

Catalyst (n.) person or thing that precipitates a change...

Improving productivity by reducing costs and the occurrence of workplace absences

At Catalyst we assist employers to improve productivity by reducing the costs and substantially reducing the occurrences of workplace absences.

For employers who choose to self-insure workplace injuries via the Partnership Programme, Catalyst also helps achieve further savings through our effective and efficient case management administration.

As more and more employers are implementing health and wellness programmes into their workplace, Catalyst works alongside them to understand the causes of their workplace absences and which programmes are appropriate to their specific needs.

To deliver on this promise of helping to improve your productivity by lowering the costs and occurrence of workplace absence contact Catalyst at info@catalystrisk.co.nz

STOP PRESS >> ACC announces increases to client payments

ACC have announced that from the 1 July 2009, a number of ACC payments will increase due to inflation.

Weekly compensation will increase by 3.33% for clients who have been receiving weekly compensation for more than 26 weeks prior to 1 July 2009.

The maximum amount of weekly compensation will now be \$1,692.59 per week, with the minimum now at \$400.

For grants and allowances a 2.97% increase will apply to clients who receive:

- An independence allowance
- Lump sum compensation
- Death by injury grant (including funeral grants, survivors grants and childcare payments)

These increases will be included in payments from 1 July 2009. For more information visit Informe.

Balance sheet reporting

New Zealand has adopted International Financial Reporting Standards which, in relation to the Accredited Employers requires the reporting of workplace injury claim liabilities at balance date. ACC is also requesting this information when the Accredited Employer Programme Accreditation Agreement is renewed.

Although Catalyst regularly report claims costs to you, we recommend an actuarial assessment be carried out annually to ensure that adequate provision for claims liabilities is made.

Catalyst can supply a data extract of all claims information to an actuary for analysis and provide the necessary information for end of year reporting.

A brief overview from TOPIX consulting actuaries Melville Jessup Weaver's newsletter on how these results are derived states:

"The accident costs in respect of anyone cover period continue over the lifetime of an injured worker. While the basic weekly income benefit to an employee ceases at age 65 the other costs comprising on-going medical treatment could well be lifetime costs continuing after age 65"

At the end of the financial year we consider the following when deriving the outstanding liability:

- *The value of the currently open claims. Estimates will need to be put on these claims, and allowance for future development costs.*
- *The claims previously closed may well re-open and a provision is required for this.*
- *An allowance must be made for those claims which have yet to be reported but which can be attributable to the past cover period. Included in the category are gradual process claims.*

As noted above an important component of the liability is open claims estimates. We are able to compare previous estimates against current cost assessments. If there is a clear divergence then an adjustment may be warranted".

If you would like to know more about actuarial services please contact Catalyst info@catalystrisk.co.nz.

What motivates leaders to improve safety?

An international Keynote Speaker at the recent SAFEGUARD Conference, Dr Thomas Krause, posed the question:

“What does it take to create a culture of safety and how do you know when you have it?”

Dr Krause looks at how to start building a safety culture based on his research over thousands of organisations.

What motivates leaders to improve safety?

Throughout the 1990s, many organisations focused their safety efforts on the front-line employee – and many became good at engaging the field and the shop floor in active safety roles. In recent years, we’ve seen the focus shift to the safety leader – including the safety manager, the plant manager, the head of health, safety and environment and even the CEO.

If safety excellence requires the engagement of employees at every level of the organisation, what motivates an organisation’s leaders to improve safety?

Approaches to Motivation

The two basic approaches to motivation include the **transactional** and the **transformational**. The **transactional** approach offers something in exchange for each person’s contribution to safety improvement. At the front-line level, **transactional** motivation includes offering bonuses for group performance or incentives for performance of safety activities. At the leadership level, we may include safety as a measure in performance and compensation.

Transactional motivation (especially safety incentives) produces mixed results. At the hourly employee level, particularly when the unforeseen event is incident frequency, can actually create more harm than good: Outcome-based incentives reward me (or punish me) for things over which I have little control, such as the practices of a work group on another shift. We tend to treat them as something extra, rather than as routine parts of the way work is performed.

At the senior level, safety incentives work to a certain extent: Leaders are more often in control of the means to achieve outcomes and are ultimately responsible for them. While it is often desirable to hold leaders accountable for specific outcomes, relying on these measures alone misses an important opportunity to motivate leaders at an intrinsic level.

More effective is the **transformational** method of motivation. This calls for engagement of employees, leaders or groups in the process of improving safety. Engagement is more difficult to cultivate initially and is not as simple as devising a program or writing a list of accountabilities. It is, however more self-sustaining because it appeals to the intrinsic drives, interests and perspectives that leaders have.

Before we can know how to engage them, however, we must first understand what safety means to them.

What Safety Means to a Leader

Most senior leaders are concerned with fatalities and find them totally unacceptable especially if fatal accidents are preventable, why then do they continue to happen in their organisations. For those who aren’t yet motivated, the key question is: Are fatal accidents a part of doing business, or can they be prevented?

In addition, senior leaders are concerned with getting things done in a competent manner, and when safety managers say they have trouble getting “leadership support,” they often mean that they have failed to demonstrate their competency in really making a difference. The senior leader holds back more from fear that resources will be used ineffectively than from lack of interest in real prevention.

Leaders are motivated to improve safety because deep down, they realise it’s the right thing to do. However safety also enables the leader to promote a sustainable organisation that cares for its resources, most importantly its people.

Engaging (and motivating) senior leaders requires showing them how they can improve safety directly through their actions, decisions and beliefs, and indirectly through their support.

Psychologist Thomas Krause, Ph.D., is chairman of the board of BST, a global safety performance consulting firm. Krause has conducted research and interventions in the use of performance improvement methods for accident prevention, culture change, leadership development and other targeted applications. He has authored several books and articles on safety and leadership.

Further editions

We hope you enjoyed this newsletter and we welcome your feedback, please email info@catalystrisk.co.nz.

from the Catalyst team