Minimizing disruption
New strategies for managing employee injuries

by PAUL VACHON

Bringing employees who have been injured back to work and accommodating needs caused by the injury rank high on retailers’ lists of human resources concerns. Several recent developments — changes in federal and state laws, new models of operations and evolving requirements from insurers — have added complexity. And the stakes are quite high. Over the last decade, consent decrees and settlements from Equal Employment Opportunity Commission lawsuits have run into the tens of millions.

Navigating these obstacles has required a thorough reimagining of policies affecting employee incapacities, often requiring involvement at the corporate level for all but the simplest of cases. Christina Bergman, managing consultant at Aon Global Risk Consulting specializing in absence management, explains that “instances of temporary transitional duty” falls into the latter category.

She offers some examples: “If a worker suffers a minor injury, she or he sees a medical provider that authorizes temporary restrictions … say a limit of lifting no more than 10 pounds.” Consistent work assignments can be managed at the store level.

But when an employee’s disability becomes long-term or permanent (and can involve the Americans with Disabilities Act), it can become the trigger for corporate involvement, a departure from past precedent.

SUPPORTING PRODUCTIVITY

Bergman says there are three “pillars” driving this shift. First is the complexity resulting from overlapping obligations between workers’ compensation coverage, group health insurance and, if that claim is denied, short-term disability.

The second pillar is the need to invoke the Family and Medical Leave Act when internal documentation is necessary to protect the jobs of employees who take unpaid time off.

Accommodations mandated by the ADA upon an employee’s return represent the final pillar. Coordination of these issues at the corporate level offers important benefits to the organization.

Bergman points out that this approach supports productivity within the retail environment by assuring adequate staffing in stores and distribution centers.
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— Christina Bergman, Aon Global Risk Management

centers, thus maintaining the availability of product. She emphasizes that since all these factors involve certain costs, they should be managed in a way similar to any other expenditure.

When retailers examine the total cost of risk, they realize they have to manage return-to-work or occupational disability or illness just like any other line item expense, which requires certain protocols to be handled effectively,” she says.

“Across all their operations, whether they’re big-box or specialty stores, the only way to improve outcomes is to give a management framework for all their operations to follow, which can help avoid significant EEOC awards.”

Compared with other industries, retail concerns have been slow to implement this style of managing disability matters, a shortcoming that’s had a significant impact. According to a survey of 50 retailers performed by Aon, the industry has a significantly higher incidence of total temporary disability days than many other verticals.

Why is this the case? According to the experts, it’s the varied nature of the retail world.

More than other industries, retailers tend to be spread across a great number of jurisdictions. One brand might have store locations and distribution centers in 20, 30 or more states, each with unique labor and disability laws, which can range from minimally to highly restrictive.

Throw local regulations into the mix, and the level of complexity expands still further. Managing the minutiae of these details from hundreds of miles away can be monumental.

Another reason is the varied nature of the industry itself. Distribution centers, big-box stores and specialty locations each have a unique set of dynamics that affects disability performance. Specialty stores appear to reflect better statistics than their larger counterparts.

“What we see is that big-box stores have about 40 percent more claims, which translates to overall disability costs 40 percent higher than the industry average when examined as a loss/cost ratio,” says Robert Connery, retail consultant at Aon.

“However, when a specialty store does have a claim, the average per cost per individual claim is 90 percent higher than at a big-box location.”

Connery attributes this to the fact that since specialty stores have fewer claims overall, they tend not to invest the same resources in health and safety provisions.

“They also tend to have fewer people on duty, which means less expertise inside the store to provide initial treatment, and a lower likelihood of developing creative back-to-work options.”

PLAYBOOKS

To address this problem, Aon developed a group of concise, interactive “playbooks,” designed to replace the traditional policies and procedures manuals — typically thick, detailed books that usually sit on an office shelf and are often forgotten about.

When an incident occurs, the urgency of the situation causes team members to step away from their usual tasks and help in whatever way they can, such as cordonning off the area and assessing what medical attention is needed.

“When this happens, people are just not wired to take the time to pull an administrative manual,” Bergman says.

“What they need instead is a quick playbook that gives precise directives as to what to do, complete with the necessary forms for medical providers and other important parties.”

The books also provide communication instructions and forms to accompany the entire process, between management, the employee and the medical provider, including what questions to ask and when.

“We’ve found that if we take these key pieces of communication, with a concise one-page ‘landing’ in a color-coded envelope, supervisors will instantly know what to do. A red envelope might be for incidents involving an injury, a yellow envelope for less serious situations, etc.,” says Bergman.

This allows precise, actionable information to be quickly transmitted to the appropriate support operations. The result is a more efficient outcome within a better operational framework.

Aon first introduced the playbooks as thin paper folios — highly portable items that can be brought onto the floor and easily utilized. Once completed, the documents can be scanned and emailed to insurance carriers and safety committees for root cause analyses.

“In the future, iPads with supporting apps may be used,” Bergman says. In that scenario, all the forms can be directly emailed to third parties. The transition will be a very gradual one, since the current system includes many location-specific forms.

“In some states, management can direct where an employee will receive medical treatment,” she says. “In those states, the employer typically has a preexisting relationship with a provider, which makes return-to-work procedures, including temporary transitional job task options. In other states, the employee is free to decide, and the employer can only offer suggestions.”

Another scenario is when an incident occurs, and the employee initially opts against medical attention, only to change their mind hours later. To be prepared for this, the employee needs to be given the necessary forms should they seek treatment after hours.

These innovations promise to bring a more streamlined and effective approach to managing worker injuries and disabilities — one that will benefit all parties concerned.

Detroit-based Paul Vachon writes for various trade publications, in addition to feature stories for consumer magazines and books on Michigan history and travel.