RISK INSIGHTS

HUCKABY & ASSOCIATES

Are Your Employees Appropriately Reporting Workplace Injuries?

According to a report by the U.S. House of Representatives' Committee on Education and Labor, a staggering 69 percent of all workplace injuries and illnesses may not be represented in the Bureau of Labor and Statistics Survey of Occupational Injuries and Illnesses, which many trust as a gauge of the safety of American workplaces. On a corporate level, not reporting or underreporting workplace injuries can have serious ramifications for the organization and the employer, which can include fines, exorbitant and unnecessary, health costs and more.

Research has found that the employer's behavior, policies and attitude are key determinants in a worker's decision to report an injury. Not only is it essential that employees are educated on the importance of reporting injuries, it is also important to examine your company policies so you are not inadvertently discouraging reporting. The consequences of underreporting can be severe.

Consequences of Underreporting

The unfortunate trend of injury underreporting can have serious ramifications at both the industry and company level. Widespread underreporting can be quite damaging to workers' compensation rates on a large scale. Employers may not realize it, but such an underreporting problem may lead to more audits by insurance companies of their clients and higher rates for everyone. Many employers erroneously believe that reporting injuries leads to audits and higher rates.

At the company level, underreporting injuries can be quite costly for the employer. If it is an OSHA-reportable incident, the employer may face significant fines if it is not properly recorded or reported.

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In addition, often when an injury isn't reported or properly cared for immediately, it worsens and leads to higher health care costs and more lost time. Even if it is never reported as a workplace injury, the employer still loses out on health care costs and productivity. If it is eventually reported, it becomes much more difficult to prove that it was workplace-related. Additionally, a study reported by the Hartford Financial Services Group found that injuries reported four or five weeks after the incident are 45 percent more expensive than injuries reported within the first week due to increased health costs and possible legal fees, or even a lawsuit, associated with late reporting.

One of the best ways to control workers' compensation costs is through early reporting and intervention. Not only will it save money in health bills and legal fees, but it will also help to constantly improve your safety program. When there is an injury, consider it an opportunity to examine current safety procedures and decide if there is a suitable change that could be made to prevent similar injuries in the future. Thus, prompt reporting can be a productive element to your safety program in your quest to always strive for the safest work environment. Rather than accepting a vicious circle where injuries are not reported and thus nothing is done to fix the problem, leading to more injuries, take advantage of injury reporting as a proactive solution to safety.

Reasons for Underreporting

There are several reasons why employees may not report injuries immediately or at all.

Incentive programs: Many employers have reward or incentive programs to promote their safety initiatives, such as rewards for going a certain number of days without an injury. This can create a negative attitude toward reporting an injury, since doing so could cost that employee, a co-worker or a superior a reward or bonus.

Having incentive programs are a good idea, but a more effective strategy is to reward positive, safe behaviors. This can include reporting a safety hazard, attending a safety meeting or training class or equipment maintenance. Rather than rewarding for days without an injury, reward behaviors that strive to avoid injury, or even reward employees for prompt reporting when an injury occurs.

Fear of negative ramifications: Some employees fear that reporting an injury will create an image of them as weak to their co-workers and managers. He or she also may fear that such an image will be a detriment to his or her career.

Dispel this fear by assuring all employees that reporting an injury will have no negative impact on their job, and ensure follow through on all levels of the company. Work to promote a safety culture where prompt injury reporting is encouraged and praised. Injury reporting should never be frowned upon, even subtly or behind closed doors. If employees find out you are angry about a reported injury, he or she is less likely to report an injury in the future.

Some companies have a policy mandating drug testing after any incident whether or not there is evidence of drug use. This deters some employees from reporting injuries as well. Consider making the drug testing conditional depending on the circumstances of the injury and whether there is evidence that drug use was a factor.

For more information about injury reporting or your company's workers' compensation and safety programs, please contact Huckaby & Associates at (803) 772-3773 today.