



Learning From Incidents: Protips Part 4 (KPIs)

It is often said that the only good thing about an incident is that it presents an opportunity to learn. Alas, our work over the years has demonstrated that actual learning and improvement is rare, in part because very few organizations measure anything meaningful around the business processes that handle incidents.

In a general sense, Key Performance Indicators (KPIs) are used for measuring progress, setting targets for improvement, and for benchmarking with other organizations or other departments. None of the commonly used KPIs related to incidents, such as injury rates, number of actions (where more is erroneously thought better) and action close out time, have anything to do with improving how the business operates. In contrast, vPSI Metrics directly reflect what an organization is doing today to make tomorrow's workplace less risky than it was yesterday.

vPSI has 20 years of experience using our unique KPIs to measure



how well organizations of all kinds learn from things going wrong, and it turns out every company has lots of room for improvement in this area, no matter how good their conventional safety metrics are. When confronted with this fact, most HSE people will say, "No thanks, we're already good at this," despite a total lack of evidence to support such a claim. When pressed further, low injury-based metrics, such as TRIR or its ilk, are usually cited.

Unfortunately, getting injury-based rates under control is a double-edged sword; the more successful you are at managing them and the lower they go, the less useful they become as a safety performance metric. The validity of such metrics has long been in question and somewhat depends on value and the population size. For example, for a large organization, a high injury rate is a useful piece of information, and bene-

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ficial changes can be reflected in its reduction. On the other hand, a small population or a very low injury rate will make it difficult or impossible to demonstrate a cause and effect relationship between any fluctuation in the figures and actions the entity has taken. One clue that injury-based metrics have outlived their usefulness is that the organization finds itself accruing millions of manhours without an injury statistic to record.

There's no doubt that reaching the point where success intersects with statistical meaninglessness is an achievement, but to improve upon

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It's a Milestone Anniversary for vPSI!

The Holiday Inn bar in Duncan, Oklahoma, might seem an unlikely setting, but that's where the philosophical discussions that led to the founding of vPSI Group happened in January 2001. Who would have thought that 20 years later we'd be entering our third decade of business? A lot has changed in that time, but our commitment to helping our clients learn from and prevent unplanned events remains the same. We continue to spread the performance measurement and improvement word, doing our part to make the world a better place one company at a time.



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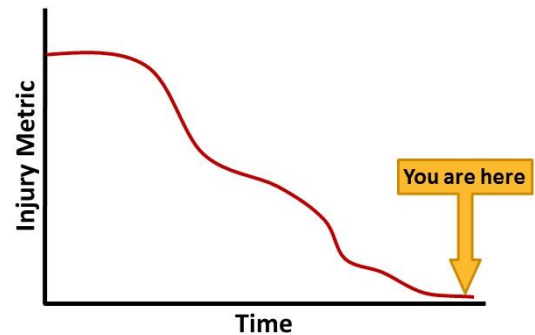
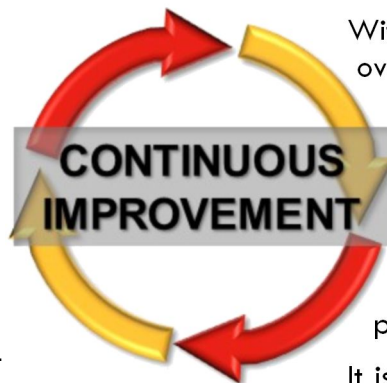
such an enviable track record, it's time to start measuring something else. Useful insight can be obtained by measuring how well the company reduces risk through learning from the things that did go wrong, whether they were loss-free events, led to a non-injury type loss, or the resulting injuries did not reach the threshold for lost time or reporting / recordability. There are obvious moral reasons for improving learning from unplanned events, as well as strong business drivers related to reduction of resource spend and waste. That's where vPSI Metrics come in.

Let's be clear on one thing... not all incidents are worth learning from and those that are not when viewed from a risk perspective are excluded from vPSI KPIs. It's a fine line that separates valuable systemic learning from bureaucracy, and since the only organization-wide learning retention vehicles are management systems and business processes, it is important to encourage modifying these only based upon improvement opportunities valuable enough to justify doing so.

Simple is good, and boiled down to the essentials, there are only three stages of organizational learning. vPSI metrics are designed to provide comprehensive insight into all of them:

- Knowing about opportunities for improvement
- Coming up with things to do about them
- Doing those things

The vPSI Awareness Index essentially measures the organization's recognition of improvement opportunities before they result in harm. It rewards and encourages near miss reporting and the value these events offer as opportunities to identify and learn from problems before a significant loss is incurred. Unlike traditional "safety" metrics, harm is not limited to medical treatment and instead applies to ANY type of adverse consequence that has a realistic potential to arise from an unplanned event.



Bringing opportunities to the attention of the organization is only the first step; unplanned events must then be analyzed, and effective corrective actions developed. The vPSI System™ includes a simple method for validation, or quality control, of the output of the analytical effort. Each action presented from the analysis is scored with respect to its route to implementation, relevance, real-life effectiveness, permanence, and breadth of application. It's worth noting that the method of analysis used has absolutely no bearing on the quality of learning action developed and in fact some of the most heinous pseudo-corrective actions are output from commonly used "sophisticated" and so-called "root cause" analytical techniques.

With all actions scored, we have a picture of the overall quality of the investigation's impact on the future probability of the unplanned event repeating. This is called the report's "vPSI Rating" and provides a structured means to assess the work of each investigation team. The vPSI Solutions / Planning Index is calculated from an aggregation of individual vPSI Ratings across a population of investigation reports.

It is a truism to say that until you actually do something you have not done anything, meaning all the recommendations in the world won't change workplace risk until they transition from aspiration to reality. The purpose of the vPSI Implementation Index is simply to make sure that corrective actions are followed-up and completed.

The three vPSI indices individually measure the three stages of organizational learning. Combining them

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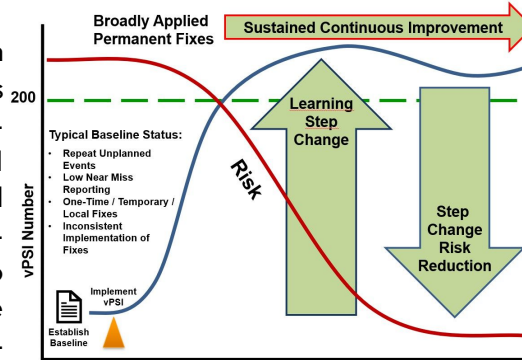
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provides a high-level KPI which reflects how an entity identifies and learns from improvement opportunities such as unplanned events, including those presented by incidents. This is the vPSI Number™, and it ranges from zero to 300, with zero being the “maximum opportunity for improvement” end of the scale.

The insights provided by vPSI Metrics are new to most organizations and can be an uncomfortable revelation, especially for those describing themselves as already having a learning or continuous improvement culture. A vPSI Metrics baseline assessment invariably reveals an initial vPSI Number™ around 50, with 62 being the highest ever recorded in our 20 years of experience.

Once the initial baseline assessment has been digested and im-



plementation of the vPSI System™ begun, however, the benefits of these KPIs quickly become apparent, especially to those being measured. No longer are they subject to the vagaries of chance associated with traditional injury-based metrics; instead they are in full control of their performance.

What gets measured gets managed, and the innovative vPSI Metrics reward the development and implementation of long term, systemic actions that permanently eliminate risks from an organiza-

tion, thereby measuring and maintaining organizational learning until it is deeply rooted in the culture of the organization.

Once an organization reaches the vPSI Number™ performance target threshold of 200, they have achieved a step change improvement in organizational learning, with an accompanying step change reduction in workplace risks. Maintaining the vPSI Number™ above 200 provides ongoing and measurable proof that they are a continuous improvement organization, and they will continue to reap significant reductions in risks and costs.

Next time you hear someone lament the lack of a valid and useful safety KPI, tell them to give us a call. We’ve got their number.

Out and About



Sue Staley (Sustainability Director), Norman Ritchie (Co-Founder and Director), and Charity Yauger (Creative Director)

We recently pulled out our gear for another exhibition, this time the 2021 UTA Oil and Gas Conference at the Marriott Marquis in Houston, Texas. It was December 14th and 15th, the last one of the year. There were two new winners of our beautiful Yeti

tumblers, selected via business card drawing.

Look for us at future conferences for your chance to win!

Combining Business with Pleasure

There are few opportunities for travel at the moment, so we’re opening up the archive to take a wistful look at past adventures...

This picture of Copenhagen, Denmark was taken by vPSI co-founder Norman Ritchie in 2007 while training Dong Energy (now Ørsted Energy Company) employees on the vPSI System™.





The vPSI System™



Data Quality Ladder

FACT	Direct accounts, verifiable measurements
Deduction	Logical inference
Assumption	Connecting ideas to partial or separate
Opinion	View is based on job or work experience
Belief	A strongly held conviction
Hearsay	Second or third hand information
Guess	View is "wild" or "educated" (HICs or DMAs)
Fantasy	Not based in reality

