

# SAFETY matters

NEWS AND INFORMATION FROM THE UTAH SAFETY COUNCIL



Promoting Health, Protecting Life

**Your Safety Matters** is published quarterly by the Utah Safety Council. If you would like to submit items for use in the newsletter, send them to:

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## Workplace Performance Incentives, Rewards that Work!

If there is one tool in performance management that always “works,” it is incentives. That is to say, when organizations place incentives on certain performance or outcomes of performance, they will get what they place the incentive on. Quite often, unfortunately, incentives produce side effects that are not intended, or wanted. Understanding how incentives operate in behavioral terms is vital to understanding the “pros & cons” of their use.



### There are two uses for incentives:

1. To stimulate a specific behavior
2. To contribute to the production of an outcome or result.

**Incentives Placed On Behaviors:** The promise made here is: “Do this; and you will get this.”

Some of the benefits of placing incentives on behaviors include:

- The desired behavior will reach a very high performance level very quickly.
- The behavior will stay at the high level as long as the reinforcement continues.
- As long as the benefits of the behavior exceed the cost of the incentive, the intervention will be “profitable.”
- The use of positive reinforcement may produce beneficial side effects such as improved morale.

Incentive programs placed on behaviors could result in employees producing these safe behaviors.

- Using safe procedures and practices
- Complying with all safety rules
- Reporting injuries immediately
- Reporting hazards
- Submitting safety suggestions

Some of the risks from placing incentives on behaviors include:

- If the reinforcement stops, so will the desired behavior.
- Over time, the cost of the incentive may exceed the benefit of the high performance and it will cause harmful side effects if the incentive



## Safety Bucks

This is a proactive approach to reward employees. Supervisors walk around the facility with "Safety Bucks" in their pocket. Workers receive "Safety Bucks" for:

- Warning a co-worker
- Identifying a hazard
- Reporting an injury immediately
- Making a suggestion that prevents injury

Employees can then turn in their "Safety Bucks" to purchase certain rewards from the safety committee. This is an effective reward system because it is an immediate reward and reinforces the positive behavior.

## Possible Safety Incentives or Rewards

- Hats, t-shirts or logo apparel
- Tickets to events
- Small personal items
- Office Items
- Tools
- Special duties
- Job selection preference
- Participation in special programs
- Paid time off
- Preferred parking
- Special Award Lunches
- Coffee or soft drinks
- Mugs

## Workplace Performance Incentives, Rewards that Work (continued)

- program is discontinued.
- Other worthy behaviors may be diminished by the "incented" behavior.
- In some cases, people may do "just enough" to get the promised reinforcement.

**Incentives Placed On Outcomes:** The promise made is "Produce this; and I will give you this."

Some of the benefits of placing incentives on outcomes include:

- The outcome on which the incentive is placed will be achieved quickly.
- The outcome will continue to be produced as long what is promised is delivered.
- As long as the benefits of the outcome exceed the cost of the incentive, the intervention will be "profitable".
- Little, if any, additional intervention will be necessary to maintain the outcome at the high level.
- People will work very hard to produce the outcome.
- People will positively compete to produce the outcome.

Some of the risks from placing incentives on outcomes include:

- Desirable behaviors may be extinguished and behaviors that cause harm may be motivated.
- Produced outcomes may be adversely affected by the high degree of urgency placed on the incented outcome.
- Other worthy behaviors may be diminished by the "incented" behavior.
- In some cases, people may do "just enough" to get the promised "reward."
- People will compete negatively to produce the outcome.

In the safety industry if the reward is placed on the outcome of "working safe" over a given period of time this might entice employees not to report minor incidents.

### Rewards that Work!

A reward is an act or consequence performed to strengthen approved behavior. There are two types of rewards:

- Extrinsic Rewards (tangible)
- Intrinsic Rewards (internal)

### Examples of Extrinsic Rewards:

- Money – gift cards/certificates, coupons
- Awards – plaques, pins, cups, certificates, jackets
- Time off from work
- Social - parties, lunches
- Special parking lot assignment

### Examples of Intrinsic Rewards:

- Improved self-esteem
- Increased sense of purpose
- Higher credibility
- Feeling of accomplishment

*Source: Liberty Mutual Insurance and JJ Keller*

This entire edition of *Your Safety Matters* is dedicated to helping companies establish incentive programs that positively improve the safety at their facilities. Several incentive programs are highlighted in the gray boxes. Additionally, program guidelines are given in the following articles. We hope that this newsletter helps your organization have a safe and incident free 2010.

## Establishing Your Reward Program

Safe performance Reward Programs can fail - and seriously backfire - if they are poorly planned or executed. For example, consider what might happen if your program consisted of rewarding workers each time they collectively achieved 30 days without an incident. The safe workers would be punished for the unsafe acts of others (if an incident occurred that negated the reward), and all workers would be likely to under report incidents to avoid spoiling the group's reward.

It is appropriate to provide group rewards for achieving major safety goals, but most of the rewards in an effective Safe Performance Reward Program should be small, frequent and based on specific, individual acts of safety.

To ensure the best chances for success, follow the eleven steps explained on the following pages when establishing your reward program.



# Eleven Steps to an Effective Safe Performance Reward Program

## 1. Incorporate Safety Rewards into Other Reward Programs

Nothing sets up safety reward programs to fail faster than one that creates competing contingencies for the worker. If the rewards available for safety are smaller, or of less value, offered less often, and are more difficult to achieve than other rewards (say, bonuses for production or quality, or recognition for meeting attendance records), employees will direct their behaviors toward the easiest, largest reward possible to the exclusion of other rewards. Therefore, it is advised that one reward program be offered to employees that incorporates meeting performance and behavioral objectives for all key business measures, rather than setting up individual programs that may compete.



## 2. Get Workers Involved from the Start

Include workers in the construction, selection and delivery of the reward system. Conduct a "Reward Survey" to find out what behaviors workers think should be rewarded, and what kinds of rewards they would like. Update the survey periodically.

## 3. Use Specific, Measurable Criteria

Determine specific criteria for which employees can earn rewards. Supervisors must be able to objectively measure each worker's performance against the criteria. Examples might include: using appropriate PPE on a specific job (e.g., safety goggles, hearing protection, gloves, safety footwear, respiratory protection, etc.); checking guards before starting up a certain machine; seeking immediate first aid for even a minor injury; removing debris found blocking an aisle; or keeping some one in attendance at a spill while supplies are obtained for immediate cleanup.

## 4. Reward Individual Behaviors

The bulk of your program must focus on individual behaviors. Long-term goals such as incident rates and number of days worked without an injury should be established and recognized, but they are not under the direct control of the individual worker. Give rewards to individuals for productive behaviors they are observed performing that contribute to projects underway. Celebrate completion of projects by teams/departments that contribute to outcomes sought, and of course, cite these completed projects when celebrating achievement of the outcome goal.

## 5. Link Rewards Directly to Behaviors

Workers must know what the reward is for, so state specifically why the reward is being given, citing the value or contribution of the observed behavior. Rewards to individuals need not be costly. In fact, more frequent lower cost rewards are usually more effective than higher cost items given less frequently.

## Caught in the Act!

Implement a recognition program. Take the time to recognize employees who are promoting safety within your organization. You don't have to create an elaborate incentive prize system; sometimes a simple thanks can go a long way. Be creative. The people at Air Systems Components have created a "Caught in the Act" program where employees who are working safely get their picture taken, which is then posted in the plant. People enjoy and respond to positive recognition in all forms.

## Safety Heros

This is NOT an "Employee of the Month" program. Everyone and anyone who achieves the specified criteria receives recognition or is rewarded as a "Safety Hero". The criteria can be determined by the safety committee or area supervisor. Be sure that the criteria is attainable. Post the criteria on the "Safety Heros" bulletin board so that all employees know how to achieve this status. Pictures of the "Safety Heros" can be posted on bulletin boards and in company newsletters.



### 6. Deliver Rewards Quickly

A consequence should occur as closely to the behavior as possible to maximize its impact on future behavior. Deliver small, frequent rewards as the safe behavior occurs. Be sure that the reward is also sincere.

### 7. Reward as Many People as Possible

Make sure everyone has an opportunity to earn rewards, and tender the rewards to as many people as possible. More probable rewards have a stronger impact on behavior than less probable ones.

### 8. Publicize the Names of the Recipients

Use newsletters, posters, and other announcement techniques to let everyone know who the exemplary performers are. This tactic can encourage others.

### 9. Use a Variety of Rewards

Reward programs sometimes fail because people are not interested, or perceive no value in the types of rewards available. Sometimes different rewards makes each one of us tick; what "does it" for one person may not "do it" for another. One solution is to create a "reward Menu" with a large and varied selection. Our list of possible rewards can help you get started, but use your imagination and your employee surveys to keep rewards fresh and appealing.

### 10. Keep it Simple and Fun

The most successful reward programs, are on the surface, also the simplest. The less complicated the program, the better the chances that all workers will understand and participate in it, and the safe behaviors will occur consistently. And remember to keep it fun! If it's not fun, it won't work. Launch the program with a big Kick-off meeting to let everyone know the "rules," and to show the program has the support of management.

### 11. Follow Through!

Nothing kills a reward program as quickly as a failure to deliver the promised rewards. Make a commitment to follow through with all aspects of the program. It may seem frivolous, but an effective Safe Performance Reward Program can play a very important role in workplace incident prevention.

**Thanks to Robert Gardner with Liberty Mutual Insurance for sharing this information with us!**



Employees from Rio Tinto Kennecott Utah Copper receiving their many safety awards at the 2009 Utah Safety Council's annual awards luncheon.

## Monetary Incentives

According to the *2009 Injury Facts* publication, the average cost for a Workers Compensation claim was \$21,452.

Some companies reward employees with a fixed amount. Other companies reward employees with a percentage of the prevented injury cost. While other companies reward employees with gift cards. Giving monetary incentives to employees is much more cost effective than paying for a preventable injury.

Some companies have found it helpful to post the average cost of a Workers' Compensation claim to help inform their employees of the potential costs of their unsafe acts and carelessness. Employees can be rewarded for:

- Identifying a hazard in the workplace that could cause serious physical harm or a fatality.
- Making a suggestion that prevents injury or saves the company money.

### Additional Costs

Cost per Worker : \$1,200  
 Cost per Death: \$1,270,000  
 Cost per Disabling Injury:  
 \$43,000

*These figures indicate the value of goods or services each worker must produce to offset the cost of work injuries. It is not the average cost of a work injury. These figures include estimates of wage losses, medical expenses, administrative expenses and employer costs.*

# Motivating Employees on a Shoestring

During an economic slowdown, it's not always feasible to motivate employees with monetary incentives. But, organizations still need to find ways to keep workers motivated to help maintain a safe and healthy workplace. Sometimes, simple recognition for a job well done and affirmations can go a long way. The following are some low-cost motivators to help keep employees in the game:



- Write a letter of commendation
- Send a thank you note
- Ask employees for input/advice
- Give verbal praise
- Pass along compliments you received from others
- Write an email to a superior and copy the employee
- Put positive information in the employee's productivity file
- Provide quick follow up on problems/hazards when recognized
- Post positive achievements on a safety bulletin board or in an employee newsletter
- Say thank you — **And MEAN IT**
- Allow flexible work scheduling (flextime)
- Designate special parking places
- Give out awards — e.g., plaques, trophies, certificates
- Feature an employee of the month
- Recognize peers who have helped you
- Have a coffee/juice morning to acknowledge accomplishments
- Create group awards to recognize teamwork
- Thank somebody who contributes ideas — regardless of whether you use the idea
- Always give others credit where credit is due
- ASK the employees how they want to be recognized
- Post complimentary letters on a safety bulletin board
- Send employees to special seminars and workshops that may interest them

Statistical information referenced in this newsletter comes from the National Safety Council's *Injury Facts 2009 edition*. The *Injury Facts* publication is a valuable reference tool that provides safety and health managers and supervisors with fast access to injury information as well as facts for benchmarking costs and creating safety programs.

**Get the Injury Facts 2010 Edition.** Available in March 2010. To order this publication contact Sarah Barrett at (801) 478-7878 ext. 312 or e-mail her at sbarrett@utahsafetycouncil.org.

**Member: \$66.50 | Non-Member: \$95.00**

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