

Safety Incentive Programs That Work

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Introduction

“Incentive” or “Bonus” programs in the workplace are a controversial topic, and take many different forms in those companies that participate in them. If you are considering establishing a program for your company, or have one that isn’t meeting current needs, it might be beneficial to take a look at the different options available, and what might best fit your particular needs.

First, let’s go over some of the basics. What do we expect from our employees? What do they expect from us? What exactly is an “Incentive”? How is that different from what they are earning already?

Pay

- pay (pā)
- *noun*
- *the act of paying or being paid; payment.*
- *wages, salary, honorarium, or a stipend.*
- *paid employment*
- reward or punishment; requital.

Wages

- wage (wāj)
- *noun*
- *money paid to an employee for work done, and usually figured on an hourly, daily, or piecework basis*

Compensation

- com·pen·sa·tion (kām'pən sā'shən)
- *noun*
- *a compensating or being compensated*
- *payment for services; esp., wages or remuneration*

Reward

- re·ward· (ri wôrd')
- *noun*
- *something given in return for good or, sometimes, evil, or for service or merit*
- money offered, as for the capture of a criminal, the return of something lost, etc.
- compensation; profit
- **Psychol. a return for correct response to a stimulus**

Bonus

- bo·nus (bō'nəs)
- *noun*
- *anything given in addition to the customary or required amount; specifically:*
- *payment over and above salary given to an employee as an incentive or reward*

Incentive

- in·cen·tive (in sent'iv)
- *noun*
- *something that incites or tends to incite to action or greater effort, as a reward offered for increased productivity.*

Motive

- mo·tive (mōt'iv)
- *noun*
- *Something that causes a person to act in a certain way, do a certain thing, etc.; incentive.*

The Basics

What do we want from our programs? We all want safe work behaviors, and to keep our employees engaged in the safety program. We also want reduced incidents and injuries, as they affect our bottom line costs, profitability, production, quality, and employee morale. Every employer wants to see effectiveness of the program, with clear, safe behaviors that can be measured by the performance of the workforce. And finally, when the workforce is demonstrating their commitment to safety, and working with productivity, quality and safety combined, we want the opportunity to recognize those safe behaviors!

How do we get there? Every workplace must begin with a solid safety program, and management must stand behind and actively participate in the program. They must “walk the talk”. Employees must be informed about, and trained in the elements of the safety program.

They have to believe that working safely is part of their everyday job, and that by working safely, everyone benefits. There are a couple things to remember when starting an incentive program in your workplace:

- An Incentive program should not be used to “boost” an ineffective Safety program.
- An Incentive program should not be used to “bribe” employees to underreport incidents.

Certain steps must be taken before implementing any type of “incentive” or “bonus” program to ensure that these issues don’t arise. Every company must identify and correct any deficiencies in the safety program before attempting to initiate an “extra” to the program. The message will be lost if the employees feel they don’t have to fully participate in safety to receive a reward. Employers give wages for job performance; part of that performance should include working safely to begin with. Anything else should be “above and beyond” recognition for taking the extra measure.

What are the issues in your company? How can they be corrected before starting an incentive program? Do your employees have a clear understanding of the safety program, and do you have their buy-in? It’s important to do a needs assessment first to get a good picture of how your employees view the safety program. Is it just a “manual” to them, something that is someone else’s responsibility, or simply a slogan?

First, identify the training needs in your workforce, and begin there. If your employees aren’t sure what is expected of them in working safely in their daily tasks, chances are they aren’t going to understand an incentive program. A “Safety Bonus” should never be thought of as an entitlement, but rather as an incentive to try harder, work safer, and take that extra step for themselves and their coworkers. If you work in a Process Management arena, you have certain steps that must be followed to ensure the timely production of goods and services. The same should hold true for the safety program management. Is there a disciplinary program in your company for not following the production process? Are bonuses delivered for exceptional production, or are they expected?

Finally, Get Support! Management has to believe in, be committed to and be active in the Safety program. It must be a program they understand, agree with, and will endorse without reservations. Once you have that support, let them help develop the Incentive Program. Include your management team in the process, ensuring their “ownership” of it.

Setting up the Incentive Program

As with any successful program, an incentive program goal must be within reach. Employees must trust that the program will be fair, impartial, that they can depend on the program, and realize the rewards. The program must be structured to be the best fit for your company, taking into consideration geography and logistics. Every company is different, but a program that is easy for the workforce who has access to a breakroom, office, or common area on a regular basis won’t necessarily work for those who may see the office only upon hire. If you have employees who are largely a mobile workforce, that must be taken into consideration.

The program must have value to the employees. Any incentive offered must be tailored to their unique needs and want. Sometimes, a cash incentive is the best fit for a workforce. Merchandise, branded or logoed items with the company name might suit your employees better. Awards, such as certificates, shoulder patches, lapel pins, etc. shows appreciation to the employee that they can show others. In deciding how to set up your program, you might survey the employees, ask their preferences. Whatever you decide to use as an incentive, it must have meaning, and be appropriate for your workforce.

Set goals for the incentive program. The efforts of achieving these goals must be balanced for all employees. A goal that is too difficult, or one that is too easy, will result in low participation in the program. If an employee is frustrated by the attempt, he or she will abandon the effort; conversely, if the employee feels that the goal is beneath him or her, then they won't bother with it.

Guidelines must be established for the program. A good Incentive program will have rules in place, with requirements for award recipients that must be met. Some programs will be based on the type of workforce you have. For instance, if you have an office or industrial setting where everyone sees each other on a fairly regular basis, a bulletin board type of progress chart can be used to track milestones. For others, who have a workforce that is spread out, a more personal type of incentive may be in order, such as a hat, cash, or other tangible incentive.

In either case, you should have milestones in place, to measure participation and track goals. These might be as simple as rewarding attendance at safety meetings, toolbox talks, or other training items completed. Incentives may be based on schedules, such as injury free days, etc. While this is not recommended for all, since in a large workforce it may encourage underreporting of incidents, it may work quite well in a smaller setting.

Rewards / Incentives should be selected based on the performance criteria, and incrementally balanced to ensure attainable goals. For instance, an employee, crew, or division who completes an OSHA 10-Hour will receive one level of Incentive, while continuing on to the 30-Hour will increase the Incentive. If the goal is seen to be unattainable, such as one large ticket item to be awarded to one individual, the playing field is not level enough to ensure participation by all. The field worker trying for the same pickup truck is going to be at a disadvantage from the project superintendent or manager who has more resources to reach for this goal more quickly.

What Can Make An Incentive Program Fail

Many times, an incentive program has good intentions, but the practicality of administering it falls short of getting the true meaning across. It's a good thing to want to reward safe behavior, but there are some pitfalls to beware of. If your incentive program is measured only by the Incident Rate or other potential negative outcomes, such as withholding a reward for sustaining an injury, it addresses only those negative behaviors, and will produce negative results. Those results will impact the program, possibly motivating employees to conceal incidents and injuries. They will be tempted to not want to "spoil the record", or ruin it for everyone. Additionally, programs based on incident rates or injuries often leave those

who are working safely, or those who simply didn't sustain an injury, feeling a sense of entitlement to receive something for nothing. In other words, the worker who has been injury free all year, but who isn't receiving an incentive because his or her division, crew or team had an incident, may feel unfairly penalized. The question "Where's my safety bonus, I didn't get hurt?" has been heard more than once in our companies!

If the goals and objectives are not clear to the employees, there will be no interest. The employees must understand why, or why they aren't receiving an Incentive Reward.

There is always the issue of "peer" pressure to be concerned with as reflected in the following two examples.

- Example 1: Company "Good Guy" desired to eliminate the weekly/monthly incentives by opting to establish a larger pot. Something that could be recognized, desired and be more of an incentive for safety than the typical clothing, cups and coupons. They approached their fleet dealer with whom they had developed a good relationship that enabled them to purchase a high quality, warranty condition used pickup they would raffle. The raffle entry was generated for each employee who did not have a reportable injury or illness during a six month period.

A worker was injured but did not seek company worker compensation as he did not want to be disqualified from the raffle. He developed blood poisoning and subsequently turned in his condition that had significant consequence for both the worker and the company.

- Example 2: A company's workforce was separated into crews of four workers. A general foreman governed six work crews. Each crew not having a worker injury or illness was entered in a raffle for a drawing of \$500 per quarter. Each foreman was entered in a separate drawing of \$500 for each crew meeting the same criteria. A worker did not report his injury due to the pressure of his co-workers as it would eliminate from the quarterly drawing. As his condition deteriorated he sought private medical assistance until he was required to have surgery and be off from work. He then reported the injury to the employer for benefits.

Types of Incentive Programs

There are many types of Incentive, or Bonus programs available. Some are pre-packaged, administered by third parties; some are completely in-house developed and maintained. The type of program you decide on depends on your workforce, your time, and your creativity! Some forms of Incentive Programs include games of chance, or lottery type, recognition awards, milestone awards, cash or merchandise based, learn to earn, performance based, or simple "atta-boys".

What's Right for Your Company? Again, only you know your employees, your facilities, and your workforce demographics. Whether you choose a company wide, site or facility or division wide program, or set up a competition between divisions or crews, or set a personal achievement oriented program in place will depend on your ultimate goal for the outcome of your project. Whatever you choose, it must have relevance to your workforce.

Implementing Your Incentive Program

Once you have decided on the type of Incentive Program that's right for your workforce, the next step is to get it up and running! This seems to be, believe it or not, one of the biggest challenges. The first thing of importance is to get the word out to everyone. You must communicate the Program, advertise it! You can publish notices on bulletin boards, insert paycheck stuffers, write about it in the company newsletter, and rely on word of mouth. Make sure that whatever type of Incentive Program is announced, that the rules and guidelines are clear to everyone. An extremely complicated set of rules is going to be largely ignored by the general workforce as not being worth their time to participate. And, once it's in place, be ready to answer questions you didn't think of! Keeping it simple in the first place is a good way to avoid multiple explanations.

Maintaining Your Incentive Program

So, once your Incentive Program is up and running, and you see lots of participation, what's your next step? Reminders! Don't let the Program fade away into the background. Keep it fresh, set milestones and update the employees on progress. If you are using a competitive basis for awards, let them know the rankings on a regular basis. If you are setting achievement goals, give them markers to show the progress. Keep the program fresh to maintain the enthusiasm and involvement.

Another part of the maintenance of the Program depends solely on you and your staff. When choosing the type of program to implement, take great care in determining how much of your efforts and time will need to be allocated to maintaining it. If the Program is difficult to administer, it will be just as difficult to sustain. And remember, if the employees aren't seeing positive results, neither will the Program.

Examples of Successful Programs

"Earning for Learning" type program, which is usually internet based and self paced. For those who don't have internet access, paper copies are made available to gain participation. Quizzes and surveys are uploaded, and the participants can take them on their own time, and at their own pace. Each quiz or survey contains 5 to 10 questions, based on the information in the Safety Topic of the Month section. Participants earn points for each correct answer, and then can redeem those points for merchandise from the Awards Center or the Company Store. The quizzes are set up to coincide with toolbox talks, or hot topic issues, and are a training tool with knowledge checks built in. Individual participation and training can be documented for recordkeeping purposes. The survey section also has a feedback area to let employees voice their opinions, concerns and suggestions on the overall Safety program.

One of the benefits of this type of program is that it gives ownership to the employee for their own individual safety knowledge. Another is that the program itself is very low maintenance, just a few minutes per month to develop and upload a quiz. Participants are responsible for earning their own points, and have even sent in quiz topic suggestions for bonus points.

Another example of a successful program is the “Instant Recognition” type.

- A company wanted to recognize the good acts of his workers rather than always penalizing for the bad. In each project budget, he provided a line item for safety incentives that projects managers could award upon recognizing a worker doing a positive action. The dollars purchased varying amounts of cash cards from Home Depot, restaurants, and grocery chains. When witnessed, the project manager or other designated person would just walk up to a worker and thank them for their good behavior. They would alternate the awarding person so the good behavior would not only occur when the project manager walked onto the job. Several times, they would select a recipient and ask him on the spur of the moment to present a card to a co-worker who perform a task, whether it be to help someone or just pick up gathering debris. His safety violations when down remarkably and he extended the reward system to his subcontractors’ workers who were also recognized for good safe practices.

Summary

What Makes an Incentive Program Work?

- Incentives given to reward Safe Behavior and Learning promote Positive Results.
 - Longer lasting impact on Performance and Production.
 - Training and Knowledge Based Programs give double rewards – the employee is rewarded for increasing Safety Knowledge.
 - Knowledge is Power.
 - Power can effect Change and reinforce Safe Behavior.
 - Reinforcing Safe Behaviors can benefit the Company by increased Production.
- Recognition
 - Adequately recognizes the employee for participating
- Relevance.
 - Has to “Mean Something” to the type of workforce you have.
- Value
 - Measured Success for the Investment
 - Are incident rates dropping?
 - Is learning increasing?
 - Is Production steady or increasing?
- Sustainability
 - Administration of the Program has to be well thought out. If the Program is too complicated, it will be difficult to administer and sustain.
 - Maintenance
 - The Program must be easy enough to maintain, to measure performance, recordkeeping, and monitoring.
 - It cannot be left on its own.

- Evergreen
 - Constantly growing and adapting to the work environment
- Dependable
 - Employees can count on it, there are definite goals, clear understanding
- Soon- Certain- Positive
 - Rewards are given quickly
 - Reward are guaranteed
 - Rewards reinforce Positive Attitudes and Your Safety program

Enthusiasm!

Remember, a successful Incentive Program doesn't mean a successful Safety program!