

Incentive Plans Leading to a Decrease in Reported Injuries?

Employers frequently offer incentive plans to employees for timely completion of work. Bonuses of extra compensation or additional time off can provide motivation to employees to do everything they can to ensure that projects are finished ahead of schedule. However, not all incentive plans may have employees' best interests in mind.

Incentive plans that are tied to safety issues may lead to workers being reluctant to report injuries sustained while on-the-job. Instead of notifying their employer of the injuries and beginning a workers' compensation claim, workers do not notify anyone and treat the injury out of their own pocket.

The problem is drawing concern from the Government Accountability Office (GAO), which has requested that the Occupational Safety and Health Administration (OSHA) develop a plan that informs both employers and employees about the proper steps to take when setting up incentive plans.

The GAO is recommending that employers reward their employees for actively participating in safety programs in the workplace, rather than being rewarded for remaining injury-free. The agency is also concerned by programs that penalize workers who are injured on-the-job, such as additional drug testing after the accident. This also could lead to workers being afraid to report injuries due to increased monitoring post-accident.

OSHA had previously warned employers that any policies that punished workers for reporting injuries could potentially be against the law, and may result in sanctions. However, OSHA has been asked to provide additional information for workers

and employers that offer guidance about what activities may potentially be problematic.

OSHA wants workers to report each injury, not just so that employees can file workers' compensation. The agency wants to know exactly what injuries are occurring in the workplace, so that it can create rules that help keep all workers safe.

Source: Risk & Insurance "Safety incentives could lead to fewer reported injuries, illnesses" June 4, 2012.