

## **Maritime India – Exploring avenues for HRD**

Every year 5th April, is celebrated as National Maritime day and is preceded by a maritime seminar which provides a platform for stakeholders to introspect and review the policy framework for the future growth of the industry.

The NMDC Central committee this year has aptly chosen **Maritime India- Exploring avenues for HRD** as the theme for this year's deliberations.

HRD like in any other industry plays a very important & vital role in shipping. Today HRD is not limited to providing a support service only but is considered to be a business partner. Therefore recruiting, training, nurturing and retaining human capital is on the agenda of all leading shipping & business organisations.

The Maritime India of today has many stakeholders including but not limited to ship-owners, shipbuilders, ship repairers, seafarers, regulators, administrators, insurers, surveyors, equipment manufacturers, port and terminal operators, coast guard, navy, training establishments and public at large. The Indian Maritime sector touches the lives of millions, like no other industry. With a coastline of over 7500 kms, 13 major and over 180 intermediate and minor ports, India is a major Maritime nation and she must ensure that she has a large talent pool of human capital if she has to retain her global status.

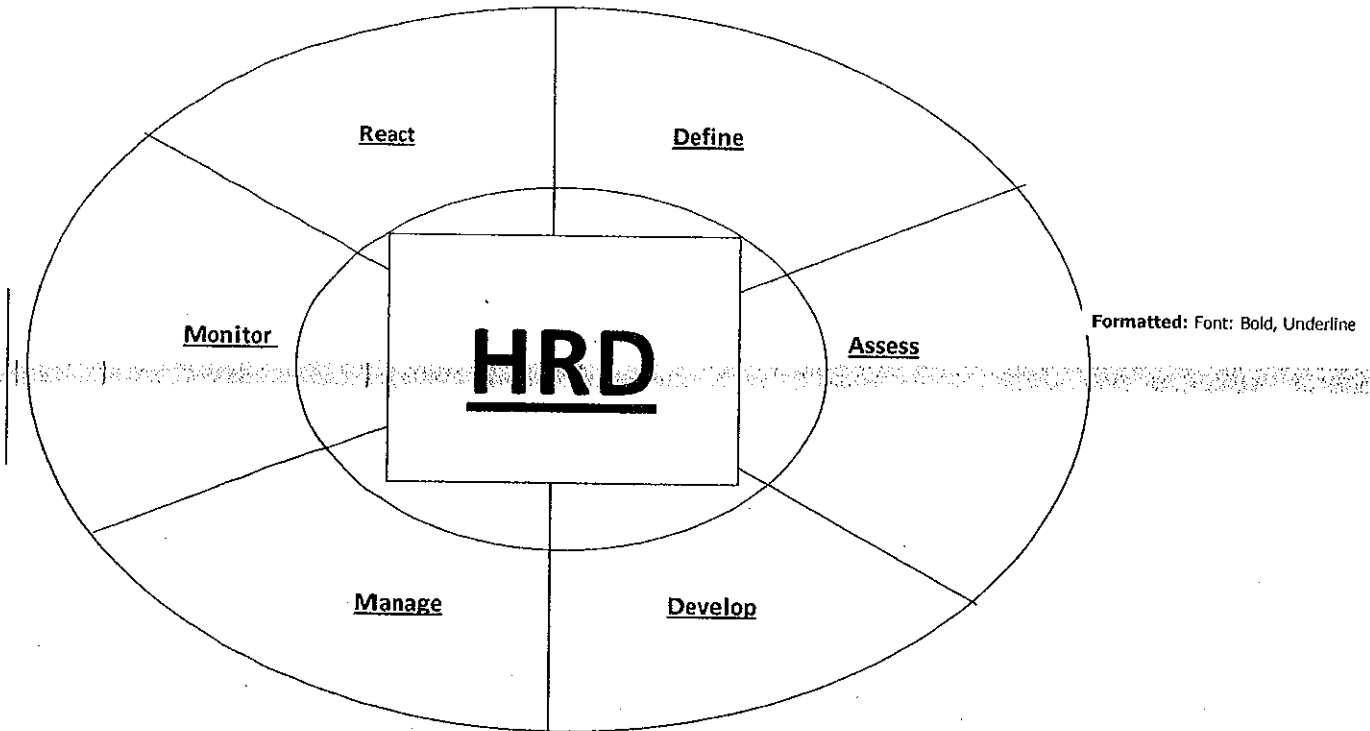
"It was the best of times, it was the worst of times", were opening lines of "A Tale of Two Cities", a classic of Charles Dickens.

Indian Maritime Industry, today, faces a similar paradox with regards to Human resources which is one of the most critical variables for its sustenance and growth. The industry is at the cross roads of development and expansion plans on one hand and attracting, grooming and retaining talent for the industry on the other, which is increasingly becoming extremely challenging.

The twentieth century was the age of machine; the twenty-first century will be the age of people". Buzzwords like globalization, empowerment, cross functional teams, downsizing, learning organizations and knowledge workers are changing the way of life of managers and the way they manage people. The shipping industry is a prime example of a globalized industry now attached loosely to national sovereignties. Shipping differs from other examples of global business, such as fast-food chains and the auto companies, in that its physical capital is itself movable in a way that a fast food joint or car plant is not. Due to this feature of the industry, strategic and human resource management has a mobile dimension not shared by the general run of manufacturing and transport industries. Advancing globalization, more flexible tax regimes and an increasing mobile workforce are creating opportunities and challenges for the shipping industry.

There is no gain saying that Shipping is one of the safest environmentally benign modes of transport. Much of the attention in services has been found on the professional, financial and telecommunications areas. Sometime forgotten is the fact that the physical transportation of goods in international trade is itself a service.

**What is HRD?**



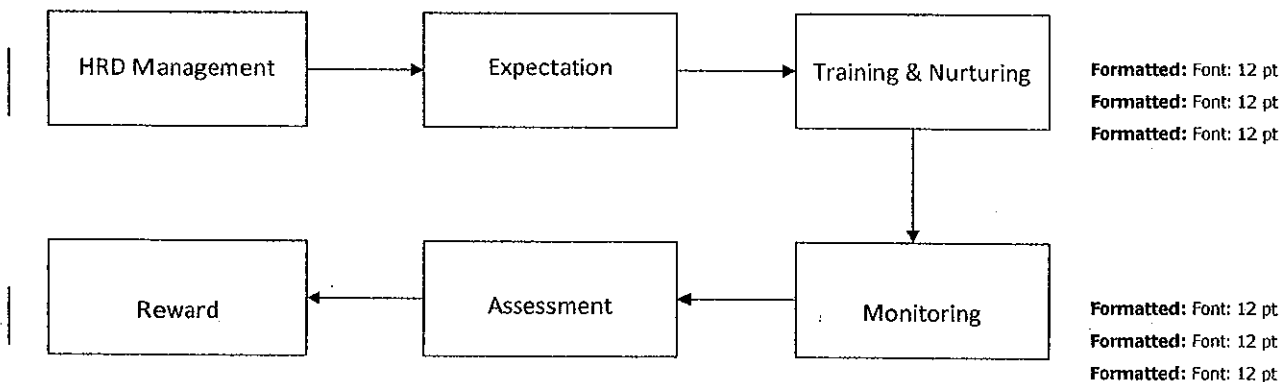
Managing people is not a matter of manipulation. It is about working with your staff and colleagues (human resources) on a partnership basis to achieve the strategic goals of the organization. The most important contribution management needs to make in the 21<sup>st</sup> century is to increase the productivity of knowledge work and knowledge workers. Human beings are not bulk goods. They come in different shapes and forms. To attract and retain people, we have to treat them as individuals. Today's employees are more questioning and demanding. They are confident enough to air their concerns, grievances and aspirations. Brainpower dominates modern organizations. It is their essence. We are increasingly competing on competence. People can make the organization, its products and service solutions unique. How we manage and lead people and how we organize our operations, determines whether we succeed and there is only one valid definition of business purpose, i.e. to create a customer. Excellent companies are close to their customers; other companies talk about it and the excellent companies do it. One must define one's business not in terms of product made or sold but in terms of what needs of the customer are satisfied, i.e. in terms of what service is provided to the customer.

A customer's decision to be loyal or to defect is the sum of many small encounters with a company and it is the company employees who control these small encounters. Therefore it is necessary to achieve employee satisfaction to practice customer-centric strategic management. HR practices influence organizational performance and competitive advantage and those organizations which deploy good people management practices reap the benefits. Even a highly successful company with a strong record of excellence in people management practices cannot achieve all-round success as changes take place slowly in the HRM area. To recruit and retain best talent, organizations not only need to be high performing but also seen to be of high character, credibility and integrity and value driven. Organizations which adopt the 'people as partners in progress' policy demonstrate a distinct HR philosophy characterized by employment security, company flexibility, sharing of financial success with the workforce, development of good communications and consultation, and representative employee voice.

The HRD encompasses all aspects of:

- Training and Development (T&D)
- Organizational Development (OD)
- Career Development (CD)
- Organizational Design
- HR Planning
- Performance management system (PMS)
- Selection and staffing
- Compensation and benefits
- Employee assistance
- Union Labor Relationships
- Research and Information.

In short, HRD can be said to be the integrated use of training and development of organization & career to improve individual; group and organizational effectiveness. These three areas use development as their primary process. The areas, Organizational Design, HR Planning and Performance management System, Selection and staffing, are closely related to the three primary HRD areas.



Human resource results can be measured under

- Productivity
- Quality
- Innovation
- HR fulfillment
- Readiness for change

These measures of course depend on the quality of Training and development.

Whilst Training is a learning experience that seeks a relatively permanent change in an individual that will improve his/ her ability to perform on the job, it involves changing of (KSA)

1. Knowledge
2. Skills
3. Attitude

Development, on the other hand, is more future oriented and more concerned with education than training. Management Development activities attempt to instill sound reasoning processes to enhance one's ability to understand and interpret knowledge. It focuses on the personal growth & on Analytical, Conceptual and Human Skills

<u>Training</u>	<u>Development</u>
<ul style="list-style-type: none"> <li>✓ Increases job skills- specific skills</li> <li>✓ Short term perspective</li> <li>✓ Job centered</li> <li>✓ Externally motivated by compliance</li> <li>✓ The role of a trainer is very important</li> </ul>	<ul style="list-style-type: none"> <li>✓ It shapes attitude – overall growth</li> <li>✓ Long term perspective</li> <li>✓ Career Centered</li> <li>✓ Internally motivated for self-development</li> <li>✓ Role of Coach and Mentor is important</li> </ul>

In the contemporary business environment where growth is largely a product of innovation and technological advancements, human capital is organization's most valuable asset.

Increased complexity of geography, time and functional diversity need individuals to have excellent task orientation and planning skills.

To obtain a competitive advantage, organizations under HRD must attract, retain, and engage talented employees. In this scenario, various leading organizations across the world are moving towards developing an Organizational Philosophy for Professionalization of Management which is in alignment with the overall Business strategy and philosophy.

In the changing environment, organizations have moved away from looking at Professionalization initiatives on an individual basis and instead are aligning multiple processes with strategic plans. This new approach treats various Professionalization processes as a system of interrelated parts that helps organizations to strategically leverage talent. By recognizing the interrelated nature of these processes, organizations are able to better assess, develop and manage talent to meet current and future business needs.

Moreover, there is a growing focus on measuring effectiveness of the overall professionalization philosophy of the organization to ensure that right value is generated for organization's resources invested in the professionalization process.

### **HRD in Maritime India:**

The notion that manpower planning is not relevant to Maritime India, since it is available in plenty is not correct. In many countries including India there are wide variations between the availability of professionally trained men and women and the actual demand for such personnel. This is more glaring in the case of maritime industry. On the one hand there may be severe shortage of navigators and engineers necessary for operation, while on the other there may be a surplus of certain types and levels of seafarers. The problem is not confined to India alone. Despite the high level of their human resource development efforts the maritime nations still face critical manpower shortages.

Well, above is only the quantitative aspect. Equally important is the qualitative aspect where the relevance of training system to the needs of the industry becomes quite important. The declining level of proficiency and the attitudinal change is a matter of great concern & anxiety, particularly for seniors on board manning either the old tonnage or the sophisticated modern vessels.

As is known, work in any sector, once defined by their purpose and strategies, is carried out by means of automation, semi automation and manually. The role of the Human being besides acquiring Technical knowledge and skills varies depending on the environment provided. It is to be seen if we are remodelling our programs to take this evolving perspective into account.

It is to be noted that the understanding the Maritime Environment help companies, governments and shipping linked organisations in long-term strategic thinking in a fast changing world. Scenarios are a method of making sense of a complex environment. The modern shipping business is a global puzzle made from many pieces, enabling collaboration around the world.

The future of shipping is determined by economics, technological development, geopolitical trends, energy resources, social values, environmental aspects, as well as by the shipping industry itself. The past few years alone have brought about fundamental changes. The effect on companies, governments and people's everyday life has been significant.

### **Indian Maritime University:**

Realizing the need to boost the Human resource capital of the country in the Maritime sector, the Central Government by an act of Parliament set up the Indian Maritime University in November 2008 to administer and impart quality Maritime education in various streams of the maritime sector including Business Management, Maritime Law, Naval Architecture, Marine Engineering, Nautical Science, Port Management, Shipping and Logistics.

As mentioned above, one of the integral parts of Human resource development is training, education and development. While training can be defined related to present job; education

is learning to prepare the individual for a different but identified job. On the other hand, development is learning for the growth of the individual but not related to a specific present or future job. In the Maritime sector, while training is imparted in the institutes across the country, the education and development aspect of the human capital is gravely overlooked. Precisely for this reason industry as a whole has not been able to nurture and retain talent which is so essential for its growth.

Building a pipeline of high quality maritime professionals is of strategic importance for organizations with upward growth trajectories. Building a leadership pipeline is all about planning for succession and then assessing and developing talent to be ready for critical roles. The HR processes like high potential management, performance management, talent retention and carrier path mapping can be leveraged to develop a robust leadership pipeline.

Continuous evaluation and realignment to Maritime needs should be a necessary characteristic of any HRD process followed in an organization. Hence the need for measuring the impact of HRD investment is also vital.

The current scenario in the shipping sector has redefined the use of HRD to optimize on transaction time and thus faster response to customer needs. This has greatly challenged the existing systems and processes in maritime organizations and quite a few have rightfully initiated the change process by focussing on productivity and sustenance. A gradual improvement both in terms of optimum utilization, material management and skill & career development is crucial.

### **Career Development in Maritime Sector:**

"Career development" is a key factor that emphasizes the socialization of employees with organizational culture and service orientation and providing opportunities for career development. One of the most pressing problems the shipping industry faces is a shortage of quality-educated officers and the factors affecting this are the career structures in the merchant marine, recruitment and wastage patterns, existence of training delays and the possible presence of feedback relationships between sea-going and shore-based maritime jobs. Traditionally, the career path in the merchant marine has been defined by a hierarchical structure, a rigorous departmental shipboard division, and a narrow-based education delivering professional skills not usable anywhere else but at sea or in the maritime related sector ashore. Consequently, for most seafarers coming ashore meant leaving maritime-related employment altogether.

However, the technical, managerial and regulatory revolution that has affected the shipping industry during the last two decades has changed the role of those serving on board ships and the career path in the merchant marine. Today, shipboard operations require multidisciplinary and increasingly technical and interchangeable functional professional skills. Seafaring education is now being focused towards producing integral vessel managers (combining operations and managerial skills). Furthermore, there is an increasing trend to include an academic base for maritime shore based careers as part of the college-based education received by merchant marine officers. To this end, many maritime

education and training establishments around the world are currently offering seafaring education programs combined either with a maritime-related degree, such as B.Sc. in Marine Technology, or awarding credits recognized by higher education institutions towards the completion of a professional degree. This maritime holistic education will necessarily improve the career prospects of officers within the industry ashore.

With the complexity and increasing challenges in the maritime field majority of the organizations are looking at strengthening their presence across the value chain through forward and backward integration. The portfolio of products, services and manpower is becoming differentiated to address the growing demand and customer expectations. The entire maritime industry is currently at cross roads and need of the hour is to have few very innovative initiatives towards tackling the HRD challenges which includes attraction, retention, motivation and development of leadership talent.

The ships of today are complex machines that require different skill sets which the Maritime industry has to provide to its people. The training needs have to be tailored to suit these modern sophisticated ships.

### **HRD Panorama in Maritime India:**

The human capital management in the Indian maritime sector has by far been unorganized. While the HR development was limited to crewing and manning of ships, there are no formal training and development initiatives for the other sectors in the maritime industry. Therefore if the Indian maritime industry has to take significant strides, the training needs of various sectors of maritime industry have to be understood and fulfilled.

As per a study conducted by M/s. McKinsey and Co. there was a global requirement of 550,000 officers and 600,000 ratings for manning of the ships worldwide which was expected to increase to 670,000 officers and 720,000 ratings by 2015. This requirement will further grow to 764,000 officers and 800,000 ratings by the year 2020. India with its vast pool of trained manpower can rightly claim a bigger pie of the demand of world seafarers by ensuring systematic planning & implementation.

Shipping has a huge daily impact on people's lives as over 90 per cent of global trade is carried by sea. Shipping is also the most environmental friendly, efficient and economical way of transporting goods over long distances. The ministry of shipping has set out Maritime agenda 2020 wherein it clearly states that one of the intentions is to grow the seafaring jobs) from its present 7 % to 9%.

However Maritime India could be considered much more than just shipping. It must look and be defined from the perspective of Home or Coastal trade, Offshore sector and EXIM trade, Fishing Industry, Oil and natural resource exploration, Coastal Security, etc as well. Maritime India needs to be seen as silent contributor to the Gross domestic product which cuts across the Sectors of Transportation, Supplies, Agriculture, Industry, Service, Information and Knowledge.

Many sections of Maritime India are still in unorganised sector. There are no formal training or capacity building in many streams e.g. ship repairing & ship building, port management, deep sea fishing, off shore sector to name a few. As a result of which India is not able to reap the benefits of its geographical advantages.

Similarly, ship repair & ship building Industry in India have been languishing for want of high quality manpower. Formalising Human capital management in this sector will reap rich dividends for India.

It is estimated that India will have 60 % of its population below the age of 35 by 2020, making it one of the youngest Nations on this planet Earth. This youth power needs to be harnessed intelligently lest it turns destructive, which it will if left to idle. One way of engaging the youth is finding them suitable employment which Maritime sector can provide globally. It is a matter of concern for India that smaller countries like Philippines, Croatia, and Indonesia are surging ahead by becoming major suppliers of Marine man power. In Philippines for instance, the remittance from sea farers forms a large constituent of the National GDP.

Challenges today are manifold and not limited only to the maritime field. Criminalisation of seafarers, Piracy, Attitudinal changes, lack of Professional Pride and future Skill & Career development are the burning issues to be dealt with effectively.

### **Strategy:**

One of the suggested ways of ensuring a better human capital management in India is creation of a dedicated Maritime service (it may be known as Indian Maritime Service). The intention is not to create a bureaucratic labyrinth but to create a pool of talented Indians who can be assigned across various sectors of Maritime India to unleash the potential of the vast manpower reservoir.

Creation of a dedicated cadre will also ensure higher visibility which will attract best talents from across the country. Today most of the marine Arbitration takes place in London. But by creating an infrastructure of maritime lawyers & Admiralty courts in India we can create an alternative which will bring its attendant benefits.

New Perspectives into HRD will help in the development of Maritime India personnel into a trained and efficient work force. What the future will look like in reality depends on the decisions we all make, together and individually. Development of Maritime India should be foremost on our agenda today. This is a legacy which we owe to the Future of Indian Nation.

Let us all join our hands & hearts to make this happen.