



**Australian Government**

**Comcare**

**SRC Commission**

# **Positive Performance Indicators**

**Measuring Safety, Rehabilitation and  
Compensation Performance**

## A question for heads of corporate management

*Do you know if prevention and injury management arrangements are operating efficiently in your organisation?*

As part of effective corporate governance, safety, return to work and claims performance should be measured and managed like any other activity in your organisation. The workers' compensation costs that an organisation incurs reflect, in large part, its occupational health and safety (OHS) and injury management performance. Poor OHS performance and, when injury occurs, injured employees remaining off work for extended periods of time, also affect an organisation's productivity, organisational capacity, workplace culture and morale.

### Indicators for achieving targets

Workplace Relations Ministers have endorsed a range of targets as part of the National Occupational Health and Safety Strategy. These targets, if met, will deliver a significant reduction in workplace fatalities and injuries across Australia.

Comcare has developed the publication *Targets for Achieving Better Workplace Health, Safety and Rehabilitation* with advice for agencies outlining how they can contribute to achieving the National Strategy by developing consistent targets at the agency level.

The use of performance indicators is one way of measuring how an organisation is performing. Outcome indicators show if an organisation is achieving its targets while positive performance indicators (PPIs) measure the actions an organisation has taken to achieve targets. Using a mix of both PPIs and outcome indicators will help in achieving performance targets.

**PPIs measure the actions your organisation has taken to achieve targets**

### Relationship between positive and outcome indicators

Good performance against PPIs should lead to good outcome performance.

Outcome indicators are important measures but generally reflect the results of past actions. There is often a time lag between action taken by an organisation to improve performance and any change in actual performance.

Outcome indicators may hide potential risks. For example, having a low incidence of injury does not necessarily mean that adequate safety systems and controls are in place. Examples of outcome indicators are:

- number of claims
- number of days lost
- claim costs.

On the other hand, PPIs allow an organisation to measure activities undertaken, which are designed to positively impact on outcome performance. PPIs may include (see *Examples of positive performance indicators*):

- number of safety audits conducted
- percentage of sub-standard conditions identified and corrected
- percentage of employees with adequate OHS training.

*Cause / effect relationship between positive and outcome indicators*

**POSITIVE PERFORMANCE INDICATORS**

*Are we doing things right?*

**good performance in safety and rehabilitation planned activities**

**OUTCOME INDICATORS**

*Are we doing the right things?*

**reduction in compensation claims, costs and days lost**



**What makes a good positive performance indicator?**

A good PPI measures what is relevant and valuable to the organisation. There are many desirable characteristics in a PPI. Some examples of characteristics are detailed in the table below. Regular refinement against desirable characteristics should assure useful and effective PPIs.

PPI measurement should be based on robust and reliable data collection systems. The following different sources of data may be useful:

- records compiled by other systems
- survey questionnaires or interviews with employees and managers
- audits and inspections
- observations of work practices and behaviour.

Organisations should develop systems which align individual measuring activities to an overall performance measurement framework. Senior management should be able to access summaries of PPI measurement.

**Developing positive performance indicators**

A range of measures should be developed to custom-fit an organisation. Information requirements vary at different levels and in different parts of an organisation.

For example, the information a chief executive needs to know about OHS performance will differ in detail, nature and frequency from that needed by a line manager in a particular location. Senior managers need key PPIs to confirm that OHS and return to work management systems are working effectively. At an operational level, line managers need indicators to monitor the implementation and effectiveness of risk controls.

*Characteristics of PPIs*

<b>Relevant</b>	<i>are linked to organisation's OHS strategic goals</i>
<b>Clearly defined</b>	<i>are easy to understand and collect</i>
<b>Measurable</b>	<i>can be measured objectively</i>
<b>Acceptable</b>	<i>are perceived as fair by staff and managers</i>
<b>Comparable</b>	<i>allow for comparisons over time and to other organisations</i>
<b>Unambiguous</b>	<i>indicate improvement or deterioration in OHS performance</i>
<b>Attributable</b>	<i>allow management to influence results by taking action</i>
<b>Statistically valid</b>	<i>are based on a significant number of occurrences</i>
<b>Timely</b>	<i>represent current performance</i>
<b>Cost effective</b>	<i>balance the costs of collection with their usefulness</i>

Management should work with employees, health and safety representatives and involved unions, as appropriate, to identify relevant PPIs. Employee participation will assist in the acceptance of PPIs and assist the organisation to improve OHS in its workplaces. Discussing the results of performance against these PPIs will highlight areas for improving health, safety and the rehabilitation of injured employees.

**Senior managers need key PPIs to confirm that systems are working effectively**

### Avoiding common problems in developing positive performance indicators

PPIs need to be chosen carefully to ensure that they actually measure parameters relevant to OHS and injury management performance and not simply the overall level of activity within an organisation.

The Audit Commission (UK) points to the following pitfalls as the most common when developing and implementing PPIs:

- **too many PPIs** - risk of collecting so many indicators that it becomes hard to focus on the true performance of the organisation
- **unnecessary PPIs** - risk of defining PPIs which detract from important performance issues
- **irrelevant PPIs** - risk of using indicators which are not relevant for the user
- **obsolete PPIs** - risk of not refining indicators over time.

### Categories of positive performance indicators

Individual PPIs should reflect the characteristics of the OHS and injury management issues and strategies relevant to an organisation. However, there are a number of core indicators that will be common to most organisations. These core indicators reflect the basic activities that all organisations should undertake in managing OHS and the return of their injured employees to work. They are organised into five different categories as shown in the table below:

*Categories of positive performance indicators*

<b>Risk management</b>	<i>workplace hazards are identified and associated risks are eliminated or controlled</i>
<b>Management of work processes</b>	<i>safe systems of work and effective injury management practices are implemented</i>
<b>Participation, communication and skills</b>	<i>employees are trained and educated and are actively involved in problem solving</i>
<b>Planning, design and procurement</b>	<i>OHS is addressed in the design, planning and procurement phases and activities of projects</i>
<b>Monitoring and review</b>	<i>OHS and injury management is self-assessed and/or independently audited for effectiveness of systems and practices</i>

## Examples of positive performance indicators

The following list shows some selected examples of PPIs covering the five categories described. The PPIs an organisation might choose to use will reflect its OHS and return to work management practices.

<b>Risk management</b>	<ul style="list-style-type: none"><li>• % of planned risk assessments completed</li><li>• % of planned workplace OHS inspections completed</li><li>• % of reported incidents investigated</li></ul>
<b>Management of work processes</b>	<ul style="list-style-type: none"><li>• Results of inspections - ratings</li><li>• % of risk assessment recommendations implemented</li><li>• % of OHS inspection recommendations implemented</li><li>• % of incident investigation recommendations implemented</li><li>• % of the OHS annual action plan achieved</li><li>• % of injured workers who have been offered support to return to work</li></ul>
<b>Participation, communication and skills</b>	<ul style="list-style-type: none"><li>• Employee perception of management commitment - survey</li><li>• % of staff with adequate OHS training</li><li>• % of attendance at OHS committee meetings</li><li>• % of OHS committee recommendations implemented</li><li>• % of health and safety representatives (HSR) positions filled</li><li>• % of issues raised by HSR actioned</li><li>• % of staff provided with training and/or information about how to access support to return to work following an injury</li><li>• % of managers and supervisors trained in their role and responsibility for managing staff with work-related injuries</li></ul>
<b>Planning, design and procurement</b>	<ul style="list-style-type: none"><li>• % of services contracts with OHS clauses</li><li>• % of major purchases made with OHS risk assessment</li><li>• % of new design changes with OHS risk assessment</li></ul>
<b>Monitoring and review</b>	<ul style="list-style-type: none"><li>• % of planned OHS systems audits undertaken</li><li>• % of OHS systems audit recommendations implemented</li><li>• % of Return to Work (RTW) management systems assessments undertaken</li><li>• % of RTW management systems assessment recommendations implemented</li><li>• % of recommendations from claims management systems audits implemented</li></ul>

### Further information

You can find further information on developing positive performance indicators at the Comcare website [www.comcare.gov.au](http://www.comcare.gov.au)

For further information contact

Comcare  
GPO Box 9905

Canberra ACT 2601

Telephone - 1300 366 979

Internet - [www.comcare.gov.au](http://www.comcare.gov.au)

PUB 10 (Jun04)