
**AN EFFICIENT WAY OF SETTING UP A HIGH-PERFORMANCE WORKPLACE
IN THE MARINE INDUSTRY**

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Abstract

Every workplace requires an efficient Human Resource Management system. This paper focuses on a concept that can enable a proper and productive workplace.

The first place to start with would be an effective organization setup. Building an organization will be a very crucial process. It begins with collecting different skilled and unique minds that will form the very foundation of the company. Skilled workforce is a vital resource that any organization can rely upon. Hence this process must be efficient. The shipping industry requires effective human resource practices and policies. Some of the most critical personnel-focused services managed by HR that impact efficiency and productivity include training, performance appraisal, hiring and compensation. HR should be agile, open to technological developments and ensure employee dynamism by developing policies that aim to contribute to workers' personal improvements, leading to high satisfaction levels and better teamwork. Your HR manages administrative and planning activities like identifying shipping job specifications and preparing job descriptions, managing the information system, planning for risk management regarding potential hazards, conducting employee attitude surveys and leading with the development and adoption of new HR practices. HR policy should ensure career structures are enacted to avoid a shortage of quality-educated officers to perform operations that require multidisciplinary and increasingly technical skills. For a shipping company, HR policy should emphasize training and development programs and regular performance appraisals for personnel. Training should focus on necessary technical skills for employees to perform their jobs and interactive skills to ensure courteous and responsive service. Continuous maritime training empowers the workers, ensuring you have, and can maintain, qualified manpower. Conduct periodic performance appraisal of employees to ascertain their competencies and suggest retraining when appropriate. Your HR function should have a well-defined recruitment policy so you attract service oriented employees.

Potential candidates should be selected based on service attitude and competence. The policy will enable competitive hiring practices and a compensation system that give you a competitive advantage. Aim to recruit from some of the top maritime labor supply nations like the Philippines, Indonesia, India, China and Russia. These countries do not have a leading international commercial fleet of their own, so seafarers from these nations largely constitute crews of convenience on the vessels of other nations. By the nature of the shipping industry, HR should aim to facilitate workforce diversity so that global operations are enhanced. Your company should have a policy covering such variables like pay for performance, equality of minority and majority groups of employees and flexible work schedules to accommodate cultural practices for various employees such as religious practices. If you have to maintain a workforce in various countries where you're shipping line is destined for deliveries, HR will need to handle local labor laws and unions. Have a proper HR information system that keeps all locations on a data loop to ease management. Other examples include the representative of management role with its advocacy focus for shipboard management, and the representative of employee's role as a key role for crew welfare. The human capital developer role is also important due to the high employee turnover characteristic of the industry. The functional expert role is important as a fundamental basis as it ensures a quick and effective execution of HR tasks and activities. Virtually non-existent is the strategic partner role, although aspired to by the shipboard HR function. The HR leader role is evaluated as a secondary responsibility of the HR manager and does not constitute a core HR function. The group HR role originates in the structure of the cruise ship owner company, and with the influential power of the shore side HR function on the application of HR policies and procedures on board it rather weakens the position of the shipboard HR function. The reactive approach is a typical characteristic attributed to HR roles, for example in the case of the representative of management role or the HR leader role, where it can at best gain recognition of the management colleagues by applying exemplary leadership approaches. Some opportunities for becoming more proactive have been identified in its compliance and enforcement function or as human capital developer, whereas in the group HR role it is a contributor, as it represents the cruise ship view within and provides input to company-wide HR initiatives and projects. There is some unavoidable ambiguity present within the different roles as the interests of different stakeholders are supported. Four of the strong HR roles are primarily related to tactical HR work, whereas one encompasses transactional HR work. The four strong HR roles could be related to the key topics for the shipboard HR function as identified further above, namely

performance management, discipline, training and development, and advising shipboard leaders and crew members. The question as to what knowledge and especially capabilities are needed by HR professionals to comfortably deliver what the respective HR roles require might be a starting point for further research on HR roles of the shipboard HR function. Nevertheless, other dominant HR roles have been identified that determine which HR services the shipboard HR function can provide. The interest here is to outline ‘how the shipboard HR function is perceived by the interviewees and what characterizes the collaboration of line management with the HR function. In order to answer this, a detailed picture of the partnership should be gained and an indication if the current shipboard HR function meets what the business expects from it. But before we examine the collaboration of shipboard leaders with the shipboard HR function, different shipboard roles are analyzed regarding their responsibilities for HR activities and the extent to which they conduct HRM on board. This provides an understanding on the assumption that HRM on board is shared between different roles, and of the scope of their involvement. Then in the subsequent three sections HR functions’ understanding of the realities of the business is analyzed, its effects on line managers’ autonomy on HR work, and its alignment to business requirements. The focus of this section is on different roles and the question, to what extent do certain shipboard positions conduct HRM on board. The aim is to understand that HRM on board is a shared function between HR professionals and shipboard leaders, with sometimes overlapping responsibilities, and to identify the extent of involvement of the respective role, if it is, for example, a contributor or plays more of a decider role for shipboard HRM. The analysis is based on descriptions of the positions in the shipboard safety management system that outline the responsibilities and objectives of every single role on the cruise ship. Additionally, the perceptions of the interviewees on the selected roles as well as the role description as recorded in the ethnographic field notes were used. First, the highest-ranking position on board was reviewed, which is the captain. Then the three different roles of the shipboard HR function were looked at, the HR manager, the assistant HR manager, and the training officer. A second prominent role on board that was explored was that of the staff captain, who is the deputy of the captain and represents him on some HRM responsibilities. Finally, the shipboard leader’s role was examined here. Thus, we can enable efficient and a high-performance workplace in the Maritime Industry.

Keywords: Work Performance, Seafarer, Human Resource

Introduction:

In Southeast Asia, the seafarers' labor market of countries regions such as Hong Kong, Korea and Taiwan developed rapidly in the 1970s and thus had supported a quick development of their shipping industry in these countries. When The economies of these countries regions improved, young people did not join the seafaring career just same as what happened in the developed countries such as UK, Japan, France, etc. However, seafarers are always important to the shipping industry but are in serious shortage in the developed countries. In recent years, the increasing number of fleets around the world has made it difficult for shipping companies to find capable seafarers and. As a consequence, the major source of seafarers has shifted from developed countries to less developed countries, and then to underdeveloped countries. In the recent decades, the shipping industries of Taiwan have been developing and expanding very fast. This has led to the shortage of seafarers become reality which in turn has pushed up the salary level of seafarers and forced the market players to hire seafarers from the "third world" countries. Most shipping companies have resorted to countries aboard to find enough seafarers to operate their ships. One may say that it is not hard to find seafarers but to find well-trained (skillful and experienced) seafarers and to keep them loyal to the company is the real challenges. As seafarers leave their home to work onboard ships for transnational voyages on contracts of long duration and live in confined spaces, crises concerning the confinedspaces might arise. Taiwanese seafarers are competing for jobs with seafarers of other nationalities and going away from their families to work onboard. Shipping companies in the world can hire seafarers from almost anywhere of the world, take them to their vessels to work and repatriate them home at the end of their employment contract. The main sources of seafarers are also shifting. At present, it is common for shipping companies operating modern international vessels to recruit seafarers of different regions over the world through networks of crewing agents, and so it is common to find crews comprising those from different countries .According to the interviews with experienced managers of shipping companies, combining seafarers of different nationalities has resulted in a higher turnover rate and some management problems, such as low loyalty, low productivity and high accident rate. Many pointed out that the causes of 100 per cent of marine accidents are related to human factor, whereas the human beings included the seafarers themselves and other parties. A study showed that human error contributed to 84-88 per cent of tanker accidents, 79 per cent of towing vessel groundings, 89-96 per cent of collisions and 75 per cent of fires and explosions. Recently, an analysis of the instances of groundings and collisions indicates that human

element accounted for 80 per cent of these accidents. It seemed to be a common knowledge that a majority of accidents were actually caused by human factors or human errors. Moreover, some even pointed out that no matter how sophisticated the navigational aids and safety devices are onboard ships, and how far mathematically planned, computerized and automated the voyages are, human fallibility always exists and remains as the prime cause of accidents in navigable waters. The seafarers, according to the Seafarers' Training, Certification and Watch keeping (STCW) code and its amendments, are required to receive standard training to be a qualified crew. However, competency of seafarers refers to not only the possession of knowledge and certificates but also the skills and experience which can only be accumulated year by year. Accordingly, management ashore and on board should not only ensure that the formal skills are in place but also ensure, encourage and inspire the necessary attitudes to achieve the safety objectives. The employment contracts between seafarers and ship owners or ship operators include the terms relevant to the service of seafarers onboard the ships and how and when to leave the ship after completing the contract. When we take a look at the developing pattern of the shipping industry and the existing problems, we find that most of the line managers of seafarers' recruitment and even the ship owners and operators still think of costs of crew management as administrative overhead and place high priority to the reduction of this kind of cost. While the shipping companies are focusing on the administrative efficiency and compliance activities, how to justify seafarers into as an asset of a shipping company and retain seafarers longer in their companies is a critical issue to enhance the operation performance and navigation safety. The global trend of shipping industry development provides significant evidence that the ship owners and ship operators are only concerned with their encountered problems and recruited seafarers with certain knowledge associated with certificates. Even worse is that the management of shipping companies all considered employment costs as the costs which can immediately be reduced. The seafarer will leave the ship, but in most of the cases, they will remain in the same company as well to find more favorable contract terms, i.e. higher salary and better working environment. In consequence, the skills and experience accumulated by the seafarers are displaced with that, if any, of new and junior seafarers. High turnover rate of seafarers is common in shipping industry, and this resulted in the global shortage of experienced and well-trained senior seafarers. Efficiency of seafarers has two basic dimensions: technical competency which is acquired through training, education and experience, and effort and commitment which is primarily determined by the social and economic conditions of

employment. At first, there may be a consensus in the industry about an imminent shortage of people suitably trained and experienced for senior officer ranks, but it is also becoming apparent that many ratings are also poorly trained and that fraudulent certification, especially at junior officer and ratings levels, is widespread. As ship owners are turning to regions of low development and low salary for recruitment of seafarers, there seems now a serious problem of shortage of competent seafarers within the companies. An awareness of the standards required of the skills of other specialist technical areas and the adoption of a broader and longer term view of the skill requirements of modern maritime industry is required. These kind of manpower problems arise from the requirement of technical competences of seafarers. An optimally efficient labor force can be sensibly defined as one where technical competency is universally consistent with best practice, up-to-date knowledge and maximum commitment to pay effort. Thus, the seafarers' experience, talent, commitment and flexibility can be the desirable characteristics of the human capital of a shipping company. From the view point of crew managers, finding sufficient qualified seafarers and keeping their continuous loyalty to the company. To achieve this objective, shipping companies should regard the seafarers as their asset. Equally important is motivation of the seafarers to optimize their productivity and efficiency. Organizational assets will rise to the level of a strategic asset when they become a source of competitive advantage. Strategic assets of a company are the set of assets which other companies find difficult to trade and imitate, and they are scarce, appropriable and specialized resources and capabilities which are the company's competitive advantages. To bridge the gaps within human resource management and to explore both where and who to hire the qualified seafarers to better fit for the shipping companies, this study focuses on the aims of discovering the problems existing in the seafarer recruitment management system and of finding out an efficiency recruitment system for shipping companies. The results will provide evidences to guide the seafarer recruitment in the shipping companies, and it may further improve the overall welfare of seafarers and enhance the navigation safety as well. Although global economic crisis, rising competition among ship owners forces them to have vessels and fit the vessels with qualified seafarers. From the view point of ship owners and managers, the problem is recruiting and employing competent seafarers and keeping them employed by the same company regularly. Seafarers work at the shipping company during a contract term and they have chance to change the company upon completion of the contract. However, flexible wage scales and competition between companies make it difficult to recruit qualified crew members and maintain their loyalty for the company. The main focus of this

paper is to search for the methods to improve seafarer recruitment and employment practices in order to manage seafarer's loyalty for the company consistently.. The paper concludes with proposals on certain convenient alternative(s) for shipping and manning firms on future decisions in the light of the research.

The Seafarer's Occupation:

The seafarer's occupation can be segregated by skill/ qualification level, and by departments onboard ship, e.g. deck, engine. The competencies needed to obtain a given qualification have been embodied in STCW'95, which came into force on 1 February 2002. This International Maritime Organization (IMO) Convention regulates the Standards of Training, Certification and Watchkeeping that all member countries are required to achieve in their national administrations (STCW'95). It supersedes an earlier convention, first introduced in 1978 (STCW'78). There are two principal officer classifications, deck and engineer. The former train to operate and direct the vessel, whilst the latter train to manage and maintain the engines and other equipment vital to the safe operation. In addition, there are a number of other officer departments, such as radio officers, pursers or hotel managers; but the most significant are the deck and engineer. So, a seafarer is either a rating, a cadet, or an officer.

A definition of seafarers must take into account that they live in confined spaces, crisscrossing maritime space around the world, circulating in long-term contracts between home and work, and maintaining the transnational links mentioned earlier. Seafarers have to be seen as being bound in both a global economic system, where they are competing for jobs with other nationalities, and as social beings, working apart from their families. These occupational features are the basis for a common identity that has led to an almost 'cosmopolitan' attitude among all nationalities of seafarers.

Recruitment:

The contemporary seafarer labor market is among the most globalized of any sector. Shipping companies can hire seafarers from almost any part of the world, fly them to their vessels to work and fly them home at the end of their contract. Fleet personnel managers are driven by company and shareholder demands for profit maximization to search for the cheapest possible sources of seafarers deemed by them to be of acceptable quality. Today this process is well-organized and takes place both via networks of crewing agents offering third party services and sometimes more directly via satellite company offices. Today's seafarers are commonly

recruited from different world regions through networks of crewing agents and abroad modern international vessels it is common to find crews composed of men and women from several dozen countries . Hence, the contemporary shipping industry is staffed with multinational crews in international waters under multinational management but outside national boundaries. Seafarers are recruited worldwide by using formal and informal recruiting mechanisms .According to **94th International Labor Conference in 2006, International Maritime Labor Convention** defined the features of recruitment and placement as below:

Standard A1.4 – Recruitment and placement:

- Each Member that operates a public seafarer recruitment and placement service shall ensure that the service is operated in an orderly manner that protects and promotes seafarers' employment rights as provided in this Convention.
- Where a Member has private seafarer recruitment and placement services operating in its territory whose primary purpose is the recruitment and placement of seafarers or which recruit and place a significant number of seafarers, they shall be operated only in conformity with a standardized system of licensing or certification or other form of regulation. This system shall be established, modified or changed only after consultation with the ship owners' and seafarers' organizations concerned .

Comparing the seafarer recruitment applications in 2 developing countries:

Manpower update figures:

Country	1995			2000			2005		
	Officers	Ratings	Total	Officers	Ratings	Total	Officers	Ratings	Total
India	12000	31000	43000	12930	30375	43305	13932	29763	43695
Philippines	49430	195352	244782	52089	241129	293218	54892	297632	352524
Turkey	15000	65000	80000	15000	55376	70376	15000	47177	62177
Ukraine			38000			37000			

Source- Maritime officers rating

Indian Seafarers:

India has positioned herself as a major human resources-supplying nation to the maritime industry. As a result of the initiatives taken by the government in encouraging private participation in maritime training, the number of maritime training institutes under the assurance of quality training by the Directorate General of Shipping DG(S) rose to 128 in

2005. India's share of global maritime human resources rose to 26950 officers and 75650 ratings, comprising an estimated 6% of the world's seafarers. India ranks twelfth in the world in the global supply of officers and fourth in the supply of seamen. In the negotiations, India can commit to open up Mode 3 that is, liberalize access to foreign investors in maritime transport services sector and in return ask for liberal access to Indian officers and seafarers in the labor markets of developed countries. India is not a large shipping nation in terms of its merchant fleet and at the beginning of 2006 it was ranked 20th in terms of its fleet size in gross tonnage (gt) by flag of registration, constituting 1.16 per cent of the world fleet size. The Indian shipping fleet's share in the carriage of India's own overseas trade has in fact been slipping over the years. Indian officers are particularly sought after by foreign ship owners because of their training, discipline and seafaring traditions. A combination of favorable factors has been responsible for the country's success in increased employment of their seafarers. The country has several well-established maritime training institutions which are staffed by experience trainers and provided with modern training equipment from several sources including the government, foreign and local ship owners and agents as well as the strong seafarers' unions. The system of administration and certification and recruitment of seafarers is progressive and has been well accepted internationally. The industry has received strong support by the government which has been able to work hand in hand with both employers and labour unions. The presence of many foreign shipping companies operating through their agents in the thriving port-cities of Bombay and to a less extent at Calcutta is an additional favorable factor.

Filipino Seafarers:

The Filipino labor diaspora is one of the largest crew supplier in the world. In one of the world's most globalized industries, it is a curious fact that nearly one in every three workers at sea is from the Philippines. Over 255,000

Filipino seafarers, by far the largest national group, play the world's oceans and seas, primarily as deck hands, engine room oilers, cabin cleaners and cooks aboard container ships, oil tankers and luxury cruise liners. Filipinos were recruited initially to serve as lower ratings on deck and in the engine room. In 1976, of the 45,000 registered seamen, only 10 per cent were officers, and these were at the junior rank of 4th engineer and 3rd mate. By 2000,

only 15 per cent of registered Filipino seafarers were officers, and in 2003 only 8.5 per cent had reached the senior officer level .The Philippines' seafaring industry has created productive opportunities for thousands of Filipino marine officers and ratings in foreign-going vessels and has pumped into the economy foreign exchange in the form of salary remittances which contribute significantly to the dollar reserves of the country. Despite the emergence of other developing countries as alternative sources of seaboard labour, the Philippines remained as the premier supplier of seafarers for the international merchant fleet. The ensuing recruitment, deployment and actual employment of seafarers as well as other skills are however regulated by the Department of Labour and Employment, in particular the Philippine Overseas Employment Administration (POEA). (www.unescap.org).

Equally sharing responsibility with the POEA in the recruitment of seafarers are well-organized and professional manning agents which provide services from negotiation to actual selection and sending-off of contracted seafarers. While these agents basically supply crew for vessels, they are also ship owners and/ or shipping companies engaged in shipping services such as ship chartering, brokerage, import and export trade and cargo handling. They actively participate in tripartite decision and policy-making in such areas as training, mobilization and compliance to international standards governing the maritime industry.

Indian Seafarer's views:

When a crew member joins one of the vessel, they call up his family and inform them that he has reached safely. Likewise when crew member sign off they make it appoint to enquire about their stay o/b and request them to share their experiences. In cases when they are informed that a crew members family back home needs assistance they offer to help out with their problems. They plan to hold seminars and crew members who have sailed with us will be invited to attend these and share their experiences with them. During these seminars they will anchorage them to put forward their suggestions so as to have amutually healthy working atmosphere between company and crew members and also crew members themselves. The difficulty is; sometimes it's not easy to find suitable crew members to meet the requirements. The reasons for this could be either the wages offered are not agreeable to the crew member, his requirement of contract duration or type of vessel may not be available. Permanent solutions to these problems unfortunately cannot be found. As most of the times these problems arises when the demand for qualified crew members is far greater than those actually available.

Conclusions:

It was found that many drawbacks of and received some complains of the seafarers' recruitment management system from the interviewees. Therefore, the author conducted a research focused on discovering the influence of seafarers' recruitment system on the work performance and aimed to establish a proper seafarer recruitment management system in the shipping context. It also indicated that the seafarers have the lowest degree of satisfaction on their payment, but they have the best work attitude, however. These results implicated when the nationality of seafarers and the shipping company are based in same country, the seafarers might to have higher commitment and reflect a better loyalty. The results also provide evidences that if the seafarers come from higher developed countries which have better economy, they tend to have higher expectation and demand about their benefits and compensations. The tenure group between 11 and 15 years is the most satisfied group with reference to the dimension of welfare and opportunity and they have the best work attitude. On the contrary, the tenure group between 6 and 10 years has the lowest mean score on these two dimensions. These results suggest that the seafarer would have better work attitude while they are satisfying their work and might to perform better.

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