



Kansas RTAP Fact Sheet

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Incentive Enough?

by Ira Allen



Have you been thinking about your safety incentive program lately? A recent TCRP synthesis, *Incentive Programs to Improve Transit Employee Performance*, found a few gaps between what most agencies agreed an ideal incentive program ought to look like and what most programs, in fact, did look like. But that's why those syntheses are commissioned: to give the transit industry a clearer picture of itself, and an idea of where there might be some room for improvement. In this article we'll look at what an incentive program is, criteria for a top-rate program, and ways to improve your own safety incentive program without putting your buses in hock.

Let's talk incentives, baby

So what, we might well ask, is an incentive program? Well, says the

synthesis, "in its most generic form, incentive payment is any compensation that has been designed to recognize some specific accomplishment on the employee's part." But that's pretty broad, so we'll focus this article on safety-based incentive programs.

As Donna Myrick, Technical Associate for the Indiana RTAP, notes, "One of the most important goals in transit is safety...[and]...the best way to reward employee contributions toward a safe and productive work environment is through a successful safety incentive program." A safety incentive is some compensation that recognizes an employee's extraordinary contribution to system safety. As noted in the synthesis, incentives are not generally meant to be awarded for maintaining the status quo.

According to Myrick, a safety incentive program should have the principal objective of motivating individuals to behave consistently "in such a way that accidents resulting from poor behavior are eliminated." That means the program should be holistic, dealing with a range of employee behaviors rather than trying to address just one action. For instance, pre-trip inspections alone might be an insufficient measure of driver safety, but in combination with criteria such as accident-free days and positive passenger evaluations, a wider range of activities can be addressed. This more comprehensive program results in a

higher all-around safety level, and makes the incentives awarded more meaningful.

The incentives themselves are usually tangible rewards—often cash, gift certificates, award certificates, or some paid time off from work. Although the TCRP synthesis found that most agencies tend to use tangible incentives, non-tangible incentives, such as praise, have a number of benefits. For starters, they're cheaper. But it goes deeper than that. A sincere expression of gratitude can mean a lot more than a \$10 gift certificate to your local hardware store, but only if it really is sincere. One idea is to write employees a personal note, telling them what their efforts mean to the agency as a whole (in realistic terms), and how they affect your job, as a manager. Do they make things easier, less stressful? Let them know!

Of course, simply saying "thanks" a lot is not the same as having an incentive program. After all, as the saying goes, "gratitude doesn't buy any bread." Below, we examine several criteria that are absolutely essential to a successful incentive program, and ask questions that will help you see where you stand relative to these criteria.

Vital criteria for your incentive program

Management support. Employees need to understand your firm commitment to the incentives program, and to know that this is not a "here today, gone tomorrow" managerial whim. If you

can't commit to the program, don't start one.

Clearly-defined accomplishment.

"The accomplishment must be defined as precisely and objectively as possible," says the synthesis. In some cases, this is easy: either you have had 160 days without an accident, or you haven't. In other cases, more guidance is required. For instance, if you tell employees that incentives will be paid for having "clean buses," you'll need to add some information about what that will look like, feel like, and maybe even smell like. Further, if the amount or type of award varies depending on performance, precise standards will need to be set to distinguish which types of performance garner which levels of award.

Definition of the incentive cycle and assessment methods: Naturally, employees need to know which behaviors will be rewarded, but they also need to know how long they need to sustain these behaviors. Is the award monthly? Yearly? Weekly? Does it cover only a certain season? Managers, too, need to be very clear how behavior will be assessed. Will you survey passengers? Enlist an outside observer or hire a consultant? Use a checklist and measure performance yourself? However you measure, the success of your performance rests in part on employees' perception of that measurement. It must be perceived as fair and reality-based, or the program will lose all motivational value.

Provision for comparison between criteria and results: Right from the start, an incentives program should include plans for how to measure its eventual results. Be prepared to look back over your program, over changes in employee behavior, and compare them to what you had hoped and planned the program would accomplish. How is your agency safer and what role did the safety incentive program play? This self-reflection is critical to management in general, but especially so in matters such as incentives programs, which may need to be tweaked from cycle to cycle or year to year. In addition, all cyclical programs need to have a starting mechanism for the next cycle built in;

a thorough evaluation of the last program cycle can serve admirably in this capacity.

Eligibility to participate: Establish at the program's inception exactly who may and may not participate, who in the agency the program is aimed at, who can qualify for an award. This may be a knotty issue, as equity among the employee pool is a critical element in the success of any agency, but not all employees contribute to system safety in the same ways or to the same degree. One solution is to establish several types of incentive programs with similar or identical awards, each aimed at a different segment of your employee pool. Of course, if you are like many providers in Kansas, and have only a few employees, you may want a more unified solution. One possibility is to define each employee's optimal contribution to safety and make the award based on who best meets this standard for their job function.

Assurance of awards: Going along with the first criterion, employees need to be able to trust that incentives will, in fact, be awarded. As the synthesis notes, "Public agencies are particularly vulnerable to rapid changes in circumstances, requiring care in making commitments of future payments of indeterminate size." An employee who works hard to achieve a bonus can be thoroughly demoralized if a budget cut immediately follows her award, or worse, if the agency can no longer afford the award itself.

Valuable Incentives: Before beginning a new safety incentive program, consider what incentives your agency can afford to offer. Will you give afternoons or even whole days off work as an award for 'X' incident-free months or years? Is \$50 enough for a bi-yearly award? Will local merchants donate gift certificates for your program, or sell them to you at a discounted price? Do you give one cash award, or do you give a package of gift certificates and such? Is a certificate of appreciation enough? We can't really answer these questions for you. Your best bet is to discuss with other managers what they do and get a consensus of what works for them, and then apply that, as appropriate to your

own agency.

Each agency has a different internal dynamic, and your incentives program should reflect your agency's unique dynamic. We can say, however, that a certificate alone is usually inadequate motivation for serious behavioral change. It is nice to get a certificate, but if you really want employees to behave differently, a bigger carrot usually works better. In addition, as mentioned above, a personal note accompanying the award can make the incentive much more meaningful, and plays into creating a corporate culture where employees feel valued by management, which in turn often helps build a safer and more productive work environment.

A word of caution

As elsewhere, the law of unintended consequences applies when devising a safety incentive program. Placing too much emphasis on one measure may actually encourage people to be dishonest rather than safer. This effect might be called the Soviet effect, because this was the experience of Soviet Russian and Chinese factories and farms, where pay and promotions were awarded on the sole basis of productivity. There, many managers responded by over-reporting productivity. The problem in this case was not that managers were responsible for reporting their own productivity, but that other measures were not taken into account.

Similarly, a safety program carrying a hefty award might encourage some drivers to not bother reporting their accidental run over the curb or little fender-bender, especially if no passengers or pedestrians were involved. Normally, they would report these incidents, but if the whole incentive program rests on this one measure, that creates a significant, negative, incentive to report "creatively" or not report at all. This highlights the value of a multifaceted incentive program, which places less weight on any one measure than it does on the individual's safety record in a variety of areas.

By carefully planning your safety incentive program, executing it

consistently, and evaluating it thoroughly, you are building a managerial tradition of excellence in your agency. And because safety is so vital to everything that public transit is and does, building a safety incentive program can be an essential aspect of the transit agency manager's job. The resources mentioned in this article (and listed in the back of the newsletter) provide a good starting point for those interested in further research on this topic.

Sources

"Incentive Programs to Improve Transit Employee Performance," *TCRP Synthesis 3*, <https://webmail.ku.edu/redirect?http://gulliver.trb.org/publications/tcrp/tsyn03.pdf>;

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