

RiskTopics

Developing an effective loss control program for construction

Implementing, maintaining and supporting an ongoing proactive safety program can help keep workers safe and help control unnecessary expenses for both the company and the workers

Introduction

According to the U.S. Bureau of Labor Statistics, “every year, nearly 1,000 workers are killed on the job (a rate of 2.7 per day), and more than 150,000 suffer a serious job-related injury or illness.”¹

Serious job-related injuries or illnesses don't just hurt workers and their families, but can hurt business in a variety of ways. Implementing a safety and health program, however, can improve businesses' safety and health performance, save money and improve competitiveness.

Safety and health programs help businesses:

- Prevent workplace injuries and illnesses
- Improve compliance with laws and regulations
- Reduce costs, including significant reductions in workers' compensation premiums
- Engage workers
- Enhance social responsibility goals
- Increase productivity and enhance overall business operations

Accidents cost money...not only through direct costs, such as medical and compensation expenses, but in indirect costs as well. In fact, it is the indirect costs that can really add up. Indirect costs result from those hidden factors on which a dollar value cannot easily be placed, such as production, time, employee morale, and customer goodwill. These items can easily cost significantly more than the direct costs. Therefore, whether an accident results in personal injury and/or property damage, they can be expensive and significantly cut into operating costs.

Safety programs can help control accidents, reduce operating costs, increase efficiency and productivity, and improve employee morale and public relations. Developing an effective loss control program is not an easy task, and the results may take some time to show up. However, through perseverance, a strong desire, and management commitment, the benefits can justify the expended time, resources, and efforts. Significant

dollars can be saved in compensation and other costs through implementing a safety program suited to your needs.

Discussion

According to OSHA², the main goal of a safety and health program is to prevent workplace injuries, illnesses and deaths as well as the suffering and financial hardship these events can cause for workers, their families, and employers. The recommended practices use a proactive approach to managing workplace safety and health. Traditional approaches are often reactive –that is, problems are addressed only after a worker is injured or becomes sick, a new standard or regulation is published, or an outside inspection finds a problem that must be fixed. These recommended practices recognize that finding and fixing hazards before they cause injury or illness is a far more effective approach.

The idea is to begin with a basic program and simple goals and grow from there. If you focus on achieving goals, monitoring performance, and evaluating outcomes, your workplace can progress along the path to higher levels of safety and health achievement.

10 Ways to Get Your Program Started

Here are some simple steps to get started. Completing these steps will give provide a solid base from which work from.

- 1. Establish safety and health as a core value.** Tell your workers that making sure they finish the day and go home safely is the way you do business. Assure them that you will work with them to find and fix any hazards that could injure them or make them sick.
- 2. Lead by example.** Practice safe behaviors yourself and make safety part of your daily conversations with workers.
- 3. Implement a reporting system.** Develop and communicate a simple procedure for workers to report any injuries, illnesses, incidents (including near misses/close calls), hazards, or safety and health concerns, without fear of retaliation. Include an option for reporting hazards or concerns anonymously.
- 4. Provide training.** Train workers on how to identify and control hazards in the workplace, as well as report injuries, illnesses, and near misses.
- 5. Conduct inspections.** Inspect the workplace with workers and ask them to identify any activity, piece of equipment, or materials that concern them. Use checklists to help identify problems.
- 6. Collect hazard control ideas.** Ask workers for ideas on improvements and follow up on their suggestions. Provide them time during work hours, if necessary, to research solutions.
- 7. Implement hazard controls.** Assign workers the task of choosing, implementing, and evaluating the solutions they come up with.
- 8. Address emergencies.** Identify foreseeable emergency scenarios and develop instructions on what to do in each case. Meet to discuss these procedures and post them in a visible location in the workplace.
- 9. Seek input on workplace changes.** Before making significant changes to the workplace, work organization, equipment, or materials, consult with workers to identify potential safety or health issues.

10. Make improvements. Set aside a regular time to discuss safety and health issues, with the goal of identifying ways to improve the program.

Loss control program elements – Commonly-found elements of a general safety program are discussed below. These elements offer a basic guideline. Other, more specific programs may also be appropriate, but at a minimum, any or all of these elements can be adopted to suit the company's needs:

- Company safety policy
- Safety rules and regulations
- Duties and responsibilities
- Employee selection
- Employee orientation and training
- Self-inspections
- Job Safety Analysis (JSA)/Job Hazard Analysis (JHA)/Activity Hazard Analysis (AHA)/Daily Hazard Analysis (JHA)
- Accident investigations
- Safety committees
- First aid
- Personal Protective Equipment (PPE)
- Recordkeeping
- Work specific sections

These program elements can provide management with clear direction and a methodical approach to helping control losses. They can also help employees realize management's expectations of them with regard to using safe work practices.

When implementing a Loss Control Program, it is generally not advisable (or practical) to introduce all of these elements at once. Doing so may only serve to overwhelm, confuse, and frustrate personnel. As such, implement these elements into the normal work activities in a manner that allows employees time to absorb the information and adjust to any necessary changes as a result. This can allow the program to become an integral part of the work ethic, rather than merely a "paper" program.

Consider introducing program elements on an "as needed" basis. This is easiest done by analyzing your losses. For example, if your loss analysis reveals numerous accidents resulting from unsafe conditions, consider developing and implementing an inspection program to address this problem. Regardless of the program element being introduced, management's commitment to the health and well-being of employees is paramount to the success of a program. This gives substance to the program. Therefore, it can make sense to introduce first, those elements that exemplify management's support and involvement. These needs can be addressed in a company safety policy and in safety rules and regulations, which can serve as foundational

elements that are developed and in place before other program elements. These two elements can lend legitimacy to a program, provide guidance, and offer a means to justify disciplinary action.

Guidance

A brief description of the purpose and objectives of each loss control program element listed above, is discussed below:

Company safety policy – Write a safety policy statement and publicize it by top management to demonstrate their support for employee safety. Communicate the message that safety plays a key role in the organization’s welfare. This element lends credence to the safety program.

Safety rules and regulations – Safety rules and regulations are developed and enforced primarily to help reduce or eliminate personal injury and/or property damage caused by unsafe work practices. Have rules and regulations encompass both general (company-wide) and specific (jobsite) requirements. Although safety rules and regulations are meant to promote safe work practices, they can also justify disciplinary action to change or modify poor or unsafe work behavior.

Duties and responsibilities – Every employee has a responsibility toward safe job performance. As such, develop and incorporate into the job descriptions of all employees and management, the duties and responsibilities, including safety expectations. This can help provide specific direction, assign accountability for conducting work activities in a safe manner, and support the overall safety commitment.

Employee selection – An effective employee selection program can help improve overall job performance by selecting the right person for a job. Effective employee selection starts with well-defined and objective requirements for each job. The applicant’s ability to meet these requirements can then be determined through a variety of resources, including the initial application, the interview process, reference checks, background checks, written tests, fit for duty physical examinations, substance abuse testing and probationary periods, to name a few examples.

Employee orientation and training – In employee orientations, teach new employees the fundamental aspects of safe job performance, in addition to the skills required to perform a particular job. Safety is an important part of the orientation process as it instills a positive attitude toward safety from the first day on the job. Employee training is also a significant element of a safety program, because it puts safety in the forefront. Direct training at the new employees, employees placed in new positions, and employees displaying poor or unsafe work practices. Safety training that highlights the job hazards can have a positive impact on job performance and productivity.

Safety inspections – Include self-inspections as an integral part of a safety program. They can be important in identifying and correcting workplace hazards. Direct inspections at identifying both unsafe work practices and unsafe physical conditions. Document all inspections in writing and submit them to appropriate personnel for corrective action. Develop a follow-up procedure to help ensure that corrective action is completed in a timely fashion.

Job Safety Analysis (JSA)/Job Hazard Analysis (JHA)/Activity Hazard Analysis (AHA)/Daily Hazard Analysis (JHA)**Job safety analysis** – Hazard analysis is a valuable tool used to review specific tasks in order to identify potential hazards associated with the task. Once the potential hazards are identified, solutions can be developed and incorporated into the job procedure to help eliminate or control the exposure. Hazard

analyses promote safe job performance by providing employees with increased safety knowledge, establishing safer job procedures and developing safer working conditions.

Accident investigation – Although accident investigations are performed after the accident has occurred, it is important to learn from mistakes. The purpose of accident investigations is to uncover the true accident causes in order to prevent the recurrence of similar accidents. When properly used, the investigation can help improve employee morale and promote safety by showing management’s concern for the employee’s well-being.

Safety committees – The basic function of a safety committee is to create and maintain interest in safety and health and thereby help reduce accidents. Include both supervisory and nonsupervisory personnel on your safety committees, who are selected to serve on a rotating membership basis. These committees allow management to delegate some of the safety program functions.

First aid/medical activities – Consult a physician when establishing first aid and medical procedures and when determining which first aid supplies to maintain. Have a minimum of two employees trained in first aid and CPR techniques available on each shift. Effective first aid/medical procedures can help reduce the potential severity of accidents by providing initial treatment and care of minor injuries, as well as by providing first aid care of more serious injuries until advanced medical help, i.e., physician or hospital care, can be obtained.

Personal protective equipment (PPE) – Use of appropriate personal protective equipment is mandatory when hazards cannot be eliminated through engineering controls/safeguards. Personal protective equipment can be used to limit exposures and exposure time to a variety of physical, chemical, biological and process hazards. Include equipment selection, employee training, and equipment maintenance procedures in your program.

Recordkeeping – Good recordkeeping practices are fundamental to a safety program to document a variety of safety activities and to maintain loss information. Maintain records of accidents, accident investigations, first aid, safety committee meetings, employee training, and jobsite inspections.

Work specific – workplace hazards should be identified and controls developed for all items of work the company performs. OSHA requires that sections be developed if your company must comply with a specific regulation required by a government agency. Development of non-required sections is still suggested to cover any workplace hazard that may be encountered by workers during the course of their work.

Conclusion

A successful safety program for any organization must have management support. Management’s active role in the program can demonstrate a genuine interest in the safety and health of its employees, which in turn can help promote a positive safety attitude among employees. A safety program should be tailored to suit each company’s needs.

Maintaining an effective safety program is an ongoing process. Safety programs should be reviewed and updated at least yearly to ensure that any new regulations have been addressed and incorporated. Frequent evaluations of safety activities are necessary to ensure the policies continue to address needs. Whenever new processes, tools or equipment are introduced, or loss experience increases, the program may need to be

modified or expanded. An effective safety program can help reduce or eliminate personal injury and/or property losses, which can result in increased profit.

References

¹ Bureau of Labor Statistics. "Industries at a Glance." Construction NAICS. Web. Data extracted on: May 10, 2019. <<https://www.bls.gov/iag/tgs/iag23.htm#iag23emp1.f.p>>.

² "UNITED STATES DEPARTMENT OF LABOR." Occupational Safety and Health Administration, www.osha.gov/shpguidelines/ten-easy-things.html

June 2019

The Zurich Services Corporation

Risk Engineering

1299 Zurich Way, Schaumburg, Illinois 60196-1056

800 982 5964 www.zurichna.com

The information in this publication was compiled from sources believed to be reliable for informational purposes only. All sample policies and procedures herein should serve as a guideline, which you can use to create your own policies and procedures. We trust that you will customize these samples to reflect your own operations and believe that these samples may serve as a helpful platform for this endeavor. Any and all information contained herein is not intended to constitute advice (particularly not legal advice). Accordingly, persons requiring advice should consult independent advisors when developing programs and policies. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication and sample policies and procedures, including any information, methods or safety suggestions contained herein. We undertake no obligation to publicly update or revise any of this information, whether to reflect new information, future developments, events or circumstances or otherwise. Moreover, Zurich reminds you that this cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances. The subject matter of this publication is not tied to any specific insurance product nor will adopting these policies and procedures ensure coverage under any insurance policy. Risk Engineering services are provided by The Zurich Services Corporation.

© 2018 - 2019 The Zurich Services Corporation. All rights reserved.

