

An Analysis of Workers Who Were Fired or Laid Off After a Work-Related Injury (August 1998)

Executive Summary

Whether or not an employee is able to return to work after sustaining a job-related injury is often a test of the effectiveness of an employer's return-to-work program and the state's workers' compensation benefits structure as a whole. Although several research projects have examined the factors associated with an injured worker's ability to return to work, none have specifically looked at whether an injured worker in fact has a job to which to return.

The purpose of this project is to examine the experiences of injured workers who were fired or laid off after sustaining a work-related injury. In particular, this report looks at the percentage of injured workers who were fired or laid off at some point after their injury, and how being fired or laid off after an injury impacts an injured worker's ability to return to work.

Key findings are as follows:

Statewide Rates of Injured Workers Who Were Fired/Laid Off After a Work-Related Injury

- Overall, 21 percent of injured workers surveyed reported that they were either fired or laid off after their work-related injury. (It is important to note that this does not mean that these injured workers were fired or laid off as a result of their injuries, only that they were fired or laid off at some point after they were injured.)
- The most common reasons given to injured workers by their employers (according to the workers) for why they were fired/laid off included: the employer said the injured worker was physically unable to perform any of the job duties; because they filed a workers' compensation claim; some other reason (e.g., company was reorganizing); or business was slow.
- When injured workers were asked to give their own opinion as to why they were fired or laid off after their injury, most believed it was because they filed a workers' compensation claim; because their doctor said that they couldn't go back to work; or because their employers did not believe that their injury was work-related.
- Most injured workers (52 percent) were fired more than six months after they reported their injury, while most laid-off workers (64 percent) were let go within six months of reporting their injury to their employer. Interestingly, over one-quarter (26 percent) of laid-off workers were let go from their jobs within one week of reporting their injury to their employer.

Comparison of Injured Workers Who Were Fired/Laid Off with Those Who Were Never Fired/Laid Off After an Injury

In general, there were vast differences between injured workers who were and were not fired or laid off after an injury.

- A much higher percentage of injured workers who were never fired or laid off are currently employed (82 percent), compared to workers who have been fired or laid off after their injury (49 percent).
- Understandably, there were definite differences in how injured workers who were and were not fired/laid off perceived their employer's support after their injury.
- Overall, the majority of injured workers who were never fired or laid off (66 percent) reported that their employer was either "very" or "extremely" supportive of their efforts to return to work, compared to only 19 percent of injured workers who were fired or laid off after their injury.
- One-quarter (25 percent) of injured workers who were fired or laid off after their injury reported that their employer/supervisor tried to discourage them from filing a workers' compensation claim, compared to 12 percent of injured workers who were never fired or laid off.
- In general, injured workers who were fired or laid off after their injury tended to receive more financial assistance outside of workers' compensation benefits (such as Social Security Disability Income or food stamps) and encounter more personal hardships (such as depleting their savings or losing their home) than injured workers who were never fired or laid off.

Factors Associated with Being Fired/Laid Off After an Injury

- Injured workers were **more** likely to be fired after an injury if: their employers tried to discourage them from filing a workers' compensation claim; they worked in a physically strenuous job (such as manual labor); they had worked less than one year for their employer; or they were male.
- Injured workers were **less** likely to be fired after an injury if they were married.
- Injured workers were **more** likely to be laid off after their injury if: their employers tried to discourage them from filing a workers' compensation claim; they had attorney representation; they were professional managerial workers; they resided in East or West Texas; they had worked less than one year for their employer; or they were male.

Factors Affecting Return to Work

- Injured workers were **more** likely to be currently employed if: they worked in a physically strenuous job (such as manual labor); they were male; their employer provided light duty after the injury; or their employer provided on-the-job retraining after the injury.

- It is interesting to note that manual labor is associated both with being fired/laid off and with successful return to work. Possible explanations include shorter duration of some manual labor jobs; plentiful number of manual labor jobs; and/or transient nature of many types of manual labor employment.
- Injured workers were **less** likely to be currently employed if: they had a back injury; they had attorney representation; their employers tried to discourage them from filing a workers' compensation claim; they worked for a small employer when they were injured; or they were laid off after their injury.

One important note: based solely on the survey responses of workers who were injured in 1996, this study cannot and does not conclude that these injured workers were fired or laid off because they filed workers' compensation claims. Indeed, workers are let go for a variety of reasons that do not stem from their injuries. However, employers need to be aware that the choice to terminate leads to additional administrative services that add to claim costs, as well as cost shifting to other social support programs. As a result, these injured workers often are involved in more workers' compensation disputes; receive more financial assistance outside of workers' compensation benefits (e.g., food stamps, Social Security Disability Income, etc.) and encounter more personal hardships than injured workers who were able to go back to work with their former employer.

Employers who emphasize return-to-work programs (such as job modification and retraining) not only retain experienced workers but often are able to reduce claim costs as well. Some insurance carriers (though not all) provide discounts to employers who implement safety or return-to-work programs. Although continuity of employment remains the choice of the employer in Texas, there are many benefits -- for the employer, the worker, and the system as a whole -- derived from maintaining the employment relationship following a work-related injury.

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