

Now is Not the Time to Cut Back on Safety
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Trying to stay afloat during a prolonged recession often becomes a frustrating exercise in trimming budgets. As more of your competitors bid on every project, you look for every penny you can slice and consider every economy you can build into each step of the process. You'll consider new sources for materials in an effort to shave even a percentage point off your costs, and ask your subcontractors to do the same.

Sometimes, the process can make contractors desperate – and that's when that line item for the safety program stands out as a tempting place to make a significant cut.

Resist that temptation. While trimming your safety, costs may appear to offer a short-term solution to your budget problems, but it's likely to end up costing you a lot more over the long run. In fact, it may affect your long-term business health in ways that may not be obvious now. It's easy to see evidence of successful work on your jobsites. If a floor is flat and free of defects, the concrete crew did its work well. If the structure is sound and attractive, you can thank the metal erectors and masonry craftspeople. If air is moving thorough the vents and water through the pipes, the mechanical crews did exactly what they were supposed to.

But a safety professional's success is usually determined by what *doesn't* happen. If there were no lost-time injuries on the site, the safety pro succeeded. If your workers felt more confident about what they were doing and were able to be more productive, the safety pro achieved his or her objectives. Every incident that doesn't happen is a measure of the value of your safety program. Unfortunately, those successes aren't always very visible.

It's something Jim Steinberger understands. When he, brother, and a co-worker purchased their Logansport, Indiana-based industrial construction business in 1984, worker safety hadn't been a priority. Within a few years, though, he and his partners started looking at safety in a new way. "At one point, our EMR [experience modification rate] crept up to about 1.5," he recalls. "We wanted to bid on some projects, but were told that we wouldn't be allowed to, because that EMR was too high. That was an eye-opener."

Steinberger Construction started focusing on safety, although Jim admits that the initial motivation was primarily for business reasons. "We realized that we couldn't afford to be disqualified from bid lists." The company identified strategies that would have a high impact, and stepped up enforcement of basic safety rules. Some employees balked. "For

example, some didn't want to wear hardhats. We committed the company to the safety program, and it wasn't very long before we noticed that everyone's wearing hardhats. It's always a struggle to adopt something new, but everyone always looks back and says it was a good thing. They're glad you did it."

The company's EMR began to drop back to healthier levels, and Steinberger began to land more desirable projects. "With the more sophisticated customers, who tend to be very safety-conscious, a safety program is like table stakes," Jim says. "They won't even consider you unless you have better-than-average safety performance." Working for those customers strengthened Steinberger Construction's reputation, and Jim began to notice something else: the company's employees were happier and turnover dropped significantly. "We perform annual employee surveys, and our focus on safety is highly appreciated and supported."

Today, Steinberger Construction's key safety statistics are very visible – they're posted on the company's website and updated regularly. A full page on the site is devoted to the company's overall safety program. "In the long run, you're going to have a better shot of being the low bidder if you have a good safety program."

There are a variety of reasons to keep your safety program at full strength, even if you're cutting back elsewhere. Some insurers may cancel your coverage if you walk away from your safety program or eliminate safety-related positions. OSHA may also take a more punitive approach if they spot any violations or end up examining an incident on a project. If workers become aware that safety is no longer being monitored, they may begin to ignore safe procedures or take shortcuts, leading to an increase in injuries and recordable incidents. Don't forget that incidents and injuries tend to create downtime and delays on jobsites, too.

Jim Steinberger adds that the business aspects of safety are even more important during an economic downturn. "When your work is slower, you're working fewer man-hours, and any kind of accident is going to have a bigger impact on your statistics," he explains. "When you're booming, one accident may not have the same impact it does when you're slower." But he's quick to point out that bottom-line benefits shouldn't be the primary reason to keep a safety program going during tough times. "You should have it just because you don't want people getting hurt. That should never be based on how the economy is doing."

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