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Recognition and reward programs: building employee engagement

This resource is part of SAIF's leadership project, which is meant to help employers and leaders of organizations establish strong and sustainable safety cultures using research-based concepts and strategies.

Recognizing and rewarding safe behaviors can be an effective way to prevent workplace injuries, increase safety awareness, and lower workers' compensation costs. At its best, a well-designed safety recognition program supports your company's goals and helps everyone succeed. The key? Make sure your safety recognition program is part of a robust safety and health management system. And be sure that it rewards the right things.

What is a safety recognition program?

The United States Government Accountability Office (GAO) describes two types of recognition programs:

A **behavior-based program** rewards workers for behaviors such as reporting near-miss incidents or recommending safety improvements. This system measures *leading indicators*, which are related to inputs— the actions workers take as part of an overall safety program. These actions may include: identifying best safety practices, reporting hazards, participating in safety meetings, conducting safety observations, or getting involved in safety and health management. A behavior-based program also avoids the appearance of retaliation that can be associated with a rate-based system.

A **rate-based program** rewards workers who had few or no reported injuries or illnesses during a set period of time. This system measures *lagging indicators*, which are based on output and results. Drawbacks to a rate-based program include: puts blame on the employee and their injury; increases internal competition, which can create

tension between individuals and work groups; is based on performance; and does not identify reasons for fewer or less severe injuries. It causes frustration when not awarded regularly, focuses on the absence of injury, and does not promote safety. Also, a rate-based program may discourage employees from reporting injuries, which can result in legal and financial penalties. If fewer injuries are reported, employers may get a false sense of the program's effectiveness.

How do we get started?

For a safety recognition program to yield positive results, the organization first must have a well-developed and well-supported safety and health management system. Prizes and other incentives won't mean much

if management isn't committed to safety and employees aren't engaged. Also, safety recognition programs aren't a replacement for jobs and equipment that are designed and operated with safety in mind. Before launching a safety recognition program:

- Decide on a budget
- Determine who will administer the program
- Develop objectives and goals
- Designate rewards

What are some guidelines for designing an effective safety recognition program?

Activities to earn rewards should be specific and achievable. Everyone who meets the criteria should be rewarded. Small awards for many are better than one big award for one person. Rewards should be linked to safety. Contests should not reward one group at the expense of another group. Groups should not be penalized for failure of one individual. Progress toward achieving a safety reward should be tracked and posted.

What are some examples of positive rewards?

- Group celebration (i.e. holiday dinner, company BBQ, pizza party)
- Small gift certificates/gift cards
- Reward pins
- Lunch-and-learn sessions
- "Safety bucks" good for company or vendor catalogs
- Peer or guest compliments posted on bulletin board
- Personalized thank you notes from manager
- Movie tickets or gift cards
- Company branded prizes such as hats, t-shirts, etc.

Pitfalls of recognition programs

- Don't let your program become stale or routine
- Avoid competition; reward participation instead
- Lack of management commitment or support
- Lack of resources
- Giving rewards no one wants
- Incentive awards may be taxable; consult with a tax professional

Activity ideas

- Look at SAIF's handout for ways to recognize and reward behavior. Are there any ideas you can use at your organization? (**saif.com/S991**)
- Conduct a quick survey of employees to find out what types of rewards they prefer and use that information to create an incentive and recognition program.
- View this short TED Talk on the power of saying thank you from Laura Trice: (**http://bit.ly/RememberToSayThankYou**). Discuss ways to show gratitude in the workplace.