



**PANTHEON TANKERS
MANAGEMENT LIMITED**

**OBSERVING DIFFERENTLY
24 July 2019**



Aim: To effectively react to weak signals*

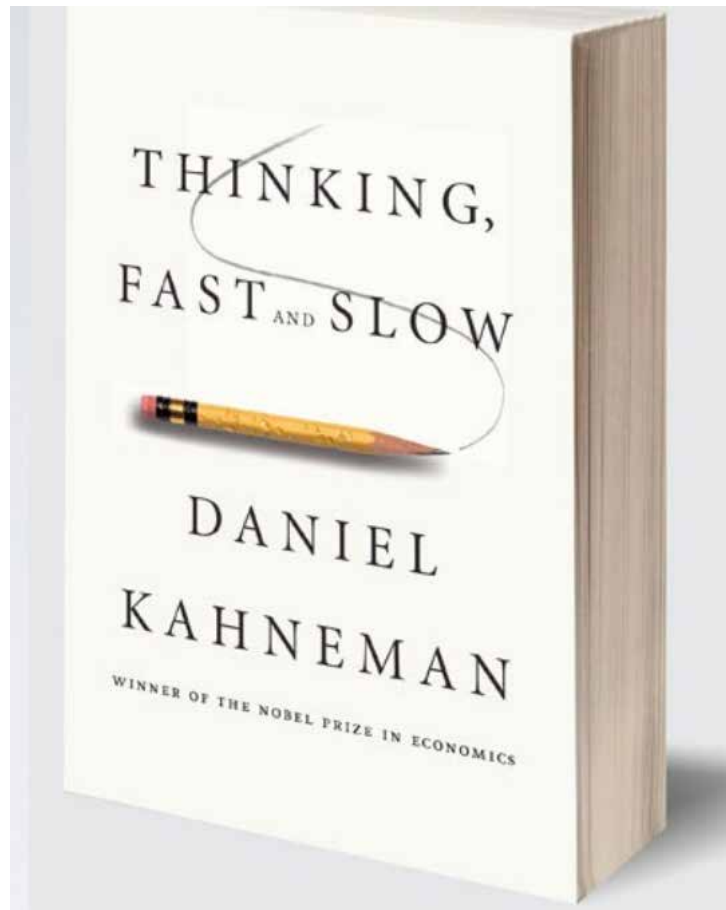
But: We tend to overlook warnings

Key:

- a. Observe differently
- b. Understand the conditions that cloud our judgement

***Weak Signals:** subtle signs or indicators which may indicate that some of the barriers intended to prevent an incident are failing or missing.

Daniel Kahneman "Thinking, Fast and Slow"



The two systems work together

SYSTEM 1

Intuition & instinct

95%

Unconscious
Fast
Associative
Automatic pilot













SYSTEM 2

Rational thinking

5%

Takes effort
Slow
Logical
Lazy
Indecisive

Source: Daniel Kahneman

System 1	System 2
 Fast	 Slow
 Unconscious	 Conscious
 Automatic	 Effortful
 Everyday Decisions	 Complex Decisions
 Error prone	 Reliable



System 1: Examples

- Complete the phrase "war and ..."
- Solve $2+2=?$
- Read a text on a billboard
- Drive a car on an empty road
- Come up with a good chess move (if you're a chess master)
- Understand simple sentences



System 2: Examples

- Point your attention towards someone at a loud party
- Determine the appropriateness of a behavior in a social setting
- Count the number of A's in a certain text
- Park into a tight parking space
- Solve 17×24

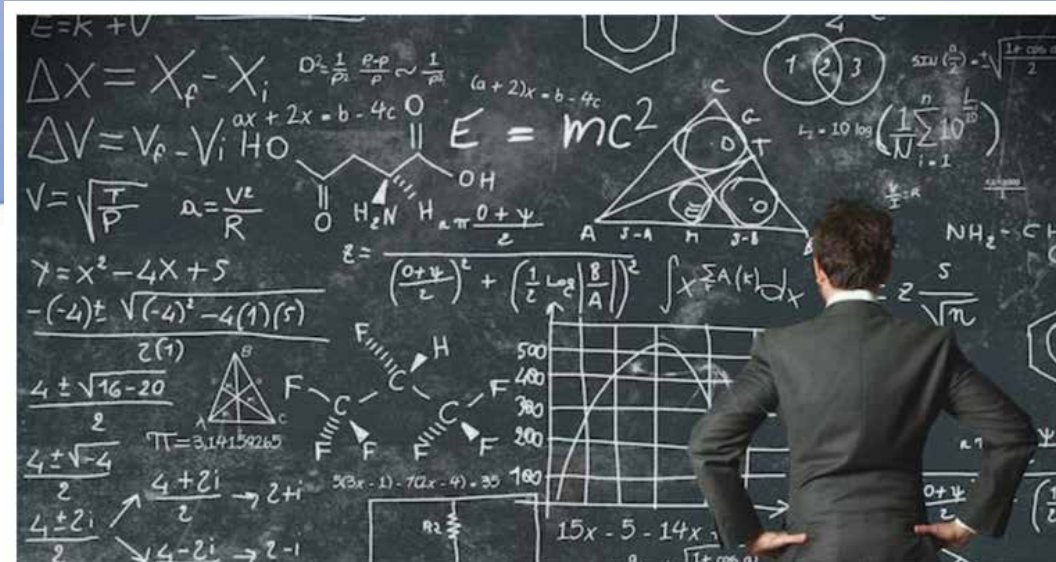


Fast Thinking

- Lower pressure of a deep well pump when you hear a vibrating noise
- Man overboard: Throw the smoke signal and set rudder to side that the person fell overboard
- On every Stand by: Start an additional D/G
- Before any discharge with FRAMO Pumps: Start power packs

Slow Thinking

- Make ullage report
- Cargo oil transfer planning / handling
- Mooring inspection



■ Implications of Slow Thinking

- If our System 2 is engaged or depleted, we will basically believe anything



Ego Depletion



The Law of Small Numbers

- How good is our intuition in order to solve problems?
- Our intuition is based in under sampling
- People intuitions is not based in statistics, judge based in subsampling



➤ Incidents Trends



The Halo Effect

- When you like someone, you are prone to expect they will behave in ways that you approve of. That belief makes you like them even more. (Conversely, when you don't like someone, you have the expectation they will behave in ways you don't like)

➤ Experienced captains

WYSIATI



- If you get evidence only from one side of an issue or argument, you will strongly be likely to interpret the situation through that lens. Kahneman calls this “What You See Is All There Is” (WYSIATI).
- WYSIATI also is implicated in a number of other cognitive biases:

➤ Cost minimization reflects on purchase orders despite the side effects of technical performance of the vessel



Stereotyping

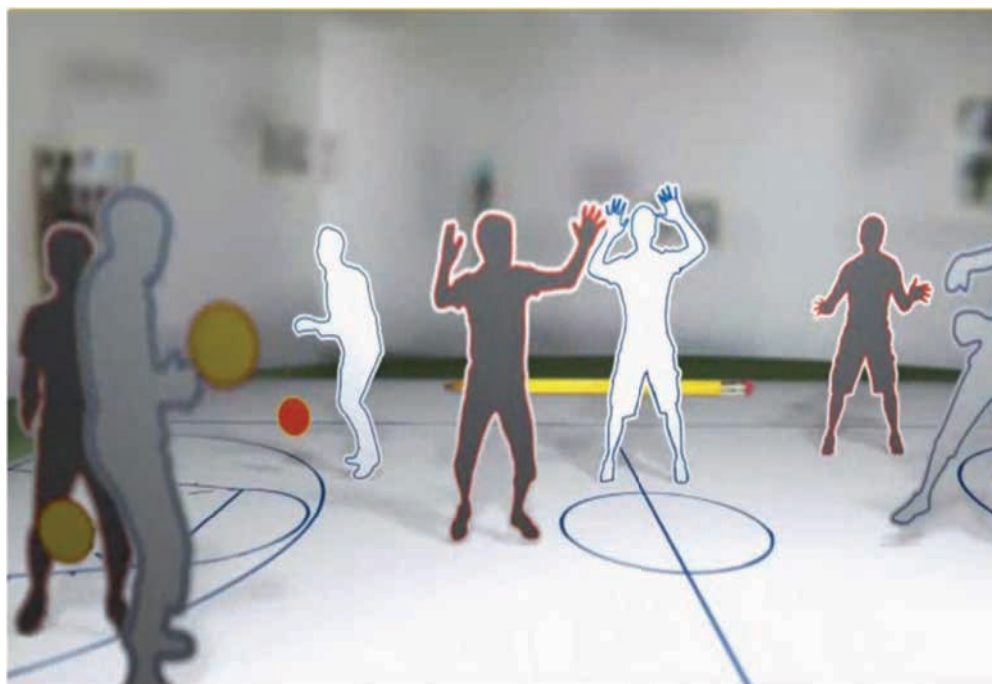
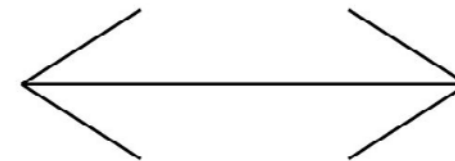
- Stereotypes and predicting by representativeness: we often ignore actual statistical information in favor of our own predictions based on familiar traits

- Ethnic & National Stereotypes
- Junior Officers competency with ECDIS related to their familiarity with video games



Cognitive Biases

Which horizontal line is shorter?





High Definition

- Our minds are more inclined to believe a message when it's conveyed in high quality, high contrast formats. I.e. a bright-dark blue for text against white background

- Well written ORBs make a good first impression to the inspector and errors might not draw his attention



Familiarity

- Familiarity = truth in our minds
- Our minds are inclined to believe unknown things when they sound familiar

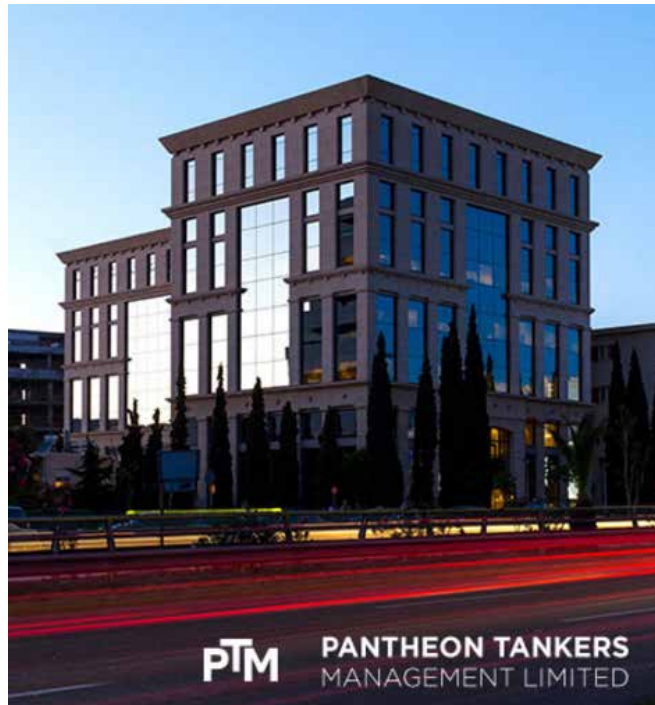
- Using relative terminology when addressing to Filipino seafarers
- Risk Normalization



Anchoring

- If you put an initial value on something, it's a strong influence on how much it's worth in people's minds (or if you suggest an answer to something, people will factor their ideas of the answer with that anchor)

➤ Cost minimization



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