Master in Shipping and Sea Transports: Economics and Politics

**MANAGEMENT
of SHIPPING COMPANIES**

Human Resources Management in Shipping Companies

Dr. Apostolos Fasianos

Contents

- Introduction to Shipping HRM
- Strategic HRM
- Recruitment and selection
  - HMR for Shore Structure
  - HMR for Crew personell
- A case study of job satisfaction of seafarers
- The Crew Department
- Rewards and compensations
  - Monetary and non-monetary

Learning Objectives

- Understand the Challenges of Shipping HRM

- Explore HRM Strategies for Both Shore and Crew Personnel

- Recognize the Importance of Job Satisfaction in Maritime Operations

Introduction

- The ability of a company to create value and stand out largely depends on its human resources.

- Employees can improve the value created by its capital assets, although this is not enough to make a company or an industry distinctive.

- For human resources to be able to perform in the anticipated way, it is essential that the shipping company be properly managed.

- This is the point at which **Human Resource Management** (HRM) plays a decisive role.

What makes HMR in shipping distinct?

- The effective management of human resources of the shipping companies contribute to the creation of **sustainable competitive advantage**

- The human resources of the shipping company can be divided into two categories

  - **Shore-based organisational structure**

  - **Onboard ships**

-> The organisational and management needs of each organisational structure differ

- Different departments of the company are responsible for the management of each of these groups

  - **HRM department**

  - **Crew department**

- At the same time, however, there is a need to be consistent and effective, and therefore to have systems that unify their individual aspects, incorporating them into the strategic goals of **HRM**.
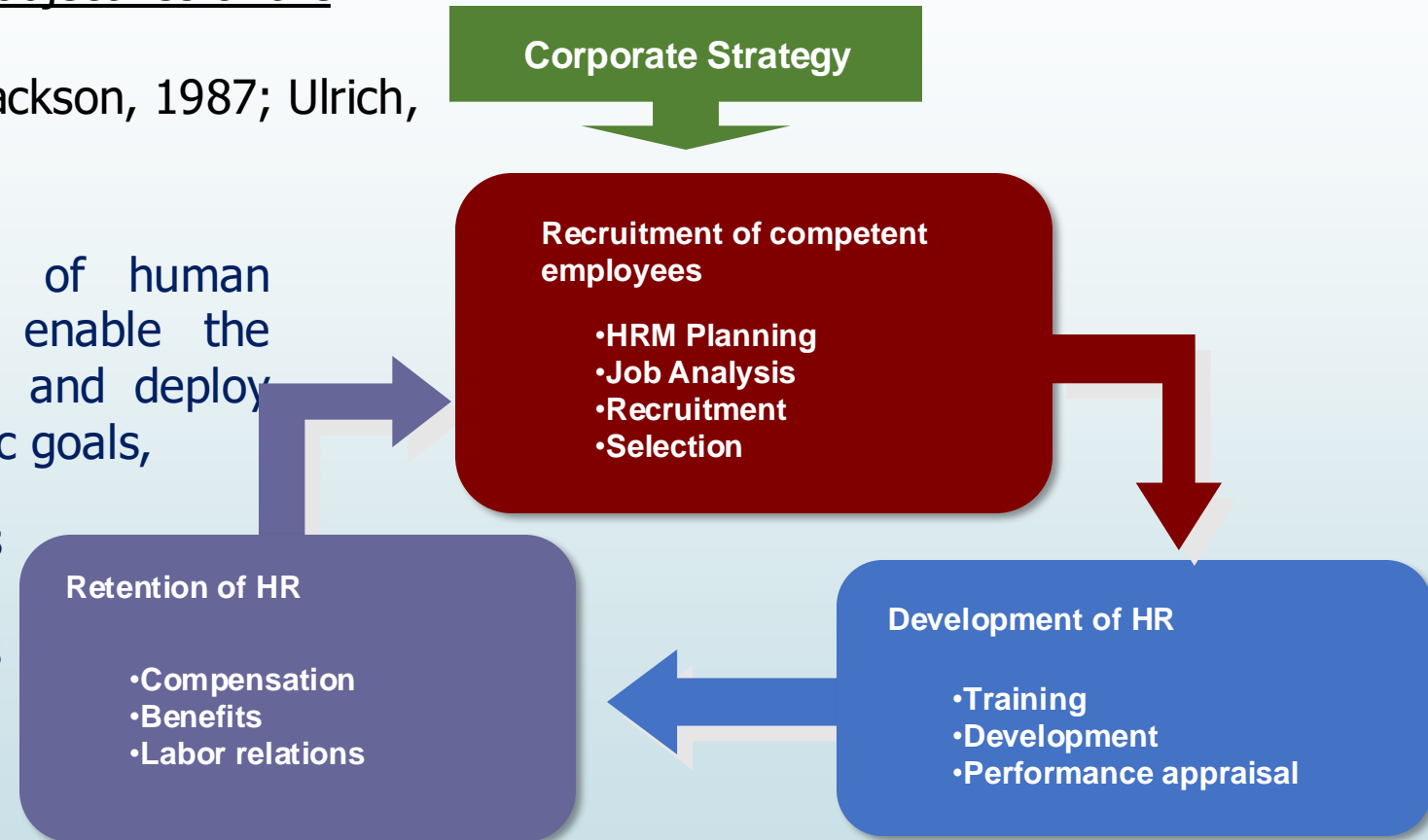
Strategic Human Resource Management (SHRM)

Strategic Human Resource Management (SHRM): managing human resources in organizations that <u>aligns HR practices and policies with the overall strategic goals and objectives of the organization</u>.
(Barney, 1991; Becker, 1964; Schuler and Jackson, 1987; Ulrich, 1997)

SHRM involves

- the development and implementation of human resource policies and practices that enable the organization to attract, retain, develop, and deploy talented individuals to achieve its strategic goals,

- analysing the organization's environment, both internal and external, to identify opportunities and challenges that would have an impact in the human resources of the organization,

- the use of various human resource management practices to achieve organizational success (*e.g.*, recruitment, selection, training and development, performance management, compensation, and benefits).

Corporate Strategy

Recruitment of competent employees

- •HRM Planning
- •Job Analysis
- •Recruitment
- •Selection

Development of HR

- •Training
- •Development
- •Performance appraisal

Retention of HR

- •Compensation
- •Benefits
- •Labor relations

Additional features of SHRM

Features

- **Alignment with Organizational Goals:** Strategic HRM aims to ensure that HR practices are in line with the broader goals and objectives of the organization. This involves understanding the business strategy and then developing HR strategies that support its successful implementation.

- **Proactive Approach:** Rather than reacting to issues as they arise, SHRM takes a proactive approach. It involves forecasting future trends and challenges in the labor market and developing HR strategies to address them.

- **Focus on Long-Term Planning:** SHRM involves long-term planning for the workforce. This includes talent acquisition, development, and retention strategies to ensure that the organization has the right people with the right skills at the right time.

- **Talent Management:** SHRM places a strong emphasis on managing talent effectively. This includes attracting and retaining high-quality employees, developing their skills, and ensuring that they are deployed in roles that align with organizational needs.

- **Employee Engagement:** Recognizing the importance of engaged and motivated employees, SHRM strategies often include initiatives to enhance employee satisfaction, motivation, and commitment to the organization.

- **Adaptability:** Strategic HRM recognizes the dynamic nature of the business environment. It involves developing HR practices that are adaptable to changes in the external and internal business context.

- **Measurement and Evaluation:** Strategic HRM involves measuring the effectiveness of HR practices and their impact on organizational performance. This includes the use of key performance indicators (KPIs) to assess the success of HR strategies.

- **Collaboration with Business Units**: SHRM encourages collaboration between HR professionals and other business units. HR professionals work closely with line managers and executives to understand their needs and align HR practices with business objectives.

Discussion Question

- As the HR manager of a shipping company experiencing rapid growth, discuss considerations aiming develop a **strategic HRM plan** to address the unique **challenges and opportunities** within the shipping and logistics sector.

- How would you ensure that your HR strategies contribute to the company's competitiveness, safety standards, and overall success in the dynamic and demanding shipping environment?"

Discussion Question (Suggestive answer)

- **Global Talent Acquisition and Training:**

  - To address the global nature of shipping, the HR manager could focus on implementing robust talent acquisition strategies to attract individuals with expertise in international logistics and maritime operations.

  - Develop training programs that not only cover technical skills but also emphasize cultural awareness and communication, given the diverse backgrounds of the workforce in various regions.

- **Safety and Compliance Initiatives:**

  - Prioritize safety and compliance in the strategic HRM plan by implementing rigorous training programs on maritime regulations and safety protocols.

  - Establish a safety culture within the organization, encouraging reporting and learning from incidents to continuously improve safety standards.

- **Technological Integration and Skill Development:**

  - Recognize the impact of technological advancements on the shipping industry and align HR strategies to ensure that employees possess the necessary technological skills.

  - Implement ongoing training programs to keep employees updated on the latest technologies, such as GPS navigation systems, automated cargo handling, and data analytics, enhancing their ability to adapt to industry changes.

HRM for shore structure (1)

Who performs HRM for the on-shore personnel?

- Managers who perform other tasks as well, or

- Managers working exclusively with HRM

Criteria for establishing a separate HR department?

- **The size of the company:** (as indicated by the size of its fleet), *i.e.*, the larger the company is, the more likely the establishment of an HR dpt.

  - **"rule of thumb":** 1.1 employees in HRM per 100 employees on shore

- **The company's strategy:** specific approach on the human resources the management of whom represents such a workload that it cannot be handled by line staff.

- **Limitations/demands placed upon the company by its customers** (charterers): companies must respond to the demands of key performance indicators and apply best practices, corresponding with the industry standards (*e.g.*, oil tankers market)

HRM assessments?

- For effective management HR departments have developed systems, practices and procedures that measure the effectiveness of the applied systems and help in the design of corrective actions

HRM for shore structure (2)

In companies that employ thousands of employees, HRM may be a **division** within the organisation of the company which has individual departments that are responsible for specific HRM functions or categories of employee (*e.g.*, Cosco, MOL)

China Cosco Shipping Corporation Limited
Human Resources Division/Organisation Division

- Executive Management & Supervision Department
- Headquarters and Expatriate Employee Management Department
- Seafarers Management Department
- Personnel Training and Development Department
- Remuneration Management Department
- Retiree & Social Insurance Department
- Human Resources Management & General Affairs Department

Cosco Shipping (2017) 'Organization' *China Cosco Shipping Corporation Limited*. http://www.cnshipping.com/col/col6920/index.html [accessed 26 July 2017].

MOL Human Resources Division

- Human Resources Management Group (land-based personnel)
- Seafarers & Labor Relations Group (seagoing personnel)
- Human Resources Planning Group
- Counseling and Aid Center – Human Rights Coordination Center
- Global Human Resources Unit
- Diversity Management Unit
- Health Care Management Unit
- Human Resources Development Unit

MOL (2017e) 'Global Human Resources Development' *Mitsui O.S.K. Lines*. http://www.mol.co.jp/en/csr/hr/global/index.html [accessed 11 June 2017].

Recruitment and selection

- **recruitment:** the process of identifying and recruiting suitable individuals (both from within and outside the company) in order to fill vacant job positions.

- **selection:** the process of collecting information and assessing the candidates to select the most suitable ones to fill specific positions.

Recruitment and selection Examples

	Recruitment	Selection
Deck Officer:	Shipping companies recruit deck officers to manage and navigate vessels. They may advertise these positions through maritime job portals, industry-specific publications, and their own company websites. Additionally, they may collaborate with maritime academies to identify and attract qualified candidates.	The selection process for deck officers may include a thorough review of maritime education and certifications, such as a Bachelor's degree in Nautical Science, required licenses (e.g., Chief Mate or Master Mariner), and relevant sea service. Companies may conduct interviews to assess candidates' technical knowledge, problem-solving skills, and communication abilities. Practical assessments and simulator tests may also be part of the selection process to evaluate navigational skills.
Engine Cadet	Shipping companies may recruit engine cadets to support the engineering department. They can reach potential candidates through partnerships with maritime academies, career fairs, and online job platforms. Offering internship programs or sponsorships for maritime education is a common strategy to attract young talent interested in pursuing a career in marine engineering.	The selection process for engine cadets typically involves reviewing educational qualifications, such as a degree in Marine Engineering, as well as the completion of mandatory training and certifications. Companies may assess candidates' understanding of engine systems, troubleshooting skills, and adherence to safety protocols through interviews and technical assessments. Practical training sessions on board and simulator tests may also be used to evaluate a candidate's practical knowledge and readiness for a career at sea.

Staff needs

- How much staff does a shipping company need?

HRM for shore structure (3):
The determinants of Staff Needs

The **staff needs** of the shipping company are determined by:

- **The size of fleet:** The relationship between the size (fleet) of a company and the number of its members of staff is influenced by the ability to achieve economies of scale

- **Fleet specialisation & Complexity (vertical/horizontal/spatial):** The more specialised the company's ships are, the greater the complexity of operating them and, consequently, the greater the need for personnel.

- **Communication technology:** The degree to which the shipping company uses new communications technology in its operations impacts upon the number of its employees as well as their qualifications.

- **Goals and strategy**: The shipping company may apply a competitive strategy based on cost, the differentiation of its services or its capacity to respond to the needs of specific clients; the number of employees as well as the skills and the abilities they should have may differ in each of the above cases.

- **Management style & Culture:** The desired level of control and the organisational culture within a company is another factor that may determine the quality as well as the quantity of the human resources needed.

HRM for shore structure (4): Management Task Groups

Three groups of management tasks in shipping companies, or, in other words, three management areas (Moreby, 1983)

- First, the group that focuses on **planning the company's policy and strategy**

- Second, the group that focuses on **expenses**, namely, supporting the operation and management of the ships from onshore and which includes the operations, the technical department, the crew department, and the supplies department

- The group that focuses on the **company's income** and includes the sectors of chartering, collecting freights, and insurance claims

HRM for shore structure (5): Professional Background

Professional background of managers

- **senior management** is selected from among personnel with long experience in shipping, either within the company or from the broader market.

- **the lower positions** in the hierarchy of the first group of employees are filled by individuals who may also have experience in other sectors of industry.

- Relating to the task management groups (policy, expenses, income): the second and third groups employ primarily individuals with experience in shipping and, especially, ships (*i.e.,* seafarers that complete their career sailing and turn to on shore management)

- ->limits the viewpoint from which different situations can be approached

HRM for shore structure (6)

<u>Demographics of recruiting for on shore offices</u>

- Data from OECD (2003) show that this mix i**A mix of former seafarers and managers w/o such experience.** s roughly 50%-50% in big shipping companies

  - There are specific position in on shore management where shipping companies prefer almost exclusively ex-seafarers (e.g., fleet management, operations, technical)

  - Academic degrees and certifications become "required" instead of just "desired" → both personnel w/ and w/o seafaring experience are incentivised to acquire them

- A mix of national background: necessary as shipping is a "global" business

- The shipping industry has long been viewed as predominantly a male industry: low participation of women in all levels and in all groups

  - Why? (1) large percentage of personnel comes from the seafarers "pool", (2) shipping was dominated by traditionally "less progressive" nationalities (exception Scandinavian countries where still the women participation is low)

  - The stats are relatively old. **Do you expect that this male dominancy trends have changed over the years?**

Not much!

Percentage of female seafarers remains unchanged in 40 years

The percentage of female seafarers serving in the global shipping fleet has remained unchanged at 2% for the last 40 years.

Capt. Eezmaira Sazzea.jpg

MISC

Female; 1,481

Male; 172,534

Figure 2-33 Gender distribution of masters and officers holding valid EaRs

Seafarers Statistics in EU- 2021

The information on gender was made available for 296,291 masters and officers representing 95.70% of the total number of those available to serve on board EU Member State flagged vessels.
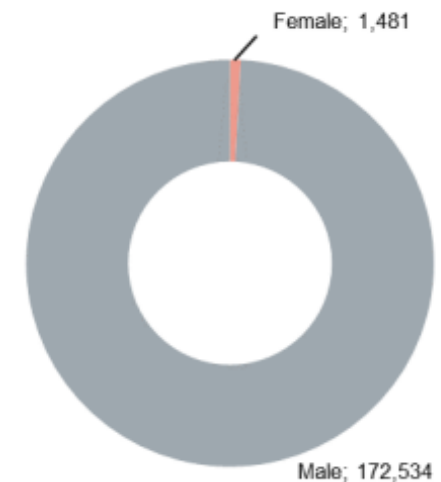
UNIVERSITY OF MACEDONIA

Distribution of Masters and Staff across the EU

2.1.2 Distribution by EU Member State

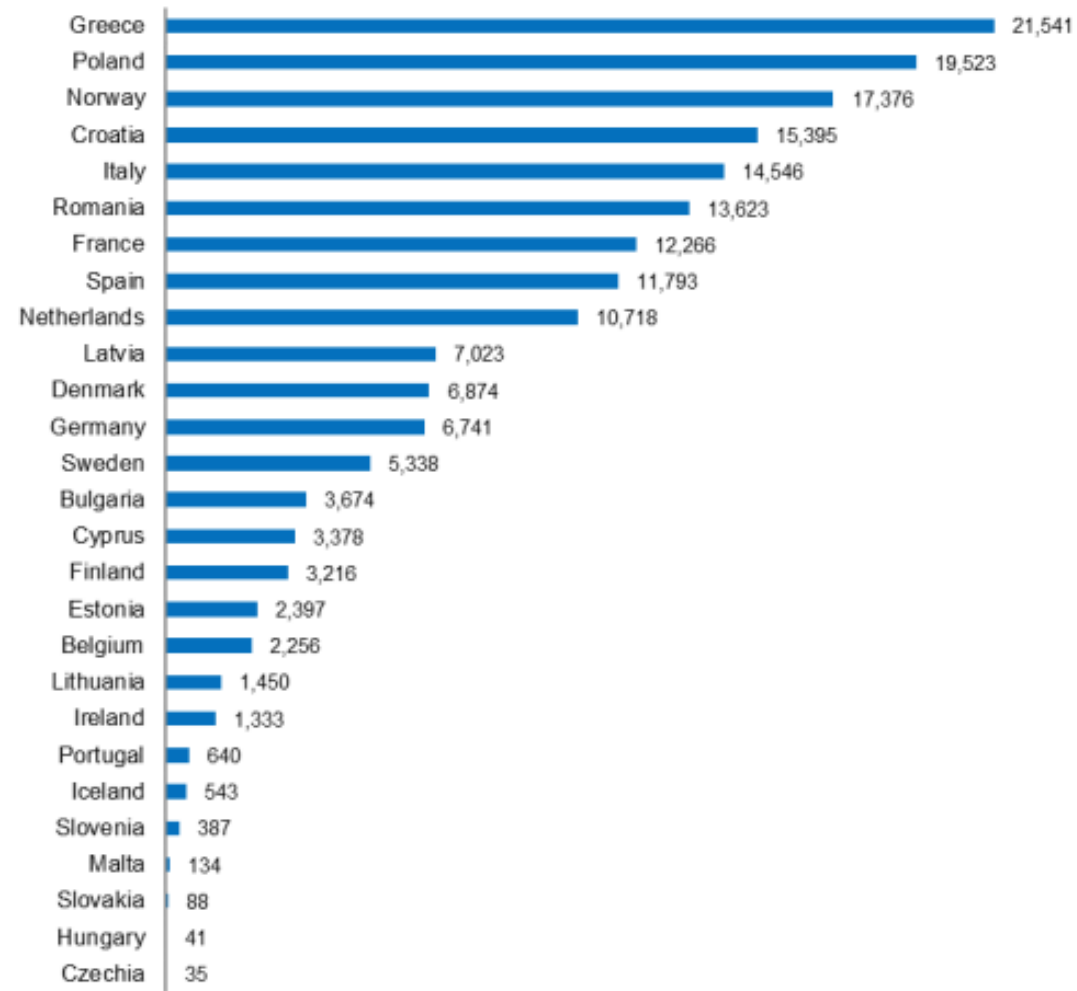The data in Figure 2-2 shows the distribution of masters and officers as registered by EU Member State[6]:

Country	Value
Greece	21,541
Poland	19,523
Norway	17,376
Croatia	15,395
Italy	14,546
Romania	13,623
France	12,266
Spain	11,793
Netherlands	10,718
Latvia	7,023
Denmark	6,874
Germany	6,741
Sweden	5,338
Bulgaria	3,674
Cyprus	3,378
Finland	3,216
Estonia	2,397
Belgium	2,256
Lithuania	1,450
Ireland	1,333
Portugal	640
Iceland	543
Slovenia	387
Malta	134
Slovakia	88
Hungary	41
Czechia	35

Figure 2-2 Masters and officers holding valid CoCs per EU Member State

HRM for crew personnel

The occupation of seafarers:

1. Far removed from family and social environment -contact is not always easy
2. Differentiations according to hierarchy, specialisation, nationality, training
3. Should live together efficiently with the other seamen on board
4. Working space is at the same time social space and they remain confined in this
5. The physical conditions may change, as the ship is constantly on the move
6. Sense of isolation due to working conditions, restrictions at ports etc.
7. People who decide about their work may lack awareness of the conditions faced
8. Change in the range of duties and the prestige of the profession
9. Are migrants who migrate essentially, within the global market.
10. Criminalisation of the profession
11. Dangers from natural causes or from unlawful / criminal acts such as piracy

HRM for shore structure (7)

Job specification for on shore offices (*real example based on a bulk carriers company's HRM handbook*)

Position	Specifications
Director of Safety and Quality	Previous experience in the shipping industry. Communications skills. Knowledge of safety and environmental issues. Decision-making skills.
Co-ordinator of Safety and Quality	Previous management experience. Communications and management skills. Analytical skills, attention to detail. Organised and diligent.
Technical Manager	University degree and previous experience as an inspector/ seafaring experience as an engineer, and previous experience as an inspector. Ability to organise and plan, attention to detail. Multi-tasking skills. Very good knowledge of English and use of a computer.
Marine operations manager	Previous experience as a captain and operator. Communications skills and ability to manage many different people – Organised and with multi-tasking skills.
Operator	Previous experience as a captain. Communications skills and ability to manage many different people, organised and with multi-tasking skills.
Superintended engineer	University degree and previous experience as an inspector, or seafaring experience as an engineer, and previous experience as an inspector. Communications skills and knowledge of English. Attention to detail, willing to undertake numerous journeys.

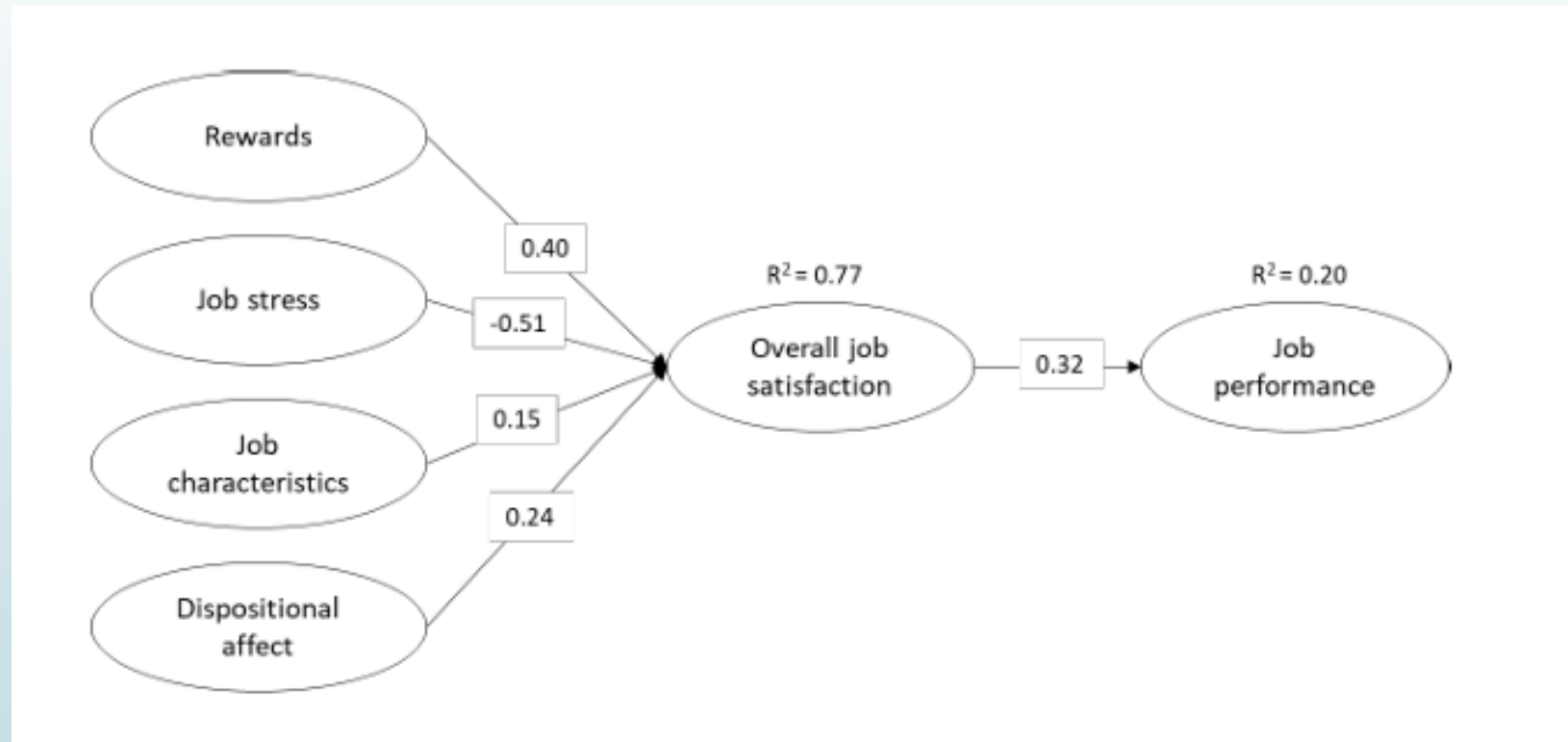| Position	Specifications
Port Captain	Previous experience as a captain. Communications skills and knowledge of English. Attention to detail, willing to travel frequently.
Crew Manager	Previous experience as a captain. Organisational and planning skills.
Spare Parts Manager	Previous experience in a similar position or seafaring experience as an engineer. Communications skills and knowledge of English. Multi-tasking skills. Negotiations skills, computer skills.
Supplies Manager	Previous experience in this position. Communications skills and knowledge of English. Multi-tasking skills. Negotiations skills. Computer skills.
Ship Broker	University degree, preferably in Shipping. Previous experience as a ship broker. General knowledge of shipping and trade. Attention to detail and ability to analyse documents quickly and precisely. Negotiations skills, oral and written communications skills. Good knowledge of English.
Financial Manager	University degree, preferably in business administration. Previous experience in the financial or banking sectors. Good administrative and organisational skills. Knowledge of shipping finance and the banking system. Good knowledge of English.

HRM for shore structure (9)

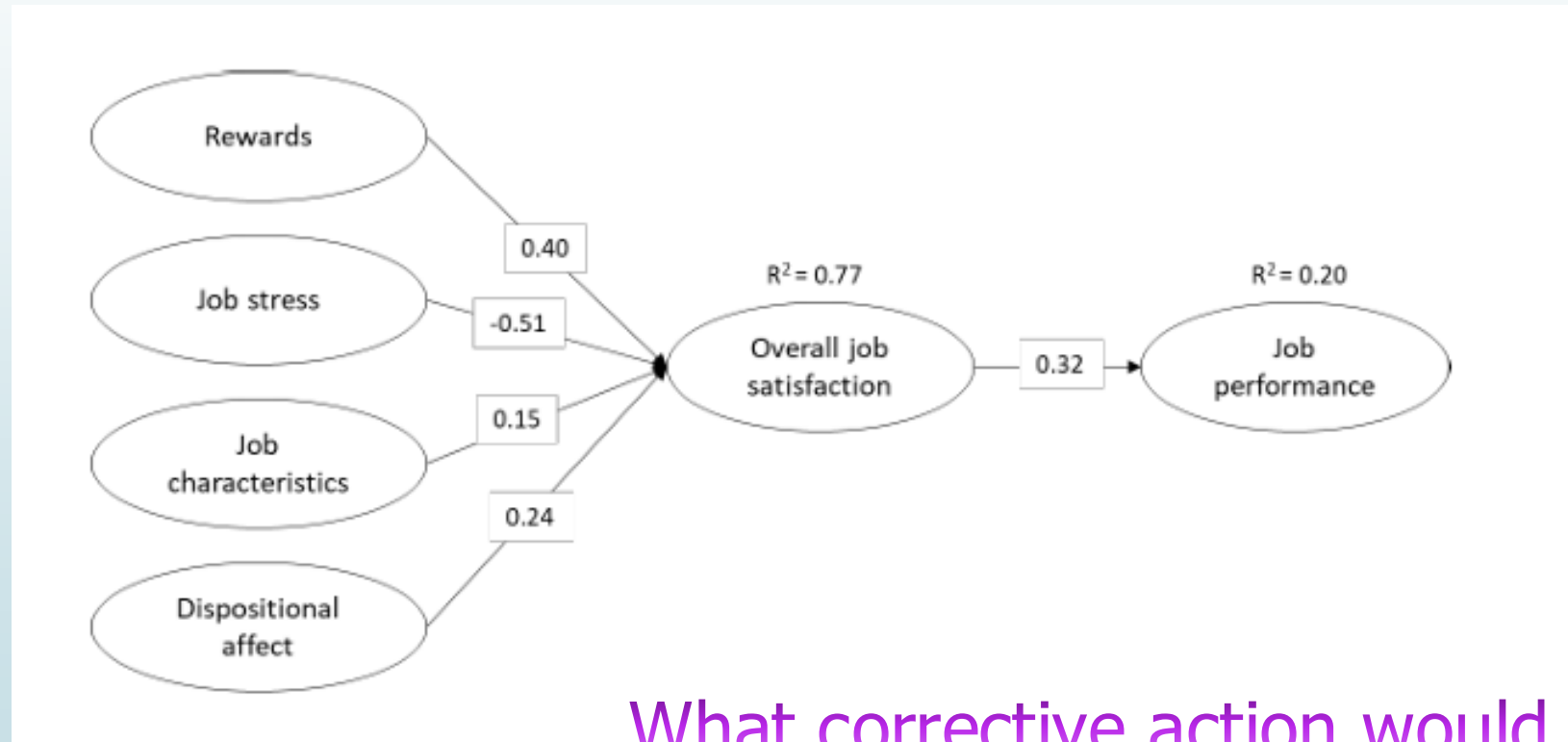| Position	Specifications
Accountant	University degree in accounting. Experience in an accounts office. Attention to detail and good quantitative knowledge.
Insurance Manager	University degree and experience in marine insurance and claims. Good knowledge of English. Organised and diligent.
Freights Collection Manager	Previous experience in a similar position. Knowledge of ships, cargo operations and invoicing systems. Quantitative knowledge.
Financial controller	University degree in business administration. Attention to detail and good analytical and quantitative skills. Computer skills.
Human Resources Manager	University degree, preferably in business administration. Previous experience as a staff manager. Organised and methodical.

Case study: Determinants of job outcomes in seafaring

Yen et al (2018): *The ability to motivate and retain seafarers is a critical manpower issue in view of global labour shortage and high turnover rate among seafarers. The objective of this paper is to analyse the core determinants of job satisfaction and performance of seafarers. A survey was administered on 116 seafaring officers and the obtained data were analysed using structural equation modelling. The results show that job satisfaction is considerably correlated with job performance of seafarers. In addition, the amount of stress associated with working onboard a ship and attractiveness of rewards are key determinants of job satisfaction. The dispositions of seafarers and appeal of the job design also have considerable impacts on job satisfaction. Based on literature review and post-survey interviews, a management model consisting of policies and strategies to motivate and retain seafarers is proposed.*

Yuen, K. F., Loh, H. S., Zhou, Q., & Wong, Y. D. (2018). Determinants of job satisfaction and performance of seafarers. *Transportation research part A: policy and practice*, *110*, 1-12.
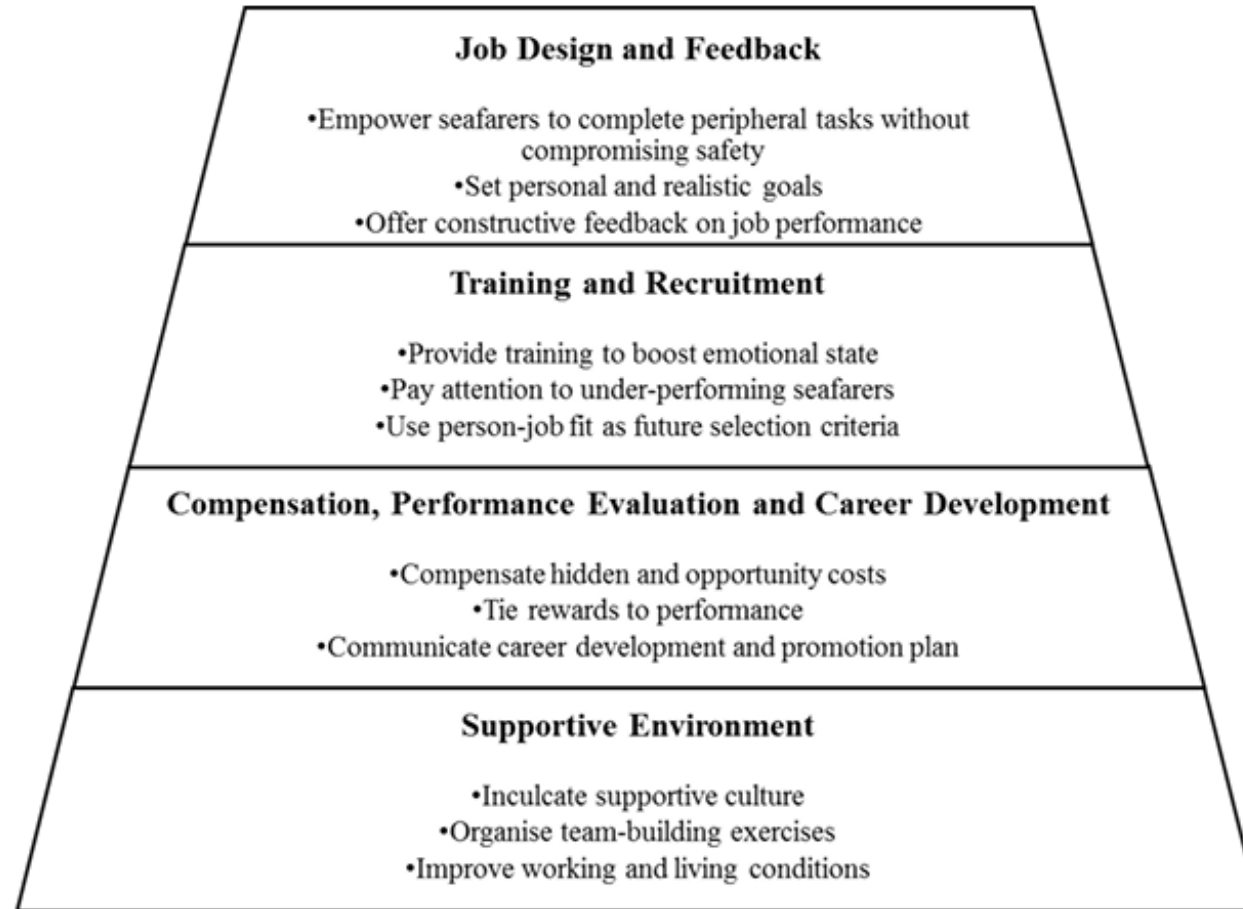
Case study: Determinants of job outcomes in seafaring

Yuen, K. F., Loh, H. S., Zhou, Q., & Wong, Y. D. (2018). Determinants of job satisfaction and performance of seafarers. *Transportation research part A: policy and practice*, *110*, 1-12.

Case study: Determinants of job outcomes in seafaring

Rewards

Job stress

Job characteristics

Dispositional affect

0.40

-0.51

0.15

0.24

$R^2 = 0.77$

Overall job satisfaction

0.32

$R^2 = 0.20$

Job performance

Yuen, K. F., Loh, H. S., Zhou, Q., & Wong, Y. D. (2018). Determinants of job satisfaction and performance of seafarers. *Transportation research part A: policy and practice*, *110*, 1-12.

What corrective action would you take In response to these results?

Case study: Determinants of job outcomes in seafaring

Job Design and Feedback

- Empower seafarers to complete peripheral tasks without compromising safety
- Set personal and realistic goals
- Offer constructive feedback on job performance

Training and Recruitment

- Provide training to boost emotional state
- Pay attention to under-performing seafarers
- Use person-job fit as future selection criteria

Compensation, Performance Evaluation and Career Development

- Compensate hidden and opportunity costs
- Tie rewards to performance
- Communicate career development and promotion plan

Supportive Environment

- Inculcate supportive culture
- Organise team-building exercises
- Improve working and living conditions

Yuen, K. F., Loh, H. S., Zhou, Q., & Wong, Y. D. (2018). Determinants of job satisfaction and performance of seafarers. *Transportation research part A: policy and practice*, *110*, 1-12.

Discussion Question

Assume you are asked to replicate the analysis of the above research article to identify the drivers of job satisfaction in the shipping company you work.

- What steps would you include in your research design?
- Who would you need to contact?
- Which software or tools would you employ to conduct your analysis?

The Crew Department

- The Crew Department refers to a specialized team responsible for managing operational staff in the maritime sector

- It focuses on scheduling, rostering, logistics, and ensuring regulatory compliance specific to the crew's operations (e.g., rest periods, certifications).

- Its primary role is **operational rather than strategic**, ensuring the smooth day-to-day functioning of frontline teams.

Crew Department Activities (1)

- The composition of the crew and qualifications of the seafarers' pool, that is, the seafarers required for the manning of the company's vessel, both those who are already serving and those who are awaiting to replace others

- The recruitment and selection of seafarers needed for the formation of the pool

- The placement of seafarers on the vessel

- Seafarers' accounts and the keeping of budgets of the cost of the crew of each ship

- Labour relations and relations with labour unions

- The search for information, warnings, and maintenance of discipline in the event of problems

- The dismissal of seafarers

- The insurance cover and pensioning of the seafarers

- The personal development and wellbeing of the seafarers

- The keeping of archives with information on the careers of the seafarers

Demand and supply for sea farers

Ratings Demand

➥ Definition: Ratings demand refers to the need for non-officer crew members or ratings on ships. It represents the number of vacant or required positions for these roles in the maritime industry.

➥ **Factors Influencing Demand:**

➥ **Vessel Operations:** The demand for ratings is closely tied to the number and types of vessels a shipping company operates. Larger fleets and a variety of vessel types may require a higher number of ratings.

➥ **Industry Growth:** An expanding maritime industry, increased trade, and a growing number of vessels in operation can contribute to higher ratings demand.

➥ **Regulatory Requirements:** Compliance with international regulations, such as those set by the International Maritime Organization (IMO), may influence the crewing requirements for vessels, affecting ratings demand.

Ratings Supply

➥ Definition: Ratings supply refers to the availability of qualified individuals to fill non-officer positions on ships. It represents the pool of individuals with the necessary skills, training, and certifications to work as ratings in the shipping industry.

➥ **Factors Influencing Supply:**

➥ **Training and Education:** The number of individuals completing maritime training programs and obtaining relevant certifications affects the overall ratings supply. Maritime academies and training institutions play a crucial role in shaping the supply of qualified ratings.

➥ **Labor Market Trends:** Economic factors, job market conditions, and demographic trends can influence the willingness of individuals to pursue careers as ratings in the shipping industry.

➥ **Regulatory Compliance**: Ratings positions often require specific certifications and compliance with international standards. Changes in these requirements can impact the overall supply of qualified individuals.

- Demand and Supply do not always meet!

- There is a large pool of ratings allowing companies to peak the personnel according to cost, quality and other traits of the seafarers → multinational crew in ratings

- There is intense competition among companies for officers → remunerations are high

	SUPPLY	
	774.000	873.500
Officers	16.500 ⊖ ⊕ 119.00	Ratings
	790.500	754.500
	DEMAND	

HRM Practices on Ships

- Shipping companies crew their ships in the international market

- The countries with the largest overall supply of seafarers are China, the Philippines, Indonesia, Russia, and Ukraine. Most officers come from India though.

- The world maritime labour market consists of individual markets whose existence renders possible discrimination between groups of seafarers and the payment to them of different wages

- to exploit these differences, companies must be able to **identify the individual markets**, and also to **recruiting** and quality seafarers from them.

- **HRM needs the knowledge and information to make this selection (there is value added forming an HR department just for that!)**
  - What is the **cost** of acquiring them?
  - What are the **potential benefits**?

Comparison of salaries

There is significant variation on seafarers' salaries depending on nationalities:

- Highly ranked officers in Sweden are paid 5 times more than those in China
- Able seamen in Norway and Greece are paid more than six times the salaries of those in Myanmar

Chief officers' salaries, 2006

	Sweden	UK	India (Base)	Sri Lanka	Ukraine	Philippines	China
Salary	260	190	100	91	88	81	54

Able seamen salaries, 2006

	Norway	Greece	Lithuania	Philippines	India (Base)	China	Myanmar
Salary	395	375	111	104	100	74	63

Rewards and compensation
Pay – monetary incentives

- **Competitive Salaries:** Attractive base salaries aligned with industry standards.

- **Performance-Based Bonuses:** Bonuses tied to safety records, operational excellence, and individual/team achievements.

- **Longevity Pay and Service Awards:** Recognition and rewards for years of dedicated service.

- **Safety and Performance Awards:** Recognition for maintaining high safety standards and contributing to efficiency.

- **Education and Training Sponsorships:** Sponsorship for education, training, and certifications.

- **Career Advancement Opportunities:** Clear pathways for career progression and promotions.

- **Health and Wellness Benefits:** Comprehensive health insurance and wellness benefits.

Rewards and compensation-Non-monetary incentives

Training and Development Opportunities:

- Offering access to continuous training and development programs to enhance professional skills.
- Providing opportunities for certifications and specialized training in areas such as safety procedures, new technologies, or leadership skills.

Career Advancement Pathways:

- Establishing clear career pathways and promoting from within to give seafarers the opportunity for advancement.
- Providing guidance and support for career planning and progression.

Flexible Work Arrangements:

- Implementing flexible work schedules or rotations to accommodate personal preferences and promote work-life balance.
- Allowing for extended shore leave or longer rotations to spend more time with family and pursue personal interests.

Recognition and Awards:

- Recognizing outstanding performance and achievements through awards or commendations.
- Establishing a system for acknowledging years of service, accomplishments, or exceptional contributions to the vessel or crew.

Quality Living Conditions Onboard:

- Ensuring comfortable and well-maintained living conditions on vessels, including clean and spacious cabins, recreational facilities, and communal areas.
- Providing amenities such as internet access, entertainment options, and regular communication opportunities with family.

Wellness Programs:

- Implementing wellness programs that focus on physical and mental health, including access to fitness facilities, stress management resources, and mental health support.
- Offering health check-ups and preventive healthcare services during shore leave.

Crew Engagement Activities:

- Organizing social and recreational activities during sea voyages to foster a sense of camaraderie among the crew.
- Celebrating cultural events, holidays, and birthdays onboard to create a positive and inclusive environment.

Access to Shore Facilities:

- Facilitating access to shore facilities and services during port stays, such as arranging cultural excursions, transportation for personal activities, and internet cafes.
- Providing assistance with logistics for crew members to connect with their families while in port.

Factors influencing retention in the seafaring profession

Motivators ➕	Demotivators ➖
Employee-friendly organisational culture	Separation from family and home
Enhanced long-term career prospects	Related concern about children's growth and education
Fair processes/treatment	Excessive workload/long working hours
Proper communication facilities	Fatigue and work related stress
Remuneration and the promise of high wages	Lack of shore leave
Challenging work	Social isolation and the instability of family life
Independence in the job	Lack of on-board communication facilities
Work-home duration balance	Stress
Company support – HRM	Insecure employment

Source: I.Theotokas (2018) *Management of Shipping Companies.* London: Routledge Figure 8.10

Key elements of best practices in crew management

Invest in culture and teamwork

Invest in crew welfare packages

Integrate training, appraisal and development management systems

Use a combination of personal and computer-based training

Use and integrated crewing solution onboard and   onshore

Source: Fraunhofer CML & GL (2013), *Best Practice Ship Management Study 2013*. Germanicher Lloyd – Fraunhofer CML.

Is the cost the only parameter to take into account? (1)

Crucial questions for every company looking to strengthen its competitive advantage

- Are the skills of all its ships' crews recorded and known?
- Are these skills made use of to the greatest possible extent?
- Do they invest in the personal development of the members of their crews?
- Do they provide incentives for higher performance?
- Do they create a member's identity and commitment in each member of the crew?
- Do they seek by means of training and other systems which they implement the transformation of seafarers into agents of the company's organisational culture ?
- Are feedback mechanisms and procedures which result in an increase of devotion and commitment of crews to the realisation of the company's aims implemented?
- Do the Human Resources Management practices favour the development of relationships of trust?

Stages of cultural Sensitivity in Shipping

Progressing through these **stages of intercultural sensitivity** is vital for fostering effective collaboration and a harmonious work environment among employees from diverse cultural backgrounds.

- **Denial:**
  - Localist approaches, lacking awareness of cultural differences.
  - In extreme cases, open undervaluing of other cultures.
- **Defence**:
  - Feeling threatened, adopting negative stereotypes.
  - Belief in the superiority of one's own culture.
- **Minimisation**
  - Concealing or undervaluing cultural differences.
  - Focusing on similarities within one's own group.
- **Acceptance:**
  - Acknowledging and accepting different behaviors and values.
  - Recognizing the validity of diverse perspectives.
- **Adaptation:**
  - Understanding others with different cultural characteristics.
  - Transitioning between cultural approaches.
- **Integration:**
  - Adopting a multicultural attitude.
  - Incorporating differences and adapting to a diverse knowledge and behavior level.

Conclusion

- HRM in the shipping industry requires a holistic and comprehensive approach to address the diverse needs of both shore-based and crew personnel.

- Recognized the strategic importance of effective HRM in ensuring operational efficiency, compliance with regulations, and the overall success of maritime endeavors.

- Emphasized the significance of prioritizing crew well-being through robust HR practices, including training, health and safety measures, and initiatives promoting job satisfaction.

- Gained valuable insights from the case study on job satisfaction among seafarers, illustrating the practical implications of HRM strategies on the maritime workforce.

- Critical role of competitive rewards and compensation structures in attracting, retaining, and motivating skilled professionals within the shipping industry.

- Continuous improvement in HR practices, adapting to industry changes, embracing technological advancements, and staying abreast of evolving regulations.

- A well-managed and motivated workforce, both onshore and at sea, is pivotal for the sustainable growth and success of the shipping industry.

Further Reading

- Barney, J. (1991) 'Firm resources and sustained competitive advantage', Journal of Management, 17(1), pp. 99–120.

- Becker, G. S. (1964) Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education. New York: Columbia University Press.

- Schuler, R. S. and Jackson, S. E. (1987) 'Linking competitive strategies with human resource management practices', Academy of Management Executive, 1(3), pp. 207–219.

- Fei, J., & Caesar, L. D. (2018). Knowledge management in the shipping industry. Managing Human Resources in the Shipping Industry, 176-195.

- Klikauer, T., & Morris, R. (2003). Human resources in the German maritime industries:'back-sourcing'and ship management. International Journal of Human Resource Management, 14(4), 544-558.

- Kizielewicz, J., & Wolska, G. (2017, December). Strategic human resources management in the leading cruise shipping corporations. In Book of Proceedings of the 13 th European Conference on Management Leadership and Governance. London, ACPI (pp. 237-244).

- KUNDAKÇI, B., ATACAN, C., BULAT, E., GURE, A., GÜREL, B., ÇANKAL, A., ... & ZORBA, Y. (2016). HUMAN RESOURCE MANAGEMENT IN MARITIME TRANSPORTATION: A LITERATURE REVIEW. PROCEEDINGS BOOK, 88.

- Parsa, S. J. S. (2012). Management of Seafarers in Liner Shipping Industry. International Journal of Business & Development Studies, 4, 101-122.

- Pathak, R. D., Budhwar, P. S., Singh, V., & Hannas, P. (2005). Best HRM practices and employees' psychological outcomes: A study of shipping companies in Cyprus. South Asian Journal of Management, 12(4), 7.

- Progoulaki, M., & Theotokas, I. (2010). Human resource management and competitive advantage: An application of resource-based view in the shipping industry. Marine Policy, 34(3), 575-582.

- Progoulaki, M., & Theotokas, I. (2016). Managing culturally diverse maritime human resources as a shipping company's core competency. Maritime Policy & Management, 43(7), 860-873.

- Tang, L., & Zhang, P. (2021). Human resource management in shipping: Issues, challenges, and solutions. Routledge.

- Kundu, S. C., Malhan, D., & Kumar, P. (2007). Human Resource Management Practices in Shipping Companies a Study. Delhi Business Review, 8(1), 75-88.

- Ulrich, D. (1997) Human Resource Champions: The Next Agenda for Adding Value and Delivering Results. Boston: Harvard Business School Press.

- Yildiz, R. Ö., & Esmer, S. (2021). Talent management related concepts and debates in container shipping industry by an emerging market perspective. Journal of Shipping and Trade, 6(1), 6.

UNIVERSITY OF MACEDONIA