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MONTHLY NEWSLETTER

The safety incentive debate

Do safety incentives really work? Two perspectives seem to exist. Some employers believe that workers will not work safe unless we give them incentives to do so. Others are of the opinion that workers inherently want to do their jobs without getting injured.

Working safely is a behavior and incentives reinforce desired behavior. The problem is that safety incentives alone do not create a safety culture. The foundation of a sound safety program is creating and supporting a safety culture. Safety cultures are easy to identify. Workers in a safety culture demonstrate that that working safely is a personal priority. They typically do the right things at the right time for the right reason. Their motivation is their own personal protection, as well as, protecting their co-workers and general public. But, this behavior is oftentimes reinforced by an incentive. When safety incentives fail to meet their objective it is generally because they are counterproductive.

The biggest complaint employees have about safety incentive programs is that they don't work the way they expected them to. Programs that reward employees financially for an expected level of performance can backfire when it comes to safety and safety compliance. Why? Because they frequently cause under-reporting, particularly when the

performance is related to loss frequency (incidents) or severity (loss cost) rates. This opinion is shared by both managers and employees, no matter what the industry. Experience reveals that employees shift their personal priority to the reward rather than performing tasks safely with the objective of



going home every day without an injury. Under-reporting causes information to be buried, such as near misses or minor accidents, which can lead to risky behaviors or harmful situations not being properly assessed and addressed.

Recognize that not every incentive program is a failure. There are many examples of how incentive programs have helped organizations improve their safety performance, but for an organization that lacks a developing safety culture, safety incentive programs can become:

- ◆ **Ineffective** - They lose their appeal to employees and it becomes too much work to keep up with the required administration.
- ◆ **Routine** - When the program is the same year after year, employees will stop paying attention to the expectations and the rewards.
- ◆ **Entitlements** - Employees begin to expect the incentive or reward no matter what the organization's results might be, especially if the reward is monetary.

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- ◆ **Punitive** - When the reward is based on group performance, employees can be very punitive to one another when an incident occurs that eliminates the group's opportunity for a reward.

If your organization sees value in safety incentives, it may be time to revisit your approach. Perhaps it's time to focus on recognition over rewards. Companies that encourage managers and supervisors to recognize safe behavior and positive outcomes generally have excellent safety cultures. Employees who exemplify that safety culture are publicly acknowledged in company newsletters, during staff meetings and at safety meetings.

Rather than using the generic approach to safety incentive programs, consider a personal recognition program. Employees working for organizations with strong safety cultures find being publicly recognized for their safety contribution to be strong motivation to continue their safe work practices. Rather than try to buy your employees' commitment with a safety incentive program, consider these practices to motivate all employees to take personal responsibility for safety:



1. **Make safety a core value** - Safety needs to be an equal priority to productivity for your organization. Let employees know that no job or task is so important that it should be done at personal risk. Start every general meeting with an update about safety. Does every members of a crew have the authority to stop a work process if there is a safety issue? In an organization that makes safety a priority, employees have this authority and responsibility.
2. **Commit management to worker safety** - When all levels of management are actively engaged in the organization's safety efforts, employees will notice. The organizations' leadership can demonstrate their commitment to safety by following the organization's safe work procedures, listening to and acting upon employees' concerns, and participating actively in safety meetings.
3. **Involve employees in the safety process** - Encourage employees to take part in making your workplace safe by including them in safety committees, inspections and accident investigations. Make safety suggestion programs an integral part of the operation and reward useful suggestions. Give employees time to participate on committees during their regular work hours and recognize their efforts.
4. **Set high expectations for safe behavior** - Research reveals that employees will generally work hard to meet their supervisors' expectations. Make it clear that everyone will follow safety procedures and wear appropriate personal protective equipment (PPE). Also, expect employees to identify, control, and report all hazards found in the workplace.



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Is it time to invest in motivation and not incentives? Evaluate your past safety incentive programs in light of your frequency of accidents and the severity of losses. Did they take money out of your company's bottom-line without a significant or sustainable return on your investment? Perhaps it's time to invest in a Safety Culture instead. Make motivation a priority for all levels of management. Get them to commit to investing their time and effort in improving the organization's safety practices and encouraging employees to do the same. That way, each individual becomes responsible, not only for his or her own safety, but also for the safety of everyone in the organization. And the reward..... people will go home every day without injury.

Tips for creating safety incentives

If you have decided that a safety incentive program would help your organization achieve its overall safety and loss objectives, consider these implementation guidelines. Always remember, this is a reward program and you need to avoid creating a program that your employees see as an entitlement. The keys to a successful program include:

- ◆ **Limiting the scope** - Associate incentives with specific and desirable behavior or results. The rewarded result should be clearly attributable volitional behavior by the employees eligible for the incentive. The behavior and desired results cannot be coincidental. For example, was there a behavior or work practice that produced a reduction in incident rates or did the organization just get lucky?
- ◆ **Relate the incentive to a reduction of risk** - By creating an incentive that directly correlates to the reduction of risk, by default you will engage your employees in risk reduction and workplace safety. Imagine the benefits of having a significant portion of your workforce examining the way they conduct their work and actively looking for ways to reduce risk and the exposures to loss.
- ◆ **Consider the possibility of undesirable outcomes** – All too frequently we develop incentives that, encourage a desired outcome but at the same time also encourage behaviors that are undesirable and that we don't want. It's important to consider all behaviors that might be incentivize and determine if any of these behaviors are undesirable, dangerous or even illegal.
- ◆ **Behavior must be measureable** - consider the following “**SMART**” acronym for your organization's incentives and goals
 - ✓ **Specific**
 - ✓ **Measurable**
 - ✓ **Achievable**
 - ✓ **Realistic**
 - ✓ **Time-based**

When the behavior can be measurable and tracked people are more likely to participate and be successful.

- ◆ **Keep it personal** - Team incentives may be easier to administer, but results are achieved by individuals and what they can control. By relating the incentive to an individual behavior you provide focused motivation and you also reduce rancor among team members who might be unhappy about missing out on an incentive because of the poor performance of a single team member. True there is no “i” in “team”. But, safety results are driven by individual efforts.
- ◆ **Provide equal opportunity for success** – Any reward you link to the incentive should be equally accessible to all employees eligible for the incentive. If some of your workforce is excluded from participating or have a more difficult objective or goal than another group or groups it can lead to unhealthy competition and complaints about equity.
- ◆ **Put a positive spin on any change** - Whenever you must change the incentive program make sure that the new incentive isn't seen as a takeaway or as a punishment. Emphasize that the change is made to keep the program objectives consistent with the needs of the organization.
- ◆ **Make it public** – Are the results good? Make it public! Were rewards earned? Make it public! The most damaging shortcoming of any safety incentive program is when participants don't know how they are doing. Poor communication about the program is demoralizing. Make sure:
 - ✓ The expectations and rewards are clearly and repetitively communicated.
 - ✓ To regularly report (monthly, bi-weekly) how employees are doing.
 - ✓ Top management delivers the message. Safety is measured at the bottom, but driven from the top.

Safety incentive programs, within an active safety culture, can help achieve desired results or be the reason the organization's safety and loss experience objective are not met. Take the time to do it right. For more information on safety incentives programs contact us at wgroup@cmta.net.



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