Apology

- For boring graphics

POWER LINE SAFETY

- Never leave the vehicle unless danger of imminent fire in the cab

Western Disposal

- 150 employees
- Private, family owned
- 43 years
- Serving Boulder and surrounding areas
Western Disposal
Employment Accomplishments

• Average tenure of 9.75 years
• 100% of route operations hiring done through employee referrals
• Boulder Chamber’s “Best Place to Work”
• High customer satisfaction with individual employees most often noted as reason

Best Practices

• Culture
• Compensation
• Incentive

• Assessing/Adjusting

Assessment

• What motivates employees
  • To stay?
  • To perform well?
  • To take pride in their jobs?

  • Never take it for granted
  • Ask/Listen/Adjust
  • Less static/more fluid
The Waste Industry

No doubt – CONTROL is essential

- Nature of work
- Nature of workers
- Volume of tasks vs. difficulty
- Productivity and shaving seconds is critical
- Workers accustomed to hierarchical organizations

So, a Control Culture is appropriate

BUT

The Downside of Control

Control can too easily

- Feel punitive
- Less respectful of employees’ expertise

Empower by

- Asking
- Listening
- Explaining the ‘Whys’
- Tone is critical, written and verbal

Self-Perpetuating Culture

- Our employees create their own control culture
- Employee pride and loyalty creates a self perpetuating culture
- We, management don’t have to do as much if we keep that pride and commitment
- Employees don’t refer others who might reflect poorly on them
  - Substance use
  - Criminal history
  - Integrity
  - Attitude and work ethic
Compensation

- Western pays well; enough to “take it off the table”
- Average Driver rate = $22.50/hour
- Continually look to quantify ROI on paying near top of market
  - Greatly reduced recruiting/training costs
  - **Experience Mod = .71**
  - Fleet liability – best of class
    - DOT recordable accidents/Bodily injury accidents/Citations in Company vehicle - virtually none
  - We do have an intense safety program, bump stuff, but never rest on our laurels
- ROI - Hard to quantify but results are undeniable

Paying too Much?

- We decided we were
- Grandfathered existing employees
- New hire rates are lower
- We explained
- People accepted (including new)
- An example of pushing the pendulum
Typical Incentives

• Make significant and meaningful
• Example: Safe Driver Award
  • Each year an employee is accident free, a compounding cash reward applies
  • Highest award to date is 15 years
    • Total awarded over 15 years = $15,500
    • 15th year award $2,250
    • Trip to Vegas
• Two have achieved

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Highest award to date is 15 years
Total awarded over 15 years = $15,500
15th year award $2,250
Trip to Vegas

Our Most Powerful Tool

UNIQUE INCENTIVE PAY PLAN

• A Stick in Carrot’s Clothing
• Significant Incentive - 20% of base pay
• Built into hourly rate
• At-risk when job performance does not meet criteria to earn
  • “Under the Incentive Pay System, in addition to the base pay rate, Operations and Maintenance Department employees may earn an additional 20% incentive pay for all hours worked for any week in which the employee meets the requirements of the incentive program.”

At-Risk Incentive Pay Plan

• Each position/employee earns a base hourly rate
• In addition to the base rate, each position/employee has the opportunity to earn an additional 20% incentive differential
• The sum of these amounts is the full hourly rate

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<th>Base hourly Rate</th>
<th>Incentive Differential</th>
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Incentive Pay

• The incentive pay is at-risk and not earned in cases of:
  • Complaints
  • Misses
  • Equipment Damage
  • Incomplete pre- and/or post trip inspection
  • Failure to use PPE
  • Unsafe action
  • Attendance and Tardiness*
Decision Criteria

- Weekly meeting of supervisory/management staff
- Review of input
- Customer input
- Route Checks
- Safety Reviews
- Supervisory observation
- GPS/on board computers
- Payroll/time clock records
- Care must be taken
- Consistent application
- Objectivity
- Feedback

Pendulum Example

- Years back, the incentive was used extensively to address non-FMLA attendance issues
- Absenteeism and tardiness dropped dramatically
- The tool worked
- But... employees changed, their values changed

Work/Life Balance

- Morale dropped and employee complaints

Pendulum Swing

- We listened
- We changed
- Morale rose
- Yes, absenteeism has increased
- Acceptable

Summary

- Control ----- Empower
- Pay ----- Return
- Sticks ----- Carrots
- Watch for when intended consequences go too far and the pendulum needs to be pushed the other direction