



# WHAT'S THE BIG DEAL ABOUT SAFETY?



**CSC**  
carolina safety consultants

3 Ways Safety Improves the Culture  
and Bottom Line of Your Company  
(and How to Achieve Those Benefits)

It's easy to overlook the importance of safety in the day-to-day work on a construction job site. There's a lot to be done, and things usually run behind schedule. Who has time for extra safety precautions? Often, the workers themselves are anxious to get the work done and meet their production goals.

But besides the fact that maintaining a safe workplace is the law and regulated by OSHA, there are three big reasons why company leadership should care about safety. These reasons have an impact not only on the culture of a company but also on the bottom line. We're going to take a look at each of these reasons in this guide and offer suggestions on how to use safety to significantly improve the physical and financial health of your company.

## THE ETHICAL REASONS

When you realize that **4,405 workers were killed on the job in 2013**, and that **the top 10 categories of OSHA violations** that resulted in death and serious injury were all preventable, you start to feel a responsibility for the human life that's impacted by safety. Someone on your job site might not go home today because you didn't make safety a priority. A son or daughter might lose his or her parent. A wife might lose her husband. A woman might lose her eyesight or a limb. Each of us has a moral obligation to provide a safe environment for our workers.

### Ethical Action Plan:

- Use posters and signage to remind management and workers of the human consequences of safety failures.
- Emphasize why regulations exist when you discuss them with your employees.
- Share real stories of how accidents have impacted individuals and families.

“*Someone on your job site might not go home today because you didn't make safety a priority.*”

# THE FINANCIAL REASONS

But the the reasons why company leadership should care about safety go far beyond matters of conscience. Safety significantly impacts the bottom line.

## 1. Insurance Companies Reward Safety

Your workers' compensation premiums are based on a set of parameters specific to your safety program. In North and South Carolina, insurers can give up to 25% in credit on WC coverage.

A comprehensive safety program will address each of these concerns. Insurance companies also use the National Council on Compensation Insurance Experience Modification Rating to track how companies are doing with safety. If companies are experiencing losses (injuries and fatalities), they pay higher premiums. If they're below average on losses, they save on their premiums.

## 2. Project Owners, Construction Management Companies, and General Contractors Reward Safety

If you're a subcontractor, chances are you'll be bidding on projects that require the same criteria as insurance companies. Project owners, management companies, and general contractors often insist that their subcontractors have comprehensive safety programs in place.

For example, two years ago we began working with a mid-sized textile firm that was struggling financially. They had a bad accident record so no one wanted to work with them, and their insurance company had just told them they could no longer provide them with insurance. After we identified all physical and procedural OSHA gaps that existed, reviewed all

What insurance companies are looking for:

- accident investigation procedures
- drug free workplace
- early return to work program
- employee hiring process
- ongoing employee training
- ownership and management commitment to safety
- personal protective equipment
- property condition
- safety responsibilities spelled out for each level within the organization
- self-inspection procedures
- written safety manual that addresses job-specific hazards and hazard mitigation
- written safety mission statement



potential options to satisfy each gap, and worked with the company to implement a safety manual and procedures, to train their people, and to implement a cross-functional safety committee, the company reduced their lost time days by 60% and their restricted duty days by 50%. They also saved \$200,000 on their workers' comp premiums, and now they have vendors bidding for their business.

### 3. Accidents Cost Money

The cost of running a safety program is minimal compared to the cost of accidents. According to the [2017 Liberty Mutual Workplace Safety Index](#), serious, nonfatal workplace injuries amounted to nearly \$60 billion in direct U.S. workers compensation costs.

And insurance only covers about 10% of the cost of an accident, so the rest is left to the business. Construction down time, management and administrative time, new hire training, damaged property not covered by insurance, rental equipment, liquidation damages, and negative publicity all combine to create headaches and high cost. Accidents happen. But if you implement a safety program and cultivate a culture of safety, your accident rate will be significantly less, [saving you many times over](#) the cost and time of committing to safety.

“*Insurance only covers about 10% of the cost of an accident, so the rest is left to the business.*”

#### Financial Action Plan:

- Make sure your company is able to meet the factors that insurance companies are looking for to reduce workers' compensation premiums.
- Implement a comprehensive safety program to improve your National Council on Compensation Insurance Experience Modification Rating.
- Create a plan to reduce injuries and fatalities, track your progress, and make incremental improvements.

# THE COMPETITIVE REASONS

Accidents are costly. An attempt to save time by cutting corners on safety most often results in wasted time. When there's a safety incident on a job site, you experience loss of worker productivity and delays in project schedules.

Delays may lead to further expense by having to pay liquidated damages. If an accident results in an injury, you're then looking at increased workers' compensations costs and potential legal fees. You've also got to replace the worker, which means more down time.

Project owners and general contractors don't want to deal with hassle. They want to work with companies that aren't going to be causing delays — which means few or no accidents.

If you have a strong safety culture, you'll not only be able to save money and operate more efficiently, you'll also be more desirable to companies you want to work for. You'll win more bids and be able to charge higher fees because project owners and general contractors know they can depend on you.

## Competitive Action Plan:

- Track worker lost time and how much time is wasted by safety incidents to show management and workers that cutting corners isn't worth it.
- If you have a strong safety record and can demonstrate few or no accidents, highlight this fact in your proposals and bids. Describe the safety program you have in place and emphasize your commitment to safety.
- If you don't have a strong safety record, decide that you'll implement a comprehensive safety program.



## Safety Has Its Benefits:

A strong safety program saves costs, enables you to operate more efficiently, and helps you win job bids.

Making safety a priority is a smart business decision. You'll become a desirable company to work for and to hire. Your culture and your bottom line will improve. And at the end of the day, you'll feel good that you're doing the right thing for the people who work for you.

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If you want to learn how Carolina Safety Consultants can help you reach your safety goals, call David De Vita at (864) 905-7835 or email him at [ddevita@csc-llc.net](mailto:ddevita@csc-llc.net).



## About Carolina Safety Consultants:

We're a full-service environmental, health, and safety consulting and training firm. Our philosophy is that safety is more than conforming to regulations—it's a perspective on how you do business. Our consulting and training services don't simply teach what to do in order to comply with standards and regulations—we also teach why it's important. We want to help you create a culture of safety.

There are benefits that come with a culture of safety. You'll find your overhead costs reduced, your insurance premiums lowered, and your job bids more competitive. Not just a compliance consulting firm, we're a partner to help you grow and improve your business through safety. We think strategically to help you maximize workplace safety within the big picture of your business. We speak your language, understand your budget constraints, and work through safety and loss control issues with you.