The Returns of Investing in High Quality PPE

PPE ROI Whitepaper

This content refers to standards set prior to 2016. For updated information on cut standards, refer to the HexArmor Learning Center.
High Quality PPE: An Investment With Immediate Returns

Outfitting workers with the appropriate high-quality PPE not only boosts overall safety, it also helps the bottom line in the long run. PPE should be viewed as a strategic initiative critical to the wellbeing of the company rather than an expense. From increased business opportunities and employee retention to avoiding the costs of injuries, there are many ways the right PPE can lead to financial benefits.

The Right PPE Reduces High Costs of Injuries

If you ask any worker they will say that any injury is one too many. Safety managers who deal with the costs associated with injuries would agree. The OSHA website features a calculator tool that can estimate a margin loss scenario resulting from an injury, and the costs of a single laceration injury are staggering. Check it out at https://www.osha.gov/dcsp/smallbusiness/safetypays/estimator.html. A cut on the finger that would have been preventable with the proper glove can lead to a total cost of $40,000, with an estimated $400,000 in future sales needed to pay for it. Escalate the injury to a fracture and the numbers nearly triple. This is a great example of how inferior or inadequate PPE is detrimental to your corporate bottom line. It may save money initially, but the potential long-term costs of an injury can be staggering. Fortunately, there are several ways to holistically address safety issues before they become an issue.

- Perform a comprehensive safety audit. Understanding all the work applications and hazards along with the appropriate level of protection needed is critical. You may discover that you are using too much or too little PPE in certain areas, which could save money in both the short and long term.
- Choose longer lasting PPE. In many cases, more expensive PPE that lasts longer will actually save money in the long term. A cheaper glove that costs 20% less but needs to be replaced twice as often will only hurt your bottom line.
- Care for your PPE. Improper PPE care can shorten the life of the product. It can also lead to dermatitis, decreased dexterity, loss of protective abilities, and odor. Washing PPE regularly can greatly extend its life, in some cases by up to 300%.

These combined efforts will make a significant impact on any company's safety program, and the results can be measured. The Total Recordable Incident Rate (TRIR) is the method OSHA uses to evaluate and quantify a company's safety performance. A safe and healthy workforce can lead to a better TRIR. However, poor TRIR scores can trigger OSHA scrutiny in the form of inspections and fines, and the costs really add up when customers, vendors, and employees see a poor TRIR score. High rates of injury often result in lost business through unsuccessful bids based on low TRIR scores, while excellent scores can lead to increased business and personnel attraction/retention. Also, your TRIR score influences corporate insurance premiums, which means an injury today can have a negative financial impact for years. Insurers compare a company's TRIR score to their peers and the industry average, and those with a 10% injury rate or higher will be assigned a Modification Rate of 1.1 to their premium. In effect, this means a 10% premium increase that typically lasts 2-3 years, or until a significant reduction in injuries has been proven.

So how does a company make up the lost income related to few winning bids, higher insurance premiums, increased turnover rate, and the direct costs related to the injury? Either they don’t recover those losses, or the sales increases that would’ve been used to pad the annual net revenue are only used to offset the losses. Either way, an unsafe work environment is bad for the bottom line, and it never makes fiscal sense to choose ineffective or inadequate PPE.

The Price of Cutting Costs

It is easier for companies to invest in the highest quality PPE when profits are high and budgets are open. However, during a cost-cutting phase, it’s logical for companies to examine every line item on the budget. While everyone tightens up the reins as much as possible during these times, it has been proven that there is never a good time to cut costs on safety. In addition to the direct and indirect costs of the injury and the lower TRIR score, there are other factors to consider before switching to inferior PPE.
Employee Retention. No one wants to work for a company that has a bad safety culture. With the cost of replacing employees at nearly 50% of their annual salary, high employee turnover rates get expensive quickly.

Competitive Advantages. Many companies are looking to partner with companies that exhibit outstanding safety records. One lost bid due to a poor safety record would pay for a premium safety program.

Reduced Insurance. TRIR is directly tied to insurance rates, which means every avoided incident equals savings on premiums.

Productivity. With employee productivity as a key driver for profitability, especially during a downturn, it’s simple: if employees do not feel safe, they won’t work to their full potential. Additionally, it can take weeks for employees to recover from the trauma of seeing a coworker injured.

Making the Most Out of Your Investment

One of the greatest benefits of higher quality PPE is that, when properly cared for, it can last much longer. In fact, companies who properly launder their gloves can often increase lifespan by up to 300%. Laundering removes harmful chemicals, perspiration, and everyday grit and grime that can weaken protective fibers and seams. Every movement creates friction as these particles rub against the threads of your gloves and break down the material. Additionally, many OBM’s and other chemicals over time begin to break down the fabrics from which gloves are made. Here are a few other easy ways to make PPE last longer:

- Provide each worker two pairs of gloves, which they alternate daily. This gives the gloves an opportunity to dry out, which extends life.
- Purchase a scratch-and-dent washing machine from your local appliance center and wash gloves each night with Dawn® dishwashing liquid, Oxy Clean®, or Simple Green® to remove as many oils as possible. When using laundry detergent, powdered works better than gels.
- In the absence of a washing machine, rinse off and scrub with Dawn® dishwashing liquid or Simple Green®.
- Wash gloves with your hands in them like you are washing your hands. Then use an old toothbrush to remove sand and debris from the seams, and let dry overnight.
- Make sure gloves fit correctly, as wearing the wrong size can reduce glove life.
- If one hand of a glove gets ruined, make sure you keep the other glove available in case the opposite glove gets ruined for someone else.
- Check the care label of all gloves, or check the website for launderability. Some materials and gloves are not launderable or lose their performance when washed.
- Always store gloves or other PPE in a dry, ventilated area away from the sun. Moisture, heat and UV light can overtime break down components of almost all PPE.