

# WORKPLACE SAFETY: A COST OR A BENEFIT – YOU CHOOSE!

*By Collin Pullar, President and CEO, Saskatchewan Construction Safety Association*



In a perfect world, completely eliminating workplace hazards at the source is the most effective measure for keeping workers safe. This could take the form of changing a work procedure to minimize the risks associated with a specific task, removing a faulty piece of equipment from a shop floor, or implementing a new safe work practice for all company employees and sub-contractors to follow. It's important to keep in mind that regardless of the actions taken to minimize or eliminate danger in the workplace, the risk of injury is always predictable and preventable. When a company looks to reduce its number of work-related injuries – most commonly for financial, legal, or moral purposes – they are confronted with the task of systematically integrating various health and safety practices and conditions into their day-to-day operations.

A workplace plan that aims to reduce human and financial costs associated with injuries is fundamentally what constitutes an Occupational Health and Safety Program or a Health and Safety Management System. An increasing number of government and industry leaders seeking construction contractors in Saskatchewan are requesting, if not requiring, companies to have an effective Health and Safety Management System in place prior to tendering work. Investors and other stakeholders are also driving this

growing trend because it is a tangible way to determine if a company is methodical in its operations and serious about protecting the assets that enable it to optimally perform.

Companies of all sizes are also picking up on this trend and showing the same interest in making an investment in safety, if only to gain a competitive advantage in the marketplace. Aside from the advantage of bidding on large-scale projects – an opportunity to make money – these companies are also paying less in insurance premiums each year they reduce the number of overall claims – an opportunity to save money. As I mentioned before, one of the main reasons more and more companies are looking to prevent and reduce injuries is for these financial benefits. Day in, day out, a company's survival depends on profit, and when an unplanned incident occurs on a worksite, there are several not-so-apparent “hidden” costs that can really affect the bottom line.

If a construction project has to be interrupted to perform an investigation of a chemical spill, for example, a contractor can incur a number of additional costs. This includes extensions on contract bonds guaranteeing that the work will be completed. There is also the rental of facilities and equipment needed on the construction site that may be covered by overhead costs. Additionally, if the

incident results in one or more worker being seriously injured or even killed – given that the site is permitted to continue operations – there is the cost of hiring and training other workers as replacement. Renting or replacing damaged or destroyed equipment is also a major expense, which again produces more hidden costs if there are significant project delays because of the time needed to obtain that equipment.

According to the “accident cost iceberg” analogy widely referenced in occupational health and safety research, for every dollar a company loses to a workplace incident, there is between \$5 and \$50 in ledger costs associated with property damage and between \$1 and \$3 in uninsured miscellaneous costs. To put that into perspective, a \$1,000 insured claim could cost a company as much as \$53,000 in uninsured costs. A company with a profit margin of three per cent would have to then put in \$1.7 million of work to recover that loss.

Companies that have a safety management system – typically one that certifiably meets national standards, such as the Certificate of Recognition (COR®) program offered by the Saskatchewan Construction Safety Association – are high-

performing and will outperform companies that are not invested in safety practices. This is not the first time this correlation has been drawn and will be used as an indicator of success. Regardless of how it is viewed, a safety record can, and will, impact your business. Whether that impact is positive or negative is a tangible choice that is paving the way for how we do business in our province.

Collin Pullar is the President of the Saskatchewan Construction Safety Association, an industry-driven and funded association serving more than 9,000 member commercial, industrial and residential construction companies in Saskatchewan. Its mission is to provide high quality, nationally recognized safety training and advice to construction employers and workers leading to reduced human and financial losses associated with injuries. 🏠


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