The Paradox of Safety Hopes & Rewards

Are you rewarding the right behavior?

By Jeffery E. LaBelle

MANAGERS ARE IN AN ENVIABLE POSITION. They are able to reward employees for jobs well done. They also can coach or discipline employees for jobs not so well done. The power to reward can be both a blessing and a curse.

When the lines of right and wrong are well differentiated, it is easy to see the stimulus/response that results from use of this power. For example, the use of reward power for good is readily apparent as it typically results in the activity actually being performed and repeated. The issue becomes clouded when a manager unknowingly reinforces undesired behavior through the use of this reward power. In essence, this reflects a mismatch between hopes and rewards.

How can this be? How can mismatches exist between two words seemingly so closely tied together? This article examines several real-world scenarios with potential for hope/reward mismatches in the safety realm. Important management theories related to motivation and job satisfaction are discussed, as are solutions to ensure that hopes and rewards are aligned with the desired behaviors. Through this discussion, it should become more clear why some managers do not always receive the results they expect.

Mismatch #1: Safety vs. Productivity

Safety versus production is one of the oldest dilemmas in the SH&E profession. What can be done to promote safety when the only rewards employees receive are related to maximizing output or productivity? An employee may be fundamentally committed to working safely and improving the safety of the work environment, yet may not be recognized for this commitment and/or activities. If this is true, then what activities will most employees likely perform? Who does such an approach favor—the employees who the supervisor ignores (or worse—penalizes) for their extra efforts . . . or those who the supervisor pats on the back and says, "Good job getting that order out the door today" even though safety rules may have been violated?

Supervisors may hope that employees will want to work safely and not be injured, yet may reward employees—and perhaps be rewarded themselves—only for getting product out the door. It's the axiom "what gets rewarded gets done" in action.

Mismatch #2: Long Term vs. Short Term

Many organizations seek to maximize profits and shareholder value by managing financials on a quarterly basis. While some organizations regularly invest time and resources into long-term strategic planning, it is often an afterthought to the day-to-day "firefighting" done to satisfy clients. If too much focus is placed on day-to-day operations at the expense of long-term planning, organizations can lose sight of where they eventually wish to go.

Similarly, the SH&E manager must seek to balance daily needs with long-term goals. When developing long-term goals, leadership hopes that an SH&E manager will spend time developing long-term improvement strategies. However, since the benefits of this behavior are not always immediate, the behavior may not be rewarded. Instead, leadership continues to reward only for short-term project successes. This may cause the manager to eventually lose sight of desired performance levels for the SH&E program.

Mismatch #3: Rewarding for Incident Rate Decreases

Hopes and rewards also relate to employee involvement in safety. OSHA incident rates are a reactive measurement. By the time the rate is published, the

Abstract: *In some cases, managers may be rewarding for behavior that may not be expected or productive. This article discusses types of rewards and the proper use of rewarding practices, as well as the benefits and drawbacks of using a "nonreward" as a reward. In addition, Herzberg's Two Factor Theory of motivation is used to explain what truly is rewarding (i.e., motivating) and what is not.*

Jeffery E. LaBelle, M.S., M.B.A., CSP, CIH, *is an environmental health and safety manager in Chicago. LaBelle holds a B.S. in Physiology with an emphasis in Chemistry from Michigan State University, an M.S. in Industrial Hygiene from University of Michigan and an M.B.A. from the University of Toledo. He is a past president of ASSE's Siouxland Section, and has written articles for* Professional Safety, OH&S Magazine, The Synergist *and* Compliance *magazine.*

Table 1

Proper & Improper Use of Rewards

Proper Use of Rewards	Improper Use of Rewards
Rewarding for desired activities.	Rewarding for discouraged activities
Punishing for discouraged activities.	Punishing for desired activities.
Not rewarding for either desired or discouraged activities.	Not rewarding for either desired or discouraged activities.

damage has been done. Because it is after the fact and not necessarily intuitive, employees may feel they have little control over this outcome, particularly if they do not understand what the rate means or what can be done to change it. Yet, some organizations continue to base rewards solely on incident rate decreases. For example, if a plant incident rate remains below 4.0, everyone gets $100.

Rewarding for incident rate reductions places the focus on reactive measurements—which an unethical manager may manipulate. In addition, such metrics are not typically well-connected to the *individual* activities needed to promote a successful safety process. When employees are rewarded for incident rate decreases without clear guidance on the *specific* activities that must be performed to achieve the expected reductions, a sense of powerlessness to make the necessary personal improvements will emerge because employees may not see the direct cause/effect relationship to positively affect the outcome.

In these cases, management hopes that employees will know and perform the individual activities that are required to affect the incident rate, yet may reward employees for incident rate decreases regardless of the cause or their personal involvement.

Mismatch #4: Sampling for True Exposure vs. Compliance

When exposure samples will be collected to determine whether an employee's exposure to a chemical is within acceptable ranges, the SH&E manager (or industrial hygienist) typically determines how many samples will be collected. This determination ensures that sufficient data are collected to provide an accurate assessment of the true exposure. It might follow that the more samples collected, the more confident the organization would be that it has the best understanding of the employee's true exposure.

The problem the SH&E manager or hygienist faces is that within the context of regulatory compliance even one sample above the established limit is proof of noncompliance. Looking at that problem statistically, the more samples collected, the more likely it is that at least one sample will exceed the limit (e.g., outliers, nonstandard conditions). Rappaport details this conflict in "The Rules of the Game: An Analysis of OSHA's Enforcement Strategy." Rappaport indicates that OSHA interprets a permissible exposure limit (PEL) measured as an eight-hour time-weighted average as a level not to be exceeded. "Since the likelihood of noncompliance (with all its associated consequences) increases rapidly with the number of measurements, the employer is implicitly discouraged from monitoring exposures" (Rappaport 295).

So, while firms may hope an adequate number of exposure samples will be collected in order to provide the best indicator of exposure, they may (directly or indirectly) reward for minimum sample collection in order to minimize the risk of any single measurement proving noncompliance.

Mismatch #5: Resources for Close Calls

Most SH&E managers understand the inherent benefits of reporting and correcting near-hits. Near-hit reporting offers the organization an opportunity to correct the system/process/activity defects, thereby preventing incidents before they occur. Much is said—by both safety personnel and organizational leadership—about devoting time, energy and resources to encourage the submission of near-hit reports and the subsequent action to address them.

However, organizational leadership may find it difficult to provide resources to support this activity because it delivers no tangible outputs. In fact, near-hit management is successful if no incident occurs because process deficiencies are corrected. In addition to leadership's inability to see immediate and tangible benefits, some SH&E managers may not be able to properly explain the proactive benefits such a process can yield. These shortcomings may result in neither side being fully committed to a full-fledged near-hit reporting and correction process.

Leaders may be more inclined to verbally and financially support efforts to investigate actual incidents because these are visible, and typically have outputs, resolution and follow-up activities. Based on this scenario, executives—and even the SH&E manager—may hope that a near-hit reporting process becomes integrated into a company's safety processes, yet may reward (or be rewarded) for the tangible outputs of continued daily crisis management.

Mismatch #6: Leading vs. Lagging Indicators

Although companies track incident rates for various purposes, "OSHA's statistical system was designed to provide aggregate national and state statistics, not to measure performance at a facility" (Minter 10). OSHA statistics were not intended to be the sole measure of a company's safety and health performance. Yet, this is the purpose for which they are most often used today. Thus, it can be said that it is hoped that effective safety metrics (i.e., leading indicators) will be used to indicate the current status and direction of SH&E programs, yet rewards are often based solely on decreases in the OSHA incident rate (a lagging indicator).

Mismatch #7: Use of Workers' Compensation Costs as Process Drivers

The same principle holds true when applied to using workers' compensation cost reductions as indicators of the success of a safety process. When a safety process is just beginning, these unmanaged costs are typically high. With effective management of these costs, they tend to decrease over time. This can be a strong indicator that the safety process is improving and that fewer workers are being injured, or that the injuries suffered are not severe.

Use of these decreasing costs as drivers for sustained safety improvements may initially be effective; however, much like using incident rates as drivers, this approach eventually falls victim to the "law of diminishing returns" (Spillman). In the beginning, when costs are high, using these costs as drivers for necessary improvements can be effective; eventually, however, as costs decrease, they become less effective as a sustained method of obtaining and maintaining support for safety efforts. In this respect, organizational leaders hope that the SH&E manager will implement processes which will take these costs rapidly to zero, but reward for incremental decreases through regular praise, bonuses, pay increases and staffing because more work remains to be done to reach zero.

Mismatch #8: Spiraling Budget Requests

A safety department needs resources to effectively manage the site safety process. When creating a budget for the coming year, SH&E managers attempt to forecast what funds will be needed for staffing, equipment, preventive maintenance, travel and related expenses. Executives ask that SH&E managers budget for only what they will likely need in the coming year, yet some managers may feel the need to pad their budgets.

How does this happen? Ideally, managers first create realistic budgets. However, executives may then cut budgets thinking that managers can make do with less. When these cuts prevent managers from successfully meeting goals, they are penalized in their annual performance review.

All of this causes the manager to think, "It is not my fault. I requested what I needed and didn't get it. Now I have to pay." As a result, during the next budget cycle, the manager anticipates the cuts and pads the budget. When the cuts are made, s/he receives exactly what is needed to effectively manage. The manager's performance is as expected and s/he is rewarded for a job well done. Thus begins the cycle: Executives hope that managers only ask for what they need, yet reward them for asking for more.

Mismatch #9: Spending All Budget Money

Another example of a budgetary hope/reward mismatch occurs after the final budget has been allocated. If a manager is frugal and uses only those funds needed to successfully manage the safety process, funds will remain. Seeing this, executives may believe that the manager has overestimated needs and will not allocate as much the following year. Anticipating this, some managers may feel that all funds allocated must be spent in order to maintain their level of budgetary allowances or prepare for necessary increases next year. This is a waste of an organization's resources. Executives hope that managers will only use the portion of their budget that is required, but reward them with similar (or more) funds next year when all of the department's budgeted moneys are spent.

Rewards & Use of Rewards

These nine scenarios illustrate several fundamental mismatches between what leadership hopes for and what it ultimately rewards. To understand why such mismatches can exist, one must first understand the proper use of rewards. Then, one can focus on the "right" types of rewards by looking at what job characteristics can be considered "motivational" verses simply "satisfiers." It is also important to understand how motivational rewards can (or cannot) affect an employee's ultimate performance, as well as ways to align motivating rewards to the specific activity desired.

"The greatest obstacle to the success of business today is the giant mismatch between the behavior we want and the behavior we reward" (DeBettignies). A reward has been defined as "something that increases the frequency of an employee action" (Zigon). Offering a reward indicates that some betterment is desired by leadership and it is hoped that the application of such a reward will produce this betterment. The use of rewards can be broadly described as "proper" or "improper" (Table 1).

Used properly, rewards can increase the frequency of a desired activity (or, conversely, can decrease the frequency of an undesired activity). Used improperly, rewards can result in the desired activities being suppressed and/or undesired activities being encouraged (as in the examples in this article); improperly used rewards can also create confusion among employees.

Interestingly, the option of not rewarding can, in itself, be a reward or nonreward. As the Rush song "Freewill" says, "If you choose not to decide, you still have made a choice." By choosing not to reward, a company is, in effect, providing a nonreward—an unfulfilled expectation by a person who expected a particular outcome.

If an employee expects a reward and is met with indifference, it can either be positively or negatively motivating. For example, Debbie comes in on Saturday to finish a project. If her boss does not acknowledge Debbie's extra work, then this nonreward can be demotivating and may result in that behavior not being repeated. Conversely, a nonreward can be positively rewarding. For example, suppose Debbie misses several deadlines and expects the boss to be angry, yet he never expresses his displeasure. Debbie may be encouraged to miss deadlines in the future. In other words, this nonreward indirectly encourages this behavior to continue.

Therefore, managers must understand not only the difference between proper and improper use of rewards, but also the concept of nonrewards to ensure that they are matching the proper rewards with the expectations for desired activities.

Figure 1

Relationship Scales of Satisfaction & Dissatisfaction

Traditional Concept

Satisfaction — Dissatisfaction

Herzberg's Concept

Dissatisfaction — No Dissatisfaction

Hygiene Factors

No Satisfaction — Satisfaction

Motivators

Slippery Rewards & Sticky Rewards

Relating to cash as a reward or motivator, there are slippery rewards and sticky rewards. "Slippery rewards have a fleeting impact and often 'slip' the recipient's mind. While cash remains one of the most common rewards, it's also the most 'slippery' when it comes to memorability. Meaningful rewards create a 'sticky' effect that lasts long after the reward has been received. The key is to provide the right reward to impact behavior while also generating lasting results that will stick" (AEIS).

The Right Type of Reward: What Do They Want?

Let's examine what is typically viewed as a reward. Cash, a day off or even a new car may be viewed as a reward. But what about simply being recognized by the boss? Frederick Herzberg, a pioneer of management of employee motivation, published a series of seminal works describing practices of motivating (i.e., rewarding) employees. He called this his Two Factor Theory [Herzberg, et al; Herzberg(a); (b)]. Herzberg broadly categorized factors affecting job attitudes as leading to either dissatisfaction or satisfaction. He then split these factors into the categories of either "hygiene factors" or "motivators."

Hygiene Factors

Hygiene factors include:

- working conditions;
- level and quality of supervision;
- company policy and administration;
- interpersonal relations;
- job security;
- salary.

According to Herzberg, the presence (or even excess) of these hygiene factors do not motivate; however, when they are lacking, people can become dissatisfied. The key is to understand that acceptable hygiene factors do not create a motivated employee. They simply create an employee who is not dissatisfied. Much remains to be done to achieve motivation. For example, suppose Deanna thinks she has acceptable working conditions; her state of being is that she is not dissatisfied. However, if working conditions are poor, this can lead directly to her dissatisfaction. Notice that neither situation involves any level of motivation at this point.

Motivators

The second set of factors in Herzberg's theory relates to what factors motivate people. These include:

- nature of work;
- sense of achievement;
- recognition;
- responsibility;
- personal growth and advancement.

These motivating factors arise from an employee's perception of his/her worth and acknowledgement within the organization. These factors are the primary cause of satisfaction and contribute to an employee actually being motivated to perform better. Said another way, motivators increase internal happiness while hygiene factors only increase external happiness.

Figure 1 displays relationship scales between satisfaction and dissatisfaction using the traditional concept and that of Herzberg. The traditional concept is that satisfaction is the opposite of dissatisfaction. Herzberg's work yielded a different view in that "the opposite of job satisfaction is not job dissatisfaction but rather no job satisfaction; and similarly, the opposite of job dissatisfaction is not job satisfaction, but no job dissatisfaction" [Herzberg(a)].

Interestingly, both sets of factors must exist for the employee to be truly able to be motivated to the best of his/her ability (Figure 2). Without or even lacking hygiene factors, employees may be dissatisfied and unable to perform to the best of their abilities. Having all of the hygiene factors present (or even in abundance) will enable employees to be "not dissatisfied," yet will do nothing to help them be motivated (Nelson). For that to occur, the motivation factors must be properly used.

Figure 2 illustrates another key point: "Removing the dissatisfying characteristics from a job does not necessarily make the job satisfying" (Robbins). For a manager to simply remove a dissatisfying part of the job (e.g., envelope licking) and expect the employee to be more satisfied (motivated) is erroneous thinking.

"Nice Job" or "More Responsibility"

If the incorrect reward is selected to acknowledge performance or outcomes, it may not have the desired effect. If implemented appropriately, motivator rewards can be used to successfully improve performance. However, not all motivator rewards will have the same effect on all persons. What is a strong motivator for John and Katie ("nice work") may not be a strong motivator for Ed ("more responsibility") or Pam ("managing more departments").

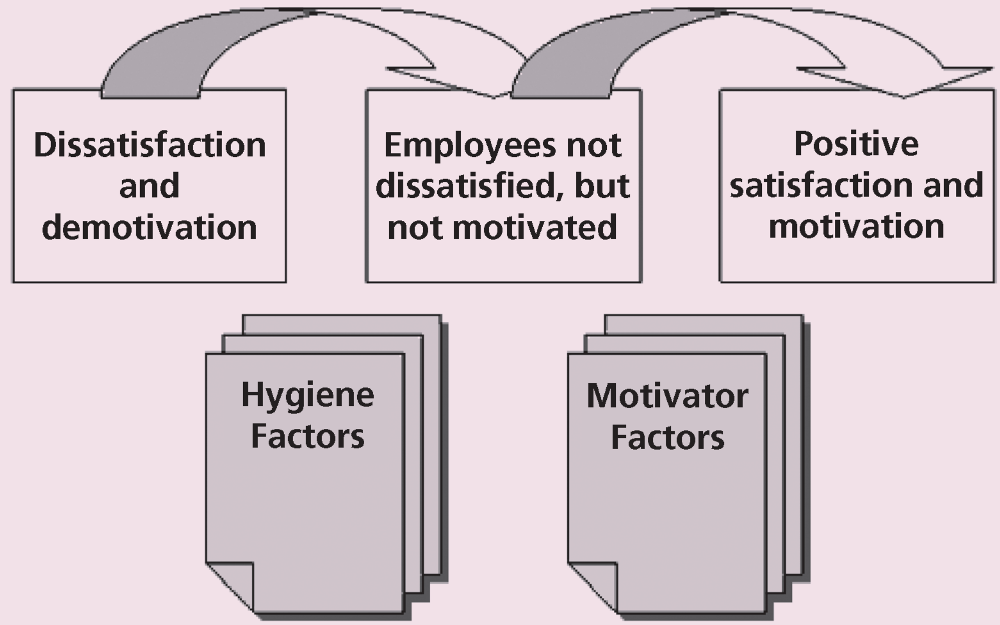
Aligning Hopes & Rewards

So, given the examples of hope/reward mismatches and the concepts of hygiene factors, satisfaction and motivation, how is a manager to determine the best course of action to motivate employees? Several methods can be used to prevent the hope/reward mismatches.

To effectively reward/motivate employees, managers should first be aware of Herzberg's theory about the differences between hygiene factors and motivators. To develop a highly motivated team of employees, managers need to first ensure that the hygiene factors over which they have control (such as work environment and supervision quality) are at an acceptable level for employees. As noted, hygiene factors must be satisfied before higher levels of motivation can occur. For example, if Lori is regularly motivating her employees with words of praise, but the office is always freezing, these words of praise may not have an impact on motivation.

Figure 2

Herzberg's Two Factor Theory



It should also be noted that although few employees will complain when receiving cash as a reward, it should not be given with the intention to "motivate" employees to do a better job. This will succeed only in providing a "slippery" (soon forgotten) reward. Based on the author's experience, it is not likely that an employee who gets a $1.00 per hour raise will work 20-percent harder because s/he is now more motivated.

Managers must also be aware of nonrewards. When consciously used, nonrewards should be used sparingly. Nonrewards are passive and do not carry the positive and long-term motivating force needed to produce expected behaviors. In the author's opinion, the conscious use of nonrewards is not an effective way to motivate employees.

In addition, managers should ensure that when all applicable satisfiers are satisfied, they seek out a sense of what is individually motivating to each employee. How can a manager gather such information? By asking. By simply talking to employees about whether they would appreciate working toward greater responsibilities, promotions or just doing a better job will be much more enlightening to a manager than simply guessing. Beyond the direct approach, a manager can also use trial and error—if it works, try it again; if not, try something else.

Now that it is more clear how these mismatches arise, what can be done to ensure that they do not occur within the functions relating to safety? Consider Mismatch #2, in which a mismatch exists between hoping for long-term goal achievement and rewarding for short-term outcomes.

Leaders need to see the results of short-term activities to ensure that the company is headed in the right direction. Many leaders are either formally or informally trained to be action-oriented. In safety, the most desirable goals are usually long-term achievements (such as zero incidents or 100-percent OSHA compliance). For leaders to provide continued, demonstrated support for such goals, an SH&E manager should tie short-terms goals to long-term goals. This will help leaders see the big picture and understand how these short-term goals build into the long-term ones. Leaders can then structure rewards and motivators for both types of goals with full knowledge that they are bringing the organization closer to the desired level of performance.

As another example, consider Mismatch #3, in which a mismatch exists between hoping for individual employee behaviors to positively affect the incident rate, but rewarding decreases in incident rates regardless of cause. If management expects individual employees to perform specific activities in order to improve the safety process (such as attending training, performing audits, reporting near-hits or conducting observations), management needs to track, measure and reward based on these behaviors. As Geller explains, "Focusing on outcomes rather than process is analogous to trying to play golf, tennis or baseball by watching the scoreboard instead of the ball" (Geller).

Salary as a Hygiene Factor

Salary is considered a hygiene factor. In a March 1999 American Express Incentive Services' "Achieve More" survey, 29 percent of those who received a cash reward spent it on bills. Another 18 percent could not recall how they spent their cash (Impact Incentives).

For leaders to provide continued support for safety goals, an SH&E manager should tie short-terms goals to long-term goals. This will help leaders understand how these short-term goals build into the long-term ones.

Fixing the Mismatches

Using these same concepts, following are some suggested solutions to the cited mismatches. These are only suggestions—many other solutions exist as well.

Example Solutions

Mismatch #1: Safety vs. Productivity

Enhance a supervisor's scope of responsibility by having top management more frequently recognize him/her (e.g., praise) for proactive, positive performance in areas related to workplace safety. To further seat safety as a top priority, top management can include proactive safety performance on supervisory performance reviews. This will ensure that supervisors position safety performance on an equal platform with other important objectives.

Mismatch #4: Sampling for True Exposure vs. Compliance

Request involvement of a CIH to develop a formal, documented sampling protocol based on sound industrial hygiene principles. This will take the guesswork out of determining how many samples to collect in order to ensure an accurate assessment.

Mismatch #5: Resources for Close Calls

Treat the reporting of near-hits as an achievement—an indication that the operation was able to eliminate a source of danger. Consider enriching a maintenance person's position to quickly correct these issues.

Mismatch #6: Leading vs. Lagging Indicators

Rather than try to "steer the ship by watching behind you," initiate efforts to track leading indicators and celebrate goal achievements.

Mismatch #7: Use of Workers' Compensation Costs as Process Drivers

Shift the focus from reducing workers' compensation costs to recognizing behaviors and activities that lead to these lower costs and other financial and nonfinancial benefits. This can have dual benefits of simultaneously improving the entire safety process.

Mismatches #8 & #9: Spiraling Budget Requests/Spending All Budget Money

Develop a sense of manager achievement for fiscal responsibility by not regularly cutting budgets and by intuitively trusting the manager's judgment. Recognize managers who come in under budget with a simple lunch or a sticky reward. Small rewards will not be a deterrent to the managers who actually needed to spend their entire budgets in order to achieve their goals.

Addressing many of these mismatches between hopes and rewards involves clarifying expectations and outcomes with top-level leadership. This may involve face-to-face meetings to discuss the benefits of modifying current hope/reward protocols. Start by asking, "What are we really rewarding?" Then, continuously hone in on what is driving the organization's current set of collective behaviors.

Conclusion

Rewarding and motivating employees is not easy. Leaders must continually ask, "What am I rewarding? Is it for the behaviors or outcomes that I need or want?" Just as all employees are different, leaders should employ different methods of motivation for different employees, and they must also make sure that these rewards will cause repeat behavior—the behavior that is desired. As noted, motivators are things that increase internal happiness in employees while hygiene factors merely increase external happiness. Both are important, and leaders who use this knowledge to elevate both needs in their employees are those who can have highly motivated teams. ■

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