Available online at www.sciencedirect.com
ScienceDirect
Procedia Economics and Finance 39 (2016) 229 – 234
Procedia Economics and Finance
www.elsevier.com/locate/procedia

3rd GLOBAL CONFERENCE on BUSINESS, ECONOMICS, MANAGEMENT and TOURISM, 26-28 November 2015, Rome, Italy

A Proposal for a Risk Assessment Management in a Transport Company

Bianca Cirjaliu[a]*, Hugo Weinschrott[a], Alin Gaureanu[a], Elena- Maria Boatca[a]

[a]*Politehnica University of Timisoara,Remus str. nr. 14, Timisoara, 300191, Romania*

Abstract

Nowadays a prestigious and successful organisation is preoccupied on an efficient management. To identify the important aspects, the problematic situations and elements, managers should use more than one tool for the best solution and result. A periodic assessment represents a managerial necessity which describes all the sides of the company. This paper focused on a few assessment categories like organization structure, planning, transportation management, quality. Logistics Management controls and implements the efficiency of the services and customers demands. The paper shows an application and, in the end, the results of a logistic assessment in an international transport company. All the results of this assessment will be compared with the results of an applied method of occupational risk which was evaluated the same company. In the end the conclusions will lead to an efficient assessment management which embrace a better vision of the company.

Peer-review under responsibility of the Organizing Committee of BEMTUR- 2015

*Keywords:*assessment/ efficiency/ management/ method/ organization/ transport

1. Introduction

An efficient assessment management includes a lot of assessment tools and methods and a periodic and qualitative evaluation. A feedback is always welcome and benefic in any company, representing the base for an efficient risk assessment.

People tend to anchor on their best estimate and then not adjust sufficiently when they try to estimate the associated uncertainty. Similar manifestations of overconfidence are clearly a serious problem in quantitative risk assessment (Glickman, & Gough, 2013).

* Bianca Cirjaliu. Tel.: +40724898552
*E-mail address:*cirjaliu.bianca@yahoo.com

Peer-review under responsibility of the Organizing Committee of BEMTUR- 2015
doi:10.1016/S2212-5671(16)30317-3

A strong definition of risk is the probability of loss or damage to human beings or assets. Risk assessment has become a challenge and an essential commitment in all the sectors and domains. Risk management includes at least the following three tasks: performing quantitative risk evaluation, determining measures to reduce risk, justifying an acceptable risk level (Li, 2014). Moreover, in this paper authors try to adopt a practitioner perspective, focusing on evaluating all the categories of the company. The main objective of this paper is to identify the possible risks, to define them, to try to decrease or better, to eliminate them and finally, to establish the company position. A promising future begins with small and sure steps, with more than one assessment and comparison inside the company.

2. Overview of risk management

Risk is present in numerous company activities and has been studied from many perspectives including strategy, finance, production; accounting and marketing, there are differences of opinion concerning its definition.

Lavastre et al. (2012) emphasize three elements to define a risk: the extent of loss (elements of loss), its importance (significance of loss) and its probability of appearance (associated uncertainty of loss). Another definition is that risk is “the probability of loss and the significance of that loss to the organization or individual”. On the other hand, risk is studied in the context of logistics/supply. Risks exist because of procurement market complexity as characterized by the shortage of suppliers, replacement products and technology. Also bearing a degree of responsibility are entry barriers such as logistics costs, complexity and monopoly or oligopoly market conditions for suppliers.

According to Lavastre et al. (2012) some studies develop a risk management process that breaks down into four generic steps:

(i) Risk identification— this includes the location of risks, possible damage to the company and its partners, and the impact on the supply chain, organization and shareholders;

(ii) Risk assessment— this involves determining the severity of risks, measuring the effect of risks through financial, production, logistics or trade performance, the probability of a risk becoming a reality and the potential extent of the loss;

(iii) Risk monitoring and control — deals with control, containing and dominating risk using planned actions or reactions in the short, medium and long term, implementation of technical or prevention and protection measures, staff training, financial responses or risk sharing with partners, and the control indicators to monitor risk and the effectiveness of actions;

(iv) Decision and implementation of risk management actions — includes strategies for risk management such as risk transfer, risk taking, risk elimination, risk reduction, and further analysis of individual risks.

An example of a strong risk in a transport company is the fatigue.

A wide range of organizational factors have been identified that can impact on fatigue in transportation, negatively or positively including:

- The cultural, regulatory and enforcement environments;
- The size of the company;
- The nature of the business (who/what is transported, where and when);
- The level of commitment to health and safety (the safety culture) in the company;
- The presence of safety management systems (SMS), including systems for non-punitive reporting of safety concerns;
- The nature and extent of supervision (in transport operations employees are typically mobile and can be out of contact with direct supervision for long periods of time);
- Remuneration practices (payment by the trip, by the hour, overtime rates, etc.);
- Knowledge about fatigue among staff at all levels in the organization; and for individual employees, their perceived quality of working and domestic life (Gander, Hartley, Powell, Cabon, Hitchcock, Mills, & Popkin, 2011).