

Officers' Shortage: Viewpoints from Stakeholders

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ABSTRACT: This qualitative research looked into the views and opinions of the different stakeholders in the shipping/manning on the shortage of qualified and competent officers to handle modern ships of today. This shortage poses the biggest challenge shipping companies are currently facing. An in-depth interview of the participants was utilized in the data gathering for this study. It also looked into what maritime schools can do to help solve this problem. Findings showed that there are many sectors involved and have contributed to the present shortage of officers, namely: the shipping companies, the manning companies, the maritime schools, government agencies and the attitude of the seafarers themselves, not to mention the continuing demand for new vessels brought about by globalization of trade and industry.

1 INTRODUCTION

Ninety percent (90%) of the world trade is carried by the international shipping industry. Without shipping the import and export of goods necessary for the modern world would not be possible (Shipping and world trade, 2007). Seaborne continues to expand, bringing benefits for consumers across the world through low and decreasing freight costs. The growing efficiency of shipping as a mode of transport and increased economic liberalization, and the prospects for the industry's further growth continue to be strong. There are around 50,000 merchant ships trading internationally and transporting almost every kind of cargo.

The worldwide population of seafarers serving on internationally trading merchant ships is estimated to be in the order of 466,000 officers and 721,000 ratings.

The OECD countries (North America, Western Europe, Japan, etc.) remain an important source for officers, but growing numbers of officers are now recruited from developing countries, especially the Far East and South East Asia.

The Philippines and India are very significant maritime labor supply nations, with many seafarers from these countries enjoying employment opportunities on foreign flag ships operated by international shipping companies. China has also seen a large number of seafarers, but at the moment most of them work on the Chinese fleet, meeting domestic requirements.

Demand for skilled workers is escalating brought about by new ships built and delivered since 2004 and more ships scheduled to be delivered even beyond 2012 according to Suri, (2007). He further stressed that the world economy is forecast to continue its bull run into the next decade, pulling the world tonnage into new highs. Accordingly, major crew supplying countries are unable to cope with increased demand for officers.

As of 2006, the current shortage corresponds to 4 percent of the total workforce (16,000 officers) and predicts a 12 percent shortfall (46,000) by 2010 according to a study conducted by Belcher, et al.(2003).

With the current growth in new ships being built and scheduled for delivery until 2012, the shortage is estimated to be 67,800 officers (Odd Magne Skei, 2007).

With this demand for officers in the next 5 to 10 years, the Filipino seafarers will continue to be in great demand in the world manning industry.

It is in this context that this study was conducted.

2 THE PROBLEM

This study aimed to determine the following:

- 1 The factors that led to the shortage of officers;
- 2 The role of the shipping and manning companies in solving this problem;

- 3 The intervention that the maritime schools could initiate to help alleviate the shortage;
- 4 The role of the Philippine government agencies in solving the shortage.

3 METHOD

This research employed the interview and focused group discussions in data-gathering. The participants of this study were the different manning company managers and the seafarers. It utilized an in-depth interview of the participants.

The participants of the study were the different ship owners and presidents of various shipping companies. The interviews took place on the basis of informed consent. Focused group discussion took place at the respective offices of the ship managers. All the interviews and focused group discussion were vide-taped recorded and transcribed verbatim.

3.1 Modes of analyses

There are a lot of factors that led to the shortage of officers, based on the interview conducted among the key informants. The following are noted:

3.1.1 The Role of the shipping companies and ship owners.

The shipping companies themselves or the ship owners were reluctant or hesitant in promoting Filipino junior officers to senior officers because the ship owners are afraid this would displace their own officers. This was stressed by Mr. Vicente Aldanese (2007). This was also affirmed by Mrs. Carla S. Limcaoco (Philippine Transmarine Carriers) who said: "These are glass of ceiling and glass walls during those time; Filipinos can only assume positions in bulk carriers, general cargoes and tankers. According to Mrs. Virginia Linesis (K-Line Maritime Training Center, President) the same situation is happening on Japanese vessels because it is only now that Filipino senior officers are given the opportunity to take a command or given the responsibility of master or captain on board. In the past, Filipinos were not given the opportunity to be in command of Japanese vessels. The same observation was mentioned by Mrs. Brenda Panganiban (Bouvet Shipping Management Corporation); who said: "the company is having difficulty in hiring the top 4 or senior officers (management level). Based on statistics, the manning industry is really experiencing shortage of qualified and competent officers because the industry was not able to foresee that this would happen." According to Capt. Martinez, the foreign principals or owners had greatly contributed to this problem because "they were not willing to give chances to

those who are capable of being promoted for the position."

3.1.2 New ships being built

Statistics show that from 2006 new vessels into the global fleet of 5,650 within 2010 will require an estimated 67,800 officers including 22,600 senior officers (Skei, 2007). This further aggravates the shortage of officers in the world manning industry. According to Mrs. Carla S. Limcaoco, the people who ordered ships are the board of directors, owners of the shipping companies have not seen this problem on shortage coming because they have not invested in people. The owners presumed that there will always be people who will be available to handle or man their ships.

A ship takes six months to build, but it takes four years to produce a junior officer and then six years more for him to attain senior ranks. While ship production has shot through the roof, officer production has been totally neglected.

3.1.3 Training infrastructure in the Asia-Pacific has not been developed for increased production of officers.

This was stressed by Suri (2007) during the 8th Asia-Pacific Manning Conference in Manila last November 14-15, 2007. The production of officers in the Philippines-the largest supplying country - dropped from above 12,000 annually to below 5,000 after the crackdown on sub-standard training institutes.

Likewise, production in India has not seen any increase in many years, although India has tremendous potential to do so. Other crew supplying countries in the Indian sub-continent- Bangladesh, Pakistan and Sri Lanka lacks the political recognition of maritime training as an important national issue or the inabilities of the academies to attract potential sponsors and investors, continue to restrict growth. According to Mr. Ajoy Chaterbee (Kumar, 2007) "the shortfall of seafarers negatively impacts the shipping industry as a whole whereas both the on-board and on- shore maritime related work posts face manning problems that may directly threaten the existence of the shipping activity and the sustenance of maritime know-how".

Production in China has seen some growth, but the growth is dwarfed by the growth in Chinese domestic fleet, giving no relief to the international demand. In any case, much more needs to be done to improve the standards of training as well as English language proficiency. Apart from this reality, China is short of 13,000 high-level maritime workers as the shipping industry continues to develop according to Xen Dingding(2006). Today, China ranks 9th in the top 20 largest shipping flags (Shipping and World

Trade, January 2007) and ranks 6th among the top contracting countries by number of vessels on order.

3.1.4 *The attitudes towards the seafaring*

profession.

The induction of new entrants into the seafaring profession has not increased in proportion to the attrition of experienced seafarers. Many alternate career options that are lucrative, comfortable and socially recognized have pushed seafaring down as a career choice. The best of the youth today look for honorable careers with social status, perks, five-day / week work, clear path and equal or higher wage/benefits package than seafaring can offer. The incentives that the industry offers to the officers are limited to the matching what other professions offer and lack a comprehensive packaging as an industry standard. Seafaring is not the preferred profession for youngsters in developed nations according to Grover (in Kumar, 2007).

3.1.5 *The competencies of the new graduates from maritime schools are always questioned.*

This idea was disclosed by Mrs. Virginia Linesis, President of K-Line, one of the respondents of the study. Along with it is the issue of the competence of the teachers. These teachers are not recently disembarked from the vessel, meaning they have been teaching long enough and have not undergone upgrading on board vessels. The school, according to one of the interviewee: "The school should also look into its curriculum; look at the issue of its relevance in today's world. There are certain subjects that are non-negotiable that students have to study. But are they relevant?"

3.1.6 *There are government agencies that hamper the growth of our officers, like the PRC Reg. Act 3544.*

After passing the board examinations, they are supposed to be given certificate of competency (COC), however they have to attend various upgrading courses like the management level course (MLC) required by the agency which further delays the issuance of said certificates.

4 FINDINGS

1 The shipping companies themselves or the ship owners were reluctant or hesitant in promoting Filipino junior officers to senior officers because the ship owners are afraid this would displace their own officers. The foreign principals or owners had greatly contributed to this problem because "they were not willing to give chances to

those who are capable of being promoted for the position."

- 2 Construction of new ships brought about by the growth in the world economy further aggravates the problem of shortage of officers in the world manning industry. Statistics show that from 2006 to 2010, new vessels into the global fleet of 5,650 will require an estimated 67,800 officers including 22,600 senior officers (Skei, 2007).
- 3 Training infrastructure in the Asia-Pacific has not been developed for increased production of officers. The production of officers in the Philippines - the largest supplying country - dropped from above 12,000 annually to below 5,000 after the crackdown on sub-standard training institutions.
- 4 The induction of new entrants into theseafaring profession has not increased in proportion to the attrition of experienced seafarers. Seafaring is not the preferred profession for youngsters in developed nations.
- 5 The maritime schools should review its curriculum as to its relevance in today's industry demands.
- 6 The additional requirements of the Professional Regulations Commission contribute to the delay in the acquisition of the certificates of competency among the officers passing the board exams.

5 RECOMMENDATIONS

- 1 The need to improve the image of the maritime career and to attract young people to the seafaring profession is of utmost importance today in order to sustain the growth in international shipping activities. Human resource development is more complex and time consuming than development of trade and technology. Human resource, unlike machineries, cannot be drafted on drawing boards, nor programmed on computers. A ship takes 6 months to build, but it takes 4 years to produce a junior officer, 6 years more for him to attain a senior rank.
- 2 There is a need to promote officers who are already holding higher licenses and qualified to assume the next higher position especially Chief Mates and 2nd Engineers.
- 3 The career path of officers and crew should be mapped out in order to promote loyalty to the company. This has been practiced by some Japanese companies like the K-Line whose retention rate of its officers is 96%.
- 4 The shipping companies should invest in people. As much as possible, they need to establish tie-ups or linkages with maritime schools who are the producers of competent graduates. Scholarship grants to deserving students should be enhanced.

- 5 Improve the quality of deck and engine graduates of the maritime schools. While most Filipinos are able to speak English, there is still a need to improve the speaking competencies of the graduates of the maritime schools. There is also a need to focus attention in mathematics, science and physics.
- 6 The Professional Regulation Commission (PRC) should implement the walk-in examination (WES) system as soon as possible.

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