

# Risks and Rewards of Working From Home


**BOARD DISCUSSION**

## Spotlight on Working From Home

With the rise of “hot desking” coupled with management’s focus on staff engagement, increasing efficiency and building a more diverse and inclusive work environment, a growing number of companies are offering flexi-work arrangements to employees.

The recent workers compensation claim by ABC Catalyst host, Maryanne Demasi, who fell during a morning run while working from home, has reignited debate about the safety of working from home arrangements and liability implications for employers.

The insurer denied the claim citing that the injury was not sustained in the course of Demasi’s employment, despite the fact that she was working from home on the day the accident occurred. The claim was initially denied by Comcare, and upheld by the Administrative Appeals Tribunal of Australia on the basis that a run taken on an ad hoc basis at 9:30am is not “during an ordinary recess” in the worker’s employment. The Tribunal distinguished between going for a run during Demasi’s lunch break and “taking a break for the specific purpose of going for a run, at any random time of the day”.<sup>1</sup>

Workers Compensation Principal, Kosta Savidakis, from Marsh, says that whilst this is an important judgement, it does not necessarily set precedent for all injury claims relating to work from home arrangements.



“Every injury is different, and claim outcomes can vary significantly depending on the type of workers compensation scheme, the applicable legislation and the circumstances surrounding the injury,” says Savidakis.

“Many factors can come into play, such as the specifics of the work arrangements agreed between the employer and employee, whether the employee was authorised to work from home routinely versus an ad hoc decision on that day, the employee’s usual running pattern during work hours and whether this practice was typically supported by the employer.”

While there are pros and cons to any work from home arrangements, there is little doubt that flexi-working environments are becoming increasingly commonplace. With the rise of “hot desking” coupled with management’s focus on staff engagement, talent retention, increasing efficiency and building a more diverse and inclusive work environment, a growing number of companies now find themselves offering flexi-work arrangements to their employees.

Employees with long commutes to the office, those frequently traveling as part of their job, employees transitioning back to full-time work from maternity or paternity leave, and those returning after recovery from an injury are all examples of staff who could benefit from work from home arrangements. The employer will also reap benefits in the long run through improved efficiency and greater staff engagement.

<sup>1</sup> Stephen Frost, deputy president of the Administrative Appeals Tribunal of Australia, via [www.theguardian.com/media/2016/sep/06/abc-catalyst-host-maryanne-demasi-loses-broken-hip-workers-compensation-claim?CMP=share\\_btn\\_link](http://www.theguardian.com/media/2016/sep/06/abc-catalyst-host-maryanne-demasi-loses-broken-hip-workers-compensation-claim?CMP=share_btn_link)

Workplace Health & Safety Principal, Kristy Nicholson, from Marsh, reminds us that as the corporate workplace setting moves beyond the walls of the traditional office space towards a more fluid environment, companies need to modify their workplace health and safety (WH&S) strategies in order to stay relevant and attract talent.

“Safety considerations are vital in ensuring the success of these types of arrangements as more and more people’s homes become their workplaces. Some things to consider include ergonomic design of the workspace, fire hazards, emergency evacuation points and any special location-based risk considerations such as bush fire risks in some parts of Australia,” says Nicholson.

Not every employee’s home is the same. While an overarching corporate WH&S policy will serve as the backbone, it should be complemented by individual home assessments to ensure each employee’s work environment has been properly assessed for WH&S risks, and appropriate safety measures put in place.

Nicholson shares the common mistake companies make: “It’s not about simply developing a set of great guidelines – they should be enforced and applied every day. Companies are generally very keen to set out best practice guidelines, but once these are developed, they can sometimes be forgotten about. It’s not a matter of ‘set and forget’, it’s about ensuring the safety of your employees on an ongoing basis.”

In order to ensure WH&S standards are being adhered to by employees working from home, formal safety assessments should be conducted either via engaging an independent professional assessor (best practice) or self-assessment (a less costly option).

Marsh Australia worked with a large global financial institution to develop and implement a formal *Work From Home (full-time basis) WH&S Policy* after conducting an independent review. The policy considered a range of elements including:

- The extent to which certain home workplaces required safety kits or included fire alarms and fire extinguishers.
- Whether professional grade office equipment was required.
- The provision of professional WH&S training for staff who worked from home.
- Putting in formal processes for employees to periodically consult and stay connected with their health and safety representative and direct line manager.
- Making line managers responsible for ensuring the safety and wellbeing of employees.



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While the best practice measures subsequently adopted by the company represents one end of the spectrum, varying degrees of WH&S application are observed in reality, reflecting the range of the work from home practices across different businesses. Many businesses are also navigating their way through the cost-benefit analysis of such arrangements.

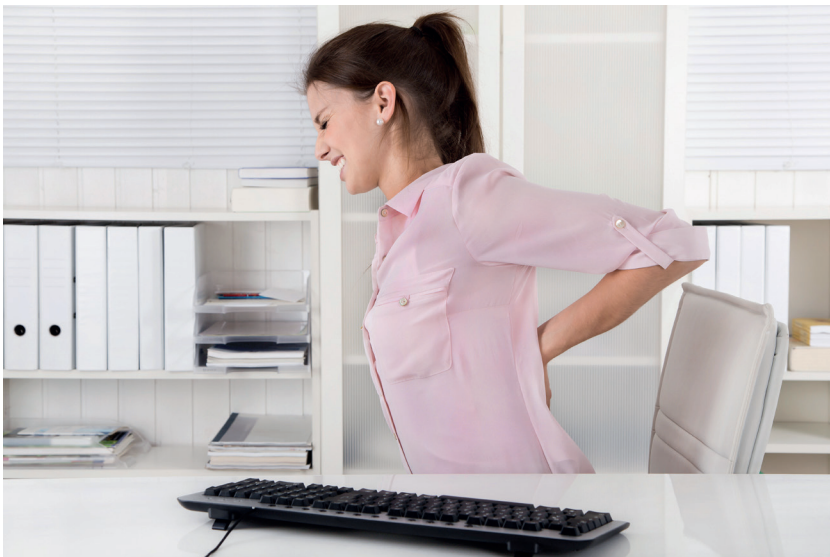
“Some businesses overlook the fact that, in the long run, it can actually be cheaper for an organisation to support a work from home set up than to resist it. From an injury management perspective, it can also help employees successfully return to work after injury,” explains Nicholson.

Marsh data shows that the average workers compensation insurance claim to premium impact ratio under the conventional NSW scheme is approximately 1:5 per annum for large employers. This means that for every \$1 of claim, future insurance premium will be adversely impacted by roughly \$5. By providing a similar standard of safety to an employee’s workspace at home as a company would to its workspace in the office, the risk of injury is mitigated, thereby preventing claims and ultimately keeping premiums down.

“In situations where an employee is approved to work from home on a more permanent basis, businesses might consider providing them with professional grade equipment. While it may seem like a large initial cost outlay, leaving this responsibility to the worker will most likely result in the purchase of inexpensive basic level equipment. This could cause problems and injuries that ultimately cost more to the company,” says Nicholson.

For the benefit of employees and employers alike, it is critical that businesses conduct appropriate due diligence in order to make informed decisions around work from home practices, particularly in more permanent arrangements. Proper and ongoing implementation of WH&S measures have proven to help reduce workplace injuries and improve overall staff engagement, satisfaction and productivity – which in turn contribute to the successful and sustainable management of the evolving workplace.

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