

## EXTERNAL REQUIREMENTS ON IMPROVING SHIP MANAGEMENT POLICIES. A GENDER EQUALITY AND CULTURAL AWARENESS OVERVIEW ON THE SHIPPING MARKET

Cristina DRAGOMIR<sup>1</sup>

Angelica M. BAYLON<sup>2</sup>

Thuy Hong Van NGUYEN<sup>3</sup>

Wei ZHANG<sup>4</sup>

<sup>1</sup>Lecturer, Eng. PhD, Ec. PhD, MPM MSc, Management in Transports, Constanta Maritime University, Mircea cel Batran 104, Constanta, Romania, cristinadragomir.umd@gmail.com, cristina.dragomir@cmu-edu.eu

<sup>2</sup>Prof., AFNI, MIMAREST, MBA, Maritime Academy of Asia and the Pacific, Bacolod, Philippines

<sup>3</sup>Prof., Ho Chi Minh City University of Transport, Ho Chi Minh City, Vietnam

<sup>4</sup>Lecturer, Australian Maritime College, University of Tasmania, Australia

***The materials and data in this publication have been obtained through the support of the International Association of Maritime Universities (IAMU) and The Nippon Foundation in Japan.***

**Abstract:** Ship management companies reflect the reinvented way of doing maritime business in the context when owners may come from different industries with no background on shipping. Ship management companies provide the owner with support and solutions on chartering, technical management, maintenance, purchase inspection, supervision during building, crew management, supply and ship lay-up solutions. Also, third party ship management represents a suitable solution for owners holding large fleets. Ship management companies establish and communicate policies and codes of conduct in order to ensure their stakeholders the good manner that their operations are carried out. This paper presents a snapshot overview on the shipping market, considering the openness of the ship management decisional bodies on adapting their policies to the world change. There are proposed ways of improving ship management policies by considering the significance of adopting gender and cultural awareness policies. The role of this article is to pave the road in conducting in depth research on ship management policies.

**Key words:** gender, culture, human resources, female seafarer, multinational crew

### Introduction

Ship management is the service providing a complex management related to the supply of crew (crewing management), technical management (monitoring of the hull, the engines and the equipment of the ship) commercial management of a ship (freight management, chartering and operation) and insurance management [1]. According to the largest international shipping association representing shipowners, BIMCO (Baltic and International Maritime Council), ship management companies are those companies that do not typically own the ships themselves, “but will contract to operate them, manage and maintain them, and provide the detailed technical management to keep them operating efficiently” [2].

This paper presents an overview made at a glance on the shipping market, considering the way that ship management companies communicate, through policies, to their stakeholders, the way they plan and organize their business. The research objective of this paper is to make an overview on the extent the ship management companies include policies on

gender and cultural awareness within their way of doing business.

This article is one the first published research outputs of GECAMET trans-national project. GECAMET is the acronym of the research project “Gender Equality and Cultural Awareness in Maritime Education and Training”, the largest research upon the number of IAMU participating countries, funded in 2017-2018 by the International Association of Maritime Universities (IAMU) and The Nippon Foundation. The trans-national dimension of the research comes from the participation of 10 researchers, coming from 9 countries and 5 continents (North America, Europe, Asia, Africa and Australia). The GECAMET research has the aim to improve the understanding of human factors in the maritime sector, considering gender equality and cultural awareness issues met in the shipping industry. Within GECAMET research are evaluated the economic efficiency of shipping companies with mixed crews, the effects of external requirements (coming from IMO, ILO, ITF, business environment and civil society) on ship management policies regarding modern human resource management and the role of maritime

education and training institutions for improving gender equality and cultural awareness in the complex relation human factors- shipping business environment – ship management policies.

In this paper we present the basic analysis on 10 ship management companies that communicate their policies through their website.

### **The role and context of implementing Gender Equality and Cultural Awareness policies in shipping and ship management companies**

In the next years, the world merchant fleet is expected to grow, together with the demand for seafarers. According to 2015 BIMCO and ICS Manpower Report [3], the global demand for seafarers in 2015 was estimated at 1,545,000 seafarers, with the industry requiring approximately 790,500 officers and 754,500 ratings. In such conditions, MET institutions have an important role in providing officers, as the current supply-demand situation reveals a shortage of 16,500 officers. The report [3] also indicate the anticipated trend of an overall shortage in the supply of officers occurs despite improved recruitment and training levels and reductions in officer wastage rates over the past five years. In such context, IMO Secretary General, Mr. Kitack Lim, made on 25 June 2016 a public statement with the occasion of the International Seafarers Day in Philippines: “The importance of women as a future source of [seafaring] human resources cannot be overstressed” and shipping world “cannot afford to ignore such a rich and still largely untapped source of quality recruits”. His affirmations consolidate a long journey to a challenging, yet sustainable assignment of promoting the role of seafarer women in a male-dominated seafaring industry.

We should also take into account previous IMO and United Nation’s initiative in promoting women to join the shipping sector. The years 1976-1985 were designated the *United Nations Decade for Women* during which many agencies of the United Nations sought to implement programs to achieve gender equality. IMO produced its strategy for the integration of women into the maritime sector in 1988 and began implementation of the *IMO Women In Development Programme* in 1989, concentrating on equal access to maritime training through both mainstream programs and gender specific projects.

According to ILO’s 2003 study “*Women Seafarers: Global employment policies and practices*” [4], women represented only 1-2 per cent of the world’s 1.25 million seafarers at that date. In the cruise line sector, they represented 17-18% of the workforce. Ninety-four per cent of women were

employed on passenger ships (with 68% on ferries and 26% on cruise ships) and only 6% were employed on cargo vessels (i.e., container ships, oil tankers, etc.) Regarding jobs, there are women shipmasters and chief engineers, as well as other officers. Though, generally, women are working as hotel staff on passenger ships. Of this latter group, 51.2% of women at sea come from OECD countries, 23.6% from Eastern Europe, 9.8% from Latin America and Africa, 13.7% from the Far East, and 1.7% from south Asia and the Middle East. The statistics regarding women seafarers needs to be updated, but overall, there are no expectations in consistent improvement of the situation.

The number of women in maritime professions is increasing, yet shipping remains a male-dominated industry. Male-centred workplace culture and stereotypes influence women’s choice to join or leave the shipping sector. As the shipping industry continues to grow, sustainability will be dependent on more women entering the maritime professions.

Suitability to a maritime career has more to do with individual’s abilities than with gender or nationality. A very good example is Mrs. Captain Radhika Menon, seafarer woman, Master of the oil tanker Sampurna Swarajya, who received the 2016 the IMO Award for Exceptional Bravery at Sea by the IMO Council. She proved determination and courage in leading the difficult rescue operation of seven fishermen from a sinking fishing boat in the tumultuous seas of Bay of Bengal in June 2015. In order to motivate more females pursue a seafaring career like Capt. Menon and to develop their leadership abilities, a framework of inter-connected effective actions must be delivered by various shipping sector stakeholders: the shipping companies and charterers, ship management companies, authorities and administrations, MET (maritime education and training) institutions, NGOs and community. Among such effective actions stands the implementation and communication of gender and cultural awareness policies online or at the headquarters of the shipping and ship management companies. The role of such policies is essential in motivating females joining the shipping sector and pursuing a seafarer career.

### **Research methodology and literature review**

The methodology used to make the overview on policies of ship management companies is based on the analysis of policies communicated by 10 ship management companies through their website. The selection of the 10 companies was randomly conducted by using the first 10 results received by the Google search engine when the key words “ship management policies” were searched within the time framework December

2017 – January 2018. For replicating research, the first 10 results used in our study may change according to the criteria of relevance of the searching engine. We have opted for the use of Google search engine as a research tool for this paper, considering the emblematic Stanford studies of S. Brin and L. Page (1998) on the parse role of large-scale hypertextual web search engines (paper cited over 16784 times) [5], the work of E. Holmes (2006) on evaluating results found by using search engines [6], the paper of K. Lavania et al. (2013) on the methods and techniques that Google uses in searching [7], A. Jain (2013) emphasizing the role and importance of search engine [8] and Gunjan et al. (2012) describing the search engine optimization with Google [9]. The analyzed ship management companies were: Bernhard Schulte Shipmanagement (Hamburg, Germany), Matrix Ship Management Ltd. (Limassol – Cyprus), Wilhelmsen Ship Management (Kuala Lumpur, Malaysia), Primanav Ship Management Pvt Ltd.(India), Enzian Ship Management (Zürich, Switzerland), Jade Shipmanagement Ltd. (Hong Kong), Columbia shipmanagement Ltd. (Limassol, Cyprus), AW Ship Management Ltd. (London, UK), Marlow Navigation (multinational) and Interorient Shipmanagement (multinational). Most of the ship management companies analyzed are multinational with offices in diverse major cities from countries with background in shipping and/or seafaring.

For establishing the framework input we have considered relevant literature review on ship management published by several researchers in dedicated maritime journals (e.g. Maritime Policy & Management, Marine Policy etc.) and repositories and databases (e.g. HAL).

G. Sletmo (1989) considered that ship management was “shipping’s fourth wave” standing at the base of “a profound reorganization not only of shipping markets but of shipping itself” [10]. P. M. Panayides and Gray (1997) discussed on building and maintaining long-term client relationships by improving the quality of service and establishing strategies [11] and further in 2002, Panayides and Cullinane showed that not the price alone is most important for selection of a ship manager, but other dimensions (e.g. technical ability, reputation, competency, responsiveness, trustworthiness [12]. Also, Panayides (2003) analyzed empirically the competitive strategies and organizational performance in ship management, concluding, among other things, that differentiation is one of the strategies that influence performance of a ship management company [13]. K. Mitroussi (2004) made also several relevant empirical studies on comparing Greek and UK ship management sector [14] and emphasized the role of

organisational characteristics of ship owning firms in the use of third party ship management [15].

Also, is relevant the work of P.Cariou and F. C. Wolff (2011) who used econometric analysis on data coming from 4049 owners having 39 925 vessels to investigate vessel management outsourcing patterns and to study the factors explaining differences in outsourcing rates [16] and the model proposed by Asuquo et al. (2014) in selection of ship management services [17].

Our main contribution in updating the cited works is on considering the competitive advantage that the implementation of specific policies might bring to ship management companies in the selection process.

### **Overview study on gender and cultural awareness policies of ship management companies**

As we have previously presented in the Methodology chapter, in our study we have selected randomly the websites of 10 ship management companies across the globe. The research objective was to identify the extent of the online communication of gender equality and cultural awareness policies implemented by the ship management companies from the target group. For ethical reasons, in order not to advantage commercially any company from our research target group, we shall not nominate the companies and the policies communicated and analyzed. We shall rather present the aggregate results that are relevant and useful for our research inquiry.

The analyzed ship management companies provide the following services: Technical management of the vessel with regards to crewing and onboard operations, Internal / External Audit and Inspection; Coordination of vetting inspections; Commercial Management; Full vessel management; Procurement; Hotel services Management; Crew Management; Newbuilding Supervision; Training; Consultancy; Safety and Security Management. Dry-dock repairs services, Newbuildings & Conversion; Management of vessel’s requirements in consultation with regulatory agencies; Safety and Security training as required; Insurance & Claims Handling; Corporate & Financial Management.

The most concluding result is that there are no general rules or regulations in advising ship management companies to implement policies. The policies implemented by ship management companies can be classified in 4 non-exhaustive major categories: social, safety & security, environmental and quality policies, non-exhaustively comprising in total 13 different policies. Two major categories of policies are divided in specific policies. We have observed that

the social category of policies is mostly the first mentioned on the websites and has the most specific policies: HR / Crewing (STCW), Gender Equality, Cultural Awareness, Bullying, Ethical policy, Occupational Health, Drug and Alcohol, Corporate Social Responsibility (CSR), suggesting the focus on the importance of the human resource (the seafarer and the crew). The second major category of policies, Safety and Security, was divided in the following policies: Security (SOLAS, ISPS), Safety (ISM Code) and Emergency Response Policy, while the Environmental protection (MARPOL) and Quality of service (ISO 9001) stands alone. Other policies that can be added in a further in depth study might be the confidentiality policy.

The results obtained so far shows that no company had implemented all the 13 policies mentioned above.

Unfortunately, only one company out of 10 analyzed, had implemented a gender equality and cultural awareness policies.

In some cases, more policies were combined in one (e.g. gender equality, diversity and bullying (victimisation) were combined in one policy. .

Some policies are inter-connected. For example, safety policy contains zero spills requirements of the environmental policy, stating that “the

objective (...) is to have zero spills into the environment, the aim is to eliminate the possibility of pollution at source on vessels managed.” In general, Human Resource and Occupational Health were combined in one policy, Safety and Quality were combined in one procedure, or Occupational Health and Safety were combined in one procedure abbreviated OHS.

In the cases where policies were not easily visible communicated on the website, there was indicated a contact form for the HSQE & Security Department. In general, a succinct presentation of the policies is communicated on the website. One company that provides the service of drug and alcohol policy implementation and monitoring for clients, did not communicated to the public the implementation of such policy within the company. In another case, the Safety Management System Commitment was a general mix between safety policy, environment policy, security, ethics and quality.

Few companies had the initiative to include ethical policies (including / next to anti-bribery policy) and policies of corporate social responsibility, describing few actions developed for local communities.

## **CONCLUSIONS AND FURTHER RESEARCH DIRECTION**

The objective of our study was to investigate to what extent the gender and cultural awareness policies are implemented and communicated online on the websites of the ship management companies. Though the target group of the ship management companies used in our study presented in this paper is rather small, still the result has a certain level of significance. All the analyzed companies communicate policies regarding quality, human resources and environment, but only one out of ten communicated also a gender equality and cultural awareness policy.

Most analyzed companies implemented policies based or inspired by the international regulations and requirements, e.g.: STCW, SOLAS, ISM Code and MARPOL. This observation suggest that external requirements for improving ship management policies are mostly effective when come from regulatory bodies (IMO, ILO, ITF) rather than coming from civil society, MET or even from the business environment.

Few companies refer to implementation of ISO 9001 standard of quality management. And fewer actions are delivered voluntarily to implement gender and cultural awareness policies in order to motivate females join a seafaring career, though such actions would be needed in the context of seafarers shortage.

Considering the competition existing on the market, the economic cycles with increases, booms and crisis periods, ship management companies will continue to search for differentiation possibilities and market advantages in order to be selected by ship owners and customers. If we correlate the result obtained and presented in this paper, with the indicated literature review, we estimate that in the near future will increase the number of ship management companies that will establish, implement and communicate gender equality policies for equal access opportunities for both female and male, as well as cultural awareness policies needed to eliminate discrimination and avoid cultural conflicts on board ship.

The study continues in expanding the research database for obtaining more accurate results. Also, a direction of research might be to identify common principles and patterns acknowledged in the specific policies, in order to propose to the interested organizations (either ship management companies or shipowners in the process of selection) models of unified, complete and updated policy.

## **BIBLIOGRAPHY**

[1] Dragomir, C., Utureanu, S. (2015), Considerations on Ship Management and Current Changes in Maritime Transport, *Ovidius University Annals, Economic Sciences Series*, vol. XV, pp.236-242.

- [2] [https://www.bimco.org/en/Education/Seascapes/Questions\\_of\\_shipping/2009\\_01\\_09\\_What\\_is\\_3rd\\_party\\_ship\\_management.aspx](https://www.bimco.org/en/Education/Seascapes/Questions_of_shipping/2009_01_09_What_is_3rd_party_ship_management.aspx), accessed at 1.10.2015
- [3] \*\*\* (2015), *Manpower Report*, BIMCO and International Chamber of Shipping, Marisec Publications, 2015
- [4] *Women Seafarers - Global Employment policies and practices*, International Labour Office, Geneva, Switzerland, 2003
- [5] Brin, S., Page (1998), L., *The Anatomy of a Large-Scale Hypertextual Web Search Engine*. In: Seventh International World-Wide Web Conference (WWW 1998), April 14-18, Brisbane, Australia.
- [6] Holmes, E. G. (2006), “Google and Beyond: Finding Information Using Search Engines, and Evaluating Your Results”, University of Georgia, School of Law Library, Alexander Campbell King Law Library (2006), available at <http://digitalcommons.law.uga.edu/speeches/2>, accessed at 01.12.2017.
- [7] Lavania, K.K., Jain, S., Gupta, M. K., Sharma, N. (2013), *Google: A Case Study (Web Searching and Crawling)*, International Journal of Computer Theory and Engineering, Vol. 5, No. 2, April 2013, pp. 337-340.
- [8] Jain, A. (2013), “The Role and Importance of Search Engine and Search Engine Optimization”, International Journal of Emerging Trends & Technology in Computer Science, vol. 2, iss. 3, May-June 2013, pp.99-102.
- [9] Gunjan, V. K., Kumari, M. P., Kumar, A., Allam, A. R. (2012), Search engine optimization with Google, IJCSI International Journal of Computer Science Issues, Vol. 9, Issue 1, No 3, January 2012, pp.207-214.
- [10] Sletmo, G.K. (1989), ‘Shipping’s *Fourth Wave*: Ship Management or Vernon’s Trade Cycle?’, *Maritime Policy & Management*, vol. 16, iss. 4, pp. 293– 303.
- [11] Panayides, P. M., Gray, R. (1997), Marketing the professional ship management service, *Maritime Policy & Management*, Vol. 24, Iss. 3, pp. 233-244.
- [12] Panayides, P. M., Cullinane, K. P. B. (2002), The vertical disintegration of ship management: choice criteria for third party selection and evaluation, *Maritime Policy & Management*, Vol. 29, Iss. 1, 2002, pp. 45-64.
- [13] Panayides, P. M. (2003), Competitive strategies and organizational performance in ship management, *Maritime Policy & Management*, Vol. 30, Iss. 2, pp.123-140.
- [14] Mitroussi, K. (2004), The ship owners’ stance on third party ship management: an empirical study, *Maritime Policy & Management*, Vol. 31, Iss.1, pp. 31-45.
- [15] Mitroussi, K., (2004) The role of organisational characteristics of ship owning firms in the use of third party ship management. *Marine Policy*, Vol. 28, Iss. 4, pp. 325-333.
- [16] Cariou, P., Wolff, F. C. (2011), Outsourcing ship management: Implications for the logistics chain, HAL archive, available at <https://hal.archives-ouvertes.fr/hal-00593742>, accessed 17.12.2017
- [17] Asuquo, M., Coward, I., Yang, Z. (2014), Modeling selection of third party ship management services, *Case Studies on Transport Policy*, Vol. 2, Iss.1, July 2014, pp. 28-35.