

EFFECTS OF INCENTIVE PROGRAMS FOR WORKPLACE SAFETY

(Relates to the UN SDGs of *Decent Work and Economic Growth*,
and *Responsible Consumption and Production*)

By Ravi Subramanian, Scheller College of Business

Within the past decade, workplace safety incidents such as the Upper Big Branch Mine disaster in West Virginia and the Rana Plaza disaster in Bangladesh have reinvigorated discussions regarding the design and institution of workplace safety programs. The two broad types of workplace safety incentives are outcome-based incentives (e.g., awards or recognition for incident-free operations) and behavior-based incentives (e.g., incentives for following safety protocol or for mitigating potentially unsafe workplace situations).

Outcome-based incentives have been called into scrutiny by OSHA (the March 2012 release of the “Fairfax memo”) because of the unintended consequence of discouraging employees from reporting safety incidents in order to preserve eligibility for rewards. Some firms have since responded by suspending outcome-based incentive programs altogether. However, there is a limited understanding of the effects of contextual parameters (e.g., the size of the reward compared to the compensation received from reporting an incident, the inherent riskiness of the work environment, etc.) on the occurrence and reporting of safety incidents under outcome-based and behavior-based incentives.

The project, titled [“Effects of Incentive Programs for Workplace Safety,”](#) conducted by Dr. Ravi Subramanian, Associate Professor at the Scheller College of Business, analytically and empirically characterizes the conditions under which behavior-based incentive programs may or may not outperform outcome-based incentive programs. This project addresses the following two UN SDGs: *Decent Work and Economic Growth*, and *Responsible Consumption and Production*.

Learn more: Watch Ravi Subramanian’s talk, “Incentives for Workplace Safety,” from the Georgia Tech Sustainability Showcase (October 2019), [on Vimeo here](#).