

MANAGE SAFETY TO REDUCE WORKERS COMPENSATION CLAIMS

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Workers compensation risk control professionals are often asked about the relevancy of seemingly unrelated issues in safety management. For example, what does inspecting fire extinguishers have to do with reducing workers compensation claims? Or, what does a missing electrical system cover have to do with reducing slip and fall incidents? I completely understand these questions.

Research has shown that consistent management of ALL safety matters in a workplace builds a safety culture that results in reduced workers compensation claim frequency.

A principal premise of contemporary safety management is that incidents/mishaps, occupational injuries and illnesses are symptoms of a safety management system failure. Therefore, to reduce injuries and illnesses, safety management systems must be improved. One measure of a safety management system is to audit physical hazard controls in a workplace. This means that if, for example, an electrical installation is not repaired, or if fire control equipment is not maintained, then there is a failing safety management system. Addressing seemingly unrelated issues has a holistic effect in the safety culture of a workplace. Improving the safety culture helps reduce the frequency of injuries and claims.

Most workplaces are 'low consequence' environments. In other words, an incident occurs and an employee may suffer a minor injury. In these workplaces, characterized as 'frequency driven' classes of business, it is easy for management to overlook specific safety actions.

Greater attention is paid in 'high consequence' workplaces, like oil refineries or hospitals. When mishaps occur in a high consequence operation, people die. This is not always the case in a low consequence or frequency driven workplace, although certainly fatalities can occur when management does not take proper precautions. The recent controversy with BP oil refinery process safety is an example of a high consequence safety management system failure.

In workers compensation we are always looking for research that identifies how to reduce workers compensation frequency. A landmark study was performed by the Upjohn Institute in Michigan. The study abstract is at <http://www.upjohninst.org/publications/wp/9318.html>; See <http://www.upjohninst.org/publications/wp/93-18.pdf> for the entire study.

The Upjohn Institute study identified key elements in reduced workers compensation claim frequency.

These factors were correlated with lower workers compensation claim frequency:

- Safety Diligence
 - o Housekeeping
 - o Equipment maintenance
 - o Hazard correction
 - o Compliance with safety measures by employees
 - o Emphasis on safety in all aspects of operations
- Return to work programs
- Safety Training

Interestingly, disability case monitoring, wellness programs and ergonomics had negative correlations.

Therefore, with limited resources, what should any organization do to reduce workers comp claims?

- Focus on execution of the California Injury and Illness Prevention Program, especially employee safety training and hazard identification and control.
- Provide modified work for all injured workers.
- Make sure that safety training is received and truly understood by employees.
- Conduct regular (monthly) hazard surveys to find and fix hazards. This not only controls a physical hazard that could cause an injury but more importantly builds the safety culture of an organization.
- Carefully investigate all injuries, illnesses, and mishaps to identify root causes. Take action to prevent reoccurrence.
- Conduct internal management reviews to identify ways the safety management system can be improved. How can we do better?

Manage safety to build a safety culture and workers compensation claim frequency will decrease.

Dave K Smith
Managing Consultant
Dave Smith & Co