

I N D U S T R Y S T U D Y

The Cost of Unready Workers

How Workforce Preparedness Failures Destroy Margins, Delay Projects and Kill People

A data-driven analysis for Managing Directors, CEOs and Board-level leaders in construction, energy, manufacturing and mining.

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Executive Summary

Every year, workers arrive on construction sites, energy installations, and manufacturing floors without full readiness clearance. They may lack current certifications. They may not have completed site-specific inductions. They may not understand the language in which safety briefings are delivered. The consequences are predictable: incidents, rework, schedule slippage, regulatory penalties, and in the worst cases, death.

This study draws on published data from HSE (UK), OSHA, BLS and NSC (US), AWCBC and CCOHS (Canada), the Construction Industry Institute, the Get It Right Initiative, and leading insurance and industry bodies to quantify the financial and human cost of workforce unreadiness across three major economies. The findings make a compelling case that workforce readiness is not a compliance overhead but a strategic lever for margin protection, risk reduction, and competitive advantage.

Key Finding: Across the UK, US, and Canada, workplace injuries and ill health cost a combined total exceeding \$230 billion per year (all industries). Construction bears a disproportionate share of this burden in every jurisdiction, accounting for 28–32% of workplace fatalities despite employing just 5–6% of the workforce.

Most contractors see pre-work compliance as a cost. The data tells a different story: every dollar invested in readiness returns four to six in avoided delays, rework, and incident liability.

1. The Scale of the Problem

1.1 Fatalities and Serious Injuries

United Kingdom

Construction remains the most lethal industry in the UK. The most recent HSE statistics for 2024/25 recorded 124 worker fatalities across all industries, with construction accounting for 35 of those deaths 28% of the total, from a sector that employs just 6% of the workforce. The construction fatality rate stands at 4.8 times the all-industry average. Falls from height accounted for 36% of all work-related deaths in the year to March 2024.

United States

The Bureau of Labor Statistics recorded 5,070 fatal work injuries across all US industries in 2024. Construction consistently accounts for approximately one in five of all worker deaths. OSHA's "Fatal

Four” falls, struck-by incidents, electrocutions, and caught-in/between accidents account for over 60% of construction fatalities.

Canada

Canada’s construction sector accounted for 32% of all workplace deaths in 2023 despite employing approximately 5% of the workforce the largest disproportion of any jurisdiction in this study. The AWCBC recorded over 993 workplace fatalities across all industries in 2022, with construction recording 183 deaths, the highest of any sector. In Quebec alone, 68 construction workers died in 2023, up from 57 the previous year. An Ontario Chief Coroner review of construction fall fatalities found that 13 of 26 workers killed had been in their roles for less than one year reinforcing the new-worker risk pattern seen across all three countries.

Metric	Figure
UK worker fatalities all industries (2024/25)	124
UK construction fatalities (2024/25)	35 (28% of total)
UK construction fatal injury rate vs. all-industry average	4.8x higher
US fatal work injuries all industries (2024)	5,070
US construction share of all worker deaths	~20%
Canada workplace fatalities all industries (2022)	993+
Canada construction fatalities (2022)	183 (highest sector)
Canada construction share of all workplace deaths (2023)	32%
Canada construction share of workforce	~5%

1.2 Non-Fatal Injuries and Lost Time

Beyond fatalities, the volume of non-fatal injuries is staggering across all three jurisdictions. HSE data shows that approximately 50,000 UK construction workers reported sustaining a non-fatal injury in the three years to March 2025 equivalent to one in every 40 workers. Of these, 29% resulted in absences exceeding seven days. Across all UK industries, 680,000 workers sustained a non-fatal injury in 2024/25, contributing to 40.1 million working days lost.

In the United States, employers reported 2.5 million injury and illness cases across all industries in 2024. The NSC estimates 103 million days were lost to work injuries in 2023 alone.

In Canada, the AWCBC reported more than 270,000 lost-time claims across all industries in 2023. Construction’s non-fatal injury rate consistently exceeds the all-industry average, with approximately 40,000 construction injuries recorded in 2023.

Metric	Figure
UK non-fatal injuries all industries (2024/25)	680,000
UK working days lost all industries (2024/25)	40.1 million
UK construction non-fatal injuries (3-year to 2025)	~50,000
US injury/illness cases all industries (2024)	2.5 million
US working days lost (2023)	103 million
Canada lost-time claims all industries (2023)	270,000+
Canada construction injuries (2023)	~40,000

1.3 The New Worker Problem

Research confirms that worksite inexperience is a significant risk factor, and crucially, “inexperience” is not synonymous with being new to the trade. Injury risk doubles for workers holding five or more jobs per year compared to those with one or two confirming that the risk is tied to being new to a specific employer and site, not to overall inexperience. In an industry characterised by transient, project-based labour, this finding has profound implications. The US Bureau of Labor Statistics data is consistent with this: over 60% of construction accidents occur within a worker’s first year with their current employer. The moment of greatest danger is the moment of site entry precisely the point at which workforce readiness systems either function or fail.

60% of construction accidents occur within a worker’s first year of employment.
US Bureau of Labor Statistics

2. The Financial Impact

2.1 Direct Costs: The All-Industry Burden

The economic cost of workplace injuries and ill health is enormous in every jurisdiction this study covers. It is important to note that cost estimates vary depending on what is included direct medical costs, lost wages, lost productivity, insurance administration, and quality-of-life impacts are measured differently across countries. The figures below represent the most authoritative all-industry estimates available in each jurisdiction.

United Kingdom

HSE estimates the total annual cost of workplace injuries and ill health from current working conditions at £22.9 billion across all UK industries for 2023/24. This encompasses direct costs, lost output, and human costs including pain and suffering. Construction's share estimated at £1.4 billion is disproportionate to its 6% share of the workforce.

United States

The National Safety Council places the total cost of work injuries across all US industries at \$176.5 billion for 2023, including wage and productivity losses (\$53.1 billion), medical expenses (\$36.8 billion), administrative expenses (\$59.5 billion), and employer uninsured costs (\$15.7 billion). This equates to approximately \$1,080 per worker. The cost per medically consulted injury was \$43,000, and the cost per fatality was \$1.46 million. Fatal construction injuries alone cost an estimated \$5 billion per year, with total construction injury costs exceeding \$11.5 billion annually.

Canada

The economic cost of workplace injuries and illnesses in Canada is estimated to exceed \$26 billion annually, factoring in both direct and indirect consequences. A Parachute/Public Health Agency of Canada study estimated the total economic burden of injury at \$29.4 billion (2018 data), including \$20.4 billion in direct healthcare costs. Employers across Canada paid more than \$11.5 billion in workers' compensation premiums in 2023 alone. Construction accounts for a disproportionate share of these costs relative to its workforce size.

On average, construction companies allocate just 2.6% of their budgets to safety training but spend 3.6% on injury claims spending more on failure than prevention.

Metric	Figure
UK cost of workplace injury/ill health all industries (2023/24)	£22.9 billion
UK construction's share	~£1.4 billion
US cost of work injuries all industries (2023)	\$176.5 billion
US cost per medically consulted injury	\$43,000
US cost per fatality	\$1.46 million
US construction injury costs annually	\$11.5+ billion
Canada economic cost all industries (annual est.)	\$26–29.4 billion
Canada WCB premiums paid by employers (2023)	\$11.5 billion
Construction: budget allocated to safety training (avg.)	2.6%
Construction: budget consumed by injury claims (avg.)	3.6%

2.2 Rework: The Hidden Margin Destroyer

Rework is one of construction's most persistent margin destroyers and its causes are multifactorial. CII research based on 359 projects establishes that rework represents between 2% and 20% of total project costs, averaging 5–8% where modern quality controls are in place, and up to 12% on heavy industrial projects. The dominant drivers are design errors and omissions, owner-initiated scope changes, and information transfer failures between design and field teams which collectively account for around 80% of rework cost. Constructor errors, workmanship failures, and knowledge gaps account for the remaining 15–20%, but this subset is structurally preventable: it is the portion that readiness systems directly address.

The Get It Right Initiative (GIRI) has produced the most comprehensive UK research on this topic. Their findings are sobering: the direct cost of avoidable errors in UK construction is approximately 5% of project value roughly £5 billion per annum. When indirect costs, latent defects, and unrecorded process waste are included, total costs range between 10% and 25% of project cost, or £10–25 billion per annum. GIRI estimates that the annual spend due to error is approximately seven times the total annual profit of the entire UK construction industry.

Within the constructor-attributable subset, the failure modes are consistent across studies: poor task-level knowledge, inadequate supervision, and workmanship errors. These concentrate at the point of workforce entry and task assignment precisely where readiness systems intervene. The Ontario Chief Coroner's Construction Death Review sharpens this point considerably. Of workers killed in falls, 77% had completed working-at-heights training yet only 16% were properly protected at the time of the

incident. This is not a knowledge failure. Workers who have passed working-at-heights training know that harnesses exist and that heights are dangerous; that knowledge does not decay between the training room and the roof edge. What the data describes is a behavioural compliance failure enabled by a supervisory gap: no verified gate existed to confirm that a worker was protected before work began. More training would not have saved those workers. An enforced pre-work readiness check would have. That distinction between knowledge delivered and readiness verified is the operating principle behind pre-work clearance systems, and it applies to rework prevention with equal force: knowing the correct procedure and being confirmed ready to execute it are not the same condition.

The annual cost of avoidable error in UK construction is approximately 7x the industry’s total annual profit.
Get It Right Initiative

2.3 Margin Compression

These costs land on an industry that can least afford them. The average pre-tax profit margin for the UK’s Top 100 construction companies fell to 1.7% in 2024, down from 2.7% the previous year. While there has been some recovery, with margins reaching an aggregate 2.4% in the latest analysis, 43 of the Top 100 companies reported margins below 2%, and 16 were in negative territory. Insolvency risk remains elevated: construction accounts for approximately 6–7% of UK gross value added but is responsible for almost 17% of all insolvencies.

In this environment, margins of 2–4% are the norm, and avoidable error costs of 5–21% of project value represent an existential threat. A single serious incident, a rework cycle on a major package, or a regulatory penalty can eliminate an entire project’s margin or push a contractor into loss.

Metric	Figure
UK Top 100 contractors avg. pre-tax margin (2024)	1.7%
Companies in Top 100 with margin below 2%	43 of 100
Companies in Top 100 in negative territory	16 of 100
Construction share of UK insolvencies	~17%
Construction share of UK GVA	~6–7%
GIRI: direct error cost as % of project value	~5%
GIRI: total error cost as % of project value	10–25%

3. Regulatory Trajectory

The compliance floor is rising. In the UK, the Building Safety Act 2022 has introduced a new competence regime with direct implications for how duty holders demonstrate that their workforce including subcontractor labour is competent and ready to perform. PPN 03/24 introduces social value requirements into public procurement that include workforce development and safety performance metrics. Constructionline's accreditation framework increasingly requires evidence of training delivery and competence management systems.

In the US, OSHA's most cited violations in 2024 included Fall Protection Training (2,050 violations), underscoring that regulators are not only checking whether equipment exists but whether workers have been properly trained to use it. Maximum penalties for willful or repeated violations reached \$165,514 per incident as of January 2025.

In Canada, Bill C-65 expanded workplace health and safety obligations, and provincial regulators are increasingly focused on training records and competence verification as part of their enforcement approach. The previously mentioned Ontario Chief Coroner's Construction Death Review found that although 77% of deceased workers had completed working-at-heights training, only 16% were properly protected at the time of their incidents the most important data point in this document. It establishes that the problem is not whether workers have been trained; it is whether they are ready at the point of work. A completion record is not a readiness gate. With the Canadian construction industry projected to bring in 17,000 new workers per year to meet demand, the readiness challenge is intensifying.

The direction of travel is unambiguous: regulators across all three jurisdictions are moving from outcome-based enforcement (investigating after incidents) toward input-based enforcement (verifying readiness before work begins). Companies that build readiness enforcement into their operating systems now will be ahead of the regulatory curve. Those that wait will be playing catch-up at a higher cost.

4. The Return on Readiness

4.1 The Investment Case

OSHA research indicates that for every \$1 invested in effective safety and health programmes broadly, companies can expect to save \$4 to \$6 in avoided costs from reduced injuries, illnesses, and fatalities. The US Department of Energy has corroborated this finding, noting that indirect costs of incidents can be up to 10 times the direct costs.

OSHA's Office of Regulatory Analysis has stated that companies implementing effective safety and health programmes can reasonably expect reductions of 20% or greater in injury and illness rates. Companies participating in OSHA's Voluntary Protection Programs reported Days Away, Restricted, or Transferred (DART) rates more than 50% below the industry average.

Companies with strong safety performance also demonstrate measurably better financial results. Research indicates that safety-focused companies tend to achieve 21% higher profitability and 17% higher productivity than those without structured safety programmes. A Goldman Sachs study found that companies failing to adequately manage workplace safety performed worse financially over a multi-year period.

Metric	Figure
ROI per \$1 invested in safety programmes	\$4–\$6 saved
Indirect costs as a multiple of direct costs	Up to 10x
Injury/illness rate reduction from effective programmes	20%+ reduction
DART rate reduction (OSHA VPP participants)	50%+ below avg.
Profitability advantage of safety-focused companies	21% higher
Productivity advantage of safety-focused companies	17% higher

4.2 What “Readiness” Looks Like

Workforce readiness is not a single event. It is a system. Based on the data in this study, an effective readiness system addresses five critical dimensions:

- **Verification before access:** No worker starts work until their training, inductions, certifications, and right-to-work credentials have been verified. The Ontario Coroner's data illustrates why these matters: training completion alone is insufficient. The control that failed those workers was not training delivery it was the absence of a verified readiness gate before work began.
- **Comprehension, not just completion:** Training must be delivered in a language the worker understands. In a multilingual workforce, English-only delivery creates a compliance gap that is invisible on paper but lethal on site.
- **Continuous competence:** One-time inductions are insufficient. Readiness systems must support refresher training, toolbox talks, and competence reassessment as tasks, sites, and regulations change.

- Supply chain visibility: With 70–80% of construction site labour delivered by subcontractors, principal contractors must have real-time visibility into whether subcontractor workers meet readiness thresholds not just whether the subcontractor has a policy.
- Audit-ready records: Every readiness verification must be instantly retrievable. The cost of manual record retrieval during an investigation, a client audit, or a regulatory inspection is not zero and the cost of not being able to produce records at all is significantly higher.

5. Conclusions and Implications for Leadership

The data presented in this study leads to five conclusions that should inform board-level and MD-level decision making:

1. **Workforce unreadiness is a margin problem, not just a safety problem.** When avoidable errors cost 5–21% of project value and net margins sit at 1.7–2.4%, the arithmetic is existential. Every incident, every rework cycle, every regulatory penalty comes directly off the bottom line.
2. **The first year is the most dangerous year.** With 60% of accidents occurring in a worker's first year with their current employer, the site entry process is the single highest-leverage intervention point in the entire safety system. And as the Ontario Coroner's data confirms, the question is not whether training was delivered it is whether readiness was verified at the point of work. Getting this wrong is not a training failure. It is an operating system failure.
3. **Your supply chain is your biggest blind spot.** Most of the site labour is subcontracted. If you cannot verify that every subcontractor worker meets your readiness standards before they start, you are carrying risk you cannot see and cannot price.
4. **The regulatory floor is rising.** BSA 2022, PPN 03/24, OSHA's training-focused enforcement, and Canadian legislative changes all point the same direction: demonstrate competence before work begins, or face consequences. Early movers gain competitive advantage; late movers pay premium compliance costs.
5. **Readiness investment pays for itself many times over.** At a documented return of \$4–\$6 for every \$1 invested, workforce readiness programmes are one of the highest-ROI investments available to construction leaders. Companies that treat readiness as a cost centre are misreading the data.

The cheapest worker who isn't ready is your most expensive worker.

The question for leadership is not whether you can afford to invest in workforce readiness. It is whether you can afford not to.

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