Cholamandalam MS Risk Services

Risk Assessment – Hotel Industry

The CMSRSL Approach

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Risk Assessment Study – Hotel Industry
Risk assessment is:

- a structured and systematic way for identifying hazards and evaluating risks in order to reduce risks to a tolerable level by prioritizing and it
- highlights systematically how hazards can occur and provide an understanding of their nature and possible consequences, improving the decision making process for the most cost effective way to prevent EHS damage.

Why Risk Assessment Is Required For Hotel Industry?

The effective management of risk is critical to any major corporation. Hotel industry, which entirely depends on the services it offers, should be able to identify and manage its risk effectively. As many operations of the hotel involve non-hazardous materials (Food, beverages etc.,) there is a general perception that risk is very low in hospitality industry. However it should be realized that there are many operations in hotels, which involve use of chemicals and hazardous material (Dry-cleaning, LPG and HSD storage, plating and polishing etc.,) working at height and other related operations like in any other industry. Food contamination and environmental releases are some of the other major hazards associated with hotel operations.

It should be noted that, while control of physical risks is important, liability with respect to services provided should not be overlooked. Considering that a large number of guests are from overseas, there is an urgent need to look at liability from all angles and adequate control measures need to be taken.

A risk spectrum highlighting key risks associated with hotel operations is depicted in figure 1.

Lack of understanding, coupled with inadequate basic management controls over key business risks, has been the root cause of many failures that have been witnessed in the past in hotel operations. Thus, effective management of risk is critical to hospitality industry.

Recently evolved risk assessment techniques have been recognized as meaningful and important tools for integrating and internalizing the SHE aspects in business operations.
Fig. 1: The Risk Spectrum
Risk assessments – increasingly used by internationally and in large industrial operations – involves the timely identification of significant risk and its evaluation to determine the type and level of control that should be established to result in an acceptable level of risk to the business.

**Use Of Hani Raafat Risk Calculator**

The hazard identification process yields a large number of risk events. In order to prioritize the action in dealing with significant risks, a consistent method is required to evaluate each one. The consequence, likelihood and exposure of each hazard are arrived using a systematic approach and will help to determine the relative importance of hazard and focus on significant risks.

For combining consequence, likelihood and exposure of hazard, risk calculator designed by Prof.Hani Raafat is used. The risk calculator provides a semi quantitative tool for rapid screening of risks in order to focus attention on risk levels which are intolerable.

The risk calculator allows comparison of several types of risks on the same scale including individual, societal, economic health and environmental risks.

A typical Hani Rafaat Risk calculator is depicted in the next page.
Hani Raafat Risk Calculator

Risk Assessment Study – Hotel Industry
Specific Objectives Of The Study

- Identify hazards in various operations and tasks performed at the facility
- Establish underlying causes for hazard initiations
- Assess the strengths and weaknesses in the existing SHE systems
- Estimate risk levels after analyzing the effects and consequences of hazard events and likelihood of its occurrence
- Evaluate risk levels and initiate risk control measures, if required.

Scope Of The Study

- The primary focus of this study is to assess risks to business in relation to safety, health and environmental issues only.

Areas Covered For Risk Assessment

<table>
<thead>
<tr>
<th>OCCUPATIONAL AREAS</th>
<th>SUPPORT SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>▲ Guest Rooms</td>
<td>✓ Engineering Plant Room</td>
</tr>
<tr>
<td>▲ Restaurants</td>
<td>✓ LT Panel Room</td>
</tr>
<tr>
<td>▲ Health Clubs in the complex</td>
<td>✓ HT Areas</td>
</tr>
<tr>
<td>▲ Shopping arcade, if any</td>
<td>✓ EDP and Accounts Offices</td>
</tr>
<tr>
<td>▲ Swimming Pool</td>
<td>✓ Stores</td>
</tr>
<tr>
<td>▲ Cafeteria</td>
<td>✓ LPG Bank / HSD Storage Areas</td>
</tr>
<tr>
<td>▲ Bar</td>
<td>✓ Kitchens</td>
</tr>
<tr>
<td></td>
<td>✓ Air Conditioning Plant</td>
</tr>
<tr>
<td></td>
<td>✓ Chemical Storage Areas</td>
</tr>
<tr>
<td></td>
<td>✓ Executive Offices</td>
</tr>
<tr>
<td></td>
<td>✓ Laboratory</td>
</tr>
<tr>
<td></td>
<td>✓ Roof Top</td>
</tr>
</tbody>
</table>
Typical Jobs In A Hotel Industry

Some of the typical jobs in a hotel industry are

- Changing of electrical fixtures
- AHU servicing
- Painting
- Receiving of materials
- Storage and stacking
- DG set operation
- Wiping of glasses
- Regeneration and backwash
- Laundry (pressing)
- Laundry (washing machine)
- Laundry (Tumbler)
- Laundry (Hydro)
- Baggage shifting
- VDU workstation
- Vegetable cutting
- Onion chopping
- Slicing operation
- Roti making (Tandoor)
- Serving at the table
- Floor cleaning
- Dish washing
- Polishing
- Drain cleaning
- Chlorination - swimming pool
- Fire pump operation

A Typical Risk Assessment Work Sheet

CMSRSL has rich experience in carrying out Risk Analysis Studies for the Hotel Industry. Two sample worksheets are shown in brochure explains in brief the work by CMSRSL engineers for a leading star hotel in India.

The risk level are coded into Red, Brown and Green indicating the category of Risks – High(Unacceptable), Substantial(Level of risk to be reduced) and Low(Acceptable)

The Primary Risk Drivers are identified on a Pareto basis. This means identifying 20% of drivers, which contribute to 80% of the risk.
# Risk Assessment Worksheet

**Description of Risks**

- **Electrical Shock**
  - Impact of risk: Fatality
  - Probability: Improbable
  - Exposure: Continuous
  - Consequence: Major
  - Risk Level: Medium

- **Fire in the premises**
  - Impact of risk: Non availability of service, Loss of reputation
  - Probability: Improbable
  - Exposure: Very rare
  - Consequence: Major
  - Risk Level: Low

- **Sudden collapse of the guests (Sauna and Steam bath)**
  - Impact of risk: Loss of Reputation, Liability
  - Probability: Ext. Remote
  - Exposure: 10%
  - Consequence: Major
  - Risk Level: Medium

- **Equipment malfunctioning in Sauna and Steam bath**
  - Impact of risk: Loss of Reputation, Injury and Liability
  - Probability: Ext. Remote
  - Exposure: 10%
  - Consequence: Major
  - Risk Level: Low

- **Exposure to Herbal oils/non standard cosmetics**
  - Impact of risk: Allergies to guests on skin, liability
  - Probability: Ext. Remote
  - Exposure: Continuous
  - Consequence: Minor
  - Risk Level: Low

- **Slips, Trips and Falls**
  - Impact of risk: Injuries to the guests, Liability, Hospital cost
  - Probability: Remote
  - Exposure: Continuous
  - Consequence: Major
  - Risk Level: Medium

- **Equipment malfunctioning (Cycling machine, Treadmill etc)**
  - Impact of risk: Injuries to guests, liability and treatment cost
  - Probability: Improbable
  - Exposure: Very rare
  - Consequence: Major
  - Risk Level: Medium

## Primary Risk Drivers

- Lack of awareness among the employees, Inadequate assessment of liability issues
  - Impact on the rating of the hotel
  - Linked Risk

## Existing Measures

- 12v DC for lighting in Sauna
  - Risk Management Strategies: **Minimize**
  - Accountabilities: Inter company audit

## Control Gaps

- Hot surface in sauna, no earthing for electrical heater, no annual inspection of coil in the heater, no indication of live parts, No cover for lights in the steam bath, Emergency button not working, Fire exits locked, Stopper to steam bath door not working, Lighting very low in the steam bath.

## Risk Reduction Measures Suggested

- - Wooden panel in Sauna to be made Fire retardant
- - Liability issues to be addressed in Psychotherapist contract
- - Quality control issues to be addressed in herbal oils
- - Guests to be clearly informed of the liability issues.
- - Annual inspection of safety features in the Gymnasium
- - Consider adding following instructions to Sauna (Remove all items of Jewelry, Maintain a sitting posture or lying position in the sauna area with legs at the same level (and therefore at the same temperature) as the body. Sit upright for two minutes prior to leaving the cabin in order for blood circulation to adjust (Fainting can occur if this advice is not being followed) Take fresh air after leaving the cabin and to walk around slowly in order that the body temperature can adjust.

## Accountability

- Risk Assessment – Hotel Industry
## RISK ASSESSMENT WORKSHEET

<table>
<thead>
<tr>
<th>Risk Ref</th>
<th>Company Name: *** %%%</th>
</tr>
</thead>
<tbody>
<tr>
<td>14/2000</td>
<td>Functional Area –Window Cleaning</td>
</tr>
</tbody>
</table>

### Description of Risks

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Impact of risk</th>
<th>Probability</th>
<th>Exposure</th>
<th>Consequence</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slips/Trips and Falls</td>
<td>Can lead to fatality</td>
<td>Improbable</td>
<td>75%</td>
<td>Fatality</td>
<td>High</td>
</tr>
<tr>
<td>Impact</td>
<td>Braking of glass, injury</td>
<td>Improbable</td>
<td>25%</td>
<td>Major</td>
<td>Medium</td>
</tr>
<tr>
<td>Stressful posture</td>
<td>Injury to workmen, Liability</td>
<td>Ext. Remote</td>
<td>Continuous</td>
<td>Minor</td>
<td>Low</td>
</tr>
<tr>
<td>Entanglement</td>
<td>Injury to workmen</td>
<td>Improbable</td>
<td>Continuous</td>
<td>Minor</td>
<td>Low</td>
</tr>
</tbody>
</table>

### Primary Risk Drivers

- Working at height where there are no proper anchoring mechanisms

### Linked Risk

- Breaking of Glass

### Risk Management Treatment

<table>
<thead>
<tr>
<th>Risk Management Treatment</th>
<th>Risk Management Strategies:</th>
<th>Accept</th>
<th>Minimize</th>
<th>Mitigate</th>
<th>Transfer</th>
<th>Avoid</th>
</tr>
</thead>
</table>

### Existing Measure

- Safety belt is anchored to aluminum cross bar available across the window.

### Control Gaps

- Permit system in place but no effective supervision or enforcement.
- Aluminum anchor bar is not designed to withstand human load.
- Absence of regular inspection of safety belts (a statutory requirement)

### Risk Reduction Measures Suggested

- Consider providing anchor points across the windows as these need to be cleaned quite frequently
- Consider procuring Self retracting fall arrestors instead of present method of Safety belts (Pl. View photograph below)

### Accountabilities

- Suggested anchorage method for cleaning glasses at a height

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**Risk Assessment – Hotel Industry**
About CMSRSL

Cholamandalam MS Risk Services (CMSRSL) is a joint venture between Mitsui Sumitomo Insurance Group Cholamandalam Investment and Finance Company Ltd., the financial services arm of the Murugappa Group. CMSRSL offers specialised and innovative risk management solutions to the Indian industry and multinational companies in India and Asia.

CMSRSL offers state-of-the-art risk services tailored to suit the risk management needs of different businesses.

Why CMSRSL?

- CMSRSL has experts who have applied Hani Rafaat calculator for Risk Management Studies of Hotel industry, R&D Laboratories and Process industries.
- CMSRSL has executed projects both in India and Asia.
- CMSRSL team members are IRCA Certified OHSAS 18001 Lead auditors.

Our Range Of Services

- Business Continuity Planning
- OHSAS 18001
- Safety Audit
- Electrical Safety Audit
- Risk Management Systems Audit
- Risk Assessment
- Consequence Analysis
- Hazard and Operability Studies (HAZOP)
- Disaster Management Planning
- Risk Inspection Surveys
- Specialized Training Programmes

Our Prestigious Clients

CMSRSL has offered its services for a variety of industries like On shore and Off shore oil platforms, Petrochemicals, Electronics, Ceramics, Chemicals, Paints, Pesticides, Printing and Packaging, Abrasives, Telecom, Hotel Industry, Research Laboratories, Textiles, Confectionery, Pulp and Rayon, Remote Data Processing, Insurance and Ministry of Environment and Forests - Government of India.

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