

HUMAN RESOURCE MANAGEMENT PRACTICES IN SHIPPING COMPANIES

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ABSTRACT

In today's competitive business world, it will be increasingly challenging to meet the needs of businesses and individuals. Strategic human resource management (HRM) strategies have an impact on a company's ability to compete in today's market. Human resource management in shipping enterprises will be examined in this research. Training and performance evaluation, followed by career development, emerged as two of the most important aspects of human resources (HR). Shipping firms used 'Job analysis and HR planning' to a lesser extent than other industries. Workforce diversity and flexibility were also mentioned, but they did not emerge as a noteworthy practice.

Keywords: -Human Resource Management, Shipping Companies, HRM, types of ships, maritime affairs

INTRODUCTION

The economy has entered "The Age of Information," a time when gross domestic product is increasingly dominated by services, according to some analysts. Everything in our life is dominated by services. Restaurants; hotels; electricity and phone; postal and courier; hairstyling services; stockbrokers; dentists, physicians; stockbrokers and insurance agents; movie theatres and swimming pools and Disney-style theme parks are some of the services we use (Bateson and Hoffman, 1999). A new automobile or washing machine are examples of tangible items that need ongoing maintenance and repair after purchase. In addition to saving us money, services help us manage our time (Bateson and Hoffman, 1999). This century will be known as "the era of humans," as opposed to "the age of machines," as the saying goes (Kanter as in Kermally, 2006). People-management approaches are shifting as a result of terms like "globalisation," "empowerment," "cross-functional teams," and "downsizing," as well as "learning organizations" and "knowledge workers" (Kermally, 2006). As a classic example of a globally integrated business currently only loosely bound to national sovereignty, the shipping industry stands out among others. The physical capital of a shipping company is more mobile than that of a burger stand or a car factory, which sets it apart from other instances of global commerce. Because of this, strategy and human resource management have a mobile component that is not shared by the majority of manufacturing and transportation companies (Klikauer and Morris, 2003).

Opportunities and difficulties for the shipping sector are being created by globalization, flexible tax regimes and a more mobile workforce. As the global trade balance alters and the market consolidates, new business strategies and procedures are needed to address the industry's changing nature.

Manipulating others is not the way to effectively manage people. In order to fulfil the organization's strategic objectives, you must collaborate with your employees and colleagues (human resources) (Kermally, 2006). Increased productivity of knowledge work and knowledge employees is the most critical contribution management can make in the twenty-first century (Drucker, 1999). One cannot buy a human being in mass. They may be found in a variety of shapes and sizes.

We must treat each person like an individual if we want to keep them around. Employees nowadays are more inquisitive and expectant than previous generations of workers were. They have the self-assurance to voice their problems, complaints, and hopes. Modern firms are dominated by their employees' intellect. It is the core of what they are. Competition is becoming fiercer. Uniqueness may be created inside a company, in its products, and in its service offerings by the people who work there. To be successful, a company must have one and only one legitimate description of its business purpose: to establish a customer base via effective leadership and management of its workforce and operations (Thite, 2004). (Drucker, 1974). As others speak about it, exceptional firms do it; others talk about it, but excellent companies really do it (Peter and Waterman, 1982). If you want your company to succeed, you must define it not in terms of what products you produce or sell, but in terms of what services you provide to your customers (Levitt, 1960).

LITERATURE REVIEW

Maria Progoulaki (2010) In order to achieve a long-term competitive advantage, a company's strategy should be founded on a resource-based perspective (RBV). In addition, human resource management may be seen as a source of competitiveness. This article makes the case that RBV may help shipping businesses overcome the challenges they experience in managing their human resources and create a long-term competitive advantage. Greek-owned shipping businesses use a variety of human resource and crew management strategies, which are examined in depth in this research article. As a result, it presents an integrated framework for managing human resources in the shipping sector that might lead to a long-term competitive advantage based on the firm's RBV,

Ariza-Montes (2021) Officers and non-officers, two obviously distinct categories of workers, are examined in this research for their levels of job engagement and the working circumstances they face in the newly burgeoning cruise sector. A total of 353 people who work on cruise ships were included in our study. There is a strong correlation between precarious working circumstances (particularly among non-officer personnel) and the level of participation of both categories of seafarers, according to regression analysis. Human resource managers of cruise lines may use this survey to discover the areas where they can enhance work quality.

A.Radic (2017) Employee involvement on a cruise ship was the focus of this in-depth investigation. During their cruises, 246 crew members and officers from various departments completed a questionnaire. A four-component answer (Communication and progress, capacity to participate, engaged behavior, trust and freedom feeling) was shown to be the best explanation using exploratory factor analysis. In addition, an IPA matrix revealed potential areas of growth. According to the findings, cruise lines have a chance to improve employee engagement by enhancing aspects of communication and advancement, engagement capacity, and engaged behavior. Cruise tourism theory and practice stand to benefit greatly from these results.

U. la Monaca (2020) Over time, a trial-and-error technique has evolved into the typical design process. Only one conceptual design option is worked on at a time, and it is developed step by step until the desired conclusion is achieved. Due to the rising complexity of ships and the increasing demanding operating requirements, this technique looks to be outmoded in a market where cost and time reduction is a vital criterion. For the shipbuilding industry to remain competitive, reliable information must be accessible from the start of a project, allowing the design team to explore a wide range of options and quickly find the optimum design solution. In order to improve ship design efficiency and effectiveness, a new logical design approach is proposed in this study. An easy-to-use and little-trained design software was used by the authors to quickly and easily create the Virtual Prototype of a case study ship (such as the longitudinal weight distribution of ship structures, preliminary mid-ship section, GZ curves and powering curves) without a great deal of computational effort. As a result, moving from one software to another has less chances of data loss while utilizing just one multipurpose programme instead of many tailored for specialized purposes.

M. Vafeidou (2019) As a result of recent improvements in Information and Communication Technologies (ICTs) and the increased usage of mobile devices and social media, tourist firms have become more intelligent (Xiang & Fesenmaier, 2017). Innovation in the cruise business has altered the experience, by integrating service and entertainment with information-seeking and sharing in a constantly mobile environment (Tussyadiah & Zach, 2012). Since cruisers are active players who engage dynamically with stakeholders in their purview, producing value for everyone, the Smart Maritime Ecosystem has arisen. Technology, on the other hand, gives cruise lines the ability to achieve their most important objectives, such as increasing customer loyalty and increasing the value of their customers, as well as innovating to differentiate themselves from the competition and collaborating with others in new ecosystems to improve brand strategies and deliver unique real-time travel experiences. For the objective of this conceptual research effort, we are attempting to gather all of the existing digital advancements in the marine ecosystem and explore how they affect the cruiser's experience on board. Once the concept of "smart/smartness" in tourism has been defined, this assignment will try to conceptualism the Smart Marine Ecosystem focusing on the transformation of guest experiences, bringing together all the digital features on smart cruise ships from thirteen different companies and creating a hypothetical scenario at sea. As a result, this research will examine the advantages and drawbacks of employing ICTs in terms of efficiency and sustainability, as well as safety and customization of the experience.

MANAGEMENT OF HUMAN RESOURCES (HRM)

Three parts of a questionnaire were used to collect primary data for this investigation. A total of ten general questions and a total of 22 statements concerning HRM practices made up the first portion. The 45 sentences in the third segment were all on employee service. However, only the second segment, which deals with HRM practices (22 statements), and the first part, which deals with generic statements, were examined in this research. For each of the statements, the respondents were asked to rate their agreement with the statement's description on a five-point rating scale. A rating of one indicated strong disagreement, a rating of two indicated disagreement, a rating of three indicated neutral agreement, and a rating of four indicated agreement. Exhibit 1 displays the 22 statements. The survey was given to 600 people from 200 different firms in New Delhi, India, all of whom had taken part in training and development programmes at training institutions there. Discrepancies in

just 250 (41.7 percent) of the returned questionnaires could be ruled out. Ninety-one participants were from Indian shipping businesses and 160 from foreign shipping organizations in a sample size of 250 people. All of the people that took part in the survey were of Indian descent.

Analyzing the data required the use of a variety of statistical techniques such as count and percentage data as well as correlations, standard deviations, component analysis, and mean and grand mean scores. As a way to determine the frequency and percentage extent of specific variables, actual counts and percentages were employed. Human resource management techniques in shipping organizations were compared using correlations, and the standard deviations associated with the data obtained were determined. As a starting point, factor analysis was utilized to sift through the data. The average and grand mean were useful in understanding the breadth and direction of HR practice and associated variables.

Cronbach Alpha was also used to determine the data's reliability. If two or more construct indicators are being compared, Cronbach's coefficient alpha is typically employed to gauge the reliability of the data. The alpha value of the 22-variable scale was determined to be as high as 0.92. Additionally, factor-wise alpha values of between 0.866 and 0.625 were determined, which were above the necessary limit. To meet the requirement ($\alpha > 0.60$), Cronbach's alpha values were all more than 0.60 (Nunnally, 1978).

SHIPPING COMPANIES

Countries that were not maritime powers, such as newly industrializing nations and micro-states, have seen a dramatic increase in international rivalry since 1945. Another reason for the rise of the "crews of convenience" is that developing countries have discovered that marine employment may be a valuable source of foreign cash. 'Open' or 'flags of convenience' registries, which often have no nationality criteria and inadequate credentials for 'crews of convenience,' have enticed ship owners because of low taxes and no control. From countries other than where ship owners live and where the vessels are registered, crews are increasingly arriving on board (Donn and Morris, 2001).

Human resources practices such as pay for performance, equal treatment of minority and majority groups of employees, flexible work schedules, and an adequate HR information system are all part of the "workforce diversity and flexi-work system," a term coined by shipping companies to describe their current HR practices. With an HR management system, a manager may assist strategic decision-making and minimize lawsuits while also evaluating a program's or a policy's efficacy (Noe, Hollenbeck, Gerhart and Patrick, 2007). Those that work for dynamic firms are looking for persons who aren't like us. A company's customers and workers will suffer if it fails to embrace cultural diversity successfully and does not remove prejudice and injustice holistically. Making employees feel like they have a stake in the firm is essential for attracting, developing, and keeping a diverse staff (Kundu, 2004).

The fifth aspect is "career development," which stresses the socialization of workers with the company culture and service orientation while also giving possibilities for professional advancement. Career structures in the merchant marine; recruitment and wastage patterns; training delays; the possible presence of feedback relationships between sea-going and shore-based maritime jobs are some of the factors that contribute to a shortage of quality-educated officers in the shipping sector. When it comes to maritime careers, a hierarchical structure, stringent shipboard divisions and a narrow-based education have traditionally determined the career path in

the merchant marine. However, this is no longer the case. As a result, for the vast majority of sailors, returning onshore signified the end of their marine career (Obando-rojas, Gardner and Naim, 1999). However, in the previous two decades, the shipping industry has undergone a technological, managerial, and regulatory revolution that has altered the role of crew members aboard ships and the road to a career in the merchant marine. Multidisciplinary and highly technological and interchangeable functional professional abilities are increasingly needed in marine operations today. Integral ship management are now the primary goal of maritime education (combining operational and managerial skills). Merchant marine officers are increasingly receiving college-based education that includes coursework relevant to shore-based maritime employment. So many maritime education and training establishments around the world are currently offering seafaring education programmes, either with a maritime-related B.Sc in Marine Technology or with credits recognized by higher education institutions toward the completion of a professional degree, in order to achieve this end goal." Officers onshore will certainly benefit from this marine comprehensive education in terms of their future chances (Obando-rojas, Gardner and Naim, 1999).

Development of front-line employees/officers for service delivery did not have a significant impact on any of the factors studied. However, two variables, namely "hiring and remuneration" and "workforce diversity and flexi-work system," weighted considerably on the variable "equal say of majority and minority workers."

PERSONNEL SELECTION AND PLACEMENT PROCESS

A number of recent HRM studies have examined how resumes, interviews and other HR selection and placement tools are utilised to assist HR managers make more informed people selection choices [13]. It's also been proven in studies that assessing a candidate's personality is crucial early in the hiring process [14]. In addition, evaluations of knowledge, experience, work competency, performance, practice-based abilities, and competencies are crucial considerations in the hiring process.

Only a few models of effective people recruiting processes have been successfully implemented in practise, despite the fact that there are several excellent methods in the literature. With a well-thought-out validation procedure, the present methods for supporting staff selection and placement in the shipping sector, which has an extremely specialised work environment demanding a certain level of knowledge, may be improved.

The first step in the suggested procedure is to identify the unique job requirements on board ship. Examine the outcomes of prior job analyses, such as descriptions and specifications of the jobs in question. In this way, it will be able to learn about the personal needs, such as educational background, work experience, and skill sets. You'll also have a chance to study the job's duties and requirements. Tasks stated in job descriptions will be evaluated in depth in order to determine the exact skills and abilities needed for each position. An in-depth look at the tasks themselves will disclose the relative value of each of the listed talents and abilities as well. The importance of each work activity and the importance of each job skill will be taken into account when determining this component.

The term "reliability" here refers to the capacity to find the test equipment that accurately evaluates the desired skill and aptitude. Test-and-retest process is intended to demonstrate reliability. The results of several tests will be compared to show how reliable a particular piece of test equipment is

if they are repeated according to a predetermined schedule. The significance of the measurement findings is then determined in a third phase. Assume, for example, that a candidate scored 48 seconds on a test of hand-eye coordination. This step's goal is to evaluate the results and explain what exactly these 48 seconds signify in terms of performance. Additionally, threshold and boundary values for each ability will be established as a result of this.

Performance in the Shipping Industry

When it comes to the shipping sector, performance is defined as the ability to produce or complete a work in accordance with predetermined and well-defined criteria (Trivedi 2010.). This means that organisations must maximise the utilisation of resources while still maintaining a high return on investment (ROI). Increasing profitability, improving service delivery, or achieving the greatest outcomes in crucial areas of organisational operations are all elements that contribute to a company's performance in this business. Meeting or surpassing customer expectations and adapting to changing conditions, including those in the external environment and the needs of the situation, are all part of delivering on the promise of high performance.

Studies have shown that HR policies and practises do not have an effect on corporate performance (Lahteenmaki and Storey 1998), however the majority of the HR community agrees that there is enough data to support this assertion (Purcell et al., 2000; Guest, 2002; Patterson et al., 1997). Organizational management and development, according to Caulkin (2001), has a tremendous impact on performance, including bottom-line results. Key performance indicators (also known as KPIs) are often used to track progress in the shipping sector. It is possible to measure both financial and non-financial aspects of performance. Non-financial metrics include, for example, the Lost Time Injury Frequency (LTIF). Financial measures like return on investment (ROI) are an excellent illustration of this. Safety, operational, and technical performance indicators are the most essential performance indicators, according to Konsta and Plomaritou (2012). Another sort of indicator is a performance indicator in the areas of environmental protection and navigational safety. Each KPI has an impact on the others (Latorre et al 2010). Safety, for example, is closely linked to cost. It is common knowledge that a ship management must comply to ever-changing national and international rules. Safety measures will rise as the maritime sector implements new regulations requiring more safety safeguards. Due to the greater safety, the cost of the product will rise (however, in the long term, increased safety will decrease cost due to marine accident prevention). As a result, operational and technical performance metrics rise as a result of increased safety performance.

Environmental performance: It is common for shipping companies to have an environmental policy that puts a high focus on environmental factors in the management of their operations. Primarily to fulfil stringent environmental standards, but also to cut down on the expense of engine maintenance. Continuous environmental monitoring aims to minimise the ship's influence on the environment and to strive for zero spills in the environment, satisfying both regulatory requirements and expectations of stakeholder groups.

Safety performance: Shipping firms operate under potentially hazardous settings. In this business, risk assessment is an essential part of everyday operations. We constantly examine and mitigate risks in order to prevent them from occurring altogether. Safety is a critical metric in the offshore support services market. Employees, customers, and other stakeholders must all be protected at all times. With an eye toward achieving a long-term goal of no injuries or fatalities, we measure our

safety performance against a goal of 0.

HR management performance: Employee and/or crew productivity is assessed using this metric. Crew planning, personnel retention, training days per officer, and HR problems are some of the metrics used to evaluate performance. If human capital is to be at the heart of a company's strategy, the HR department's effectiveness is critical. This will be monitored and controlled by HR with the goal of increasing productivity. Monitoring HR performance has the benefit of revealing whether or not HR goals are being reached. It will take into consideration the average variable cost per recruit, the average number of days it takes to fill a vacancy, and the proportion of vacancies that are filled the first time. The average number of training days per employee per year and the average variable expenditure on training per employee per year will also be tracked as part of the Training and Development index. The cost of employee turnover and retention to the company.

Operational performance: This contains both technical and navigational safety performance metrics. KPIs include the budget performance in relation to the established daily operating cost per vessel, for example. Dry docking planning and performance is an important operational performance indicator because of the significant costs connected with dry docking and the loss of revenue while the vessel is in the dry dock. Detentions resulting from a lack of Port State control, International Safety Management (ISM), or the International Ship and Port Facility Security Code (ISPS Code) audit flaws cost money, thus controlling and limiting their occurrence is a need. Measurement and control are needed to ensure that replacement parts are kept on hand and delivered to boats in a timely manner (air freight, urgent, etc.). An additional performance indicator is navigation and dynamic positioning (DP) events, which will indicate training requirements or operational staff quality issues.

LIMITATIONS AND FUTURE DIRECTION

A possible weakness of this research was that the data was acquired using the same construct (using self-completion questionnaires) and the same procedure, despite diverse sources, varying timing of data collection, and high alpha values of the data. Common method variance might affect the correlations between variables and subscales. As an explanation for the inter-correlation of the variables, Podsakoff and Organ (1986) urge that researchers submit findings from a test of the single-factor hypothesis. Although the first factor accounted for 39.256 percent of covariance across variables in Harman's one-factor test on HR practises (Podsakoff, MacKenzie, Lee and Podsakoff 2003; Podsakoff and Organ 1986), this suggests that technique variance is not a significant problem. In addition, the data was only gathered from Indian bases, rather than the larger region. To get a broader picture, it may be extrapolated across cultures. Studies may be expanded to include a broader geographic scope and a greater number of participants from diverse cultural backgrounds. Only one independent variable was used in the analysis of the data. To further aid in data analysis, researchers might expand the number of independent variables.

Last but not least, there was no correlation between the factors included in the questionnaire and the performance of HR practices. Future studies on human resources may focus on these factors in the future.

CONCLUSION

Human resource management strategies in shipping firms were analyzed using 250 observations from 125 shipping companies in this research. Five factors were identified as a result of factor

analysis, and they were further studied. A heavy emphasis on 'training, performance evaluation, and recruiting and remuneration' was followed by 'career development'. Shipping firms used 'Job analysis and HR planning' to a lesser extent than other industries. Workforce diversity and flexibility were also mentioned, but they did not emerge as a noteworthy practice.

The shipping industry is a very competitive one, and it is also one of the most dynamic. Combined with today's extremely competitive and complicated business climate, ship management businesses are challenged to become more efficient and inventive. In order to remain competitive in the global shipping sector, organizations must provide the highest quality services, which can only be provided by staff who have undergone rigorous training. Bangladeshi shipping companies can't ignore the important role employees play in meeting the company's business goals, implementing the management strategy, and providing their customers and charterers with high-quality service because shipping companies around the world face economic instability with highly volatile freight rates, stricter regulations, and intense competition. A shipping business must hire and train the finest people possible. This industry in Bangladesh is adopting a few discrete skill development programmes without taking into account that these practices are linked to the overall management of the personnel. ' Even a single skill-building programme may not provide the desired results. A comprehensive system approach to management should be used throughout the complete skill development programme. To remain competitive in the global marketplace, management must focus more on recruiting and training personnel effectively.

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