OBSTACLES TO SAFETY
observations from the outside
“From where I stand”

• Health and Safety Professional for 25 years.

• 17 years spent consulting with organizations in various industries

• A unique aspect of my career has been consulting with insurance carriers on dozens of serious injury/fatality investigations, and witnessing the aftermath first hand

• This experience has caused me to become fascinated with why organizations make decisions which are so obviously bad, and how they ignore the possible future consequences of “cost-saving” measures
Poor decision-making is fascinating
It seems so simple to make a list of pro’s and con’s, assign a “weight” to each, and total them up.
...and yet, people don’t get it.
And if individuals are prone to poor judgement and decision making, then so are the organizations they manage.
Why do some companies get it and others don’t?

Why do some companies only get it when it’s too late?

Why don’t some companies get it even then?
Case study 1: Worker steps on shop-built “pan”

- 24 year old employee on an agricultural research project.
- Research staff fabricates a piece of analytical equipment from a store-bought “chaffing pan”.
- The modification creates a sharp edge on the bottom of the pan, which is filed down by hand.
Case study 1:
Worker steps on shop built “pan”
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Worker steps on shop built “pan”

- Student inadvertently steps on the pan. It flips up, striking him/her in the back of the knee. The inadequately filed edge lacerates an artery and a tendon behind his/her knee.
- Within minutes, the student has lost 40% of his blood.
- Coincidentally, a coworker happens upon the victim. She has recently completed a first aid class. She applies a tourniquet.
- Victim is airlifted from the scene and undergoes emergency surgery. He makes a full recovery.
Case study 2: The hose winder

- Summer helper in a city’s public works dept.
- Employees are required to wind/store water hose on a hose reel after washing city vehicles.
- Some employees aren’t strong enough to handle heavy hose.
- Staff has a small 5-10 HP motor “laying around” so they decide to mount it to a hose reel, creating a power hose winder.
- It has no emergency stop or “dead man” type controls.
- The worker is using it when his/her glove becomes entangled in the hose before a coworker is able to stop the machine by pulling the plug.
- Severe injuries to his/her arms.
Case study 2: The hose winder

$67
Case study 3: The heavy equipment operator

- Heavy equipment operator clearing trails in the woods.
- His dozer has a history of electrical problems.
- Rather than repairing it, they rig a system of jumper wires, other “fixes”.
- The make-shift system needs frequent adjustment (2-3/day).
- One day, he encounters the problem again. He leaves the cab and steps onto the tracks, only this time, he leaves the ignition on and the dozer in gear. When he corrects the problem, the machine starts up on its own and begins to drive forward.
- His overalls get caught in between the dozer’s track/pads. They pull him over the front of the tracks and he’s run over. He’s killed instantly.
Case study 4: The warehouse worker

• 27 year old warehouse worker/forklift driver
• Emp. needs to adjust the industrial racks in the warehouse.
• Employees routinely use a piece of ¼ steel plate on the forks of the forklift to elevate themselves.
• As he stands of the steel plate, applying a socket wrench to the rack arm, the wrench slips off the nut.
• He stumbles backwards, falling off the steel plate, 18 feet to the concrete floor below, landing on his head. He dies instantly.
Case study 4:
The warehouse worker

Forklift Safety Cage Work Platform Lift Basket Aerial Fence Rails Yellow 2 man
by Titan Attachments
Be the first to review this item

Price: $699.00
Sale: $549.00 & FREE Shipping
You Save: $150.00 (21%)

In Stock.
Estimated Delivery Date: May 19 - 24 when you choose Standard Shipping at checkout. Ships from and sold by Titan Distributors.

- Mesh Safety Screen - Internal handrail
- Full length pallet fork pockets - Spring loaded inward closing door
- Spring loaded inward closing door - Automatic Drop Lock - Yellow Powder Coated Finish - Height: 75"
- Length: 43" - Width: 45" - Fork Slots: 6.25" x 2.5" - Capacity: 1,200 lbs. - Weight: 213 LBS - Material: Steel

We need your phone number! For the trucking company to schedule delivery. Without it there will be delays.

› See more product details
The big questions...

Why do some companies get it and others don’t?

Why do some companies only get it when it’s too late?

Why don’t some companies get it even then?
Answer: Successful companies treat safety like any other part of the business; they manage it.

- They view safety as quality (TQM)
- They understand their legal and ethical obligations
- They anticipate consequences, positive and negative, and make sound decisions based on them.

- They look for/build business cases
Companies that get it: A business case for safety

- The business case for safety is easy to make.

- We can all agree that accidents are costly, but:
  - They are MUCH more costly than most realize.
  - The **majority** of costs aren’t insured (out of pocket).
  - Out of pocket costs, as large as they are, tend to be “invisible”, so they are ignored or discounted, leaving only insured/direct costs, which seem minor.

- Safety has a direct, significant impact on the bottom line.
Companies that get it:
A business case for safety

Direct costs (insured costs):
• Medical costs
• Indemnity (payments to not work)

Indirect/Hidden costs (out of pocket):
• Lost production by victim and others
• Train replacement worker
• Reduced prod. of replacement worker
• Time/labor for accident investigation
• Admin. time to file and manage claim
• Legal fees
• OSHA penalties
• Damage to building, product, materials
• Increased premiums/increased EMR
Companies that get it: A business case for safety

Ratio of indirect to direct costs

Source – Federal OSHA

<table>
<thead>
<tr>
<th>Direct costs associated with claim</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$3k</td>
<td>4.5</td>
</tr>
<tr>
<td>$3k-$5k</td>
<td>1.6</td>
</tr>
<tr>
<td>$5k-$10k</td>
<td>1.2</td>
</tr>
<tr>
<td>$10k+</td>
<td>1.1</td>
</tr>
</tbody>
</table>
Companies that get it: A business case for safety

Bird/Germain study (1990)
There are 640 precursors to every serious injury.

640 opportunities to identify the hazard and prevent it before the “big one”.
A quiz...
An employee files a workers’ comp. claim for a work-related hernia. The claim has direct costs of $24,000. Assuming a 3% profit margin, how many dollars of additional sales are required solely to cover the costs of this claim?
Companies that get it:
A business case for safety

**Answer:** $1.5 million
Companies that get it:
A business case for safety

https://www.osha.gov/dcsp/smallbusiness/safetypays/estimator.html

**Beware** – some of the pre-programmed “direct” costs are highly suspect.
(i.e. dislocation is $73,000, but asbestosis is $14,000)
Companies that get it:
An extension of the TQM philosophy

- TQM is a comprehensive management approach
- Works horizontally across an organization, involving all departments and functions and employees
- Extends backward and forward to include both suppliers and clients/customers
Companies that get it:
An extension of the TQM philosophy

Most organizations think like this...

Quality

Safety
Companies that get it:
An extension of the TQM philosophy

TQM organizations think like this...

Quality

Safety
Companies that get it:
An extension of the TQM philosophy

Or this...

Quality

Safety
Companies that get it:
An extension of the TQM philosophy

- Top-performing TQM organizations vs. national averages:
  - Emp.s receive almost 2x training (safety and other topics)
  - Outperform industry averages for safety by 6%-8%

- Not surprising when proven concepts are applied to a different area
  - Employee participation, incentives, recognition
  - Continuous improvement
  - Process analysis, control, and interventions
  - Job design
  - Analyze/investigate issues and failures
  - Employee training and education
  - Conformance to standards and requirements
Companies that get it: An “emotional connection”

“You will NEVER see me again.”

- Company owner, to me, at the end of a fatality invest.

Translation – There will NEVER be another accident like this on my watch.
Companies that get it: An “emotional connection”

- Antecedent
- Consequence
  - Soon
  - Certain
  - Significant
- Behavior
Companies that don’t get it until it’s too late

• They haven’t been educated on the “business case”

• “Under estimation of obligation”/Over-estimate their status and compliance

• They **think** they don’t have the requisite resources

• There haven’t been consequences **yet** – no emotion connection

Respirator program
Call Dr. Davis for respirator stuff in May
Companies that will never get it

- Ethically “challenged”
- Obstinance
**Guess? stores**

- Recent inspection - $65,000 for repeat and other citations
- “obvious and easily preventable conditions”
Companies that don’t get it:

Diaz Roofing, LLC, Edgerton, WI.
• 13 citations since 2005
• Mostly for fall protection and related
• Included “willful” and “repeat”!
• Most recent was $104,000
Dollar General Stores, Inc.

- Multiple inspections *settled* for $825,000!
- Simple violations – blocked exits, fire extinguishers

Administration cited the Goodlettsville, Tennessee-based discount retailer after inspectors found a 5-foot high by 15-foot long pile of trash between employees and an emergency exit at an O'Fallon, Missouri store, the agency said Monday in a statement.
Overcoming objections and using fear as a sales tool

Two primary buying motivations:

“Desire for gain”
As it relates to safety:
- Easy to demonstrate, quantify
- Appeals to core values and concepts (profit, ROI, etc.)
- Builds trust
- Positive communication

“Fear of loss”
As it relates to safety:
- Harder to demonstrate, quantify
- Is often not grounded in fact/reason (almost by definition, is irrational)
- Harms trust, especially when fear must be “manufactured” (i.e. OSHA)
- Negative communication
- More speculative
Overcoming objections and using fear as a sales tool

Temptation to use fear to sell safety is great

• Perceived vulnerability – “How likely is this to hurt me”
• Perceived severity – “How bad will it hurt”
• Perceived efficacy – “Can I do something to prevent it?”
Overcoming objections and using fear as a sales tool

“If you’re not totally clean, you’re filthy”
- “Just” Hand soap campaign
Overcoming objections and using fear as a sales tool

“If you’re not totally clean, you’re filthy”
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Overcoming objections and using fear as a sales tool

Canadian workplace safety ads
Watch: https://www.youtube.com/watch?v=MwCyVku1Hvl

Central message: Workplace accidents are preventable

Themes: Gore, shock, fear – NEGATIVITY!

Results: 72% of Canadians object. Ads are removed.
Overcoming objections and using fear as a sales tool

Royal Dutch Guide Dog Foundation
Watch: https://www.youtube.com/watch?v=WIlPFRsseQ8

Central message: Our guide dogs protect those in need

Themes: Rescue, protection, safety

Results: Memorable, award winning ad
If you appeal to fear of loss (i.e. OSHA)...

<table>
<thead>
<tr>
<th>You might say...</th>
<th>In reality...</th>
</tr>
</thead>
<tbody>
<tr>
<td>“OSHA’s going to inspect you”</td>
<td>Probably not</td>
</tr>
<tr>
<td>“They’re going to fine you for this”</td>
<td>Probably not</td>
</tr>
<tr>
<td>“It’s going to be a big fine”</td>
<td>Probably not</td>
</tr>
</tbody>
</table>

..and trust is damaged
Overcoming objections and using fear as a sales tool

If you appeal to fear of loss (i.e. lawsuits)...

<table>
<thead>
<tr>
<th>You might say...</th>
<th>In reality...</th>
</tr>
</thead>
<tbody>
<tr>
<td>“You’re going to get sued”</td>
<td>Almost impossible (WC - sole remedy)</td>
</tr>
</tbody>
</table>

..and trust is damaged
Overcoming objections
and using fear as a sales tool

If you appeal to the desire for gain/sell the positives/make cost the thing that is feared...

<table>
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<th>You might say...</th>
<th>In reality...</th>
</tr>
</thead>
<tbody>
<tr>
<td>“This is a <strong>potential</strong> hazard and you may go 100 years without an incident”</td>
<td>True</td>
</tr>
<tr>
<td>“But if there is an accident it’ll be serious”</td>
<td>True</td>
</tr>
<tr>
<td>“Your costs will be significant and you’ll be paying for years.”</td>
<td>True</td>
</tr>
<tr>
<td>“A small investment now may save big money you down the road”</td>
<td>True</td>
</tr>
</tbody>
</table>

...and trust is established/maintained
Summary

• Like people, organizations often exhibit questionable decision making

• For many reasons, some organizations seem to get it, others don’t
Summary

• The common thread between the companies that get it, is that they manage safety like any other part of the business:
  – They look for the “business case”
  – They manage quality
  – They understand the obligations/responsibilities

• Appeal to this by educating them on true costs of accidents, financial and otherwise…but especially financial
Summary

- Move on from obstinance, and the ethically questionable

- Avoid fear as a sales tactic, especially if it has to be manufactured

- Educate on positives
Contact

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