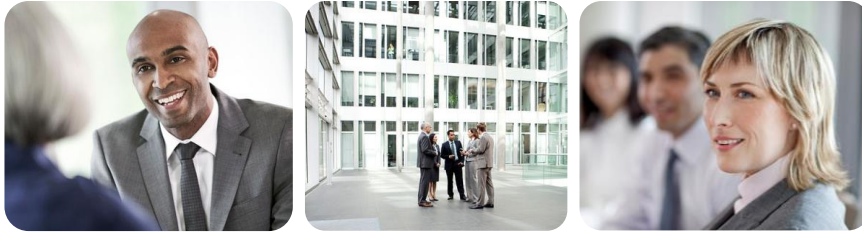


SCCE Internal Investigations Workshop Orlando, FL



Root Cause Analysis

Meric Bloch



1

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

2

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.

3

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.

4

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

5

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

6

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

7

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.
 - But your role is not to judge people for their errors. Instead, we need to understand why they did it.

8

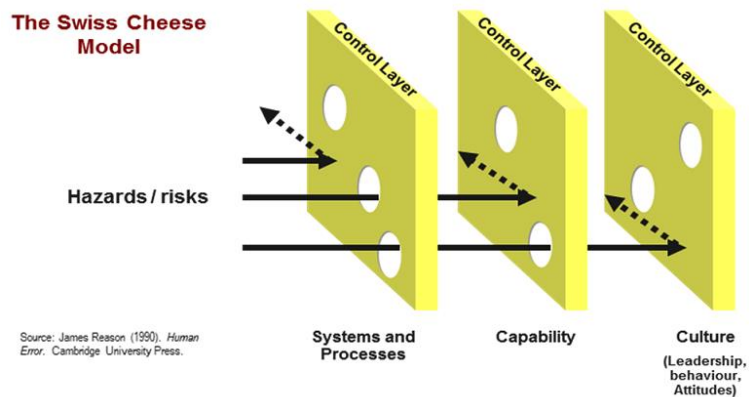
Different Root Cause Analysis Theories

- The Swiss Cheese Model
 - Imagine human systems as multiple slices of Swiss cheese, 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.

9

Swiss Cheese Model

The Swiss Cheese Model



10

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.
- A root cause analysis – explaining the “why” may be the most-important part of your investigation.