Dealing with multicultural human resources in a socially responsible manner: a focus on the maritime industry

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Abstract Shipping companies' crucial need for cost cutting is their main motive for recruiting seafarers of various nationalities and formulating multicultural teams on board ships. This paper seeks to examine ways of dealing with cultural issues by being a socially responsible company. The main point of the research is to examine how managing multicultural crews is related to the shipping companies' and the industry's social responsibility. An extensive literature review on the cultural issues of maritime manpower, with a focus on the working and living conditions and the management of shipping crews, reveals important aspects of the subject. This analysis is enriched with qualitative data from an on-board case study, and from a survey among crew managers and manning agents. Results show that managing multicultural human resources in a socially responsible manner requires socially acceptable behaviour towards seagoing labour from all the industrial actors.

Keywords Human resources · Social responsibility · Multiculturalism · Seafarers

1 Introduction

Shipping companies are the “front-runners of globalisation” (Det Norske Veritas 2004). Shipping can be characterised as largely international and the most global industry. A series of structural changes or “waves of evolution” (Sletmo 1989) transformed the world's shipping industry to today's globalised character. The third ‘wave’ indicated the internationalisation of shipping through flagging out and the increased dependence upon manpower from developing countries. Finally, the

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evolution of modern ship management came through the expertise of ship management companies in operating efficiently and reducing variable costs; this was achieved with a combination of recruiting low-cost labour from developing countries, the de-flagging method, and drawing on Western technology and capital. Obando-Rojas et al. (2004) argue that the long period of ruinous economic competition in the shipping industry had far reaching effects on capital, management and labour. A spate of corporate mergers and takeovers across national boundaries was provoked, along with the evolution of ship management companies and crewing companies providing specialist management and labour recruitment services to owners. In respect to labour, transnational employers reduced variable costs by intensifying the use of labour through reduced crewing levels, extended working hours and registering vessels under a “flag of convenience” (FOC) or “open registries” associated with lower regulatory costs, weak labour rights and lower wage levels. At this point, one should take into consideration the fact that the world’s largest fleets are attached to either open or second registers, and the nationalities of these fleets’ crew do not correspond with the flags of their ships (ILO 2001). Over the last 25 or more years, 80% of the world merchant fleet has been manned with multicultural and multilingual crew (Trenkner 2000), while, as Kahveci et al. (2002, i) mention “65% of the world fleet uses multicultural crews, while over 10% of the fleet is manned with crews of more than five different nationalities”; this sets the matter of multiculturalism and the management of culture under the spotlight.

This paper presents thoughts and raises questions stemming from an overview of the cultural issue among shipping crew. Culture can be defined as “the shared ways groups of people understand and interpret the world (...) Culture is a collective phenomenon that is about shared values and meanings” (see pp. 4, 24 in Hoecklin 1996). The paper discusses those thoughts from the viewpoints of the industry’s share of social responsibility, the shipping companies’ and other actors’. Furthermore, results of an on-board case study and a survey among crew managers and manning agents give a further view of the issue; the one that seafarers are facing today on board. The following section introduces the reader to the issue of corporate social responsibility and its application in shipping. The management of the cultural issue and an analysis of the working and living conditions of multicultural crew are further presented. Section 4 presents the methodology, while seafarers’, crew managers’ and manning agents’ attitudes and opinions are discussed in Section 5. The last section gives the conclusions and suggestions for further research.

2 Being socially responsible in shipping

Being socially responsible means seeking to avoid, or at least trying to minimise, the external cost created from one’s activities, which affects society in a negative way. A company’s social responsibility is related to the social cost derived from business activities, such as the production of goods or the provision of services. Holme and Watts (2000) define corporate social responsibility (CSR) as the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality

of life. In the same vein, it can be identified (Warhurst and Mitchell 2000) as the internalisation by the company of the social and environmental effects of its operations through pro-active pollution prevention and social impact assessment so that harm is anticipated and avoided and benefits are optimised. The fundamental principle in these definitions is that companies are seeking to seize the opportunities and target the capabilities that they have built up for competitive advantage to contribute to sustainable development goals.

The term 'corporate social responsibility' has different meanings to different industry sectors. In some organisations CSR is still considered to mean compliance and philanthropy, although some large companies are now placing CSR in a more strategic framework (Lockwood 2004). Monitoring of quality, concern about employees' health and safety, environmental impact of products and services, and other CSR activities, are usually not taken into serious consideration by firms whose corporate activities are in a business-to-business level. This is the case of shipping companies, whose services are produced to satisfy the derived demand for the transport of cargoes (Willingale 1998). In particular, companies of the bulk-shipping sector are usually less interested in investing in any other activity that may improve the firm's image. The basic goal for companies of this sector has always been the ability to produce low-cost services. Due to the highly competitive business environment of the shipping industry, cost reduction of operational expenses became crucial for survival. In this context, the shipping industry created negative externalities, such as loss of lives at sea, damage to the marine environment and maritime fraud, that each contributed to the creation of a bad reputation and negative public image of the industry (Fafaliou et al. 2006). Fafaliou et al. outline the three approaches to the matter of the shipping companies' behaviour towards CSR. The first approach is the 'adverse' one to the notion of CSR, the second is the 'typical', and the third is the 'supportive' one. According to this approach, adverse behaviour is practised by the so-called 'substandard' operators, who represent a minority in the maritime business arena (OECD 1996). The primal goal for the companies of this category is competitiveness by all means, even if safety and quality are at stake. The typical behaviour, practised by the majority of companies operating in the maritime sector goes with the flow of 'staying simply within the rules of the game'. These companies are operating with a goal to create profits, whilst conforming to the international regulatory framework. Finally, the supportive behaviour is the one performed by the minority of the firms that move beyond compliance with legislation and conventions. These companies pioneer new routes to the business field, by complying with non-regulatory standards or even by setting their own standards. The socially responsible shipping company is the one that is working actively to integrate social and environmental concerns in its operation, and which finds a sound balance between the need for operational efficiency, shareholder value and attention to the interests of non-financial shareholders (DNV 2004). The 'supportive' shipping companies mentioned above, who run their business in an innovative way and behave in accordance with the expectations of the society and try to minimise the negative externalities, can be considered as socially responsible.

DNV proposes a set of activities that shipping companies can perform in order to be socially responsible towards the crew from developed and developing countries. Referring to the crew with the same nationality as the shipowner, principal activities

may include working with a safety health and environmental conscience, provision of optimal communication with relatives and the outside world from the vessel, welfare and recreation services on the vessel, and training on cultural awareness. Examples of such initiatives in practice may be ensuring the optimal communication technology, high quality planning, work rotation, flexibility and support in family matters and problems, etc. Regarding the crew from labour supplying countries, DNV advises the shipping companies to give decent wages to the seafarers from developing countries, to fulfil the requirements that the international legislation sets and to offer family support and training. Nevertheless, because of the severe competition among the labour supplying countries, there is a conducive space left for the violation of the seafarers' human rights by substandard operators (OECD 2001).

3 Aspects of the cultural issue of shipping crew

3.1 Manning issues and multiculturalism

During the long crisis of the 1980s, shipowners of the traditional maritime nations were changing their operational strategies to more cost-cutting survival strategies. Since crewing costs were the only substantially variable element in the voyage costs equation, the most common policy was to flag out from national flags to open or second registries. In many cases, the labour cost savings could be—and still can be—achieved by the avoidance of the strict labour regulatory regimes of the national flags of traditional maritime countries, by exploiting the advantages of the cheaper labour that can be found in Asia and in the Eastern Europe.

According to the results of the BIMCO/ISF Manpower Report (BIMCO/ISF 2005), the Organisation for Economic Co-operation and Development (OECD) countries remain an important source of officers, although Eastern Europe has become increasingly significant with a large increase in officer numbers. The Far East and South East Asia, and the Indian subcontinent remained till 2005 the largest sources of supply of ratings and are rapidly becoming a key source of officers. The most recent Manpower Update Report for 2010 (BIMCO/ISF 2010) suggests that the worldwide supply of seafarers is estimated to be 624,000 officers and 747,000 ratings; this reflects significant increases in seafarer supply in some countries, particularly in the Far East (notably in China, India and the Philippines), as well as in several European nations. The current estimate of worldwide demand for seafarers in 2010 is 637,000 officers and 747,000 ratings. The 2010 results suggest that the situation is one of approximate balance between demand and supply for ratings with a modest overall shortage of officers (about 2%); the implication being there is currently not a serious shortage problem for officers in aggregate. Results from the company survey (BIMCO/ISF 2010) indicate problems with the supply of particular grades of seafarer, such as senior officers and engineers in some labour markets. There is also some evidence of continuing recruitment and retention problems, especially in certain segments of the industry such as tankers and offshore support vessels. There is particular concern over the current and future availability of senior management level officers, especially engineers, in the Far East and the Indian subcontinent. Generally, however, there are few supply difficulties reported for ratings.

Mixed-nationality crew are not a new phenomenon, but it became a ‘hot’ issue at the time that mixed-nationality crew were consciously composed (ILO 2002). Nowadays, the global maritime labour market is characterised by an unimpeded ability for a seafarer of any nationality to search for employment, and by a highly organised international recruitment set of networks that link shipowners, ship managers, crew managers, labour supply agencies, training institutions and seafarers all over the world. Crew composition is contingent upon language compatibility, availability of skills and many other factors, which will be discussed later on. The decision to mix seafarers of different origin and the choice and preference of which nationalities to mix, seems to be affected—besides the level of wages—by a general view regarding the adaptability or ‘ability to mix’ of nations to a culturally diverse environment. Several surveys by the Seafarers International Research Centre—SIRC at the University of Cardiff (Kahveci and Sampson 2001; Kahveci et al. 2002; Sampson and Zhao 2003; Thomas et al. 2003) have revealed, for instance, that citizens of the Russian Federation and the Republic of Korea are normally found only in homogeneous and monoglot crew, probably because of limited English language ability (ILO 2001). Moreover, when Russians sail in the company of other nationalities they do so usually in ones and twos, rather than in larger groups. The survey also shows that while Filipino, Polish and Indian seafarers frequently provide large proportions of crew, they are less likely to form whole crew in FOC ships, and recent research among Greek seafarers and shipping companies shows that Filipinos are most preferred and perceived as the most compatible nation to co-operate with Greek seafarers (Theotokas and Progoulaki 2007). Moreover, Indians, Filipinos and Poles are, on the other hand, thought to be sufficiently proficient in English and can therefore be more safely mixed with English-speaking senior officers of other nationalities (ILO 2001).

In the planning and/or implementation of a manning strategy, the alternatives of manning scenarios generally include a single national crew, a composition of two different nationalities (where the cultural distinction of seafarers from developed and developing countries is parallel to the hierarchical distinction of officers and ratings) and a multinational crew. When drawing a strategy for the cultural synthesis of crew, one may also take into consideration, instead of the role that the vessel’s flag has (Winchester et al. 2006), the cultural dimensions (Hofstede 1997) of the potential co-workers on board, despite the fact that the last involves a long-lasting debate about the results of Hofstede’s survey (Sivakumar and Nakata 2001; Baskerville 2003) and its application in the case of shipping industry (Moreby 1990; Knudsen and Froholdt 2009).

3.2 Working and living conditions among different nationalities

The role of the human factor in shipping accidents has been recognised by plenty of studies (UK P&I Club 1996) and attention has been given to management systems that can improve ship safety and prevent pollution. Not as much attention, however, has been given to the working conditions of seafarers on foreign ships, who are the most valuable intangible asset. “It seems that every vessel is as good as the people that navigate her, on board and offshore” (Cockcroft 2000). Apart from the ethical and moral dimensions, mistreatment of crew affects the safe operation of ships.

ILO (2001) supports the view that the labour market is not dominated by crew managers and manning agents, except in coastal shipping. However, this is not the case for the Greek seafarers (Papademetriou et al. 2005). As a Southampton Solent University survey (2005) reveals, the paths used by seafarers in order to be hired in shipping companies may differ. Although the role of intermediates at the stage of selection and recruitment is crucial, it will be analysed in a following subsection. At this point, it is quite important to underline the criteria for selecting and hiring a seafarer. Because of the special characteristics and requirements of the profession, all hard skills required by officers and ratings are defined in detail by the related international conventions, transnational and national policies and joint working agreements (ISM, STCW, SOLAS, OPA, ISPS, etc.). However, other factors are believed to be highly influential in the selection process, and particularly the so-called ‘soft skills’, which generally refer to leadership, interpersonal abilities, conflict resolution, communication, and others (Harris 2000). The soft skills of a potential officer and rating seem to be very important, as they are strongly related to the required quality characteristics of crew (Theotokas et al. 2006).

The shipowner’s ability to sidestep labour regulations by the expedient of switching from a national flag to an open or second registry is strongly related to the hiring of low-cost seafarers, and thus, reducing manning expenses. A MORI survey (1998) showed that in the case of wages, there is a variation according to the vessel type and flag, and seafarer’s nationality and rank. According to ILO (2001), where there is a relatively large pool of adequate skilled and mobile labour, the wage and employment market is more likely to be highly competitive, if not volatile. Taking into account the mobility of the ships and the globalised character of the industry, which also influences the limited ability for intervention by national authorities and international organisations, the compensation levels cannot be characterised as balanced or stable. ILO (2001) shows that wage differentials in the industry are still considerable, reflecting the gap between seafarers coming from developed and less developed parts of the world; other surveys (MASSOP 2000; Matthews 2003; Sjöfartens Analys Institut 2004) also confirm this fact. Because of the imbalance during the last decades of the global labour market for officers, according to which the supply is falling short of demand, there is an upward pressure on wages. Finally, the ILO minimum wage and the definition of the overtime rate are unclear, and these leave an unclear space that can affect the level of income and the general quality of working life of the unionised and certainly even more, of the non-unionised sailors.

The cultural and national issue discussed in this paper is also apparent in the length of contracts among seafarers of different origin. At first, one should note that the continuity of employment for all mariners has not been achieved yet, neither in the level of the international legal framework, nor in practice. The majority of seafarers all over the world work on contracts which cover a single voyage (or tour of duty), while a steady income is not assured. The length of tour varies according to the preferences of the employer and the nationality of the sailor. Other influential factors are the flow of labour from low-cost supplying countries, the relation with the manning agent (which will be discussed later on) and the relationship with the employer—shipping company. ILO (2001) draws a picture of the matter with some examples, according to which a typical tour of duty for a rating could be 9 months for Filipinos, but a year for Sierra Leoneans, and 6 months for Eastern Europeans.

Typical senior Western European officers' tours of duty are generally determined by the voyage cycle of the ship and are normally between 3 and 4 months, in contrast to their Filipino and Indian counterparts, whose contracts are for 9 months. At the end of their contract, seafarers are repatriated. It is, however, inevitable that ratings in particular, tend to stay on board longer than the specified length of their contract, due to the lack of a relief system. Without a proper system, there is a tendency for seafarers to extend beyond the specific agreements within their contracts, in order to avoid paying extra illegal fees to agents for not being left without work for months. For Ukrainian seafarers, 12-month contracts only applied in 1% of cases, but for their Japanese counterparts, it rose to 39% (ILO 2001). The MORI survey (1998) showed that the most common tour of duty was between 6 and 12 months. The two studies similarly reveal a diversification of the contracted hours of work.

Abuse of crew refers to physical abuse, such as inadequate medical treatment, substandard accommodation, inadequate food, beatings, and mental abuse stemming from isolation, cultural insensitivity, psychological pressure and lack of amenities for social intervention. An ICONS report (2000) mentions that non-payment of wages, delays in paying entitlements to families and even abandonment are additional abuses that contribute to the suffering of a large proportion of seafarers. The International Commission on Shipping in its extended study of safety at sea states categorically that 'for thousands of today's international seafarers, life at sea is modern slavery and their workplace is a slave ship' (see p. 3 in ICONS 2000). Gerstenberger (2002), in her study, presented some of the reasons for the deterioration of living and working conditions aboard merchant ships. She noted that seafarers are work immigrants, but in opposition to people working in foreign countries legally, seafarers do not emigrate to another nation-state, but to the world market; much of the recruitment in the shipping industry of today is just a trade in human labour power. Matyók's work (2004) spotlights the conditions under which global merchant seafarers are commonly employed nowadays. Unless these people receive the assistance of unions or special services of seafarers' missions, they will usually lack the means or ability to seek redress through the flag states' courts or administrative systems, and are, therefore, usually totally reliant on charity for their subsistence (ICONS 2000).

Various studies (Lane et al. 2001; Lane et al. 2002) focus on issues relevant to national culture and multiculturalism, and their influence on the performance of the industry in areas related to maritime accidents, safety and quality, efficiency, communication, job satisfaction and others. Several research studies have revealed the problems that exist on board among culturally diverse crew with a focus on particular nationalities (Kahveci and Sampson 2001; Sampson and Zhao 2003; Theotokas and Progoulaki 2007; Østreng 2001). Problems are related to communication among crew members, communication between ship's crew and third parties ashore or on vessels (MARCOM 1999), linguistic skills (Loginovsky 2002; Philippine National Maritime Polytechnic 2002), power relations on board, discrimination and racism, leisure and recreation, the management skills of senior officers and the long-term stability of crew.

3.3 The role of the manning agents

The global character of the shipping industry allows shipping companies to design their labour sourcing decisions on the basis of the interplay between their

competitive advantage and the advantages of various locations for long-term gains. Shipowners' need to cut their overheads and this creates a dilemma: to subcontract to specialist firms the crewing management or to create wholly or partly owned subsidiaries of personnel management services. Depending on the choice, which can be a synthesis of both alternatives, shipowners can reap several benefits of economies of scale that are hard to be achieved in small fleets. Economies of scale are especially likely to be found in the area of crew management because of the difficulties involved in hiring crew either wholly or in part from cheaper, but distant and unfamiliar regions around the world.

As the sources of supply of seafarers shifted from the traditional maritime nations to Asia and Eastern Europe, manning agencies became an integral part of the system and an intermediary between seafarers and shipping companies. Their role in the context of the global shipping and seafaring markets has been substantial in reducing the transaction cost and the risk for both seafarers and companies. This role has grown so much, that the operating companies, as well as the seafarers themselves, have a dependent and conditional relationship with the agents (Papademetriou et al. 2005). The mixing of seafarers of different nationalities to compose shipping crew requires specialised knowledge in order to ensure that these mixed crew will be both low-cost and effective. Leggate and McConville (2002) state that the existence of separate markets for seafarers makes it possible to distinguish between groups in the seafaring labour force and to give them differing incomes. This specialised knowledge includes a universal organisational skill, a worldwide network of contacts with local manning agencies, trade unions, training institutions and marine academies. Under these circumstances, subcontracting to specialist firms became quite an attractive choice. As ship management firms have developed and expanded, they became the world's largest employers of seafarers. Such is the scale of their labour requirements and their consequent need for efficient organisation that they have collectively become a powerful source of labour market stability (ILO 2001).

There has been a large number of scholars and organisations that have examined manning agencies and the role that they play in the seagoing labour supply system. As Cooper (2000) mentions, the instability of the industry is strongly affected by the role of agents, since manning agencies create a working environment which promotes insecurity, stress and poor motivation among seafarers. The quality of the services offered by a certain percentage of manning agencies has been questioned several times, owed to the fact that very often agents are involved in the recruitment of seafarers with fraudulent and falsified certificates. Ruhullah (2003) also mentions that manning agencies have been involved in several cases of employment of seafarers on substandard ships and abandonment of seafarers in foreign ports. International Transport Workers' Federation, in its official website, clearly states that "a manning agent should not require seafarers to pay for a job, and should not illegally blacklist seafarers, or deny a seafarer employment on the basis of his/her name being on an illegal blacklist" (ITF Seafarers 2010). Wu (2004) and Amante (2004) have discussed the illegal activities of several manning agencies in China and the Philippines, respectively. We could then speak of the substandard agents, those that are offering services such as falsification of seafarers' certifications, employment under illegal charges, 'watch' and 'blacklisting' of seafarers. In the new labour supply nations of South and Southeast Asia, at some stage in the process of entry to

the industry, costs have been incurred by recruits and their families (ILO 1996). These costs may involve, apart from the recruitment fee to the agent, payment for training in private schools of doubtful quality and further payment for certification. These illegal payments are long-standing malpractices well-known in the industry.

The problematic and, in many cases, illegal operation of several manning agencies is part of the clouded and dark side of shipping, which exists along with the substandard ship operators and substandard ships (OECD 1996). Recognising the issue, ILO (2002) suggests that manning agencies should be supervised and prohibited from using means, mechanisms or lists intended to prevent or deter seafarers from gaining employment. Also, it supports the idea that strict laws and regulations should be enforced in order to ensure that no fees or other charges for recruitment are disbursed directly or indirectly, in whole or in part by the seafarers.

4 Methodology

The issue of social responsibility is initially approached with an extended literature review, and further enriched with the results from an on-board survey and a research among crew managers and manning agents. The survey (both on board and ashore) was conducted for the needs of a doctoral research, however data showed that the perceptions and opinions of seafarers, crew managers and manning agents were strongly related to the matters discussed in this study. A part of the collected data was re-examined and separated for further analysis, particularly for the needs of this paper. One should note that the researcher conducted the survey independently from the shipping company managing the vessel and that all respondents concurred to the research purposes.

The qualitative data on board was collected with three types of research tools, i.e. participant observation, group discussions and personal interviews. The characteristics of the vessel were the following: Liquefied Natural Gas carrier, flying the Singapore flag, managed by a Greek shipping company, manned with 36 crew members of three different nationalities (18 Greeks, 15 Filipinos and three Spanish). The research was conducted during the summer of 2005 and lasted for 2 weeks.

Observation on board has been used in the past by anthropologists and other scientists (for instance, Gerstenberger 2002; Kahveci et al. 2002; Knudsen 2004) and was considered an important research tool for this case. Duration of trip was similar to the duration of other on-board studies (Kahveci and Sampson 2001; Sampson 2003; Thomas et al. 2003; Zhao and Amante 2005; Wu and Winchester 2005), while the practice of keeping an everyday diary in the period of the research is also common (Creswell 1994). Qualitative personal interview was selected because it is often used in cases that there is a need to have access to the professional environment and culture (Hopf 2004); in this case, as suggested by Katerelos (2001), qualitative semi-structured interviews were used in order for the researcher to be free to change the sequence or the wording of the questions based on the flow of the conversation. Moreover, the special environment on board and the conditions of seafarer's profession—including available time, free entrance and exit of seafarers from the discussion and the fact that crewmembers were familiar with each other—affected the ability to conduct focus groups on board. Given the nature of the

research object and these conditions, group discussions were considered as a more appropriate tool compared to focus groups. Group discussions were conducted in scheduled meetings during the crew's hours of rest while personal interviews were conducted during both hours of rest and hours of work (watch keeping). Sixty-nine percent (25/36 seafarers) of the crew participated in the personal interviews and group discussions.

The qualitative data also stems from a sample of crew managers and was collected with the use of a structured interview. The sample consisted of 91 respondents, mainly crew managers and managers responsible for crewing, who represented 91 companies managing/owning over 1,000 vessels in total. The sample represented 12.6% of the total number of Greek-owned companies (Petropoulos 2007) and 29.1% of the total Greek-owned fleet (GSCC 2007). Finally, qualitative analysis included data collected from personal interviews of a small number of crewing companies and manning agents in Greece (five in total).

5 Discussion

Blacklisting has long been seen as the scourge of seafarers in the Philippines. For 'offences' such as contacting union officials to complain about unfair treatment or reporting incidents of intentional pollution, seafarers' names are circulated among manning agents and they are denied further employment. An example is the case of "no work for the witnesses" involving the Filipino seafarers of the vessel "Katerina" (see p. 22 in ITF 2006). For a seafarer to be blacklisted means total loss of occupation, loss of income and denial of opportunity to practise one's trade. It also can lead to loss of the seafarer's home, inability to fund children's education and possible break-up of families (ICONS 2000), as discussed earlier in Sections 3.2 and 3.3. The gravity of this situation became apparent in the group discussions with the Filipino ratings on board. Two of them have been blacklisted for a year while most of them have been unemployed for several months. All of them used to pay stiff fees to their manning agents in order to find employment while their union was fighting for their rights. All of them expressed their satisfaction after being employed by the shipping company managing the particular vessel on which the survey was conducted. This was because they no longer paid fees or were black or watch-listed, since this shipping company had an affiliated manning agency positioned in the Philippines. A Greek senior officer mentioned that in the past *"I had worked with a Pakistani Chief Officer who worked for the first 6 months for free, because he had to give his wage to a number of intermediates (...) He told me that he was lucky, since others had to pay 6,000 USD!" In relation to this, a crew manager said that "I know that there are Filipino seafarers who have to give their first wage to the agent back in the Philippines. This happens every time they get a job onboard; that's why Filipinos prefer to have long contracts, e.g. 12 months, to save money from the agents"*.

All Filipino sailors that were interviewed expressed their feeling as being part of the company. The most important point is that Greeks also perceived their Filipino co-workers as 'company men'. ILO's (2001) definition of the term 'company men' suggests that they are seafarers assured of continuous employment after leave taken between tours of duty. This term was proper for the case of the interviewed seafarers,

however, ILO's definition includes that they may be paid 'retainer' holiday pay when they are on leave, which in the present case study, was not practised for all nationalities and ranks of seafarers. Some crew managers also supported this idea, as *"it is the company's policy to keep a long lasting relationship with all the seafarers", "(...) especially for the Filipino seafarers, we employ them for the last 30 years, we promote them and give jobs to their relatives and other recommendees"*. As another crew manager stated, *"when you have your 'own guy' who is in the company for more than 10 years, he is important, he offers and will support the owners' goals, the company and generally, he will work his best at all times"*. A manning agent revealed that *"I have competitors, and I mean competitors in terms of fees, that don't know who their seafarers are; they don't keep a record of their people, while others [manning agents] don't know the names of the seafarers—they use code numbers instead. Personally, I still remember the name of my first seafarer"*.

Seafarers of all nationalities on board raised two important and interconnected issues: the length of contracts and the stability of the crew syntheses. The voyage-by-voyage nature of employment in the shipping industry breeds uncertainty and job insecurity, which afflicts many seafarers, especially those from developing nations (ICONS 2000). As a Greek officer mentioned, *"being employed in the same ship in continuity, offers the great advantage of saving time from the familiarisation with the equipment. The same stands for the human resources; it is not only applied to the tangible assets, but also to the intangible parts of the vessel, such as its crewmembers"*. As Knudsen (2004) advises, companies should give foreigners proper, full contracts, since knowing someone by way of long-term contact promotes mutual trust and confidence, a sense of community and reduces linguistic and culturally engendered misunderstandings. A crew manager commented *"it was hard to create a dedicated seamen's pool in the company, but worth the time and effort"*. As a Filipino rating commented, *"This captain we have now [...] I know him since he was chief mate. He is very good"*. The wish for some continuity amongst the crew applies irrespective of nationality. However it appears to be even greater when it comes to foreigners, as it can contribute to the minimisation of communication problems arising from linguistic and cultural differences, and to the establishment of relationships based on trust. As a Greek officer remarked *"I like being (on board) with people I know, whether they are my friends or not, [...] either foreign or Greek. Nationalities do not matter; [...] I will do my job one way or another. But time passes easier when you are with people you know. I always check the crew list before getting on board"*. This matter was also mentioned by other nationalities (Knudsen 2004), showing that taking on a new crew is always an extra load. As a manning agent commented, *"There are two opposing theories expressed by the ship owners in general; some say 'I want to keep the seafarer on board as long as possible', in order to save money from repatriation and replacement, and others that say 'if the contract is for 8 months, I want to discharge the seafarer after 7 months, so that I can rotate', in order to be able to re-hire seafarers in the same or sister vessels. The first type of ship owners gains in terms of quantity—meaning cost, while the second type gains in terms of quality"*.

The important role of leadership skills was revealed during the case on board. However, believing that satisfactory working and leisure relations predicate managerial aptitudes and respect for employees is a rather simplistic viewpoint. A young Greek officer said that *"every nation can understand kindness, you have to*

treat all of the crewmembers in a humane way; kindness is the remedy". While this opinion reveals a positive attitude towards the cultural issue, in the case of culturally diverse crew it seems even more important and socially responsible, that the captain is prepared for the task and is considerate of cultural differences, especially since national culture can influence communication both ways; notably, how leaders interact with subordinates and how subordinates respond to their leaders (Newman and Nollen 1996). A crew manager commented that *"leadership on board is vital and has to do with the Captain's and Engineer's character, regardless of the nationality of the crew"*. With regard to this, a Spanish officer who had attended in the past seminars on the subject of cultural awareness, believed that *"leadership changes when the culture changes"*. As another crew manager said, *"I don't believe that a single nationality crew would work better than a multinational. (...) I believe that what affects the performance of crew is to treat them [seafarers] well, not to lie to them, and the good cooperation of the Master and Chief Engineer; if the top heads have a good relation, the crew will perform well"*. Certainly, treating all crew members in a humane way is consistent with socially ethical behaviour, but cultural diversity in a restricted environment is a sensitive matter, which requires pre-planned training. In relation to this, a Greek officer commented: *"Definitely there should be a course on the subject of multiculturalism. It could be organised by the shipping company, or even better, by the State. It should be applied not only to the bridge officers, but also to the deck and engine officers. This would be very helpful, but requires work and cooperation between the shipping companies, the government and marine academies"*.

One final, but very important, point is the general opinion of Greeks towards the Asian seafarers, and the reverse; how do Filipinos feel about Greeks? A Greek rating said that *"when Asian crew begun to be hired on board Greek vessels, it was a difficult and strange situation. They were 'barbarians', but we also treated them in a barbarian way! I admit that. [...] Asians on this particular board are carefully selected and are evaluated as accepted ones. They are in the same company for many years. This is good. They even speak a little Greek!"*. Two Filipino sailors also commented that *"Greeks are ok! [...] Yes, Greeks always shout! Very much. But now Greeks (have) changed. They are very modern. Not like the past. [...] We like Greeks very much"*. A Greek officer commented that *"Filipinos [...] are acceptable as seamen, but very few are good. [...] They lack knowledge, experience, confidence [...] and what we call 'filotimo' (Greek word that means love of honour). The first (knowledge) can be fixed through their training, but they do not have 'filotimo'. Of course, this does not mean that all Greeks have it!"*. These results are not perfectly consistent with the results of Theotokas and Progoulaki (2007) regarding the perception of Greek seafarers that Filipinos are considered as the most optimal nationality to work with on board. In relation to the above, a more thorough analysis of the applied manning strategies among Greek shipping companies (Progoulaki 2008) showed that the Greek-owned fleet relies significantly on Filipino crew. Results concerning the cultural 'compatibility' and reactions between these two nationalities, and generally cultures on board are indicative of the fact that "experience alone is inadequate to solve cross-cultural problems on board" (see p. 18 in Progoulaki 2008) and underline the importance of training on cultural-related issues (also acknowledged by Theotokas and Progoulaki 2007 and Progoulaki 2008).

6 Conclusion

The analysis of this paper opens up new prospects for further discussion on the social responsibility of the shipping companies and the industrial actors towards the seagoing personnel. This study pointed out only a few basic matters that are believed to reveal the responsibility that lies with the involved actors, when human resources are involved. Since the late 1980s, shipowners and operators are taking steps to improve their performance through the implementation of formal safety and quality management systems, and this is a move towards a more socially responsible behaviour. Nevertheless, “the quality of the industry ultimately depends on the quality of the people in it” (see p. 37 in ICONS 2000). Horck (2004) argues that the industry should focus on the human element, rather than spend increasing amounts of money on bridge layout and increased automation. The lower wages and reduced quality of certain working conditions may reflect the lower expectations of seafarers due to their origin or place of residence. Seafarers from developing countries are more likely to accept relatively basic living and working conditions, compared with seafarers from developed countries. Assuming that there are minimum internationally accepted conditions, these seafarers who are working under the regulation of countries of which they are not nationals need more protection because some countries may accept only limited responsibility for issues relating to their status as seafarers (ILO 2001).

It is important to know that a skilled, satisfied and loyal crew helps a company to provide safe and efficient services, as well as protecting the marine environment. A responsible company creates a culture of responsibility in its personnel. Horck (2004) claims that the gap separating cultures, as well as religions, must be bridged through education and awareness, otherwise globalisation may be hard to achieve. Seafarers’ training and education that comes together with certification are factors that affect the supply of seafarers, as they reflect the levels of crew competence. Moreover, training should not focus only on hard skills, but also on the soft skills of the seafarers. The latter are vital for the individuals’ and the teams’ performance, safety and cohesion on board. As Pyne and Koester (2005, see p. 15) comment “any effort of improvement of crew communication should be based on fundamental knowledge about the dynamics of crew interaction and communication as can be obtained from analyses of maritime accidents using psychological terms and concepts”.

The need for cultural awareness training became apparent in the frames of the present analysis while it is one of the basic proposals for CSR in shipping companies (DNV 2004). Also, the recent amendments and changes to each chapter of the STCW Convention and Code (known as the “Manila Amendments 2010”) include new requirements for training in leadership and teamwork (International Maritime Organisation 2010), underlined by most of the respondents, however, with no specific focus on retention or cross-cultural competence development, which were also highlighted. With a special regard to the last, Knudsen (2004, see p. 15) comments that “you cannot decide in advance if relations between people from different cultures will be conflict-ridden or harmonious. That does not depend on certain cultural differences between those involved; it depends on a far more complex interaction between cultural differences, the context of the situation and the

way those involved interact". A competent, rested and well-motivated crew is an essential factor in reducing operational costs by increasing efficiency, safe operations and protecting the owner's investment in expensive vessels and equipment. Industry leaders are well aware of the importance of having available people who are committed to the industry and have the required skill levels (ICONS 2000).

Finally, according to DNV's (2004) guidelines, it is the shipping companies' responsibility to ensure that the foreign seafarers they employ from developing or underdeveloped countries are not mistreated, through blacklisting or other illegal practices, by the manning agents and crewing companies. Here, it is important to note that the Maritime Labour Convention (MLC) (ILO 2006) pays great regard to the role of manning agents and crewing companies, while it clearly states that a crew's welfare, health, accommodation and recreational facilities should "take into account the different cultural and religious backgrounds" (see p. 52 in ILO 2006). MLC declares that one of its advantages is that it will lead to a more socially responsible shipping industry; an advantage for the industry, the shipowners and the seafarers. In this frame, shipping companies that have a corporate culture which acknowledges and supports their human resources, can operate in a socially responsible manner even if it is not a strategy consciously adopted. Every shipping company can manage its culturally diverse human resources in a socially responsible manner by holding the control of its outsourced crew management functions, by monitoring the services offered by manning agents to them and to their seagoing personnel, and by taking initiative whenever it is required; such as in cases when the company does not have a job vacancy, but decides to retain a seafarer with the use of rotation and/or standby wage, or to recommend him/her to another company. A shipping company's policies towards achieving and keeping a high retention rate, and the development of leadership skills regardless the nationality of crew, were acknowledged by most of the respondents of this survey; as the above analysis showed, these practices represent a socially responsible attitude towards a shipping company's seagoing personnel. Considering the above, it becomes apparent how crucial it is to further examine the role and the way that independent and also, subsidiary manning agencies and crewing companies operate in the industry.

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