

Morshead Home revels in success at risk management

Morshead Home had a problem. The veterans' aged-care facility in the Canberra suburb of Lyneham had seen its workers' compensation premium more than double over two years to an unsustainable 20% of payroll — about 2.5 times the industry average.

This dramatic increase between 2002 and 2004 was the result of poor risk-management capacity, leading to a large number of serious claims. Staff turnover was high, morale was low and it was on the way to being effectively uninsurable.

In an effort to reverse the trend, Morshead Home engaged specialist risk-management workers' compensation insurer Vero. Vero Workers' Compensation is in the process of merging with GIO Workers' Compensation.

Michael Charman, the team leader of GIO Risk Services, says his group visited the facility to determine what was driving the high costs.

The risk-management team discovered that there were few systems and procedures designed to reduce the risk of workplace accidents and no qualified staff dedicated to dealing with risk and workers' compensation.

An incentive-risk-improvement program was devised in consultation with the Morshead management team. The incentive comes in the form of a pledge by the insurer to refund a percentage of the premium if the employer implements the changes it has committed to.

Michael Charman says capturing the support of the board is an essential ingredient. Making such a dramatic change is possible only if all levels of management are behind it. Risk Services' approach is to meet board members to make sure they understand what's at stake.

"Apart from the financial implications, I make the point that they are ultimately the employers and, as such, are responsible for the safety of their staff," says Michael. "If they don't exercise due diligence, individual board members can end up being sued for significant sums and even facing jail terms."

In Morshead Home's case the board was convinced and new chief executive Nikki van Diemen was prepared for the mammoth task of changing not only the systems but also the workplace culture. As part of the change program she opened the facility's books to staff so they could see first-hand just how much the workers' compensation premium was costing.

"The staff were shocked when they saw the figures," she said. "They honestly couldn't believe it was true. Showing them how much we were paying was the first step towards everyone taking responsibility for safety and not just thinking of it as something for management to worry about."

The incentive-risk-improvement program prompted several changes. Leanne Pearson was recruited to the full-time position of Safety and Wellness Manager. An occupational health and safety (OHS) committee was formed and regular OHS reports were submitted to the board. OHS topics were included in bi-monthly staff meetings.

Risk Management helped Morshead Home for Veterans and Aged Persons halve its Workers' Compensation bill and instil a culture of workplace safety in everyone at Morshead through the joint efforts of all.



Staff education in occupational health and safety takes the form of both theory (above) and practice (below).



Aged care requires significant amounts of manual handling, so pre-employment examinations by a physiotherapist were introduced to assess people's ability to perform the physical tasks involved in the role. Literacy and numeracy tests were conducted too, as well as police and other background checks.

OHS was included in job descriptions and performance reviews. Rather than being the token last question of an interview, safety awareness was moved up the list to demonstrate its importance to the organisation.

Induction programs were implemented for new staff and contractors and annual training in risk management and manual handling were made mandatory. Incident reports were standardised and staff trained in how to use risk-matrix tables to determine levels of risk.

The central message was to stop and think about what you're doing before you do it, in order to identify anything that might be dangerous. There was some initial resistance in people who saw this approach as a waste of time.

"They just want to get on with the job," says Leanne. "Gradually they've

come to realise that it's worth investing time in considering risk. Now staff are openly talking about safety and looking to be involved in improving things."

Work method statements are being created for each task and processes implemented to ensure that staff are trained before they undertake an activity. All new pieces of equipment are assessed for risk and tested before being used on the floor. There have been changes also in how workplace injuries are dealt with.

Previously if someone injured his or her back he or she might have taken a couple of aspirin and driven home. The result was that injuries were not treated effectively and employees ran the risk of getting worse. Now the Safety and Wellness Manager is notified and she takes them immediately to a doctor. Intensive early intervention is recognised as the best strategy. The next day the injured employee will get a phone call from management to see how he or she is feeling.

"When people are home after an injury we contact them to ask if there is anything we can do to help," says Nikki. "We never ask them when they will be back at work. I think good management involves putting people's wellbeing first and not thinking of them simply in terms of productivity."

Part of Ms Pearson's role is to improve the health of employees. Morshead Home has conducted quit-smoking and stretching programs, issued pedometers and encouraged people to lose weight with dietary and exercise advice. Surveys conducted externally revealed that having to rush to the bank and to collect children were causing stress, so a day-care centre was established on site and an ATM installed.

A room has been set aside for staff to view educational videos on topics that include safety, risk assessment and general health. Training in literacy and numeracy has also been provided to those who need to improve their skills in this area.

"It makes good business sense to recognise and reward your people," says Nikki. "In an industry that is far from being considered sexy, we've seen a reduction in turnover and absenteeism. The most significant change is in morale. We want people to leave in the same condition [in which] they arrive and I think this attitude of concern for people is transferred from management to staff, who then pass it on to our residents."

Morshead Home has moved from having about six active workers' compensation claims down to zero. Its premium has almost halved in two years and is now on par with the industry average. Its progress was recognised in 2006 when it won the Best Workplace Health and Safety Management System category in the ACT WorkCover OHS awards, as well as the over-all award for OHS excellence.

Morshead Home has bought software to track incidents and absenteeism in order to be able to better identify trends.

This is an edited text of an article in the August-September 08 issue of Insurance & Risk Professional, reproduced with I&RP's permission.