10 Tips to Lower Workplace Injuries and Save Your Bottom Line
By Greg Summerhays

During these economic conditions, workplace safety efforts have become even more imperative to decrease costs and keep employees working. When a workplace injury occurs, how much does that injury truly cost an organization? The financial answer is not always clear, but the cost is often underestimated. Typically, actual injury costs are between 5 to 50 times the size of the obvious direct costs of medical expenses and salary for the injured worker. An organization may also be surprised to analyze the revenue required to recover the costs associated with a workplace injury.

According to the Occupational Safety and Health Administration, costs associated with occupational injuries and illness can comprise as much as 5% of a company's total costs. These costs include direct and indirect costs.

Direct Costs
Direct costs of an injury include medical costs, lost wages and higher insurance premiums. Insurance costs increase based on the rise in claims frequency and severity, which will directly influence an organization's experience modifier, or e-mod. An organization's e-mod is calculated by the National Council on Compensation Insurance and is based on your payroll and claims costs history compared to other similar organizations in the company's industry. If the organization's claims frequency and severity is above the average, the company's e-mod will be above a 1.00. If claims frequency and severity is below average, the company’s e-mod will be less than 1.00. The increased costs due to an increase in claims history is illustrated by the following example:

Indirect Costs
Similar to the invisible portion of an iceberg, there are a number of indirect costs associated with accidents that are not as easily seen. These indirect costs have been estimated to be from 5 to 50 times the size of the direct costs. Indirect costs include money spent on things such as repairing damaged equipment, lost time to fill out accident reports, time/money spent on hiring and training replacement personnel and lost productivity/quality because less experienced employees replace key injured employees.

How to Lower Costs
An effective safety program can help prevent injuries, reduce costs and make a substantial contribution to a company’s bottom line. The most effective safety program is one that is fully integrated into the way the company conducts its business. Companies should focus safety programs on the systems and processes that have the greatest potential to cause injury.

The following 10 tips can increase workplace safety, reduce injuries and accidents, and save your bottom line:

1. Clean up your act - literally. With slips and falls accounting for one of the top causes of workplace injuries, simply keeping floors clean of liquids and other obstacles can greatly reduce the potential for an accident. Most problem areas include spilled water around drinking fountains and rest rooms, dirty floors and walkways cluttered with equipment or boxes that obstruct walkways.

2. Install and require the use of all safety equipment. Too often, safety equipment is removed from machinery or bypassed in hopes of saving time. Whether it's finger guards or hard hats, the lack of safety equipment leads to accidents.
3. Cover up exposed wiring and replace frayed wires. Older buildings often need to have electrical work inspected for frayed and exposed wiring.

4. Encourage employees to voice their safety concerns to a supervisor. Many times, concerns are raised by employees only after an accident occurs.

5. Take note of injury trends. If workers are taking time off due to back injuries, it's a good idea to place proper lifting posters around the workplace and even conduct a proper lifting seminar.

6. Have first-aid kits readily available and provide training.

7. Adopt written safety/health and substance abuse (drug and alcohol) programs.

8. Properly train employees on all equipment and safety procedures.

9. Consult your workers' compensation provider or your state's division of workplace safety and health. Your state likely advises businesses on workplace safety without the threat of being penalized.

10. Ensure that every employee takes safety seriously.

Greg Summerhays is Director of Public Relations and Community Outreach at Workers Compensation Fund. WCF offers ongoing safety training and AGC members are eligible for a 5% premium discount through a partnership with WCF. Visit www.wcfgroup.com for more information.