



# Leading indicators offer opportunities to **improve performance**

## What do we mean by leading indicators?

Leading indicators measure the effectiveness of EHS processes, systems and organizational performance. They are designed to find potential problems early enough to uncover possible issues in procedures, systems or behaviors before they cause harm.

## What's the difference between a leading and lagging indicator?

A leading indicator is a predictive measure that monitors and provides current information about the EHS management system prior to a negative event. A lagging or outcome indicator typically refers to injuries and fatalities, directly measuring harm after the fact.

## How can you use leading indicators to prevent future injuries?

Organizations have begun to predict injuries rather than reacting to them by identifying quality leading indicators of a strong EHS culture and system. Predictive measures are ways to better understand an organization's EHS culture and to highlight areas for improvement.

## How can your organization use leading indicators?

There are four general ways in which leading indicators can be used:

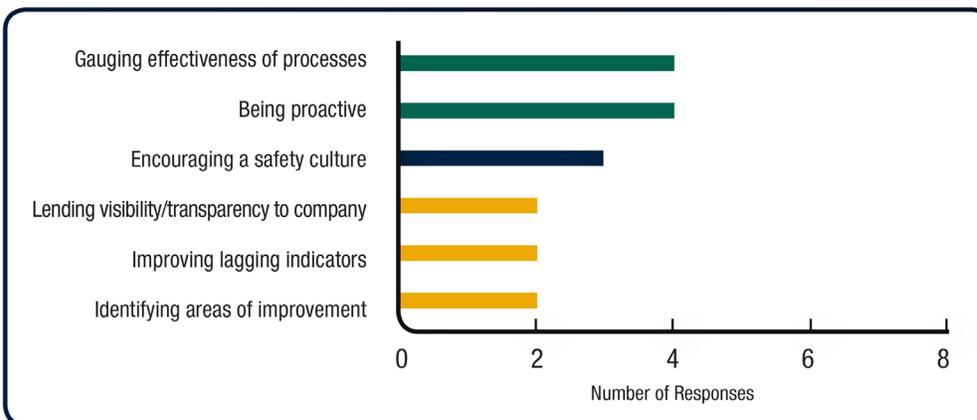
- Anticipate, prevent, or eliminate risks and losses
- Monitor and evaluate performance
- Motivate safe behavior, personal commitment and continuous improvement
- Communicate results

## What are the eight characteristics of leading indicators?

- Actionable
- Easy to communicate
- Achievable
- Valid
- Meaningful
- Useful
- Transparent
- Timely

## What are the advantages?

ADVANTAGES OF USING LEADING INDICATORS



## What are some common barriers to successful leading indicator implementation?

1. Lack of leadership commitment
2. Lack of best practices or benchmarks
3. Lack of awareness among EHS staff
4. Limited EHS budget

## How do world-class organizations use leading indicators?

Leading indicators play a major role in their decision-making. Companies tie leading indicators to specific EHS performance improvement goals and put an emphasis on tracking key procedure audits and worker engagement actions through EHS meetings, suggestions and ideas. They also tie leader salary bonuses to leading indicator performance rather than lagging indicator performance.

## How can you ensure successful leading indicator implementation?

For successful implementation, gain executive buy-in and attempt to regularly track a small group of consistent leading indicators at the corporate level. Also, it is important to have consistency and alignment between site- and corporate-level metrics. Individual units should monitor additional metrics based on their unique needs.

Leading indicators should be actionable:

1. Identify and implement steps intended to reduce or eliminate risk
2. Create leading metrics on the basis of specific EHS-related actions
3. Build leading metrics into the continuous improvement process right from the beginning

## What can you do today?

If you haven't already begun, here are a few enabling factors:

- Encourage open communication and knowledge sharing
- Use a quality information technology system to track leading indicators
- Link leading indicators to incentives
- Develop proactive safety mindsets among key staff and stakeholders

For an in-depth look into the research and findings of the Campbell Institute and to download a full copy of the white paper *Transforming EHS Performance Measurement Through Leading Indicators*, visit [thecampbellinstitute.org/research](http://thecampbellinstitute.org/research).

