

BBS AND PM PLENARY SESSION (25TH JUNE 2016)

Smaller-sooner or larger-later: Safety choices and ROI

Donald A. Hantula

Temple University

ABSTRACT

Managers are constantly faced between choosing between investing today in programs that may pay off much later, or saving money to spend on immediate concerns. This smaller-sooner vs. larger-later dilemma may be understood in the context of delay discounting. Such an analysis was applied to safety choices. The economic impact of a combined behavioral and ergonomic safety intervention in two self-insured manufacturing organizations over four years was assessed through use of utility analysis. Overall utility of the safety intervention programs for both organizations was positive, with rates of return of direct costs in worker's compensation exceeding 10:1 in some cases. These data are among the first to address the economic costs and benefits of safety interventions, and show that whereas safety interventions can be costly and payoffs sometimes delayed, the long-term economic impact can be substantial.

Keywords: Discounting, Safety, ROI, Utility analysis

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AUTHOR



Donald Hantula (Ph.D., University of Notre Dame) is Associate Professor of Psychology and Director of the Decision Laboratory at Temple University, Associate Editor of the *Journal of Organizational Behavior Management* and Editor of *The Behavior Analyst*. His research includes behavior analysis, behavioral economics, human decision making in dynamic environments and technological applications. He has previously held positions as Visiting Scientist and Program Director for Decision, Risk, and Management Sciences at the National Science Foundation, in Occupational Health Promotion (Johns Hopkins Med School),

Human Resource Management (King's College) and Management Information Systems (St. Joseph's University) and visiting scholar at University of Nevada - Reno. His research has appeared in *American Psychologist*, *IEEE Transactions*, *JABA*, *JOBM*, *JAP*, *OB&HDP* and his most recent book is *Consumer Behavior Analysis: (A)Rational Approach to Consumer Choice* (with Victoria Wells).