

## **Perceptions to Occupational Safety and Health by Small Enterprise Owners in the U.S.**

J. Palassis, Paul A. Schulte, Andrea Okun, NIOSH, Cincinnati, Ohio, 45226

The U.S. Dept. of Commerce reports that more than half of the U.S. workforce is employed in small businesses with less than 100 workers. The U.S. Bureau of Labor Statistics indicated that the self-employed and their families are twice as likely to suffer injury or fatality. The U.S. General Accounting Office, ILO, and OSHA have reported that having occupational safety and health (OS&H) management programs in place can minimize work-related injury and illnesses and related financial costs.

### **Objectives**

NIOSH funded a study to investigate and characterize OS&H management programs and perceptions in small enterprises (Dyjack D. and Redinger C., final report, May 2003).

### **Method**

To gain greater insight into this issue, focus groups and interviews were conducted in representative geographical locations in the U.S. with owners and managers, and key informants during 2001-2002.

### **Results**

Results of these studies indicate that employers with less than 20 employees were generally unaware that written OS&H programs were required, even in States possessing a statute requiring such programs. Professional associations and vendors were viewed as important sources of OS&H information. Time, followed by a lack of perceived need, was reported to be the major barriers to implementing OS&H programs. A majority of small enterprise owners communicated a distrust towards Federal and State OS&H agencies, dissatisfaction with perceived governmental interference in their enterprises, and generally would not use the free OS&H consultation services, even if they needed assistance.

### **Conclusion**

The cost of workmen's compensation insurance was a major concern of the participants, and therefore, holds promise of influencing small business owners toward OS&H in their worksites. The study recommends that efforts to raise awareness and promote OS&H programs be anchored in specific professional small business associations and be tailored to meet the needs of specific businesses, while addressing OS&H barriers and incentives.

### Author's Biography

Mr. John Palassis combines 31 years of professional experience of which five were in the private industry and 26 years with the federal government in the National Institute for Occupational Safety and Health (NIOSH), a research agency under the Centers for Disease Control. His research work amounting to more than 30 papers and chapters was published in refereed journals of industrial hygiene, safety, and analytical chemistry, in the NIOSH Manual of Analytical Methods, NIOSH Health Hazard Evaluation Reports, and in NIOSH documents. John is a diplomate of the American Academy of Industrial Hygiene, certified by the American Board of Industrial Hygiene as a Certified Industrial Hygienist (CIH) in Chemical Practice. He is a Certified Safety Professional (CSP) by the Board of Certified Safety Professionals. He is also a Certified Hazardous Materials Manager (CHMM) by the Institute of Hazardous Materials Management and a diplomate of the Academy of Hazardous Materials Managers.

# Perceptions of Occupational Safety & Health by Small Enterprise Owners in the U.S.

John Palassis, CIH, CSP, CHMM

Paul Schulte, PhD

Andrea Okun, PhD

Education and Information Division, NIOSH, CDC

Presented at  
XVIIth World Congress on Safety and Health at Work  
Orlando, Florida  
September 20, 2005



## Overview

- Purpose
- Introduction
- Methodologies
- Findings
- Discussion
- Conclusions & Recommendations
- Acknowledgments



## Investigation Teams

### Contractor Team

- Dave T. Dyjack, Dr.PH, CIH (*primary investigator*)
- Charles Redinger, Ph.D, CIH (*co-investigator*)
- Victor Salit, MD (*co-investigator*)

### NIOSH Team

- John Palassis, CIH, CSP, CHMM (*project coordinator*)
- Marie Haring Sweeney, Ph.D
- Paul Schulte, Ph.D
- Andrea Okun, Ph.D
- 11 add'l researchers from all NIOSH Divisions



## Purpose

- Describe OS&H programs in small businesses (s.b.)
- OS&H barriers & incentives
- OS&H management programs
- Small business (< 100 employees)
  - 1-20 employees
  - 21-49 employees
  - 50-99 employees



## Introduction

- Organizations with fewer than 100 employees make up more than 50% of U.S. workforce
- Smallest and largest organizations are safest
- Injury Rates/100 full-time workers
  - 2.1 for organizations of less than 10 employees
  - 7.5 for organizations of 50-249 employees
  - 5.7 for organizations more than 1000 employees
- Self-employed and their families are 2X as likely to suffer workplace injury or fatality



## Introduction (cont'd)

NFIB reports on the small business owners **perception of risk**

- 55% engage in a "safe" industry
- 33% engage in an "about average risk" industry
- 10% their industry presents "serious" health and safety risk



## Introduction (cont'd)

A 1999 NIOSH study investigated injury rates of 105 **high risk** small businesses based in SIC codes (80% <100 workers)

Top Quartile high-risk industries (total of 26 SIC codes)

Logging; Cut Stone & Products; Trucking Terminals; Roofing; Siding; Sheet Metal Work; Camps & Recreational Vehicle Parks;	Landscape & Horticulture Services; Animal & Marine Fats & Oils; Concrete, Gypsum, and Plastic Products; Taxicabs
---	---



## Introduction (cont'd)

- S & H programs work (i.e., minimize OS&H risk factors and save money)
- Many States require them
- Perception --small businesses do not present OS&H high risk to their workers
- OS&H expertise in s.b. is not available or affordable



## Methods

- Focus group **Discussion Guide** developed in collaboration with contractor and NIOSH teams
- Conducted 9 focus groups
- Regional/business representation (4 States, 7 cities)
- S.b. owners/key informants/knowledgeable employees
- Partnerships (Chamber of Commerce, VPPPA, PMA, GatesMcDonald, OSHA Consultation Program)
- Recorded sessions, transcripts, & reflection



## Methods

### **Participant recruitment for Focus Groups**

- Utilized professional telemarketers, teamed with local Chambers of Commerce, National Associations, speakers at local meetings, and personal phone calls

Note: Great difficulty to get small business owners to participate, even when our contract team offered money



## Small Businesses Involved in Focus Groups

- Laboratory
- Eating & Drinking Establishments
- Construction/Roofing
- Landscaping/Horticulture Services
- Metal Parts Fabrication
- Health Care
- Retail
- Spa/Beauty
- Chemical Manufacturing
- Key Informants in OS&H



## Results OS&H Program Presence or Absence

Small businesses with less than 20 workers

- Owners have lack of OS&H awareness and requirements of written programs
- Owners rely on verbal communications for OS&H with vendors, insurance, consultants

THRESHOLD-----

Small businesses with more than 20 workers

- Presence of OS&H Program because of contractual requirements with larger company
- Fear of OSHA citation



## Results OS&H Program Communications

- New employee orientation – virtually all had it, some included OS&H issues
- Various modalities
  - Email alerts (in subsidiaries of large companies)
  - Site safety meetings (contractors & construction companies)
  - Monthly meetings (threshold, s.b. >50 workers)



## Results OS&H Program Success

- **Human factor** (care for workers) is a major driver in measuring OS&H performance (painful stories of owners announcing to spouses after a worker fatality or serious injury)
- Considered employees and customers as part of their “extended families” (s.b. <50)
- Did not measure OS&H success but focused on OS&H failures (reactive) (s.b. <50)



## Results OS&H Program Failure

- Worker's compensation and associated costs of insurance
- Losing favored insurance rate due to above average "injury/illness experience"



## Results OS&H Resources

### Variety of resources

1. Suppliers/vendors
2. Professional Associations (conferences, dinner meetings, journals)
3. Insurance Companies (provide risk reduction services)
4. Very few will use the services of a public agency or the Internet
5. Most heard of OSHA Consultation services, they would not use it, reason: distrust of government (did not know the difference from OSHA enforcement and consultation)



## Results OS&H Program Barriers

Two major themes by all size small businesses

1. Time (not money) was a major factor, owners too busy running the business, [valued OS&H, did not see the benefits of written OS&H program]
2. Perception of OS&H: "We are **not** a risky business" [however, many owners understood workplace risk factors]



## Results Incentives for Implementing OS&H Program

Three major factors

1. Group insurance rating (reduced workmen's compensation costs)
2. Contract qualification
3. Human factor (care for colleagues, and employees)



## Results OS&H Issues Raised

1. Independent subsidiaries of larger corporations (run as a small business) receive OS&H financial and technical support because of their relationship ("connectedness") with the larger company
2. Independent small businesses have no OS&H support, however, they may benefit from professional organizations



## Results OS&H Issues Raised (cont'd)

3. Distrust of OSHA & fear of the "government" was communicated by many s.b. owners
4. Many were not aware of OSHA Consultation Services, and would not use them even if they had a need



## Conclusions

- OS&H programs work (reduce risk, save money)
- Small businesses are at risk (national statistics)
- Human dimension is a major driver in OS&H
- Time is a barrier for OS&H to s.b. owners
- Group insurance rating is an incentive for OS&H
- Distrust of compliance personnel and services is common in small businesses



## Opportunities/Recommendations

1. Use industry associations to promote OS&H programs
2. Use the reduction of workers' compensation insurance costs as an incentive
3. OS&H professionals can use the high risk businesses in *North American Industry Classification System (NAICS)* for a case study approach



## Opportunities/Recommendations (cont'd)

### Case study approach

- "Best in NAICS" performance in OS&H and discuss process and monetary benefits because of investment in OS&H program promotion activities
  - Lessons learned, benefits aggregated
- Publish case studies (abbreviated form) in association journals or present in meetings/conferences
- Organize an OS&H awareness campaign with partnership associations (NFIB, PMA, etc.), integrate human-interest in OS&H promotions. Associations should Champion



## Acknowledgments

- **Focus Groups** from
  - Small Businesses - Anonymous
  - Precision Metal Forming Association
  - Mick Anderson VPPPA - Region 7
  - Loma Linda Chamber of Commerce
  - GatesMcDonald OS&H Team
  - Bill Weems, U. of Alabama
- **Contractor Team:** Dave T. Dyjack, Charles Redinger, Victor Salit
- **NIOSH Team:** Laura Blanciforti; Jim Boiano, Michael Brnich; Joe Burkhart; Henry Chan; Patrick Coleman; Steve Hudock; Mark Methner, Paul Middendorf, Andrea Okun, John Palassis, Lee Petsonk Ray Sinclair, Paul Schulte, and Marie Haring Sweeney

