Orientation, Value and the Necessity of Safety Training

Sector (NAICS code)	Ν	
Mining, quarrying, and oil and gas extraction (21)	5	\$4,433
Construction (23)	30	\$3,626
Utilities (22)	7	\$3,335
Manufacturing (31-33)	50	\$1,515
Agriculture, forestry, fishing and hunting (11)	5	\$890
Total: Goods-producing sectors	97	\$2,417

- The Institute for Work & Health conducted a study in 2017 estimating the scale of employer expenditures to protect the health and safety of their workers.
- 334 employers in Ontario participated in the study
- Average employer expenditure (among employers with 20 or more staff) on health and safety per worker per year for 17 sectors

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The proportion of estimated expenditure allocated to each of five dimensions of Occupational Health and Safety was generally consistent across economic sectors:

- 58 per cent to organizational management and supervision
- 22 per cent to staff training in health and safety
- ♦ 14 per cent to personal protective equipment
- Less than five per cent to each of professional services and new capital investment.



#### **Organizational Management and Supervision**

- Proportion of time (share of a full-time equivalent) spent on health and safety by the most senior person responsible for health and safety and the number of staff who supported this person in that role
- Joint Health and Safety Committee (JHSC) including the number of members, the frequency and duration of meetings, and the number of hours per year that committee members spent on workplace inspections
- The number of supervisors in the organization and an estimate of the annual percentage of time each supervisor devoted to monitoring compliance with the organization's health and safety policies

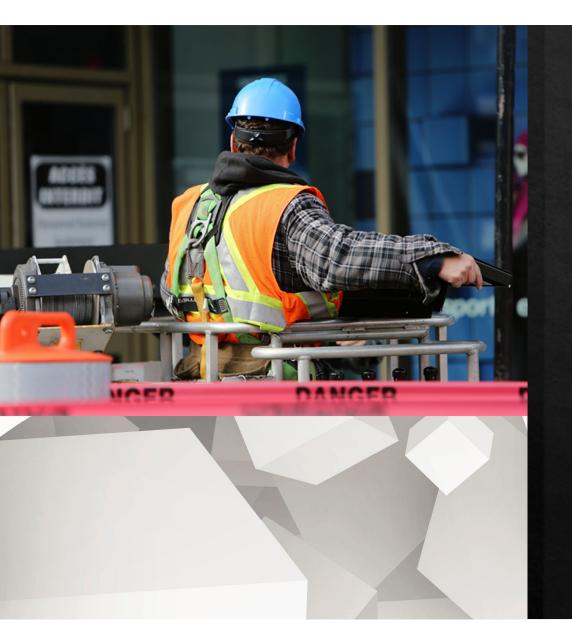
Construction - \$2100/year/person



#### **Staff Training in Health and Safety**

Time and resources to provide health and safety training to new and regular staff, which included an estimated count of trainees each year, the number of hours of health and safety orientation and training provided, and an estimate of the per-person cost of training.

Construction - \$800/year/person



#### **Personal Protective Equipment**

 Number of units and estimated unit cost of personal protective equipment purchased in a typical year, by type of equipment.

**Construction - \$475/year/person** 



## Professional Services and New Capital Investment

- External consulting services to audit the organization's health and safety policies and procedures
- New or renovated facilities, acquired capital equipment, the estimated life of the new facilities or equipment, and the estimated share of this capital investment that would be attributed to improvements in worker health protection

**Construction - \$251/year/person** 

# How Does Your Organization Measure Up?



1. Creates a Culture of Safety

Workplace safety culture is under your control in many ways. By providing regular training, you show staff that safety is an important value at your company and therefore promotes a culture of safety.



2. Decrease Turnover

Safety training shows staff that you care about their wellbeing. If they feel it's unlikely, they'll suffer an accident at work, they're more likely to stay on your team.



3. Better Support for Your staff

It makes sense to support and assist your staff to become the best they can be at their jobs. Sometimes it's difficult to identify who is struggling, but ongoing, job-specific safety training and periodic competency assessments can help uncover opportunities for improvement. If you notice that any workers are making many mistakes during the training, you can provide them with additional support going forward.



4. Improves Communication

Staff who know that you care about their safety are more likely to come to you if they see any causes for concern. They may point out hazards you were unaware existed or have ideas about how the company could improve.



5. Save Money on Training Costs

When you choose a qualified provider for your training, it's common to spend less. This is because there's no need to dedicate resources to creating a training program nor to spend on printing costs and paper to make your own materials.



#### 6. Keep Production Active

Accidents Incidents, injuries, and illnesses (regardless of severity) often mean the company may have to stop work entirely. This could include the investigation, stop work orders, and maintenance or repair of equipment, machinery, or product. Every minute production is on pause is time you're not generating revenue.



7. Reduce Absenteeism and Injury Costs

An injured employee is also unable to work for some time, meaning you may be missing out on an important skill set.



7. Reduce Absenteeism and Injury Costs (Continued)

Many contractors consider health and safety a legal requirement that means spending money without any hope of profit.

The real cost of workplace injuries and the potential return on investing in accident prevention shows that a safe, healthy workplace can be profitable.



7. Reduce Absenteeism and Injury Costs (Continued)

#### **Direct and Indirect Costs**

The average number of days for a lost time days in construction is 11.5 days (WSIB - 2020).

The average cost of a lost time claim can vary due to the severity of the injury or illness. One statistic reported \$35,000 for an average claim cost for a critical injury with surgery, and rehabilitation (WSIB).

In most cases, direct costs are covered by the WSIB and therefore have little or no immediate impact on profits in the short term. But they do impact on future profits, since they drive up the cost of doing business (Construction Safety Association Ontario (CSAO)).



7. Reduce Absenteeism and Injury Costs (Continued)

#### **Direct and Indirect Costs**

Injury costs are subtracted from a contractor's bottom-line profit. These costs can't be depreciated, written off as business losses, or deducted as expenses.



7. Reduce Absenteeism and Injury Costs (Continued)

#### **Direct and Indirect Costs**

To offset \$50,000 in losses from injuries, illnesses, or damage and still make a 3% profit, a company must sell an additional \$1,667,000 in services.



7. Reduce Absenteeism and Injury Costs (Continued)

#### **Direct and Indirect Costs**

Injuries involve both direct costs and indirect costs.

Direct costs consist of medical expenses such as ambulance, hospital, and doctors' fees, medication, and rehabilitation, compensation payments, Workplace Safety and Insurance Board (WSIB) premium increases, litigation costs and fines.



7. Reduce Absenteeism and Injury Costs (Continued)

#### **Direct and Indirect Costs**

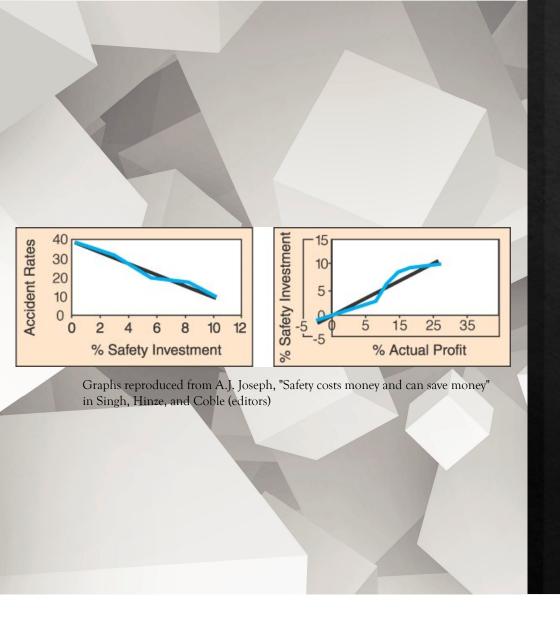
Indirect costs include disrupted work schedules, lost productivity, clean-up and repair, hiring and training replacement workers, bad publicity, and time spent on accident investigation, claims management, litigation costs and unable to bid on projects.



7. Reduce Absenteeism and Injury Costs (Continued)

#### **Direct and Indirect Costs**

CSAO found that the average ratio of indirect to direct costs in Ontario construction is 5 to 1. Indirect costs exert an immediate impact and usually result in lost profits.



## Conclusion

Studies indicate that investing in health and safety can yield financial advantages. They are:

- Accident / Incident prevention can be improved without higher costs and slower schedules.
- Workplace injuries account for 6-9% of project costs whereas an effective health and safety program accounts for only 2.5% of those costs.
- The higher the safety investment in a project, the lower the injury rates and the higher the profit.
- Increased training, more frequent inspections, and more health and safety meetings with field supervisors result in fewer lost-time injuries, lower costs, and a larger profit margin.



## Conclusion

**Orientation** – New employee orientation is necessary for all workplaces in Ontario. Existing staff need to be retrained as often as necessary. Site Specific orientation is also important and often forgotten. It is up to a constructor to orientate all staff, subcontractors and visitors with the use of site-specific orientation. This is a form of training.

**Value** – Proper training saves money. There is a return on your investment.

**Necessity of Safety Training** – It helps meet your legislative requirements. It tells your staff that you care about them and establishes a safety culture where people want to come to work.

# LANGLOIS S FETY Training & Consulting Services

Michael Langlois, CES, CHSC, CRSP

(289) 271-8623

https://langloissafety.com/

michael@langloissafety.com

22 Perma Ct Unit 1 St. Catharines, ON L2R 7K8