

2008 risk management strategies

systems and strategies to support your business

Safety First: Accident and Injury Prevention

The workers' compensation system in California is clearly broken. This issue represents a serious barrier to economic growth in the state, and workers' compensation reform is commonly cited as the most urgent need of California businesses.

It becomes increasingly important for employers to focus on what they CAN do to help control their costs. This article, focusing on safety programs and accident/injury prevention, is the first in a series designed to provide practical advice and guidance to employers on managing their risk and controlling workers' compensation costs. Upcoming articles will feature claims management strategies and return-to-work programs.

Prevention is Paramount... Workers' compensation rates are arrived at by looking at a combination of two things: the "pure premium rate," established by the rating bureau after reviewing reports of paid and projected costs on actual claims reported to the bureau by insurance carriers statewide and adjusting for other factors such as the rising costs of medical care and prescription drugs; and the "experience-modification factor" or "ex-mod," an employer-specific factor taking into account the company's actual annual losses as compared to expected losses. While the actions of individual employers have little effect on the pure premium rate, the experience modification factor for each employer can go up or down depending on the frequency and severity of workplace injuries. By preventing accidents and injuries before they occur, companies can realize a direct effect on their workers' compensation rates over time as their experience modification factor declines. Here are six things your company can do to help create a safer workplace.

1) Make the most of your safety committee

Does your company's commitment to safety extend all the way to the top? Too often, companies that establish a safety committee merely to comply with OSHA regulations end up with a small group of individuals lacking real authority to make change happen. To be

most effective and to establish credibility within the organization, the committee should include members of top management, line supervision, and production personnel.

A good starting place for the committee is to review the company's previous safety record: What types of accidents are most frequent and most costly? What are the exposures to job-related injuries or illnesses? How can these risks be minimized? What types of safety training programs are in place, and how effective are they? The safety committee should meet monthly (or, if accidents are infrequent, at least quarterly) to review any accidents or injuries that have occurred since the last meeting, any "near-miss" reports or safety suggestions, any new hazards, equipment or processes, and to ensure that periodic safety inspections are being conducted. Reports of the meetings, including follow-up action steps, should be shared with all supervisors. The committee may also choose to formally recognize those departments with the best (or most improved) safety records.

2) Beef up your safety policy

If your safety policy is a form document written solely to comply with OSHA regulations, you may be missing an opportunity to meaningfully demonstrate (to both employees and your company's workers' compensation carrier) the company's strong commitment to safety in the workplace. OSHA requires employers to have an Injury and Illness Prevention Program (IIPP) which includes seven essential components: 1) identification of the person(s) responsible for implementing the program; 2) a statement outlining the company's system of identifying, evaluating and reducing or eliminating safety and health hazards; 3) a schedule of periodic inspections to identify unsafe conditions and work practices; 4) procedures to investigate workplace injuries and illnesses; 5) description of a training program to instruct employees in general safe work practices and provide job-specific safety information; 6) a system to communicate with employ-

ees on occupational health and safety matters and enforcement of safe work practices; and 7) a policy for retention of records documenting compliance.

Your company's IIPP should be customized to identify the hazards of each particular job in the facility and specific safety procedures employees must follow to prevent injuries. Safety-conscious companies also focus their IIPP on known issues. For example, if a manufacturer understands that compliance with a particular safety rule has been spotty, the IIPP might include a more detailed program for ensuring compliance than would otherwise be the case. Such a program might include both incentives to comply and penalties for non-compliance.

The safety policy should also include statements reinforcing your company's commitment to safety in the workplace; instructing employees to immediately report any safety incidents (and to whom), with the goal of obtaining prompt treatment for injured or ill workers; and describing your company's return-to-work program, including modified duties as applicable. Remember that merely writing a satisfactory IIPP does not satisfy the OSHA requirement, your company must continually perform the functions of the plan, such as training employees, self-inspecting for hazards, investigating accidents and injuries when they occur, and maintaining records.

3) Train, train, train

Effective safety training, particularly of new employees, is critical. Studies show that workers are most susceptible to injury during their first month on the job, and some industries estimate that new employees account for 30% of all injuries (CA Chamber of Commerce). Providing "just-in-time" safety training when the employee is new to the position also comes at a time when the employee is most committed to learning how to do the job right. Make sure you are not overlooking employees who transfer or are promoted into a position where they will be operating new or different equipment or be exposed to new hazards.

General and job-specific safety training should include: safety practices to use and hazards to be aware of in the work area; what to do if there is an accident or injury; how to report emergencies; how to use and maintain personal protective equipment (PPE's); how to use tools, machinery, or hazardous processes; housekeeping and personal cleanup rules; and the location of emergency equipment and first-aid supplies.

Because individuals have different learning styles, it is most effective to provide the training using multiple methods, such as a video, in-person presentation, printed materials, and hands-on demonstration. Be sure that safety training is provided in a language your workers understand. OSHA requires employers to keep a written record of safety training. This require-

ment can be met by using a sign-up sheet at the time the training is conducted. It is also important to test employee's understanding after the training, such as by administering a short safety quiz (employees should be told at the start of the training that there will be a quiz at the end, and you may want to provide prizes for employees who have the highest scores).

Additional resources should be devoted to providing training for supervisors, since they have a direct ability to influence safety on a day-to-day basis. Supervisors should have a solid understanding of:

- Safety rules and procedures
- How to conduct regular workplace inspections
- How to recognize hazards in the workplace
- How to conduct an accident investigation
- The cost of accidents on production and company profits
- The importance of counseling employees on safety violations and maintaining appropriate documentation

[Note: As with any other type of disciplinary action, it is important that discipline for safety violations such as a "write-up" be imposed on a consistent basis, e.g., disciplining all who violate the same rule in the same manner, regardless of job performance, seniority, or whether or not the employee was injured as a result of the violation].

4) Get your employees involved

OSHA has specific notice and posting requirements designed to inform employees of their rights and responsibilities in the event of a work-related injury. A more proactive approach focuses on building safety awareness throughout the company. Ideally, safety communication is two-way. Ask for safety suggestions from the rank and file employees working directly around or with the hazards, via a Safety Suggestion Box (or electronic alternative). Ask specifically for reports of "near-misses," where the same type of incident could occur multiple times before resulting in an injury. Include safety as a regular topic of team meetings. Listen to employees' concerns about safety and ask for their recommendations on how safety can be improved and accidents reduced. Look for ways to act on their advice. Share with your employees how workers' comp rates affect the bottom line, and how absences affect productivity.

Many companies have found that incentive programs are an excellent way to motivate and reward improved safety performance by both employees and supervisors. Recognition programs should be in place at both a departmental/team level (e.g., a newsletter or company intranet posting that gives kudos to departments with no accidents or injuries the preceding month) and

an individual employee level (such as a thank you section for employees who have recognized a hazard or made a safety suggestion that has been implemented).

5) Check your screening process

Prevention of accidents and injuries in the workplace begins with the employee selection process. Make safety a part of the interviewing and screening process by including safety-related interview questions or even a safety test to measure the employee's ability to understand and follow safety instructions and procedures. When conducting reference checks with prior employers, it is permissible to ask about the employee's safety record. [Note: Be very clear that you are asking about the employee's safety record, i.e., "Is this employee able to understand and follow verbal and written safety instructions and procedures?" "Has this employee ever been counseled or disciplined for failure to follow safety instructions/procedures?" You are NOT asking whether the employee has ever been injured or has filed a workers' compensation claim, as this could be viewed as potentially discriminatory]. Review your pay rates in relation to job requirements, to make sure you can attract workers capable of performing the job safely. You may also want to consider conducting criminal background checks and/or a pre-employment drug test.

6) Start an employee wellness program

Does your work environment and company culture promote a healthy lifestyle? Employee wellness programs are another way of reinforcing to employees your company's commitment to health and safety, which in turn can translate into reduced absenteeism, lower workers compensation costs, and higher productivity. Research shows that active persons are happier, healthier, and less prone to be victims of accidents (over which they had any reasonable degree of control) than persons with sedentary lifestyles.

Wellness programs can include discounted gym memberships, walk-at-lunch programs, weight loss/smoking cessation contests, stress reduction, first aid and CPR training, flu shots, cholesterol screening/blood pressure checks, etc., etc. Many of these services can be offered in conjunction with a vendor for little or no cost. Don't overlook nutritional considerations: make sure your company vending machines include some healthy alternatives.

Implementing some or all of these suggestions focused on accident and injury prevention should help to make your company a safer workplace, and as a result help to control your workers' compensation costs. But there is still more you can do. Look for upcoming articles in this series focused on claims management strategies and return-to-work programs.

How your staffing service can help

For workers' compensation purposes, the staffing service and the client are considered "joint employers" of the temporary employees. The staffing service as "primary employer" is responsible for maintaining workers' compensation coverage and for providing general safety training to the temporary employees. The client as "secondary employer" is responsible for providing job-specific and site-specific safety training, including informing temporary employees of the company's IIPP and location of MSDS's. The client is also typically responsible for providing necessary personal protective equipment (PPE's) and instruction in their use.

Since the staffing service is responsible for providing workers' compensation coverage for its temporary employees, cost control in this area is a critical factor in maintaining competitive pricing. Similarly, a key component in establishing pricing for any account is assessing the company's safety record and workers' compensation risk – the lower the risk, the lower the rates. As part of this risk assessment, and to ensure a safe working environment for the temporary employees, the staffing service will conduct a safety tour of the areas in which the temporary employees will be performing work, and will obtain detailed job descriptions including physical requirements.