

# Shipping industry significance of hr planning management essay



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Human resource planning or the workforce planning is a universal practice of harmonizing the interests, aptitude and expertise of individuals vigilantly put together in order to attain protracted aspirations and economic opportunities of a company. HR practices influence organizational performance and competitive advantage and those organizations which deploy good people management practices reap the benefits (Walker and Stopper, 2000).

Effectual organization and development of personnel are the two significant aspects of human resource planning that helps improving the quality of service. Before the commencement of any business it is imperative to formulate an outline of key strategies and human resource planning as the feasibility of a business can be endangered if the potential threats in the marketplace are not addressed properly likewise personnel needs if not dealt correctly, can also impact the overall success of a business. Human resource planning is not only concerned with 'hard issue' of acquiring the right number of personnel but also with the 'soft issue' of quality of manpower including creativity, innovativeness, flexibility, risk taking and problem solving (Prasad, 2005).

Physical transportation of goods in international trade business is one of the most secure and environment friendly modes of transfer. Today when financial crisis is the most crucial concern for the whole world, the issues related to shipping industry are still given the urgent precedence given that the global trade is heavily dependent on the maritime sector as the trade in goods of most developing countries is being carried out by sea. There has been a tremendous change observed in the ports and shipping sector during recent years especially in combination with trade relaxations, international

regularities and telecommunications; the improved efficiency of maritime sector and shipping services has shrunk the world into a petite global village where buying and selling of raw materials and merchandise goods has become effortless. It is quite evident that the global demand for transportation services is consistently on the rise and the deregulated marketplace is also propelling the shipping companies to compete even harder. In order to develop better operational and management efficiencies, innovative technology together with pervasive efforts to improve workforce, are mandatory to institute in the maritime sector.

The contemporary marine industry is soaring not just in the countries having established shipping industry but is also budding with equal intensity in the developing countries and micro-states having inadequate resources of new-fangled industrial setting. For the developing countries, shipping sector has opened ways for better employment opportunities and also serve as a considerable source of foreign exchange. On the other hand lower taxes and limited bylaws have also been submissive for the ship owners, prepared to settle with a labour force regardless of its unequalled credentials or ethnic background. Crews increasingly come from countries other than those where vessel owners reside and other than those where the vessels are registered (Donn and Morris, 2001). This diversified facet of the shipping industry urges to concentrate on human resource planning by giving particular attention to interpersonal and cultural challenges that come across during recruitment process. It is interesting to note that a Greek owned vessel, built in Korea, may be chartered to a Danish operator, who employs Philippine seafarers via a Cypriot crewing agent, is registered in Panama, insured in the UK, and

transports German made cargo in the name of a Swiss freight forwarder from a Dutch port to Argentina, through terminals that are concessioned to port operators from Hong Kong and Australia (Kumar and Hoffmann, 2006).

Human resource planning plays an integral role here in terms of addressing issues of communication, ethnic preservation, cultural protection and general socialization at the board of the vessel. The key to create, develop, and retain diverse workforce is to find a way to make workforce to feel connected to their company (Kundu, 2004). A global trend in maritime industry is commendable but the most common issue related to this fashion is the alienation and social isolation that can be frequently observed on the board of the ship. Discrimination and prejudice adversely affects social and working relations between crew members. Failure to incorporate justice and in-discriminatory policies and lack of deference for cultural diversity within the human resource planning may result in unfavourable consequences leading to displeased consumers and also damages the overall image of the organization.

The recruitment structure of shipping industry is intricate and there is a high volume of residual staffing, complex configuration of employment, delayed training and lack of competent and qualified officers. In addition to this, diverse cultural backdrop of merchant marine becomes more complicated due to thorny relationships between seafaring and shore-based staff.

Institution of a competitive and potential workforce can be acquired by preparing job specifications and descriptions which is an essential element in human resource planning. With the passage of time the employment specifications are very well thought-out and job profiles are also altering

frequently and hence it becomes imperative for the organizations to maintain official records of information pertaining to job assessment and hence job analysis should be regularly exercised by the organization. The similar criterion is pertinent to shipping industry where management must ensure that the workforce is familiar with the fundamental chores and is proficient enough to carry out work safely. Knowing where the potential hazards might manifest themselves the workforce must be adequately qualified to suspend the production process where danger exists (Noe et al. 2007). Selecting experienced and qualified staff is a core element of human resource planning and a medley of maritime personnel requires careful assessment of mandatory education, professional skills and handiness. Ongoing training is another essential constituent of workforce planning that not only contributes in constructive progression of the industry but also affirms the positive outlook of vessel owners towards their staff. After hiring the right people with the right attitude, companies must train them for the purpose (Kundu, 2000). Staffing correct individuals and by providing continuous trainings can guarantee a well structured and organized task force, capable to deal with emergency situations that may arise on board. Training might take a variety of forms in organizations but all must view it as an important investment for future success (Zeithmal and Bitner, 2004).

A smartly devised human resource plan also stresses on performance management that is a process to record outcomes of a specified job profile. Continual appraisals and reward system may boost the confidence of seafarers and can motivate them to execute best out of their job functions. Performance management isn't just a once-a year assessment; effective

managers incorporate performance review and feedback as part of their day-to-day communications with employees (Webb, 2004). Marine employment especially that is confined to sea can be extremely tiresome therefore the management should closely monitor the workforce to create a challenging and exhilarating work environment; additionally keeping a track record of high and low levels of job outcomes. Performance appraisal can identify employees who should be retained, and a pay-for-performance compensation plan can be applied appropriately to reward and encourage high and average performers to remain with the company (Berry, 2004).

Dynamic organizations acknowledge the continuously changing professional trends and also comprehend the notion of human resource planning necessary to assemble a creditable workforce. Like any other professional organization maritime companies also encounter a variety of humanised concerns that may affect their overall success, productivity and crew cohesions. Managing a fleet of ship is pretty exigent but a shrewdly fabricated human resource plan can be helpful to resolve issues that usually appear at the board of the ship.