



Workplace Safety

A Look at Safety ROI: Viewing Safety Training as an Investment

Vanessa Jo Roberts | Aug 15, 2019

The expense of protecting workers can seem steep, but noncompliance with safety rules and regulations ultimately can result in a deeper financial toll on a business. Rather than think of safety training as a cost, here's why to think of it as an investment.

When it comes to keeping your workers safe, there are costs associated with facility safety gear and personal protective equipment. There are also the costs of paying fees and fines for noncompliance. It's the intangibles of that noncompliance that can really gut a business: loss of employees, derailed productivity and missed business opportunities.

The National Safety Council's most recent data, for 2017, puts the ***total annual costs due to preventable workplace injuries*** at \$161.5 billion, which takes into account wage and productivity losses, medical expenses, administrative expenses, employers' uninsured costs and the value of time lost by injured workers.

How Safety Training Boosts Safety ROI

Safety training is the most direct way to mitigate the risks of injuries, fines for noncompliance and the potential financial hit. What's more, it's critical to provide training early and often to your employees.

The injury and fatality data gathered by the Occupational Safety and Health Administration bear that out.

"We have known for decades that new workers, when they first start at a new job, are at greatly increased risk of injury—and we know why: New workers are often not adequately trained in the potential hazards at the new jobsite and the measures they can take to protect themselves," says David Michaels, former OSHA administrator, as noted in an ***article in Safety+Health magazine***.

OSHA has found that the risk of injury decreases with tenure, so repetition and diligence in training help both to insulate a business from safety incidents and to ensure compliance.

Recently released research by the Institute for Work & Health in Canada looked at 51 studies done over a period of 20 years into new workers and injury risks.

The IWH report concluded that there is value in early training and awareness programs: “Our review has potential implications for the prevention of work injuries, providing policy-makers and workplace parties with supportive evidence about the importance of prevention efforts focused on new workers, such as developing workplace policies that emphasize hazard exposure reduction, hazard awareness, hazard protection and worker empowerment.”

To achieve that desired culture of safety, businesses need to shift their mindset on safety, and think about it as an investment versus an operating expense. Here’s why: There’s an actual return on investment from spending on safety.

“I think that it’s important for the leadership to make sure that their safety people are listened to, and that there’s an environment that recognizes that safety is an important part of good business,” notes Ted Miller, principal research scientist with the Pacific Institute for Research and Evaluation, *in Safety + Health magazine*, “even if it slows work down a little bit at times ... because then you don’t have incidents. Overall, you get more done at the end of the week.”

To figure out what injuries cost for your company, use our interactive Workplace Injury Cost Calculator. Bookmark the page today.

The Case for Simulation in Safety Training

The use of simulation in training is not new, though the ability to use virtual reality tools and gaming tactics are creating new types of training opportunities.

The Occupational Safety and Health Administration, for instance, offers a game-based **Hazard Identification Training Tool** to help small businesses learn to quickly spot potential workplace hazards and learn about OSHA training.

And the Red Cross has been using a blended training approach for its safety teams for several years. A survey of nearly 5,000 of its volunteers, **as detailed by SHRM**, identifies four ways that the use of simulations can improve training:

- It’s a safe environment. No one is at risk, removing any fear of consequences.
- You can introduce real-world scenarios. A company can create scenarios and events that mimic their workers’ actual environments.
- It’s available when the participants are available. Unlike a live course, workers can take training and practice when their schedules allow.

Repetition improves retention. Because the training is online, participants can repeat courses multiple times.

How to Calculate the ROI of Safety

According to the American Society of Safety Professionals, **ROI in safety stems from five areas:**

- Positive public image: Safety affects reputation, which is important not just to your employees but also to customers.
- Compliance with OSHA regulations, laws and standards: “Noncompliance can be disastrous and cost an organization financially and in public perception.”
- Cost savings: A business that keeps its workers safe from injury and illness cuts its spending on medical care, days lost on the job, lawsuits and post-incident mitigation.
- Increased operational efficiency: Safe facilities have higher productivity rates, which typically equates to higher revenue.
- Improved employee satisfaction: Businesses with low Total Recordable Incident Rates find it easier to recruit and keep their best workers.

Adopting a Safety Management System

Increasingly, safety and standards organizations recommend that businesses take a more overarching approach to safety and develop a safety management system. Passed last year, ISO 45001 details requirements for such a system and guidance on establishing an SMS.

“The adoption of an SMS framework and thoughtful implementation of the various facets can have significant impact on protecting employees and enhancing your organization’s performance and profitability,” points out the *National Safety Council*. “While safety requirements may differ across industries, exemplary organizations all focus on continuous improvement that aims for an ongoing reduction of risk with a goal of zero incidents.”

Learn all about what makes ISO 45001 unique and different from OSHA’s rules. Read “Standards Spotlight: ISO 45001 vs. OSHAS 18001.”

One way to tackle development of an SMS is to partner directly with OSHA through its *Voluntary Protection Programs*. It created VPP to work with businesses to establish safety programs that dramatically reduce the injury rate for their employees:

- The average VPP worksite has a Days Away Restricted or Transferred case rate that is 52 percent below the average for its industry.
- VPP businesses have 50 percent fewer lost workday injuries and illnesses than the average for their industries and incidence rates 50 percent below the national average.
- VPP companies have saved more than \$1 billion since 1982.

Training and awareness are critical components. OSHA says that VPP focuses on hazard prevention and control, worksite analysis, training, and management commitment and worker involvement.

If your shop is not yet ready for VPP, for which businesses must submit applications, there are also free general awareness training programs offered by OSHA through its *Outreach Training Program*. It has a 10-hour course for beginners and a 30-hour course for more experienced workers and supervisors. The agency also provides a host of other free resources that can be found online at the Outreach link.

A review of the OSHA training by the Government Accountability Office lauds it and notes that the training elements are based on the leading causes of fatalities and the most frequently cited standards.

“OSHA took steps to design the Outreach Training Program so that workers receive consistent and quality training by using data to identify the content of the training, developing training materials and issuing detailed requirements for training providers,” GAO notes in its *report*.

Ultimately, businesses must ensure that they comply with the training requirements for *specific standards*, but the OSHA free tools and services can certainly help support a safety team as it plans out its system.

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