

Impacts of Workplace Violence:

An Assessment of **Social** and **Financial** Risks



Safer with
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Part 1 of 3

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Safer with SCOUT, a NobleSix Initiative

February 2025

Safety and security are foundational needs for any business or organization, and yet it seems that everywhere we turn we hear about increasing rates of violence. A recent example at the time of this writing is the shocking murder of United Healthcare CEO Brian Thompson outside of a conference in Midtown Manhattan. Events such as these are difficult to ignore in the news, and impossible to ignore when they strike close to home. And yet unless we have experienced workplace and work-related violence directly, it is tempting to think that it will never happen to us. We conveniently explain to ourselves that the media amplifies and sensationalizes violence, but it can't happen here: not in our workplace. So, is it all media hype? For anyone who holds a position of responsibility for their colleagues and customers, we owe it to ourselves to ask the question: what risk does violence in the workplace pose to my organization?

Risk Perception

Although it is important to assess the risk of workplace violence, it is also a challenging task. This is because most people “rely on intuitive risk judgments, typically called ‘risk perceptions’” (Slovic, 1987) to inform their opinions on risk. The issue with risk perceptions is that a variety of human cognitive biases get in our way when we try to gauge risk based on our own experiences and observations. The following are only a few of the many well-known biases that affect our perception of risk:

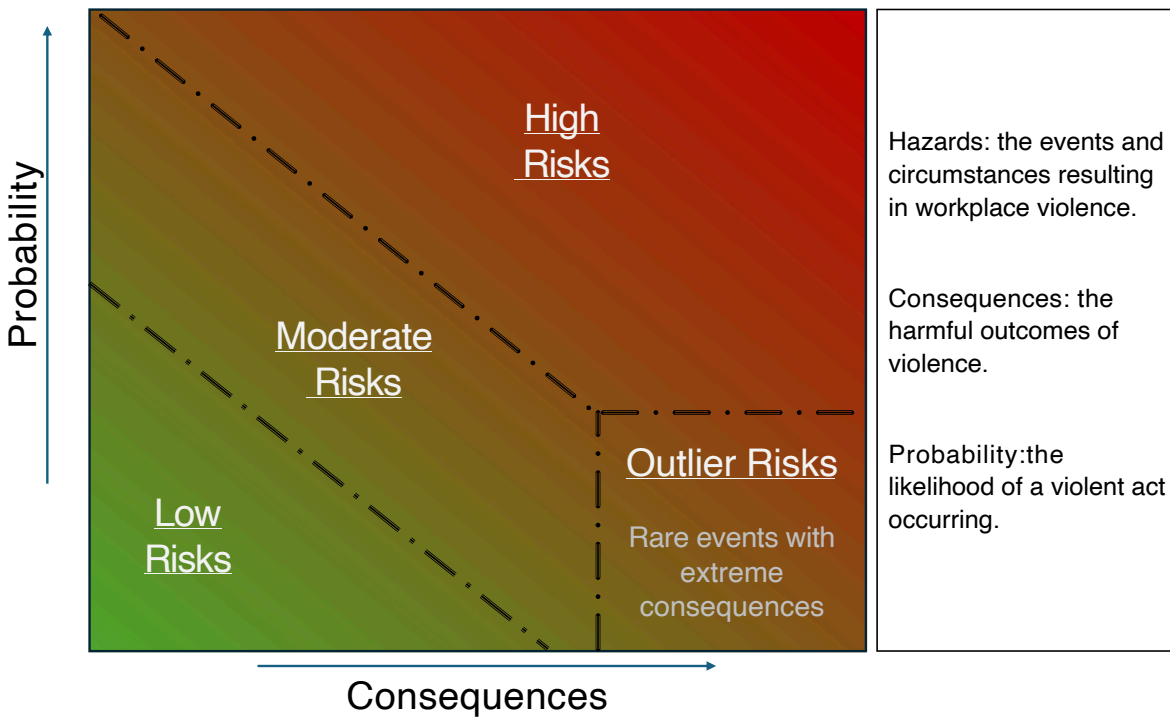
1. Bias for normalcy: “Among the truisms about emergency planning is that citizens do not like to think about the negative consequences of potential disasters - a state of mind that tends to inhibit a spirit of preparedness. Regrettably, this attitude generalizes as well to public servants and to elected officials.” (Perry & Lindell, 2004)
2. Optimism Bias: People rate “their own chances to be significantly above average for positive events and below average for negative events.” (Weinstein, 1980)
3. Availability Heuristic: People estimate the likelihood of an event “by the ease with which relevant instances come to mind.” (Tversky &, Kahneman, 1973)
4. Dread risk effect: “People show higher sensitivity to dread risks, rare events that kill many people at once, compared with continuous risks, relatively frequent events that kill many people over a longer period of time.” (Bodemer, Ruggeri, & Galesic, 2013)

In other words, an over reliance on risk perceptions causes humans to avoid thinking about uncomfortable yet relevant risks, improperly dismiss risks that don't appear to fit our circumstances, and worry about risks that may not be significant. Ultimately, we underestimate some risks and overestimate others, leading to over-preparing for lesser risks while failing to prepare for important risks.

Risk Assessment

When it comes to workplace violence, adequate preparation starts with objectively assessing the risks your organization faces. As it turns out, the best way to address this question is by using well established risk assessment techniques. We start with a conceptual model: “Risk is a measure of the probability and consequence of uncertain future events” (Yoe, 2019). A diverse range of fields and industries have adopted this view of risk, due to its ability to break down risk into individual and measurable components, as well as identify what knowledge gaps we have in our assessment of risk. It is easy to conceptualize this through the use of a risk matrix, as shown below.

$$\text{Risk} = (\text{Probability of Hazard}) \times (\text{Consequence of Hazard})$$



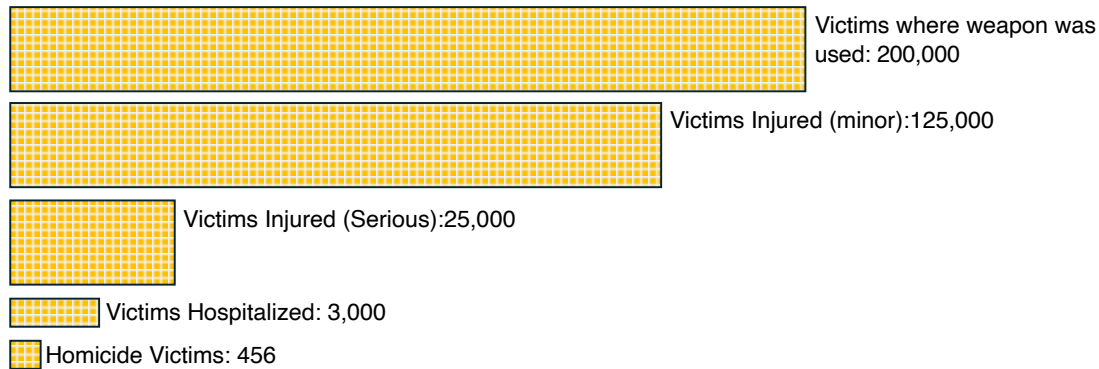
This definition of risk is important: a hazard with a low probability of occurring can be considered a high risk if the consequences are high. The reverse is also true: a hazard with a high probability of occurring and low consequences can also pose a high risk. The hazards with the greatest risk are those with both a high probability and high consequences, while those with the lowest risk have a low probability and low consequences. Outlier Risks are rare events that result in extreme consequences. Outlier risks require special consideration, since they are never considered low risks, yet it is not always possible to manage them satisfactorily.

Now that we have a framework for assessing risk, let's use it to better understand the risks stemming from violence in U.S. workplaces. The following assessment relies on available historic data and statistics at the national level and is not intended to reflect the actual risks of a specific business or organization. Rather, it is intended to serve as a general guide to help you better understand risks faced by U.S. workplaces in general. It is always best to tailor your risk assessment to your specific industry and organization.

Workplace Violence Hazards and their Probability

From 2015 to 2019, 1.3 million people were victims of workplace violence each year (Indicators of Workplace Violence, 2022). During that same time period, an average of 456 people were victims of workplace homicides, which accounted for nearly 1 out of every 10 work-related deaths. In the same time period, there were 125,000 workers injured with minor injuries, 25,000 with serious injuries, and 3,000 who were hospitalized as a result of workplace violence.

VIOLENT CRIME IN THE WORKPLACE 1.3
million victims annually



Although these statistics are troubling, they likely understate the risk of workplace violence because they do not reflect trends of increasing violence in recent years. Additionally, there is a bias for undercounting non-fatal workplace injuries because the Bureau of Labor Statistic’s “system for recording work-related injuries and illnesses undercounts the total number of injuries associated with chronic or acute conditions” (Huang et al., 2011).

These limitations highlight the challenge of fully understanding the scope and magnitude of workplace violence. With this context in mind, we can now use this historic information to estimate the probabilities associated with workplace violence hazards. An analysis of data from 2015-2019 (Indicators of Workplace Violence, 2022) shows that about 1 in every 130 employees are victimized by workplace violence every year. About 1 in every 1,160 employees sustain minor injuries as a result of workplace violence, while 1 in 5,800 employees sustain serious injuries. Although the rates of occurrence of serious injury (1 in 5,800 employees), hospitalization (1 in 50,000 employees), and death (1 in 320,000 employees) are much lower than the overall rate of workplace violence, let’s consider how these probabilities add up over time.

A common risk perception is a low annual probability means it “can’t happen here.” However, the probabilities change over time and with number of employees. The following likelihoods are based on a 5-year period, a common planning horizon for many organizations, and ignoring risk factors such as correlation of future incidents based on past experience.

- Serious injuries. On an annual basis, a small organization with 100 employees has a 1.7% chance of at least one act of violence that results in serious injury. Over a 5-year period, that probability increases to 8.3%. These probabilities increase for a larger organization with

1,000 employees, resulting in a 15.9% chance on an annual basis, and a staggering 57.8% probability over 5-year period.

- Hospitalization. On an annual basis, a small organization with 100 employees has a 0.2% chance of at least one act of violence that results in hospitalization. Over a 5-year period, that probability increases to 1%. These probabilities increase for a larger organization with 1,000 employees, resulting in a 2% chance on an annual basis, and a 9.5% probability over 5-year period.
- Homicide. On an annual basis, a small organization of 100 employees has a 0.03% chance of at least one act of violence that results in homicide. Over a 5-year period, that probability increases to 0.2% - which translates to about 1 in every 650 small organizations experiencing this hazard over 5 years. These probabilities increase for a larger organization with 1,000 employees, resulting in a 0.3% chance on an annual basis, and 1.5% probability over 5-year period - which translates to about 1 in every 65 larger organizations experiencing this hazard over 5 years.

Given the gravity of these consequences, these likelihoods should afford little comfort. The table below illustrates the annual rates of occurrence among U.S. employees for each hazard, and how these rates translate into annual and long-term probabilities. Bear in mind that the rates and probabilities presented here are based on historic national level data, which means that the risk to your organization might be different.

| Hazard | Annual Number of Victims* | Annual Rate of occurrence** | Small org. (100 FTE's) | | Large org. (1,000 FTE's) | |
|---------------------------|---------------------------|------------------------------|------------------------|--------------------------------|--------------------------|--------------------------------|
| | | | Annual Probability | Long-term (5-year) Probability | Annual Probability | Long-term (5-year) Probability |
| Victim of violent crime | 1,264,000 | 1 in every 130 employees | 55.2% | 98.2% | 99.99...% | 99.99...% |
| Victim has Minor Injury | 125,000 | 1 in every 1,160 employees | 8.3% | 35.1% | 57.8% | 98.7% |
| Victim has Serious Injury | 25,000 | 1 in every 5,800 employees | 1.7% | 8.3% | 15.9% | 57.8% |
| Victim Hospitalized | 3,000 | 1 in every 50,000 employees | 0.2% | 1.0% | 2.0% | 9.5% |
| Homicide | 456 | 1 in every 320,000 employees | 0.03% | 0.2% | 0.3% | 1.5% |

*Based on average annual 2015-2019 data from the Census of Fatal Occupational Injuries (CFOI), and the National Crime Victimization Survey (NCVS)
 **Based on average of 146.5 million employed U.S. workers between 2015 and 2019.
 ***Assumes per-employee probabilities are independent (ignores correlation with past incidents of violence)

In the next installment of our white paper series on workplace violence, we'll evaluate the social and financial consequences of workplace violence and compare the risks posed by each workplace violence hazard. We'll show you how these risks impact the financial viability of U.S. employers, including some surprising results that demonstrate why most of the financial losses of workplace violence are not covered by insurance.