

## Leading indicators vs. lagging indicators



According to the Bureau of Labor Statistics, 5,190 fatal and 2.6 million non-fatal occupational injuries and illnesses occurred in the United States in 2021. These accidents resulted in 70 million lost workdays, and The National Safety Council estimates that they had an economic cost of 167 billion dollars. Sadly, most of these accidents were preventable, especially considering that 33% of all workplace accidents result from slips, trips, and falls.

Eliminating workplace accidents is the goal of any safety program, but it is easier said than done. To embark on this journey, it is crucial to understand the distinction between lagging and leading indicators. Lagging indicators gauge the effectiveness of your safety program by measuring past events such as injuries, illnesses, and fatalities. They provide valuable data that allows companies to analyze trends, update processes, and enhance safety. However, lagging indicators are reactive in nature and only offer actionable insights after an incident has occurred.

In contrast, leading indicators take a proactive and preventive approach toward safety. They provide real-time information about the current safety status of a company, enabling proactive measures to prevent future injuries. For example, if safety audits

reveal a consistent lack of proper fall protection among employees, this serves as an early warning sign that a fall incident may be imminent.

A safety-driven culture is not a destination but a journey – a journey of continuous improvement in processes, practices, systems, and Key Performance Indicators (KPIs). Organizations often start this journey by tracking lagging indicators to ensure compliance. However, as a safety culture matures, the focus shifts towards tracking leading indicators to proactively identify risks and prevent incidents from impacting employees.

"Leading indicators can improve organizational performance in a variety of ways. Employers may find that leading indicators can prevent workplace injuries and illnesses, reduce costs associated with incidents, improve productivity and overall organizational performance, optimize safety and health performance and raise worker participation."

Source: OSHA's using leading indicators to improve safety and health outcomes



# Advantages of tracking leading indicators

Preventing workplace injuries and illnesses is not just a legal and moral obligation but also a wise business decision. Tracking leading indicators can help:



#### Reduce operating costs:

Injuries and illnesses cost companies billions of dollars every year in the United States. Serious injuries can lead to high medical bills, legal fees, settlements, increased insurance premiums, regulatory fines, and the loss of future business. By effectively managing leading indicators, companies can proactively minimize these costs and protect their bottom line.



## Improve safety performance:

Companies with low injury and illness rates are viewed favorably by regulators, potential clients, and most importantly, employees. A strong safety culture translates to less regulatory scrutiny, increased business opportunities, and better access to highly skilled talent in a competitive environment.



#### Increase employee morale:

A safer workplace is built through collective efforts. When employees witness their employer take proactive steps to provide a safer work environment, they are more likely to actively participate in the process. Happy and healthy employees tend to be more productive and are more likely to stay with their employer, reducing turnover costs.



#### Key leading indicators

To effectively monitor safety performance, paying attention to specific leading indicators is crucial. Here are some examples:



**Near-miss data:** A series of near misses often precedes a severe incident. By actively reducing the number of near misses, companies can proactively minimize the occurrence of future incidents.



**Hazard identification:** An increasing number of hazards observed during safety audits indicates a lack of prompt action in addressing site issues. Failure to quickly address these hazards can lead to potential injuries.

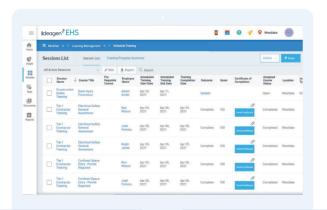


**Safety participation:** A less engaged workforce means a more hazardous workplace. The percentage of your workforce that participates in safety meetings, training, and hazard reduction indicates how seriously your crew takes safety.



**Training hours:** A decline in safety performance generally follows a drop-off in training hours. Employees with more safety training have fewer accidents.

### How to start using leading indicators



#### Collect data

Compile existing data such as injury logs, hazard assessments, training rosters, and other inspections related to safety. This data serves as a foundation for identifying relevant leading indicators.



#### Analyze and look for trends

It is essential to decide what you are trying to learn from the data and then create a systematic approach to find it. Without a well-thought-out strategy for identifying trends, the sheer volume of information can feel overwhelming and produce low-value information.



#### Gain support from leadership

Leading indicators alone cannot drive change; action is essential. Transitioning from a reactive to a proactive safety approach requires buy-in from leadership. Effectively communicating the value of leading indicators and their impact is crucial for obtaining support.

"The top barriers to implementing leading indicators for companies were lack of awareness among EHS staff, limited EHS budget, lack of leadership commitment, and lack of best practices or benchmarks. In contrast, the most important factors enabling companies to implement leading indicators were the leadership commitment, engagement, understanding, and support for implementing leading indicators."

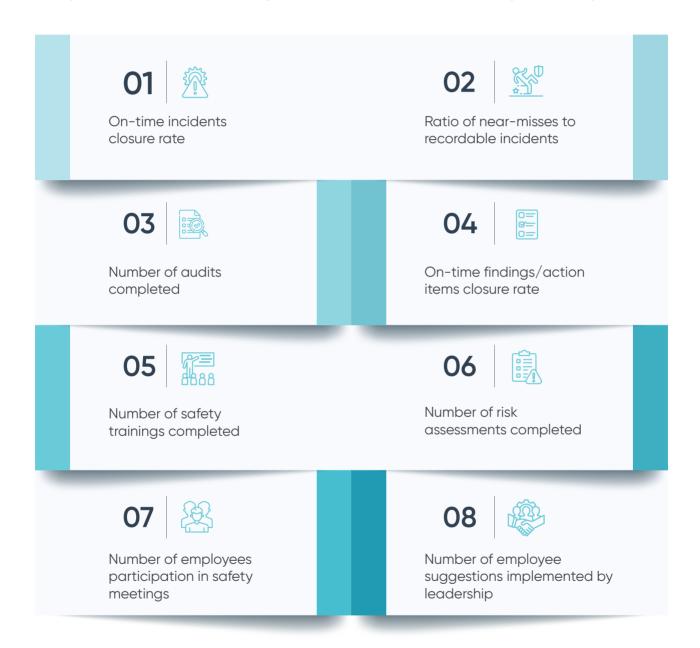
Source: Transforming EHS performance measurement through leading indicators, CAMPBELL INSTITUTE



#### How EHS software simplifies the process

Analyzing company data and identifying actionable leading indicators can be overwhelming, but it does not have to be. An integrated EHS software platform provides actionable insights and simplifies what would otherwise be a difficult task. The platform enables companies to understand their data better, gain new insights into their operations and be proactive in risk mitigation.

For instance, Ideagen EHS empowers organizations to manage business-specific leading indicators, enhancing their safety culture and enabling risk-informed decisions. Ideagen EHS customers track key leading indicators to measure and mitigate incidents in the workplace, including the following.



Transitioning from lagging indicators to leading indicators is a transformative journey for organizations seeking to foster a proactive safety culture. By effectively tracking leading indicators, companies can prevent incidents, reduce costs, improve safety performance, and enhance employee morale. Embracing EHS software simplifies the process, enabling businesses to leverage their data effectively and make informed decisions that prioritize the safety and well-being of their workforce.



