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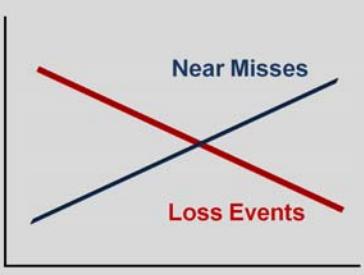
Winter 2011

### What's Your Problem? Really, We Want to Know...

"Culture eats strategy for breakfast" is a remark often attributed to the late Peter F. Drucker. This is true in many areas of business and particularly in loss prevention, where culture has an enormous impact on outcomes.

Strategically, businesses clearly benefit from knowing about and resolving problems before they result in a loss, but significant cultural and organizational barriers to reporting exist, especially with respect to no-harm events (call them whatever you like: near miss / hit, close call, IWOL, narrow squeak). The real question is, "What do I need to do to encourage employees to report injuries and near-misses?" The answer is to address the perceived negative issues upfront, thereby providing an environment that will encourage employees to report this information.

This article offers pointers on addressing commonly identified cultural and organizational barriers to reporting.



1. Make problem reporting quick and easy. If the process is time consuming and / or cumbersome it simply means more work for already busy people.
2. Assign someone other than the person who reports the problem the task of investigation and solution design. Again, already busy people are unlikely to want to create more work for themselves.
3. Develop the organization's incident reporting procedure in a way that ensures the output of the investigation is implemented, or provides credible feedback to the report generator on why nothing was done. People will soon stop reporting problems if they see nothing change.
4. People who report lots of problems should be lauded as being observant and aware of what is going on around them. Unfortunately, in many cases, people who report incidents find their competency being questioned.
5. If the organization requires post-

### What's it Worth?

There is real business benefit in identifying and resolving problems pre-loss. While there is much debate regarding the average cost of an injury event (in particular the relationship between direct and indirect costs), even at the low end of the opinion spectrum the impact is acknowledged to be significant. When an issue is reported as an audit finding, observation or near miss, then fully investigated and effective corrective actions implemented, the likelihood of a bottom line impact arising from that problem has either been eliminated or at least significantly reduced. Even allowing for the probabilistic nature of each individual potential loss, these incremental gains become significant when aggregated across an organization.

The business value of pre-loss intervention is not limited to problems that attract the "safety" label. There are obvious benefits of avoiding other adverse consequences such as downtime, delays, spills, service quality deviations, defects, scrap or re-work.

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incident drug / alcohol screening, those who fear the results, and even some who fear going into a medical facility, will go to great lengths to "hide" the incidents.

6. If the employee needs no medical attention or if they have a great medical plan and don't anticipate missing any work days, they have no financial reason to report the incident. Add in an abundance of paid sick days and they may actually be better off financially using the medical plan and sick days rather than filing a Workers' Compensation claim. In many jurisdictions, injured employees may not be paid for the first few days they are away from work.

7. Clarify and resolve possible misperceptions of what counts as an incident. New York City based safety consultant Jim Wright comments: "A few years back, with a very large public entity client, we facilitated focus groups of staff who had reported multiple claims (incidents and injuries) over a relatively short time period. The results were pretty startling. The staff told us that they did not consider themselves injured on the job unless they lost time from work."

*Continued on page 3...*

# H-E-A-R SAY

## Gary STEPS Up

Gary Reznicek, vPSI Group Senior Consultant, was recently elected Vice President of the Greater Houston STEPS Network,



President of the Greater Houston STEPS Network, an alliance formed to promote safety, health, and environmental

improvement and awareness in the oil and gas exploration and production industry.

Before joining vPSI Group in 2008, Gary worked for almost 30 years at an independent insurance brokerage, where he was tasked with identifying and communicating potential risks to clients while retaining those same clients as customers. It was here that he first recognized the organizational causes of incidents, and the futility of trying to change a company from the bottom up.

STEPS initially stood for South Texas Exploration and Production Safety, reflecting its original formation in Corpus Christi when in 2003 the local OSHA office reached out to BP, Shell, Exxon, and their contractors. Since then, STEPS has been recognized by OSHA as a Best Practice and has expanded to eight independent organizations



across the country, including the Greater Houston STEPS Network, which stands for Service, Transmission, Exploration & Production Safety. There are six other STEPS organizations anticipated in the near future.

Individuals and companies join the STEPS network for a variety of reasons. Many join for the chance to network while they learn about safety in the industry. Some join to increase the impact of their safety efforts. Others, like Gary, join because they see the need for action. Gary's vision for the Greater Houston STEPS Network is to provide a forum for effective knowledge sharing and cooperation between regulators, large operating companies and contractors.

In addition to his work with STEPS, Gary is also heavily involved with the Gulf Coast Section of the AIHA. The American Industrial Hygiene Association is an organization dedicated to serving the needs of occupational and environmental health and safety professionals working in industrial hygiene.

Gary invited attorney Phillip Hilder to speak at the local section's first meeting of 2011 on January 20th at

Brady's Landing on the Houston Ship Channel.



Mr. Hilder was formerly the attorney-in-charge of the United States Department of Justice Organized Crime Strike Force at the Houston Field Office.

Mr. Hilder represented an employee of Imperial Sugar after the Georgia sugar mill explosion in 2008 and is currently representing a BP Drilling Engineer in the recent Deepwater Horizon incident.

Mr. Hilder's presentation, *Criminal Prosecution for Safety Violation is No Accident*, expands on an observation Gary Reznicek made in an article in the Summer 2010 edition of HEAR Say, *Prevent Repeat Violations*, where he pointed out the intention in some quarters to "extend culpability down the ladder to Managers, Supervisors, and perhaps people with 'safety' in their job title."

Contact Gary to attend future STEPS or AIHA meetings.

## The Contractor Conundrum

Third party contractors and sub-contractors present a challenge to the problem solving professional, whatever aspect of the business his or her responsibilities relate to. A contractor investigation actually has two objectives:

- 1) to prevent "it" from happening to the contractor again;
- 2) to prevent "it" from happening to the client again.

Let's say Contractor "A" comes up with a Type 3 corrective action, and the investigation is closed. Unfortunately, next year the client is using Contractor "B" for the same activity.

Exactly the same incident can occur with Contractor "B". Thus a contractor Type 3 is only a Type 2 at best for the client. The client must put in place an internal Type 3 for the correction to be carried over to the next contractor who may be presented with the same exposure.

While this can be frustrating to the vPSI System™ user who strives to develop and implement relevant and effective, broadly applied and long lasting corrective actions, it does accurately reflect the reality of the situation.

## What's your problem? Really, we want to know... ...Continued from page 1

8. Organizations that provide incentives for accurate reporting rather than incentives for a certain number of hours / days without an incident are more likely to be able to identify and address problem areas before an incident happens. No employee wants to be the one who costs everyone a free pizza lunch, a shiny belt buckle, or some other incentive prize. In the USA, OSHA has recognized this as a potential concern for accurate record keeping. The peer pressure can be quite significant even for a "prize" that some of us may view as trivial.

9. By making the accident, incident or problem investigation process collaborative, the procedure becomes more accepted by employees and allows for more disclosure on the actions of people and the reasons for those ac-

tions. Regrettably, "accident investigation" is often considered by employees to be "assign blame." If the organization's investigation is used to assess blame, there is strong incentive for employees to hide incidents.

Overcoming these hurdles can present a major cultural challenge, but given sufficient time and organizational engagement it can be achieved. In simple terms:

- Measure and reward pre-loss reporting;
- Measure and reward development of quality corrective actions;
- Measure and reward implementation commitments.

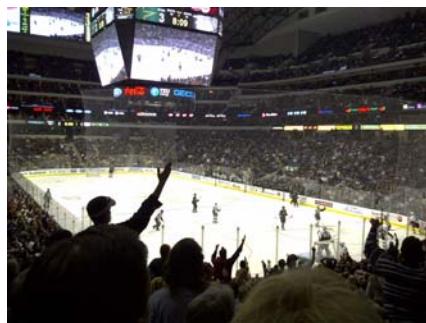
As a practical example of improved pre-loss problem reporting, 60% of

vPSI training participants declare that they are more likely to report problems and potential hazard issues that they observe. Over a five year period, a Fortune 100 user of the vPSI System™ transformed their ratio of "no harm" to loss events from a ratio of less than one to one, to the point where an average of 50 "no harm" events are investigated and resolved for every loss. The delicate balance between under-reporting and the system becoming clogged with chaff and nonsense is maintained via a logical filter designed to ensure that corporate resources are being expended on problems worthy of that investment.

*This article was co-written by vPSI Group and Mark Briggs of Safety Management Resources Corporation.*

## Combining Business with Pleasure

vPSI consultants travel extensively in the course of their work and, wherever possible, try to fit in some pleasure alongside their serious business.



The weary road warrior, finding himself in the right place at the right time, takes advantage of opportunities to relax at local sporting events. November's Dallas Stars versus Pittsburgh Penguins game showcased the typically rabid environment of a US National Hockey League game. After four fights, a penalty shot goal, and a goal overturned by video review, the home team ultimately prevailed, beating the Penguins 5 to 2 for the first time since the 2002-03 season.

Many Americans consider fruit cake to be the worst dessert in the world, thanks in large part to a long running series of jokes told by former *Tonight Show* host Johnny Carson. The Collin Street Bakery in Corsicana, about an hour south of Dallas, just might be one of the best places in the US to buy a fruit cake. Despite its general reputation, fruit cake is the centerpiece of the Collin Street Bak-

ery's many offerings, sold (some might say disguised) as Pecan Cake, to 196 countries around the world.

Although the Scandinavian winter is long and dark, occasional bright spots do provide some relief. With perfect timing, two vPSI Group consultants were fortunate enough to be conducting training workshops in Denmark and Norway during the brief period when Christmas beers are available. Known as J-day, the November launch of Tuborg Julebryg is an annual day of celebration across Denmark. This dark-golden and aromatic beer, only on the market for six weeks a year, is an excellent accompaniment to typical Danish Christmas recipes. Julebryg also goes well with duck, traditionally served during the Mortensaftern celebration which occurs about a week after J-day. Most Norwegian beer is a light lager style, but that changes in the weeks before Christmas, when many breweries produce their own versions of Juleøl. These special beers are darker, heavier and sweeter to complement the heavy, rich Norwegian Christmas foods such as Pinnekjøtt and Ribbe.



More vPSI travel photos can be found on our [Facebook](#) page.



# The vPSI System™

**The vPSI System™** is a professional development program in addition to being a route to improved safety performance. Using vPSI measurements to manage an organization produces sharply improved problem-solving skills. Everyone performs more effectively when they understand a few simple vPSI concepts and methods and learn how to apply these ideas to their jobs. Skills learned through the program can be applied to all areas of the organization, which will improve overall efficiency and boost the bottom line by reducing costs and the business impact of unplanned events of all types.

## vPSI Training Menu

### **Applying vPSI Methods of Accident Prevention**

This 8-hour class provides the fundamentals of vPSI methodology with an emphasis on rating and developing effective corrective actions to prevent recurrences of unplanned events.

### **JSA: Planning Jobs for Safety and Success; Hands On vPSI Online Tool Workshop**

This 4-hour class followed by a 4-hour hands on workshop provides users with skills to build effective JSAs specific to their worksites.

### **Applying KUBO-TEPA™ Methods in Problem Solving**

This 8-hour class provides users with KUBO-TEPA behavioral components of problems which aid in developing long term corrective actions applied across organizations.

### **Executive Overview Presentation**

This 2-hour presentation provides a high level overview of vPSI Implementation for busy executives.

### **Customized Training**

Training can be designed and delivered to very particular customer specifications such as: vPSI Corrective Action Assessment integrated with TapRooT®, vPSI Corrective Action Assessment integrated with Cause Mapping, and integrating customer incidents into the Fundamental, Assessor, and the Pre-Task Planning classes. vPSI thinking has also been applied in developing custom training to address difficult issues such as DOT driver compliance and journey management.

## vPSI Online Tool Portal

<http://vpsionline.com>

Welcome to vPSI Online. Please choose one of the following:

[vPSI Rating Tool System](#)

[vPSI Online Pre-Task Planning & Library System](#)

[vPSI Online Training](#)

### **vPSI Online Tool Demo**

This 1-hour demonstration gives users insight into the vPSI Methodology behind the online tools and guides them through the key functions to help them as they input incidents and corrective actions then review and rate their effectiveness or build Pre-Task Planning documents.

**vPSI GROUP, LLC**



Become a fan on



10497 Town & Country Way  
Suite 225  
Houston, TX 77024 USA  
Phone: 713.460.8888  
Fax: 713.460-8988  
Email: [info@vpsigroup.com](mailto:info@vpsigroup.com)  
[www.vpsigroup.com](http://www.vpsigroup.com)