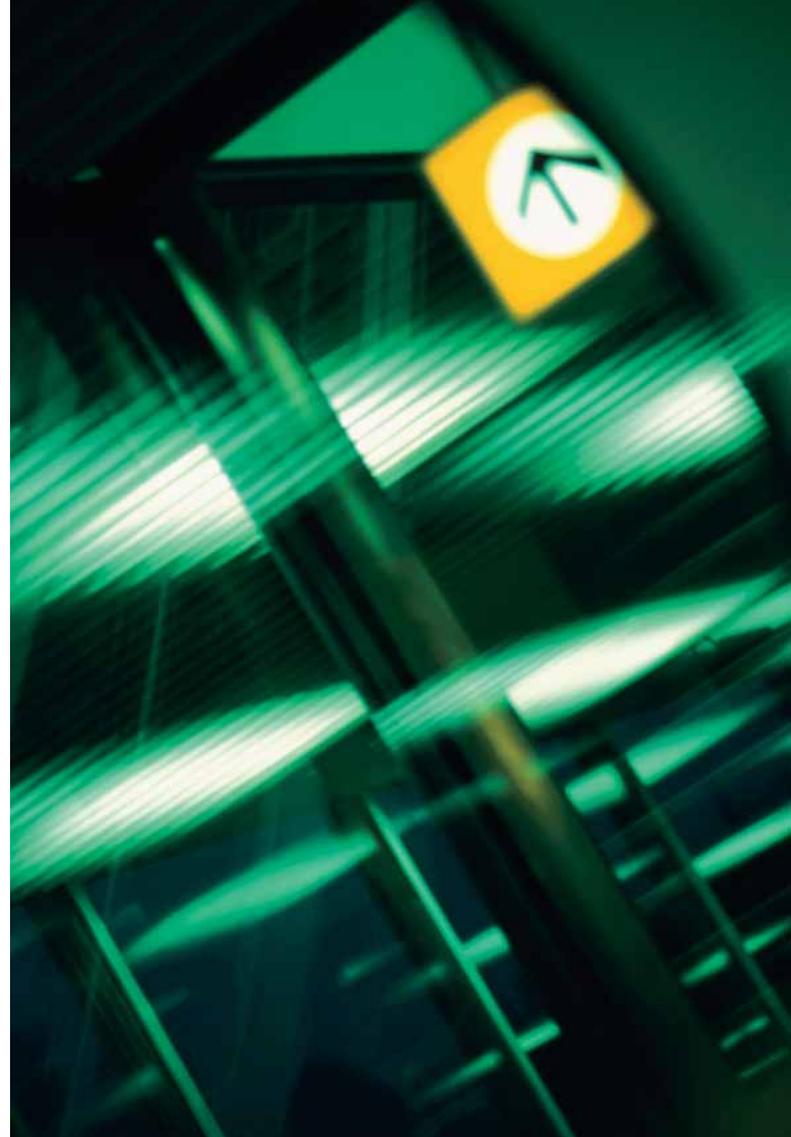
- integrated internal and third-party auditing:

- savings in time and money;

- realization of synergies;

- improved overall organizational decision-making processes and business strategies;

- enhanced corporate image – external recognition of management capabilities, and

- improved organizational performance (financial and operational).

One of the key objectives identified in the ISO Strategic Plan 2005-2010 *Standards for a sustainable world* is that of market relevance. To help determine the big picture for management systems in general and ISO's role in particular, ISO's Technical Management Board (TMB) in 2004 appointed an ad hoc advisory group, led by Rob Steele, CEO of Standards New Zealand, to investigate the direction of management system standards (MSS).

The group's mandate covers the following points:

- Determine what is needed by industry from management systems and specifically seek industry views as to what is required to ensure that individual management system standards are compatible with increasingly integrated business models.

- Review the standards' development process. It is considered that the project should concentrate on what stakeholders, especially industry, want and that, if necessary, another project could look at making the development

process more responsive to these needs once they have been identified.

- Recommend to ISO a strategy for future MSS development, including the most appropriate structure for achieving MSS development.

Another group sponsored by TMB and led by France and the Netherlands is in the process of developing a handbook on the integrated use of management system standards (see "Progress on handbook to help managers integrate management systems", *IMS* September-October 2005).

Joint vision

In September and October 2005, ISO technical committee ISO/TC 176 (quality management) and ISO/TC 207 (environmental management) met for their annual business review plenaries. A Joint Task Group commissioned by the TC's and comprising of members from each met and provided comment and direction for a Joint Vision Statement which would set the stage towards future alignment in quality and environmental management system requirements.

Users are constantly being surveyed by the TC's and ISO national member bodies. What is clear from these surveys is the following:

- an integrated approach to management systems is essential;
- users of the current standards vary;
- requirements for management systems vary enormously from business to business, sector to sector and country to country;
- the role of horizontal standards should build on common elements, which cut across all types of users.

ISO 9001 and ISO 14001 have **gained** international **recognition**

Collaborative work has now commenced through the ISO/ TC 176 Subcommittee 1 and ISO/TC 207 Subcommittee 1 Joint Task Group (JTG) to develop a first outline draft of the Joint Vision.

The initial approach taken in the vision statement is that future revisions of ISO 9001 and ISO 14001 will be aligned and will seek to enhance further the current levels of compatibility between the two standards through the promotion of identical:

- clause titles,
- sequence of clause titles,
- text, and
- definitions.

The draft vision further proposes that a key area for future alignment is the development of a common high-level structure for the two standards. In developing the content of the structure, the vision will also consider new issues and developments concerning management systems approaches and requirements, particularly in the areas of:

- the needs and expectations of customers,
- commitment and actions by management,
- resources and other needs that enable the organizations to function,
- activities/processes that make the organization achieve its purpose,
- measurement and data gathering, analysis and use, and
- action to enhance the organization's performance.

A sustainable approach needs to be supported by **integrated business systems**

Given the fundamental nature of the proposed changes to both ISO 9001 and ISO 14001, the JTG is developing a communications programme to help promote as wide a consultation as possible with all stakeholders, and in particular user organizations, on the future changes to the standards

To assist the development of the Joint Vision, the JTG is also working on an implementation plan to operate in parallel with the current amendment work

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on ISO 9001:2000, with a completion date of 2008.

The plan will also incorporate the implementation stages for the next revisions of ISO 9001 and ISO 14001 with an estimated completion of the aligned standards in 2012. At present, the JTG is drafting a " Design Specification for Common Elements ".

As we look at the future we need to ask ourselves :

- What role can standards play in today's fast moving world ?

- How do we manage change – and how does standards' development have to change to adapt to this new world and its needs ?

Before we respond to the above questions outlined above, we need to take into account the following issue :

- Business cannot succeed in a society that fails.

- Susceptibility to criticism for poor performance is higher and carries greater impacts in an information society with significantly increased transparency.

- Balancing emotion with credible science is increasingly difficult, particularly with new technologies where we do not have a level of understanding or knowledge, but we do have increasing technical capability.

- We need to understand and demonstrate how sustainability translates into business value, but the metrics and methods are not yet

well developed despite work by the Global Reporting Initiative, Dow Jones Sustainability Index – SAM, FTSE4Good, and others.

Standards are part of the process of **moving forward**

This requires us to meet the following challenges :

- Reality is changing – everyone wants to finds the right approach to a sustainable future.

- Standards are part of the process of moving forward, along with free will, ethics and finding new pragmatic ways of capacity building and sharing. The time is right to demonstrate that we can make a heightened difference with standards towards improving people's lives.

- Our processes are in need of reform, our human resource capability is in need of renewal and we need to keep pace with today while respecting the progress made to date.

- And we must do so in the spirit of transparency and openness.

This means that both ISO/TC 176 and ISO/TC 207 and other TC's involved in management systems standards need to agree on and manage a "change agenda". We need to continue and drive efforts across our work agenda that support and enhance our market relevancy and value to all our stakeholders.

In that regard, the ISO/TMB called on its technical committees to investigate market relevance before taking on any new management system standards. We heeded this call, and through extensive stakeholder consultations, we have identified three strong demands :

- Small and medium-sized enterprises (SME's) are expressing a variety of concerns about implementation of management systems standards and are looking for assistance.

- Users are resisting the creation of additional management systems standards, particularly in the "softer" areas (addressing human practice, policy or societal issues, instead of purely technical ones) without prior market research and demonstrated justification.

- The principal users of management systems standards want an integrated approach. This means, at the very least, aligned standards with common elements.

As an example of meeting the demands listed above, ISO/TC 207 has :

- revised its business plan to be aligned with sustainable development principles ;

- engaged developing countries in leadership roles through " twinning " of leadership positions,

- engaged nongovernmental organizations through the NGO Task Group,

- ensured that international trade is enhanced,

- given consideration to SME's, through the development of new products, and

- developed new products that the market and society have been calling for, such as our new climate change standards.

ISO/TC 176 is currently applying a business process approach for its committee processes to ensure continuing market relevance, ease of use and timeliness of its standards and guidelines. These processes involve other standards writers, national and international stakeholders, user communities and sectors across the world.

To sum it all up and to survive, we need to continue our drive to embrace new challenges, meet market needs and respond to societal calls.

Sustainability is the Opportunity which we embrace

Responsibility is the Standard by which we should expect to be judged

Accountability is the Obligation which we assume

Partnership is the Pathway which we pursue.

The Johannesburg Business Pledge for Action*

* The joint pledge developed by the World Business Council for Sustainable Development and the International Chamber of Commerce for the United Nations' World Summit for Sustainable Development summit in Johannesburg, South Africa, in 2002.