

# The Missing Link . . . Is Much More Than Just Safety

*And it's as prevalent in corporate America as a Sasquatch sighting*



Quick fairy tale: A recently promoted case study lauded a large national service company's comprehensive safety incentive program, which awarded safety vouchers that could be redeemed for rewards. The program succeeded in raising safety awareness, promoting safe work practices and lowering claim counts.

Sounds solid enough. So, why refer to this seemingly successful program as a "fairy tale?" Because while the company and their solution provider are patting themselves on the back for a job well done, their approach may not necessarily end in a "happily ever after" result for the company.

The program could be simply acting as a patch to a specific problem area. But it may be a patch working in isolation, i.e., operating in its own silo. This "silo" approach misses a critical, often-overlooked step: *Leveraging the link between safety and areas like attendance, turnover, training and wellness.*

Yet, HR and safety managers and executives may often miss – or even ignore – this critical link. Why?

1. They don't know where to begin, or
2. They focus too narrowly (can't see the forest for the trees, so to speak), or
3. They are satisfied with "safe" gains produced by silo programs, or
4. They are intimidated or overwhelmed by the notion of collecting and analyzing data, or
5. All of the above

To realize full benefit of their programs, managers and execs must overcome these points and create a broader long-term solution that aligns with company goals. To achieve this, managers must analyze, address and measure all employee performance areas more holistically.

## Why mess with success?

- A large office supplies manufacturer experienced a 44% reduction in accidents during their safety program's first year.
- A national packaging manufacturer decreased accidents and lost time and associated costs, hitting its straight-forward objectives. The company's safety director said, "We understand that any safety incentive program is a small slice of the pie, but we feel it is a significant slice. Certainly, other management systems must be in place in order to create and maintain a safe working environment."
- A leading manufacturer in the building and construction space went from an incident rating of 3.5 to 0.34 in their plants over the course of three years.

These examples illustrate that safety incentive and recognition programs certainly can be successful, focused programs in and of themselves. But even with these types of stellar results, companies have room for potential (dramatic) improvement.

**"To realize the full benefit of employee recognition and incentive programs, managers must view results across functional areas to find those golden linkages and discover new insights."**

## Search beyond safety for the links

Over recent years, a number of studies have looked beyond and shown connections between activities or behaviors: high turnover linked with a poor safety record; high job satisfaction linked with low absenteeism; low absenteeism linked with low injury rates; wellness programs linked with decreased absenteeism linked with decreased accident rates; etc.

Examples of forward-thinking companies that found these types of linkages and embraced the concept of integrated programs:

- A regional medical center in New York state implemented a program that – after only one year – produced outstanding results across a number of areas, including:
  - Recordable injuries fell 54% reduction with more than \$300,000 in savings to the bottom line
  - Training programs contributed to elevating safety consciousness significantly, exceeding expectations
  - Constructive peer pressure and targeted goals pushed down worker's compensation abuse to the lowest levels in years, reducing runaway costs
  - Turnover decreased, service quality levels increased and morale improved
  - The medical center achieved a 4:1 ROI through reduced accident frequency alone



## Search beyond safety for the links (continued)

- A national transportation services company with several thousand employees, most of them drivers, implemented a program that gave them the ability to recognize, reward, measure and manage their drivers' performance more closely. As a result, they made dramatic improvements in many areas. For example, in driver retention and safety, the company moved from a laggard in their industry to a leader. Moreover, drivers turned in paperwork more promptly, resulting in more timely billing and quicker collections. Driver availability and timeliness jumped.

*What did these companies have in common?*

1. Senior management provided their commitment to driving down costs through structured, integrated programs – a dedication that permeated the entire organization – while recognizing that employees would play the key role in driving those costs down.
2. These companies had an array of internal measurements already in place, from safety statistics to productivity and delivery measures. They analyzed and acted on the data individually down to the line level employees, but did not yet have the ability to correlate and align them across organizational areas.

The old saying goes, "What gets measured gets done." Well, these companies moved several steps further in measuring, tracking, analyzing and communicating across areas related to employee safety. As you can see, the results spoke for themselves.

## How to get started – taking your company's pulse

Joe Stevens, president of Bridge Consultants and author of "The Two Keys to Safety," confirms this point as he asserts, "There are very few companies today that are measuring, tracking and reporting to quantify the performance not only of safety programs but related programs that touch safety as well, like attendance, turnover and training."

Joe's comment can be extended to a health analogy: When you have a personal health problem, your doctor pays attention to the symptoms but often also performs some type of more global health check. Just as a doctor performs specific tests on your personal health, so too should your company take a step back and run a check as well with respect to its "health" (safety, wellness, morale, attendance, turnover, etc.)

Below is a selection of sample "health check" questions that your solutions provider should ask (or that you should ask yourself) to help move you toward a more holistic approach in general and program structure in particular:

1. Number of first aid injuries and OSHA recordable injuries
2. Number of lost time injuries
3. Number of restrictive days
4. Worker's compensation costs
5. Incident rating as compared to industry average
6. Average cost of unexcused absences
7. Turnover figures and how those compare to industry averages
8. Average cost of replacing an employee
9. Past and current training activities that support safety, health and wellness
10. Objectives, structure and performance of past and current programs: safety, attendance, health and wellness, employee recognition, etc.

Based on answers to these and other related questions, your solution provider or consultant should be prescriptive regarding the most effective approach.

## Apply the information gained from data analysis

With the information acquired from these questions, your solution provider and you will have a much better handle on how to balance the weighting (%) for certain key performance indicators to address the most important issues.

Applying this approach to cross-measurement: Consider an example where your data analysis uncovers a close correlation between the number of first aid injuries and OSHA recordable injuries... and further shows that the worker's compensation cost per incident is disproportionate to your industry. With this new information, you can now set a realistic target threshold, using appropriate weighting percentages.

In addition, you also uncover a correlation between the number of injuries and the average cost of unexcused absences (derivative of absenteeism). As a result, you now can combine the total of worker's comp costs and unexcused absence costs... again adjusting the weighting accordingly for your key indicators.

A national leader in the food processing industry recently took this approach to heart. In an attempt to align measurements of safety, attendance and turnover metrics, a cross-functional team (including human resources and safety departments) analyzed attendance and turnover data for the first time. As they learned how to interpret those figures, they began to apply learnings to other areas of the company – such as drawing connections among new employee absenteeism, turnover rates and on-the-job accidents.

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***- Joe Stevens, president of Bridge Consultants***

## Balance your approach

Keep in mind that, when cross-measuring relevant indicators, you are assessing not just specific pre-determined employee behaviors, you also are applying a kind of balanced scorecard to the total employee. Another way to look at this concept is to think of employees as customers or “accounts” – measure them and understand them like you would information on a valued customer. In this sense, total employee measurement, recognition and reward – as a holistic package – becomes the over-arching objective.

Employees also benefit from this model, as they can accrue points over time across a number of metrics and areas, all earning toward bigger reward options that they would not have under single area programs... short- or long-term.

An extra tip: For the best approach to program reporting and analysis – especially for programs that cross multiple behaviors, functions and areas – use a solution that provides *Web-based dashboard reports* and real-time updates. This type of solution gives management access to actionable performance data and allows you to proactively address opportunities in a methodical and timely manner.

## Work toward “happily ever after”

The market has proven time and again that well planned and executed safety incentive programs can deliver solid results. Yet, HR and safety managers should take a methodical broader look to find those “missing links.” An early, important first step: data analysis.

Managers will find that – by analyzing data, trends and relationships across areas and then addressing root causes directly – their resulting programs will be more strategically aligned, integrated and effective. The result? A much better chance to achieve the fairy tale ending that you have planned for all along.

*This article appeared in the September 2006 issue of Occupational Health and Safety magazine.*

### About Loyaltyworks

Loyaltyworks designs and manages a wide array of recognition, incentive and loyalty programs – all fully supported with a focus on measurable results. Loyaltyworks’ easy-to-use programs are proven to improve safety, drive key behaviors, increase profitability, enhance loyalty and boost performance.

With 30 years experience and more than 130 active client programs in place, Loyaltyworks approaches client relationships based on core values of openness, ease and accountability. The result – Clients find it easy to do business with Loyaltyworks and be successful. [www.loyaltyworks.com](http://www.loyaltyworks.com)