



## Thompson Electric, Inc.

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# Safety Incentive Program

Motivate & Reward Proactive Safety Actions  
Through "Teaching Moments"

# 2020

## Introduction

For purposes of this policy and its related procedures at Thompson Electric, Inc. (*herein referred to as TEI*) we define Employee Involvement as.

***“Participation by all employees.”*** At TEI, employee does not refer uniquely to our Field Crews and their management, but to everyone in our organization at every level, in every department. Employee participation and improved Environmental, Safety and Health performance, at all levels, are the desired outcome of this policy and its related procedures. We have structured our program to allow for recognition of individual and group accomplishments.

## Purpose & Scope

The purpose of this program is to promote workplace environmental, health and safety through positive reinforcement of observed safe behaviors and voluntary participation in various safety/risk management programs and exercises.

Our goal is to promote open discussion about our environment, health and safety at all levels of management, leading to safer workplace behaviors and environmental stewardship, thus enabling us to switch our emphasis from the monitoring of “Lagging Indicators” (accidents, incidents, environmental issues, equipment and vehicle damage) to a major emphasis on “Leading Indicators” utilizing our Crew Based Safety Observations and Near Miss/Good Catch Programs.

- A near miss is defined as: an unplanned event or work practice that DID NOT result in injury, illness or property damage, but had the potential to do so. Only a fortunate break in the chain of events prevented this (i.e., something happened).
- A good catch is defined as: recognition of a potential event or circumstance which could have caused personal injury or property damage but did not occur due to corrective action (i.e., caught before something happened).

Simply put, when an employee witnesses unsafe acts, unsafe conditions, environmental issues, equipment/vehicle concerns or any positive EH&S actions while they’re working, job site management will encourage them to fill out a Crew Based Safety Observation, or a Safety Observation Card to document the issue or behavior at hand. Using the information from these electronic mediums, or cards, division management will then begin to address the concerns, observed behaviors, and leading indicators that will enable us to prevent EH&S incidents/accidents. The information will then be communicated across all divisions of TEI as a “Lessons Learned” recognition tool.

We will encourage any/all employees to complete and submit a Safety & Environmental Recognition Award Nomination Form to division management and the Safety Department when they feel the actions listed above are completed and an award/recognition is deserved. The Safety & Environmental Recognition Award Nomination Form will be integral in the issuance and tracking of reward points. These points will be accumulated by employees and will allow them to select awards from the TEI Safety Incentive Program Catalogue which will include clothing, various merchandise, paid time off, etc.

- We will also support and encourage employees to complete a Safety & Environmental Recognition Award Nomination Form if they witness something unsafe on the way to or from work that they can share in their pre-job meeting as a Safety Moment.



## Eligibility & Program Duration

All TEI employees are eligible to participate in the Environmental, Safety and Health Incentive Program. However, an employee will become disqualified for eligibility for a time period of 3 to 12 calendar months (as decided by the TEI Executive Committee) under the following circumstances:

- The employee does not report an accident/incident or willfully attempts to “hide” an accident or incident.
- The employee does not utilize the required, and issued, PPE to perform work tasks as required.
- The employee does not utilize Stop Work Authority as outlined in our Stop Work Authority Standard Operating Procedure and as required by our customers.
- Employee fails to properly report damaged equipment and/or vehicles.
- Any Fall Protection violation
- Failure to properly report all environmental issues
- Willful violation of any customers Environmental, Safety and Health rule(s)

By creating a balanced “Environmental, Health and Safety Incentive & Reward” program that includes both past performance and proactive engagement, our Environmental, Health and Safety incentive program will change our current focus of measuring our past performance (i.e., lagging indicators such as the number of incidents, OSHA Statistics, DOT Inspection Results, etc.), and instead emphasize, proactive engagement (i.e., leading indicators). Our program has been launched based on these four basic categories:

### 1. Safe Work

- Active, timely, and engaged Task Hazard Analysis (THA, Morning Tailboard, Pre-Job Risk Review) that go above and beyond the basic guidelines.
- Safe Acts as recognized by a supervisor.
  - Reward the individual or the whole team
- Properly conducted, recorded and reported Equipment Inspections of any kind that go above and beyond the basic guidelines
- Proper Red Tagging and turning in of damaged/non-operational/out of compliance tools, equipment and PPE to their Supervisor with proper explanation of what happened/when it was found.
- Excellent safety review by customer or other representative

### 2. Proactive Environmental, Health and Safety

- Reporting near misses and good catches
- Reporting promptly all work related injuries or illnesses
- Reporting unsafe conditions
- Proper hazard identification
- Volunteering and engaging in quality Crew Based Safety Observations of relevance to the work site/scope and sharing the results with fellow workers.
- Exceptionally good housekeeping (i.e., regular and frequent)
- Completion of Safety Training and then actively applying, and supporting (consistently), what was learned
- DOT Highway Inspection with no violations
- OSHA inspection with no violations

### **3. Environmental, Health and Safety Leadership**

- Using Stop Work Authority
- Leading an EH&S meeting, Pre-Job Analysis, or “Opening” an EH&S Training Session
  - Sharing a “Quality” Safety Moment at the beginning of the work day/task with fellow crew members and sub-contractors.
  - Sharing a “Quality” Safety Moment at the beginning of any Office/Staff Meeting
- Participating in Root Cause Investigation and Analysis
- Sharing, and promoting, of a “Lessons Learned” that they were an active part of
- Review of a customer’s “Lessons Learned” and coaching fellow employees on how to apply the “Lesson” and what impact the message should have on their daily work tasks.
- Leading in stretching exercises and promoting the benefits
- Identifying unsafe factors and then assist in creating and implementing the EH&S improvement(s)
- Recognizing peers for safe acts, etc.

### **4. Employee Environmental, Health and Safety Engagement**

- On-the-spot safe acts
- Above and beyond safe behavior
- Above and beyond environmental practices
- Mentoring and coaching an apprentice or a new hire in best EH&S practices
- Off-the job EH&S ideas that result in a more conducive work environment for all



## Point System & Awarding of Points

At TEI we have chosen a “Behavior-Based” Environmental, Health and Safety (*herein referred to as EH&S*) award program. Even though this type of program requires more effort to administer, it is likely to be more effective because employee involvement in the EH&S program is increased through this approach. Active employee participation improves the safety culture over the long term because the rewards are earned by actions on the part of the employee rather than by passive avoidance of an injury or event.

Some examples of active and passive employee involvement are presented below.

Employee Involvement	
Passive	Active
Attending Toolbox Talks	Presenting or Contributing at a Safety Meeting
Attending Required Training	Identifying and helping resolve issues
Following TEI & Customer Rules	Developing a safety procedure on their own
Reporting a Hazard to Supervision	Personally abating a hazard
Pre-Use equipment, tool or vehicle inspections	Attend optional training (e.g., union, customer)
Monthly fire extinguisher, 1 <sup>st</sup> Aid Kit inspections	Utilizing Stop Work Authority
Reviewing findings from crew based safety observation	Reporting Near Miss or Good Catch Event
Participating in monthly safety meeting/ conference call	Identifying hazards through Crew Based Safety Observations & abatement actions taken
Signed “Commitment Pledge” to good EH&S Practices	Sharing of Lessons Learned

### Recognizing Employees in Meaningful Ways:

Focusing entirely on the reward itself is not beneficial to our employees or our customers. Instead we should focus on recognizing employees in meaningful ways. This includes making sure that employees are recognized:

- **Immediately:** Provide employees with instant gratification as a means to reinforce the desired behavior.
- **Consistently:** Provide recognition consistently to convey that good practices and behavior is noticed and rewarded.
- **With Sincerity:** Ensure your recognition program is beneficial to the workplace, our employees and our customer.
- **With Significance:** Provide recognition based on what’s meaningful to our employees. If a particular reward is unappealing or doesn’t motivate employees, it will be a waste of time.

### 8 Basic Rules for Recognizing & Rewarding Employees

1. **Specify Reward Criteria – Be Consistent:** Too often awards for things like “innovation,” “showing initiative” and “Quality Improvement” don’t define what our employees need to do to earn the award. Without that information some employees may feel thwarted or confused before they begin to try and achieve an award.
  - a. When anyone receives an award of points, employees may attribute a co-worker’s success to favoritism or luck. So, clearly communicate the criteria cited for the award to the entire group.

- b. By completing the TEI Safety & Environmental Recognition Award Nomination Form for individuals & Work Groups/Crews we can insure we are consistent and present a complete “picture”.
- 2. **Reward Everyone Who Meets the Criteria:** We can announce a contest, urge everyone to participate, provide plenty of reminders, and announce the winner/individuals being awarded with a flourish. Then what? You’ve got one recognized employee/crew who is viewed as a “winner” and a lot of “losers” who discover their hard work did not pay off.
  - a. For longer-term impact, determine specific criteria, individual goals, and reward everyone who meets them. Send in the TEI Safety & Environmental Recognition Award Nomination Form to the safety department and the appropriate division manager to properly publicize each accomplishment and ensure we properly acknowledge each achiever. As long as the criteria we adopt for each job site, division, customer are meaningful, the more winners, the better!
- 3. **Individual Rewards:** Generic rewards create generic results. Give people what they want.
  - a. By rewarding points and assigning rewards (based on accumulated points) it will enable the individual to choose when to redeem, what to redeem for, etc.
- 4. **Say “Thank You” frequently:** “Thank You” is always timely. It is as useful to acknowledge small successes, as it is to recognize major achievements. It validates the importance of work people do, and it starts a chain reaction. Pretty soon more people start saying it to more people, boosting morale and improving relationships, as well as motivating people to work well.
- 5. **Nurture Self-Esteem:** When you give people positive, specific and realistic feedback about their potential, their efforts and their accomplishments, their self-esteem goes up. They develop into employees with confidence to set and meet challenging goals, overcome setbacks and self-manage their work.
- 6. **Foster Intrinsic Rewards:** Intrinsic rewards are the “good feelings” people get from doing their work: enjoyment of the task, excitement about the opportunities, and pride in doing a safe job.
- 7. **Reward the Whole Team:** For team accomplishments, it’s important to reward the whole team, or you foster competition, not cooperation, among team members. Do not penalize the team for the failure of one individual. Speak to the individual separately when the time is right (i.e., not publicly) or ask your General Foreman or Superintendent to speak to the individual.
  - a. One Option – Meet the challenge of a team member who may have coasted along on the efforts of others by using a 2 tiered system of Team and Individual awards. Key Point: The individual rewards are based on judgements and input from their fellow team members.
- 8. **Remember – You get what you reward:** One of the things rewards do is reinforce for employees what TEI, and our customers, want. Employees quickly determine how much the company values its EH&S programs and culture based on these rewards.
  - a. If you are looking for teamwork, be sure you aren’t rewarding competition.
  - b. If you want people to be pro-active and resolve problems, don’t reward them for failure to report, failure to comply or failure to actively participate.
  - c. If you ask for, and encourage initiative, be prepared to reward employees for doing things in unconventional ways (as long as it complies with our EH&S requirements).

The bottom line. Remember that employees can feel rewarded in many ways, not merely with points. For top performers, increased responsibility and lessened supervision can be rewards in themselves, as can flexible schedules, additional time off, first pick of desirable assignments, and so on.

The point is that each employee must indeed feel that they are being rewarded for both working safely and efficiently as well as getting results. A Satisfied Customer for a job well done!



## Incentives, Evaluations and Rewards

TEI has chosen the use of various denominations of "Safety Coins" with values of 5 points, 10 points, 25 points and 50 points stamped on one side of the coin and our TEI Break the Cycle logo on the reverse. This will enable us to provide timely recognition to all our employees across all levels of management in the context of why it is recognized (i.e., what benefit did it have in the context of environmental, health and safety). By the awarding of Safety Coins, TEI will be enabled to support and encourage positive peer-to-peer collaboration to create a safe workplace in the field and in our offices and warehouses.

- An incentive is only effective when it is delivered in a timely fashion, so the employee(s) can associate a specific behavior or action with the reward. By giving our Field Management, Office Management, and Support Managers the coins, they can present the award publicly in the presence of the customer, the co-workers, and their managers. Thus reinforcing the EH&S message for both the recipient and/or the group as a whole.
- The person rewarding the TEI Safety Coins must have successfully completed our TEI EH&S Program Training in order to better understand how to initiate, maintain and grow our program consistently and within established chain of command and protocol. Division Managers will be responsible for arranging and overseeing this training as well as active mentoring of our EH&S Incentive Program in the field or in the office.
- Even though the Safety Coins are awarded in a timely fashion, the person handing out the coins is ultimately responsible for seeking any guidance under their departments chain of command (Division Managers will issue specific instructions during the training session) and completing the required Safety & Environmental Recognition Award Nomination Form for individuals & Work Groups/Crews to the Division Manager and Safety Department.
  - If unsure what point value an action deserves, err on the low end. When the Safety & Environmental Recognition Award Nomination form is submitted, division management and/or Safety will provide feedback and guidance if it is determined more points are warranted.

Coin Information and Criteria		
Color	Value	Example Criteria
Green	5 Points	Witnessing and reporting unsafe conditions
Red	10 Points	Improve a process making it safer
Blue	25 Points	Consistent/outstanding EH&S leadership
Yellow	50 Points	Preventing a life-threatening injury

Revision Number	Description of Change	Written By	Approved By	Revision Date	Effective Date
0	Origination	Safety Div.	TEI Executive Committee	N/A	04/2020