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"Truss Plant Safety - Get the Facts First!" by Kendall Hoyd of Idaho Truss & Component Co.

The component industry is not usually associated with attention-getting safety issues. Logging, high-rise construction and offshore oil drilling are a few industries that quickly come to mind when thinking of workplaces with larger safety concerns than making sure the warning posters are all up to date. There are, however, some very compelling reasons to make safety a management priority. You will find that workplace injuries are probably costing you more than you think, and unless your safety record is already very good, safety improvement could add significantly to your bottom line.

COST OF INJURIES

The cost of workplace injuries manifests itself in a number of obvious (you write a check for it) and not-so-obvious (you pay for it somewhere else) ways. Think about it in very basic terms. A plate laceration requiring stitches, but without lost time may add up like this:

Emergency room cost	$300
Time lost - Injured party (assume 1.5 hours)	$18
Someone to take injured party to hospital	$18
Filling out injury reports & processing WC claim	$50
Lost productivity for injured worker*	$150
Total initial cost of injury	**$536**

*Assumes $85 of production per man-hour, 50% gross margin on work, and 10% productivity loss for four days while the injury heals.

Sadly, this is not the end of it. Your workers' compensation carrier pays the $300, but that comes at a steep price. You will have to pay your workers' compensation insurer a markup on your claims, plus an administrative charge. They pay the claims for you, but over time it is similar to putting it on a credit card—you pay it back later, with interest.

Depending on current market conditions, you may find that over time, for every dollar of loss, your carrier will charge you 1.2 times the amount of the loss for administrative costs, plus a 100 percent markup on that amount. The cost to you for the emergency room visit paid for by the insurer then goes to: $300 x 1.2 x 2 = $720. This brings the total cost for an injury as simple as a plate laceration to $936 per occurrence! No lost time, no surgery, no disability claim, just a few

stitches. When you start to add X-rays, surgical procedures and lost time to the formula, you can see the numbers skyrocket.

GETTING THE FACTS

There's an old saying in Total Quality Management circles: “In God we trust. All others bring data.” One way to work towards reducing injury costs is to increase the amount of information you have about your injuries. This will allow you to better analyze the causes. Loss runs from the workers' compensation insurer do not, for example, give you specific enough information to devise preventive solutions for safety problems. You need to know which hand (right or left?), where the injury occurred (yard? jig table? saw?), what time of day, etc. in order to ensure that you can identify patterns as they emerge.

There's a lot you can say about this, but I'll just give one example from our experience at Idaho Truss. Our data showed that a high percentage of our injuries were back, neck and shoulder strain injuries. One of our workers' compensation carrier’s recommendations was to institute stretching for the first five minutes of each shift, citing the increased circulation and warmer muscles as a good way of reducing muscle and back strains. Have you ever suggested such a thing to your production labor force? Calisthenics? What is this? Gym class? The first mention of this got me laughed out of the room. We tried to encourage the stretching program, but with very little willing participation. Anyone who wasn't actually being prodded by a supervisor wouldn't do it.

A closer look at the data showed that 90 percent of injuries classified as “strains” occurred before 10 a.m., and that 90 percent of those occurred in a month when the mornings were cold (only October through March in Idaho—not year round like you probably think). We gathered the production crews and showed them the statistics, and buy-in for the stretching program increased immediately and dramatically. We were no longer trying to convince them of some vague hunch—we had facts.

In this case, having the data did two very powerful things. First, it showed us quantitatively what our number-one safety problem was. Secondly, we were able to give compelling facts about the circumstances surrounding back injuries to our employees, which made it easier for them to buy into something that, at first, seemed unusual.

BENEFITS

Since the beginning of our data gathering project, and the coinciding emphasis on safety by our production management, we have had some very good results. Total injury frequency is down 27 percent since 1998. Our experience modification factor**** dropped from 1.30 to 0.79 over the last three years. For a plant our size, using Idaho workers' compensation rates, this has resulted in a reduction of workers' compensation insurance cost of about $40,000 per year. The $40,000 figure is dependent on the overall level of rates in your state at the time you purchase insurance. Regardless of that, 0.79 is 39 percent lower than 1.30, so in any rate environment, our cost will be around 39 percent lower than it would have been at our old factor.

An additional benefit has been increased morale for both managers and employees in production. Having a strong safety culture increases professionalism and employees' sense of being valued by their employer. Finally, and most importantly, our people aren't getting hurt at work as much as they used to and that alone is worth the effort

****Experience Modification Factor (sometimes called "e-mod")** is a number that indicates a company's injury experience compared to its industry classification in its states workers' compensation system. For example, a 1.0 "e-mod" in the "Carpentry" classification in the state of Idaho would indicate injury experience equal to the average of all companies in the classification. Less than 1.0 means lower injury experience, and greater than 1.0 indicates higher. This factor is applied to the state's standard rates for industry classifications to provide the basis for setting workers' compensation rates.

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SBC HOME PAGE

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