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## WAYS TO MAKE SAFETY WORK

### **Why setting up a company safety program makes sense, and how it can cut your costs.**

The federal health and safety inspector was waiting for Jerry Grigsby, president of Arkady Industries of Malvern, Ark., when Grigsby emerged from a company meeting one day earlier this year.

It seems that several safety concerns about his garment-finishing firm had been raised with the U.S. Occupational Safety and Health Administration office in Little Rock.

Fortunately, Grigsby was ready for his OSHA inspection. His 130-employee firm had made workplace safety one of its top priorities. In fact, Grigsby was attending a meeting on safety matters when the inspector arrived at the plant.

Grigsby says the company has taken steps to be sure it is "in compliance with health and safety regulations. It cost us money, but it didn't cost us as much as it would have cost us in fines."

OSHA, part of the U.S. Department of Labor, is the federal agency charged with developing and enforcing the nation's job-safety and health standards. It enforces those standards through workplace inspections.

The OSHA inspector in Arkansas made a thorough check of the Arkady plant, which prewashes and "stone washes" denim clothing. He dismissed six of the seven complaints against the company and praised the firm's attention to worker safety.

"I think our attitude had a lot to do with [the positive inspection]," Grigsby says. "Our attitude has been to create a workplace that is safe. We keep the safety issue in front of everybody."

Workplace injuries and illnesses are part of doing business, though. There were more than 6.5 million occupational injuries and illnesses among nearly 79 million workers in the private

sector in 1989, the latest year for which data are available, according to the Labor Department's Bureau of Labor Statistics.

Although preventing occupational injuries and illnesses is of primary concern to most employers, meeting the myriad federal and state workplace safety and health regulations can be an onerous task. One citation Arkady received--which was separate from the seven complaints--was for failing to provide periodic hearing tests for employees who worked with or near noisy machinery. The workers, as required by OSHA, were provided with ear protection.

Says Grigsby: "We just didn't know that we were required to give those hearing tests."

As the number of safety standards increases, small companies are having trouble identifying the often obscure rules with which they must comply.

Moreover, a number of areas for future compliance are only beginning to emerge. They include stress-related disorders, repetitive-motion injuries, and ailments related to ergonomics--the adjustment of the worker to the work environment. Several local jurisdictions around the country, for example, have passed standards for workers using video display terminals, including requirements related to the height of the chair and the angle of the VDT screen.

Says OSHA Administrator Gerard Scannell: "Some [employers] may not even know what OSHA is. They may not have the [OSHA] poster that they're supposed to have; they may not know how to record injuries and illnesses."

Companies with 11 or more workers are subject to routine OSHA inspections. Most businesses with fewer than 11 workers are exempt from such inspections, but they can be investigated--as can larger firms--if an employee files a complaint, if an incident results in five or more employees being hospitalized, or if a workplace death occurs. High-hazard industries, such as manufacturing firms, chemical companies, and construction companies, are subject to inspections regardless of the number of employees.

Even for companies not subject to inspections, it is a good idea to have a workplace safety and health program and to comply with OSHA standards, says Stephen Yohay, a partner with Jones, Day, Reavis & Pogue, a law firm based in Washington, D.C.

There are several sources to which employers can turn for help in meeting safety and health standards. The best source may be OSHA itself. The agency offers a number of free publications on complying with various workplace standards.

For example, Hazard Communication Guidelines for Compliance describes the requirement that all companies educate workers about hazardous materials in their workplace and keep detailed records of such materials.

OSHA also has a free on-site consultation program primarily for small, high-hazard industries. Conducted through state agencies and universities, the program includes an evaluation of a firm's mechanical and physical work practices, potential environmental hazards, and the company's job-safety and health program.

The independent safety and health consultant presents his or her findings and recommendations to the employer, who must agree to correct serious workplace hazards. No citations are issued, and violations are not forwarded to OSHA enforcement officials as long as problems are corrected.

Insurance companies make up another resource. "Most [insurance firms] have very large safety and health or loss-control departments with ... inspectors and engineers," says Ken Hatcher of the American Insurance Association, in Washington. He says workers' compensation and property insurers will conduct--often for free--safety audits for their clients. "It's in [the insurer's] best interest," Hatcher says, pointing out that the insurance company is less likely to have to pay out large claims to businesses that have safe work environments.

The state fire marshal's office or, in some instances, the local fire department can conduct inspections for possible fire-code violations. And some local chambers of commerce and industry or trade associations can provide workplace safety and health information.

According to Administrator Scannell, OSHA's consultation program and a new initiative under way in Georgia represent the agency's commitment to helping small companies comply with OSHA regulations. In Project Safe Georgia, OSHA and representatives of the insurance industry are educating Georgia's small businesses about workplace safety, safety and health legislation, and new standards.

"Employers shouldn't think that we're out to get them, because we're not," Scannell says. "We truly are there to help people."

Tod Foley, business liaison for OSHA, says, "The ultimate goal is certainly not to overregulate or burden the small-business community, it's to improve safety."

If Project Safe Georgia is successful, says Foley, similar programs will be implemented in other states. He adds that the agency is putting together a small-business task force, which will include a representative of the U.S. Chamber of Commerce, to reflect small businesses' views on OSHA policies and programs.

Although OSHA and its 23 federally approved state affiliates have expressed a desire to cooperate with small business to ensure safe and healthful workplaces, they are under increasing pressure from Congress and the public to crack down on OSHA violators.

The fines for violations can be stiff. Last year, Congress increased OSHA penalties sevenfold. Willful violations--those that the employer intentionally and knowingly commits--carry a penalty of up to \$70,000 for each offense. If a death occurs because of a willful violation, the offense is punishable by a court-imposed fine, or a six-month prison sentence, or both.

Fines of \$7,000 per offense are mandatory for serious violations--defined as offenses where there is substantial probability of death or serious physical harm to a worker.

For violations deemed less than serious, fines of up to \$7,000 per violation can be levied.

All OSHA fines may be appealed and also may be reduced based on a company's size and history of previous violations. Reductions in serious and less-than-serious violations also are based on a firm's "good-faith" efforts to comply with OSHA standards. Having a health and safety program is an example of a good-faith effort.

Although employers may know the OSHA standards that apply to their particular industries, they often overlook the more fundamental health and safety rules.

Here are some necessities for ensuring a safe workplace:

**Management Commitment To Safety.** Without commitment from the top, your safety program will likely fail, says Robert Synnett, safety director for M.B. Kahn Construction Co. of Columbia, S.C. After implementing a safety program that involved all employees, the

company saw its accidents and insurance rates decline. (See "Cutting Costs Through Safety," on Page 26.)

**Communication.** Management's commitment and its expectations of employees on workplace safety must be communicated to workers, says Arkady Industries' Grigsby. OSHA requires companies with 11 or more workers to display an OSHA job-safety and health poster, which informs employees of their rights and responsibilities under the Occupational Safety and Health Act.

Copies of all OSHA citations for violations must be posted at or near the location of any violation for three days or until the violation is corrected, whichever is longer. And a yearly summary of injuries and illnesses must be posted each Feb. 1 for one month.

**Safety Audits.** Companies should conduct their own safety checks or ask their workers' compensation or property insurer to help identify existing and potential safety and health violations.

Another option is OSHA's consultation program, which includes a free on-site inspection.

When doing a self-audit, employers should use a "what-if" exercise to identify, for example, the 10 worst accidents that could occur in the workplace and the steps necessary to avoid them or deal with them, says lawyer Yohay.

In physical workplace inspections, areas of basic concern include fire safety, personal-protection equipment, electrical safety, basic housekeeping, and machine guards.

Questions employers should ask themselves include the following:

Are there adequate exits and working fire extinguishers?

Are there any frayed wires or overloaded circuits? Can power be shut off quickly?

Are employees using safety glasses, hard hats, or other protective gear? Are they using such items properly? Are there safety devices for machinery?

Are there guard rails or floor mats where needed to protect against slipping and falling?

Are aisles and exits clear?

**Safety And Health Training.** All employers should have some type of job-safety and health program, according to Yohay and other experts, and all employees should take part. OSHA, its independent consultants, or your insurance company's loss-control department can help you set up such programs.

**Record Keeping.** Employers should keep up-to-date and accurate records of occupational injuries and illnesses. Companies with 11 or more employees are required to maintain OSHA forms 200 and 101, which, respectively, are for summaries and detailed descriptions of each workplace injury or illness.

For information on specific OSHA standards, employers can consult their trade or industry association, insurance company, or the OSHA regional office in their area.

Some of OSHA's publications on standards are free. The agency also sells--for nominal prices--digests of the federal safety and health standards that apply to the construction industry and other industries.

The publication All About OSHA provides an overview of the agency, its programs, record-keeping and reporting requirements, penalty structure, inspections, and employer and employee rights and responsibilities under the job-safety and health law. It also lists telephone numbers for each state consultation program and for all OSHA regional offices.

Other OSHA publications include Employer Rights and Responsibilities and Courses of Action Following an OSHA Inspection and How to Prepare for Workplace Emergencies.

A list of OSHA publications and audiovisual materials can be obtained by sending a self-addressed mailing label to the U.S. Department of Labor-OSHA, Publications Office, Room N3101, 200 Constitution Ave., N.W., Washington, D.C. 20210.

PHOTO (COLOR): Arkady Industries' President Jerry Grigsby, left, and Herman Grayer, right, check worker Kenneth Buckner's safety equipment.

PHOTO (COLOR): A safety poster designed by Arkady employees.

PHOTO (COLOR): Attention to safety helped Kahn Construction cut costs.

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By David Warner

#### **CUTTING COSTS THROUGH SAFETY**

While employers should meet job-site health and safety standards to avoid penalties applied by the U.S. Occupational Safety and Health Administration (OSHA), there are other reasons to ensure a safe and healthful workplace.

M.B. Kahn Construction Co., of Columbia, S.C., saw its workers' compensation premiums soar to \$500,000 a year in 1988 following several years of disappointing safety records. In 1985, the company recorded 69 job-site injuries among its 200 employees, who worked 373,000 employee-hours that year.

"Our insurance premium had gone just flat through the roof," says Robert Synnett, vice president and safety director, and Kahn Construction made a commitment to safety. "We just got serious" about preventing accidents," he says.

Supervisors were issued accident-prevention manuals, and the firm began publishing a quarterly newsletter dedicated to safety issues. Job sites are now inspected weekly, and bonuses are awarded for exemplary safety records. The company's accident rate and workers' compensation costs have declined steadily since the safety program began, says Synnett.

Through the first nine months of 1991, the company recorded just 52 injuries among its 500 employees, who have worked nearly 900,000 employee hours--a vast improvement over its 1985 injury rate. Moreover, the firm has saved \$500,000 in insurance premiums the past two years.

Kahn is now on its way to setting new industry safety standards. The year ending last June 30 was the company's safest on record in its 63 years of operation, according to Synnett. In fact, because of its success in overcoming its safety problems, the company was designated a Blue Chip Enterprise by the Connecticut Mutual Life Insurance Co. and Nation's Business magazine.

The Blue Chip Enterprise program is designed to help small businesses become more competitive. It identifies enterprises that were particularly innovative and resourceful in solving problems, and it makes those case histories available to all small businesses.

Ensuring a safe and healthful work environment not only can cut costs but also can increase productivity.

The National Safety Council says occupational accidents and deaths cost employers, employees, and the nation altogether \$63.8 billion in 1990. Private-sector employees lost 60 million workdays in 1989 as a result of workplace injuries and illnesses, according to the Bureau of Labor Statistics.

But for companies such as Kahn Construction, making "safety first" means much more than saving money and increasing productivity. "We have a moral responsibility for the health and safety of our workers," says Synnett. "That's the bottom line."

PHOTO (COLOR): Robert Synnett, right, vice president of Kahn Construction, directs safety programs.

PHOTO (COLOR): Words of warning at a job site.

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