Tactic 7
Scoring EHS Program Results

Step 1. Assemble all your key EHS results and indicators

The term “key” refers to the major or most important elements or factors that you use to advise management of the “value” of the EHS program to the organization — those critical to achieving your intended EHS program outcome. These results and indicators are the essential elements for pursuing or monitoring your targets and objectives. You should not include results that are only prepared for submitting to regulatory agencies to demonstrate your compliance to rules and regulations unless these results contribute to the specific wording of the company’s vision, mission statement, and guiding principles.

Step 2. Prepare a description of how your facility or corporate organization operates

You need to start thinking about your organizational environment and how your EHS results and indicators contribute directly to the purpose, vision, mission, and values of your organization. Use of such terms varies depending on the organization. Some organizations might not use one or more of these terms. Nevertheless, you need to have a clear understanding of the essence of your business — why it exists and where your senior leaders want to take the business in the future. Clarity on this subject will help you determine where your EHS results affect the future of your organization.

The regulatory environment in which you operate places requirements on your organization and impacts how the business is operated. Understanding this environment is the key to helping your leadership make effective operational and strategic decisions. A hallmark of leading organizations is the ability to move beyond mere compliance with the minimum requirements of applicable laws and regulations.

Leading organizations have well-defined governance systems with clear reporting relationships. It is important to know where the EHS function fits into the organization and the access that senior leaders have to EHS information.

Next, you need to consider the organizational challenges faced by your leaders. This section addresses the competitive environment in which your organization operates and the key strategic challenges faced by your leaders. Knowledge of an organization’s strengths, vulnerabilities, and opportunities for improvement and growth is essential to the success and sustainability of the business. Having this knowledge, you can identify how EHS issues affect products, service offerings, processes, and performance attributes that are unique to your organization; those that set you apart from your competitors; and those that help you sustain your competitive advantage.

Tip: Leading organizations have an in-depth understanding of their current competitive environment, including the factors that affect day-to-day performance and factors that could impact future performance. Your EHS issues are a part of that competitive environment. Through your trade association or other group, you should understand how your competitors are approaching EHS issues.

Operating a business in today’s highly competitive marketplace provides many strategic challenges that can affect your organization’s ability to sustain performance and maintain its competitive advantage. These challenges might include:
Making the Business Case for EHS

- Operating costs (e.g., material, labor, or geographic location)
- Expanding or decreasing markets
- Mergers or acquisitions by both your organization and by your competitors
- Economic conditions, including fluctuating demand and economic downturns both local and global
- The cyclical nature of your industry
- The introduction of new or substitute products or services, possibly based on a disruptive technology
- Rapid technological changes
- New competitors entering the market

In addition, your organization may face challenges related to the recruitment, hiring, and retention of qualified employees. Where do your EHS issues fit into this mix of business issues?

Here are the questions that need to be answered to prepare this organizational profile:

**Organizational Environment**

1. What are your organization’s main products and services? Are there EHS issues associated with these products and services?
2. What is your organizational culture? What are the organization’s stated purpose, vision, mission, and values?
3. What is your employee profile? What are the special health and safety requirements for these employees?
4. What are your major technologies, equipment, and facilities? What are the key EHS issues with these items?
5. What is the regulatory environment under which your organization operates? What are the applicable occupational health and safety regulations; environmental regulations; accreditation, certification (e.g., ISO 14001 certification required by a customer), or registration requirements; relevant industry standards (e.g., Responsible Care for the chemical industry); and financial and product regulations?

**Organizational Relationships**

1. What are your organizational structure and governance system? What are the reporting relationships among your board of directors, senior leaders, parent organization, and EHS management, as applicable?
2. What are your key customer and stakeholder groups and market segments, as appropriate? What are their key requirements and expectations for your products, services, and operations?
3. What role do suppliers and distributors play in your value creation and key process support processes? What are your most important supply chain requirements? How does EHS get involved with suppliers and distributors?
4. What are your key supplier and customer partnering relationships and communication mechanisms?
Determine the number of your key EHS results and indicators that contribute directly to any of the items listed in your organizational performance. Make a list of these results and indicators and provide a statement of how each contributes to the overall organization's performance. YOUR SCORE FOR THIS SECTION IS THE PERCENTAGE OF YOUR TOTAL EHS RESULTS AND INDICATORS THAT ARE ON YOUR LIST. The maximum score for this step is 100 points.

Step 3. Prepare a description of the organization’s key business results

The Baldrige model (see description in Tactic 6) addresses five categories of key business results. These results categories provide a results-focus that encompasses the organization’s objective evaluation and its customers’ and other stakeholders’ evaluation of the products and services, its overall financial and market performance, its leadership systems and social responsibility results, and results of all key processes and process improvement activities. Management uses these business results to attain and maintain superior value of offerings as viewed by your customers, marketplace, and stakeholders; superior organizational performance as reflected in your operational legal, ethical, and financial indicators; and the maintenance of organizational and personal learning. These key business results provide “real time” information (measures of progress) for evaluation and improvement of processes, products, and services that are carefully aligned with the business’s overall organizational strategy.

1. Product and Service Outcomes

What are your organization’s current key measures or indicators of product and service performance that are important to the customers and other stakeholders? How do these results compare to those of the organization’s competitors?

This item examines your organization’s key product and service outcomes, with the aim of delivering product and service quality that leads to customer satisfaction, loyalty, and positive referral. Emphasis is placed on measures of product and service performance that serve as indicators of customers’ views and decisions relative to future purchases and relationships. The correlation between product and service performance and customer indicators is a critical management tool with multiple uses: (1) defining and focusing key quality and customer and other stakeholder requirements; and (2) identifying product and service attributes and evidence of customer satisfaction and loyalty, as well as positive referrals. The correlation might reveal emerging or changing market segments, the changing importance of requirements, or even the potential obsolescence of product or service offerings.

2. Customer- and Other Stakeholder-Focused Results

What are the organization’s key measures or indicators of customer satisfaction and dissatisfaction? How is the satisfaction of other stakeholders measured? How do these measures compare with competitors’ levels of customer and other stakeholder satisfaction?

What are the key measures or indicators of customer-perceived value, including customer loyalty and retention, positive referral, and other aspects of building relationships with customers?

This item examines your organization’s customer- and other stakeholder-focused measures of performance with the aim of demonstrating how well your organization has been satisfying your customers and has developed loyalty, repeat business, and positive referral and how this is viewed by
other stakeholders. The results rely on all relevant data to determine and help predict how your organization’s performance is viewed by your customers and other stakeholders.

**Tip:** Leading organizations realize that loyalty, repeat business, and longer-term customer relationships are better indicators and measures of future success in the marketplace and of organizational sustainability.

### 3. Financial and Market Results

What are the organization’s key measures or indicators of financial performance, including aggregate measures of financial return and economic value?

What are the organization’s key measures or indicators of marketplace performance, including market share or position, business growth, and new markets entered?

This item examines your organization’s key financial and market results with the aim of understanding your financial sustainability and your marketplace challenges and opportunities. These are the measures that are closely tracked by senior leadership on an ongoing basis to assess the organization’s performance. Appropriate financial measures and indicators might include the following: revenue (top line); profits or loss (bottom line); cash flow; earnings per share; and financial returns. Marketplace performance measures might include market position, market share, measures of business growth, new products or services and markets entered, and the percentage of sales derived from new products or services.

### 4. Human Resources Results

What are your organization’s key measures or indicators of work systems performance and effectiveness?

What are your organization’s key measures or indicators of employee learning and development?

What are your organization’s key measures or indicators of employee well-being, satisfaction, and dissatisfaction?

This item examines your organization’s human resources results with the aim of demonstrating how well your organization has been creating and maintaining a productive, learning, and caring work environment for all employees. Results measures for work system performance may include improvement in job classification, job rotation, work layout, and local decision-making. Results should be focused on data that show effectiveness and outcomes. An example of an outcome measure might be the productivity enhancements or cost savings resulting from the redesign of work processes by work teams. Results reported might include generic or organization-specific factors. Generic factors include safety, absenteeism, turnover, satisfaction, and complaints or grievances. Organization-specific factors are those that the facility assessed for determining its work system performance and its employees’ well-being and satisfaction. These factors might include the extent of training or cross-training or the extent and success of self-direction.
5. Organizational Effectiveness Results

What are your organization’s key measures or indicators of the operational performance of its key value creation processes? Include productivity, cycle time, supplier and partner performance, and other appropriate measures of effectiveness and efficiency.

What are your organization’s key measures or indicators of the operational performance of other key processes? Be sure you include the following measures: productivity, cycle time, supplier and partner performance, and other appropriate measures of effectiveness and efficiency.

This item examines the organization’s other key operational measures of performance not reported in the previous four categories, with the aim of achieving organizational effectiveness and process efficiency. Organizations develop and use unique and innovative measures to track key processes and operational improvement. All key areas of business and operational performance should be evaluated by measures that are relevant and important to the organization. Measures and indicators of operational effectiveness and efficiency might include reduced emission levels, wastestream reductions, by-product reuse, and recycling; internal responsiveness indicators such as cycle times, production flexibility, lead times, set-up times, and time to market; business-specific indicators such as innovation rates and increased use of e-technology, product and process yields, Six Sigma initiative results, and delivery performance to request; supply chain indicators such as reductions in inventory and incoming inspections, increases in quality and productivity, improvements in electronic data exchange, and reductions in supply chain management costs; and third-party assessment results such as ISO 9000, ISO 14001, and OHSAS 18001 audits.

6. Leadership and Social Responsibility Results

What are the key measures or indicators of accomplishment of your organization’s strategy and action plans?

What are the key measures or indicators of ethical behavior and stakeholder trust in the senior leaders and governance of the organization? What are the key measures or indicators of breaches of ethical behavior?

What are the measures or indicators of fiscal accountability, both internal and external to the organization?

What are the results for key measures or indicators of regulatory and legal compliance?

What are the results for key measures or indicators of organizational citizenship in support of the key communities?

This item examines your organization’s key results in the areas of leadership and societal responsibilities with the aim of maintaining a fiscally sound, ethical organization that is a good citizen in its communities. A key challenge for many organizations is finding appropriate measures for tracking their progress in accomplishing these strategic objectives. Independent of national and international focus on issues of governance, ethics, and leadership accountability, it is important for organizations to practice and demonstrate high standards of overall conduct. Measures should include environmental, legal, and regulatory compliance and noteworthy achievements in these areas, as appropriate. Results should also include indicators of support for key communities and other public purposes. If your organization has received sanctions or adverse actions under law, regulation, or contract during the past 3 years, the incidents and their current status should be summarized.
Determine the number of your key EHS results and indicators that contribute directly to any of the items listed in your description of key business results. Make a list of these results and indicators and provide a statement of how each contributes to the key business results. **YOUR SCORE FOR THIS SECTION IS THE PERCENTAGE OF YOUR TOTAL EHS RESULTS AND INDICATORS THAT ARE ON YOUR LIST.** The maximum score for this step is 100 points.

**Step 4. Score each of your key EHS results and indicators**

Using the list of EHS key results and indicators assembled in Step 1, score each using the four categories:

1. Importance of the results or indicators to the organization;
2. Extent to which the results or indicators were planned;
3. Whether the results or indicators were tracked and trended; and
4. Extent to which the results or indicators were benchmarked against other organizations.

**1. Importance of the results or indicators to the organization**

0% – 5% There is little to no connection between the EHS results and indicators and the business results and organizational description and challenges.

10% – 25% A few connections of the EHS results and indicators to the business results and organizational description and challenges are observed; there are some improvements and/or alignment between the EHS results and the business results in a few areas.

30% – 45% Improvements are made with connections between the EHS results and the business results and organizational description; EHS results appear more business-like.

50% – 65% More EHS results and business results are being combined, and there is a contribution noted to the organizational description and challenges indicators.

70% – 85% Integration of EHS results and indicators with business results and indicators is good and the contribution to the organizational description and challenges is clear.

90% – 100% Integration of EHS results and indicators with business results is excellent and their contribution to the organizational description and challenges is without question complete.

**2. Extent to which the EHS results or indicators were planned**

0% – 5% No written action plans available.

10% – 25% Some evidence of action planning was observed.

30% – 45% Early stages of developing formal action plans that outline steps taken to ensure that the EHS results or indicators will be favorable.

50% – 65% Action plan was prepared to address this EHS result or indicator but the desired measure of performance was not attained.

70% – 85% Action plan was prepared to address this EHS result or indicator and there was improvement toward meeting the performance objective.

90% – 100% Action plan was prepared to address this EHS result or indicator and there was good correlation between what was expected and what was obtained.
Eight Business Value Tactics

3. Whether the EHS results or indicators were tracked and trended over time

0% – 5%  Trend data are either not reported or show mainly adverse trends.
10% – 25% Little or no trend data are reported.
30% – 45% Early stages of developing trends are evident.
50% – 65% No pattern of adverse trends and no poor performance levels are evident in areas of importance to your organization’s key business requirements.
70% – 85% Most improvement trends and/or current performance levels are sustained.
90% – 100% Excellent improvement trends and/or sustained excellent performance levels are reported in most areas.

4. Extent to which the EHS results or indicators were benchmarked

0% – 5%  Comparative benchmarked information for results is not reported.
10% – 25% Little or no comparative information is reported.
30% – 45% Early stages of obtaining comparative information are evident.
50% – 65% Some trends and/or current performance levels – evaluated against relevant comparisons and/or benchmarks – show areas of good to very good relative performance.
70% – 85% Many to most reported trends and/or current performance levels – evaluated against relevant comparisons and/or benchmarks – show areas of leadership and very good relative performance.
90% – 100% Evidence of industry and benchmark leadership is demonstrated in many areas.

Each of the four scoring areas will be based on the basis of 100 potential points for each EHS result or indicator. Prepare a sum of all the EHS results and indicator scores and divide the total by the number of EHS results and indicators that were scored. Divide the result by four since each result was scored against four categories. This will provide a score for Step 4. The maximum score for this step is 100 points.

Step 5. Score your overall EHS results and indicators management program

This step examines how your EHS department uses EHS results and indicators as strategic objectives to integrate EHS into the core business functions. It also examines how your EHS department assesses progress relative to integration effort. The aim is to ensure that your EHS strategies are successfully deployed for goal achievement and carefully aligned with the overall business objectives and targets.

How do you develop and deploy EHS action plans to achieve your own key strategic objectives? How do you request, obtain, and allocate resources to ensure accomplishment of your EHS action plans? How do you ensure that the key changes resulting from your EHS action plans can be sustained?

How do you establish and deploy modified EHS action plans if circumstances require a shift in plans and rapid execution of new plans?

What are your key short- and longer-term EHS targets and objectives? What are the key changes, if any, in your business that may impact how you will operate?
What are your key human resource plans that derive from your short- and longer-term strategic objectives and EHS action plans?

What are your key measures of performance or indicators for tracking progress on your EHS action plans? How do you ensure that your overall EHS action plans measurement system reinforces organizational alignment? How do you ensure that the measurement system covers all key EHS deployment areas and stakeholders?

For these key measures of performance or indicators, what are your performance projections for both your short- and longer-term EHS planning time horizons? How does your projected EHS performance compare with the projected EHS performance of your competitors or comparable organizations? How does it compare with key benchmarks, goals, and past performance, as appropriate? If there are current or projected gaps in EHS performance against your competitors, how will you address them?

You will score your EHS program to manage your results and indicators in each of the following four categories:

1. Approach used by the results management program
   a. Methods used to accomplish the management of the EHS results
   b. Appropriateness of the methods to the organization
   c. Effectiveness of your use of these methods
   d. Degree to which the approach is repeatable and based on reliable data and information

2. Manner in which this results management program is deployed
   a. Approach is applied in addressing EHS results relevant and important to the organization
   b. Approach is applied consistently
   c. Approach is used by all appropriate work units
   d. Approach is clear to managers and workers alike

3. Learning that takes place within the program
   a. Approach is refined through cycles of evaluation and improvement
   b. Breakthrough change to the approach is encouraged through innovation
   c. Sharing of refinements and innovation is encouraged with employees and other functional managers in your organization

4. Integration of the EHS results management program with the business results
   a. Approach is aligned with the organizational information obtained in Step 2
   b. Measures, information, and improvement systems are complementary with other business improvement efforts (e.g., Lean, Six Sigma, and operational excellence programs)
   c. Plans, processes, results, analyses, learning, and actions are harmonized across the organizational units to support organizationwide goals

Score your EHS organization's ability to manage EHS results and indicators in each of the four categories below using 100 points for each category.
Eight Business Value Tactics

1. Approach

0% – 5% No systematic approach is evident.
10% – 25% The beginning of a systematic approach to managing EHS results and indicators is evident.
30% – 45% An effective, systematic approach has been developed and has had some initial success at managing EHS results and indicators.
50% – 65% An effective, systematic approach has been developed and has demonstrated success with a growing number of EHS results and indicators.
70% – 85% An effective, systematic approach has been developed and merges itself with the approach of the overall organization uses to manage the business.
90% – 100% An effective, systematic approach has helped integrate EHS results and indicators into the core business.

2. Deployment

0% – 5% Little to no deployment of an approach is evident.
10% – 25% Approach is in the early stages of deployment in most work units but with little impact on the EHS results or indicators.
30% – 45% Approach is deployed, although some areas or work units are in the early stages of deployment.
50% – 65% Approach is well deployed, although deployment may vary in some areas or work units.
70% – 85% Approach is well deployed, with no significant gaps.
90% – 100% Approach is fully deployed, without significant weaknesses or gaps in any of the work units.

3. Learning

0% – 5% An improvement orientation is not evident; improvement is achieved only through reacting to problems.
10% – 25% Early stages of a transition from reacting to problems to a general improvement orientation are evident.
30% – 45% The beginning of a systematic approach to evaluation and improvement of the management of EHS results and indicators is evident.
50% – 65% Systematic evaluation and improvement and organizational learning are in place for improving the efficiency and effectiveness for the EHS management of results and indicators.
70% – 85% Systematic evaluation and improvement and organizational learning are in place for the EHS management program; there is clear evidence of refinement and innovation as a result of EHS program analysis and sharing.
90% – 100% Systematic evaluation and improvement and organizational learning are now shared throughout the organization; refinement and innovation, backed by analysis conducted by EHS in concert with others in the organization, create new ways to manage the organization’s results and to include EHS results in the organization’s key results.
4. Integration

- 0% – 5% No organizational alignment is evident.
- 10% – 25% Approach to managing EHS results and indicators is aligned with other areas or work groups largely through joint problem solving.
- 30% – 45% Approach to managing EHS results and indicators is in the early stages of alignment with overall basic organizational needs identified in Steps 2 and 3.
- 50% – 65% Approach to managing EHS results and indicators is aligned with organizational needs identified in Steps 2 and 3.
- 70% – 85% Approach to managing EHS results and indicators is integrated with organizational needs identified in Steps 2 and 3.
- 90% – 100% Approach is well integrated with the organizational needs identified in Steps 2 and 3.

Add the total number of points (i.e., from the four categories above) and divide the total by four. The maximum score for this step is 100 points.

Step 6. Determine the score of your EHS results and indicators

Add the four scores (i.e., Step 2, Step 3, Step 4, and Step 5). This is your final score. The maximum score for this tool is 400 points.
### Table 1. List your KEY EHS results.

<table>
<thead>
<tr>
<th></th>
<th>Management Acceptance</th>
<th>Baldrige Acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Emissions of NOx</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Copper concentration in wastewater</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Number of employees trained</td>
<td></td>
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</tr>
</tbody>
</table>

**TOTALS**

*Directions:* Divide each total by the number of KEY EHS results on the list.

Percentage of the KEY EHS results in meeting management definition of importance

Percentage of the KEY EHS results fitting the Baldrige results criteria
Table 2. Score each of your KEY EHS results.

<table>
<thead>
<tr>
<th>Key EHS Results</th>
<th>Importance</th>
<th>Planned</th>
<th>Trend</th>
<th>Benchmark</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
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Directions:

Divide the TOTAL by 4

Divide by the number of KEY EHS results to obtain the Average Score of YOUR KEY EHS Results
### Table 3. Managing your KEY EHS results.

1. Approach used to manage your results
2. Deployment of your approach
3. Lessons learned through management
4. Integration in business

**TOTAL**

*Directions:* Divide the TOTAL by 4
Table 4. EHS Results SCORECARD

1. Percentage of the KEY EHS results and indicators that management would find important and valuable to the organization

2. Percentage of the KEY EHS results and indicators that can be included in the Baldrige results criterion

3. Average score of your KEY EHS results

4. Average score of your KEY EHS results management program

**TOTAL RESULTS SCORE**