



EMPLOYEE SAFETY INCENTIVES

A Comprehensive Guide to Developing an Effective Plan

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This guide is merely a guideline. It is not meant to be exhaustive nor be construed as legal advice. It does not address all potential compliance issues with Federal, State, local OSHA or any other regulatory agency standards. Consult your licensed Commercial Property and Casualty representative at HM Advisors or legal counsel to address possible compliance requirements.

WHERE TO BEGIN

The following guide will help you construct an effective Employee Safety Incentive Program and create meaningful safety and health incentive parameters for employees. It includes background statistics to support the program, steps to take before execution, how to manage the program and implementation recommendations.

Step 1: Know the Facts

Supporting your Employee Safety Incentive Program with evidence that it will help save money is the best way to convince upper management to get on board. Obviously, injured employees drive up company costs in the form of lost work days and compensation costs. Studies clearly demonstrate that employees who are off work because of injury for more than 16 weeks seldom return to the work force, and companies get stuck paying hundreds of thousands of dollars each year in unnecessary costs. An Employee Safety Incentive Program can help make employees more aware of health and safety hazards and also more inclined to follow protocol to earn incentives. In fact, Employee Incentive Programs are known to improve performance and morale on an individual as well as team level.

Step 2: Gather Data

Before you institute a program, research your company culture to understand what current employee attitudes are toward injury, illness and their work environment. That way, after you create an official Employee Safety Incentive Program, it will be easier to evaluate and determine whether there has been a positive mindset shift. Get to know your company culture at all levels and from a range of perspectives. Visit worksites and talk to employees to understand how your current Safety Program—or lack thereof—functions. Develop a needs assessment to determine how much work you need to do to shift company culture and practice to your new incentive-based Safety Program.

Step 3: Demonstrate a Commitment to Health and Safety

Make sure all levels of employees recognize that the program is designed to reduce health and safety violations in the workplace and promote a safe work environment. With this, it is still crucial to report injuries in a timely manner after they occur. The Employee Safety Incentive Program is in no way designed to promote failure to report injuries. Everyone from upper management to hourly employees should understand the goals, purpose and background on the program. There is no use taking large strides to enact a program if management does not support and recognize the need.

These elements are the foundation and support for your Employee Safety Incentive Program. Take plenty of time for these steps before moving on to create your program.

EMPLOYEE SAFETY INCENTIVE PROGRAM ELEMENTS

Steps 4 through 7 of this guide will go straight into your written Employee Safety Incentive Program, as they are the elements that will help you take action and establish a plan.

Step 4: Create Goals

State 's purpose in creating the program and emphasize management's commitment to making it work. Keep it positive, but be sure employees understand the Employee

Safety Incentive Program is a serious initiative. This is also the place in your written program to define what type of incentives you offer—your program can revolve around personal incentives, department incentives or company-wide incentives.

Example Goal Statement: 's Employee Safety Incentive Program is in place to promote a safe and healthy work environment, reduce injury and illness and commend individuals/departments/entire company for upholding high safety standards. The goal is to reward individuals, departments, or the entire company for maintaining and improving health and safety in the workplace of . Because our employees are so valuable, we have both a Return to Work Program, which is designed to accelerate return to work by addressing physical and emotional limitations, and an Employee Safety Incentive Program, which is designed to prevent injury and illness from occurring in the first place.

Step 5: Create an Employee Safety Team and Define its Responsibilities

An Employee Safety Team is crucial to the program's success because it provides leadership, sets expectations for injuries and illnesses, acts as a communication channel between all involved parties, determines how the incentive-based program will be maintained and ensures the Employee Safety Incentive Program is being administered correctly. This team should consist of a representative from each of the following areas, and you may want to use these role descriptions directly in your written program:

- *Senior Management*
 - o Ensures implementation; promotes and supports the program
- *Vocational Rehabilitation Specialist***
 - o Serves as expert on physical and psychosocial aspects of disability, can testify in court as vocational expert, understands job analysis and physical capacities forms, supervises Employee Safety Incentive Program and Return to Work Program administration
- *Workers' Compensation Professional* (either an in-house representative or someone from your insurance company or TPA)
 - o Provides medical information, problem-solving skills and general support to help prevent injuries and provide insight when injuries do occur
- *Supervisor(s)*
 - o Directly supports workers by recording incentive milestones, such as reaching a goal, and setbacks, such as not upholding safety standards, facilitating communication and ensuring the employees continue to promptly report injuries when they do occur
- *Panel Physicians*
 - o Prepares a medical treatment plan that is safe, promotes early return to work and keeps 's incentive program in mind
- *Human Resources Department*
 - o Coordinates with Employee Safety Program Manager on employee requirements to receive incentives, employee benefits, wages, Family Medical Leave and workers' compensation issues when injuries do occur

***the best candidate for team lead or Return to Work Program Manager*

Step 6: Develop a Flow Chart Outlining the Incentive Process

A crucial part of the Employee Safety Incentive Program is the process and steps involved in administration. A good flow chart will eliminate confusion about the

program and identify proper actions for all levels of employees, and this flow chart should serve as your action plan. Determine how you will administer incentives – whether it's on an individual, department or entire company basis. Decide how your incentive system will work – on a credits and debits point system, point values of various safety advances and setbacks etc.

It is also important to define what your actual awards will be for meeting the established criteria of your Employee Safety Incentive Program. This will vary depending on whether you administer incentives on an individual, department or a company-wide basis. Awards should be varied, and not always related to money as cash prizes can be easily forgotten. Depending on your budget, possible tangible incentives include:

- Vacation days/additional paid time off
- Corporate apparel
- Gift cards
- Small trophies, pins, ribbons, certificates or other awards of recognition
- Sporting event or concert tickets
- Department or company-wide picnics

Step 7: Create a Communication and Education Plan

To make your Employee Safety Incentive Program a success, you should have full cooperation with all parties involved. This includes the employee, his or her supervisor, union officials, medical providers and workers' compensation professionals (when injuries do occur). If any of these parties is not fully committed to the incentive program, your success will be limited.

To maximize the program's communication efforts:

- Provide written program descriptions and definitions – make these items readily available, accessible and readable.
- Keep job descriptions and job analyses on file for each employee in case he or she ever becomes injured.
- Review your Employee Safety Incentive Program with employees during new hire orientation and periodically throughout the year.
- Also review your Return to Work Program with employees during new hire orientation and periodically throughout the year.
- Provide one-on-one sessions with employees to reiterate expectations and incentives.
- When injuries do occur, reiterate the need to report them. Provide one-on-one sessions with injured employees in attempt to prevent future injuries. Make sure employees understand that it is a requirement to report injuries promptly, regardless of how it affects the credits and debits system of the Employee Safety Incentive Program.

FINAL STEPS

The last step in implementing an Employee Safety Incentive Program is to include a way to measure your progress and distribute your plan. Steps 8 and 9 will offer suggestions on how you can manage and distribute your Employee Safety Incentive Program.

Step 8: Recordkeeping

The best way to measure the success of your program is to collect injury incidence and frequency data, as well as incentive incidence and frequency data. Financial savings may be difficult to quantify, but one thing you can do is track the money you save on an individual basis for each injured employee and each employee who meets an incentive. Also, it will be helpful to keep an Incentive Points Database. Use this to chart:

- The number of employees assigned to each duty
- Point values of criteria that must be met for point to be awarded (most likely varying by duty and position of employee)
- The average duration of duty assignments and average injury incidence in each area
- The percent of employees filing new claims each month due to injuries
- The percent of employees meeting goals and criteria for incentives

Step 9: Distribute the Plan

After you create your written Employee Safety Incentive Program using these guidelines, distribute it to employees at every level. When distributing your written Employee Safety Incentive Program, in addition to all of the steps included in this guide, be sure to include:

- Your Employee Safety Incentive Policy, which should have a section to be signed, dated, returned to Human Resources and filed for each employee
- The Attaining Incentives Flow Chart
- Materials addressing the need to report injuries when they occur, and the consequences for failing to report them.
- Other relevant material that may be helpful to employees experiencing work-related injuries or illness, including workers' compensation information

You might also consider holding a meeting to build support for the program and so that employees can ask questions. Revisit the Employee Safety Incentive Program annually to re-evaluate the written procedures and policies and analyze its success.

If you have further questions about writing or implementing your Employee Safety Incentive Program, HM Advisors can assist you.

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