



## SHIPPING COMPANY AND HUMAN RESOURCE PERFORMANCE MANAGEMENT

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### ABSTRACT :

As ship carriers continue to face difficult financial environments with volatile freight rates, more stringent regulations and increased competition, shipbuilders cannot play a key role in meeting company business objectives, executing management strategies and delivering high, its customers and service provider's, the quality of their service. Successful implementation of a crew performance management system can be an important tool in the hands of management to evaluate the performance of its officers and seafarers, align the performance criteria for business strategies and objectives, and identify their training and development needs. With this in mind, we surveyed the current crew performance management system, after which the shipping companies could draw conclusions and identify the problems and challenges encountered when implementing such a system. The theme of the Performance Management System is relevant to the shipping industry worldwide, and not just that, as it reflects a goal-oriented process directed toward ensuring that organizational processes are in place to maximize the productivity of employees, teams and, ultimately, business. Performance management systems are the main focus in business today and they are directly related to achieving organizational objectives.

**KEYWORDS :** volatile freight rates , business objectives, executing management strategies.

### INTRODUCTION

Performance management systems provide valuable information for corporate management. Their purpose is to align each employee's performance with corporate strategies and objectives. They can make decisions for HR issues such as rewards, training and development, career plans and promotions. To achieve this alignment of employee performance and corporate strategies, the performance management system applies criteria related to corporate strategies. These criteria define the following key areas of the Performance Management System for each employee: the performance goals, skills and abilities required to successfully perform the duties and responsibilities, the corporate values and behaviours expected to fit into the corporate culture.



Services cover every aspect of our lives. We use transportation services; Restaurant service; Hotel; Electricity and telephone; Postal, courier and maintenance services; Hairdresser services; Services of public relations and advertising firms; Lawyer; Doctor; Dentist stockists and insurance agents; and swimming pools and Disney-style theme parks. When we buy things like a new car or washing machine, we often rely on services to keep them running and repair them when

they break down. Services allow us to budget our time as well as our money. "The twentieth century was the era of machines; Twenty-first century will be the age of people "Budgets such as globalization, empowerment, cross-functional teams, downsizing, education institutions and knowledge workers are changing the lives of managers and the way they manage people. The shipping industry is a prime example of a globalized industry that is now easily linked to national sovereignty. Shipping is different from other examples of global business such as fast food chains and auto companies because its physical capital itself is movable in a way that is not a burger kiosk or car plant. Due to this feature of the industry, strategic and human resource management have a mobile dimension that is not generally driven by the manufacturing and transportation industries. Upgrading globalization, more flexible tax systems and increasing mobile workforce are creating opportunities and challenges for the shipping industry.

#### REVIEW OF LITERATURE:

According to Armstrong Bar and Baron (2004), performance management focuses on factors such as recognition, constructive feedback, personal development, and career opportunities.

Earthy and Sherwood Jones Bm. (2006), who discusses several possible structures for inclusion of human components and toward the development of appropriate content, and believes that "the role of goal-based regulation provides both a challenge and an opportunity to the human element community.

Chubb, Riley and Brown (2011) reviewed consistent literature on performance management, emphasizing the role of critics of performance appraisal, methods for improving the effectiveness of performance appraisal, and performance management and rewards.

#### PERFORMANCE MANAGEMENT SYSTEM:

The shipping industry seeks to address the challenges of the current financial climate, volatile freight rates and rising competition, as well as being an invaluable tool for managing a well-managed crew performance management system and, therefore, remains at the spotlight in this survey. In the following areas: the scope of the crew performance management system; Evaluation criteria; Performance evaluation process; Challenges of a crew performance management system. Following are the results of a study on performance management systems found at many international shipping companies.

1. **Opportunity of Performance Management System:**All the companies participating in the survey have developed a performance management system for marine ships, often called "evaluation", "evaluation", "performance management and development system" or "performance evaluation and development program." Performance management systems are different for marine vessels used to evaluate the performance of shore-based personnel. Usually, the two systems do not have relationships, but in some cases both systems are based on the same corporate values. In most cases, the system was originally designed to comply with international regulatory frameworks and features.
2. **Improvement in Performance and Empowerment:** Although this is not explicitly stated, in most cases, the performance management system is intended to encourage employees to improve their performance and increase their efforts for better collaboration, communication and teamwork. The most advanced systems examined in this survey briefly describe their intentions, procedures, and benefits they provide to both employees and the company. They also provide user manuals. But in some cases these systems are seen as "indispensable processes" or used solely for work on the sea, depending on their performance and potential.
3. **Training and Development:**The performance management system is also concerned with the training and development of the crew. The evaluation form identifies the personal training and development needs of the employees and proposes to address these needs. This data is used to conduct related training and is set to continually improve the crew's plans and improve the skills and abilities of the crew.
4. **Internal Transfer:**A large number of companies participating in the survey stated that they linked performance evaluation results to career development and succession planning. Data collected from the

performance appraisal system is decided by management as to whether an employee is suitable for promotion or transfer to a key position internally. In addition, in some cases the appraiser determines the actions required for promotion (such as vocational training) and the required duration.

#### PROCEDURE OF PERFORMANCE APPRAISAL:

All companies participating in the survey said that they used the evaluation method below. In most cases the evaluation method used is downward, that is, subordinate officers evaluate it by the principal. Regarding the crew evaluation method, the following standard rules are followed:

1. Appraisal of Officer:
  - a. The Captain is evaluated by the Operations Manager, General Manager and / or Ship Owner.
  - b. Chief Engineer evaluates by Captain and Technical Manager.
  - c. Engine officers are evaluated by the Captain or Chief Engineer.
  - d. Other officers are evaluated by the Captain.
2. Appraisal of Seafarers:
  - a. Evaluated by deck crew captain or deck officer.
  - b. The engine crew is evaluated by the Chief Engineer.

#### IMPLEMENTATION CHALLENGES IN CREW PERFORMANCE SYSTEM:

Based on our findings, the following challenges are considered critical for the successful implementation and continuous improvement of the crew performance evaluation system.

1. **Target and Goal Setting:** Targeting is a major challenge for shipping companies. These goals must be measurable and realistic. Employees need to be linked to corporate strategy to take actions and behaviours that are beneficial not only to the company but also to them. Setting specific objectives motivates crew members and is an important information management tool.
2. **Rewards and Performance of Linking:** Many industry sectors consider the relationship between rewards and performance appraisal. On the other hand, performance evaluation without a positive or negative impact weakens the system and eventually renders it obsolete. Awards and accreditation are a significant incentive for high-performing maritime and officers to be maintained within the company.
3. **Discussion of Appraisal:** Their professional development requires discussion and feedback during evaluation and evaluation. The discussion between evaluation and evaluation is essential for the improvement of human resources. Objectives of the discussion the parties involved may exchange opinions on issues of group and individual performance, goal achievement, skills and competition.

#### CONCLUSION:

Finally, when working with multi-national employees, officers will have to develop their leadership skills to communicate and manage people with different cultures, work mentalities and beliefs. As a result, effective human resource management is one of the key criteria for evaluating the performance of most human beings. Considering that the shipping business is becoming less and more attractive for younger generations, it seems that diversity management will continue to present challenges to shipping companies.

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