

For background information on this series of publications, please see Briefing Note 1 - Introduction

**ORGANISATIONAL CHANGE:** various ways of changing how people work. Examples are downsizing, de-layering, multi-skilling and employee empowerment. Change can arise as a result of company mergers, acquisitions or disposals. Changes can improve or worsen safety.

## organisational change

### Case studies

1. Commenting on 81 worker deaths in a petroleum company's facilities, within a three year period, a group representing trade unions pointed out that 66 of those killed were contractors. The unions considered that outsourced workers were not as well-trained as company employees.

Source: *Occupational Safety and Health Reporter*, Vol. 31(12) March 22nd 2001. See also reference 9.

2. A petroleum company downsized its staffing by 30%. This reduced administration and paperwork, made it easier to respond to market and technological changes and delegated responsibility to middle management. Changes were based on identifying all the activities required to run the business and assigning each activity to an 'owner'. The company examined the risks in each activity and devised suitable control methods for each owner. But, in some areas, the cuts were too deep. Owners either did not want to own certain activities or, because their workload and responsibilities were increased, simply could not attend to them all. There was a degree of consultation with the workforce in this case, but this did not provide an adequate measure of abilities and workloads. Through fear of losing their job, those consulted appear to have exaggerated their responsibilities.

Source: Confidential report

3. A company developed a methodology for screening personnel undergoing a change of role. Part of this was to perform risk assessments. Where employees were leaving the company or moving to a new job, or where a job was changed or newly created, this required a risk assessment to ensure that 'critical activities were not lost and that a correct job/training profile was established'.

Source: *The control of organisational change*, P.R.H. Shields, Associated Octel - presentation to IP 'Human Factors - Transferring Knowledge to You!' seminar, December 2002.



### Organisations are always changing - is it always a change for the better? Or is your company having any of these problems?

1. Are there enough people to carry out everyday work, **and** respond to any unusual or emergency situations?
2. When employees' jobs are changed, do they get proper training in the new job?
3. Are there enough people available to supervise all of the contractors working on site?
4. Are contractors fully integrated with your company but able to maintain contact with their own management?
5. Does management explain the need for change and consult or involve employees in the change process?
6. Do systems that worked before the change still work as well as they did afterwards (for example, supervision or permit systems)?
7. Is the general opinion that the changes have improved morale (or at least, not lowered morale) and have not 'unsettled' employees?
8. Do managers ask if the changes are working or whether there are any problems?
9. Has the company made changes in a way that employees can easily adapt to and cope with? (Note, although some changes are small, their effect can add up and suddenly, there's a problem)
10. Where changes are still in progress, are the planned changes clear to all those affected?

**If the answer to any of the above is 'no', then you need to take action!**

### What can I do about it?

It's often said that 'management have the right to manage'. It is also true that employees have the right to good management. If there are problems arising from a change process, management should be aware of them. You can provide information to help:

- i. Ask people, either face to face, or by giving out a question sheet, to find out what experiences they have had with changes made in your organisation. You could base some questions on points 1 to 10

above, or ideas for questions can be found in references 3 and 6.

ii. Find out especially:

- If people are feeling overloaded or lack proper training
- If the use of contractors is a particular issue
- If people believe they were not properly consulted about change.

iii. Draw the information to the attention of company management.

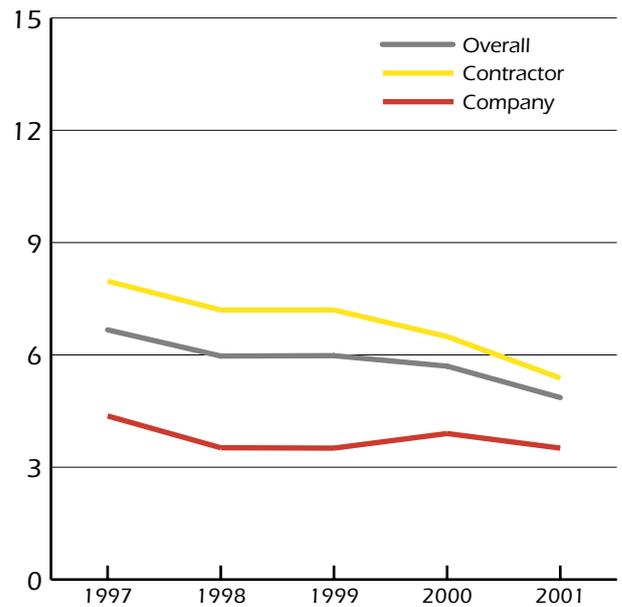
## What can my company do about it?

Change is normal and unavoidable in any industry. Companies should have systems in place for introducing new or modifying existing *hardware* (plant, tools, materials and machines). They should also have adequate systems for managing changes to the *organisation* itself.

Organisational change is where management takes steps to:

- Restructure teams, groups or departments
- Change administrative arrangements (working hours, methods of training, relocation of staff - less centralised services, team leadership etc.)
- Reduce numbers of staff (downsize) which is often accompanied by:
  - Outsourcing (using more contractors)
  - Flexible working or multi-skilling (learning and applying new job skills)
  - Combining jobs (one person takes on the job of several people)
  - De-layering (stripping out layers of management)
  - Empowerment (passing more control and decision making to the shopfloor).

Total recordable incident rate - company and contractors per million hours worked



Source: reference 9

Courtesy: OGP

## Management responsibility

When a company has decided it needs to change, it must plan the process very carefully and especially, predict and prepare for any possible negative effects on safety, health and environmental management. So, a company that sees a need to make changes should ensure:

- Changing the organisation is the right thing to do
- All potential negative effects on safety (eg. losing skills from the company, lowering morale, overloading employees, losing control of contractors) have been considered
- The changes will not negatively affect how safety critical and other key tasks are carried out, such as start up, shut down, major transitions, emergencies, and maintenance campaigns
- There are measures in place to counteract any negative consequences
- It can manage the transition from the existing to the new arrangements (e.g. by establishing 'hold points' (stopping to review progress and if necessary revising the

plan))

- Training, procedures or other support systems are provided for the new arrangements
- Changes can be reversed or modified if necessary
- Temporary changes do not exceed their planned time span
- Everyone affected by the change is consulted and their opinions, concerns and suggestions are considered
- Once the change has taken place, information is gathered on the success or otherwise of the new arrangements (e.g. by interview/discussion, encouraging operators to keep written records, by visiting and observing work in progress, by carefully examining safety related incidents)
- The change management team stays together long enough to properly complete the change and to measure and evaluate the effects
- Written records of the change process are kept and lessons learned applied to future organisational change
- Legal requirements are met both during and on completion of the changes.

## Useful reference information

1. HSE website: [www.hse.gov.uk](http://www.hse.gov.uk)
2. HSE draft guidance on organisational change - due mid 2003. Contact the Hazardous Installations Directorate's Human factors team (+44(0)151 951 4000) for further details.
3. *Assessing the safety of staffing arrangements for process operations in the chemical and allied industries* Brabazon, P. and Conlin, H. HSE Contract Research Report 348/2001 HSE Books (2001) ISBN 0 7176 2044 1.
4. *The fire at Hickson & Welch Limited A report of the investigation by the Health and Safety Executive into the fatal fire at Hickson & Welch Limited Castleford on 21 September 1992* HSE Books (1994) ISBN 0 7176 0702 X.
5. *Lessons from Longford: The Esso gas plant explosion* Hopkins, A. CCH Australia Ltd Sydney (2000) ISBN 1 86468 422 4.
6. *Business re-engineering and health and safety management Volume 1: Best practice model* HSE CRR123/1996 HSE Books ISBN 0 7176 1302 X.
7. *Business re-engineering and health and safety management Volume 2: Literature survey* HSE CRR124/1996 HSE Books ISBN 0 7176 1297 X.
8. *Business re-engineering and health and safety management Volume 3: Case studies* HSE CRR125/1996 HSE Books ISBN 0 7176 1296 1.
9. *2001 Safety performance of the global E&P industry* Report No. 6.59/330 OGP July 2002 ([www.ogp.org.uk/pubs/330.pdf](http://www.ogp.org.uk/pubs/330.pdf))