



RISK MANAGEMENT

KEVIN CUNNINGHAM | SPECIAL TO CRANE & HOIST CANADA

Workforce qualification standards can give Canadian firms an edge

It also helps confront the skills mismatch and its hazards

Achieving sustainable risk management in crane operations can be an elusive goal. Considering that crane operations have very significant hazards each day to contend with, most crane companies recognize that proper risk management will save lives and reduce work-related incidents.

In addition to the obvious moral imperative for company owners to establish a working environment that includes all the requisite risk controls to save their workforce members' lives each day ... the economic benefit of low incident rates and zero fatalities is paramount to generating profit in your company.

We all realize that higher incident rates drain project profitability. Fatal incidents not only eliminate project profits, they wreak havoc on the lives of your workers' families and on your company's reputation.

Creating proper workforce qualification standards in your company can be one of the key elements for sustainable risk management.

When designed and administered properly, workforce qualification standards can set your company apart from your competition, while creating a working environment that ensures all your people go home safely every day.

Recognize the "skills mismatch" factor

Numerous studies warn us that Canada is facing a massive shortage of skilled workers over the next decade as millions of baby boomers hit retirement age and exit the workforce.

At the same time, the nature of work is changing as the country transitions to a so-called knowledge economy that relies on a well-trained and credentialed workforce to produce value-added services. According to the Canadian Chamber of Commerce, 550,000 unskilled workers will be seeking jobs by 2016. (These are not the candidates qualified to work in our crane industry). At the same time, the chamber economists estimate that 1.5 million skilled workers will retire by 2016, and 2.6 million by 2021.

Here in lies the infamous "skills mismatch" whereby three times as many skilled workers are retiring compared to one-third that amount of (unskilled) workers being available.

What can be done?

A suggested way to effectively deal with these dynamics is to make the concerted effort to quantify your employee's qualifications in your hiring process as a starting point, instead of relying on traditional (reactive) paperwork methods.

According to Fraser Cocks, executive director of the B.C. Association for Crane Safety, the key elements for an effective workforce qualification process are accountability, ownership and due diligence.

"A formally established workforce qualification process demonstrates and recognizes the relationship between the employer and operator or rigger," Cocks says. "And the intent is to capture and keep actual activity that occurs in the workplace as it happens."

This represents a truly differentiated method from traditional paper applications that only provide limited employment experience as compared to an actual activity-driven process to determine qualifications.

Skill record solution?

There is an actual Canadian-based system in the crane market available to company owners to use quantifiable examples of a candidate's experience. Called SkillRecord, it is a prime example of utilizing automation tools to improve the quality of intelligent design in workforce qualification.

As a senior executive for an insurance company that underwrites crane risk, I know that our engineers have found this type of tool to be invaluable for underwriting the high hazard nature of the crane industry. In researching this article, I was fortunate to have interviewed SkillRecord founder Gunnar Mardon. Rarely when I write do I come across actual risk management solutions to the recognized problems and challenges in our crane industry.

Let's expand our thinking

Clearly, shortages of qualified labour present challenges for the Canadian crane marketplace.

But if we can recognize the current industry dynamics, and expand our thinking to try different approaches with workforce qualification as a risk management tool, we may be able to reduce incidents and eliminate fatalities. To achieve that, we need to recognize better facts in hiring in order to focus proper training on those candidates that may not have the right skills to do the job.

Kevin Cunningham is CEO, Construction Division, HIIG Underwriters Agency Canada, Ltd.

NEWS

New column makes its debut

This edition, *Crane & Hoist Canada* is introducing a new column on risk management aimed at the unique challenges of this country's heavy lift industries.

The column's author, Kevin Cunningham, is a well-known insurance expert who has an intimate understanding of the risks associated with cranes and heavy construction. He has more than 30 years experience in developing risk management programs and underwriting insurance for those industries.

A previous contributor to *Crane & Rigging Hot Line* magazine, Cunningham has also presented webinars and workshops on crane risk management, including at the 2014 Crane and Rigging Conference Canada in Edmonton.

Cunningham is now based in Toronto, where he is the chief executive officer of the construction division for HIIG Underwriters Agency Canada, Ltd.

Ontario mayor notes cranes' beauty

The sight of cranes going up in the city core of St. Catharines, Ont., is "sheer beauty," according to a local news article.

Mayor Walter Sendzik says the machines, which will help build two seven-storey buildings, will help revitalize the city's downtown, *Niagara This Week* reported this spring.

"As a 42-year-old growing up in St. Catharines, I can't remember the last time I saw cranes from the private sector," the article quoted Sendzik. "Now we're seeing the next wave, the renaissance that's really going to put St. Catharines on the map."

B.C. man dies on job

A 42-year worker died Aug. 13 after the boom of a piece of construction equipment toppled onto him at a construction site near Victoria, B.C., according to news reports.

Initial news reports said the machine was a crane, although later reports identified it as a "rough terrain telescoping forklift" and an "industrial boom lift."

The machine's operator was injured in the incident, although initial reports said he was the one who had died.

Names of the men were not released.

The B.C. Ambulance Service was called to the scene, at a house construction site in Metchosin about 30 kilometres west of Victoria, after a report that the operator was in cardiac arrest, the *Times Colonist* reported.

The RCMP, WorkSafeBC, and the B.C. Coroners Service were all investigating.

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