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Safety Incentives

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Workers Compensation Fund

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Course Objectives

1. Better knowledge of what kinds of programs are available
2. Key elements of an effective program
3. Benefits of a good program
4. Share ideas with one another
5. Build an awareness of the potential pit falls

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Controversy

The controversy over safety incentive programs and incident reporting remains a hot topic among **safety professionals, OSHA, organized labor, and management alike.**

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Areas of Concern

Incentives can discourage incident reporting if management:

- ⇒ Puts too much emphasis on incident free records.
- ⇒ Takes punitive action against injured employees.
- ⇒ Performs post incident drug testing.
- ⇒ Makes an example of an injured worker in front of co-workers.

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OSHA & Safety Incentive Programs

OSHA does not regulate the use of safety incentive programs, but will take action against the **under-reporting** of injuries and illnesses.

OSHA Review of Incentive Programs

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Safety Culture

Two similar companies with totally different attitudes about safety:

Company #1

Accidents are unforeseen incidents that happen that can't be prevented...so safety is a waste.

Company #2

Accidents can be prevented!



Safety Culture

- Characteristics of Company #1
 - No written safety program
 - No new hire orientation
 - No safety committee
 - No safety toolbox meetings
 - No safety enforcement
 - No accident investigation



Safety Culture

- Characteristics of Company #2
 - Written safety program
 - Aggressive new hire safety orientation
 - Safety committee
 - Regular safety toolbox meetings
 - Daily safety enforcement
 - Accident/Incident investigation



How can I determine what the safety culture is in my organization?



Safety Culture Assessment: A New WCF S&H Tool

The tool was put together based on the following study



Dr. Anthony Veltri
Associate Professor, Oregon State University
Journal of S&H Research
Spring 2007

**A Data-Based Evaluation of the Relationship
between Occupational Safety and Operating
Performance**



Research Background

- S&H professionals have long asserted a connection between strong S&H systems and high business operating performance
- Recent research has provided a new confirmation of this link



Background for the study

"Demonstrating a relationship between occupational safety performance and operating performance has always been an elusive undertaking"

"Do investments in occupational safety practices contribute to operating performance?"



Hypothesis: Safety performance is related to operating performance

-An employee/management safety perception tool is used to test the hypothesis

-An employee/manager "disconnect" in safety perceptions is the key indicator

-The "disconnect" is manifested by differing answers to the same questions regarding safety issues imbedded within an operations management survey

-*"If safety perceptions are good and agreed upon by employees and management, operational performance should also be good"*



Survey Results

-as safety **disconnect increases** internal **scrap and rework increases** with the converse true also

-as safety **disconnect increases** internal reliability and durability performance decreases

-as safety **disconnect increases** so do **external costs** of production

-the relationship **failed** to be predictive of external quality perceptions of customers, innovation and growth



Survey Keys

-anonymity for those responding to the survey

-best practice is for the consultant to administer the survey directly to the workers and managers

-sample size must be large enough to be credible

-executive management must approve and be involved



Take-Aways

-the argument for good safety practices as good business is supported

-safety climate/culture assessment surveys have a place as a measure of S&H program effectiveness

-"safety disconnects" between employees and management are a sign that an organization needs to evaluate efforts and can be used as a barometer to measure improvement



The WCF Safety Culture Assessment (SCA)

Safety Culture Assessment Tool
Questionnaire

Client: _____ Consultant: _____ Date: __/__/__

Manager/Supervisor Worker Survey # _____

On a scale of 1 to 5 (1 = strongly agree, 5 = strongly disagree) respond to the following statements:

1. I feel that my workspace and the company in general is a safe place to work. _____
2. Our company has an effective and fully functioning safety and health program in place. _____
3. My individual participation in the program is crucial to its success. _____
4. Workers have the chance to regularly offer ideas about how the program can be improved. _____
5. When an unsafe hazard or situation is discovered, it is usually taken care of quickly. _____
6. Top management of the company is frequently and visibly involved in promoting and encouraging safety efforts. _____
7. When an accident occurs, it's usually the result of carelessness or inattention. _____
8. Our company has a good record of controlling work related accidents and illnesses. _____
9. Our company takes the time to train new workers and make sure they work safely from day one. _____
10. I feel that my supervisor cares about my safety and health on the job. _____

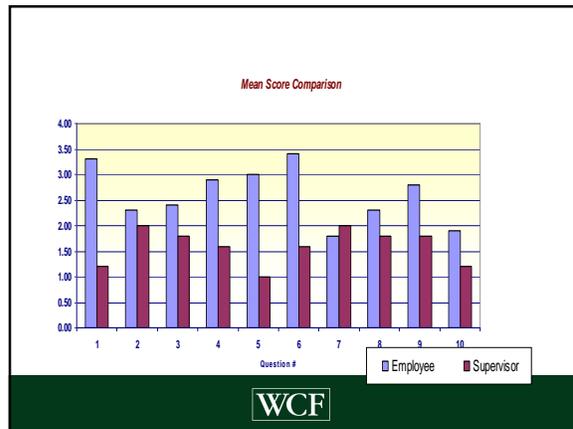
Safety Culture Assessment Tool
Summary Sheet

Company Name: XYZ Co.
Date of Survey: Friday, June 31, 2007

	Mean Score		Diff%
	Employee	Supervisor	
1. I feel that my workspace and the company in general is a safe place to work.	3.35	1.20	62.5%
2. Our company has an effective and fully functioning safety and health program in place.	2.35	2.00	7.5%
3. My individual participation in the program is crucial to its success.	2.45	1.80	15.0%
4. Workers have the chance to regularly offer ideas about how the program can be improved.	2.95	1.80	32.5%
5. When an unsafe hazard or situation is discovered, it is usually taken care of quickly.	3.05	1.80	56.5%
6. Workers have been completely trained on how to do the job safely and all needed equipment is provided to them.	3.45	1.80	48.5%
7. When an accident occurs, it's usually the result of carelessness or inattention.	1.85	2.20	-5.5%
8. Our company has a good record of controlling work related accidents and illnesses.	3.20	1.80	12.5%
9. Our company takes the time to train new workers and make sure they work safely from day one.	2.85	1.80	28.5%
10. I feel that my supervisor cares about my safety and health on the job.	1.95	1.20	17.5%

Number of Responses: Supervisors 5
Employees 10

Comments / Analysis:
Supervisors and managers consistently rate safety efforts as more effective than the employees. This is a concern and generally indicates a less than effective program. Also, both groups substantially agreed on question # 7 which indicates a poor understanding of the causes and prevention of accidents. The biggest discrepancies had to do with questions relating to feeling of personal safety and the speed with which identified hazards are corrected. This indicates a need to examine your hazard identification and correction program carefully. The highest mean score among the employees was question #6, indicating employee training may not be perceived as effective.



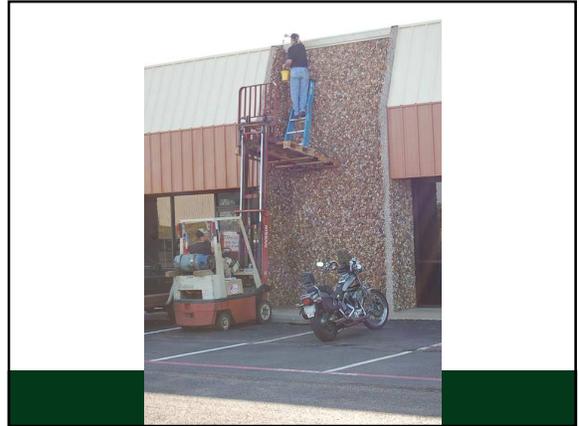
- Safety incentive programs are put in place using varied approaches**
- Traditional Programs
 - Reward individuals or groups for **incident free** records.
 - Non-Traditional Programs
 - Target safety activities
 - Wearing personal protective equipment
 - Attending safety meetings
 - Following safety rules

Keep in mind
Most Injuries result from Unsafe Acts!

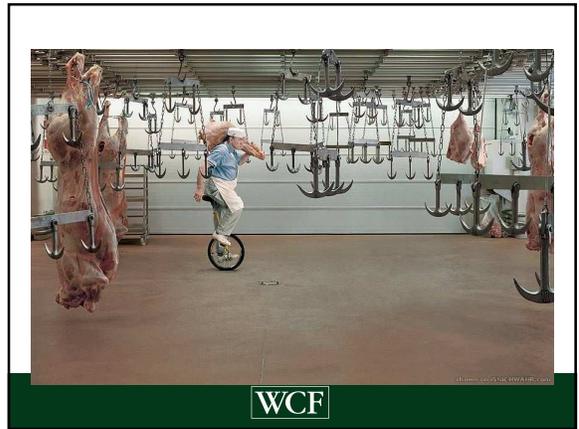
We just use common sense at our place of business

Common Sense ?

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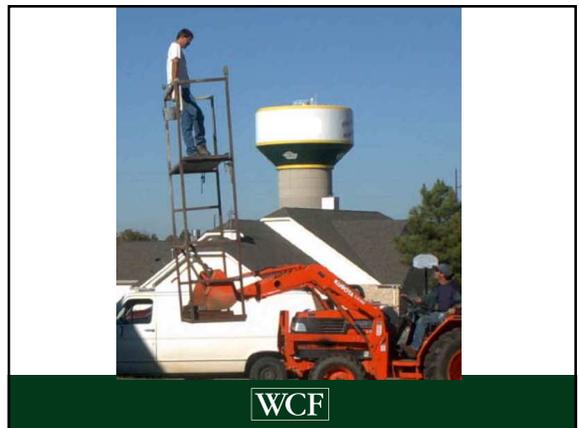
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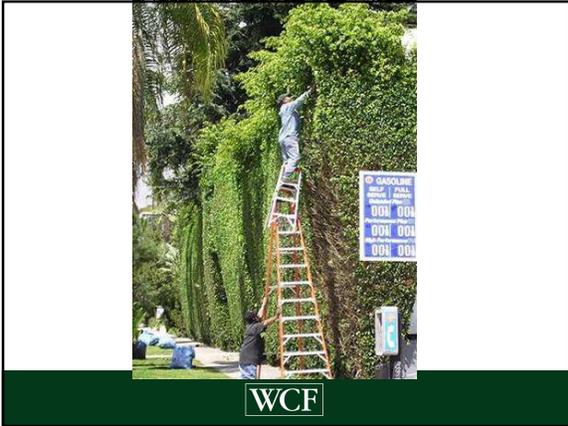
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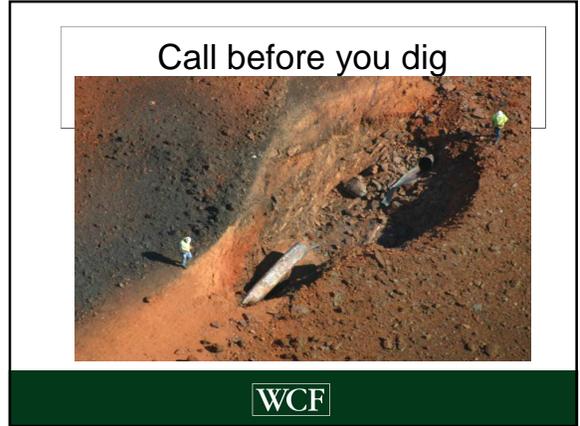
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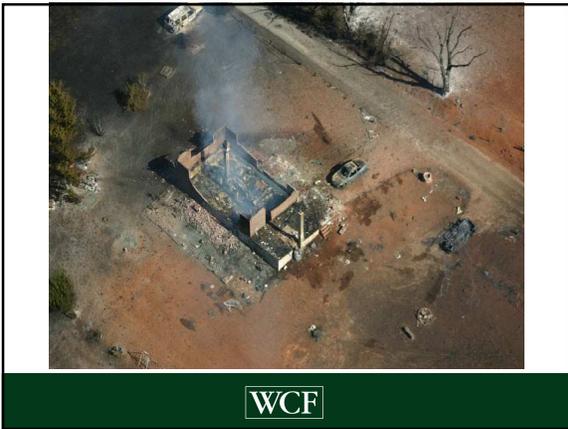
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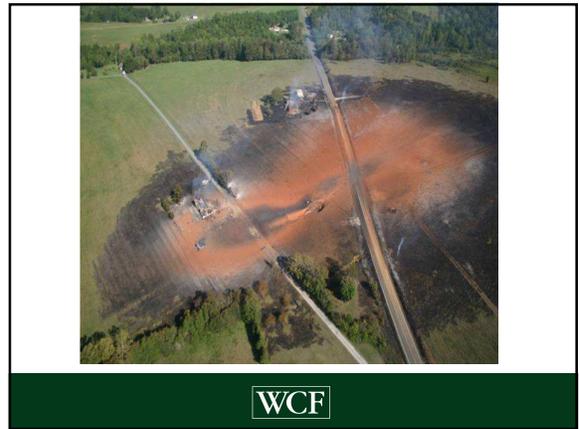
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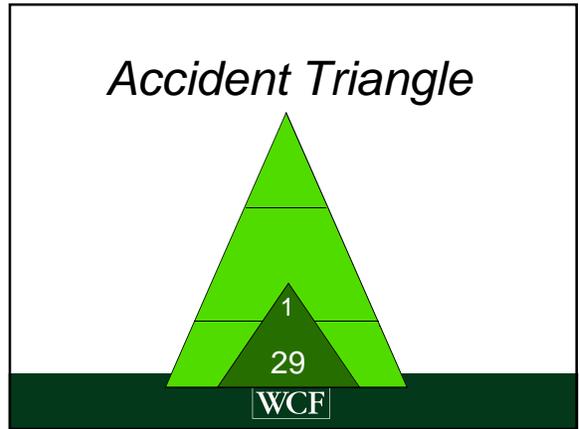
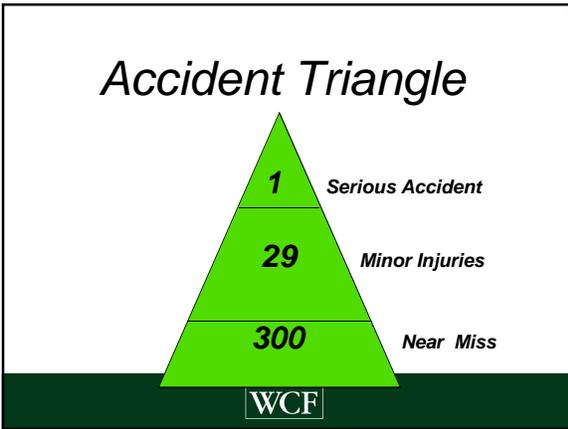
Du Pont's 10-year Study of Injuries

Body position	30%
Tools and equipment	28%
Actions of another person	14%
Protective equipment	12%
<u>Procedures and housekeeping</u>	12%
Total injuries from unsafe behavior	96%
Total injuries from other causes	4%

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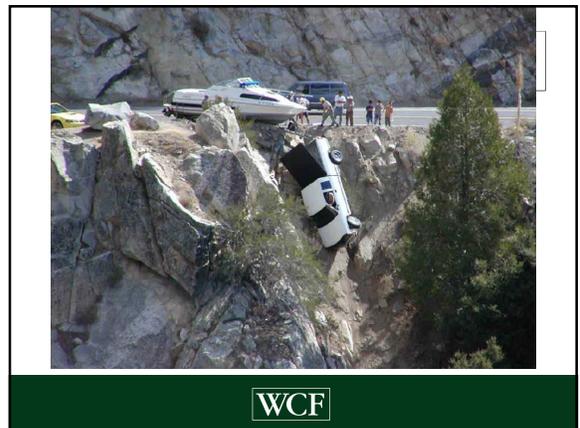
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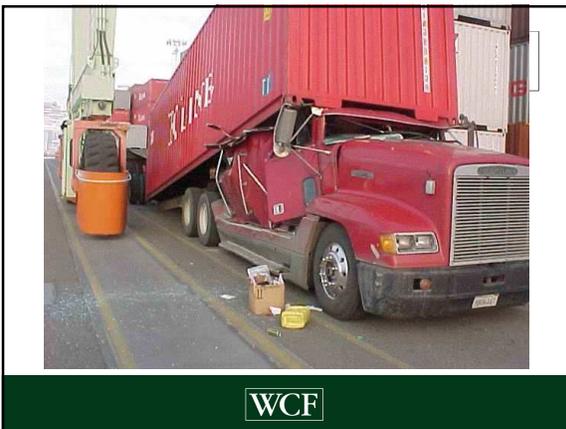
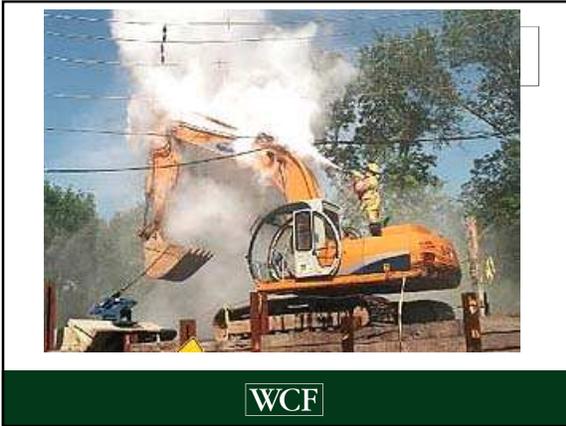


Why are employees unsafe?

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- ### Unsafe behavior is rewarding
- ☐ Saves time
 - ☐ Convenience
 - ☐ Comfort
 - ☐ Negative consequences unlikely
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*Ideas for overcoming
this way of thinking*

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Behaviorists

- ▣ Propose reducing incidents by (non-traditional incentive programs)
 - ▣ observing at risk behaviors
 - ▣ training and retraining in proper technique
 - ▣ recommend that any awards given be tied to **safety training**, not fewer incidents

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Behaviorists

- ▣ Advise against using games of chance as a means of incentives
- ▣ Emphasis is on training & recognition
- ▣ Intermittent reinforcements are the most effective means of teaching new behaviors
- ▣ Little emphasis on external awards

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Behaviorists

- Behavior-based safety addresses a change in behaviors, with the outcome being an expected change in attitudes.
- This contrasts with incentive programs that place emphasis on changing attitudes, with a change in behavior as the expected outcome.

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Behavior Safety Focus

- Identifying desired safe behaviors
- Conducting observations
- Providing feedback
- Coaching employees
- Motivating safe behaviors
- Involving employees every step of the way

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Many safety programs focus on maintaining safe equipment and the environment.
More focus needs to be on people and especially behaviors!

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Behavior Cycle

Precursor (Cues or signals to do something)

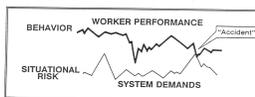
Behavior (What we can see someone do)

Consequence (What we get from what we do)

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ACCIDENTS



- As workers, we have highs and lows.
- The Risk level is always changing.
- An Accident happens when our behavior is not above the risk level.

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Safety Incentive Ideas

- Specify expected safe behaviors/actions
- Reward ALL who meet criteria
- Rewards represent achievement
- Use employees' ideas
- Encourage employee involvement
- Injuries not a criteria

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Critical Behavior Checklist

- What types of accidents are the most frequent?
- What types of accidents are the most severe?
- What conditions contributed?
- What behaviors contributed?
- What changes will be made?

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Comparing behavior-based with traditional programs

- ☞ Both have the same goal but different methods
- ☞ Behavior-based is employee driven and requires greater time commitment from management
 - Employees pulled off job to observe and report behaviors of co-workers
- ☞ Does not work as well in companies with high turnover such as construction etc.

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Traditional safety incentive programs (ie., Safety Bingo)

- ☞ Number drawn and posted daily
- ☞ A jackpot progresses as **recognition** for safe work days
- ☞ Employees try to fill spots on cards spelling safety slogans
- ☞ Prizes are awarded to each participant who hits a bingo
- ☞ Larger prize is awarded employee for blackout etc

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Program Objectives

- ☞ Fun
- ☞ Interesting
- ☞ Get everyone involved

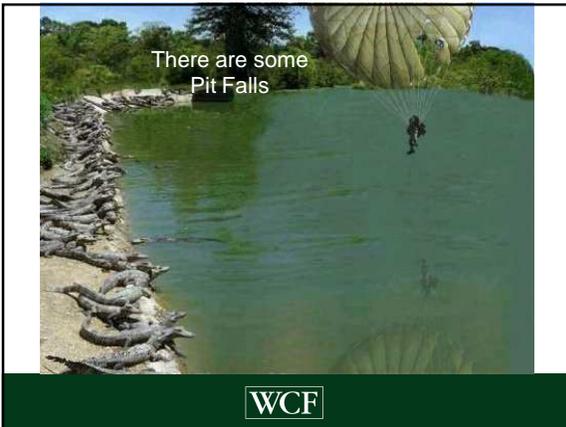
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Program Rewards

Prizes are tied to:

- ☞ Lost time incidents
- ☞ Vehicular incidents
- ☞ OSHA recordable cases
- ☞ Correct answers to questions concerning a safety contact or safety meeting
- ☞ Chances are increased by safety suggestions, or other activities contributing to safety efforts

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Pit Falls

- ❏ Under reporting of injuries.
- ❏ Not reporting safety hazards.
- ❏ Repeat infractions.
- ❏ Deflated morale if employees feel safety is not a priority, and the incentive program is just to stop employees from reporting injuries.

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Avoid Pit Falls

Reduce under reporting by eliminating employees from the game for:

- ❏ Not reporting safety hazards
- ❏ Repeat infractions
- ❏ Not reporting injuries

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Dos and Don'ts

1. Don't set a certain number of injuries, illnesses, or incidents as the **sole** criteria for winning awards
2. Avoid using the same program for long periods of time
3. Don't stop your program because you had one bad performance period

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Dos and Don'ts

4. Be careful that you don't set up employees for failure
5. Don't have different levels of awards for different groups, such as one for supervisors and another for hourly employees
6. Focus on rewarding desired behaviors and activities
7. Don't skew reporting to try and save a "safe streak." This will drive morale down

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[Video](#)



Dos and Don'ts

8. Behaviors and activities that get rewarded should be based on what your entire workforce does---from to management to line employees
(Managements involvement will motivate everyone)
9. Focus on goals that involve all of your employee



Dos and Don'ts

10. Everyone must have an equal chance to win
~~1~~ **1 winner** and **300 losers** is an easy way to lose participation

"Most games of chance are based on luck and most people feel they are unlucky and that they will never win anything, and they are right.
 Dr. Robert Dugan



Treadmill



Dos and Don'ts

11. Reward employee for safety suggestions
12. Don't set up only group achievements
13. Don't set up only individual achievements (NO POSITIVE PEER PRESSURE)
14. Use a combination of incentives
15. Don't spend more on safety incentives than you plan to save



Benefits

- ◆ Encourages individuals and groups to take injuries serious (**fewer accidents and injuries**)
- ◆ Employees become enthusiastic about safety, and think about behavior more often
- ◆ **Company management is perceived by employees as being concerned and proactive about safety**
- ◆ Encourages employees to seek treatment for legitimate claims
- ◆ Discourages employees from reporting fraudulent claims



Fraud Video Unit

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Management's Role

Management must:

- ◆ Ensure that appropriate measures are followed
- ◆ Make sure training is provided for all employees
- ◆ Make sure hazards are identified and removed
- ◆ Ensure that safety is promoted from the top down
- ◆ Take responsibility for rule enforcement when employees become negligent

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Involve employees in goal setting!!!

Employee Survey

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Key Factors

Safety Incentive Programs:

- **Should only be used as a supplement for safety programs**
- Are only as effective as the company's overall emphasis on safety
- May be poorly designed with hopes to eliminate claims and have minimal management support which usually results in:
 - Employees being enticed with gifts
 - Program failure and possible under reporting
 - Deflated morale

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Important note!

“Once you’ve held the initial kickoff meeting,” warned Rich Burke, “you can’t forget about the program. Communication is crucial. So is coaching--- ‘We are 150 hours into our goal of 500 hours without an accident. We can do it.’--- that kind of thing.”

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Other suggestions to Prevent Under reporting by

1. Only count claims where the employee misses more than 24 hours
2. Have employees sign a roster certifying that they have had no accident that would disqualify them
3. Eliminate employee from program for not reporting

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4. Establish culture that encourages reporting

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“People don't care how much you know until they know how much you care”.

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“By and large, expensive rewards are not likely to be any more of an incentive than inexpensive ones”

Robert D. Dugan Ph.D., psychology professor at the University of New Haven in Connecticut.

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Rewards

- When possible put the company logo on rewards
- Choose rewards that are associated to safety, such as smoke detectors, fire extinguishers, and first aid kits
 - One company ordered 1200 mountain bikes as a reward for employees and to encourage physical fitness, but did not take the idea one step further and order helmets to protect the employees while riding

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Rewards

- You look at a watch or a clock 100 times a day. You logo and safety message will be looked at 100 times a day
- Rewards need to be memorable.
- Note: It is not a good idea to pay the safety incentive in the employees regular pay check**

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Types of Rewards

- ✓ Cash Bonuses
- ✓ Gifts from a catalog
- ✓ Gift certificates
- ✓ Days off with pay
- ✓ Large prize drawings at the end of the year

Note: How the program is structured is far more important than the prizes

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Successful Incentive Programs

- ✓ Have management's commitment to safety objectives
- ✓ Fosters a culture of safety awareness and motivation at all levels
- ✓ Are rewarding, entertaining, and easy to understand
- ✓ Provide daily safety focus rather than just when an injury occurs, or quarterly bonuses are due

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- ✓ Generate healthy peer group pressure
- ✓ Are visually dynamic and flexible
- ✓ Involves recognition
- ✓ Promote employee accountability, communication, and individual initiative

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- ✓ Include an element of rule enforcement, including the rule that all injuries and near misses as well as hazards and at risk behaviors must be reported

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- Allow employees to **visualize reaching the goal** and **receiving** the award

Ideas

- ◆ Telephone Home. Each pay period , select a new safety slogan and send it out with the paychecks. Randomly select a day and an employee to call at home after normal working hours. If the person who answers the phone (whether it's the employee or a family member) can repeat the current safety slogan, the employee wins a prize.

“Most employees would rather work to achieve success than work to avoid failure.”

-Dr. Scott Geller 

- ## Resources
- “How to Effectively Reward and Inspire Your Team”(Terry Bragg)
 - “Safety Incentives: Are They Worth The Gamble?” (James Roughton and Marcia McFarland West)
 - “Safety Incentive Programs” (William Atkinson)
 - J.J. Keller
 - “How to Improve Safety and not Intimidate Workers” (Daniel Patrick O'Brien)
 - “Behavioral Safety Now” conferences
 - Various “Professional Safety” articles

