These times of shrinking educational budgets, universities across the country are seeking innovative means to increase revenue and decrease costs. Many are turning to campus auxiliaries to assist with funding; campus auxiliaries are more vital than ever on their respective campuses and assist in ways both large and small to help the overall educational experience. A study conducted at one auxiliary demonstrates a novel way to decrease workers’ compensation costs by increasing employee job satisfaction. Read further to learn how you can implement such changes on your campus as well.
Workers' compensation costs have fluctuated substantially over the years for employers (Neumark, 2005). Some employers purchase workers' compensation insurance from outside vendors, while others are large enough to be self-insured. No matter the source, the costs for workers' compensation insurance can have a significant impact upon the bottom line and can also include social and emotional costs of injuries to staff, lost productivity when employees are out, decreased earning power for those injured, and costs for staff to fill in when employees are out (Boden et al., 2001; Dembe 2001).

Over the years, traditional methods of injury prevention have met with varying degrees of success. While some organizations take a proactive approach to injury prevention, others tend to consider injuries just a "cost of doing business." Few organizations have focused on the root causes of injury prevention, and few studies have examined the connection between workers' compensation costs and employee job satisfaction (Gice, 1995; Kim et al., 2002; Greenwood & Wolf, 1987). A recently conducted study by Dr. Pat Hosegood Martin at Cal Poly Corporation examined the relationship between job satisfaction and workers' compensation costs among California State University (CSU) auxiliary organizations, and her results are promising in that they found that those organizations with higher employee job satisfaction also tend to have lower workers' compensation costs.

The study surveyed 300+ employees at 15 different CSU auxiliary organizations. Employees were queried on their levels of job satisfaction and job stress. Data on each auxiliary's workers' compensation costs, including Experience Modification factor (X-mod) were gathered through the insurance broker. Correlation tests were run both on an aggregate basis for all auxiliaries as well as on an individual level. Data were also collected on qualitative factors such as the amount of management support, levels of change at the campuses with the highest levels of aggregate job satisfaction as well as at the campuses with the lowest level of aggregate job satisfaction.

Results showed that for individual respondents there was an inverse relationship between employee job satisfaction and job stress, and those employees with the lowest job satisfaction/highest job stress also tended to have more injuries than those employees with higher job satisfaction/lower job stress. Data also demonstrated that employee age and length of service within an organization also were related to job satisfaction and job stress. Additionally, those organizations with overall highest job satisfaction had greater management support for employees. Finally, relationships between antecedents to job satisfaction, including job stress, participant age, participant years of service with their organization, and previous injuries were found to be related to workers' compensation costs.

**PRACTICAL IMPLICATIONS FOR AUXILIARY ORGANIZATIONS**

Given the desire by auxiliaries to reduce costs related to on-the-job injuries and illnesses and to improve the health and welfare of their employees, several practical implications are clear. First, auxiliaries interested in reducing workers' compensation costs must understand that enhancing employee job satisfaction may reduce the number of reported injuries and illnesses. Furthermore, by improving antecedents to job satisfaction (e.g., job stress, employee age, years of service within the organization, positive supervision and organizational change) auxiliaries can have substantial impacts upon increasing job satisfaction and resulting reductions in workers' compensation costs. The following examines each of these antecedents and provides recommendations for auxiliary organizations to reduce workers' compensation costs.

**JOB STRESS**

There are myriad factors relating to job stress in employees, as factors influencing job stress are both internal and external (Sutherland, 1989). Individuals' overall health has been shown to contribute to job stress (Musich, et al., 2001). Employee stress may be caused by life changes, financial problems, physical demands, or lack of support at work (Salminen et al., 2003).

There are numerous suggested remedies for job stress. Some professionals suggest education or training programs to increase the coping abilities of individuals. Others suggest early identification of personal and/or work-related problems and recommend prompt referral for counseling as treatment for job stress (Lehmer & Bentley, 1997).
On college campuses, employee stress reduction methods may be multi-faceted. No single approach will reduce all employee job stress. Supervisor training programs are effective means to increase knowledge in managing staff. Such training can provide supervisors detailed information regarding methods to assist employees in increasing the sense of job control by allowing employees to participate in decision-making within their individual department or within the overall organization.

Employers can also examine the genesis of stressful events within their organizations and ameliorate those events before they occur. As knowledge of organizational change or challenging events become evident, auxiliary leaders can provide information to employees in a timely, accurate manner, allowing employees to more fully understand and prepare for change or demands. As suggested by one auxiliary director, constant communication regarding organizational change helps to reduce employee job stress.

EMPLOYEE AGE

The correlations between employee age and years of service and their relationship to workers' compensation costs can best be understood when one examines the composition of the employee pool within auxiliary organizations. Many of the auxiliary organizations have more student employees than full-time staff, and most students tend to be 18 to 24 years of age. Full-time staff, however, are often older (25+) and more stable; therefore, less prone to rapid job turnover.

While the job satisfaction ratings obtained in this study were exclusively from older full-time staff, the X-mod factor was generated from all injuries that occurred within an auxiliary. Injuries to full-time staff, as well as students and intermittent staff, contributed to the overall injury rate. This means that organizations employing a greater percentage of student staff may be at risk of experiencing greater numbers of employee injuries, and therefore, incur higher workers' compensation costs. Older staff may also have attended previous safety training sessions and may tend to exercise more caution when performing work tasks than their younger colleagues.

Understanding this relationship may prove beneficial to auxiliaries for several reasons. First they should consider implementing programs to recruit and retain older workers to increase the stability of the workforce and potentially increase employee job satisfaction. Next, they should focus on additional methods of injury prevention with younger employees. New student employee training programs must be implemented to acquaint student staff with the organizational mission, hazards of the job and the importance of injury prevention. Finally, they should establish mentoring programs for student workers. Mentoring would serve multiple purposes: it enables information to be passed from one employee to another, thus assisting the younger employees. Mentoring may also help more seasoned employees continue to feel of value to the organizations, perhaps contributing to their overall job satisfaction.

YEARS OF SERVICE WITHIN AN ORGANIZATION

Auxiliary employees with higher job satisfaction had more years of service within their organization than employees with lower job satisfaction. As many Human Resources professionals already know, employee retention begins with the hiring process. Auxiliary managers can benefit from careful screening of applicants and appropriate use of interview questions to examine previous experiences and job fit. Management communication with employees, both new and seasoned, can increase employee retention. Helping staff members feel valued, rewarded and appreciated is important for every employer (Collins, 2001).
RELATIONSHIP WITH IMMEDIATE SUPERVISOR

Supervision satisfaction has been shown to have a direct correlation with safety performance (Kim et al., 2002) and with job satisfaction (Buckingham & Coffman, 1999; Collins, 2001). The quality of the supervision an employee receives, including setting clear expectations for employee performance, is critical for employee retention.

The qualitative analysis of the study shows us that directors of high-satisfaction organizations noted the importance of positive relationships between supervisor and employee within their organizations. Improving supervision satisfaction can be accomplished by providing training programs for supervisors and leaders and encouraging the establishment of clear expectations and open communication between employee and supervisor. Steps include: providing support and encouragement to staff, providing feedback, providing organizational viewpoints and “big picture” views, treating staff as individuals, maintaining fairness to all staff, and encouraging growth and development among staff.

ORGANIZATIONAL CHANGE

The qualitative analysis also demonstrated that those auxiliaries with low employee job satisfaction experienced greater organizational change than those with high employee job satisfaction. While organizational change is constant, proactive leaders can anticipate change and assist staff with the acceptance of such change.

Organizational leaders are responsible for managing organizational change and assisting staff in adapting to change; effective leaders assist staff in understanding the rationale behind changes and involve staff in decision-making. Supervisory training programs may be effective in instructing supervisors in techniques to manage organizational change.

CONCLUSION

The relationships between antecedents to job satisfaction and workers’ compensation costs are clear, and by manipulating antecedents to job satisfaction, auxiliary organizations can have a direct and profound impact upon the health and well-being of employees by reducing occupational injuries and illnesses and the resulting costs.

REFERENCES


Dr. Pat Hosegood Martin has spent the past 25 years serving local community organizations and provided strategic business development training to thousands of people in San Luis Obispo County and throughout the state. Pat is the Associate Human Resources Director for the Cal Poly Corporation and is a faculty member in the College of Business, Management Area and Kinesiology Department at Cal Poly. Pat received her Doctorate in Educational Leadership from the Joint Doctorate Program at Cal Poly/UCSB. She received her Master’s from Cal Poly, San Luis Obispo, and her Bachelor’s from UC Davis. Contact her at pmartin@calpoly.edu.

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