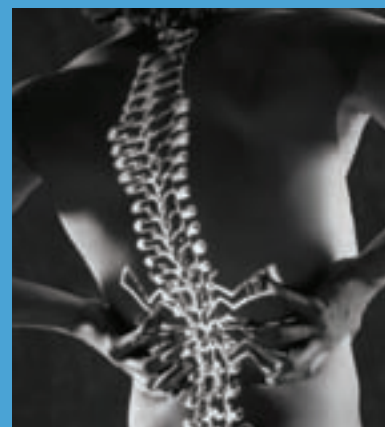


Improving OHS Through Business Incentive Programs



IAPA

It's About Making A Difference.

IMPROVING OCCUPATIONAL HEALTH & SAFETY (OHS) THROUGH BUSINESS INCENTIVE PROGRAMS

Journey to Excellence

The more a workplace moves toward a comprehensive health and safety management system, the greater the potential return on investment.

For instance, “compliance” based programs, are typically reactive and strive to adhere to relevant laws to avoid fines. Performance based programs are directed beyond compliance toward business improvement to reduce compensation premiums and injury costs and improve safety metrics. Further still, healthy workplace programs in pursuit of “excellence” make a long-term commitment to loss prevention. These programs provide a competitive advantage, which adds economic value and contributes to other business measurements, such as share price and brand value.



Diagram 1: IAPA's Journey to Excellence Model

Creating a Healthy Workplace Model

For information on creating a healthy workplace and its link to the bottom line, refer to Healthy Workplaces: The Fundamentals resource.

Canadian Workers' Compensation

Each province and territory in Canada has its own Workers' Compensation Board / Commission (WCB). Regardless of jurisdiction, there are five basic principles to workers' compensation¹:

1. No-fault compensation: Regardless of fault, workplace injuries are compensated typically for wage loss benefits to the injured worker, medical aid and rehabilitation.
2. Collective liability: All employers share the total cost of the compensation system and contribute to a common fund. The assessment rates or premiums are based on industry and an experience rating.
3. Security of payment: Establishment of a fund ensures that compensation is available for future benefits.
4. Exclusive jurisdiction: The compensation board for each jurisdiction decides on the compensation of claims based on the individual merits of the case.
5. Independent Board: System administration is focused on the needs of the employer and worker to provide impartial and efficient service. The board is both autonomous and non-political.

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Business Incentive Programs: Canadian Overview

In Canada, each province or territory sets an average provisional assessment rate or “premium”. Individual employers’ premiums are based onⁱⁱ:

- Industry or Class: Industries, classes, and occupations can be charged different premiums as inherent health and safety hazards vary with each.
- Experience Rating – An individual employer's premium may be increased or decreased based on the number of work injuries and illnesses that have occurred.

Business Incentive Programs: Ontario Examples

The Ontario Workplace Safety and Insurance Board (WSIB) have several business incentive programs that provide financial rewards for workplaces to participate in programs that assist with building and maintaining a healthy and safe environment. Typically, these are referred to as experience rating programs. For more information on the examples provided below, or on experience rating programs across Canada, refer the Web Resources section.

1. *Workwell Program*

The Workwell Programⁱⁱⁱ promotes health and safety in Ontario workplaces by levying additional premium charges against employers who do not maintain safe and healthy work environments. This program focuses on employers that have sub-standard compliance with legislation, as well as poor accident costs and frequency experience.

An evaluation of actual workplace conditions is a factor in determining an individual employer’s premiums. The evaluation is conducted through an audit process^{iv} by visiting facilities, examining OHS programs, observing practices and interviewing workers. Financial incentives are provided to encourage employers to improve OHS conditions.

2. *Safety Groups Program*

The Safety Groups program^v is built around learning from other firm’s experience and knowledge. Participation in the voluntary program involves creating a network of workplaces, usually from similar industries, that share the common goal of reducing injuries and illnesses.

Each Safety Group has a program sponsor to facilitate, administer and support self-reliance in the workplace. Safety Group members regularly meet to pool resources and share best practices or approaches to develop and manage effective health and safety programs. Over the course of the five year program, workplaces must select and complete twenty-five OHS elements (five per year) to initiate or improve upon.

Program members can reduce premiums and receive group rebates for collectively improving their workplace health and safety.

3. *Accreditation Program (Currently in a Consultation Phase for Ontario WSIB)*

Accreditation is a voluntary program that recognizes the current state of a company’s health and safety management system. It involves development of policies, programs, and practices that meet an accepted OHS standard and are associated with successful health and safety outcomes.

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An accreditation program is intended to help employers with prevention, and create a positive health and safety culture and habits, through the following objectives^{vi}:

- Set a specific standard for recognition of workplaces with superior health and safety management systems and practices.
- Recognize employers with superior health and safety management systems and practices.
- Encourage non-accredited workplaces to work towards achieving the Accreditation Standards.
- Encourage accredited workplaces to engage in the continuous improvement of their health and safety management systems and practices.
- Encourage accredited workplaces to champion health and safety in their industries.

Programs: Future Considerations

There are several benefits and challenges that should be considered related to the set up and administration of a business incentive program, especially one that involves experience ratings^{vii}.

Benefits include:

- provision of rewards, recognition and motivation for positive workplace behaviours and practices that are required to maintain healthy and safe workplaces;
- improvement of insurance equity among participating employers by providing rebates or surcharges based on claims experience;
- return on investment for organizations that invest in health and safety.

Challenges include:

- Non-compliant reporting or discouraging workers to report injuries;
- Clear links to ensure experience rating program refunds align with legislative compliance.

Measurement and evaluation of a program is essential to determine effectiveness, and assess whether the program has the desired impact to create a healthy workplace.

Web Resources: Additional Information

1. IAPA Healthy Workplace Web Downloads, 2007-2009.
http://www.iapa.ca/main/Resources/resources_downloads.aspx#healthy
2. Association of Workers' Compensation Boards of Canada (AWCBC). History of Workers' Compensation: Accessed December 2009. <http://www.awcbc.org/en/historyofworkerscompensation.asp>
3. Association of Workers' Compensation Boards of Canada (AWCBC). Summary of Experience Rating Programs in Canada, 2009. http://www.awcbc.org/common/assets/assessment/experience_rating.pdf
4. Workplaces Safety and Insurance Board (WSIB). Workwell Program Overview: Accessed December 2009
<http://www.wsib.on.ca/wsib/wsibsite.nsf/public/Workwell>
5. Workplaces Safety and Insurance Board (WSIB). Workwell Health and Safety Audit: Accessed December 2009
[http://www.wsib.on.ca/wsib/wsibsite.nsf/LookupFiles/DownloadableFileWorkwellAudit/\\$File/WorkwellAudit.pdf](http://www.wsib.on.ca/wsib/wsibsite.nsf/LookupFiles/DownloadableFileWorkwellAudit/$File/WorkwellAudit.pdf)
6. Workplaces Safety and Insurance Board (WSIB). Safety Group Program Overview: Accessed December 2009
<http://www.wsib.on.ca/wsib/wsibsite.nsf/Public/safetygroupsprogram>

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7. Workplaces Safety and Insurance Board (WSIB). Accreditation for Ontario Workplaces: Consultation Paper, 2007. <http://www.wsib.on.ca/wsib/wsibsite.nsf/Public/PreventionAccreditationConsultation>
8. Morneau Sobeco. Recommendations for Experience Rating: For Discussion with Stakeholder, 2008. [http://www.wsib.on.ca/wsib/wsibobj.nsf/LookupFiles/DownloadableFileExperienceRatingReport/\\$File/MorneauSobecoReport.pdf](http://www.wsib.on.ca/wsib/wsibobj.nsf/LookupFiles/DownloadableFileExperienceRatingReport/$File/MorneauSobecoReport.pdf)

Endnotes:

ⁱ Association of Workers' Compensation Boards of Canada (AWCBC). History of Workers' Compensation: Accessed December 2009, <http://www.awcbc.org/en/historyofworkerscompensation.asp>

ⁱⁱ Association of Workers' Compensation Boards of Canada (AWCBC). Summary of Experience Rating Programs in Canada, 2009, http://www.awcbc.org/common/assets/assessment/experience_rating.pdf

ⁱⁱⁱ Workplaces Safety and Insurance Board (WSIB). Workwell Program Overview: Accessed December 2009 <http://www.wsib.on.ca/wsib/wsibsite.nsf/public/Workwell>

^{iv} Workplaces Safety and Insurance Board (WSIB). Workwell Health and Safety Audit: Accessed December 2009 [http://www.wsib.on.ca/wsib/wsibsite.nsf/LookupFiles/DownloadableFileWorkwellAudit/\\$File/WorkwellAudit.pdf](http://www.wsib.on.ca/wsib/wsibsite.nsf/LookupFiles/DownloadableFileWorkwellAudit/$File/WorkwellAudit.pdf)

^v Workplaces Safety and Insurance Board (WSIB). Safety Group Program Overview: Accessed December 2009 <http://www.wsib.on.ca/wsib/wsibsite.nsf/Public/safetygroupsprogram>

^{vi} Workplaces Safety and Insurance Board (WSIB). Accreditation for Ontario Workplaces: Consultation Paper, 2007. <http://www.wsib.on.ca/wsib/wsibsite.nsf/Public/PreventionAccreditationConsultation>

^{vii} Morneau Sobeco. Recommendations for Experience Rating: For Discussion with Stakeholder, 2008. [http://www.wsib.on.ca/wsib/wsibobj.nsf/LookupFiles/DownloadableFileExperienceRatingReport/\\$File/MorneauSobecoReport.pdf](http://www.wsib.on.ca/wsib/wsibobj.nsf/LookupFiles/DownloadableFileExperienceRatingReport/$File/MorneauSobecoReport.pdf)

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A world where risks are controlled because everyone believes suffering and loss are morally, socially and economically unacceptable.

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To improve the quality of life in workplaces and communities we serve by being an internationally recognized leader in providing effective programs, products and services for the prevention of injury and illness.



Canada Awards for
Excellence Bronze Award
for Quality Recipient



CIS Collaborating Centre
under the International
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NQI Progressive Excellence
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IAPA Head Office

Centre for Health & Safety Innovation

5110 Creekbank Road, Suite 300, Mississauga, Ontario L4W 0A1 Canada

Toll Free: 1.800.406.4272 Fax: 1.800.316.4272 www.iapa.ca

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