

PRIMATECH WHITE PAPER

HOW TO BENCHMARK SAFETY PERFORMANCE

Adapted from *Health and safety benchmarking: Improving together*, UK Health and Safety Executive.

Introduction

Safety benchmarking is a planned process by which a company compares its safety processes and performance with others to learn how to:

- Reduce rate of accidents
- Meet safety goals in a more effective and efficient way
- Improve compliance with regulations
- Cut costs of compliance

Originally, a benchmark meant a reference point or standard. More recently, benchmarking has developed into a business improvement tool. It can be applied to any area of a company's activities. Benchmarking is not just about comparing data or copying other companies. It is about continuously learning from others, better understanding your company's strengths and weaknesses, and acting on lessons learned to improve performance. Benchmarking is a means to an end, not an end in itself.

Benefits of Benchmarking

- Improve your reputation
- Avoid reinventing the wheel - learn from experience and ideas of other companies by comparing and contrasting how things are done
- Find out where you stand
- Save money and keep your competitive edge - savings can come from reduced insurance premiums, increased productivity, and reduced staff turnover
- Improve safety management and further reduce risks

Benchmarking Process

Safety benchmarking usually involves various people. Both senior management and employee commitment and involvement are needed. The UK Health and Safety Executive has defined a five-step benchmarking process aimed at ensuring continuous improvement:

- Step 1. Deciding what to benchmark
- Step 2. Analyzing your current status
- Step 3. Selecting partner(s)
- Step 4. Working with your partner(s)
- Step 5. Acting on lessons learned

Step 1. Deciding what to benchmark

Both safety processes (how you do things) and safety performance (the results of what you do) can be benchmarked. Processes may be at workplace level (e.g. how you control a particular hazard) or management level (e.g. how you investigate incidents or carry out risk analyses).

Benchmarking performance data such as accident statistics can be useful but they show only the tip of the iceberg. Process benchmarking allows improvements to be made as you examine what is done and how it could be done better.

Usually, high hazard and risk items are addressed first as these are areas where most harm could be done. For example, a company may decide to benchmark their hazard and risk analysis processes. Safety-critical activities can be identified and prioritized for benchmarking using the results of hazard and risk analyses. Company incident history also can be used to set priorities.

Step 2. Analyzing your current status

A snapshot of your current practices that will be benchmarked is needed for comparison with other companies. You need to be able to measure your improvements from benchmarking. You can use numerical or qualitative performance measures, for example, the percentage of process safety action items completed measures or scores from audits.

Note that preparatory work in analyzing your systems may reveal problems that can be resolved without the need to benchmark.

Step 3. *Selecting partner(s)*

If you are part of a large company, you may find partners within the company for internal benchmarking. Smaller companies will probably need to look outside. Partners may be found through trade or business associations or may be neighbors. Trade or business associations may organize benchmarking across an industry.

You may choose to work with one partner or a number of them. There must be a mutual benefit to partnerships. Applicable legal issues must be addressed when partnering with competitors. There are advantages and disadvantages of internal and external benchmarking (see Table).

Step 4. *Working with partner(s)*

During exchanges with partners make sure you really understand what they do, how they do it, and why it may be better than what you do. When exchanging information or data you need to ensure their basis is comparable. For example, you may compare statistics, but if the data are recorded in different ways the comparison will not be valid.

You must respect your partner. Confidentiality must be maintained, keep your side of the bargain, be prepared, keep to schedules, and be appreciative.

Step 5. *Acting on lessons learned*

Remember that the purpose of safety benchmarking is not to copy but to learn from others and take action to improve. You must devise an action plan based on your findings. The plan must fit the culture of your company. Your partner may have a very different culture, and the language and methods they use may need to be adapted for your company. Your plan should be **SMARTT**:

Specific
Measurable
Agreed
Realistic
Trackable
Timebound

Identify what you need to do, who should do it and when. Make sure you get senior management and employee commitment to the action plan. Also, remember the importance of continuous improvement. As standards advance, so should your benchmark. Don't stand still. Benchmarking is a snapshot in time.

References

Health and safety benchmarking: Improving together, Health and Safety Executive, Sudbury, Suffolk, UK, 1999.

Benchmarking Code of Conduct, A European Benchmarking Code of Conduct has been developed (based on a code developed by the American Productivity and Quality Center and the Strategic Planning Institute Council on Benchmarking) which sets out principles of efficient, effective and ethical benchmarking.

Table. Advantages and Disadvantages of Internal and External Partners.

	Internal	External
Advantages	<p>Easier to get information and therefore cheaper.</p> <p>Improves consistency within a company</p> <p>Can help improve communication and information sharing</p> <p>Easier to get management commitment</p> <p>Good practice before looking for an outside partner</p>	<p>With competitors</p> <p>Easy to identify potential partners</p> <p>Can help your competitive edge</p> <p>Use as a marketing feature if you are the benchmark</p> <p>Within the same industry</p> <p>Easy to identify potential partners</p> <p>Often links already exist with potential partners</p> <p>Speak the same language</p> <p>Share issues and concerns</p> <p>Different industry</p> <p>Potential for really innovative ideas</p> <p>No competitor problems</p>

<p>Disadvantages</p>	<p>Doesn't identify overall best practice</p> <p>Can be blinkered.</p>	<p>With competitors</p> <p>Care needed with legal issues</p> <p>Some potential partners may be reluctant</p> <p>Different industry</p> <p>Can be difficult to identify potential partners</p> <p>Results may be less meaningful</p>
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