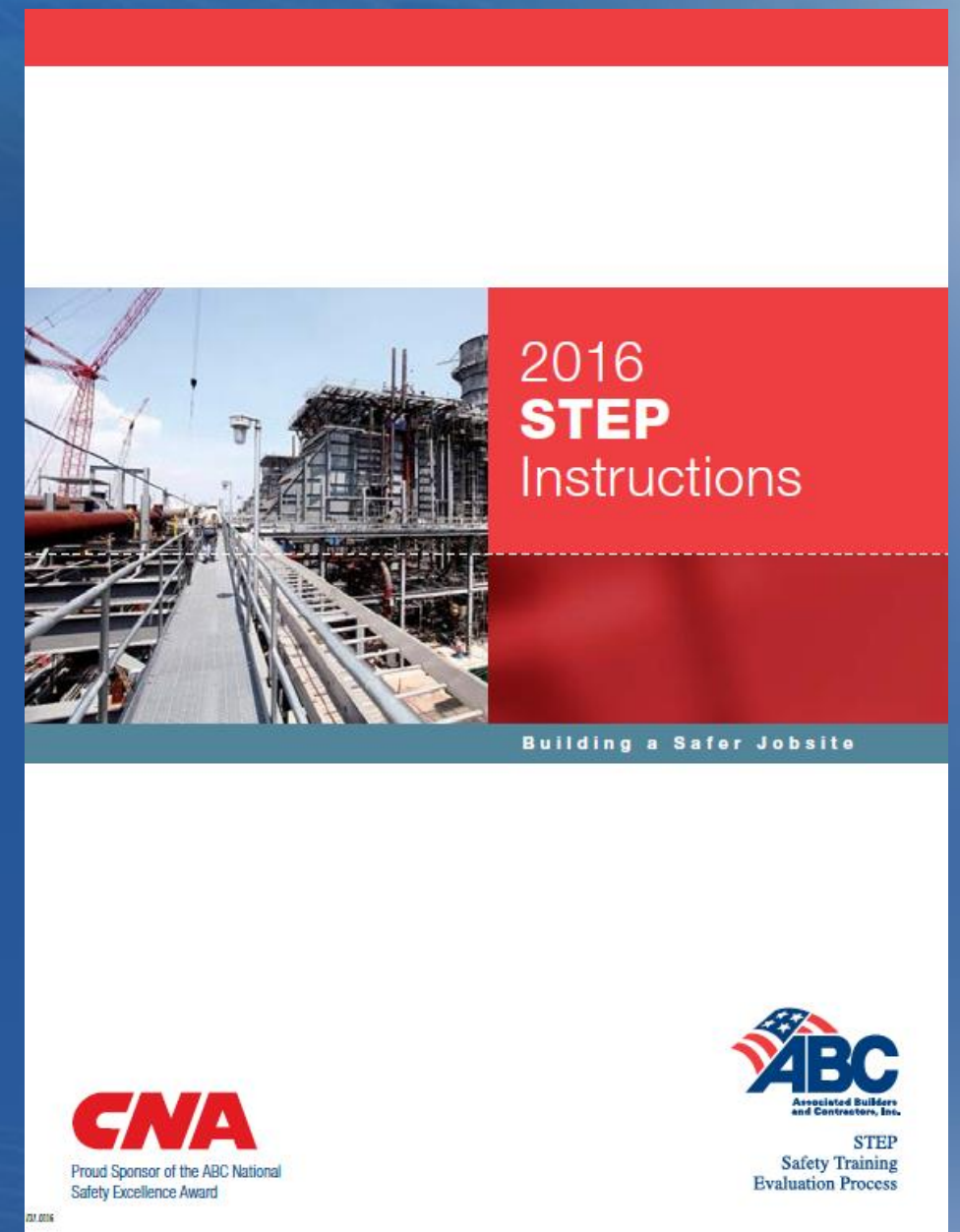


# Completing the 2016 STEP Application

*How to Maximize Your  
Safety ROI with STEP*

Chris Williams  
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ABC National  
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# Today's Objectives

## What is STEP?

- Explain what STEP is and how it works
- Examine the numbers—how does STEP make my safety program better and maximize my safety ROI?

## How do I apply?

- Walk-through of the 2016 STEP application process
- Outline the 2016 STEP qualification criteria

# **What is STEP and how does it work?**

# STEP Background

- ABC's Safety Training Evaluation Process (STEP) founded in 1989 by safety professionals
  - Designed to help companies evaluate every aspect of their corporate safety & health program and identify
  - **20 Key Components** – self-evaluation portion of STEP that provides roadmap for companies to follow on journey towards world-class
- **STEP is used by ABC members to report previous year's safety data through OSHA Forms 300 & 300A, as well as report on lagging indicator use**

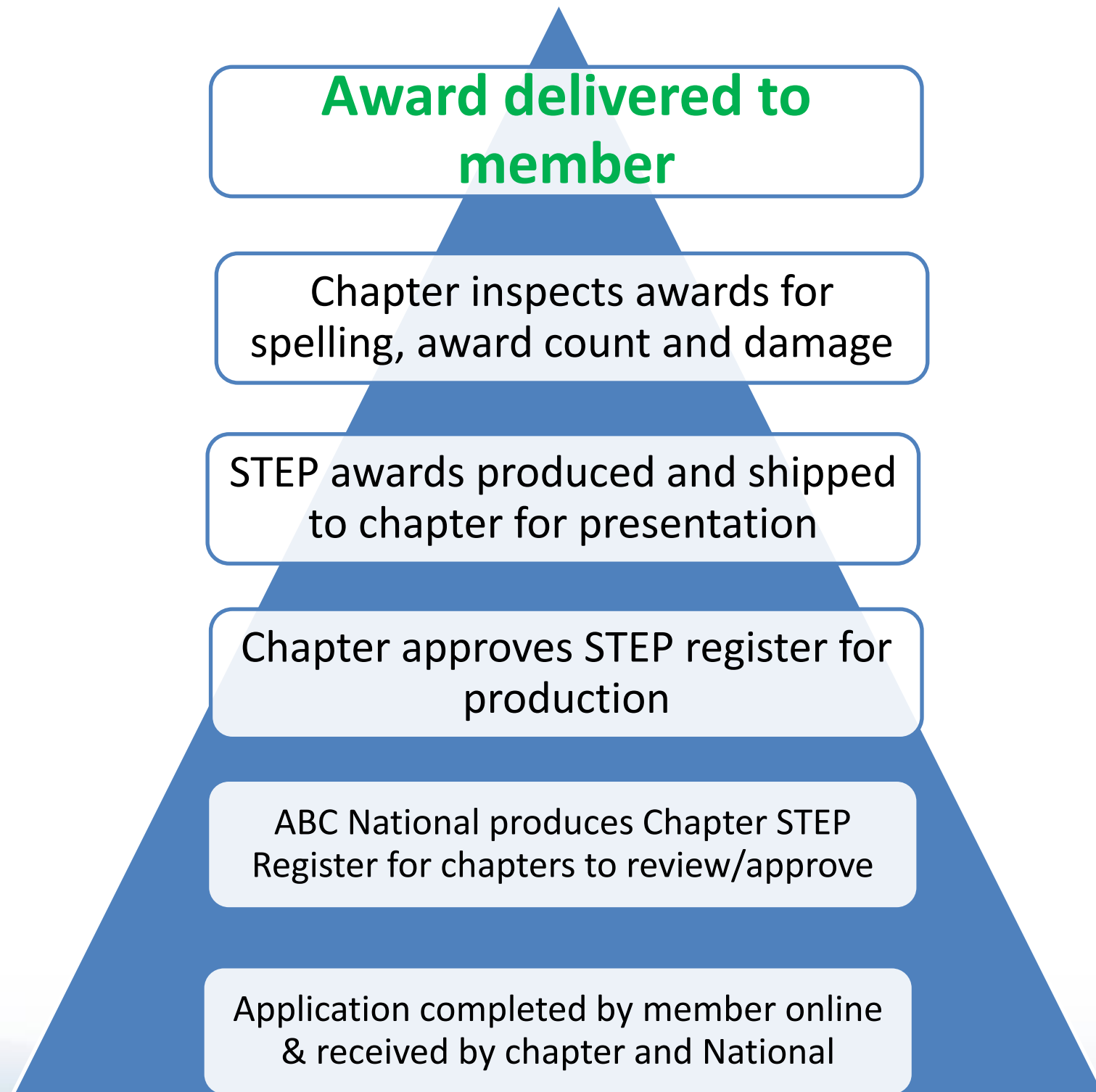


# How STEP works

- OSHA Form 300A data – source of ½ of all STEP application info!
- Company information
  - Man-hours worked
  - Type of work done
  - Location of work
  - NAICS code
- EMR & Incidence Rate
- 20 Key Components Self-Evaluation



# How a STEP application becomes a STEP Certificate



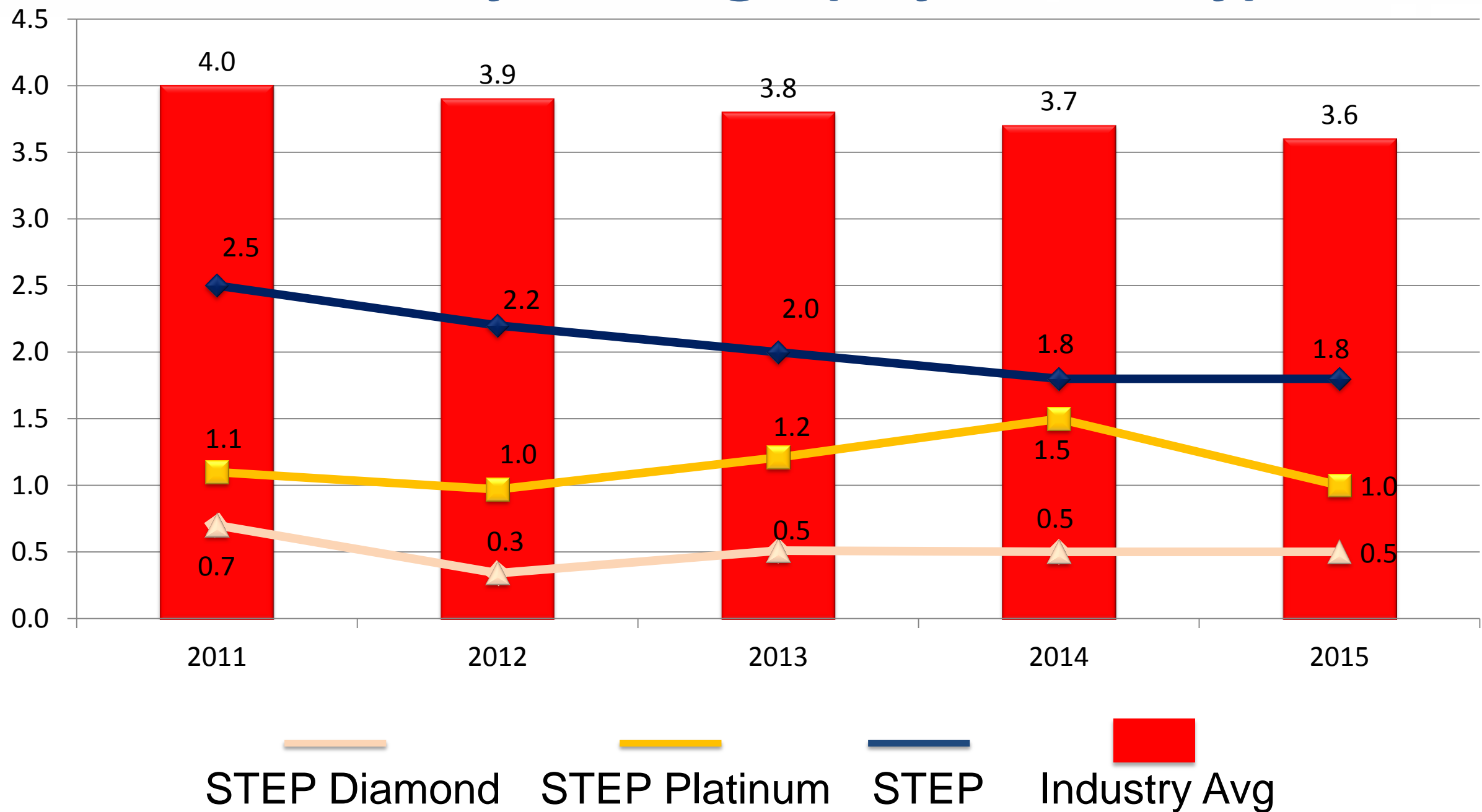
**Safety Performance – how does  
STEP improve my numbers and  
maximize my safety ROI?**

# The Benefits of STEP

- Helps members evaluate their safety training programs and identify areas of improvement.
- Helps companies reduce workers' compensation costs by building a stronger, more effective safety training program.
- Provides recognition for ABC members who consistently provide a safe work environment not only to employees, but to customers as well.
- Sets companies apart from their competition.
- Saves **LIVES** and **MONEY!**



# Safety Performance – STEP TRIR vs. BLS Industry Average (5-yr. History)



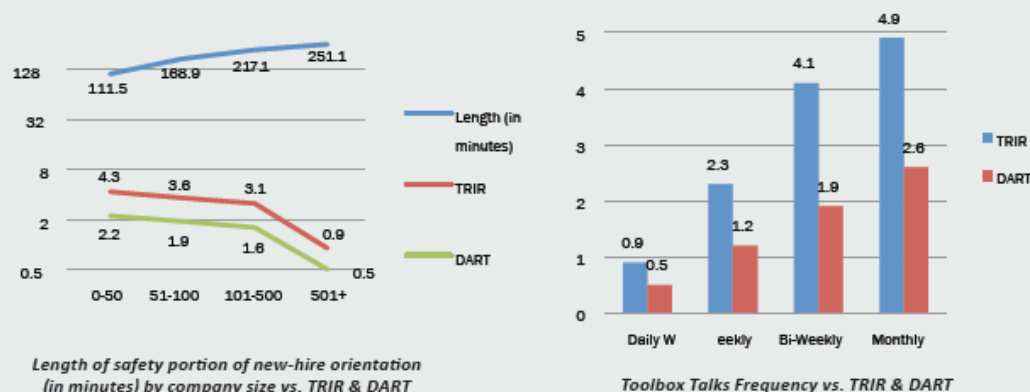
# Lagging indicator performance doesn't tell the whole story...



Safety performance isn't reflected in what we **did**.

Using numbers like Total Recordable Incidence Rate (TRIR) or Days Away, Restricted or Transferred (DART) Rate to gauge a contractor's safety performance during the bid process only tells part of the story. The real question is: what's behind the numbers that differentiates between good and truly world-class contractors?

ABC is proud to introduce the groundbreaking **STEP Safety Performance Report**—an analysis of how a contractor's use of leading injury and illness prevention indicators can affect their TRIR and DART Rates. Using more than **1,600** data sets gathered from participants in ABC's industry-leading Safety Training Evaluation Process (STEP), the Safety Performance Report quantifies the positive impact that proactive injury and hazard elimination tools have on the jobsite.



Download your copy of the Safety Performance Report today at [abc.org/safety](http://abc.org/safety)

It's reflected in what we're **doing**.

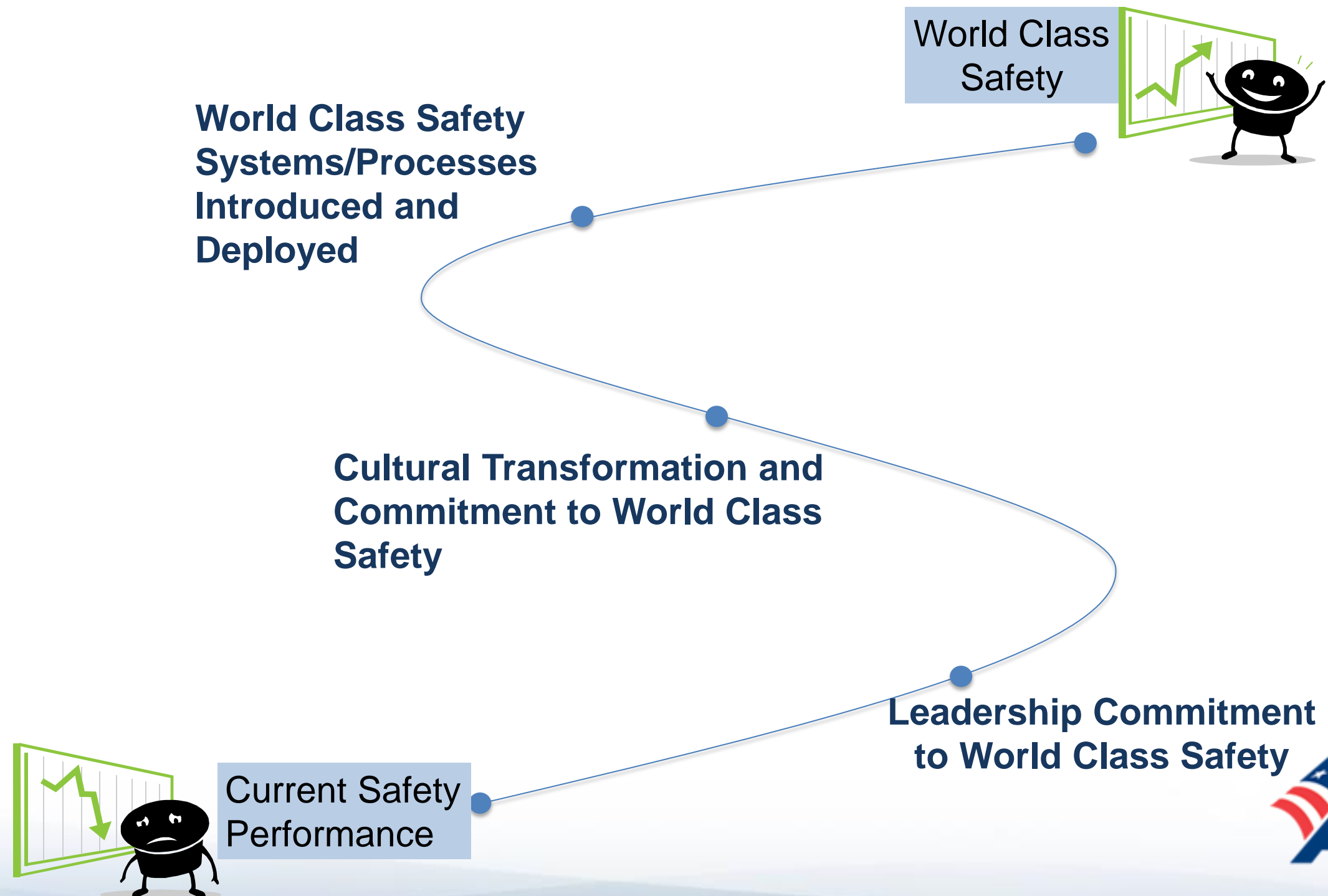


- Lagging indicators = what we **did**
- Leading indicators = what we're **doing**

The STEP 20 Key Components self-evaluation is a road map to evolve your safety program from where it is to world-class



# The Road Map to World Class Safety



# The ABC World-Class Standard for Health, Safety & Environment in the Construction Industry

*The world-class standard for health, safety and environment in the construction industry embodies **leadership commitment** to not only developing a safety culture where **each person is accountable for the safety and well-being of all**, but providing the means and methods for each employee to leave work **in the same—or better—condition than which they arrived**.*

Safety isn't a **PRIORITY** – it's a **CORE VALUE**



# STEP 20 Key Components

- A. Employer Involvement
- B. Employer Policy Statement on Safety
- C. Responsibility for Safety
- D. Trailing Indicators
- E. Resources for Safety
- F. Safety Program Goal-Setting
- G. Employer Supervisory Meetings
- H. Pre-Planning for Jobsite Safety
- I. Employee Participation
- J. **New Employee Orientation**
- K. Safety Rules
- L. Employee Safety Training
- M. **Toolbox Safety Meetings**
- N. Inspections
- O. Supervisory Training Topics
- P. Incident Investigation
- Q. Use of Personal Protective Equipment (PPE)
- R. Safety Program Performance Review
- S. **Substance Abuse Program**
- T. Recordkeeping and Documents

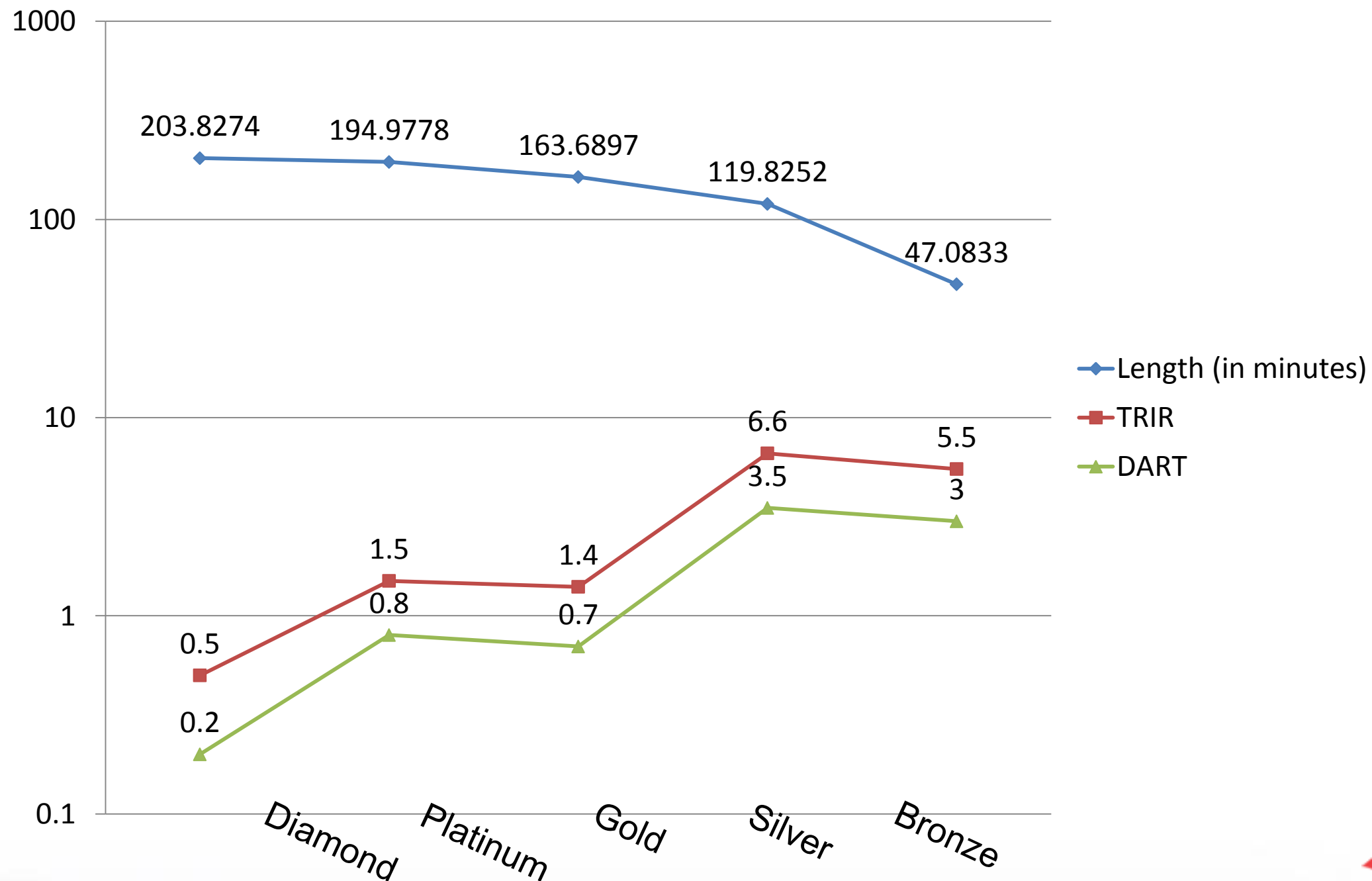


## J. NEW EMPLOYEE ORIENTATION

6	4	2	0
<ul style="list-style-type: none"> <li>• Documented orientation process in place for all new or transferred employees (who gets orientation, when, how, by whom and topics to be covered)</li> <li>• Orientation topics include:               <ul style="list-style-type: none"> <li>- Explanation of employer safety commitment and expectations</li> <li>- Safety responsibilities</li> <li>- PPE expectations</li> <li>- Key workplace safety rules that pertain to site and/or major job hazard exposures</li> <li>- Hazard communication</li> <li>- Hazard, injury and emergency reporting procedures</li> <li>- Key safety skills demonstration (wearing harness, adjusting guards, PPE use, etc.)</li> </ul> </li> <li>• New hires assigned a safety mentor until orientation process complete</li> <li>• New hire performance evaluation process established to give feedback to new hires on pre-determined frequency (30 days and 60 days)</li> <li>• Records maintained showing dates, person(s) doing orientation, assigned mentor(s), topics covered and employee signature</li> </ul>	<ul style="list-style-type: none"> <li>• Orientation is given to new employees; however, process has not been formalized (exact process documented)</li> <li>• Orientation includes at a minimum:               <ul style="list-style-type: none"> <li>- PPE expectations</li> <li>- Key workplace safety rules that pertain to site and/or major job hazard exposures</li> <li>- Hazard communication</li> <li>- Hazard, injury and emergency reporting procedures</li> </ul> </li> <li>• Process may or may not involve safety mentors</li> <li>• No new hire performance evaluation process</li> <li>• Record of orientation, with employee signature, maintained</li> </ul>	<ul style="list-style-type: none"> <li>• Informal or on-the-job safety instruction is given to new hires</li> <li>• No uniform process or list of topics to cover</li> <li>• No documentation is maintained</li> </ul>	<ul style="list-style-type: none"> <li>• No orientation is given to new employees</li> </ul>



# Average Length of Safety Portion of New-Hire Orientation – By STEP Level



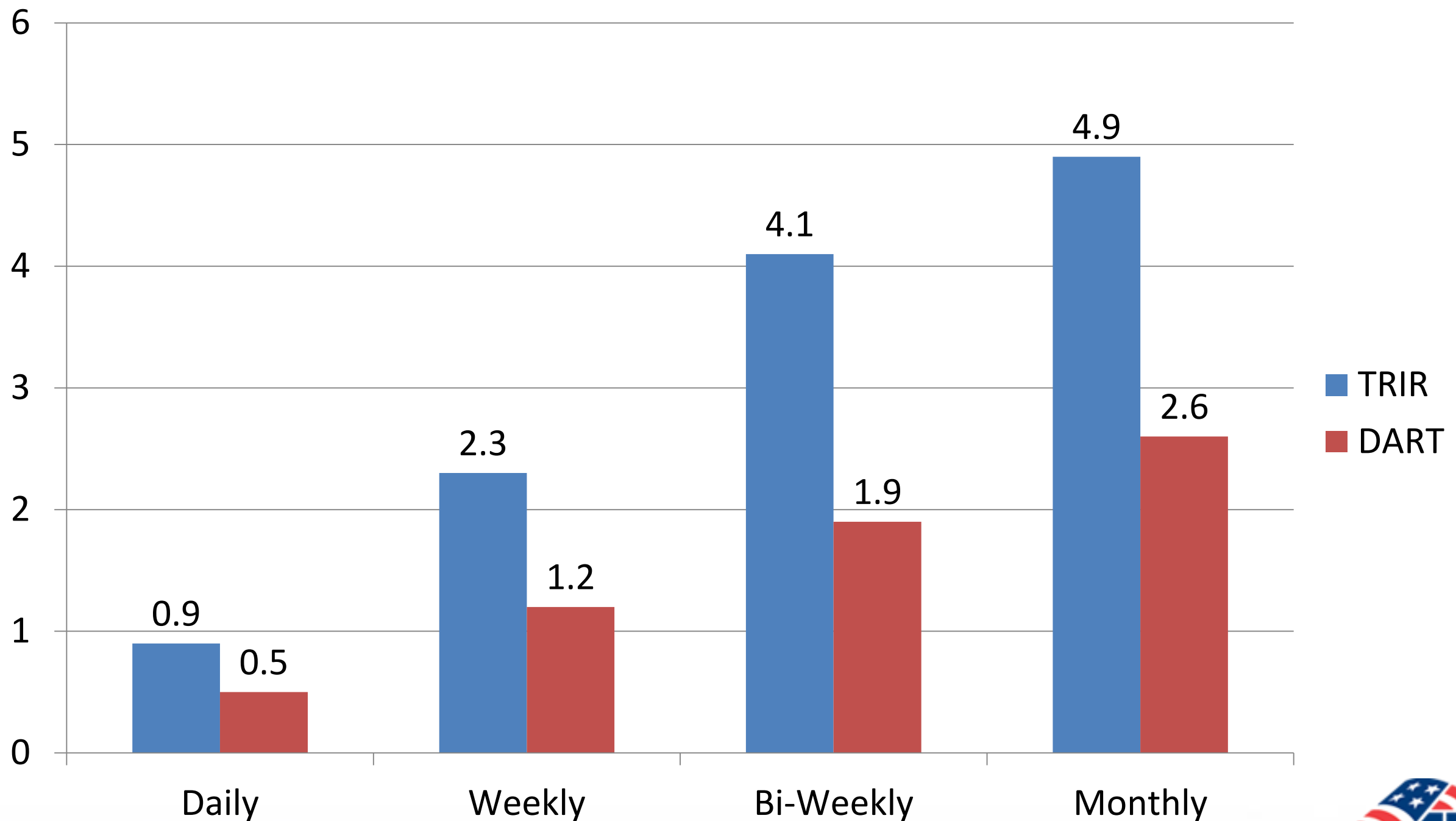
# What does it mean?

- **Effective content results in lengthier orientations**
- Introduction to the company's safety culture and core values by the President/CEO and/or senior leadership is imperative
  - Establishes the safety moral compass that the rest of an employee's training and development will follow throughout their career and reinforces senior leadership's commitment to safety as the core value upon which the company operates
- Companies that conduct an in-depth indoctrination of new-hire employees into the company's safety culture & systems/processes witness fewer incidents than companies that limit their new-hire orientations to basic safety & health compliance topics

## M. TOOLBOX SAFETY MEETINGS

6	4	2	0
<ul style="list-style-type: none"><li>• Regularly held at least weekly</li><li>• Attendance and topic documentation kept</li><li>• Supervisor actively solicits employee participation (e.g., volunteer to present talk, share experience, Q&amp;A, etc.)</li><li>• Employees participate</li><li>• Owner/CEO occasionally attends</li></ul>	<ul style="list-style-type: none"><li>• Regularly held at least monthly</li><li>• Attendance and topic documentation kept</li><li>• Employees encouraged to participate</li></ul>	<ul style="list-style-type: none"><li>• Toolbox meetings held occasionally (less than once per month)</li></ul>	<ul style="list-style-type: none"><li>• No toolbox meetings held with employees</li></ul>

# Frequency of Toolbox Talks vs. TRIR & DART



# What does it mean?

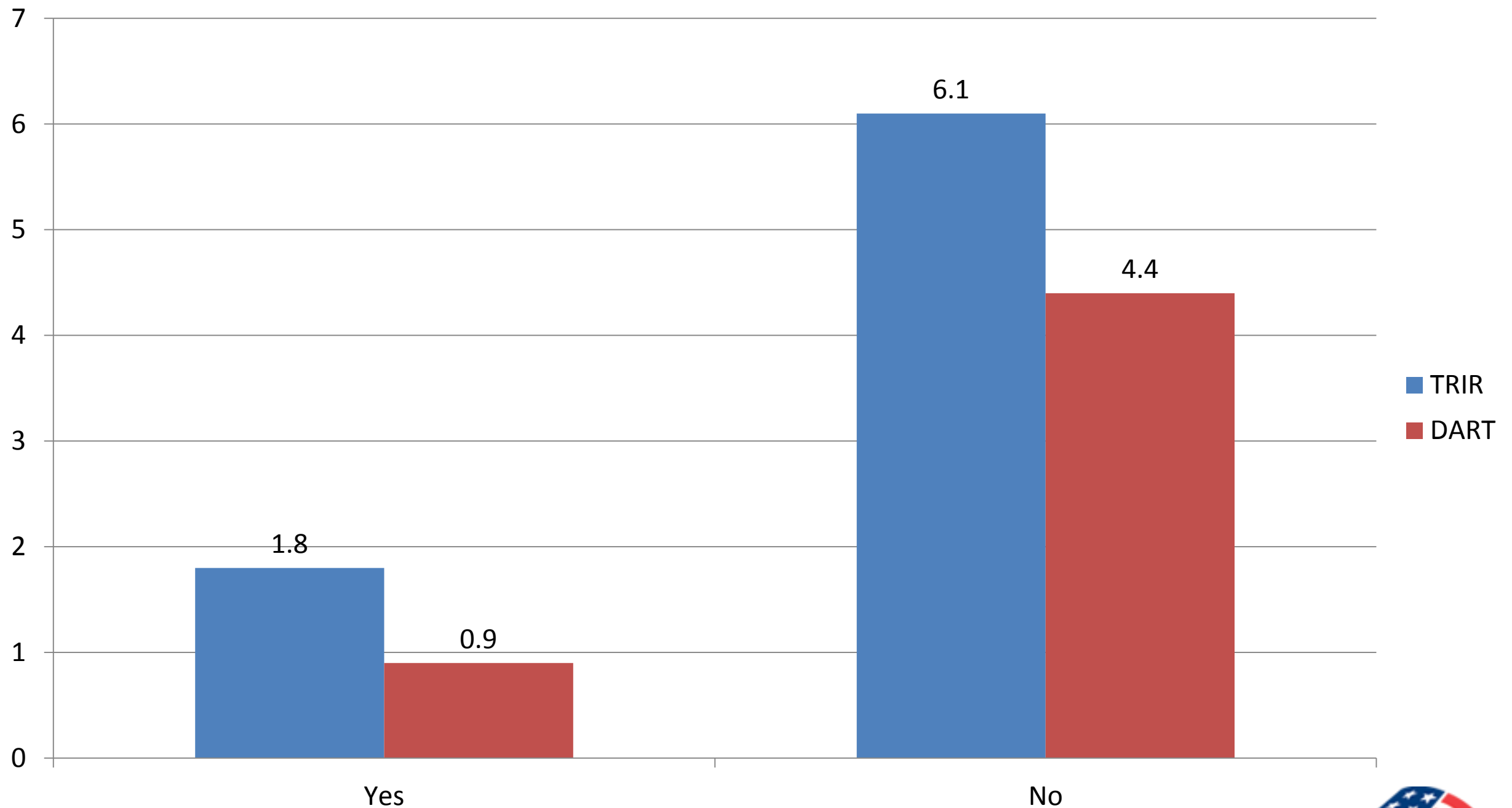
- The less frequent the training and, as a result, the fewer safety topics covered, the higher the TRIR & DART rates
- Frequent toolbox talks serve not only to educate the workforce on proper use of equipment/tools, identifying potential hazards/conditions, etc., but also to reinforce the company's safety culture and communications between field employees and management
- Toolbox talks can serve as a “reset button” on jobsites during the day, to help employees refocus and remain safe

## S. SUBSTANCE ABUSE PROGRAM

6	4	2	0
<ul style="list-style-type: none"> <li>• Employee safety policy contains strict rules regarding drug and alcohol use</li> <li>• Drug/alcohol testing for pre-hire, post accident and reasonable suspicion</li> <li>• Policy actively enforced</li> <li>• Supervisory personnel trained in workplace substance abuse</li> <li>• Employee substance abuse prevention education initiatives offered</li> <li>• Company has an employee assistance program</li> <li>• Company keeps counseling and testing records</li> </ul>	<ul style="list-style-type: none"> <li>• Company has substance abuse verbiage in employee safety policy</li> <li>• No drug/alcohol testing, or it's "for cause" only</li> <li>• Company makes effort to enforce policy</li> <li>• Supervisors are trained in hazards of drugs and alcohol on the job</li> </ul>	<ul style="list-style-type: none"> <li>• Company has substance abuse verbiage in safety manual</li> <li>• No drug/alcohol testing</li> <li>• Company makes no or little effort to enforce policy</li> </ul>	<ul style="list-style-type: none"> <li>• Company has no policy regarding workplace substance abuse</li> </ul>



# Substance Abuse Program (Y/N) vs. TRIR & DART



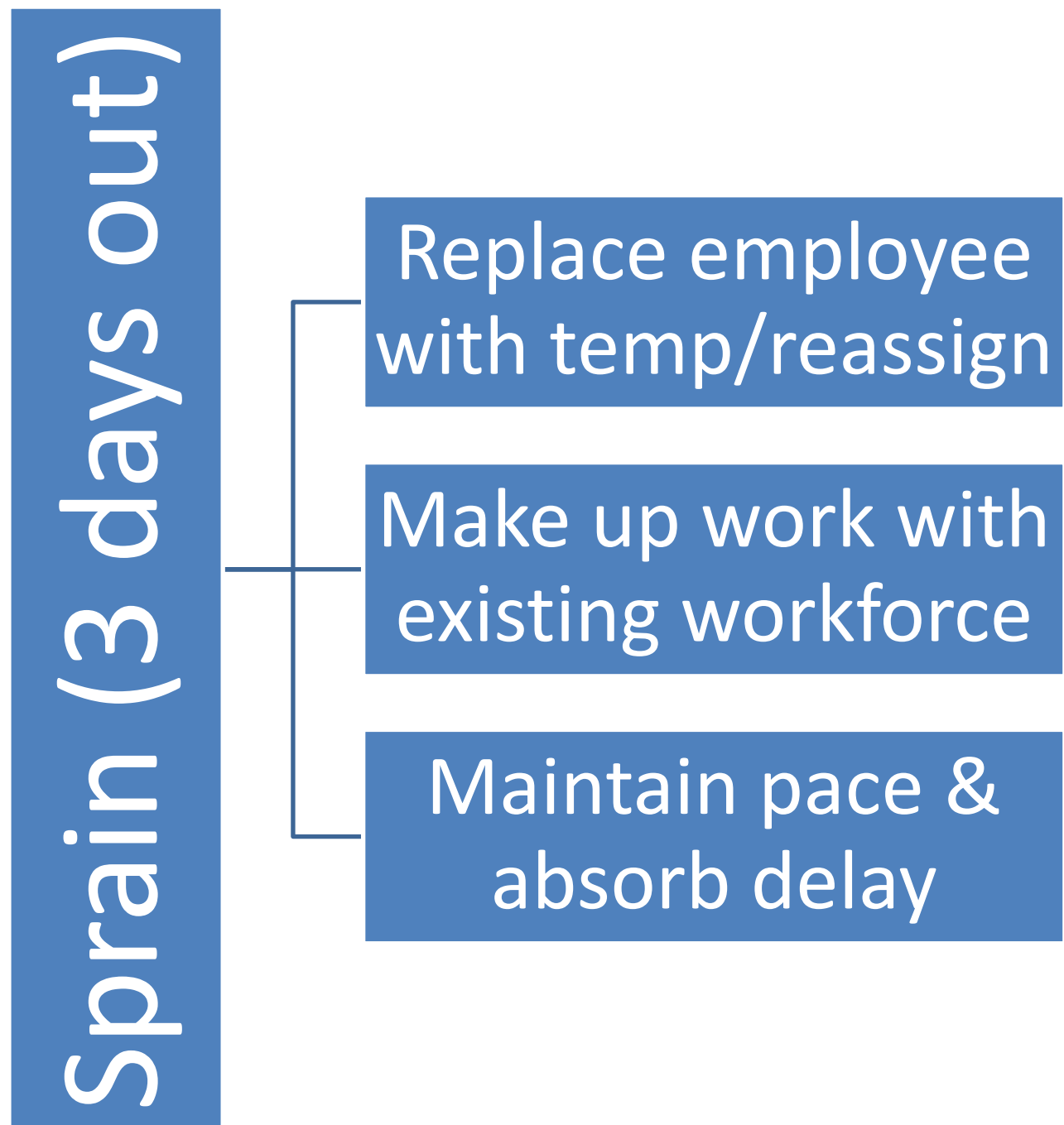
Tot. respondents=1502 Y/109 N

# What does it mean?

- Companies with substance abuse programs in place dramatically outperform those without an implemented program in both lagging indicator performance metrics.
- Substance abuse testing can be an effective method of incident prevention if used properly

**How do world-class safety  
lagging indicators translate into  
higher profit margins and more  
business?**

# Productivity Cost of an Injury



# Actual Cost of an Injury

## Estimated Total Cost

The extent to which the employer pays the direct costs depends on the nature of the employer's workers' compensation insurance policy. The employer always pays the indirect costs.

Injury Type	Instances	Direct Cost	Indirect Cost	Total Cost	Additional Sale (Indirect)	Additional Sale (Total)
Sprain	1	\$ 28,866	\$ 31,752	\$ 60,618	\$ 1,058,420	\$ 2,020,600

Remove

<https://www.osha.gov/dcsp/smallbusiness/safetypays/estimator.html>



# Safety as a Profit Center: STEP Pays

- STEP participants have **2 fewer total injuries per 100 full-time employees** than the industry average
  - Average direct cost of a “minor” injury (sprain/strain/laceration, etc.) = \$19,000
  - STEP participants can save up to **\$38,000** per year in direct workers’ comp costs, on average
- STEP participants have **1 fewer injury requiring days away from work/restricted duty per 100 employees** than the industry average
  - Average direct cost of a “serious” injury (fracture, dislocation, amputation, etc.) = \$52,000
  - STEP participants can save up to **\$52,000** per year in direct workers’ comp costs, on average



# **Walk-Through of the 2016 STEP Application Process**

# The Online STEP Application

- Phased in to replace the paper application book beginning **THIS YEAR**
- **NO PAPER APPLICATIONS WILL BE SENT TO MEMBERS/CHAPTERS**
- Paper STEP application may still be downloaded and used by members—however, there will be a \$35 application processing fee for ALL paper applications received by ABC National
  - GOAL—eliminate processing of paper applications to greatly streamline the process!

# Benefits of the Online STEP Application

- Instantaneous results
- **Saveable** form—members can return to complete the application at a later date
- Direct entry into STEP database (Personify)—removes lengthy manual entry process
- Reduction in award review/processing time by at least ~2 weeks

**127** companies have applied online in the first 5 days post-launch!

# How does the Online Application Work?

**Step Application:**   **Company Information**   Safety Performance Data   Safety Self Assessment Key Components   Certifications

**CONTACT INFORMATION**  

\* Contact Name

\* Contact Email

**COMPANY INFORMATION**  

\* Company Name

SafetyWorks, Inc.

\* Address

2 Heatherwood Drive

\* City

Dillsburg

\* State

Pennsylvania

\* Zip

17019

**CHAPTER INFORMATION**  

\* Chapter

Central Pennsylvania Chapter

Is this IDENTICAL STEP application being used for other ABC chapters?  

☐ Yes

☐ No

If yes, which Chapters? (hold Ctrl key to select more than one)

Alabama Chapter

Alaska Chapter

Arizona Builders Alliance

Arkansas Chapter

Baltimore Metro Chapter

Carolinas Chapter

Central California Chapter

Central Florida Chapter

Central Ohio Chapter

Central Pennsylvania Chapter

Central Texas Chapter

Chesapeake Shores Chapter

**GENERAL APPLICATION INFORMATION**  

This application and data: 

☐ Represents entire company

☐ Represents specific location, dept. or div.

\* Primary NAICS Code

# **2016 STEP Qualification Criteria**

# Key Holdovers from 2015 STEP

- STEP Gold/Platinum/Diamond appeals process
- STEP Diamond & Platinum fees (\$435 & \$235 respectively)
- **IMPORTANT:** ALL STEP participants MUST sign the Drug- and Alcohol-Free Workplace Pledge ([www.drugfreeconstruction.org](http://www.drugfreeconstruction.org))
- Companies under 100 employees=still may use 3-yr. incidence rate average
- Companies under 50 employees=still may use 5-yr. incidence rate average
- Companies under 50 employees may still use Loss Ratio qualifier for STEP Platinum and Diamond
- No changes to 20 Key Components



# STEP Gold/Platinum/Diamond Appeals Process

- Designed to give members opportunity to present case that awarded STEP level is inaccurate
- 2 appeals criteria:
  - Incidence Rate – companies that do not meet incidence rate requirement
  - Experience Modification Rate (EMR) – companies whose EMR exceeds maximum allowable for Diamond/Platinum

## Appeals of STEP Level

In certain instances, a company may feel that the STEP qualification criteria cannot be reasonably met and unfairly prohibit their company from being recognized at the appropriate STEP level. A company may appeal their STEP level to the ABC National Environment, Health & Safety (EH&S) Committee, who will review the application and supporting materials to make a determination for or against the appeal. Please note that ONLY the following criteria may be the cause of an appeal at this time:

- Total Recordable Incidence Rate (TRIR)
- Experience Modification Rate

# How do I appeal my STEP level?

1. Send a letter/email to your local ABC chapter/ABC National outlining the reason(s) why you are appealing
2. ABC National EH&S Committee's STEP Subcommittee reviews documentation and deliberates
3. Decision rendered

*\*In some cases, members may be asked to present to the subcommittee or committee to clarify information in the appeal*

# 2016 STEP Qualifying Criteria

- **Participant/Bronze/Silver**
  - Minimum 20 Key Components scores
  - 2015 OSHA Form 300A (“Summary of Work-Related Injuries and Illnesses”)
  - Must sign the Drug- and Alcohol-Free Workplace Pledge at [www.drugfreeconstruction.org](http://www.drugfreeconstruction.org)

# 2016 STEP Qualifying Criteria

- **Gold**

- Minimum 20 Key Components score
- Incidence rate equal to or less than BLS NAICS code average
- 2015 OSHA Form 300A (“Summary of Work-Related Injuries and Illnesses”)
- Must sign the Drug- and Alcohol-Free Workplace Pledge at [www.drugfreeconstruction.org](http://www.drugfreeconstruction.org)

*Only applicants with fewer than 100 employees may use 3-year incidence rate average to qualify for STEP Gold (must submit 2013, 2014 & 2015 OSHA Form 300As. Companies under 50 employees may use 5-year incidence rate average to qualify; must submit 2011, 2012, 2013, 2014 & 2015 OSHA Form 300As)*

# 2016 STEP Qualifying Criteria

- **Platinum**

- **\$235** application processing fee
- Minimum 20 Key Components score
- Incidence rate 25% or below BLS NAICS code average
- 2015 OSHA Form 300 (“Log of Work-Related Injuries and Illnesses”)
- 2015 OSHA Form 300A (“Summary of Work-Related Injuries and Illnesses”)
- EMR/mod factor at or below 0.800 for application year (0.900 for companies with 100 employees or less)
- Loss Ratio 15% or lower for each of previous 3 years for companies with less than 50 employees
- No fatality/catastrophic incident within application year and previous 3 consecutive years resulting in OSHA citation
- Must sign the Drug- and Alcohol-Free Workplace Pledge at [www.drugfreeconstruction.org](http://www.drugfreeconstruction.org)

# 2016 STEP Qualifying Criteria

- **Diamond**
  - **\$435** application processing fee
  - Minimum 20 Key Components score
  - Incidence rate at least 50% below BLS NAICS code average in each of previous 3 years (companies under 100 employees may use 3-year average)
  - 2013, 2014 & 2015 OSHA Form 300A (“Summary of Work-Related Injuries and Illnesses”)
  - 2013, 2014 & 2015 OSHA Form 300 (“log of Work-Related Injuries and Illnesses”)
  - EMR/mod factor at or below 0.700 (0.800 for companies with fewer than 100 employees)
  - Loss Ratio 10% or lower in each of previous 3 years for companies with less than 50 employees
  - No fatality/catastrophic incident within application year and previous 3 consecutive years resulting in OSHA citation
  - Must sign the Drug- and Alcohol-Free Workplace Pledge at [www.drugfreeconstruction.org](http://www.drugfreeconstruction.org)



# Key 2015 STEP Dates

- **July 8<sup>th</sup>**: deadline for members to submit applications (inclusion in National Safety Excellence Award competition)
  - NEW! NSEA applications to be emailed to chapters for distribution around July 22<sup>nd</sup> and to all STEP Diamond/Platinum/Gold recipients around August 5<sup>th</sup>

# Today's Objectives Met?

## What is STEP?

- Explain what STEP is and how it works
- Examine the numbers—how does STEP make my safety program better and maximize my safety ROI?

## How do I apply?

- Walk-through of the 2016 STEP application process
- Outline the 2016 STEP qualification criteria

# Questions?

## **Anya Mityushina**

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