



A safety ROI for healthcare organizations

The cost of doing nothing

The healthcare sector is growing faster than all other occupational groups.

According to the US Bureau of Labor Statistics, the sector is projected to grow 16% and add 2.6 million new jobs through 2030. By contrast, the healthcare system is facing a nationwide staffing crisis¹

that is expected to worsen. According to the Bureau of Labor Statistics, it is anticipated that 500,000 nurses will have left the workforce in 2022, bringing the overall shortage to 1.1 million nurses, and there is no ready supply of trained professionals to replace the outgoing workforce.

For the immediate future, the demand for skilled labor vs. the available supply will result in labor shortages². Important factors underlying these staffing shortages include increased levels of stress, burnout³, emotional exhaustion, and work-related safety concerns, including work related violence⁴.

Healthcare systems that implement safety solutions that address the root causes of the staffing crisis will have the best outcomes, including better staffing levels, lower costs, and higher ROIs.

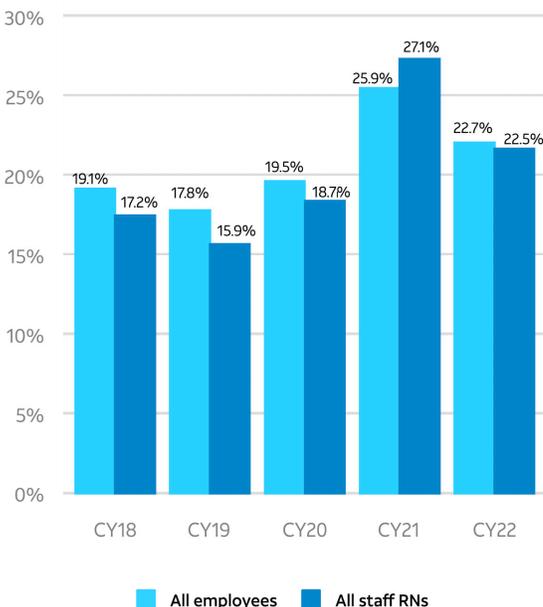
Employee turnover

The increasingly high employee turnover rate is a growing challenge for the healthcare sector. According to a recent survey by NSI Nursing Solutions⁵, the average turnover rate for nurses is 22.5%.

The NSI survey also reported the average cost of turnover for a registered nurse (RN) is \$52,350. Additionally, each percent increase in RN turnover will cost the average hospital an additional \$380,600 per year.

Managing turnover has a direct impact on a healthcare provider's ability to control costs and deliver quality care. Leading to significant recruitment and hiring costs, which include expenses related to advertising job openings, onboarding, and training new employees.

Hospital and staff RN turnover

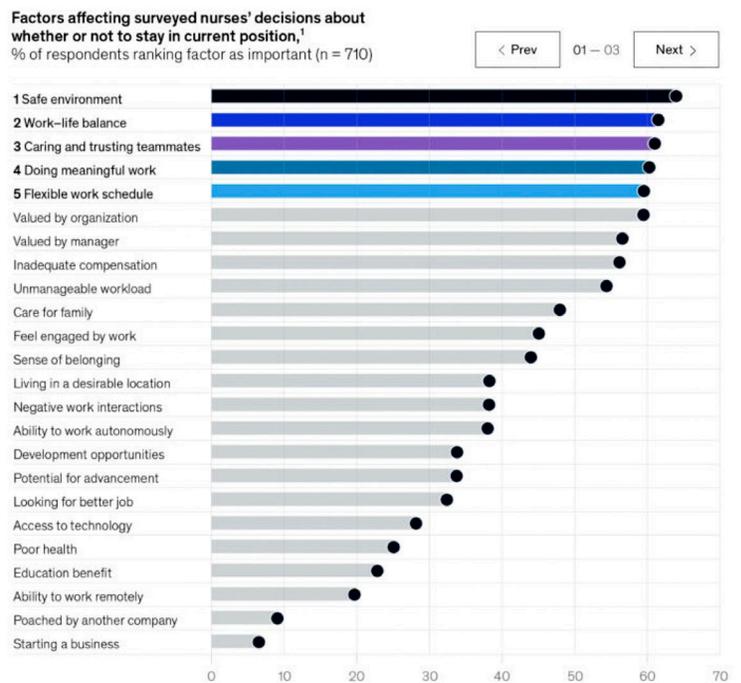


According to a study by the Society for Human Resource Management⁶, the process of replacing staff can cost up to of an 50-60% employee's annual salary. Employee turnover can lead to a loss of productivity, causing delays in patient care and other critical activities, leading to decreased morale and productivity among existing employees.

Replacing skilled labor is not only expensive but also challenging in today's market, especially with the labor shortage hitting the healthcare industry harder than most.

A recent study by McKinsey & Co.⁷ revealed that nurses in the early and mid-stages of their careers identified a safe work environment as the most crucial factor influencing their decision to stay in their current position. This compelling statistic underscores the importance of deploying safety solutions that mitigate the unique risks faced by healthcare professionals. Failure to invest in adequate safety systems will lead to higher employee turnover rates with the associated costs.

By providing a work environment that prioritizes and invests in the safety of healthcare professionals, employers will be able to improve retention rates and productivity, bolster recruitment initiatives, and reduce turnover and retraining costs. Investing in safety solutions delivers a solid return on investment.



November 2021 frontline workforce summary, by McKinsey and Company.

Safety and security

Safety and security costs

Although every workplace presents safety hazards, healthcare workers face significantly elevated safety risks, particularly as it relates to workplace violence. As referenced in the Online Journal of Issues in Nursing.⁸

In addition, home healthcare and hospice workers face unique additional risks associated with working in uncontrolled environments, in unfamiliar neighborhoods, and in isolated situations with patients or family members who may pose a threat

Risk factors include drugs and alcohol, access to weapons, client dementia or mental illness, and solo work without backup such as an onsite coworker.



Healthcare workers are four times more likely to take time off work for workplace violence-related injuries than for other injuries.



75% of the workplace assaults reported annually occurred in healthcare and social services settings.



85% of non-fatal workplace violence-related incidents occur in healthcare or social service-related industries.



Home health workers also face risks from the surrounding community, which can include robbery, a belief that nurses, therapists or hospice workers carry drugs or money, after dark travel, car theft and vandalism, and risks of violence from other family members or friends in the patient's home.

Because violent incidents are routinely underreported¹⁰, many employers are unaware of the frequency, degree of violence, or the impact violence has on employee retention.

Only about 1 in 5 violent incidents are ever reported¹¹ in part due to:



- Embarrassment
- Organizational culture
- Tolerance
- Excusing the behavior of 'ill' clients

According to the National Institute for Occupational Safety and Health (NIOSH), workplace violence incurs an annual economic cost of around \$151 billion nationwide, including expenses associated with lost productivity, legal fees, medical fees, property damage, and heightened security costs¹².

Given workplace violence related statistics, it is not surprising nurses rate workplace safety as the most important factor in determining whether to remain in the job, or that burnout and turnover in the healthcare sector is so high.

Legal costs and compliance

Healthcare employers may face significant costs when dealing with legal issues arising from workplace accidents or incidents, including expenses related to hiring legal representation, court fees, and settlements or judgments awarded to employees.

According to the US Department of Labor¹³, workplace violence events cost employers an average of \$250,000 per incident. These figures do not capture hidden costs, such as emotional pain, depression, isolation and anxiety.

Failure to comply with safety regulations can result in costly fines and penalties. As an example,

penalties for non-compliance with Occupational Safety and Health Administration (OSHA)¹⁴ regulations can be severe, ranging from \$14,502 to \$145,027 per violation.

Additionally, legal issues and non-compliance can lead to increased insurance premiums for healthcare employers, as insurance companies may view organizations with a history of safety violations or accidents as a higher risk.



\$250,000
per incident



from \$14,502 to
\$145,027
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Reputational damage

Workplace safety incidents can have a very negative impact on the reputation and trust of the organization. Once damaged, a poor reputation can cause patients, employees and investors to lose trust in the organization, leading to a loss of business and revenue.

Reputational damage can also make it challenging to attract and retain top talent, resulting in increased turnover costs.

Skilled healthcare workers are already at a premium, organizations need to ensure that they are positioned as the sort of employer that healthcare professionals want to work with. High-profile or frequent workplace safety incidents can create serious long-term issues for organizations and rebuilding a damaged reputation is costly, time-consuming, and diverts resources from other critical initiatives.

Benefits of investing in workplace safety

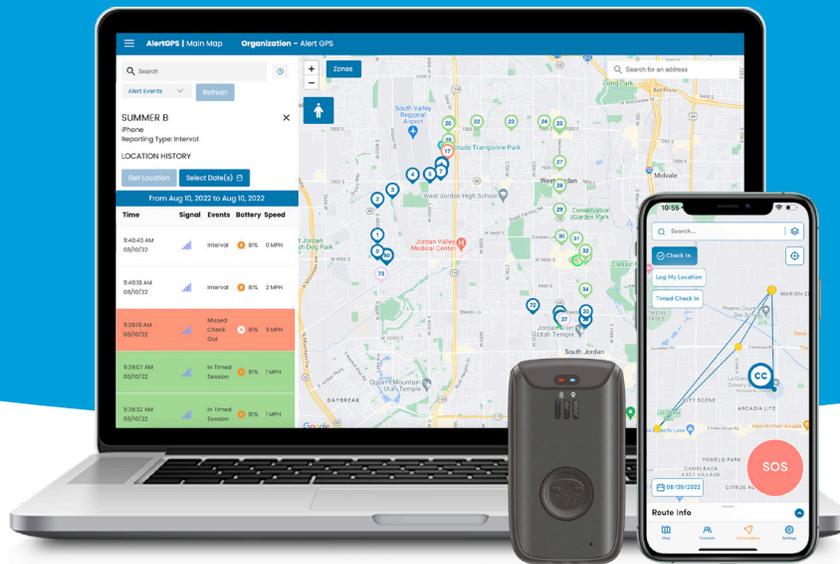
According to the US Department of Labor¹⁵:

Employers that implement effective safety and health programs may expect to significantly reduce injuries and illnesses and reduce the costs associated with these injuries and illnesses, including workers' compensation payments, medical expenses, and lost productivity.

In addition, employers often find that process and other changes made to improve workplace safety and health may result in significant improvements to their organization's productivity and profitability.

By implementing an effective, user-friendly safety solution, healthcare employers can demonstrate organizational commitment to the well-being of their workforce. This can help alleviate underlying causes of stress, burnout, and job dissatisfaction. When workers feel safe and supported, they are more likely to be satisfied with their jobs, leading to increased retention rates and lower turnover and retraining costs.

Employers who prioritize workplace safety reap significant benefits, both in terms of reducing the costs associated with work-related violence and injuries, and in terms of enhancing their organization's productivity and profitability¹⁵.



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