

The Safety System

Your company's safety environment is influenced by several components, which come together in the Safety System.

Together, they help you reduce risk, prevent incidents and measure your progress. The four components are:

- 1. **Safety Activities** are the system's inputs, based on all the safety-related tasks your workers complete.
- 2. **Leading Indicators** measure those inputs and help predict the likelihood of incidents & injuries.
- 3. **ROI** is based on the combination of inputs. It directly affects your workforce and business.
- 4. **Lagging Indicators** display a past snapshot view of your safety performance, measuring output over time.



1. Safety Activities

- Toolbox Talks
- Inspections
- Observations
- Audits
- JHA's
- Training
- High Fives



2. Leading Indicators

Leading Indicators are action-oriented, either corrective or preventive.

The Safety Activities you complete directly relate to your leading indicators, and the sum of them together helps to eliminate incidents.



3. Return On Investment

The incident & events that occur at your sites have a direct impact on your bottom line. Better safety performance leads to:

- Reduction in employee turnover
- Productivity & quality of work
- Strengthened brand reputation
- Access to more revenue opportunities
- Higher Employee engagement scores



4. Lagging Indicators

Lagging Indicators are output-driven, giving you a snapshot of your safety performance after incidents and other events occur.

They are relatively easy to measure, but provide limited insight into how you can improve.

The Cost Calculations

- AVG Cost of LTI = \$106,500
- Top Quartile Incident Reduction = 3.5x Less than Average
- Maximum OSHA Penalty = \$132,598
- Employee Compensation Cost = 1.5% to 3.5% per hour worked as \$ of total compensation

Leadership Checklist

- ✓ Weave Safety into Corporate Strategy
- ✓ Measure Safety Performance
- ✓ CEO is Actively Engaged in Safety

Ratio Voluntary to Reuired

AVG: 28:1

51:1

TOP QUARTILE

Participation Score

AVG: 425

1,768

TOP QUARTILE

% Action Items Completed Early

AVG: 41%

46%

TOP QUARTILE

Ratio of Hazard IDs to Consequences

AVG: 7:1

9:1

TOP QUARTILE

Lost Time Injury Rate

AVG: 1.4

0.5

TOP QUARTILE

% of Incidents Involving Assets

30%

AVG

Total Recordable - TRIF

AVG: 2.88

0.67

TOP QUARTILE