



Pay Me Now Or Later: OSHA and Cutting Maintenance Costs

Insights

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In our competitive environment, every manufacturer struggles to do more with less and to find capital for “*nonproduction*” areas, such as maintenance, safety, training, housekeeping and HR. If done in a shortsighted fashion, the employer learns through painful experience the sacred law of “*unintended consequences*.” Plant Engineering magazine (yes, a lawyer can read such stuff) ran a brief instructive story on harm to production and profits resulting from gradually shifting almost all maintenance functions to production employees. You’re probably thinking that “*I wouldn’t do that,*” but many employers have eliminated certain housekeeping workers and relied upon production employees to clean up their area or machine. One of the contributing factors to the deadly Imperial Sugar combustible dust explosion was accumulation of material in work areas ... in part because operators were supposed to clean up after their shift, and did not do so.

In “Autonomous Maintenance: The Perils of Eliminating a Department,” Rick Walker explains:

Companies are still pursuing the dream of autonomous maintenance as taught by Tokutaro Suzuki in his book “TPM for Process Industry.” The theory is that basic tasks such as cleaning, inspecting, tightening, and lubricating can and should be done by equipment operators because they are the equipment owners and are closest to the equipment on a daily basis.

.... our clients have implemented and benefited from this “operator care” concept. This has also helped clients deal with the shortage of maintenance trades through shifting tasks that don’t require years of training and special tools to the appropriate persons and allowing the maintenance professionals to focus on the work that best utilizes their skills

Hard to fault this reasoning. However, nuance and balance must guide any strategy. Read further:

.... product demand decreased. The company asked: “How can we trim our workforce to accommodate the new business environment?” The answer was to let them go. The company limped along for the next two years. Maintenance wasn’t being done quite as well or as fast, but they had lots of time and capacity to meet the demand. And things started to get better.

Over time the market demand for the product increased. At the same time, the market price decreased. Now the plant was getting busier making more products, but making less money on each product. Of course, management’s directive was to meet the demand and cut the manufacturing cost. And for a while they did. They still had a little extra time to make the volume,

and they deferred and canceled some maintenance tasks. It was all fine—until the plant needed to run at capacity to meet the demand. The years of neglect and poor maintenance were taking their toll on the equipment’s ability to operate as it had when new.

Let me share some of my experiences where the “nonproduction” functions were neglected:

- Management of Change (MOC) was neglected as conveyors were modified and used machines and lines were added. Overstretched plant engineering and maintenance departments missed the new point of operation and other areas requiring guarding. Interlocks were not connected. Holes were left in boxes and panels. Lock-Out training was not updated. No annual evaluation of lock-out was connected and training was not revised. After an injured line employee complained to OSHA, the agency issued hundreds of thousands of dollars in citations and penalties relating to guarding, lock-out, training and electrical violations. Even worse, the company has huge “repeat” citation OSHA exposure throughout its many plants.
- Overall plant safety responsibility was shifted to a production supervisor (or maintenance or lab director, etc.) and the plant safety manager laid off. You know what happened. The supervisor/safety manager responded to the loudest voice (the production manager) and the seemingly most urgent matters (getting product out the door). A worker is killed, but not “directly” because of safety lapses (a poor safety culture is a factor) and OSHA learns that new hires haven’t received Haz Com, Lock-Out, Confined Space Entry, Respiratory Protection or other training. Written policies looked good until the company terminated the safety manager, so the decline in compliance was even more glaring. Plus the poor pseudo safety manager was so underwater that he never acted on the recommendations from the last three years’ audits by the insurer, so OSHA cited the employer for numerous “willful” citations. Have you ever bid for work when you have multiple willful citations on your record?
- The company didn’t feel that it could retain additional experts and relied on its own staff and its general mechanical contractors to select and install new food production lines. The parties are actually solid people but they do not have experience with the process hazard analysis (PHA) experience in selecting and operating lines with combustible dust issues. Several hundred thousand dollars in OSHA citations and \$1,200,000 in retrofitting costs later, the employer wishes that they had spent the money on a full time safety manager and used a consulting engineer with combustible dust experience to address system design and management of change issues.

These are “*safety*” and engineering-related “*unintended consequences*.” On another occasion, I’ll discuss expensive losses resulting from ill conceived cut-backs on training, supervisor development and employee relations positions. Don’t get me wrong. I embrace the lean movement and I realize that sometimes you have to select the “*least bad option*.” But think ahead.

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