



Introduction

Most organisations are in a constant state of change; business pressures will inevitably cause organisations to review their work practices, internal processes may change and, of course, there is always a turnover of personnel joining, leaving and moving within any business. All of these changes need to be managed to ensure continued safe operation in a hazardous environment.

What is Organisational Change?

Organisational change is any change that will affect the way in which people work and can have an impact within the business. Examples include reduction in staffing levels, de-layering, outsourcing or changes to key personnel. In the same way that plant and process changes require management and risk assessment, changes that impact personnel in the business also need the same approach to avoid undesirable hazardous consequences.

Whilst Technical Change Management systems have been practised for many years, similar systems for Organisational Change are not so commonly implemented. Whilst the perception is that technical change is very different from organisational change, they have a great deal in common. Process change is often regarded as being more predictable as different elements within the process are clearly defined, compared to organisational change which is associated with the variability of human beings and therefore not defined.

However, there are clear expectations that high hazard industries understand the necessary competences required to run their businesses, and HR systems are well developed to support change management. As a result, information is available to identify issues associated with organisational change. Whilst organisational changes, such as a resignation or illness, may not always be predictable, unplanned outages or breakdowns on plant are still managed appropriately as they occur.

Why Manage Organisational Change?

Just as changing something on plant can have seriously affect plant operation, organisational changes can have a significant impact on the safe operation of a site and should be assessed as rigorously as process changes.

Issues can arise when the impact of organisational change is not fully considered:

- Often, responsibilities are passed on to personnel who do not have the experience to fully understand the implications of the new role. Whilst people need to learn and develop, they are often left unsupported during this phase.
- Change can be stressful, especially if people feel that they have no input or control over what is happening. This can create pressure to comply, either real or perceived, and as a result, people do not challenge organisational decision making or the processes being followed.
- Other organisational changes, such as the implementation of new software systems, are often seen as a technical project and, whilst training may be provided, other impacts on working practices and competence may be overlooked. The time required for people to learn a new system divert attention away from other safety related workload.
- Outsourcing can also affect an organisation's ability to understand and manage the system or facility being outsourced. The responsibility of the activity always remains with the business, not the contractor, and so the business must retain sufficient knowledge and understanding to determine the effectiveness of the outsourced arrangements.

Expectations for Managing Organisational Change

The HSE have clearly stated their expectations for managing organisational change for all high hazard sites. For COMAH sites, a demonstration is required that all direct and indirect effects of the change on the hazards associated with the site are identified and risk assessed.

The HSE have provided guidance on the approach to take in addressing organisational change in Chemical Information Sheet No CHIS7, as shown in Figure 1.

It can be seen that this is not so different from the principles around managing other types of change.

COMAH sites are expected to have a high level of reliability in the planning and decision making of all changes. It is worth considering how decisions can impact the

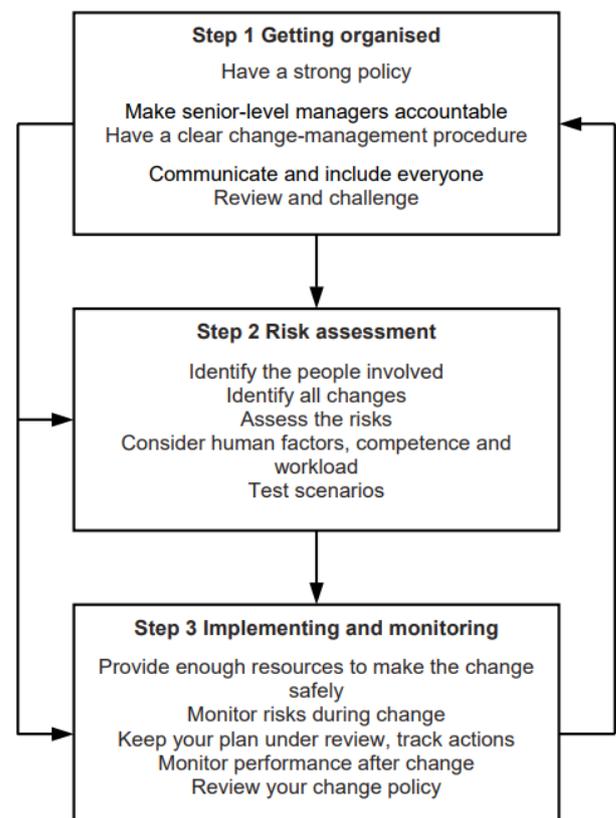


Figure 1: HSE Approach to Managing Organisational Change

behaviours and culture across the whole site. A common example has been the closing of final salary pension schemes, where many experienced workers saw no benefit to their pension by staying and so decided to retire earlier than expected. Such significant changes to workforce demographics can result in a reduced capability to manage critical operations.

All changes should be planned in a thorough, systematic and realistic way, as would be done for technical changes. Key requirements for managing organisational change include:

- When planning the change, confirm actual capabilities, not what is assumed.
- Identify and reassign key tasks and responsibilities.
- Consult with those affected by the change as far as possible, including contractors.
- Consider the transitional period as well as the final outcome of the change.
- Build a culture which encourages people to discuss and challenge the plan if the risk assessment identifies unacceptable risk.
- Provide training and support from experienced staff for those people taking on new roles and responsibilities.
- Retain an awareness of other changes on site which can have a cumulative effect. Limit or delay planned changes if necessary.

As well as understanding the risks of implementing a change, there may be hazards arising from not implementing changes. If a company does not address the risk of a long-term absence, for example, there will come a point when the risks associated with doing nothing outweigh the risks of making changes.

Conclusion

In high hazard industries, managing Organisational Change is essential to maintaining a safe working environment. Poor management of 'people' changes have contributed to significant process safety incidents such as at Esso, Longford in 1998. However, it is also good business practice to fully understand the risks. A well-managed change will be a successful change!