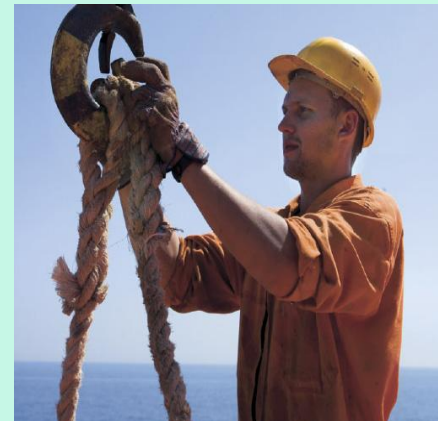


# A Foreign Employers Perspective



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## Tanker Operator Conference 5<sup>th</sup> Feb 2015

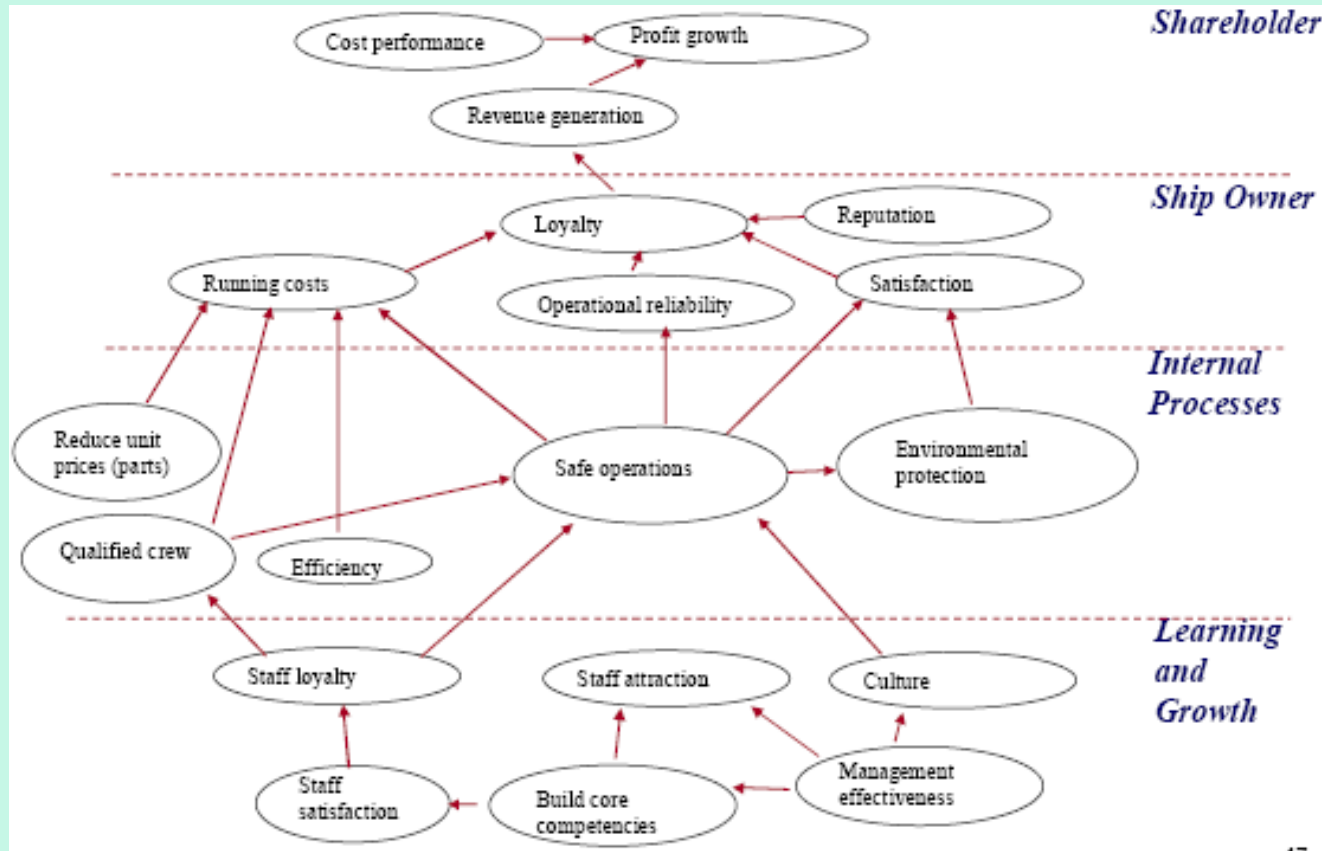
# A Foreign Employers Perspective



- ❑ **Expectations of the employer**
  
- Crew **cost** is required to be competitive .
  
- Certified , qualified and well trained crew meeting all the statutory and **regulatory** requirements.
  
- Good quality crew who can meet the various **industry requirements** in fully compliant manner.
  
- **Motivated & committed** crew to maintain and operate the vessels **Safely, Efficiently and Economically.**
  
- **Loyal** Crew to achieve full compliance at all time and achieve **good retention** rate.

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## The Bigger Picture



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Efficient Ship Management is about responding to challenges in the shipping industry. Today main challenges are **increasing running costs, Limitation on Quality & Compliant crew resources , Safety & Environmental concerns.**

A **holistic system** required to respond to the challenges based on Performance Management System that looks at the pillars of the structure of the company & development of the **key performance indicator** that serve as measure of performance, control & improvement.

## ❑ Risks to reputation of the crew :

- Violations of D & A policy .
- Violations of MARPOL
- Accidents, incidents involving financial Claims & damage to reputation.
- Incidents involving theft of cargo or bunkers.
- Onboard disharmony and dismissals due to interpersonal issues and lack of teamwork.

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## ❑ Availability of the quality crew , some challenges :

- Lack of Practical training
- Reduced frequency of maintenance of machinery due to technological advancements – resulting in hands on and real time experience.
- Level of available training, work practices, Cultural and social issues in case of mixed nationality crew.

## □ Demand Vs Supply imbalance Challenges

- Drives up wages
- Faster promotions and consequent reduction in experience leading to perceived drop in quality
- False sense of job security leads to indifferent attitude and drop in commitment and Loyalty

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## ❑ Crew cost & Market Forces :

- Important to position ourselves correctly in the market in terms of wages. Spiraling wages due to shortages & Poaching needs to be controlled.
- Efficient use of experience matrix through forward rotation planning & well planned promotions
- Officers holding a COC, but without rank experience may be appointed as a Jr. Watch Keeping Officer on vessels where an extra Navigating or Engineering OOW is required to be placed on board, over and above the Safe Manning requirement and/or normal working complement.





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## Crew cost & Market Forces :

- Talent Pipeline, sense of belonging positively impacts retention.
- Expenses incurred in carrying out crew changes in far away ports – planning for crew changes in economical ports.
- Escalating costs for medical treatments and repatriations due to ineffective pre joining medicals. Need to strengthen scope of PEME in line with P & I guidelines.



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## Retention:

For the sake of simplicity, as far as Loyalty towards the company is concerned I broadly divide the seafarers in 3 categories.

**Category 1** - Seafarers in this category trust the company to the core. They truly believe Company is trying to do the best for them. They are very patient, in the sense they truly believe in the top management of the company & think that every thing will be set right in the due course of time, as the company is continuously taking steps towards the perfection. Loyalty is part of their personality. I must say this is a rare breed in today's market.

**Category 2** - Loyalty is important for the seafarers in this category, as long as everything is generally going good & generally to their expectation. All goes well, these seafarers will not wander any where. Majority of the todays seafarers come in this category. This is where our challenge is, as these seafarers are comparatively less patient with what they want. To retain maximum of them, we need to have strategy. These seafarers are vulnerable to competition.

**Category 3** - Seafarers in this category strongly believe that loyalty is an out dated quality. Usually they have very specific short term goals and their decision to be / not to be with the company is governed by these goals. Again this is not so common category though I can feel that their numbers are on the rise. This could be effect of the tremendous opportunities available today for the seafarers.

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**1.COMMITMENT FROM THE TOP** : Loyalty to an organization involves loyalty to its values, policies and people. An organizational culture that wins the loyalty has to be built. Leaders build the culture by consistently exemplifying and communicating the high values and right purposes of the culture. Senior leadership is committed to compliance. Only when those at the top lead by example will an organization successfully implement a new policy. Policies are to be strictly enforced at all times & specially at the testing times.

Everyone understands the business implications of what a major ethical violation can do to an organization. However, most people don't turn it around to understand the positive impact ethics can have on employee loyalty.

**2. OPPORTUNITIES FOR PERSONNEL GROWTH** : I have noticed that one of the major reasons officers leave the company because they are not promoted when the promotion is due. Promotions of the seafarers in timely manner is crucially important to achieve steady career graph of the seafarer as well as to improve retention rate. Formal mechanism/procedure needs to be in place to arrange promotion of seafarers at reasonable notice when the industry set criteria of sea time along with the required recommendation is met. Once we accept seafarers are our greatest assets, commitment to their career development becomes company's utmost responsibility. **This also stands valid while offering to our seafarers , positions ashore.**

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## **3.SAFE SHIPS TO WORK ON RESPONSIBLE OWNERS :**

Today every seafarer going out to sea is very particular about ensuring that he is joining a safe ship . Substandard vessels adversely affect seafarer's retention directly. Company need to be vigilant and careful while choosing vessels in the management. While aggressively seeking growth of the business, we must not ignore the quality of the clients & vessels we choose to work with. This will go long way in gaining trust of our seafarers.

## **4.RECOGNITION & APPRECIATION OF LOYALTY :**

Knowing & staying in touch with your seafarers is extremely important. A letter of recognition and honor , signed by the CEO/President of the company be sent to all those seafarers who have completed 10 years with the company. Considering today's seafarer's working span out at sea this is an achievement which should be recognized by the company. A felicitation with placard of recognition / appropriate / memorable gift as token of respect for the seafarers will go long way in keeping the thread of Loyalty intact .

## **5. MANAGEMENT'S RECOGNITION OF THE IMPORTANCE OF PERSONAL & FAMILY LIFE :**

As a token of management's recognition of the importance of personal & family life of the seafarer, company could bear the cost of insurance required for the families for sailing onboard. Send greeting etc on important personal occasion of the seafarers such as birthdays / anniversaries .

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## EMPLOYEE OWNERSHIP / RETENTION PROGRAMME HOW EFFECTIVE THEY ARE?

The problem with trying to win loyalty through ownership and retention programs is that these are attempts at buying what must be earned and built.

Loyalty means to be integral part of ones personality developed through trust & mutual respect. Understood in this way, loyalty cannot be bought.

It is given to those organizations , persons, that have earned it by their commitment to worthwhile values, purposes or policies.

- **Competence, Training & Mentoring**

## Quality at the level of induction:

- ❑ **Seafaring as a career option for aspiring youngsters in India is losing its sheen in Tier – 1 Cities**
  - Availability of alternate career options in the Tier 1 cities, and lack of awareness in Tier 2 & Tier 3 cities
  - There is oversupply of pre-sea training with little to no availability of 'on board' training slots for unsponsored candidates.
  - The negative publicity in the media on account of criminalisation & piracy

- **Quality of seafarers in the pool :**
- Know your staff ashore & at Sea for strength & weaknesses
- Assess job performance against key performance requirements
- Identify strengths and areas requiring improvement
- Training and personal development to improve performance and/or prepare for promotion
- Provide reliable/valuable source to decide on promotions
- Involve ship & shore management to improve safety, compliance and personnel seagoing standard
- Well equipped training centers for practical / hands on training imparted by quality faculty .



## **V.Ships in-house Resource Management Training - Objectives**

### **OVERALL**

- To understand the causes of accidents, the factors that contribute to quality performance and the relationship between them in the operational context
- To gain an increased appreciation of the relevance of Human Factors in the maritime workplace
- To gain an understanding of the necessity for communications, leadership and teamwork, situational awareness, planning & decision making and appreciate the interdependent relationship between these elements

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**CREW is the KEY factor - so lets not just find more regulations ..Focus on soft skills , mentoring, motivation and pride.**

## **Need for Onboard Mentors**

According to Steve Trautman in his book "Teach What You Know" *Up to 70% of skill is learnt from experience'*.

It is believed that the maritime skill pool is not being passed on in the way it used to be, by mentoring.

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## Definition

***Mentor*** : The Oxford English Dictionary describes a Mentor as *an experienced and trusted adviser* .

***Experiential Knowledge*** - defined this as *knowledge gained from professional on the job' experiences and reflected upon.*

This knowledge can come from a wide variety of sources or experiences but, it often has the most impact when it comes from an accident, incident or near miss; however it does need to be reflected upon before it can become experiential learning.

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## Reactions Onboard By Senior Officers

*“All this mentoring business is all very well but how am I going to find time for it? I am so busy that I just don't have time to sit and teach the officers, primarily what they should already know.”*

Mentoring can have a significant effect on team building as it leads to confidence between individuals as they come to understand others capabilities and needs. Mentoring is excellent at breaking down barriers between individuals and this leads in turn to the cohesion of a stronger team

Successful mentoring and transferring of experiential knowledge leads to a reduction in accidents and incidents.

We are regularly reminded that accidents develop from a chain of events and, to prevent an accident, we need to break that chain. Imagine that you have transferred that vital piece of knowledge that breaks the chain and prevents an accident

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## Conclusion :

To increase **EFFICIENCY & COST EFFECTIVENESS** on today's technologically advanced vessels we **must have** dedicated, experienced and motivated staff on board and ashore.

This can only be achieved when a **POSITIVE** culture driven by the high quality of management exists in the organization.

**CONTINUOUS EFFORTS** are required to maintain this culture by focusing on the attitude and soft skills of both ship and shore staff.

All the training , motivation and positivity can give results only if the Shore staff approach towards the seafarers is blame free.

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## ➤ Demand vs Supply equation imbalance

➤ Drives up wages

➤ Faster promotions and consequent reduction in experience leading to perceived drop in quality

➤ False sense of job security leads to indifferent attitude and drop in commitment

➤ Future requirement... Can we predict?

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## ❑ Supply / Demand Global Scenario

- ❑ Global increase in shipping forecast in next 5 yrs, & its impact on Supply demand equation.
  - 2247 vessels increase, net of demolition... requiring close to 38500 officers including leave back up.
  - On the assumption that annual officer intake to the global fleet will be at 1.5%, the supply gap will increase from the current approx. shortfall of 19000 to 22000.
  - If however the officer intake is reduced from 1.5% to 1%, the shortfall will increase to >33500
  - 
  - Last 5 years the number of Indian officers has gone up by 2000, out of an overall global increase of approx. 40000 ... only 5% out of a global increase of 8%
  - India should work on this opportunity and can increase the numbers ....

## □ Opportunities and challenges for Indian seafarers...

- Indian officers generally enjoy a high reputation.
- Many ship operators now have crewing offices in India.
- Availability of junior officers is good.
- Seafaring officers' wages compare favourably with the domestic economy.
- The desire for quick promotion is an issue.
- Turnover rates can be high



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- ❑ **Industry requirements & Technological Advancements :**
  - . Safety of Life, Property and the Environment paramount. Compliance & PSC
  - . Higher operational efficiencies will be demanded and monitored. Charterers / TMSA
  - . Monitoring & Tracking using modern technology.” The Third Eye”
  - . Links to shore by satellite communication systems will become increasingly  
➤ Sophisticated
  - . Newer power sources, more powerful computers, electronically controlled engines will be introduced
  - . Navigation will become more dependent on electronic innovations such as the GPS, Electronic charts and automatic alerting mechanisms to ensure that it will be impossible for a ship to disappear without a trace.

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- ❑ **Industry requirements & Technological advancements :**
  - . Ships will become more complex, specialized.
  - . Ships are getting more technologically advanced with higher level of automation and controls.
  - . Thus fewer people managing larger vessels

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## Change our attitude

We must continue to foster a culture of safety within our industry with quality as its fulcrum.

We must keep pace with the demands of new technology . ( Newer Machinery, Engines , equipments )

BUT...New technology will not *create* a culture..We as individuals can ! It is up to us to make sure that in everything we do, quality and safety are our first thoughts, values.

We need to change our attitude towards shipping safety and the protection of the environment.

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**The ability to self-reflect**

God,

Grant me the serenity to accept the things I cannot change,

Courage to change the things I can,

And the wisdom to know the difference..

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**THANK YOU**