

## HEALTH & SAFETY

# How to spend \$1 to save \$4: Improve your safety program

By Jim Stanley, President of FDRsafety

For the past year, the focus in occupational safety has been on enforcement, with the Occupational Safety and Health Administration's proclamation that there is a "new sheriff" in town. But while it is certainly a good idea to keep one eye on the sheriff's office, companies should not forget that there's also a banker down the street.

### Safety research and surveys

Researchers for a recent study on the financial impact of safety interviewed 231 corporate financial officers at medium and large companies. On average, participants perceived that for every dollar spent on improving workplace safety, their organizations saved \$4.41. Such savings included:

- lower insurance premiums;
- improved productivity;
- reduced costs of training new employees; and
- less workplace disruption and downtime.

That same group was asked to name the top benefits of an effective workplace safety program. Their answers were as follows:

- increased productivity (42.5 percent);
- reduced costs (28.3 percent);
- improved employee retention (7.1 percent); and
- better employee morale and job satisfaction (5.8 percent).

Their perceptions about the financial costs of accidents are borne out by the 2009 Liberty Mutual Workplace Safety Index. That study estimates that the most disabling workplace injuries cost industry \$53 billion a year.

The importance that employees place on workplace safety was underscored by a recent public opinion survey conducted by the National Opinion Research Center at the University of Chicago. The study found 85 percent of respondents rated workplace safety regulations as very important to workers. Safety was rated as more important than the minimum wage, paid sick time, or receiving time and a half for overtime.

## Takeaways

What does this all add up to? It demonstrates that it is smart for organizations to take a proactive approach to safety and install a strong safety program without waiting for a negative OSHA inspection to force the issue. (For some tips on how to build such a program, take a look at my article, "Building a culture of safety at construction companies" at [www.fdrsafety.com/OHS/article3-10constructionsafety.pdf](http://www.fdrsafety.com/OHS/article3-10constructionsafety.pdf). While the article uses construction companies as an example, the principles involved apply to all companies.)

And with all the talk about financial benefits, it is important to keep the true bottom line in mind: A strong safety program protects your most precious asset — your people.

*Jim Stanley, president of FDRsafety ([www.fdrsafety.com](http://www.fdrsafety.com)), served as Deputy Assistant Secretary of Labor for OSHA. Jim can help your company set up a proactive safety program. Contact Jim at [jstanley@fdrsafety.com](mailto:jstanley@fdrsafety.com) or (513) 317-5644. ♦*