



3rd Seminar on Maritime Human Resource Solutions
The Company of Master Mariners of Canada
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Panel: Recruitment and Retention

How HRM practices affect the retention of seagoing personnel

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Department of Shipping
Trade and Transport



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OUTLINE

- Introduction
- Methodology
- HRM practices:
 - HR Planning;
 - Recruitment;
 - Evaluation;
 - Compensation;
 - HR Outsourcing;
 - Retention.
- Conclusions





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INTRODUCTION

- Past:
 - De-flagging, FOCs
 - Independent ship management companies
- Present:
 - Fall of traditional maritime countries as HR providers
 - Global maritime labour market
 - Employment of 'low cost' seafarers
- Future:
 - Of the profession in traditional maritime countries
 - Retention of seafarers in companies & industry





METHODOLOGY

- QSR & Personal interviews:
 - Focus on: *HRM practices, manning strategies, core competency of HR, cultural diversity management, outsourcing HR*
- Period of survey: first half of 2007;
- Sample: 91 Greek-owned shipping companies, 1076 vessels;
- Size of companies:
 - **Small-sized** (1-4 vessels): 37% (34 comp.)
 - **Medium-sized** (5-15 vessels): 31% (28 comp.)
 - **Large-sized** (>16 vessels): 32% (29 comp.)
- Flags of vessels: 35% Greek, 19% Malta, 13% Panama, 10% Bahamas, 6% Liberia, etc.
- Types of vessels: bulk carriers (45.3%), tankers (33.3%), containers (9.7%), etc.





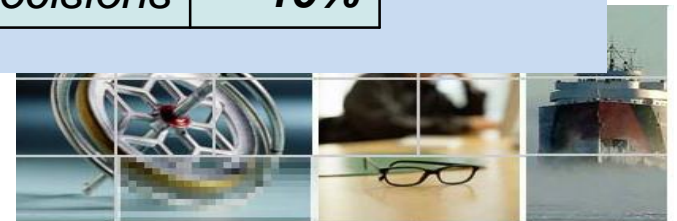
HR PLANNING: meaning

- Who? => crew dpt/manager (51.3%)

	Total		Large	Medium	Small
YES, conduct HR Planning	71.4%	Wherein, *	96.4%	79%	44.1%

YES, consider employed HR in strategic decision making	69.2%
Mainly concerning decisions:	
<i>Increase fleet size</i>	48%
<i>Decrease fleet size</i>	25%
<i>Technological renewal of fleet</i>	13%
<i>Flag choice</i>	4%
<i>Other decisions</i>	10%

* average of percentage of multiple responses- cases





HR PLANNING: methods

- Applied planning methods:

- Search for seafarers
- Use manning agent(s)
- Line-up
- Internal promotions
- On board training
- Rotation of crews
- Pool of seafarers.

- HR planning steps:

- (1) Info by vessels' crew lists
- (2) Check validity of contracts & certificates
- (3) Consider unscheduled changes
- (4) Consider possible sell/purchase of ship(s)
- (5) Consider future needs at office positions.

More HR Planning methods:

- cooperation of technical & operation dpts
- line up: monthly, 3-4 months, annual
 - use info from archive of statistics





RECRUITMENT: sources*

INTERNAL	Crew dpt.	44%
	Former employees-seafarers	38%
	CV data base	34%
	Internal promotions	31%
	Recommendations	24%
	Affiliated Manning agency	10%
	Website	2%
EXTERNAL	Independent Manning agent	48%
	Marine Academies	12%
	Advertisements	3%
	Others	2%

* average of percentage of multiple responses- cases





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RECRUITMENT: per national groups

- For Greeks, main use of:
 - all internal sources,
 - and Marine Academies,
- For Foreigners, main use of:
 - Independent Manning agents
 - internal promotions, CVs, recommendations & affiliated manning agency.
- Websites and advertisements are less used.





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EVALUATION

- Top 10 criteria for Officers & Ratings:
 - Individual performance
 - Character, personality
 - Training, knowledge
 - Leadership skill
 - English language
 - Safety measures awareness
 - Following company's policies
 - Initiative
 - Teamwork spirit





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EVALUATION

*What about
loyalty?*

- **Important criteria for Officers:**

- Professional ambitions
 - => career in shipping
 - => long lasting cooperation with the company
- Know-how => 'quality' of employee
- Maturity => a practical job requires experience

- **Important criteria for Ratings:**

- Professional conscience, seamanship
 - => team spirit, safety & environmental awareness, conformity
- Diligence, promptness
 - => good condition of vessel(s)
- Personality => discipline, responsibility





COMPENSATION: rewards

- Variation among wage policies: nation & rank.
- GR wages
 - > ROM, POL, RUS, UKR
 - > FIL.

	Total		Large	Medium	Small
YES, offer benefits	66.3%	Wherein, *	70%	75%	54%
		GR Off	F Off	GR Rat	FOR Rat
		90.2%	71.8%	46.9%	56.2%



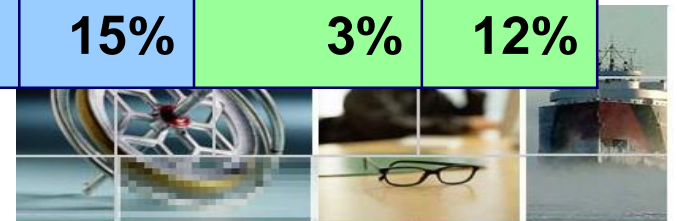
* average of percentage of multiple responses- cases



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<i>benefits</i>	*	GR Off	F Off	GR Rat	F Rat
Rejoining bonus	36%	55%	57%	0%	30%
Performance bonus	27%	43%	38%	7%	19%
Seniority bonus	24%	45%	26%	7%	17%
Support to seafarers' families	19%	43%	10%	14%	10%
Stand-by Wage	16%	43%	14%	0%	7%
Free/ subsidised training	11%	27%	14%	0%	4%
Pension Plan	4%	7%	3%	3%	1%
Bonus for Repair/ Hull cleaning/ etc	4%	0%	0%	3%	13%
Others	13%	21%	15%	3%	12%

* average of percentage of multiple responses- cases





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COMPENSATION: benefits

- Greeks receive more benefits & incentives;
- Foreign Ratings receive more benefits than Greek Ratings;
- Different benefits => lack of integrated systems, perception of different HR value;
- Incentives & retention of GR Officers in the company;
- Incentives: size of company, types of ships;
- Non-financial incentives (should) play a role.





HR OUTSOURCING

Type of agent	
Affiliated company	Greece
	Abroad
Independent company	Greece
	Abroad
Other	

% cases	responses
4.4%	4
17.8%	16
34.4%	31
71.1%	64
12.2%	11
Total	126

Large	Medium	Small
100%	0%	0%
68.8%	18.7%	12.5%
19.4%	29%	51.6%
35.9%	31.3%	32.8%
36.4%	27.2%	36.4%

- **Criteria to choose manning agent(s):**

- Access to crews 78.2%
- Trust, long lasting synergies 51.7%
- Crews' wages expenses 36.8%
- Fees 23%
- Nationality of agent 23%
- Quality of offered services 10.3%

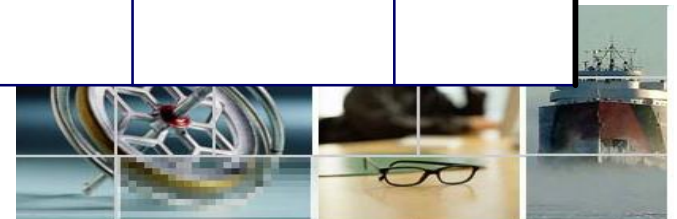




RETENTION: pool of seafarers

Practical ways to retain pool of seafarers	GR Off	F Off	GR Rat	F Rat
• offer job regularly	62%	44%	62%	49%
• offer benefits, rewards, bonus	75%	60%	28%	46%
• quality of working & living environment	42%	33%	59%	38%
• employment on familiar ships	29%	21%	35%	21%
• personal relation with seafarer & family	40%	11%	28%	15%

*average of percentage of multiple responses- cases





RETENTION: labour turnover

<i>In years</i>	Officers	Ratings
GR	≈ 11	≈ 11
FIL	≈ 9	≈ 9
RUS	≈ 8	≈ 9
ROM	≈ 7	≈ 6
UKR	≈ 8	≈ 9

- labour turnover & loyalty
- loyalty & job satisfaction

	Total		Large	Medium	Small	
YES, examine the reasons of a seafarer's walk out of the company	45.1%	Wherein, *	43.9%	41.5%	14.6%	
			GR Off	F Off	GR Rat	F Rat
			54%	29.4%	21.2%	23.6%

*average of percentage of multiple responses- cases





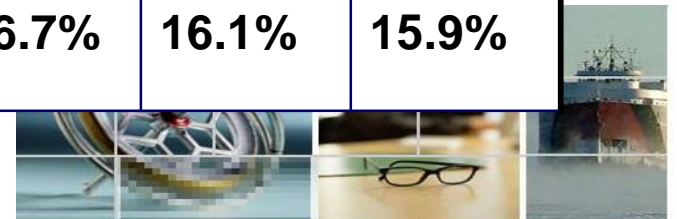
RETENTION: length of trip

<i>In months</i>	Officers	Ratings
GR	8	8-9
FIL	10	10
RUS	7	8
POL	7-8	9
ROM	7-8	11
UKR	8	12

- what if the company is under crisis?
- no jobs to offer?
- Rotation, OR...

	Total		Large	Medium	Small	
YES, recommend a seafarer to another company, when there's no job to offer	31.1%	Wherein, *	28.6%	32.1%	39.3%	
			GR Off	F Off	GR Rat	F Rat
			37.7%	16.7%	16.1%	15.9%

*average of percentage of multiple responses- cases





CONCLUSIONS i.

- Retention involves:
 - seagoing personnel in a company
 - seafarer in the industry & occupation
 - labour in the national economy & fleet
- Shipping companies' responsibility
 - Applied recruitment, compensation and retention practices are not enough;
 - All HRM activities affect seafarers' loyalty;
 - Non financial measures matter;
 - Keep a personal bond between shipowners/operators and seafarers.





CONCLUSIONS ii.

- Two categories of employees = different HRM practices;
 - Nationals and foreigners;
 - Officers and ratings;
- HR Outsourcing is a useful tool, BUT needs to be controlled;
- Strategy formation and people management should be tight;





CONCLUSIONS iii.

Shipping comp. can retain seafarers by developing an integrated HRM system, that:

- recognises the **Value** of the HR,
- acknowledges the **Rare** characteristics of the people,
- seeks to avoid **Imitation** by competitors, and
- supports it through the long-term **Organisational strategy**, vision, philosophy.



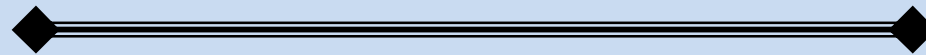


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Thank you for your attention.

Any questions?



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