to be made for certain items by comparing total costs for a repair period with those found during sample observations

Step two: Reporting by repair control centers This step involves the development of a system in which the repair or cost control center records property damage It is very important that the system be designed with the least amount of paperwork No one system will work in all companies, because repair cost accounting methods vary too much from company to company, and even from plant to plant

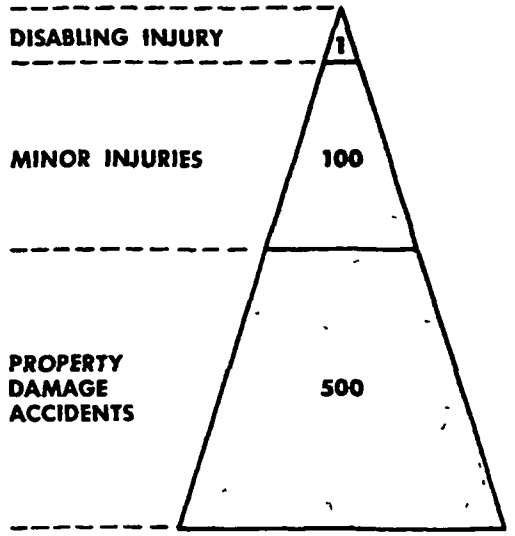

FIG 3-11 —Survey of 90,000 incidents resulting in injury or property damage or both showed these ratios between disabling and minor injuries and property damage accidents

Courtesy F E Bird and G L Germain, Damage Control

Step three: Auditing. The final step to a completely effective reporting program is more complete auditing

Safety personnel receive a copy of every original work order processed through the maintenance, planning, and cost control center Safety specialists make on-the-spot checks to see if accidental damage was involved

Measuring effectiveness. While a variety of methods could be used to measure the effectiveness of property damage control, the cost severity rate technique has proved to be of significant value This method expresses total costs in relationship to production and maintenance man-hours

A simple formula then is

$$\frac{\text{Total costs of accidents} \times 1{,}000{,}000}{\text{Total production and maintenance man-hours}} = \text{Damage costs per million production and maintenance man-hours}$$

For the metal industry firm mentioned earlier, the cost of property damage accidents in 1965 was near $138,000 per million hourly rated man-hours worked—this was a reduction of $188,000 per million hourly rated man-hours, or 58 per cent, for the year as compared with the base year of 1959

On the basis of the experience gained thus far, the following conclusions can be drawn as to some of the values of incorporating the missing elements—property damage—into the industrial accident prevention program

1 Management will recognize that the investigation of the larger group on no-injury-producing accidents will remedy many unsafe practices and conditions that also have been common causes of injury-producing accidents

2 Management is interested in this program, as it is in any program that points the way to improve quality and decrease production delays

3 A broadening of the accident control effort, with the potential of accident cost reduction, can be the vehicle for economic justification of any valid need for additional safety personnel coverage

4 The stature of the safety organization, as a member of the corporate team is enhanced when its full worth is recognized by management The addition of the property damage element can assist appreciably in accomplishing this recognition

5 The realistic possibility of measurable and appreciable cost reduction is a dynamic tool to motivate management interest