



## **Safety Incentive & Recognition Programs Best Practices for Integration**

All too often safety incentive & recognition programs are developed and implemented as stand alone programs. The issue with this type of mentality is that it creates competition within your own company for both mind and eye share. Employees may be forced to choose, other department managers may see it as a threat to their programs and worse case, Senior Management does not recognize these programs as a contribution to the company's financial well being. The following examples are based on interactions our company has been involved with when introducing safety incentive & recognition programs to our customers.

### **A success story.....**

A small manufacturing company was introducing a new product line and the Marketing/Sales Team designed an incentive program aimed at both the independent resellers and their customers. Both the internal sales team and the independent resellers were motivated to sell these new products in their respective territories. The marketing communications used to promote these new products touted their "new safety features", something the company had spent a great deal of time and money to incorporate into these products.

Prior to launching this incentive program every department manager, including the Safety Manager, was consulted. The input from the company Safety Manager resulted in adding a new twist to the marketing communications for these new products. Instead of just touting the new safety features that have been added to this product line, the images of employees, wearing their PSE while producing these new products were included as a part of the communication messages. The copy added to these communications related to how much the company valued not only the safe operation of their products in "your hands", but also the safe operation of their production in "ours".

Not only did this incentive program create additional sales and profits for the company, it did so without any recorded safety incidents throughout the program period. That calculation was a part of the overall financial benefit of this incentive program when it was presented to Senior Management.

### **But how one program failed.....**

A food supply company operated a central distribution warehouse with over 750 employees. Safety training and reinforcement of safe behaviors was the job of a dedicated Safety Director. While he conducted formal safety training and introduced a safety recognition program to reinforce safe behaviors, the level of recorded incidents continued to climb.

A review of the safety recognition program did not reveal any major flaws. While this safety recognition program was in fact a great concept, the program was not fully embraced by the operations and inside sales team in the warehouse. A follow up discussion about this lack of support indicated that the direction of the CEO was to move product as fast as possible. Although all of the management team agreed that moving faster created additional exposure for the safe operation of equipment, not one of them wanted to go against the wishes of the CEO.

The continued climb in the number of incidents and the severity of several of those incidents eventually led to higher direct and indirect costs. The Safety Director was held accountable for these costs. The safety recognition program was eventually cancelled due to a lack of funding.

### **A success story.....**

A regional general contractor had an outstanding track record for completing state and city projects ahead of schedule. A cash incentive bonus for early completion was a contributing factor. While this cash incentive certainly was a welcome sight for both the contractor and his employees, he wanted to be sure that these projects were completed early without safety incidents occurring.

The structure of the safety incentive program had several components that related to safety training, reinforcement (on the spot awards) and safety performance (recorded incidents). As more and more government projects (good news travels fast) were brought to this contractor, the safety incentive program was updated to include safety performance metrics for each project. Team leaders from various work crews were tasked with developing the safety objectives and having those tied into their daily "huddle meetings" on each of the job sites.

Not only did the employees from this contractor see an increase in their bonus checks, they got to enjoy the benefits of both the cash and some really cool merchandise they earned by having outstanding safety performance records.

### **But how one program failed.....**

A nationwide home builder enjoyed several “boom years” as new homes were springing up around the country. The company used several incentive programs to motivate their sales team to move the homes as fast as they could build them. The construction side of the company had their own incentive program, one that focused on both timely completion of each home and the safety record for each home site.

As the housing market started to shrink and home sales slowed, both of these incentive budgets came under scrutiny. The Vice President of Sales presented a case for maintaining his incentive budget that was based on incremental profit gains before incentive awards could be earned. The Safety Director presented his case for maintaining a safe work environment to protect the company from any potential future losses as a result of injury.

While the company did maintain both incentive programs, the safety incentive budget was cut by 50% and the sales incentive budget remained at the same level as the previous year. Both the Safety Director and the VP of Sales expressed no desire for a discussion about how to integrate both of these programs into one. The Safety Director was “grateful” to have any budget at all and the VP of Sales wanted to protect his.

The result of these two programs has continued to cause internal issues with an “us” and “them” attitude among the employees.