Performance Based Leading Indicators
Objectives

- Understand why Lagging Indicators are only a view of past performance
- Identify several Leading Indicators for your industry
- Understand Measurement of Leading Indicators
- Learn how to perform a Safety Observation and coach employees
“Measurement of future performance, or commitment to tangible goals, is considered a ‘leading’ indicator.”

- Wikipedia – 9/11/2012 -
Leading Indicator
“Measurement of past incidents, successes and failures happens after the fact and is considered a ‘Lagging’ indicator”

- Wikipedia – 9/11/2012 -
Lagging Indicator
Lagging vs. Leading

- W/C Modification Factor
- Claims
- DART Rate
- TRIR Rate
- LTFR Rate
- Number of Lost Days
- Claims Costs

- Risk Assessments
- Written Work Procedures
- Workplace Inspections
- Employee Training
- Perception Surveys
- Safety Observations
Lagging Indicators

- Accurate
- Accepted Standard
- Easy to Calculate
- Indicate Trends
- Easy for Self-Comparison
- Used by Government & Industry Assns.

- Reactive
- Can Be Manipulated
- May Be Biased
- Data is Historical - Too Late to Correct
- Not Representative of Current Safety Efforts
- Management Message
Lagging Indicators

- Workers Compensation Modification Factor:
  - 1/1/2013 – What years are used to calculate?
    - 1/1/2011 - 1/1/2012
    - 1/1/2010 - 1/1/2011
    - 1/1/2009 - 1/1/2010

- Is this Accurate Reflection of what your safety program is today?
Lagging Indicators

- DART Rate (days away, restricted, transferred)

  Incidents x 200,000 / Employee Labor Hours Worked

- Is more current, but still a measure of what already happened....
“If we are in the business of promoting Occupational Safety and Health, why do we use failures as the measure of our success?”

- Rose -
Challenge

What can you do to implement a more proactive Occupational Safety and Health program?
Leading Indicators

- Looks at the process, not just results
- May indicate poor performance prior to an incident
- Gets supervisors and employees involved in the process
- Forward Looking

- Most measures are subjective
- Measures are not absolute
- No single measure is appropriate for all safety and risk management issues
- Usually need several measurements
Leading Indicators

- Risk Assessment
- Work Procedures
- Workplace Inspection

- % RA’s Completed
- % Controls Implemented
- % Written Procedures Completed
- % Scheduled Completed
- % Actions Taken
Leading Indicators

- Behavior Based Observations
- Incident Reporting
- Safety Training
- Perception Survey
- % employees safe
- % PPE compliance
- % reported 24 hours
- % near-miss reports
- % corrective actions
- % completed by dept
- % employees attend
- Overall findings of surveys
Leading Indicators

- Employees
- Frontline Supervisors
- Superintendents
- Project Managers
- Safety Managers
- Subcontractors
Leading Indicators

- Should be Quantifiable
- Measure Efforts for Prevention
- Are High-Performance Drivers
- Are Predictive
- Are Prescriptive of Desired Outcome

- Pick 3 to 5 – measure success
<table>
<thead>
<tr>
<th></th>
<th>W/C Mod</th>
<th>DART Rate</th>
<th># of Claims</th>
<th>Claims Costs</th>
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<tbody>
<tr>
<td>Site 1</td>
<td>1.42</td>
<td>1.84</td>
<td>10</td>
<td>$100,000</td>
</tr>
<tr>
<td>Site 2</td>
<td>1.42</td>
<td>0.78</td>
<td>3</td>
<td>$40,000</td>
</tr>
<tr>
<td>Site 3</td>
<td>1.42</td>
<td>1.72</td>
<td>5</td>
<td>$53,000</td>
</tr>
<tr>
<td>Average</td>
<td>1.42</td>
<td>1.45</td>
<td>6</td>
<td>$64,300</td>
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</tbody>
</table>
## Measurement – Leading Indicators

<table>
<thead>
<tr>
<th></th>
<th>Weekly Risk Assessment (% completed per month)</th>
<th>Safety Meetings Completed (% employees)</th>
<th>Safety Observations (# completed per month)</th>
<th>New Employee Orientation (% completed before work)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site 1</td>
<td>75%</td>
<td>78%</td>
<td>18</td>
<td>73%</td>
</tr>
<tr>
<td>Site 2</td>
<td>100%</td>
<td>95%</td>
<td>25</td>
<td>94%</td>
</tr>
<tr>
<td>Site 3</td>
<td>100%</td>
<td>97%</td>
<td>30</td>
<td>100%</td>
</tr>
<tr>
<td>Average</td>
<td>92%</td>
<td>90%</td>
<td>24</td>
<td>89%</td>
</tr>
</tbody>
</table>
Measurement

- If you track your success via Leading Indicators and adjust accordingly, your Lagging Indicators should follow.

“You can’t manage what you can’t measure”

- Drucker -
Safety Observations

- Observe employee
- Identify unsafe behavior
- Get employee to acknowledge the unsafe behavior
- Have employee explain the risks of working unsafely
- Get employee to agree gains are not worth the consequences
Safety Observations

- Establish a formal action plan for improvement (develop form)
- Don’t Shout – Coach
- Don’t automatically draw conclusions

“To overlook a simple safety violation would be asking me to compromise my attitude towards the value of your life”
Safety Observation
Safety Observation
“Insanity is doing the same thing over and over again and expecting different results.”

- Albert Einstein -
Thank You!

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