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Workplace Violence Hurts Everyone

Employers face hidden costs as well as trauma

A distraught man estranged from his wife waited outside the computer assembly plant where she worked, then shot her and her new boyfriend to death before committing suicide. It was the second such incident of workplace violence at the plant in six years.

The cost of workplace violence is painfully evident when someone is killed. Homicide is the leading cause of death on the job for women and the second-leading cause of death overall for employees, according to the U.S. Department of Labor (DOL).

But even if no one dies or is seriously injured, workplace violence is expensive. Violence means loss of productivity, decreased company morale and increased corporate liability exposure. Violence is costly when considering lost work time alone. Out of 20,000 incidents of violence in 1994 that were serious enough to cause absence, the Department of Labor found half of the victims lost a week or more from work.

The price of violence in human lives and corporate profits is unacceptable. As more companies compete on a global scale, the productivity and creativity of their employees will impact their success in the marketplace. The problem is more urgent in a time of full employment when valuable employees are difficult to replace. Workplace violence not only poses risks to people and profits, but failure to address the issue can also result in legal or regulatory action.

Since August 1979 The Lipman Report has focused on various aspects of workplace violence, from prevention to government guidelines for businesses that carry a special risk of violence. In addition, the topic receives extensive coverage in The Lipman Report: Selected Editions on Workplace Violence (The Lipman Report Editors, 1997), of which a limited number of copies are still available. This issue examines the cost of workplace violence and what businesses can do to avoid the ultimate cost: an employee's life.

Cost of Workplace Violence

After an employee was shot in the parking lot, his company increased security, gave him medical aid and psychological counseling, and even offered a transfer to another plant. But despite his employer's efforts, the individual never regained his former on-the-job proficiency level.

This incident at a Midwestern company is among thousands of violent incidents that impact human lives and corporate bottom lines every year in American workplaces. Statistics published by the American Institute of Certified Public Accountants in 1997 estimated the annual cost of workplace violence at more than \$4 billion a year. That figure includes the cost of enhanced security, declines in productivity as a result of demoralized employees, and higher turnover—but it does not count the medical or legal fees which are estimated at \$250,000 per incident. Nor does it take into account contingency legal fees or settlements paid when employers settle suits alleging that they failed to protect employees. Judgments in such cases average around \$1.2 million, while settlements average \$600,000. Another survey, conducted by the National Council on Compensation Insurance, studied crime-related claims in 1995 and discovered that employers spent \$126 million just for medical and indemnity benefits.

Violence is so prevalent in the workplace today that the Centers for Disease Control and Prevention has labeled it "a national disease epidemic." The latest statistics from the Occupational Safety and Health Administration (OSHA) show 912 homicides, 751 shootings, 79 stabbings and 1,144 assaults in the workplace during 1996.

While murders grab national headlines, they are only the most horrific manifestation of an extensive problem. The National Institute for Occupational Safety and Health (NIOSH) defines workplace violence as any physical assault, threatening behavior or verbal abuse occurring in the workplace. The types of assault range from beatings, rapes and suicides to psychological traumas including threats, obscene phone calls, and harassment of any type, such as being followed or verbally abused.

Aside from the risks to human life and the financial cost to American businesses, workplace vio-

(continued on next page)

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lence can embroil companies in legal and regulatory problems. The idea that companies have an obligation to provide a safe workplace is gaining ground. For example, companies that fail to act to stop workplace violence could be in violation of the OSHA general duty clause that requires employers to provide a reasonably safe workplace. The threat of citations exposes employers to penalties and abatement requirements. OSHA has already issued guidelines to reduce workplace violence in the late-night retail sector, as well as voluntary guidelines for reducing violence in other work sectors. Experts believe more guidelines will be forthcoming for other businesses—and some of them will be mandatory.

Violence at work worries corporate America—many corporate officials have had to deal with it personally. One in five human resource executives surveyed at 951 California companies with at least \$1 million in gross sales reported they had some experience with workplace violence, according to a 1997 employment study conducted by an independent research firm. More than half those surveyed said violence was a major concern—and the larger their company, the greater their worry.

However, many companies still have no plan to combat the problem. According to one recent survey, almost half of all businesses have experienced at least one violent incident, but more than two-thirds still do not offer any training on preventing or handling workplace violence. When employers ignore workplace violence, it has a significant impact on their employees and company productivity—another survey shows that most Americans no longer feel safe at work.

While companies realize they need to address the possibility of violence on the job, many have no idea what to do. The head of an employee assistance program at a large New England firm said he believes 95 percent of all companies do not know how to respond to the current epidemic of

workplace violence. When the violence or potential for violence stems from a domestic dispute, employers seem even more unsure about their role.

One expert in workplace violence said companies seem to think the problem will go away. “If businesses do not get out of the river of denial, OSHA will come along and pull them out,” said the expert, a psychologist.

Getting Started

Companies must be proactive in reducing violence on the job. Ideally, security managers and other executives can lead their organizations in developing ongoing strategies for preventing and dealing with violence. OSHA issued workplace violence guidelines that will give businesses a place to start. The guidelines contain four elements:

- *Workplace analysis.* Identify high-risk situations through employee surveys, discussions with workers, workplace observations and any data that deals with injury or illness.
- *Hazard prevention and control.* Security managers and employees from various sites around the company should discuss any work practice methods to prevent or limit violent incidents. For example, tighten the physical security of the buildings and grounds to increase employee sense of safety. Heightened security measures may include increased security personnel or closed circuit television to monitor areas considered at risk.
- *Training and education.* Security officers and company officials should make certain employees understand security hazards, and how to protect themselves and their fellow employees against violence.
- *Management commitment and employee involvement.* Company officials, security, managers and representatives from all areas of the firm should serve on a committee study workplace violence.

In the past, companies have not become involved in the personal lives of their employees, or company supervisors have not realized that employees were experiencing personal crises until it was too late. While employee privacy should be respected, businesses can provide seminars and training sessions to teach supervisors how to recognize a troubled employee. Such employees can then be referred to an assistance program or mental health professional—and the company will be alerted to the potential for violence. Company officials who do not believe helping employees with personal problems is a security issue should realize that domestic violence spilling into the workplace is the largest single reason for the increased number of assaults on the job, one psychologist said.

While it is a mistake to think violent behavior can be accurately predicted, security officers and employee supervisors should be aware of employees who demonstrate:

- *Personality conflicts.* Some employees or supervisors may need counseling or training on work relationships.
- *Drugs or alcohol.* Supervisors and managers should look for mood swings in employees, unusual patterns of behavior or decreased work.
- *Mental disorders.* A secretary who spends much of her workday e-mailing death threats to the secretary across the room is exhibiting signs of mental illness, not work stress, said a psychologist.
- *Social change.* The nature of the workplace is constantly evolving and some employees do not handle change well. Some training and counseling may be needed to avoid high levels of employee frustration that could spark violence.

Employees who are on the verge of violence often display warning signs. Security officers or employee supervisors should be trained to

understand and take seriously threats of physical violence or statements about revenge, as well as any employee with an obsession with weapons or violence. Other employees who have several failed relationships, a lack of social support such as friends or relatives, or who seem distrustful of others might also have a propensity for violence. Still other employees who might become violent show high levels of frustration or inability to handle stress, an inability to accept responsibility for shortcomings, and have poor work habits that may include frequent absences, tardiness or lack of concentration.

Steps to Safer Workplaces

When the initial training and planning is completed, security officers should participate in action committees representing all groups and individuals in the organization who will play a role in managing violence. These committees should increase awareness of the problem across the company and develop ways to combat violence on the job.

As a starting point, the committee might consider ways to implement these steps:

- *Employ carefully.* Conduct a comprehensive background and reference check on new employees. Include a drug test and psychological examination wherever it is legally permitted. A thorough background and employment check of every new employee is not only prudent management, but also one element of a legal defense against claims of company negligence should an incident occur.
- *Ensure proper supervision.* Proper supervision protects the company against a common claim of negligence, which could happen when an employer disregards an employee's severe personal or performance problems.
- *Adopt a zero tolerance policy on violence.* This policy should include a clear definition of

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what the company considers violent behavior and the penalties for violating the policy. Keep the policy and the definition simple and fair. The first offense does not have to mean termination, but employees should know that every incident or threat of violence will be recorded.

- *Report, document and investigate threats immediately.* Proper documentation and investigation of incidents might be important if any legal issues arise later. No law requires a company to retain a dangerous employee, but terminating a violent employee with a mental disorder is still a legal “gray” area, said one consultant. He added that companies would be well advised to refer employees who commit violent acts to a psychologist for evaluation as a condition of returning to work. An outside evaluation of the employee’s potential for further violence is one protection for the company from discrimination claims.
- *Take action under a violence prevention plan if a viable threat of violence is present.* Security officers and supervisors should be adequately trained in the warning signs associated with violent behavior and informed about which employees may be at risk. Be certain the violence prevention plan is well publicized and applied fairly.
- *Develop a disaster recovery plan.* Such a plan should include provisions for assisting victims and witnesses with counseling and time off. Periodically, and after each violent incident, evaluate the violence response plan and decide how it can be improved.

Companies should approach the issue of violence not in terms of categories of threat—such as employee-to-employee violence or harassment—but in terms of the overall effect on the health and productivity of workers exposed to these threats.

Workplace violence is the health and safety issue of the nineties and will become even more significant, as competition for skilled workers increases. The longer businesses put off developing programs and policies to address the threat, the more they risk their people and profits. In today’s full-employment economy, businesses that cannot safeguard their employees will discover they have taken their skills training and ingenuity to other companies.

Employers who ignore or refuse to believe workplace violence can happen at their place of business risk a great deal. The cost of a violent incident could include medical and psychiatric care, as well as potential lawsuits. In the public relations arena, the business that suffers a violent incident runs the risk of lost business, bad publicity and increased security measures. Finally, a violent incident could require building repairs and clean-up, higher insurance rates and consultant’s fees.

Ultimately, the price of workplace violence could be an employee’s life. For that reason alone, the price of denial is too high. Federal regulators and labor unions are poised to push the issue should businesses fail to address adequately the problem of workplace violence.

American companies cannot stop violence from society at large from crashing into their places of business. But few American institutions are better positioned to make a difference in the security and quality of life of its members than the business community. Companies can take significant steps toward making their businesses safer for their workers—and they should feel morally and legally obligated to start now.



The Lipman Report Editors