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Root Cause Analysis

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Why Determine Root Cause?

- Prevent misconduct and similar problems from recurring.
- · Protect the workplace
- · Promote happy employees, customers and stockholders
- Reduce unacceptable risk, financial exposure and reputation risk
- · Facilitate your own ROI

Look Beyond the Obvious

- The root cause of a problem is not the initial reaction or response.
- The root cause is not just restating the investigation findings.
- The stated root cause is often a quick but incorrect answer. The investigator has probably just described a symptom but not the root cause of the problem.

Root Cause Analysis

RCA is a structured way of looking at events

- · Events are rarely just the fault of one person doing the wrong thing
- People operate in a system. The system can make it easier for them to do the right thing or more difficult.
- · Look to multiple contributing factors.
- If you don't identify all potential causes, the misconduct is likely to happen again.
- RCA is not about finger pointing or assigning blame.

Two Approaches to Root Cause Analysis

Unhelpful Approach

- · Focus on individual errors
- · Blame the individual
- · Punish errors
- · Expect perfect performance
- Solutions tend to be disciplinary or focus on training

ROI Approach

- Focus on conditions and systems that allow errors to happen
- · Change internal controls as needed
- Learn from errors
- Expectation of professional performance within a system that allows for human limitations
- Solutions include training, cultural change, management, and controls

Organizational Systems to Consider in RCA

- People
 - Education and competence
 - Training
 - · Skills and qualifications
- · Methods
 - · Policies and procedures
 - Communication of techniques
 - Coordination within and across departments
- Management
 - Oversight
 - · Communication of expectations
 - · Professional development
 - · Tone at the Top

Different Root Cause Analysis Theories

- · The Blame Game
 - · Blame and shame: Whose fault is this?
 - Guilt: You committed misconduct when you hired your brother-in-law.
 - · Move instead from who did to why did this happen.
- · Human Factors
 - · Elements that influence the performance of people
 - · Policies, training, supervision and experience
 - · Physical and cognitive abilities to do the job

Different Root Cause Analysis Theories

- · Tunnel Vision
 - When reconstructing what happened, the investigator views the misconduct causes with a hindsight bias. Outcome determines culpability.
 - We look at the misconduct by seeing all the options our colleagues could have or should have done.
 - We perceive it all to be so clear that our colleagues shouldn't have missed it. So we judge people for what they did.
 - But the quality of decisions are not determined by their outcome.
 - But red flags often don't arrive as revelations.
 - <u>But</u> your role is not to judge people for their errors. Instead, we need to understand why they did it.

Different Root Cause Analysis Theories

- · The Swiss Cheese Model
 - Imagine human systems as multiple slices of Swiss chees, stacked together side by side.
 - An organization's defenses against failure are modeled as a series of barriers, represented as slices of Swiss cheese.
 - Holes in the cheese slices represent individual weaknesses in individual parts of the system. Holes are continually varying in size and position in all slices.
 - System produces a failure when all holes in each of the slices momentarily align.

Swiss Cheese Model The Swiss Cheese Model Control the Model First James Resco (1990). Human Processes Systems and Processes Capability Culture (Leadership, behaviour, Attitudes)

Closing Thoughts

- You must make a determination, unless you can't.
- Credibility assessments are needed for each piece of evidence.
- Make a determination as to each element of your business-conduct standard, not the policy as a whole.
- $\bullet\,$ A root cause analysis explaining the "why" may be the most-important part of your investigation.