



The Business Case for Implementing an Ergonomics Program

Musculoskeletal Disorders (MSDs) are the leading cause of pain, suffering and disability in American workplaces. MSDs account for almost 400,000 injuries per year and one-third of all workers compensation costs. The direct costs of MSDs are \$20 billion a year and indirect costs (lost productivity, product defects, etc.) of an MSD case can be up to five times the direct costs.

A few examples clearly illustrate what an ergonomics-related injury can cost a company. A sprain costs an average of \$28,866 in direct costs and \$31,752 in indirect costs according to OSHA's Safety Pays Cost Calculator. A strain costs an average of \$33,528 in direct costs and \$36,880 in indirect costs using the same calculator. It certainly is in a company's best interest to implement measures to reduce these injuries, for both health and cost reasons. There is compelling data showing organizations that have developed ergonomics programs to reduce work-related musculoskeletal disorders (WMSDs) have realized substantial benefits, including fewer injuries and injury costs, reduced turnover and absenteeism, improved product quality, and increased productivity.

The Washington State Department of Labor and Industries (DLI) reviewed 250 case studies to determine the benefits of implementing a strong ergonomics program. They found that five key benefits were realized by the companies in the studies: Ergonomics reduces costs, improves productivity and quality, improves employee engagement, and creates a better safety culture. This last finding is important because according to the *Journal of Occupational and Environmental Medicine*, over a 13-year period the market performance of companies that integrated a culture of health and safety outperformed competitors by up to 325%.



The DLI concluded that the reduction of ergonomic risk factors will significantly reduce costs. The study found a 59% average reduction of musculoskeletal disorders, a 65% average reduction in incidence rate, a 75% reduction in lost workdays, a 53% reduction in restricted workdays, a 68% reduction in worker's compensation costs, a 39% reduction in costs per claim, and a 43% decrease in labor costs. Additionally, by implementing good ergonomic solutions (resulting in a more efficient workstation), they found that companies increased their productivity by 25%.

One of the key benefits of a comprehensive ergonomics program is the improvement in employee engagement and morale. As employees reduce fatigue and discomfort at their



workplace, they were less likely to be absent or quit their jobs. The companies studied had a 48% average reduction in employee turnover and 58% average reduction in employee absenteeism.

The DLI highlighted some of the companies in these case studies to illustrate how significant the cost savings were by preventing MSDs:

- American Express Financial Advisors lowered costs by 80%
- Blue Cross Blue Shield created an insurance dividend of \$1 million
- 3M had a 64% reduction in OSHA injury and illness rate
- Siemens VDO Automotive decreased strain injuries from 43 percent to 0. They saved 20,000 hours per year in time previously lost to pain, doctor visits, and time off Sikorsky accrued over \$4.5M in labor savings (based on 140 aircraft) and \$70,000 in injury cost avoidance per aircraft when they instituted ergonomics improvements. They realized that making these improvements made good safety, as well as business sense.

A proactive ergonomics program that lowers injury risk and improves productivity is a vital element of your safety process. High workers' compensation costs due to MSDs can be prevented and should not be considered an expected cost of doing business. Healthy employees are a company's most valuable asset, and with the implementation of a strong ergonomics program a company can take the necessary steps to ensure that they remain healthy and productive.

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