

# **IWH - Financial Incentives Symposium**

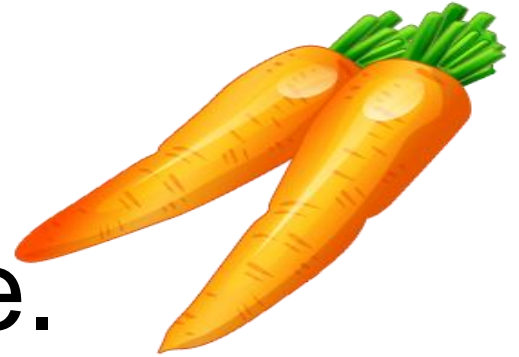
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# A Workplace Perspective

Must be:

- Based on performance.
- **Meaningful** to the recipient.
- Timely.



# Workplace and System Performance Measurement

- Establish a clear set of expectations/metrics.
- Must separate insurance and H&S performance measures.
- Not influenced by politics

# H&S Measure Alignment

Is there a common set of H&S measures that are understood and used by the workplace and the “system” to measure performance?

**NO**

*How can you decide on incentives without measures?*

# Workplace H&S Metrics

- Measured by Trailing and Leading indicators.
  - Lost Time Injuries are a poor measure of H&S performance
- Management system audits
- Non-Occupational injury and illnesses
- WSIB Costs
- Indirect Costs

# Workplace Performance



## **THE TIP OF THE ICEBERG**

### *Direct Costs of Injuries*

- WSIB premiums
- Claims administration fees

## **THE BULK OF THE ICEBERG**

### *Additional Costs of Injuries*

- Long Term Disability
- Sick Leave
- Vehicle damage
- Equipment damage
- General Liability Costs
- Litigation
- Lost productivity and quality
- Replacement Labor / Overtime
- Damage to Customer Relations & Public Image

# **Good H&S Performance is** **Good Business**

- WSIB/CME published “Business Results Through Health and Safety” – outlines the relationship.
- H&S performance is clearly a business performance issue in the workplace.
- Engaged employees are safer and produce better business results.
- WSIB insurance costs and incentives reinforce the focus on prevention and management of claims.

# Workplace Incentives

- Performance management system should tie H&S performance to compensation at all levels of the organization.
- It does not effect what people do day to day.
- It does creates a need for people to work together to develop improvement plans and track progress.



# Do System Financial Incentives Influence Behaviour

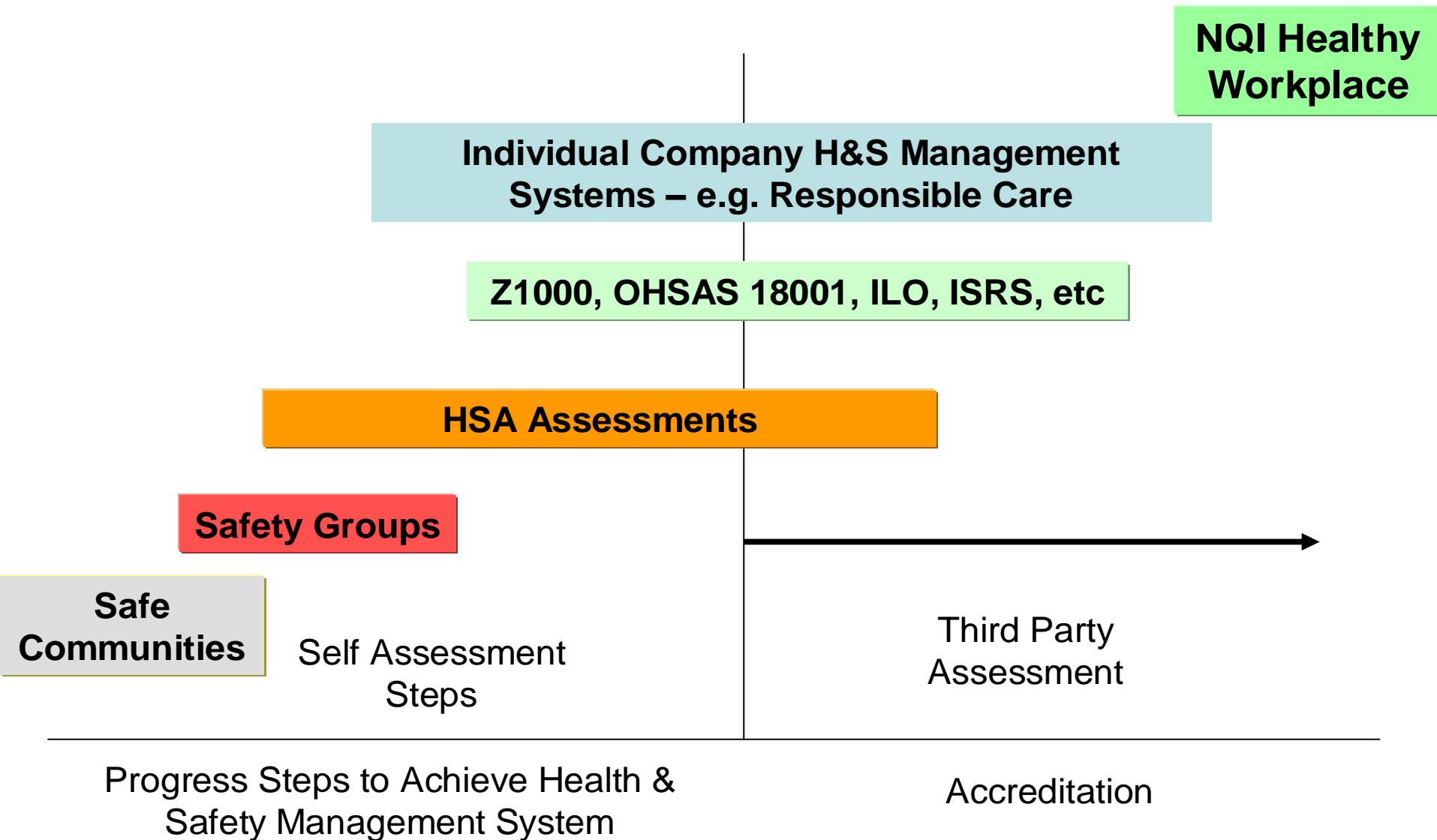
- ***Claim Cost influence behaviours***
- Current system based financial incentives don't directly impact H&S prevention activities in a workplace – ***too uncertain.***
- Incentives do help the workplace focus on ensuring that required insurance benefits are provided in an efficient and effective manner.
- Incentives should focus on activity based programs that recognize implementation of OHSAS 18001 like H&S Management systems.

# System Incentive Opportunities

## Accreditation - *H&S Management System*

- Provide a Health and Safety management system framework – OHSAS 18001.
- Provide *meaningful* recognition to high performers – tilt the playing field.
- Provide recognition that will encourage others to come.
- Eliminate “*system*” administrative burden.

# Staircase to Accreditation



# Accreditation

## Performance Recognition

- Need to develop a meaningful recognition process that includes a financial incentive as part of the continuum.
- Recognition must be aligned with, but not overlap (duplicate), existing incentives.
- Not all meaningful incentives are financial.
- Not be influenced by politics.
- Great companies are not perfect.

# Two Week Waiting Period

- Qualifying/Accredited employers would self insure for the first two weeks.
- Keep their own healthcare reporting log – just like the OSHA Recordable Log.
- Significant financial incentives for the WSIB and qualifying employers.

**Thank you**