



Does OSHA Management of Change Matter If I Don't Run a Refinery Or I Am In HR?

Insights

10.17.13

Although OSHA's Process Safety Management (PSM) standard may be the most challenging of OSHA's regulations, the PSM standard, along with NFPA consensus standards about combustible dust have raised the importance of management of change (MOC) outside of refineries and chemical plants, and for the HR professional.

Management of Change might be described by labor lawyers as planning for unanticipated consequences of one's actions. We've all seen unanticipated consequences of a merger, acquisition, RIF or restructuring wreak havoc on morale, productivity, quality and in a host of other areas. Engineers obviously have a more scientific description of the term. The OSHA PSM standard defines management of change obligations in 1910.119(l)(1) as follows:

The employer shall establish and implement written procedures to manage changes (except for "replacements in kind") to process chemicals, technology, equipment, and procedures; and, changes to facilities that affect a covered process.

The standard then explains the engineering, organizational, personnel changes which must be analyzed.

While the complexity of the PSM standard may be unnecessary, every employer should inculcate a management of change approach into engineering and purchasing, and in the operation of manufacturing and other processes. As an example, most manufacturers do not replace a conveyor and related machinery every time they update or change processes and products. Instead, the employer modifies existing systems and adds new or used components. OSHA standards are not product liability requirements and do not obligate companies to ship their new products with "OSHA-compliant" guards, interlocks and other safety features. Moreover, even if a machine left the factory with proper guards and protections, its ultimate placement, installation and operation will require further analysis to ensure the new system has not created hazards.

Now consider these variations in facts. Many manufacturers of paper, plastics and other products heavily buy used equipment from struggling or defunct competitors. or a company makes multiple acquisitions of other companies, who are themselves the result of acquisitions. In each case, customization is impossible, and in the case of acquisitions one may loose workers with

"institutional knowledge." The result is that equipment is added in a way that may create new pinch points or other hazards, e-stops may not work and interlocks may not be connected. Such problems are a constant challenge for safety professionals but they are probably not the ones who selected, installed and operate the machines. therefore, employers must ensure that the other parties understand basic safety obligations and the hazards created by acquisitions and even maintenance without consideration of safety. In other words, build MOC into a wide range of decision making.

Let's discuss an even more pernicious threat ... combustible dust. Basically, five factors are necessary for a combustible dust event and deflagration. Fortunately, all five factors are rarely present at the same time. However, more than one catastrophe resulted from an employer enclosing conveyors because of food security or housekeeping needs, and thus supplying the missing factor of adequate "containment."

MOC for the HR Professional

Here's where the topic gets interesting. Personnel changes can constitute actions requiring MOC analysis under the PSM standard AND can certainly cause problems in the non-PSM scenarios I discussed above. I'm betting not one in ten safety and HR professionals have read the 2009 OSHA Memorandum on Management of Organizational Change, which described when personnel changes must be analyzed under a MOC process.

The PSM standard requires employers to develop and implement written MOC procedures to address the safety and health impacts of contemplated changes, including organizational changes, as they relate to process chemicals, technology, equipment, procedures and facilities (29 CFR 1910.119(l)(1)). Some organizational changes, such as changes resulting from mergers, acquisitions, reorganizations, staffing changes, or budget revisions, may affect PSM at the plant level and would therefore trigger a PSM MOC procedure. Some examples of these include:

- personnel changes, including changes in staffing levels, staff experience, or contracting out that directly impact PSM covered processes; and
- policy changes such as budget cutting that impact PSM covered processes.

.... In other words, if organizational changes necessitate changes to process chemicals, technology, equipment, procedures, or facilities, an MOC procedure would be required to ensure that resulting changes are managed and implemented in a manner that assures continued safe operations. However, management changes that do not impact PSM covered processes are not affected by the MOC provisions of the PSM standard.

For example, when the number of employees operating a process is to be reduced due to an organizational change, operators may not be able to continue implementation of existing operating procedures. An MOC procedure must be implemented to manage the change, possibly by modifying existing operating procedures to reflect the new, reduced staffing level, and to ensure that operations remain safe under normal production and emergency upset conditions.

Oh, and what about "*budgetary changes*" in this era when many employers are having to do more with less, especially in the face of offshore competition? Read further ...

Budgetary changes can have a similar effect. For example, a significant cut in a maintenance department's budget could require an employer to alter its mechanical integrity procedures concerning the timeliness or frequency of tests, inspections, repairs, or replacements of PSM-covered equipment. Because this represents a change to mechanical integrity procedures, an MOC procedure must be established and implemented to ensure the ongoing integrity of the process.

Other organizational changes may not impact any of the five elements listed in 29 CFR 1910.119 (l)(1) and therefore would not trigger PSM MOC. Organizational changes that have no relationship to plant-level PSM processes, as in the case of changes to corporate or administrative personnel whose duties do not relate to operations or maintenance functions, do not trigger PSM MOC procedures.

So going forward, even if you're not under the OSHA PSM standard, incorporate management of change (MOC) analysis into acquisitions, purchasing, planning and operations. And if you are operating under the PSM standard, do not neglect the effect of personnel changes on your processes.

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