

Roderick Retail Safety Institute
White Paper no. 1
“How Much Safety is Enough?”

The question for many retail organizations is...how much safety is enough? It is though we are imagining that there is some break-even point beyond which the cost of more safety will increase indefinitely. My contention is that this view is not looking at the issue from the correct perspective.

We can draw help from a parallel discussion between quality and productivity. Allow me to take you back to the 1960s and 1970s for a bit. As strange as it sounds today, we were taught in our classes in the 1960s that—a company could have quality or productivity, but not both. These two activities were considered as mutually exclusive—the more you increased the quality of a product, the more you decreased productivity. Jobs in quality were considered as “dead end” positions and were to be avoided like the plague else you were finished as a professional. Then the Japanese came along with their better quality automobiles, motorcycles, cameras, television, and on and on in the 1970s and 80s. Customers bought these products, even though in many instances, they were higher priced. Many false theories abounded as to how the Japanese were able to accomplish this, since we all knew of the reverse correlation between quality and productivity. The theory I heard most often was that it was the difference between the American and the Japanese cultures...the Japanese just worked (at low wages) their Asian bodies to near death because of something called “face”. American management took thousands of expeditions to Japan and came back with strange, but consistent tales of quality. They witnessed “first hand” that there was a positive correlation between quality and productivity. It was simply this. **“It is always faster to do a job right the first time!”** Even a little child can be made to understand this. While Drs. Joseph Juran and W. Edwards Deming were busy teaching the Japanese the positive correlation between quality and productivity, we were “asleep at the wheel”. US manufacturers spent the 1980s trying to catch-up in our understandings of quality. Most of those that implemented Total Quality Management, with its various forms, survived and flourished in the 1990s, while those who thought these “new ways” of looking at quality and productivity were false—are no longer with us.

What I have witnessed, in the more than 200 analyses of personal injury cases, is that we are following the same path of denial between the relationship of safety and productivity as we did with the quality/productivity relationship. Allow me to explain.

Let’s first take a look and see if there are any similarities between the costs of quality and the costs of safety. The costs of quality are broken into three broad categories: 1) prevention, 2) appraisal, and 3) failure costs. Prevention costs are those costs associated with preventing defects from occurring. Examples include quality training, planning, process engineering, and all other costs associated with assuring quality “up-front”. Appraisal costs are those associated with measuring quality (inspections, appraisals, audits, etc.). Failure costs are those associated with a failure in the product or system. Examples include disruption of schedules, costs of corrective

actions, lost production of labor, and loss of customer good will. This category can be catastrophic to the business. These same three categories used for quality costs can be used for safety costs. Not considering any costs of damaged property, prevention costs related to safety are those associated with preventing accidents from occurring. Examples include developing and maintaining safety programs, safety training, and developing safety standards. Appraisal of safety costs are those associated with measuring safety. Examples include safety inspections, safety audits, safety meetings, and safety reporting. The costs of failure related to safety are those associated with customer and employee accidents. Examples include the costs of general liability, workers' compensation insurance, court costs, lawyer's fees, hospital expenses, lost time of employee witnesses, lost time of employees talking about the accident, lost time of employees involved in deposition and court time, accident analysis time, accident discussions in weekly and monthly meetings, and the incalculable loss of good will with the local (and sometimes national) population. This category can be catastrophic to the business. By now it should be painfully obvious that both employee and customer accident costs represent huge opportunities for retail establishments to reduce costs and improve employee productivity.

Of the more than 200 personal injury cases that I worked on as an expert witness, approximately 80 percent (or 160+) of them involved retail establishments. From this large population of cases, I have made the following general observations. Generally speaking, **retailers (and other segments of industry) made it too easy for me (the safety expert) and the plaintiff's attorney I worked for.** Reasons are:

- 1) Safety manuals and policies were weak, poorly written, and contained numerous instances of role ambiguity.
- 2) Important safety concerns were not covered (at all) by the safety manual and policies.
- 3) Safety policies and practices were often violated by store employees.
- 4) Employees were poorly trained on safety manuals and policies and rarely re-trained.
- 5) New employees were required to read the safety manuals and policies on their first day on the job, but often did not understand or did not recall what they read. I suspect that many of them either could not read and/or comprehend well.
- 6) Employees were not tested or quizzed on safety manual and policy readings.
- 7) Employees allowed customers to violate safety rules, regulations, and policies occurring in their presence.
- 8) Safety meetings were not regularly held.
- 9) Safety meetings were often missed by employees.
- 10) Safety meetings were often optional for employees.
- 11) A review of recent accidents and preventive measures were not discussed at safety meetings.
- 12) Hazard analyses were not performed on the premises.
- 13) Reports of customer accidents were not recorded, were recorded improperly, or were "mis-placed".

14) Injured customers were not attended to properly. Some wandered off outside where they collapsed. Some employees said they did not assist the injured customer because they did not believe the customer was badly injured.

15) Upon re-entering the store later, I witnessed the same acts that caused injury to a customer being continued.

16) The same preventable accident occurs again and again to both employees and customers.

While managers, particularly safety managers, were better qualified to answer questions regarding safety policies and procedures, they too were occasionally guilty of some of the sixteen items mentioned above. It seemed to me that they were too busy with other non-safety concerns. Some mentioned that this was the case.

From my observations contained in the sixteen items above, it is obvious that there is a tremendous opportunity for improvement in our retail safety programs. Of all the cases I worked, I cannot recall one accident that could not have been avoided. To me this means that over 200 people (mostly customers) were needlessly injured or killed. The costs to both the customers and the retailers are huge and should not be acceptable to management. There were several 7 figure settlements to injured customers.

So the question is, "How much safety is enough?" Returning to our safety analogy to quality, many quality experts have zero product defects as the goal. Motorola, with their six sigma philosophy have defect goals on the order of parts per billion. While I have never been one to claim that zero product defects is attainable, the results of the rather large number of cases I worked demonstrates that at least 90% or 180 of the 200+ accidents should be rather easy to prevent. My goal as a safety manager would be to continually improve on the number every year.

I hereby challenge retail management to do a better job protecting their employees and their customers. I am ready to perform an "**On-Site Safety Analysis**" free of charge for anyone who cannot afford my services as a retail safety expert.