

MANAGEMENT SAFETY NEWSLETTER

SELF INSURED WORKER'S COMPENSATION FUND MEMBERS

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Budget deal allows OSHA to dramatically increase fines

After 25 years at current levels, OSHA fines stand to jump as much as 82 percent according to provisions of the recently passed Federal Budget Agreement. Under the budget deal, which was passed by Congress and signed by the President on November 2, OSHA would be authorized to increase penalties for the first time since 1990.

According to Howard Mavity, a partner with the labor and employment law firm Fisher & Phillips, LLP, "The agreement requires OSHA to make a one-time 'catch-up' increase to compensate for more than two decades of no increases." He explains that the catch-up increase cannot exceed the rate of inflation from 1990 through 2015, which is expected to be around 82 percent.

If the maximum catch-up increase is applied, the current highest fine of \$70,000 for repeat and willful violations would exceed \$125,000. And the current \$7,000 maximum fine for serious and failure-to-abate violations would jump to \$12,744. Once the catch-up is implemented, says Mavity, OSHA will then annually increase maximum penalties according to the rate of inflation for the prior fiscal year. In the past, OSHA fines have not risen with annual inflation.

OSHA has not yet commented on the development and Mavity says it is not known whether the agency will choose to increase penalties as permitted under the agreement. "However," he adds, "based on the consistent comments from OSHA leadership about the benefits of stiffer regulatory punishments, it's highly likely that it will implement most, if not all, of the increases."



Meanwhile, Mavity advises employers to prepare for the likelihood that these new "sledgehammer penalties" will be implemented. The increase in fines can be used to attract the attention of corporate leadership, he adds.

"Rather than just treating safety as a cost center, you should work with your company safety professionals to develop a business plan to achieve your company's goals in this area," he advises.

Management Articles

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- Combative patients: Don't be the "calm down guy"

7 Essentials of Safety Leadership

September 22, 2015

The OGP has produced a report titled *Shaping Safety Culture through Leadership*. Do your leaders consistently exhibit these characteristics?

1. **Credibility.** Leaders develop trust by acting in ways that benefit their employees. Perception of trustworthiness is influenced by attributes like consistency, integrity, sharing of control, open communication, and the ability to admit mistakes. Strong safety leaders have a high level of credibility. People believe what they say, and trust them to tell the truth.



2. **Action orientation.** Leaders do more than direct work and monitor regulatory compliance. They encourage suggestions, motivate their staff, and engage with the workforce to solve safety issues. Being action-oriented means that leaders integrate safety into business planning and decision making, and create opportunities to talk to employees and contractors about safety and their concerns.
3. **Vision.** Leaders visualize excellent safety performance and communicate that vision in a compelling way. The vision forms the foundation for an organizational strategy. While the vision is expressed in words, actions are what really matter—for example, showing a willingness to consider and accept new ideas, encouraging people to consider the impact of their actions on others, and using the safety vision to challenge and inspire.
4. **Accountability.** Accountability links responsibility to consequences. It's the job of safety leaders to establish an effective accountability system that covers every position in the organization. Some behaviors related to accountability include defining and communicating clear safety roles, resources and tools to support safety performance; and reinforcing desired performance.
5. **Communication.** Leader communication helps create and maintain the organization's safety culture and has a noticeable impact on performance. Leaders influence the behavior of their teams by communicating their expectations for safety, then explaining how they and their teams will be held accountable for the behavior. Leaders also need to communicate the bigger picture: how the team contributes to the overall goals of the organization.
6. **Collaboration.** Safety leaders collaborate by encouraging teamwork. They ask for and act upon others' input to resolve safety issues and create a greater sense of ownership. Collaborative behaviors include listening to and showing they value others' views; being open and honest about performance; and showing genuine concern for others' well-being. Collaboration should operate across departments. For example, closer cooperation between maintenance and operations leads to a shared understanding of problems and solutions.
7. **Feedback and recognition.** When leaders provide feedback and recognition, they encourage safe behavior, and discourage unsafe behavior. Timely, honest, and constructive feedback should be based on indisputable facts, and is best delivered one-on-one. Good feedback lets the individual link positive aspects of the recognition to the behavior they have demonstrated. Leaders should also recognize team collaboration and ownership of safety issues.