



#483 Making your safety incentive program OSHA-friendly

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Wednesday, March 30, 2011
11 a.m. to Noon



Making Sure Your Safety Incentive Program is OSHA-Friendly

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Ohio Safety Congress 2011
March 30, 2011

Today's Presentation

- The theory behind the idea
- Why is OSHA unhappy with some types of incentive programs?
- Do incentive programs even work – what's the research show?
- Is it possible to create one that OSHA will "approve"?
- Is it possible to create one that will work?

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The Terms

- **Incentives** - activators that prompt behavior
- **Rewards** - consequences for the desired behavior
- **Incentives** - benefits workers get for doing or not doing something

Geller

Michaels

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The Terms

- **Contingent reward**— reward that is given if the goal is met/activity occurs (i.e. the carrot)
- **Contingent punishment** — punishment that is inflicted if a goal is not met/activity occurs (i.e. the stick)

Ian Ayres
Carrots and Sticks

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The Theory

B.F. Skinner

- **Positive reinforcement** as a consequence of certain behaviors increases the chance that they will happen again.
- **Punishment** also works...sort of.



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The Theory

Assumes:

- ✓ no external reinforcement to safe behavior - you just don't get hurt
- ✓ the reward is appealing enough to modify behavior and actions
- ✓ the reward is perceived to be achievable and fair
- ✓ The reward is given immediately (hyperbolic discounting)

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The Theory

Incentives guide people to make better choices. "Carrots" can improve performance.

Roland Fryer
Harvard Economist
CEO NYC Dept. of Education

His "dollars for scholars" program pays students to get better grades.

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The Theory

- How large of an incentive is enough to change behavior?
 - Extreme carrots lead to temporary behavior (i.e. "The Biggest Loser")
 - Smaller sticks lead to long-term results (i.e. Weight Watchers)
- Commitment contracts take poor choices off the table (Antabuse)

Ian Ayers
Carrots and Sticks

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The Theory

- Incentives fail when they interfere with intrinsic motivation. (late pick-up fines at day care)
- They also fail when the price of compliance is merely inconvenient. (charity donations)
- Inclination is to conform to what other people are doing. (energy efficiency bills)

Ayers

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The Theory

- Shouldn't workers "want" to behave safely? Isn't it the right thing to do?
- Extrinsic incentives decrease intrinsic motivation



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Incentive Program?

Headline – *Pittsburgh Post-Gazette*
Wednesday February 2, 2011

***"UPMC threatens to fine employees
As infections rise, workers could be fined for not
washing hands"***



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OSHA and Incentive Programs

OSHA's position on the issue is pretty clear.



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OSHA and Incentive Programs

During an OSHA webinar broadcast in May 2010:

- ✓ OSHA doesn't really know what good or bad incentive programs are
- ✓ They are "grappling with the issue"
- ✓ But....OSHA is concerned that most incentive programs punish workers who get injured

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OSHA and Incentive Programs

Assistant Secretary David Michaels:

"Some of these 'incentive' programs should more accurately be called 'blame the worker' programs when they punish workers for reporting injuries and when they reward workers for not reporting injuries."

ASSE Society Conference
Baltimore - June 2010

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OSHA and Incentive Programs

"We disapprove of programs where managers receive large bonuses for driving down their DART rate. However well-intended, these incentive programs are likely to discourage employees from reporting injuries because they want to receive a reward."

VPPPA
Annual National Conference
Orlando - August 23, 2010:

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OSHA and Incentive Programs

"We have listened to the Steelworkers' description of "bloody pocket syndrome" and we're determined to do something about it."

United Steelworkers
Health, Safety and Environment Conference
Pittsburgh - October 2010

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OSHA and Incentive Programs

"We strongly disapprove of programs that offer workers parties and raffle prizes for not reporting injuries, or programs where managers receive large bonuses for driving down their injury rates, or programs where workers are disciplined for reporting an injury."

PA Governor's Occupational Safety & Health Conference
Hershey - October 2010

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OSHA and Incentive Programs

"We were pleased to learn that the Voluntary Protection Programs Participants' Association, which includes many of the country's large employers, supports OSHA's position and opposes incentive programs that offer rewards for not reporting injuries."

State of Washington Department of Labor and Industries
Safety and Health Symposium
November 2010

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OSHA and Incentive Programs

In October 2009:

- ✓ OSHA established an National Emphasis Program (NEP) on Recordkeeping
- ✓ A report was issued by the GAO – it revealed that employers were not accurately reporting injuries and illnesses
- ✓ Some may be even deliberately underreporting.
- ✓ The report did not directly address incentive programs

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OSHA and Incentive Programs

- The NEP *is not* targeting incentive programs, but is reviewing them while conducting the site audits
- ~1/3 of the employers reviewed had incentive programs
- 187 inspections thus far - ~50% have found Recordkeeping violations
- NEP was just renewed/revised until 2012

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OSHA and Incentive Programs



Remember - OSHA cannot directly cite an incentive program as there is no Standard. But if the review of the program reveals that it causes underreporting of injuries and illnesses, they will issue citations under the Recordkeeping Standard.

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OSHA and Incentive Programs

Again from Michaels' public speeches and remarks:

Any incentive program that deliberately punishes a worker (or a team or the whole workforce) for reporting an injury is a problem.

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OSHA and Incentive Programs

So.....

is a program that takes away a benefit when a worker gets injured.....

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OSHA and Incentive Programs

So.....

is a program that takes away a benefit when a worker gets injured....

or rewards only members of the workforce who have not been injured....

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OSHA and Incentive Programs

So.....

is a program that takes away a benefit when a worker gets injured....

or rewards only members of the workforce who have not been injured....acceptable?

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What Does OSHA Like?

VPPA Conference:

“On the other hand, we can get behind incentive programs that reward workers for demonstrating safe work practices, reporting hazards or near misses, or participating in health and safety training or on a health and safety committee.”

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What Do Others Say?

“I don’t believe there’s any evidence that financial incentives or disincentives actually cause people to actually do the right values-based things every day”

Paul O’Neill
Former CEO Alcoa Corporation

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What Do Others Say?

The answer is getting everyone to sign a pledge to do the right thing every minute they’re on duty and then take away all the excuses why they would not. If employees fail to adhere to the pledge, they shouldn’t be fined – they should be fired. They shouldn’t be permitted to put [their co-workers] in harm’s way.

O’Neill

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Types of Programs

- **Injury/illness based**
 - ✓ The reward is earned based upon either the lack of the occurrence of a metric (injuries, recordables, incidents, etc.) or the reduction in the metric over a period of time.
 - ✓ These types of programs make OSHA unhappy and suspicious.

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Types of Programs

- **Behavior Based**
 - ✓ Observable behavior is the criteria for the reward
 - ✓ Create a direct link between the behavior and the reward
 - ✓ Based, in part, upon the assumption that workers will not behave safely on their own
 - ✓ OSHA is more comfortable with the “positive” version of these programs

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Types of Rewards

- | | |
|---------------------|-----------------------|
| ➤ Tangible | ➤ Intangible |
| ✓ Prizes | ✓ Time off |
| ✓ Trophies | ✓ Special assignments |
| ✓ Money | ✓ Increased autonomy |
| ✓ Lotteries | ✓ Advancement |
| ✓ Gift certificates | ✓ Recognition |
| ✓ Stocks | ✓ Training/education |
| ✓ Parties | |
| ✓ Special meals | |

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The Research Shows....

- **European study published in 1991**
 - ✓ <5% of workers “officially reported” an injury or illness
 - ✓ But >86% experienced some symptoms of an injury and <30% said they lost time from the ailment
- **Why no reporting?**
 - ✓ Fear of reprisal/afraid to lose their job
 - ✓ Pain is part of work
 - ✓ Lack of management responsiveness from prior reports

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ASSE Foundation Research Study

- ✓ Evaluated 165 programs in construction industry
- ✓ Reviewed both injury/illness based and behavior based programs
- ✓ Reviewed injury records (days away, days restricted, recordables), EMRs
- ✓ Used a perception survey completed by Safety Managers and Craftworkers

Goodrum and Gangwar - 2004

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ASSE Foundation Research Study

- **Program objectives - in order of priority (from participant survey):**
 1. Change worker behavior
 2. Improve safety awareness
 3. Reduce OSHA recordables
 4. Minimize losses
 5. Minimize safety-related claims
 6. Maintain good safety records

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ASSE Foundation Research Study

- Mean lost time incidence rates were lower (1.45 vs. 4.99)
- Mean restricted workday incidence rates were lower (1.26 vs. 2.53)
- OSHA recordable rates were lower (4.2 vs. 5.46)
- Change in lost time rate from 1999-2001 was greater (44.16% decline vs. 41.84% increase)
- Mean EMR was better (0.773 vs. 0.849)

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So Why Do We Like Them?

1. Positive reinforcement leads to long term/permanent behavior change
2. Promotes safe work practices
3. Motivates employees to work safely and improves morale
4. Decreases injury-related costs
5. Management can show they care about employees who work safely

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So Why Do We Hate Them?

1. Incentive programs are bribery and don't treat workers like adults
2. Unsafe conditions are ignored, unsafe acts are given all the blame
3. Encourage underreporting or ignoring early symptoms
4. Purposely used to keep the injury rate low
5. Rewards are luck-based, not based on safe behavior
6. Long-term toxic effect when workers learn to "milk" the system

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How Can We Improve Them?

Ten Elements of Successful Programs

1. Part of a comprehensive safety program
2. Worker motivation/morale must already be high
3. Able to find something of value to the majority of employees – dollar value alone isn't crucial
4. Program must be perceived as fair – reward must be seen as achievable

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How Can We Improve Them?

Ten Elements of Successful Programs

5. Goals of the program must be long-term – even if the program isn't
6. Reward must be given quickly – sometimes as often as daily
7. No random winners - everyone who meets criteria gets reward

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How Can We Improve Them?

Ten Elements of Successful Programs

8. Reward group rather than individuals, but don't punish group for actions of one member
9. No competition – absolute criteria
10. Given at different time than regular compensation – celebration helps relieve the event

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Some Ideas

To promote positive safety behaviors:

- ✓ Safety Slogan contests
- ✓ Attendance at safety meetings
- ✓ Safety suggestions that get *implemented*
- ✓ Completing a positive work observation of another employee
- ✓ Near miss reporting
- ✓ Identifying *and correcting* a hazard
- ✓ Review/revision of JSAs

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Some Ideas

To promote positive safety behaviors:

- ✓ Incident reports properly completed and on time
- ✓ Help perform worksite inspections
- ✓ Quizzes following safety meetings or posted on bulletin boards, emails, etc.
- ✓ Safety Bucks
- ✓ Safety Committee Award

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Keep in Mind....

➤ Programs are more likely to be successful if:

- ✓ **Management commitment** is strong for the long haul – support and resources
- ✓ **Employee participation** is integral in design, implementation and selection of awards

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Keep in Mind...

Rolling out a new/revised program:

- ✓ Written policies and procedures
- ✓ Promotional campaign with theme
- ✓ Kick-off meeting to explain program rules and goals
- ✓ Regular follow-up meetings/communications to discuss progress of program
- ✓ Visuals to keep program in workers minds

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Keep in Mind...

Rolling out a new/revised program:

- ✓ A defined end point to the program
- ✓ Employees are involved in running program
- ✓ Formal awards ceremony
- ✓ Follow-up questionnaire to get feedback and ideas for future programs
- ✓ Internal audit to assure program is followed

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Keep in Mind...

➤ Selecting rewards:

- ✓ Use workforce to help select
- ✓ Must have value to employees and be seen as achievable
- ✓ Dollar value usually doesn't matter
- ✓ Hard to identify one thing that motivates a diverse workforce – likely to need several options
- ✓ Focus on intangibles

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Questions, comments,
other ideas????

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