Achieving Safety Excellence
Take Home Items

1. What’s one thing you can do to improve safety in your company?
2. What safety message are you sending to those people with whom you work?
Topics for Today

1. Cost of safety
2. Safety culture
3. Best in class safety programs
The Cost of Safety

The Iceberg Effect – Employer’s Costs of Workplace Accidents

On average, for every $1 of direct costs of an accident a company will expend additional $4 in indirect costs
## Where are you hurting people?

**Claim Distribution by Cause of Injury**  
Construction Sector vs. All Industries 2000-2008

<table>
<thead>
<tr>
<th>Cause of Injury</th>
<th>Construction 2000-2008</th>
<th>All Industries 2000-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strain/Injury</td>
<td>25.6%</td>
<td>29.9%</td>
</tr>
<tr>
<td>Fall/Slip</td>
<td>14.9%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Struck/Injured by</td>
<td>11.5%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Miscellaneous Causes: Other Injury (n.o.c.)</td>
<td>6.9%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Miscellaneous Causes: Foreign Body in Eye</td>
<td>5.8%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Miscellaneous Causes: (cut, puncture, scrape)</td>
<td>5.7%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Powered Hand Tool, Appliance</td>
<td>5.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Objects Being Lifted or Handled</td>
<td>4.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Strike against/Step on</td>
<td>3.6%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Hand Tool, Utensil</td>
<td>3.1%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Caught in between Objects</td>
<td>3.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Miscellaneous Causes: Cumulative Injury (n.o.c.)</td>
<td>1.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Collision</td>
<td>1.2%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Repetitive Motion (Carpal Tunnel Syndrome)</td>
<td>1.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>All Other</td>
<td>6.6%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>
Example Workers Compensation Loss Data

12 Months
24 Months
36 Months
48 Months
60 Months
72 Months
84 Months
96 Months
108 Months

Hensel Phelps Construction Co.
### Additional Company Sales Required to Recover the Cost of an Accident

<table>
<thead>
<tr>
<th>Accident Cost</th>
<th>2%</th>
<th>3%</th>
<th>4%</th>
<th>5%</th>
<th>6%</th>
<th>7%</th>
<th>8%</th>
<th>9%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 50</td>
<td>2,500</td>
<td>1,667</td>
<td>1,250</td>
<td>1,000</td>
<td>833</td>
<td>714</td>
<td>625</td>
<td>556</td>
<td>500</td>
</tr>
<tr>
<td>$ 100</td>
<td>5,000</td>
<td>3,333</td>
<td>2,500</td>
<td>2,000</td>
<td>1,667</td>
<td>1,429</td>
<td>1,250</td>
<td>1,111</td>
<td>1,000</td>
</tr>
<tr>
<td>$ 500</td>
<td>125,000</td>
<td>83,333</td>
<td>62,500</td>
<td>50,000</td>
<td>41,667</td>
<td>35,714</td>
<td>31,250</td>
<td>27,778</td>
<td>25,000</td>
</tr>
<tr>
<td>$ 1,000</td>
<td>500,000</td>
<td>333,333</td>
<td>250,000</td>
<td>200,000</td>
<td>166,667</td>
<td>142,857</td>
<td>125,000</td>
<td>111,111</td>
<td>100,000</td>
</tr>
<tr>
<td>$ 2,500</td>
<td>1,250,000</td>
<td>833,333</td>
<td>625,000</td>
<td>500,000</td>
<td>416,667</td>
<td>357,143</td>
<td>312,500</td>
<td>277,778</td>
<td>250,000</td>
</tr>
<tr>
<td>$ 5,000</td>
<td>2,500,000</td>
<td>1,666,667</td>
<td>1,250,000</td>
<td>1,000,000</td>
<td>833,333</td>
<td>714,286</td>
<td>625,000</td>
<td>555,556</td>
<td>500,000</td>
</tr>
<tr>
<td>$ 10,000</td>
<td>5,000,000</td>
<td>3,333,333</td>
<td>2,500,000</td>
<td>2,000,000</td>
<td>1,666,667</td>
<td>1,428,571</td>
<td>1,250,000</td>
<td>1,111,111</td>
<td>1,000,000</td>
</tr>
<tr>
<td>$ 25,000</td>
<td>12,500,000</td>
<td>8,333,333</td>
<td>6,250,000</td>
<td>5,000,000</td>
<td>4,166,667</td>
<td>3,571,429</td>
<td>3,125,000</td>
<td>2,777,778</td>
<td>2,500,000</td>
</tr>
<tr>
<td>$ 50,000</td>
<td>25,000,000</td>
<td>16,666,667</td>
<td>12,500,000</td>
<td>10,000,000</td>
<td>8,333,333</td>
<td>7,142,857</td>
<td>6,250,000</td>
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<td>5,000,000</td>
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</table>

Sales figures rounded to the nearest dollar. This chart can be used to estimate the approximate amount of increased sales necessary to offset the cost of a workplace accident or injury. First, find your company’s approximate profit margin in the row across the top of the chart. Then, find the cost of an accident in the leftmost column. The required additional sales figures are shown in the appropriate box. For example, if your company has a profit margin of approximately 5 percent and had a workplace accident that cost a total of $50,000 your company must make additional sales of approximately $1,000,000 to cover the cost of that one accident.
Defend Your People and Profits

- Research shows $3.00 or more is saved for each $1.00 invested
- Is OSHA compliance enough?
  - OSHA citation vs. claim cost
  - Owner requirements
  - Experience modification rates
- You cannot know how many accidents you will prevent

"I reckon everybody knows about this company's poor safety record by now!"
Best in Class Safety Programs

1. Management commitment
2. Staffing for safety
3. Planning: Pre-project and pre-task
4. Safety education
5. Worker involvement
6. Evaluations and recognition/reward
7. Subcontractor management
8. Accident / incident investigation
9. Drug and alcohol testing

Source - Construction Industry Institute
1. Management Commitment

- The speed of the boss...
  - Leaders value safety
- Visible commitment in the field
  - Encourage people to make the right decision; OR
  - Encourage people to make the wrong decision
- Set clear expectations
- Team member accountability
  - Goal setting
  - Performance evaluations
  - Review safety reports
  - Accident investigations
2. Staffing for Safety

- Integration of safety
  - Participation by everyone
  - Accountability
- Safety professionals
  - Qualifications
  - Owner requirements
- Participation in the industry
- Internship programs
3. Planning: Pre-Project & Pre-Task

- Integration of safety into all construction phases
- Site specific safety program
- Job hazard analysis
  - What hazards will be present?
  - Get the right people involved
4. Safety Education

- Orientation
- Quality trainers
- Structured training program
- Communication
5. Worker Involvement

- What we help create we support
- Sharing of ideas
- Actively caring
- Communication
  - Modern day challenges
  - Talk with workers
  - Get their input
  - Follow-up
  - Get to know your people
6. Evaluations and Recognition

- Set goals and expectations
- Evaluate employees on safety?
  - What gets measured gets done
  - What are you measuring?
    - Performance
    - Results
- Recognition
- Benchmarking
Disciplinary Program

- Inviolable rules
- Fair and consistent
- Expectations clearly communicated
- Consequences:
  - Certain
  - Soon
  - Significant
7. Subcontractor Management

- Partnership
- Participation in the safety program
  - Orientation
  - Indoctrination
  - Job hazard analysis
  - Safety audits
  - Project safety committee
  - Incentive programs
  - Behavior based safety
  - Discipline
8. Accident / Incident Investigations

- Trends
- Update job hazard analysis
- Revise company procedures
- Near misses
- Accountability
- Root cause

[Diagram showing a pyramid with layers: Fatality, Severe Injury, Minor Injury, Near Miss, Unsafe Acts & Conditions, Behavior, Result]
9. Drug and Alcohol Testing

- Formal program
  - Pre-hire
  - Post accident
  - Cause
  - Random
Triangle Shirtwaist Factory Fire – 3/25/11

- Fire spread through the cramped Triangle Waist Company garment factory on the 8th, 9th and 10th floors of the Asch Building in lower Manhattan.

- Workers in the factory, many of whom were young women recently arrived from Europe, had little time or opportunity to escape.

- The rapidly spreading fire killed 146 workers.
What’s one thing you can do to improve safety in your company?