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WTCA Member Achieves Record-Breaking Safety Status with Incentives by Christopher Hosford

WTCA member H.M. Stauffer & Sons has been nationally recognized for reaching 2.25 million hours with no work time lost due to injury. How did they do it?

Companies devise all sorts of operational initiatives, everything from increased efficiencies and higher productivity, to fewer bare midriffs on "casual Fridays." But no matter what companies think up, no matter how desirable the ideas may seem, there's only one way to get employees to go along with the program: Make 'em want to. Consider employee safety.

For H.M. Stauffer & Sons, a manufacturer of wood roof, floor and wall systems in Leola, PA, improving its own safety record not only seemed like a good idea for the employees' sake. It was essential to cut costs and help save the company.

And it's become an ongoing phenomenon that has national observers scratching their heads and employees bursting with pride. As of August 2003, H.M. Stauffer & Sons has logged two-and-a-quarter million hours of employee time on the job with no work time lost because of injury.

Think of that for a minute. The last time a Stauffer employee stayed home due to an injury—mind you, this is heavy manufacturing, utilizing massive sawing machines and forklifts—was August 1994.

"That's almost unheard of in our industry," says company co-owner and chief executive John Griffith. "So, when we hit two million hours, we decided to close the entire plant down for four days and take everybody to Cancun."

Stauffer's big incentive trip to Mexico last fall took 116 employees plus guests—a total of 184—to the Bahia Principe Tulum resort, about an hour south of Cancun in the Mexican Yucatan. The four-day, three-night program, priced at about $200,000, included a recognition dinner, mariachi bands, merengue lessons and beach Olympics. Bahia Principe Tulum is an all-inclusive resort, so attendees never had to make a move toward a wallet or purse.

Founded in 1891, H.M. Stauffer & Sons existed for decades as a family-owned business with a relatively restricted market in eastern Pennsylvania for its wood roof trusses and other construction systems. By 1982, the family sold out, and its new owners expanded rapidly into a regional supplier, selling to large contractors in New York, New Jersey and Delaware, as well as Pennsylvania.

Along with increased sales came more employees and spiraling expenses; in the first five years after the sale of the company, Stauffer's workforce went from 95 employees to 504. Meanwhile, as management focused on the big picture, worker safety got out of hand. In one year the company endured 103 work-related injuries and 329 days of lost time. Worker's compensation costs reached $457,000.

"Things were out of control," remembers Nancy Frush, former long-time human resources director for the company who helped develop the safety program. "We were recording injuries weekly. There was nobody really holding anybody accountable." By the time consultants recommended the company file for Chapter 11 bankruptcy protection in 1992, the employee turnover rate in manufacturing was greater than 70 percent.

Frush was caught in the drama, and faced the challenge of helping effect a turnaround. "I had the opportunity of either getting swallowed up, running away or learning," she remembered. "But I have some tenacity. I just decided to, well, stick with it."

One thing she was stuck with was having to figure out the company's dysfunctional insurance program. Insurance premiums previously farmed out to multiple brokers were consolidated, realizing an immediately savings. But there was no way to solve the root problem without addressing the miserable employee safety record.

"I first asked myself, 'What decisions can I make that I don't have to go to anyone else to ask,'" Frush says. "And one thing I noticed was that two-thirds of the cost of worker's compensation payments was due to lost-time-wages paid. We just couldn't let people get injured, then sit at home collecting wages. I asked myself how we could turn this around."

Her solution was a human relations one. She instituted a modified work program that, when injuries did occur, brought workers back to the plant immediately for alternate, often "light-duty" work. But the new approach had to properly motivate the workers to buy into it. "The program needed to be compassionate, accommodating, making each person feel he didn't do anything wrong," Frush says. "And we gave them real work to do, not just light-duty work where there's nothing or little do, like papers to file or holes to punch…mindless, mind-numbing work."

Personnel files often were the source of sound ideas. Frush remembers an employee sidelined with a damaged elbow. It was a legitimate injury, requiring surgery and as much as four weeks away from the roof truss production line. But Frush noticed the worker had once attended college and even had a telemarketing background, and could be ideal to fill a temporary vacancy in wholesale customer service. He was on the job in his new capacity the very next work day after surgery. The employee was happy to get back to work in some capacity—worker's compensation payments would not have equaled his regular pay.

Moreover, says Frush, "He knew the company cared about him, demonstrating trust in his abilities. We treated him with respect. The company even paid him the commissions that came with the new assignment."

As Stauffer's remarkable safety string got longer, the company began to celebrate. When the company reached 250,000 hours with no lost-time injuries, Stauffer held a company picnic, with the owners serving as chefs. Signs began appearing in the plant, marking each safety level successfully reached.

At 500,000 hours, all company employees were treated to an outing to Atlantic City. At one million hours, Stauffer took everybody to Baltimore for a three-day trip that included a Major League baseball game and a harbor cruise. At one-and-a-half million hours with no lost-time injuries, the company staged a casino day with odds “very favorable to the players,” according to Griffith. The Mexico trip last year was the company’s biggest incentive program yet.

Griffith says Stauffer partners with physicians, physical therapists and its insurance company to augment the program. And the company sponsors regular wellness days, with screenings for blood pressure, cholesterol and the like.

The company’s safety committee now has real teeth, too, says Griffith. “Committee members can stop certain areas of production if they feel something is wrong with a machine or the product,” he says. “It’s not a safety committee in name only.”

Meanwhile, all Stauffer employees watch out for each other, and point out potentially unsafe situations. Newly hired employees wear distinctive green hats so veterans can volunteer training and safety tips more easily. “It’s gotten to the point where the employees all feel proud of what we have accomplished,” says Jim Wright, Stauffer purchasing agent and a ten-year veteran of the safety committee.

The payoff for the company has been remarkable. Along with the 2.25 million hours since 1994 without work time lost to injury, Stauffer’s worker’s compensation payout dropped from $457,000 to about $50,000 a year. Soaring employee morale caused the turnover rate to plummet from 70 percent to two percent. And absenteeism fell from four percent to a current level of under one percent.

Others have noticed Stauffer’s achievement. The company has won two governor’s recognition awards for safety excellence.

Nationally, Stauffer’s record is equally impressive. According to the U.S. Bureau of Labor Statistics, in 2001 manufacturing companies similar to Stauffer averaged 4.5 injury cases per 100 employees that resulted in one or more days away from work.

Stauffer’s average is, of course, zero, every year since 1994. What can be more impressive than that?

Christopher Hosford is the Executive Editor of Meeting News Magazine, a sister publication of Incentive Magazine. This article was reprinted with permission from Incentive Magazine, September 2003.

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