

# Risk Management – Do We Really Need it in Shipping Industry?

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**ABSTRACT:** A risk management is an important step in protecting workers and business, as well as complying with the law. It helps you focus on the risks that really matter in workplace – the ones with the potential to cause real harm. In many instances, straightforward measures can readily control risks, for example ensuring spillages are cleaned up promptly so people do not slip, or cupboard drawers are kept closed to ensure people do not trip. For most, that means simple, cheap and effective measures to ensure most valuable asset - workforce - is protected.

The law does not expect to eliminate all risk, but Companies are required to protect people as far as 'reasonably practicable'.

## 1 INTRODUCTION

This seems to be simple however Maritime Universities all over the world are not training their students in the Risk Management. Is this because concept is too new? Or is it too trendy? Or maybe we don't need this in Shipping Industry.

Well I am afraid we do need it and Oil Majors and the other Front Line Shipping Companies base their operations around Risk Management.

I am also of the opinion that: "There is an urgent need to create simple, understandable and workable Risk Management process suitable for shipping companies".

Different companies are using different methods and variety of tools and techniques. It is not my intention in this article to elaborate on them. However what I would like to do is raise the Training Centres awareness and highlight the existing problem – lack of training syllabus for Risk Management for Students of the Maritime Universities.

## 2 WHY DO WE NEED RISK MANAGEMENT?

Maritime Universities and other training Centres are preparing junior and senior officers for the shipping industry. Students find their first employment with different shipping companies. They start as cadets and then slowly, or actually not so slowly anymore, climb the sea career ladder.

Immediately upon arrival on board of their first vessel they face numerous hazards, which if not explained properly and in time may become serious risks, risks for the student himself/herself, the vessel, environment and the Company.

It seems obvious that Risk Management should be trained alongside Navigation, Cargo handling, Engine Maintenance, English and other subject currently taught at training centres.

As an employer of young officers we have realised that safety awareness of our new employees is something, which requires our immediate attention. We would like to pass this best practice to the Universities, which in our opinion are best suited to provide complete training of the prospective officers.

## 3 HOW IS IT DONE?

In order to manage the risk a Risk Assessment has to be carried out, this can be either qualitative or quantitative, addressing the hazards associated with the activity and determining the likelihood of the incident. In many cases a simple qualitative assessment will identify a suitable course of action to manage the risk. The Risk Assessment Matrix (RAM) provides a tool that can be used in such an assessment. Students are taught the techniques and through the workshop type of activities practice newly acquired knowledge. To make the learning process more attractive the "egg throwing" exercise has been invented. Although it sounds a bit drastic

and naïve, last five years of training proved that this method is widely accepted by all students who manage to grasp the concept fairly quickly.

It is important to show students real life examples they are familiar with and allow them to apply the theory during the workshops.

Our experience shows that one day workshop, supplemented by the lecture does the trick. It has to be stressed that in order to be successful, the theory has to be closely related to the students experiences. Therefore we are using different exercises when dealing with cadets and completely different when Senior Officers are taught.

#### 4 HOW ARE THE UNIVERSITIES / TRAINING CENTRES GOING TO BENEFIT?

Of course they are going to benefit. Firstly their students sailing on board of the Training vessels will be safer and will take greater care of themselves and others.

Secondly when sailing on board of commercial vessels will be able to actively participate in the Risk Management process. They would give a very positive impression to their new employers and colleagues. We all know how important is the first impression.

Thirdly it would boost their confidence, being fully familiar with processes found on board. Every shipping company is obliged to comply with Code of safe Working Practices, where Risk Management plays crucial role.

I think we should not waste more time – lets manage the risk of not having our students trained in ... Risk Management. Let us start as soon as possible.