

# Competence in Competition

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# Once upon a Time

- There was His Majesty The Master





# Once upon a Time

- his Crew





# Once upon a Time

- and their ship





# Then Competence appeared





# Crew Certification

## GENERAL

- Certificate of Competency or Certificate of Equivalent Competency – specified to rank and flag of vessel
- GMDSS (Global Maritime Distress Safety System)
- Designated Security Duties training
- ENG1 (seafarers medical) or equivalent Medical
- First Aid at Sea or Medical First Aid
- Advanced Fire Fighting
- CPSC & RB (Proficiency in Survival Craft and Rescue Boats)
- Tanker Safety
- STCW Personal Survival Techniques
- STCW Personal Safety and Social Responsibilities
- STCW Elementary First Aid
- STCW Fire Prevention and Fire Fighting



# Crew Certification

## COOK CERTIFICATION

- Cook's Certificate of Competency or Ship's Cook part 1 and part 2
- Food Hygiene (is requested by some Companies but not a minimum requirement)
- Basic Tanker Safety
- STCW Personal Survival Techniques
- STCW Fire prevention and Fire Fighting
- STCW Elementary First Aid
- STCW Personal Safety and Social Responsibilities
- Security Awareness Training (Designated Security Duties training may be required by certain companies)
- Crowd Management may be requested for bigger vessels but is not a minimum requirement.
- Medical Care sometimes required
- ENG1 or equivalent medical





# IMO Certificate Verification

- IMO Certificate Verification
- About 60 countries with Training centers
- List of Countries whose certificates recognized by Greece : Australia, Bulgaria, Canada, China, Georgia, India, Indonesia, Lithuania, Pakistan, Philippines, Poland, Romania, Serbia and Montenegro, Ukraine



# Only Certification is not enough





# Safe Manning and More

- Flag Legislation issued safe manning documents based on ship size, type and trading area, defining the number of the crew members and the qualifications of the officers.

**With IMO circ. A890(21) in Nov. 1999**

**The shipowners may suggest their own management levels, which should be justified for the ship's trading pattern, area of operation, hours of work etc.**

- The **STCW** Convention (1978) amended in 1995.  
(Manning scales and certification)
- The International Safety Management Code **ISM**  
(chapter IX of the SOLAS Convention)
- SOLAS (Inter-related questions of crew training and skills in various areas )



# Safe Manning and More

- The US Oil Pollution Act 1990 (OPA 90) (Manning and management of the ship both ashore and afloat)
- The Tanker Management Self Assessment **TMSA** (Recruitment and management of shore-based personnel & Recruitment and management of vessel personnel)
- Oil majors **Officer Matrix** requirements
- Competency Management System ( Intertanko & OCIMF ) (replacing TOTS Tanker Officers Training Standards)
- Charterers and terminal specific requirements



# Do we need all these?

The causes (of the accidents) that top the list like collisions, fires, explosions, ships being lost, tankers accidents etc. are all results of human errors.... **The results indicated that in most cases (almost 96%) the reason for maritime accidents was human error.**

Source: Marine Insight  
July 2016

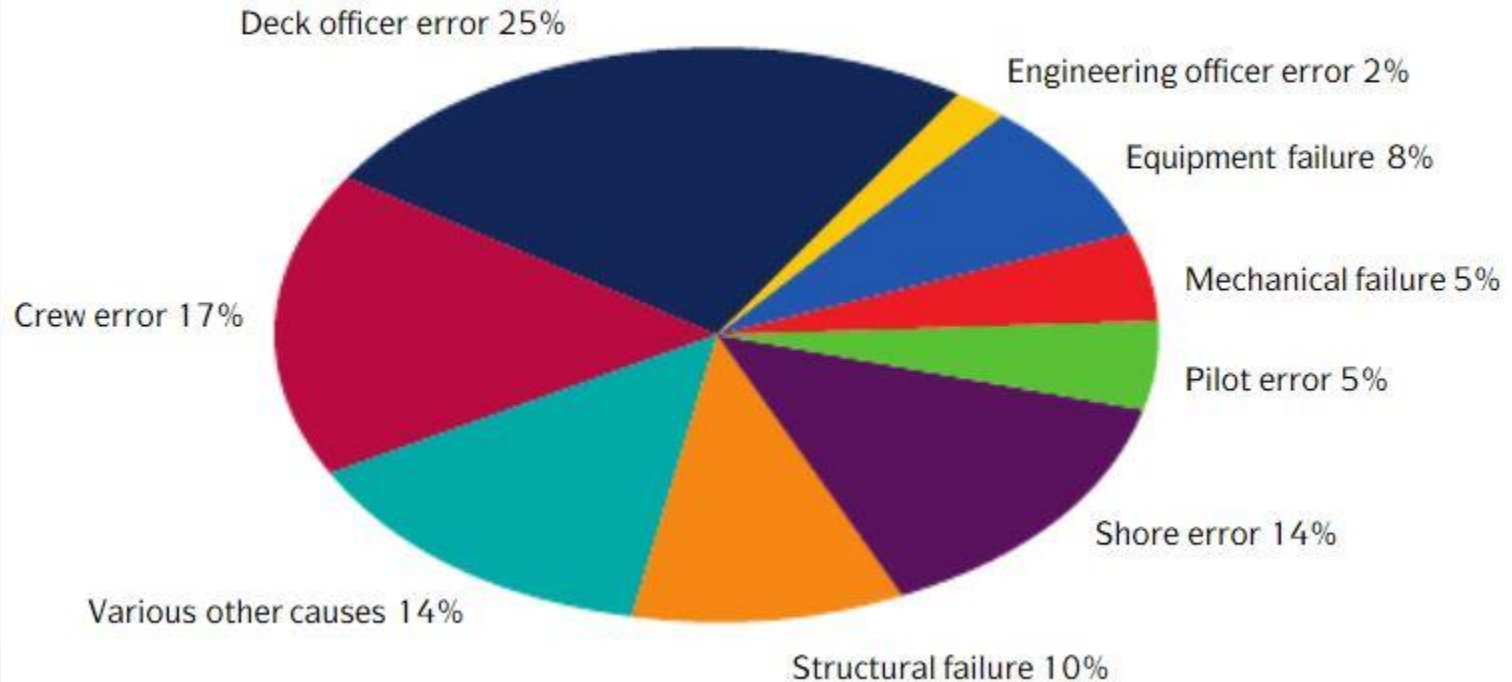
While huge strides continue to be made in improving marine safety, human error remains the most important factor in marine accidents.

Source: Business Insurance  
Aug.2013



# Do we need all these?

Table 1. Main causes of major P&I claims



Source: UK P&I Club



# Officer Matrix

## Experience & Familiarization

- Years with the Operator
- Years in Rank
- Years in a specific type of Tankers
- Years in all types of Tankers
- Dates joined (minimum number of days lapsed between replacement of officers)



# Officer Matrix

- The variations between the various oil companies in terms of requirements are as follows:

	Years with Operator	Years in Rank	Years on this type of tanker
<b>Captain/ Chief Officer</b>	0 to 5, including 2 and 3	0 to 5 including 2.5, 3 and 4	0 to 10 including 3,4,5,6 and 7
<b>Chief Engineer/ 2<sup>nd</sup> Engineer</b>	0 to 5 including 2	0 to 4 including 2.5 and 3	0 to 10 including 3,5 and 6
<b>2<sup>nd</sup> Mate/ 3<sup>rd</sup> Mate</b>	0 to 1	0 to 1	N/A
<b>3<sup>rd</sup> Engineer/ 4<sup>th</sup> Engineer</b>	0 to 1	0 to 1	N/A

Source: Intertanko



# Officer Matrix

- For a vessel to comply with all requirements, i.e be able to work for all oil companies, the following requirements will have to be met:

	Years with Operator	Years in Rank	Years on this type of tanker
Captain/ Chief Officer	5	5	10
Chief Engineer/ 2 <sup>nd</sup> Engineer	5	4	10
2 <sup>nd</sup> Mate/ 3 <sup>rd</sup> Mate	1	1	N/A
3 <sup>rd</sup> Engineer/ 4 <sup>th</sup> Engineer	1	1	N/A

Source: Intertanko



# The TMSA

## Recruitment and management of the shore-based personnel and of the Ship's Staff

- The Company must define in the ISM the qualification and experience requirements for each shore based position
- Written policy is to operate vessels with senior officers who have appropriate experience and training on the particular type and size of vessel



# The TMSA

- Defined system of selection, recruitment and promotion procedures with interviews and records
- Pre-employment assessment for job competence and training for officers and ratings
- Verification of the certificates and qualifications
- Formal familiarization process
- Formal staff appraisal system. Training needs identified during the appraisal process
- Training, refresher training and participation in industry forums, seminars and conferences
- Training for seafarers to exceed the minimum requirements



# The TMSA

- Internal audits, ship visits and short sails by the superintendents to confirm the welfare of the ship's crew
- Procedures to ensure that the working and rest hours of all personnel are in line with STCW.
- Company policy to provide career development for junior officers
- Senior on-board personnel to be rotated through office assignments
- The company to have a documented disciplinary process
- Ship's staff and office personnel Retention Rate



# Competency Management System

A System being developed jointly by Intertanko and OCIMF

The key aspects:

- Each officer is individually assessed
- Those assessing must be appropriately trained and assessed for their ability to assess
- Those verifying must be appropriately trained and depending on the setup, assessed for their ability to verify
- The system must be open to auditing or verification



# Competency Management System

## Competencies:

- Navigation
- Mooring
- Cargo operations
- Engineering

## Incorporation and auditing

## Assessors

## Verifiers



# Competency Management System

## Organizational Levels

- Management
- Operation
- Support
- 

The competency framework consists of six competency domains:

1. Teamwork
2. Communication & Influencing
3. Situation Awareness
4. Decision making
5. Results focus
6. Leadership & Managerial skills

Each of the above domains has been defined, with competency elements identified for each domain.



# Shore Staff Competence

- Shore staff competence was questioned only recently
- Company defines the qualifications for the personnel of a specific position. Often people with completely different backgrounds, education and working experience (ex-seafarers and university graduates) compete for the same position. Who is really Competent?
- There is no office “safe manning” requirements. Between companies there is a large variation in number of Office Personnel per ship.
- There are competence standards for auditors and for trainers.
- The TMSA and Oil Majors requirements are not always very specific leaving room for different interpretations. For instance: Top Ranking Personnel should visit the ships periodically. However there are different perceptions on what is “Top Ranking” position.



# Crew Remuneration

## Greek Seafarers salaries (on tankers)

- **Master** *in US \$* Median **Base Salary - 13.000**  
From 12.100 to 14.200
- **Chief Engineer** *in US \$* Median **Base Salary - 12.600**  
From 12.000 to 13.750
- **Chief Officer** *in US \$* Median **Base Salary - 10.800**  
From 10.000 to 11.500
- **Second Engineer** *in US \$* Median **Base Salary - 10.200**  
From 10.000 to 11.100

Source: Hewitt “Shipping Industry Total Compensation survey Greece”



# Shore Staff Remuneration

- The differences of the salaries for the same position in companies (same country) can be up to 100%
- The provision of **employee benefits** is not a common policy in Shipping. No more than half of the companies currently offer private pension plans, and private medical schemes

Source: Hewitt “Shipping Industry Total Compensation survey Greece”



# Training cost

In our experience :

- The training cost of the crew is about 15,000 USD/ship/year (between 10,000 to 17,000)
- Office Staff (all positions) the average training cost is about 500 USD /person/year .



# What we do in Andriaki Shipping

- Greek Officers and Philippine crew.
- Most of the officers join the company as Cadets and remain with the company climbing to the top ranks and until retirement. Presently 71% of the Captains have been with company since Cadets
- Retention rate of the officers is 97% (2016)
- The fleet is in full compliance with Officer Matrix requirements. For compliance with Matrix requirements such as “minimum years in position”, promoted officers may join the ship as super numeral
- Training over and above requirements is provided
- The salaries of the ship officers are slightly higher than industry average
- Particular attention is paid to Crew welfare



# What we do in Andriaki Shipping

- Office personnel also join the company young and usually remain until retirement
- 82% of the key personnel is developed internally
- The retention rate of office staff is 92%. Retention of the key personnel is 95%
- Participation in committees, associations and forums is encouraged
- The salaries of the office staff are at the industry's average



# What we do in Andriaki Shipping

- Inspection results

2015	2016	2017 Q1
<b>Vetting Insp. 2015</b> <ul style="list-style-type: none"><li>• 18 Inspections</li><li>• 43 Observation - <b>2.4 DPI</b></li><li>• 0 Rejections</li></ul>	<b>Vetting Insp. 2016</b> <ul style="list-style-type: none"><li>• 17 Inspections</li><li>• 39 Observation - <b>2.3 DPI</b></li><li>• 0 Rejections</li></ul>	<b>Vetting Insp. 2017 Q1</b> <ul style="list-style-type: none"><li>• 5 Inspections</li><li>• 10 observations - <b>2.0 DPI</b></li><li>• 0 Rejections</li></ul>
<b>Observation Risk Rating</b> <ul style="list-style-type: none"><li>• 2 High Risk</li><li>• 12 Medium Risk</li><li>• 29 Low Risk</li></ul>	<b>Observation Risk Rating</b> <ul style="list-style-type: none"><li>• 2 High Risk</li><li>• 10 Medium Risk</li><li>• 27 Low Risk</li></ul>	<b>Observation Risk Rating</b> <ul style="list-style-type: none"><li>• 0 High Risk</li><li>• 3 Medium Risk</li><li>• 7 Low Risk</li></ul>
<b>Port State Control 2015</b> <ul style="list-style-type: none"><li>• 17 Inspections</li><li>• 1 Observation - <b>0.06 DPI</b></li><li>• 0 Detentions</li></ul>	<b>Port State Control 2016</b> <ul style="list-style-type: none"><li>• 14 Inspections</li><li>• 8 Observation - <b>0.57 DPI</b></li><li>• 0 Detentions</li></ul>	<b>Port State Control 2017 Q1</b> <ul style="list-style-type: none"><li>• 1 Inspections</li><li>• 0 Observation - <b>0 DPI</b></li><li>• 0 Detentions</li></ul>

- Crew cost is slightly higher than the industry average



# Create or Poach?

We estimate that the total cost of certification and training for a Cadet to become a Captain (as per Matrix requirements) is almost 100,000 USD



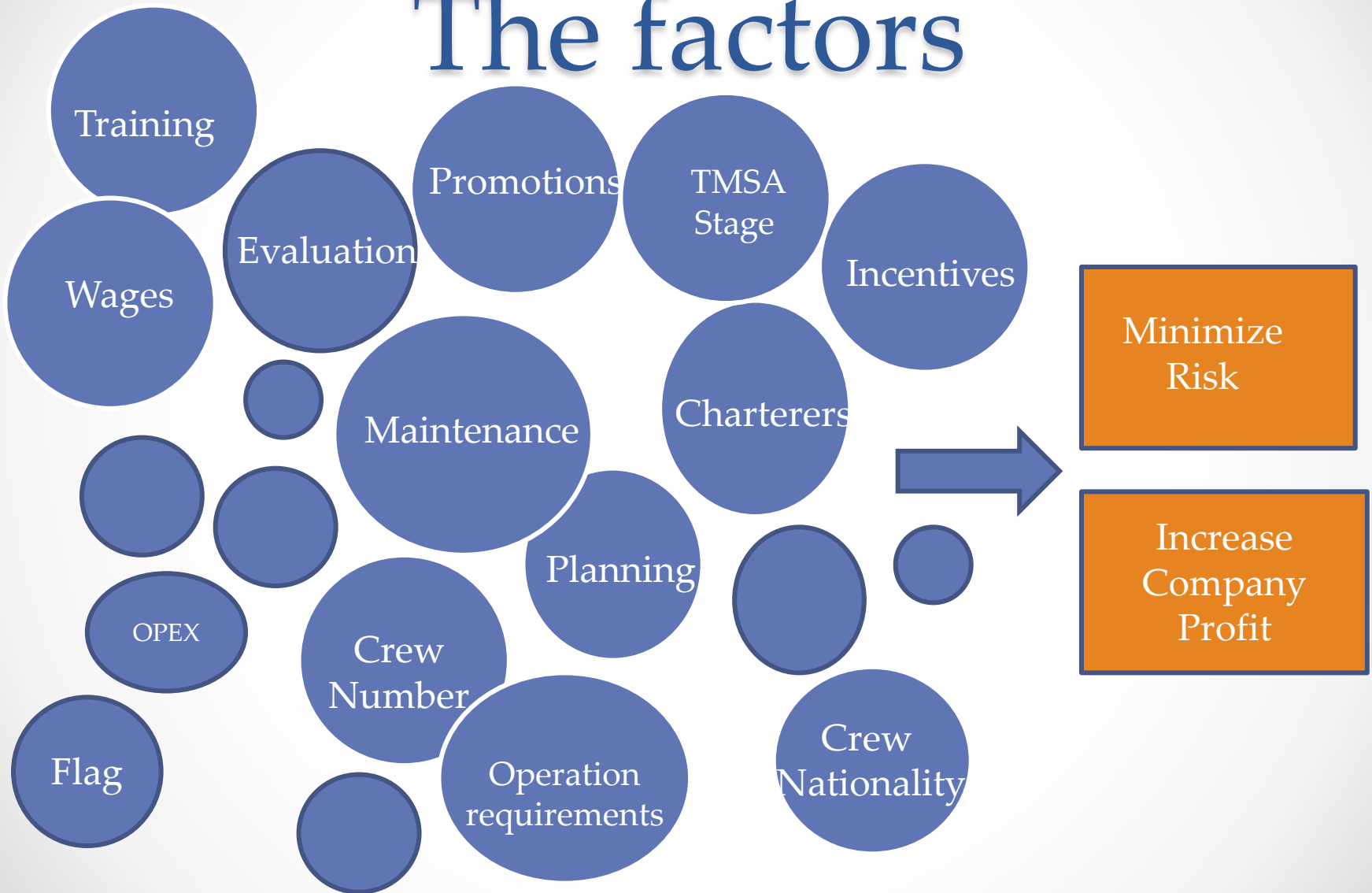


# A difficult equilibrium





# The factors





# How far can he go?

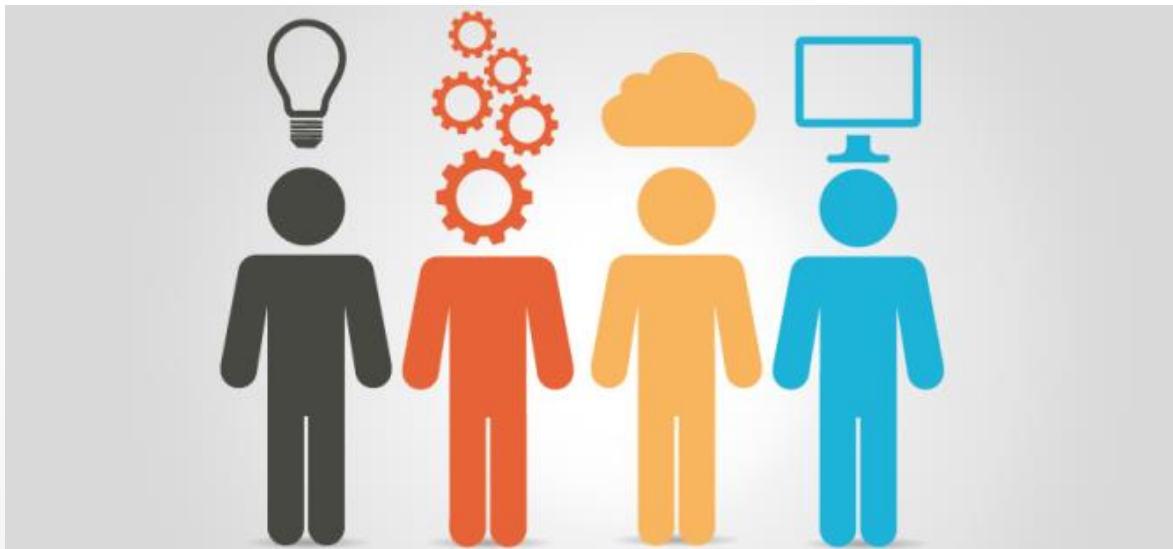




# The Challenge

The basic aspect of competence is skill

- Are certification, experience and evaluations the only proper means to identify the successful employee?
- Our goal is to develop, attract or poach talent!





# Why are they always on the Top?





# Creating a team of pure skill in football management

- **Choose the targets of the Team**

The expectations, the competition and the final goal should be clearly defined

- **Evaluate which talent is needed**

Start by identifying which talent is needed for a specific position and what the required skills are

- **Find the right people**

Identify who in the team (company) is able to take on the role or search in the market for the right individual.

Creating and poaching are both widely practiced

- **Create the tests**

Test suitability of the person. An actual trial period is the best way for the correct evaluation (not immediately in the first team)



# Creating a team of pure skill in football ship management

- **Find more than one right person**

Back up personnel should always be available for every position and they must be equally good.

- **Do not lose time trying to fit the wrong person into the team.**

Continuous evaluation, fighting complacency and fill the identified gaps immediately. The corrective actions (additional training, discipline, etc.) should be done soonest possible. Weak link could be catastrophic.

- **Create the support**

Prepare the infrastructure to offer the best training, learning and assistance to specific needs. Make clear how important every individual/role is



# Creating a team of pure skill in football ship management

- **Be proactive**

Be close to the academies (or create your own) to spot and recruit the talents you need in the future

- **The compensation and rewards should be good!**

Have a competitive compensation & rewards strategy. Reevaluate it often!

- **Market the company**

Promote Company achievements and create a name. The employees must be proud of their job and the company they work for.



# Thank you for your attention



# and Good Luck