

Risk Topics

Developing an effective loss control program

Implementing, maintaining, and supporting an ongoing safety program can help you control unnecessary expenses.

Introduction

Accidents cost you money...not only through direct costs, such as medical and compensation expenses, but in indirect costs as well. In fact, it is the indirect costs that can really add up. Indirect costs result from those hidden factors on which a dollar value cannot easily be placed, such as production, time, employee morale, and customer goodwill. If lost, these items can easily cost you anywhere from 1 to 50 times

the direct costs. Therefore, whether an accident results in personal injury and/or property damage, they can be expensive and significantly cut into your operating costs.

Safety programs can help you control accidents, reduce operating costs, increase efficiency and productivity, and improve employee morale and public relations.

Developing an effective loss control program is not an easy task, and the results may take some time to show up. However, through perseverance, a strong desire, and management commitment, the benefits can justify the expended time, resources, and efforts. Significant dollars can be saved in compensation and other costs through implementing a safety program suited to your needs.

Discussion

Loss control program elements –

Commonly-found elements of a general safety program are discussed below. These elements offer a basic guideline. Other, more specific programs may also be appropriate, but at a minimum, any or all of these elements can be adopted to suit your facility's needs:

- Company safety policy
- Safety rules and regulations
- Duties and responsibilities
- Employee selection
- Employee orientation and training
- Facility self inspections
- Job Safety Analysis (JSA)
- Accident investigations
- Safety committees
- First aid
- Personal Protective Equipment (PPE)
- Recordkeeping

These program elements can provide management with clear direction and a methodical approach to helping control losses. They can also help employees realize management's expectations of them with regard to using safe work practices.

When implementing a Loss Control Program, it is generally not advisable (or practical) to introduce all of these elements at once. Doing so may only serve to overwhelm, confuse, and frustrate personnel. As such, implement these elements into the normal work activities in a manner that allows employees time to absorb the information and adjust to any necessary changes as a result. This can allow the program to become an integral part of the work ethic, rather than merely a "paper" program.

Consider introducing program elements on an "as needed" basis. This is easiest done by analyzing your losses. For example, if your loss analysis reveals numerous

accidents resulting from unsafe conditions, consider developing and implementing a facility inspection program to address this problem. Regardless of the program element being introduced, management's commitment to the health and well-being of employees is paramount to the success of a program. This gives substance to the program. Therefore, it can make sense to introduce first, those elements that exemplify management's support and involvement. These needs can be addressed in a company safety policy and in safety rules and regulations, which can serve as foundational elements that are developed and in place before other program elements. These two elements can lend legitimacy to a program, provide guidance, and offer a means to justify disciplinary action.

Guidance

A brief description of the purpose and objectives of each loss control program element listed above, is discussed below:

Company safety policy – Write a safety policy statement and publicize it by top management to demonstrate their support for employee safety. Communicate the message that safety plays a key role in the organization’s welfare. This element lends credence to the safety program.

Safety rules and regulations – Safety rules and regulations are developed and enforced primarily to help reduce or eliminate personal injury and/or property damage caused by unsafe work practices. Have rules and regulations encompass both general (company-wide) and specific (departmental) requirements. Although safety rules and regulations are meant to promote safe work practices, they can also justify disciplinary action to change or modify poor or unsafe work behavior.

Duties and responsibilities – Every employee has a responsibility toward safe job performance. As such, develop and incorporate into the job descriptions of all employees and management, the duties and responsibilities, including safety expectations. This can help provide specific direction, assign accountability for conducting work activities in a safe manner, and support the overall safety commitment.

Employee selection – An effective employee selection program can help improve overall job performance by selecting the right person for a job. Effective employee selection starts with well-defined and objective requirements for each job. The applicant’s ability to meet these requirements can then be determined through a variety of resources, including the initial application, the interview process, reference checks, written tests, physical examinations, and probationary periods, to name a few examples.

Employee orientation and training – In employee orientations, teach new employees the fundamental aspects of safe job performance, in addition to the skills required to perform a particular job. Safety indoctrination is an important part of the orientation process as it instills a positive attitude toward safety from the first day on the job. Employee training is also a

significant element of a safety program, because it puts safety in the forefront. Direct training at the new employees, employees placed in new positions, and employees displaying poor or unsafe work practices. Safety training that highlights the job hazards can have a positive impact on job performance and productivity.

Facility safety inspections – Include self inspections as an integral part of a safety program. They can be important in identifying and correcting workplace hazards. Direct inspections at identifying both unsafe work practices and unsafe physical conditions. Document all inspections in writing and submit them to appropriate personnel for corrective action. Develop a follow-up procedure to help ensure that corrective action is completed in a timely fashion.

Job safety analysis – Job Safety Analysis (JSA) is a valuable tool used to review specific tasks in order to identify potential hazards associated with the task. Once the potential hazards are identified, solutions can be developed and incorporated into the job procedure to help eliminate or control the exposure. JSAs promote safe job performance by providing employees with increased safety knowledge, establishing safer job procedures and developing safer working conditions.

Accident investigation – Although accident investigations are performed after the accident has occurred, it is important to learn from mistakes. The purpose of accident investigations is to uncover the true accident causes in order to prevent the recurrence of similar accidents. When properly used, the investigation can help improve employee morale and promote safety by showing management’s concern for the employee’s well-being.

Safety committees – The basic function of a safety committee is to create and maintain interest in safety and health and thereby help reduce accidents. Include both supervisory and nonsupervisory personnel on your safety committees, who are selected to serve on a rotating membership basis. These committees allow management to delegate some of the safety program functions.

First aid/medical activities – Consult a physician when establishing first aid and medical procedures and when determining which first aid supplies to maintain. Have a minimum of two employees trained in first aid and CPR techniques available on each shift. Effective first aid/medical procedures can help reduce the potential severity of accidents by providing initial treatment and care of minor injuries, as well as by providing first aid care of more serious injuries until advanced medical help, i.e., physician or hospital care, can be obtained.

Personal protective equipment (PPE) – Use of appropriate personal protective equipment is mandatory when hazards cannot be eliminated through engineering controls/safeguards. Personal protective equipment can be used to limit exposures and exposure time to a variety of physical, chemical, biological and process hazards. Include equipment selection, employee training, and equipment maintenance procedures in your program.

Recordkeeping – Good recordkeeping practices are fundamental to a safety program to document a variety of safety activities and to maintain loss information. Maintain records of accidents, accident investigations, first aid, safety committee meetings, employee training, and facility inspections.

Conclusion

A successful safety program for any organization must have management support. Management's active role in the program can demonstrate a genuine interest in the safety and health of its employees, which in turn can help promote a positive safety attitude among employees. A safety program should be tailored to suit each facility's needs.

Maintaining an effective safety program is an ongoing process. Frequent evaluations of safety activities are necessary to ensure they continue to address needs. Whenever new processes or equipment are introduced, or loss experience increases, the program may need to be modified or expanded. An effective safety program can help you reduce or eliminate personal injury and/or property losses, which can result in decreased operating costs.

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