



# MARITIME EXECUTIVES

# YOUR THOUGHTS



faststream  
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# WELCOME



## THIS IS THE FIRST REPORT WHICH GETS BENEATH THE SURFACE TO DISCOVER WHAT MARITIME LEADERS REALLY THINK

In July and August 2017, maritime recruiter Faststream surveyed over 3,000 maritime business leaders and executives staff to gain a unique insight into the views, thoughts and feelings that these individuals have on the maritime sector past, present and future.

The maritime industry is an extraordinarily diverse and interesting sector to work in. The people needed to run the organisations that keep the world's fleet running safely, efficiently and profitably have never been more important. The reliance on those at the top of businesses to support everyone beneath them is vital in the good times and paramount in the bad.

Business leaders and executives have arguably the most dynamic view on any marketplace, and this is no different for the Maritime sector. Whilst the sector continues to face a talent crisis in many areas at sea and ashore, the subject of recruitment and employment is often covered at a much lower level - based on the views of employees and not the employers. Likewise the happiness and confidence of employment is regularly covered

in the media, predominantly based around low-mid level employees and not the executives themselves.

Are maritime business leaders happy? Do they think they get rewarded sufficiently? Are they under unprecedented pressure to keep their organisation performing during a long period of market turmoil? What types of people will be willing and able to take the helm in the future, and where will these people come from? These are just a few of the unanswered questions which come from the talent crisis and market conditions which are so unique to maritime, and ones that only executives will be able to answer with confidence.

**MARK CHARMAN**  
FASTSTREAM GROUP CEO

# LEADERSHIP & TALENT POOL

Who makes the best leaders? Not ex-mariners according to the survey data. 78% felt that mariners do not make the best leaders, which highlights the sheer difference between being the boss of the vessel and the boss of the office.

“The environment on-board a vessel is so different to that of an office based job. Vessels are hierarchical with multiple tiers of management. Organisations ashore increasingly have a much flatter structure and collaborative leadership is becoming much more prevalent. Life on-board a vessel is process driven, there is a rulebook, regulations and huge emphasis on compliance whereas life ashore, and especially so for those looking to transition into leadership positions, need to be autonomous, free-thinking and have a sense of entrepreneurialism about them. It could not be more different and the traits of an executive ashore will not come naturally for the majority of seafarers. This is not good preparation.”

There has been much coverage over the lack of structured training and development for seafarers when they do decide to make the transition ashore. This is likely to have a huge effect when it comes to the availability of talent currently working in maritime who can become future leaders. Only 43% of executives believed there to be enough talent already in the maritime sector who can become future executives.

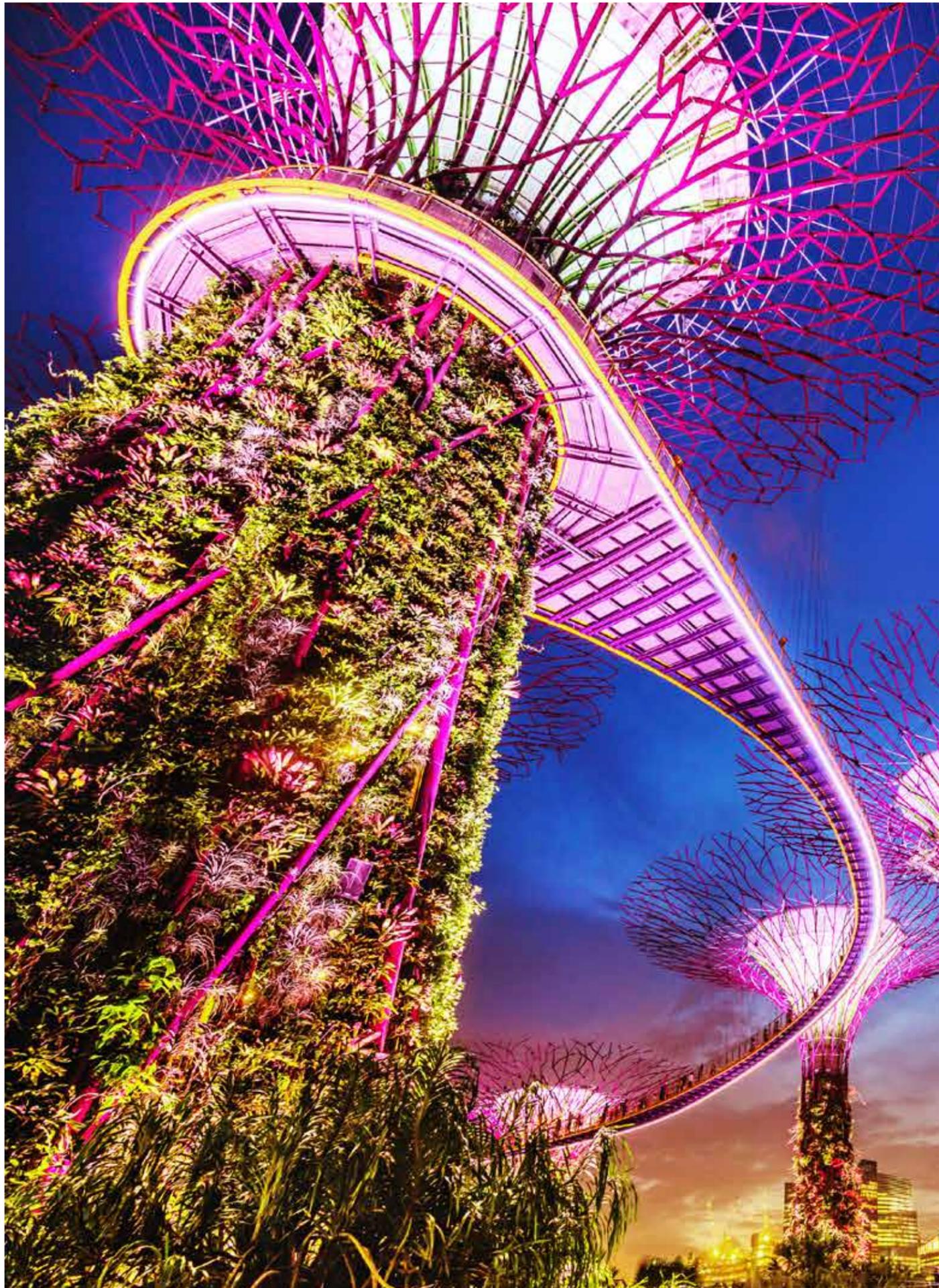
“As recruiters we see the same trend. Ultimately the sector cannot continue to rely on the commercial sector and traditional routes to leadership to go on forever. The industry must improve on developing the skills of those at sea because the talent is there, it just needs nurturing. If it does

not, maritime will eventually lose that element of expertise at sea that it so heavily relies on ashore. Seafarers are the future and it is positive that the majority of industry executives can see the issue. They now need to act on it.”

If all else fails, should maritime look outside of the sector for executive level talent? 73% of executives thought that maritime should look to other sectors for executive level talent, but where will it come from? Executives listed Logistics, Aviation, Transportation and Engineering as the most popular industries to poach from, but in reality this is unlikely to happen.

(Continued)





Talent attracts talent and this is certainly the case when it comes to Singapore



“It is catch twenty two. The maritime industry knows there is a problem and thinks it needs to look to other sectors to solve it. Our experience is that organisations are hugely reluctant to hire someone from a different vessel type than they specialise in, let alone a different industry. It is just not something which is open to discussion when we take on projects. It is not in the job specification and rarely does it form any part of our conversations with our clients. We have not seen anybody take the lead on hiring from outside the sector yet, but we hope that this changes.”

Aside from the outside vs inside industry and seafarer vs shorebased talent, we asked executives where in the world would hold the largest pool of maritime talent over the next five years. Maritime power houses London, Copenhagen and Hamburg were all in the fold but it was Singapore, perhaps unsurprisingly, which came out on top with a resounding vote from maritime leaders.

“Talent attracts talent and this is certainly the case when it comes to Singapore. The Lion City was once the place for maritime businesses to house their regional headquarters in Asia but these offices are now the global

headquarters for many. With this has come the need to bring in talent and top organisations attract top people - it is a lifecycle which is hard to break. It is an attractive place for people to relocate, work and live their lives. Combine that with the growing prominence of the Asian seafarer, who may not be able to work in Europe or North America with the tightened visa restrictions, or perhaps not want to even if they could, Singapore's prominence will not be going anywhere anytime soon.”

The survey data revealed that 36% of executives thought Singapore would hold the largest talent pool, 12% choose London, 10% Copenhagen, 9% Hamburg and 5% Hong Kong. All other locations received fewer than 5%.



# BECOMING A SENIOR EXECUTIVE

A route into becoming a senior executive in the maritime sector that continues to become more attractive is completing an MBA, but is it really essential to make it to the top? The feeling from 79% of respondents is that having an MBA is not essential to make it as a senior executive.



“When it comes to being a maritime executive the majority of those in the most senior positions have come from a commercial maritime background, but have never been at sea. Chartering, operations or those from finance or legal are common routes to becoming a senior executive. The reality is that MBA’s hire MBA’s and until there are more senior executives with an MBA, who have achieved success in maritime coming from an academic background, the trend will not change and this is reflected in the survey results.”

This feeling is echoed when it comes to seafarers, where 60% of executives thought that being a senior officer does not prepare you for being a senior executive. Sea-time should be matched with commercial experience ashore, and it is the latter which best prepares someone to step up.

Developing and attracting female talent to the maritime industry is a big talking point which has been covered many times. Often the focus is on how the industry can attract an increased number of female cadets, which is clearly an issue the sector faces.

But does maritime do a good job of attracting, developing and promoting female talent? 76% of executives that we surveyed believed that maritime does not.

“Maritime talks a good game about attracting female talent in general, but the reality is very different. In most other markets, gender has no effect on talent and the majority of the executives that we surveyed recognised that. The industry now needs to put their words into action.”



# PAY & REWARD

The perception of executives is that they could get paid better in another industry.

Given the pressures and complexities of leading a maritime business, you might assume that the pay of executives compares favourably to similar positions in other markets. However the reality is that the majority of executives believe that their pay is not competitive. Only 12% of executives believed that they were paid better than their counterparts in another industry, whilst 49% thought they were paid the equivalent and 38% felt they were paid less.

“The perception of executives is that they could get paid better in another industry, and this is not entirely false. Executive pay across the maritime sector is disjointed and dependent on the type of company you work for and there are very few ‘norms’. Some executives

may be getting paid more than their counterparts in other sectors, others less. The reality is that it is near impossible to make meaningful comparisons, however there are no positives given the fact that the perception from most executives is that their pay is not competitive.”

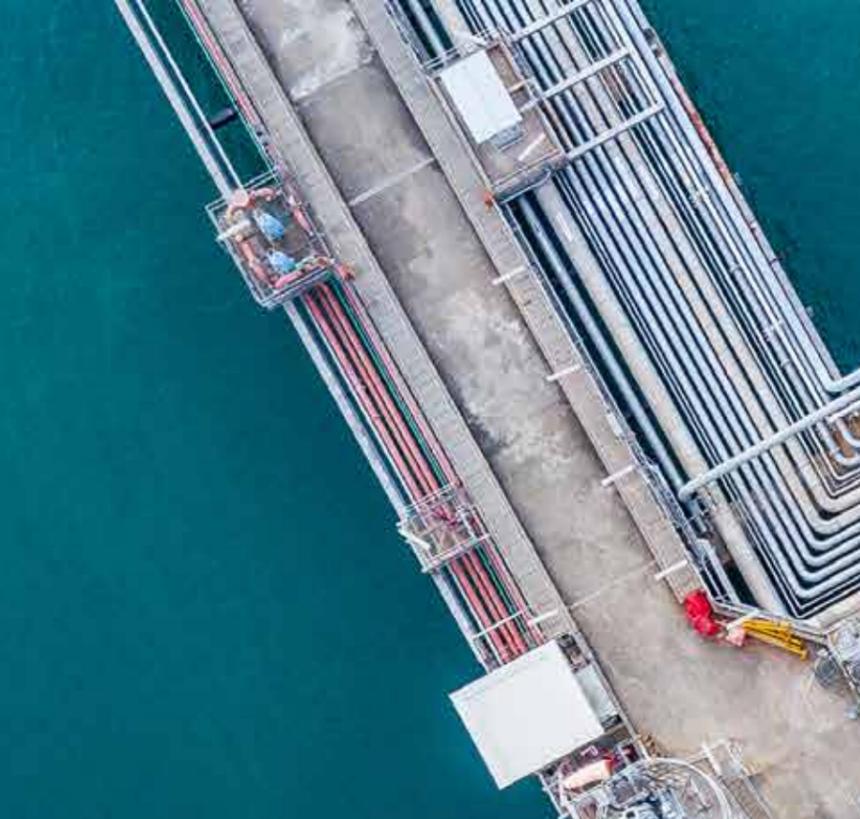
For the majority who feel executive pay in maritime is not competitive, they are unlikely to see any change soon. We asked what would happen to executive pay over the next 2 years and 67% believe it would remain static, 17% believed it would increase and 16% thought it would decrease.

The wider issue surrounding perceived uncompetitive pay in the sector is a danger area when it comes to attracting new talent, which was reiterated by the survey data. When asked if the industry currently pays enough to compete with other sectors for new talent, the majority (65%) said it does not.

When it comes to Maritime CEO's, should bonuses be based on financial performance alone? 82% tell us that it should not. Whilst

on the surface this might seem surprising and unheard of in other industries, it really does emphasise the uniqueness of the Maritime sector.

“Boards may feel that there are other factors which are as important as profitability and especially so in a tough market. CEO's might be targeted for growth in market share, keeping a company afloat, keeping staff employed or investment in new assets and new markets. When you look at it like this, the results are not surprising. The question is whether it is right that CEO's should be paid a bonus if the business they are leading has not been profitable?”



# JOB SECURITY & MOTIVATIONS

52% of maritime executives have been worried about the security of their job at some point over the last two years.



As with any industry and staff at any level, the knock-on effect of concerns over job safety is that the employee will act differently and this is significant when it is those responsible for the entire business.

“If you are concerned about your job you will likely be more risk adverse. You might be conservative with the people you hire, less innovative and entrepreneurial, make safer decisions, do not push boundaries and try to maintain status quo. It is human nature but could result in a considerable disadvantage for a business if it is your CEO or executive team feeling this way.”

As a result 41% of executives have indicated that they plan to change jobs within the next two years which would put significant pressures on organisations to hire experienced and reliable talent.

So just how tough is a maritime executive? The data indicates that they are battle-hardened when it comes to remaining motivated in tough shipping markets, with 56% telling us that they do not find motivation an issue. “The sector has grown hugely in resilience over the last ten years. Executives have been through it before and they are used to tough times over a prolonged period of time. It puts the industry in a good position to ride the storm and

do it all again when or if it happens again in the future. This again comes down to the importance of industry experience. Maritime executives are veterans of dealing with turmoil.”

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# DNA, STRESS & RETENTION



MARITIME EXECUTIVES  
ARE NOT SUPERHUMAN



What exactly is the most important attribute that a successful maritime executive needs in their DNA? The report has highlighted the importance of experience but it is more than just that.

The answers from executives to this question highlighted a range of softer skills and personal attributes which a good executive will have. Focus, understanding, creativity, attitude, positivity, commitment, persistence, flexibility, problem-solving and patience were all commented on as vital attributes.

“Maritime executives are not superhuman so the likelihood of an executive having all of these attributes in abundance is unrealistic. To get to the bottom of this we asked executives, on a rating scale, which they believed to be the most important in order to be an excellent senior executive. Resilience came out as the clear winner (55%), followed by entrepreneurial (35%) and popularity (14%). Any up and coming executive or someone at sea looking to be an executive in the future should

take note of this.”

With resilience comes the question of stress. The fact is that the industry, during good and bad times, is high stress. Business leaders are under pressure nearly all of the time and this is shown with the survey data. 45% believe maritime to be more stressful than working in other sectors, 53% equally as stressful and just 1% less stressful.

“It raises the question of whether maritime executives are in danger of getting burnt out, but this has not been the case for the last one hundred years so I do not expect this to change anytime soon.”

For executives the maritime industry is stressful, demanding and volatile but will this lead to retention issues? We already know that 41% of the executives we surveyed would look to change jobs within the next two years, but is maritime in danger of losing talent altogether?

“What the results show is that executives love the industry. Only 17% would consider

leaving maritime. Executives are passionate about what they do and it is clear that maritime runs through their blood. On the whole they could walk into executive positions in other industries, and those industries would be lucky to have them but their feet are firmly on the ground. For executives, maritime truly is a special sector to work in.”

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