

# An Analysis on The Implementation and Integration of ISO 45001 Occupational Health and Safety Management Systems in The Philippines

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**Abstract:** - This paper is an analysis of the implementation and integration of ISO 45001 in the Philippines. Possible reasons why there are organizations that are hesitant to implement and to obtain OH&S Management System accreditation in accordance to ISO are discussed and looked into. The conclusions stated above were all presumed from the related studies and existing internet articles. This covers discussion including but not limited to the history of ISO 45001, occupational health and safety standards in the Philippines, the adoption of PNS ISO 45001:2018, and the drivers and barriers to the implementation and certification in the Philippines.

**Key Words:** — *Safety Management System, ISO 45001, Philippines, Occupational Health and Safety, OH&S.*

## I. INTRODUCTION

ISO 45001, 2018 as its latest version, specifies the requirements for an occupational health and safety (OH&S) management system. This standard gives guidance for its use, organizations that would be implementing its requirements will be able to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as proactively improving its occupational health and safety performance.

However, with the importance and the benefits of the said standard, the international accreditation in the Philippines is voluntary. It is known that OSH in the Philippines is regulated by a wide range of laws.

According to the International Labor Organization (ILO) Global Database on Occupational Safety and Health Legislation, the main OSH provisions can be found in the Philippine Labor Code, the Occupational Safety and Health Standards. The Department of Labor and Employment (DOLE) and other government agencies have issued hazard-specific guidelines, departmental orders and implementing rules on OSH, but to no avail international standards such as OHSAS 18001 and ISO 45001 has never been the regulatory framework of the country's OSH legislations and regulations [2].

The discussion would focus on the relevant actualities regarding the status of Philippine companies into the implementation of occupational health and safety management system based on ISO 45001. This analysis may answer the following questions:

- Is there a mandate for the organizations in the Philippines to implement ISO 45001?
- Why organizations choose to secure ISO certification in incorporating occupational health and safety management systems in its operations.
- Why organizations opt not to adopt the said occupational health and safety management systems in its operations.

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This Analysis will look into existing researches, standards and internet articles to establish conclusions and to further give possible solutions and recommendations

## II. METHODOLOGY

This study “An Analysis on The Implementation and Integration of ISO 45001 Occupational Health and Safety Management Systems in The Philippines” is a qualitative in nature. This involves analysis of existing researches and studies on the topic, secondary or desk research method will be applied. The purpose is to draw conclusions about the present and future, based off research conducted and articles written in the past. This led the researcher to gain some insights about trends in relevant industry.

Data collection will be from sources such as published journals, books and articles from the internet to further analyze the topic and to answer the questions raised in this study.

## III. LITERATURE REVIEW AND DISCUSSIONS

### 3.1 Brief History of ISO 45001 and Its Importance

The International Organization for Standardization (ISO) is an independent, non-governmental international organization. They develop voluntary, consensus-based, market relevant International Standards. As per their website, the ISO today currently have 24,601 international standards covering almost all aspects of technology, management and manufacturing. This includes the management system standards such as ISO 9001 for quality management and ISO 14001 for environmental management. Having such standard in your own organization establish the confidence and credential of compliance to an international standard. According to studies, ISO certification was a key marketing factor that could enhance a product's perceived quality and further influence brand image as well as a consumer's positive attitude, brand preference, and purchase intention [17]. Obtaining ISO 9001: 2008 certification has positive effect on consumer satisfaction proxied by (consumer complaints, frequent buying, positive buying trends, quality perceived by consumers and quality provided by companies [1]. In addition to the quality and environmental standards, ISO initiated in 2013 a high-level structure that will explicitly facilitate the efforts of companies to bring together all relevant aspects in the field of quality, occupational health and safety and environmental protection in one management system. This management system is the new ISO 45001. The aim of the new standard is to reduce the risk of injuries and illness in the

workplace and where possible to avoid them entirely. The finalized standard was published by ISO on March 12, 2018, with its publication, International Accreditation Forum (IAF) releases a mandatory document (MD) which is the IAF MD 21:2018 titled Requirements for the Migration to ISO 45001:2018 from OHSAS 18001:2007. Through this document, it is confirmed that the new ISO standard will be replacing the older OHSAS 18001. OHSAS 18001 was an international standard for occupational health and safety management systems that was subsequently adopted as a British Standard. Compliance with it enabled organizations to demonstrate that they had a system in place for occupational health and safety. BSI cancelled OHSAS 18001 to adopt ISO 45001. Organizations that are certified to OHSAS 18001 were able to migrate to ISO 45001 by March 2021 to retain a recognized certification [10]. This grants companies to a three-year transition period until March 2021.

Organizations can reduce the number of accidents in the workplace using a systematic approach to aspects of occupational health & safety with ISO 45001 certification regardless of the industry or the size of company. Sources of errors are identified and eliminated. You can therefore ensure your compliance with statutory and regulatory requirements for occupational health & safety protection. In addition, you will increase awareness surrounding safety as well as the levels of motivation and qualifications of your employees, suppliers and service providers as well as enhancing your good name with clients, suppliers, authorities and investors as a safe and reputable company. [4]

In the Philippines, ISO 45001 certification is one of the several certifications not sought-after by companies unlike ISO 9001 and ISO 14001. By its nature, ISO 45001:2018 is nonprescriptive, so it does not express specific criteria for OH&S performance. In fact, an occupational health and management system should be shaped to meet an organization's specific needs in preventing injury and ill health. As such, smaller organizations with fewer risks may only need to implement a smaller system, while larger companies may be in need of a more sophisticated system to address their expansive range of risks. Similarly, ISO 45001:2018 explicitly does not address product safety, property damage, or environmental impacts. In accordance with the OH&S management system outlined in the international standard, an organization does not have to take into account these factors unless they present a risk to its workers. As an international voluntary consensus standard, ISO 45001:2018 is not intended to be a legally binding document. Instead, it should serve as a management

tool for voluntary use by organizations from small and medium-sized enterprises (SMEs) to the largest organizations who aim to minimize or eliminate the risk of harm [9].

### ***3.2 Occupational Health and Safety Standards in the Philippines***

Occupational Health and Safety in the Philippines is regulated by a wide range of laws. The standard is mainly mandated by the Republic Act No. 11058 – An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof signed on August 17, 2018. This Act is applicable as stated in Chapter II Section 2 Coverage – This act shall apply to all establishments, projects sites, including Philippine Economic Zone Authority (PEZA) establishments, and all other places where work is being undertaken in all branches of economic activity except in the public sector. Pursuant to the Section 32 of the said Republic Act, its Implementing Rules and Regulations was formulated by the Secretary of Labor and Employment through the Department Order No. 198 Series of 2018.

The Department of Labor and Employment (DOLE) is the national government agency mandated to formulate policies, implement programs and serve as the policy-coordinating arm of the Executive Branch in the field of labor and employment. While the Bureau of Working Conditions (BWC) a staff bureau of the Department of Labor and Employment (DOLE) primarily performing policy and program development and advisory functions for the Department in the administration and enforcement of laws relating to working conditions. The BWC envisions well-guided employers and workers committed to a safe, healthful and productive work environment. [16]

It is clear in the regulation that maintaining a OH&S management system is not a requirement. An organization wishes to register their OSH shall construct a safety and health program and submit application with reportorial requirements consisting of their Safety and Health Org Chart, Work Accident Illness Report (WAIR), Covid 19 WAIR, Government Safety Engineer's Accident Investigation Report, Annual Work Accident/Illness Exposure Data Report and Annual Medical Report. As for the training prescribed by the RA 11058, there should be a mandatory 8-Hour Safety and Health Seminar for workers in which conducted by a Safety Officer. This Safety Officer shall have the Basic OSH Training Course for Safety Officer 1 (SO1).

In the Philippines there are some prominent companies having the ISO 45001. In May 4, 2022,

Teleperformance (TP) Philippines has been awarded the ISO 45001:2018 certification. TP Philippines worked together with Standard Global Services (SGS), testing, inspection and certification company, who helped audit the company. To achieve the certification, TP Philippines underwent intensive training and design, and put in place several health and safety precautions in their business sites such as training of personnel, including doctors, nurses, safety officers, and first aiders; auditing of welfare facilities such as clinic, gym, washing, and sleeping areas; and an emergency management plan development which includes an emergency response team, site emergency response kit and first aid station. Moreover, TP Philippines initiated Policies and Program for the prevention and control of HIV-AIDS, Tuberculosis, and Hepatitis B in the workplace [14]. The certification addresses four of the United Nation's Sustainable Development Goals, namely, good health and wellbeing, decent work and economic growth, industry innovation and infrastructure, and sustainable cities and communities. While on Government Agency, The Department of Environment and Natural Resources-National Capital Region (DENR-NCR) was awarded with an ISO 45001:2018 certification on December 27, 2021 for incorporating occupational health and safety management systems in its operations. The regional office was able to pass the audit of NQA Global Certification Body—one of the leading independent providers of environmental simulation testing, inspection, and ISO certification—for the Occupational Health and Safety Management System [3].

### ***3.3 Philippine National Standard (PNS) for ISO 45001***

Applicable ISO Standards are being adopted by the National Standards Body of the Philippines. This procedure of adopting International Standard as PNS is in compliance with the World Trade Organization Technical Barriers to Trade (WTO-TBT) Agreement on the obligation of the Philippines as a WTO member, to harmonize national standards with International Standards. The current ISO 45001:2018 published by the International Standards Organization has been approved by the Department of Trade and Industry as a requirement with guidance for use as a Philippine National Standard. With the adopted PNS ISO 45001:2018, a copy of the said approved PNS may now be secured for a minimal fee from the Standards Data Centre. This PNS specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S

performance. Philippine companies can now voluntarily assess the provision of the PNS ISO 45001:2018 and can apply for accreditation for the national standard.

### *3.4 Is ISO 45001 Mandatory for Organizations?*

International Standards Organization identifies themselves as an independent, non-governmental international organization. These means that the International Standards the publish are voluntary and for relevant consensus-based market [6].

Organizations who adopted OH&S Management System use ISO 45001 as main ISO standard, in addition to the ISO 9001 or ISO 14001. Although accreditation is not mandatory, it has rewards and advantages. Hence, accreditation is voluntary since organizations here in the Philippines aren't required to hold accreditation to execute operation. However, formal recognition is a globally accepted proof of conformance to the standard's requirements. The industry deems compliance to the above standard as proof of competence. In effect, they can improve their capacity to permanently reduce the occupational health and safety risks for the employees, visitors as well as suppliers and service providers. Putting things into perspective, an organization may implement and pattern their OH&S framework from the ISO 45001, if an organization wants a formal recognition, they must take competence to the next level and obtain ISO 45001:2018 accreditation. It is an internationally recognized standard that determines the organization demonstrates a management system through systematic approach to aspects of health and safety. This system would prevent disruption of the production and supply process and even order cancellations brought about by industrial accidents and downtime. [4]

If an organization is undergoing an accreditation, they must expend efforts and financial resources to get an independent body to check their quality processes and controls such as staff's technical competence, effectiveness and conformance of safety programs, and suitability of the Safety Management System. In general, the organization is mandated to prepare documents for the standards implementation that could be very overwhelming for the laboratory. [8]

Here in the Philippines, Department of Labor and Employment doesn't mandate every employer to seek ISO accreditation. This means that organizations all over the Philippines do not have to get accreditation from Philippine Accreditation Bureau or any private certification body such as SGS or TUV in order to meet minimum requirement of the government in OSH Standard. The ISO accreditation being given by the certifying body, just like the ISO 9001, gives the organization the

credential and competence that their organization was assessed and was certified to comply with the specific management standard.

### *3.5 The Barriers and Drivers to the Implementation and Certification*

There is a growing belief that the integration of multiple management systems with its holistic view of a business context encompasses all management activities, both certifiable and non-certifiable, adds value and, thus, enhances the sustainable development of organizations.

If an International Standard is only voluntary and not mandated by any national legislation, it will be a big management decision to acquire certification. In relation to the decision making, there should be cost-benefit analysis on ISO Certification. ISO does provide benefits in the form of improving performances, increasing customer purchases and satisfaction, and even organizational reputation. While cost of certification shown expenses in activities such as consultations, training, quality and working procedures improvement, internal audits, external audits, and annual recertification fees to certification agency, and cost for the preparation to upgrade to newest version of ISO when new revision was released. ISO is considered to be quite expensive. The work time per person needed if averaged within one work week in each section for completion of ISO work is 21 hours from a maximum of 40 hours per week. While for completion of accreditation work is 16.5 hours per week. Based on study ISO requires more time to socialize improvement priorities, while accreditation does not. It also requires high commitment, socialization and communication of top management to accreditation and the high level of employee involvement and coordination between departments to support accreditation. [8]

Although existing research on environmental and occupational health impacts is not as comprehensive for SMEs as it for large enterprises, there are known strategies and actions that can help SMEs manage their risks, and these should be implemented immediately. Small and medium enterprises (SMEs) that wish to pursue such strategies face three challenges: achieving regulatory compliance, establishing management systems, and implementing corporate social responsibility, including for the entire supply chain. [11]

ISO Implementation and certification would really require coordination of the whole organization for its effectiveness. Study shows that employees' lack of awareness of or negative attitude towards OHS, lack of safety culture, and employee participation are the most important factors. In



addition, this study concludes that inadequate internal motivation, lack of top management commitment and support, OHS policy, and financial resources within an organization and barriers from certification organizations are the root- and deep-influence factors that can affect other factors in the process of OHSMS implementation. [12]

While on the comparison of those adopters and non-adopters of certified occupational health and safety management systems, the results of linear regression analysis revealed significantly lower score values for non-adopters than for adopters of COHSMSs, which means certified workplaces perform better than non-certified workplaces in both process-related and content-related OHS activities. [15]

According to Maria Gianni and Katerina Gotzamani on their study publish in 2015 [5], the possibility abandonment/failure of integrating management system is because of the withdrawal of top management commitment is initially identified as the main cause of the abandonment. However, the case analysis goes one step further and unveils the underlying interdependencies that led to the integrated system's failure. It is concluded that the initial integration approach and the imbalanced development of the integrated system's components were the root causes of failure. By highlighting the risks, the ultimate research purpose is twofold: first, to increase awareness of all interested parties, and, second, to bring closer academics and practitioners so that proactive measures are taken and the integration potential is exploited to its full extent.

On the Philippines setting, Small and Medium Enterprise (SME) Construction Firms were asked on what motivates them to implement or adopt different management systems such as ISO 9001. Commonly, schools, government agencies, production plants are gaining in the implementation of ISO 9001. The implementation of ISO 9001:2008 Quality Management System in the construction industry is an ongoing trend, more so in the Small and Medium Enterprise. However, the level of awareness and readiness of the construction industry in the Philippines is still low as compared to the neighboring countries in Asia and in the western countries where ISO 9001:2008 originated. A field study was conducted on SME based construction firms in the Philippines, wherein a total of 139 respondents out of the 613 SME-based construction firms in CALABARZON areas were surveyed. Results reveal that the three main factors that will motivate SME-based construction firms to implement ISO 9001:2008 are (1) if required by their clients, (2) to qualify for bidding and (3) to increase customer satisfaction. Therefore, based on the results

and findings, a certification of ISO 9001:2008 from an accredited auditor shall be required by clients as a constituent in accrediting SME-based construction firms and to qualify for bidding. [7]

For companies such as SMEs, Cost is one of the main issues as to why implementing ISO 45001 is difficult. Most SMEs are working on a tight budget, making the cost of establishing an OHSMS and gaining certification against ISO 45001 a real factor. ISO 45001 certification often means that SMEs can tender for the same contracts that larger organizations can – for many tenders in many sectors, ISO 45001 is an entry-level requirement – and in many cases, winning one of these contracts can provide the financial return to justify the outlay of certifying your OHSMS. In other words, an SME cannot be considered inferior to a larger organization, but if the larger organization has ISO 45001 certification and the SME doesn't, then the SME is unlikely to win contracts in that context. Another reason is that an SME will have a lower headcount than a larger business, so the chances that an SME has a dedicated OH&S expert are, of course, lower than those of a bigger organization [13]

#### IV. PROPOSED SOLUTIONS

Solutions stated below are for organizations planning on ISO certification, ISO 45001 specifically. They may:

- Assess if not complying with the ISO OH&S Management System requirement would lose them majority customers in the future. They must diligently decide in the integration of the said management system.
- Conduct their own feasibility or cost-benefit analysis. Their doubts on deciding whether or not to pour out efforts in seeking certification will have an answer.
- When implementing ISO 45001 in businesses, it's important to keep in mind that financial penalties could be much higher than the cost of doing so initially if a company suffers a serious accident or is found to have broken local law. This, along with the potential reputational damage that accidents and law violations could cause, makes adopting ISO 45001 a wise choice. Another factor to take into account is that many areas offer financial help to businesses considering important projects like the adoption of ISO 45001, so it is always worthwhile to check with your local government agencies.

- Start complying with the ISO standard gradually, aside from the minimum requirements of DTI and DOLE for OH&S. They may start doing activities in compliance to minimum requirements only and without the pressure on acquiring accreditation. This would make them get used to the requirement until they are ready

## V. CONCLUSION

This paper has analyzed and looked at possible reasons why there are organizations that are hesitant to implement and to obtain OH&S Management System accreditation in accordance to ISO. The need for an organization for the ISO certification was discussed, citing different studies on the issue. This analysis established the following conclusions:

- Even though there are empirical researches and articles that ISO certification is beneficial to the organization, the accreditation is only voluntary and organizations in the Philippines are not mandated to have the ISO 45001 Certification. It would only be the organization's initiative to undergo accreditation.
- Every organization needs a work standard, there is no question about it. However, it cannot be denied that ISO Standards is not the only way to demonstrate OH&S MS in an organization. There are alternative to ISO and there are organizations that establishes their OH&S based on the specific industry standards. This means that obtaining an ISO accreditation for organizations that has existing other accreditations (such as DOLE-Bureau of Working Conditions OH&S accreditation) may be a redundancy and entail different costs for the company.
- Although accreditation is voluntary, companies may be obligated by the end-users or customers to get ISO certification. This will be a necessity for the organization if the ISO certification is required by their clients, will be used to qualify for bidding and to increase customer satisfaction.
- ISO implementation could be overwhelming for an organization. Adopting ISO standard is costly, if an organization decides on getting certified, breakdown of the cost would consist of costs in the authorized copy of standard, consulting fees, training of key employees, initial and annual certification fees. It is also difficult to implement.

Some organizations see the standard as daunting and complicated, there are too many requirements and there's too much paperwork involved. And lastly, it may not be worth it. There is a doubt in return of investment for adopting ISO standard. Implementing the standard can be costly, not just in terms of financial resources, but also in human resources. Profit of the organization may be affected due to the costs of the ISO implementation and certification.

## VI. RECOMMENDATION

The conclusions stated above were all presumed from the related studies and existing internet articles. The following are recommendations if there will be future studies or analysis on the same endeavor.

- Research may be conducted and scope shall involve those organizations to directly gather first-hand observations and data.
- Companies/organizations may perform their own study for them to have a relevant foundation on deciding whether or not to acquire certifications or accreditations.
- For businesses, financial penalties will most likely be much higher than the cost of implementing the program itself. If in the event that the company suffer a serious accident or it was found out that the company has broken a local law, penalties along with major reputational damage will likely cost more resources, time, effort, and manpower into getting the company to recover from losses. The emphasis of the current system in place was on risk management. By promoting "risk-based thinking," a more proactive, adaptable, and preventative strategy oriented on fixing a wider variety of problems before they happen, ISO 45001 continues the overall direction of recent ISO standards.
- Government may consider what they may do to establish competencies of organizations. They may campaign the importance of ISO compliance and certifications for them to possibly mandate certifications or may require certifications in specific industries such as in the future. The regulatory framework on OSH may be based on the International Standards set by the ISO.

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