



Loss Control: Creating a Culture of Workplace Safety

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America's small business insurance specialist[®]



It is widely believed that employees are a company's most valuable assets. Yet in the course of meeting

customer demands and managing unpredictable daily operations, many businesses overlook the importance of having a thoughtful workplace safety program in place to protect their most valuable assets.

At its core, loss control is about employers caring about their people and employees caring about their own safety. It's about doing the right thing and realizing people are integral to the long-term success of an organization. Successful loss control programs target prevention as the primary means of reducing injury frequency and severity of any potential accidents.

Taking a strategic approach to loss control not only helps to make the workplace safer for employees, it also results in direct cost savings for the business. As a result, workers' compensation costs decrease, fewer overtime costs accrue, productivity increases, turnover rates decrease and relations between labor and management improve.

“Minimizing loss is as much improvement as maximization of profit.”

*—Louis Allen
Loss Control Expert*



Consider that studies from the Occupational Safety and Health Administration (OSHA) indicate that for every \$1 invested in effective safety programs, \$4 to \$6 may be saved as illnesses, injuries and fatalities decline.¹ By creating a culture of safety in the workplace, everyone benefits.

A strategic approach to loss control focuses on improving safety results and realizing potential cost savings. A good, comprehensive safety program starts with a management culture that keeps everyone accountable. Without leadership involvement and a commitment from the top, none of it works.

Management Commitment and Employee Participation



The most effective loss control programs start with an authentic commitment from management that

makes workplace safety a strategic imperative across the organization.



Top Five Goals of Promoting Safety

- 1. Bring safety out of the back room and into the boardroom.*
- 2. Change employee health and safety from reactive to proactive by establishing a culture of workplace safety.*
- 3. Implement safety as an enterprise value, not just a cost center.*
- 4. Use objective tools to quantify results.*
- 5. Compete successfully with limited budget dollars.*

This level of commitment requires management to provide the visible leadership in collaboration with employees to develop, implement and continuously improve the company's workplace safety initiatives. Together, this collaborative team or safety committee should establish an annual safety goal with the appropriate objectives and workplace safety plan to achieve success.

Prior to finalizing the workplace safety plan, management should ensure that all company job descriptions include workplace safety responsibilities that support the company's goals. It's also important to make these responsibilities a standard component of employee performance reviews, which will clearly demonstrate the program's importance across the company and include a necessary measure of accountability.

By following a four-step process that targets prevention as the primary means of reducing injury frequency and severity, businesses can create their own culture of safety that helps protect their most valuable assets – their employees.

Four Steps to Successful Loss Control

1. Hazard Assessment & Evaluation:

The first step establishes the foundation upon which a company's injury and illness prevention efforts are based. The objective is to clearly identify opportunities to improve safety programs.

2. Action Planning & Problem Solving:

Based on the initial evaluation phase, businesses develop their own action plans.

3. Implementation:

With the action plan in place, it's time to engage employees in the process, instill accountability across the organization and implement an effective safety improvement plan.

4. Recordkeeping & Documentation:

Diligent recordkeeping and documentation are important aspects of ensuring the successful administration of a comprehensive workplace safety program. Not only does it facilitate accountability and effective business management, it also documents the company's results for possible OSHA inspections or insurance audits.

Hazard Assessment & Risk Evaluation



In the first phase of developing a comprehensive loss control program, it is important to conduct an initial hazard

assessment and evaluation to understand how to mitigate or eliminate potential risks. This initial step not only serves as the basis for identifying and immediately correcting potential safety issues, it establishes a platform that continuously evaluates operations and enables ongoing hazard control enhancements.

Oftentimes, companies can leverage the assistance of loss control experts from the company's workers' compensation insurance provider. In this initial phase, a comprehensive report should be developed outlining a complete survey of hazards and potential hazards that exist in the work environment. Inventory should also be taken on the various job functions, including an analysis of every facet of each position to identify possible hazards that exist for those employees.

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The hazard assessment and evaluation should be completed by an individual or designated safety committee that has been tasked to manage the company's loss control program. OSHA recommends safety committees be organized for each of the company's worksites and comprised of two managers and two hourly employees. Together, the safety committee team conducts routine worksite evaluations and prepares job hazard analysis reports that identify any issues, document necessary courses of action, communicate problems to work groups and ensure hazards are corrected.

To illustrate: in the case of a convenience store chain, the EMPLOYERS loss control team was consulted with to implement loss control measures. The first step was to isolate variables posing potential health and safety threats to workers such as: low-hanging industrial signage, polished floors and slippery surfaces like ceramic tile. In the case of a restaurant, the initial assessment and evaluation worked to identify high-risk areas such as spaces around coolers, freezers, dishwashers, cooking areas, and doors leading to and from any area where floor surface changes occur.



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Ultimately, risk evaluation is a key component to establishing and sustaining a strategic loss control program. By conducting a thorough analysis of potential hazards, establishing responsibility across the organization and establishing procedures for correcting issues, businesses can position themselves to successfully achieve their workplace safety goals.

Action Planning



Having identified both existing hazards and potential hazards in the initial evaluation phase, the next step is to design and

implement an action plan that prevents or controls those hazards. Action plans should be written to correspond with the unique nature of individual businesses and in alignment with the potential hazards revealed in the evaluation phase. At its most fundamental level, an action plan should provide a specific, written description of problems and solutions.

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- 1. It provides a comprehensive list of major changes or improvements required to make your workplace safety program effective.*
- 2. It maps out specific steps that the team will take to make each major change or improvement.*



In this process, the safety committee should assign each item a priority and a target date for completion, and identify the team member who will be responsible for ensuring each assignment is completed in a timely fashion.

The second part of the action plan involves mapping out specific steps that the team will take to make each major change or improvement. This is something that can be included in a matrix or grid format in which each task is listed along with the required actions, the individual responsible and the targeted completion date. This activity status tracking element of the action plan enables the team to efficiently manage progress and ensure deadlines are being met.²

Implementation



It is recommended that the safety committee address items requiring corrective action with the highest priority.

And because everyone in

the organization has a vested interest in achieving ever-improving workplace safety, the safety committee should be sure to engage various employee groups to help address multiple action items simultaneously, further helping to accelerate positive results.



How to Maintain an Effective Safety Program

1. Maintain a dedicated meeting schedule to organize inspections and training sessions.
2. Document all activity and keep current.
3. Maintain accountability across the board.
4. Review your losses and near-misses to evaluate corrective courses of action.

Open communication with employee groups is very important to facilitating a successful loss control program. Employee cooperation is largely connected to everyone understanding what the program is all about, why it is important to them, and how it personally affects them. Consider relevant channels through which employees can be engaged and informed on the positive changes occurring in the workforce and how they can help. Some possible ideas include: letters to the home, e-mail updates, employee newsletter articles, and in-person manager meetings.

In order to effectively maintain a safety action plan, companies often schedule reviews quarterly, semi-annually or annually to evaluate each key element of their workplace safety program. This provides a procedure by which key individuals can determine what is working well and what improvements can be made. This process helps facilitate the opportunity for continuous improvement as new safety issues are identified and enhanced procedures can be implemented.

Ongoing training is also an important aspect to keeping workplace safety top-of-mind and ensuring everyone has a good understanding of potentially damaging workplace hazards. This knowledge should be established during new employee orientation and reinforced through ongoing training sessions.

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All employees play a part in maintaining a safe, orderly workplace. Employees should learn how to report any hazards to their supervisors or those who are responsible for remedying unsafe conditions on the job.

Record Keeping & Documentation



Diligent recordkeeping and documentation are important aspects of ensuring the successful administration of a comprehensive workplace

safety program. Not only does it facilitate accountability and effective business management, it also documents the company's results for possible OSHA inspections or insurance audits. In addition, it enables organizations to learn from past experience and identify corrections for future operations.

It is recommended that in the course of managing the workplace safety program, the company keep records of all related activities.

EMPLOYERS® Loss Control ConnectionSM is a free, online resource offered to policyholders that not only provides small businesses with the tools necessary to design and deploy their own loss control programs, it also makes it easy to create, store and organize important records, with resources like Training Track.



EMPLOYERS Recommends you Maintain the Below Records as Part of your Formal Safety Program:

- Training records
- Employee injury records
- Accident/injury investigations
- Inspection records/corrective actions
- OSHA 300 Logs (where required)

Conclusion

Risk is inherent when running a business, particularly for small businesses, which typically don't have the luxury of a dedicated risk management specialist. Businesses take risks every day on activities connected to product development, sales and marketing in order to gain a competitive edge. But, accidents should never be considered a "cost of doing business." Safety organizations, states, small business owners and major corporations alike now realize that the *actual* cost of a workplace injury can run far deeper than the dollar figure of an insurance claim.

By creating a culture of workplace safety that starts with the health and well-being of the company's most valuable assets – its people – organizations simultaneously optimize their opportunity to reduce their business costs, boost employee morale and enhance their corporate image.

About EMPLOYERS®

Employers Holdings, Inc. (NYSE: EIG) is a holding company with subsidiaries that are specialty providers of workers' compensation insurance and services focused on select small businesses engaged in low-to-medium hazard industries. Insurance is offered by Employers Insurance Company of Nevada, Employers Compensation Insurance Company, Employers Preferred Insurance Company, and Employers Assurance Company, all rated A- (Excellent) by A.M. Best Company. Coverage not available in all jurisdictions. Additional information can be found at: www.employers.com.

Sources

¹<http://www.qsrmagazine.com/hiring/protecting-your-most-important-asset>

²<http://www.osha.gov/Publications/smallbusiness/small-business.html>



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