

16.7: Putting It Together- Safety, Health, and Risk Management

Although it's been proven that a good working environment yields the best business results, many industries and workplaces are still—some, chronically—failing to meet OSHA's general duty to protect clause. This clause requires that employees be protected from all hazards, including safety, health and workplace violence. These management—and, specifically, human capital management—failures have serious business, human and macroeconomic impacts.



George Washington University environmental and occupational health professor David Michaels and occupational health and safety consultant John Henshaw (both formerly assistant secretary of labor for OSHA) argue that “a stronger commitment to safety and health can benefit workers by decreasing the number of illnesses, injuries and fatalities; increasing their engagement and satisfaction; and enabling them to be productive participants in the organization and their communities. When emphasizing the safety, health and welfare of workers, businesses also see benefits in decreased costs associated with workers’ compensation payments, training and recruitment; increased productivity and quality; and improved reputational and financial performance.”^[1]

Gallup’s State of the Global Workplace research supports these assertions, finding that high engagement was associated with the following benefits:^[2]

- Increased performance, including:
 - 21% higher profitability
 - 20% higher sales
 - 17% higher productivity and
 - 10% higher customer metrics
- Decreases in factors that undermine performance, including:
 - 70% fewer employee safety incidents
 - 41% lower absenteeism
 - 40% fewer defects
 - 28% less shrinkage (wastage or theft)
 - 24% or 59% lower turnover in low- and high-turnover organizations, respectively.

The National Safety Council reports that “every 7 seconds, a worker is injured on the job; that’s 510 injuries per hour, 12,600 per day, 88,500 per month and 4,600,000 per year.”^[3] Grim statistics, made even more appalling since each one is preventable. The International Labor Organization reports that the cost of work-related injuries and deaths totals almost \$3 trillion or approximately 4% of global GDP (gross domestic product).^[4] For additional perspective, ILO Director-General Guy Ryder noted that “the economic impact of failing to invest in worker safety and health is nearly equal to the combined gross domestic product of the 130 poorest countries in the world.” This is not only a constraint on business growth, it reduces national and global GDP and represents an unacceptable human and societal cost.

1. Michaels, David and John Henshaw. "[Here's Why Worker Safety is a Sustainability Essential](#)." GreenBiz. January 26, 2017. Accessed August 20, 2019. ↵
2. "State of the Global Workplace." Gallup. Accessed August 20, 2019. ↵
3. "[Workplace Injuries](#)." National Safety Council. Accessed August 20, 2019. ↵
4. "[ILO: Global Cost of Work-related Injuries and Deaths Totals Almost \\$3 Trillion](#)." National Safety Council, Safety + Health. September 6, 2017. Accessed August 20, 2019. ↵

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