Creating A Driver Incentive Program That Works

With the current widespread commercial vehicle driver shortage that’s predicted to only worsen in the coming years, the pressure is on motor carriers to hold onto quality drivers. Sure, good pay, time at home and benefits are necessary to keep good drivers, but drivers also want to feel valued and appreciated by the company for the tough job they do.

One of the most effective ways this can be accomplished is by implementing a driver incentive and recognition program. Not only do these programs help boost morale and reduce driver turnover, they also encourage and reward good driving behavior. Furthermore, the same incentives that can keep good drivers with your company can help attract new ones.

While it may seem easy to simply offer a monetary reward for accident-free driving, only a comprehensive, well-designed program that clearly defines and measures safe driving practices will help ensure a good return on your investment.

It is also important to note that people are motivated in different ways. Some are driven by money, some seek recognition and others need both. A driver award program with a combination of recognition and some tangible or monetary reward will help motivate the largest number of drivers.
Getting Started

Once a company has decided to develop an incentive program, management must first determine how much money it is willing to invest. When determining a budget, consider the cost of administration and implementation, the cost of the awards and internal marketing expenses (i.e., announcements, newsletters, and award and recognition events).

The next step in developing a driver incentive and recognition program is to determine the program’s parameters. Think about what type of behavior you are trying to encourage and/or what type of losses you are trying to prevent. Some questions to consider include:

- What are the criteria for the award? Will violations be counted? Will proper care and maintenance be included?
- How will the criteria be measured and by whom?
- Who is eligible to participate?
- What are the time parameters in which awards are earned (i.e., one month, six months, one year, five years, or more)?
- Will there be tiered award recognition? Do awards increase in value for longer safe driving periods, or by the number of miles driven, etc.?
- Are there any legal issues to examine (i.e., tax withholdings, reporting requirements, etc.)?

One note of caution: a year seems like a long time to some drivers, so programs that only pay off annually or longer rarely do much to excite them. Instead, consider supplementing an annual incentive with a quarterly or monthly program, or rewarding drivers that come up with ideas about how to improve company safety procedures, or making work-related driving safer.

Remember, the idea is to recognize drivers for extraordinary safety efforts, not simply reward everyone just for participating. So, the criteria should be
broad and clear, and fair to all. The desired results should be challenging, yet achievable, as those that are too difficult to attain will cause drivers to lose interest in a short amount of time.

**Deciding On the Rewards**

Once the program parameters are ironed out, the next step is determining the type of rewards that will be given. Rewards need not be of high monetary value, but should be of perceived value to the targeted participants. Remember, an incentive is only an incentive if it’s attractive enough to motivate employees. Rewards that can be proudly displayed such as certificates, plaques, trophies, pins or belt buckles are popular. Receiving a company jacket can be a source of great pride or considered a tremendous achievement. Allowing drivers to select prizes from a gift catalog is also common, as are special vehicle privileges such as sought-after routes, an upgraded vehicle or additional equipment. Of course, monetary awards and gift cards are always welcomed. A survey of drivers can help pinpoint the type of awards that are most valued.

Whatever rewards you choose, keep in mind that they should match the level of achievement. Greater performance should be met by an increased value of the reward. An appropriate monthly award may be a mug or tee shirt, while an annual reward may include a cash prize and a plaque.

**Communication Is Key**

Communication is undoubtedly one of the key components of a successful driver incentive and recognition program. Announce the program throughout the company in paycheck stuffers, newsletters, flyers, meetings, emails, postings on company bulletin boards and/or on the company intranet. Emphasize the benefits of safe driving to the drivers and the company as a whole, and publicize award winners through:

- A feature and photo of the drivers in the company newsletter, website or office bulletin board;
- A press release to local newspapers;
• A written commendation from the company president/owner;

• Special ceremonies or events (and be sure to invite family members).

Lastly, allow for comments from all participants, and provide regular feedback to drivers on their performance to allow them to identify areas needing improvement.

Other Tips to Remember

• Award programs require management support. In order for an award program to be successful, it must have a strong commitment from top management. Management should put its commitment in writing and distribute it to all program participants.

• Reward the correct behaviors and the correct results. Care should be taken to ensure that drivers aren’t cutting corners or breaking rules to reach an incentive plan’s goals. Those that do should face a clearly-defined disciplinary process.

• Driver incentive and reward programs should not be used as a “quick fix” in a crisis situation. An effective program is a proactive activity, not a reactive one. It takes time to develop and implement a successful incentive program, and it also takes time before the benefits are fully realized.

• Programs should be evaluated regularly. Doing so, will help ensure that they are providing the company with a good return on the investment and will help identify areas needing improvement.

• Deliver on your promises. If you offer an incentive plan, pay out the rewards to the driver(s) who have earned them. Make sure that money is set aside accordingly and that rewards are presented in a timely fashion.
Developing and implementing an effective driver incentive and reward program is not an easy task. It takes time and patience, a financial investment and a full commitment from management. A clearly defined and well-managed program can play a productive and rewarding part of any driver safety program, can help meet today’s driver recruitment and retention challenges, and positively impact the company’s bottom line.

Additional Resources

• CCJ Study: Fleets Using Driver Rewards to Combat Turnover

• Commercial Truck and Bus Safety Synthesis 1 - Effective Commercial Truck and Bus Safety Management Techniques

• CSA Safety Management Cycle for the Unsafe Driving BASIC

• Incentive Marketing Association

• OHS: Tangible Incentive Programs Improve Safety Results

• Transit Cooperative Research Program Synthesis 97: Improving Bus Transit Safety Through Rewards and Discipline