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## Analysis and evaluation of activity of the companies providing placement services for seafarers on the example of a manned agency Polaris Maritime Services Ltd. in Szczecin

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### Abstract

The scope of this article is to analyze and evaluate the activity of the companies providing placement services for seafarers in Poland. For the intended purpose the study of legal conditions of employment of seafarers on ships was conducted – both national legislation and implemented in August 2013 Maritime Labour Convention (MLC 2006). Farther examination were subjected number and range of activity of all located on Polish area companies providing placement services for seafarers. As a example to analyze the industry manned agency Polaris Maritime Services Ltd. in Szczecin was served, which provides intermediary services in employment of Polish crew for ship owners from around the world. Verification of data from the company and those obtained through a survey allowed for evaluation of situation seafarers taking up employment via an agency and compare it with the situation of those sailors who alone are looking for a job in foreign shipowners alone.

### Introduction

Increasing globalization, changes in international trade and other processes taking place in the global economy make it necessary to increase the number of cargo transport between the main centers of global trade. It is estimated that two thirds of the world trade is handled by maritime transport, which shows a continuous increase of specialization units. Behind this progress there is, however, no increase of the number of highly qualified personnel officers to support it.

Since 1990 employment on merchant ships of the European flags is constantly growing. Every year, however, the participation of citizens flag is decreasing for nationals of Member States of the European Union and outside the Community. This phenomenon was especially noticeable in 2004, when the European Union expanded to a further 10 countries, and citizens of these countries using asserting their freedoms (mainly the freedom of movement) began seeking employment in the Western European Union countries increased their

share of the crews of European flags more than four times [1].

### Manning agencies as intermediaries in the seaman labor market

#### The concept of a manning agencies

Crew agency (crewing or manning agency) is a kind of employment agency, which according to the Polish legislation is a non-public organizational unit providing the following service: job placement with foreign employers (shipowners) [2, 3]. Activity is based on the appropriate authorizations and the entry into the National Register of Employment Agencies and is characterized by the free employment seamen to vessels owned by a foreign employer (owner). Complimentary does not concern, however, the issue of reimbursement of expenses incurred as a result of this management<sup>1</sup>, which

<sup>1</sup> These costs include: arrival / return the employee, the necessary documents, translation of documents, health certificates, etc.

should be specified in the contract between the agency and the shipowner.

Examining the issue of crewing of the ships manned by the agency should pay attention to issues related to legislation. The most important is the Maritime Labour Convention from 2006. This convention has revised other previously introduced by the ILO, including:

- Convention No. 9 concerning the job placement for seaman from 1920;
- Convention No. 22 concerning the lease of seaman from 1926;
- and Convention No. 179 concerning the recruitment of seaman of 1996 [4].

All provisions of these agreements relate to the role of manning agencies in directing sailors to work on shipboard as a foreign employer are contained in regulation 1.4 (recruitment and placement of Seaman) Convention, MLC, 2006. Presently, the Polish legislation regulates the activity of manning agencies by a number of legal acts relevant for employment agencies, including:

- The Act on employment promotion and labor market institutions on 20.04.2004 (Dz.U. from 2004 No. 99, pos. 1001);
- Act of 13 June 2013 amending the laws governing the exercise of certain professions (Dz.U. 2013 pos. 829);
- Proclamation of the Marshal of the Polish Parliament of 26 March 2013 on the announcing single text of the Act on employment promotion and labor market institutions (Dz.U. 2013 pos. 674).

#### **The scope of the manning agency's activities**

Within the existing legislation a manning agency obligation are:

- preparation of documentation confirming employment of the seaman;
- organization both way vessel's embarkation travel to the destination specified in the contract;
- arrangement of all visa formalities;
- organization for seaman medical examination;
- inform the seaman of his rights arising from the contract;
- study of the legal nature of the contract and the employer's obligations in relation to the object by means of a seaman Agency's own resources;
- in case of an accident to providing assistance in the investigation of claims by the seaman or his family against foreign employers and insurers;

- assistance in the event of unexpected incidents and conflicts during the seaman employment abroad;
- confirmation based on available data periods of employment abroad;
- issuance of necessary certificates of employment by foreign employer;
- familiarization of the seaman with the climatic conditions, health, local customs and basic rules governing its employees abroad.

The manning agency must also ensure the refund of expenses incurred by the seaman for employment by a foreign employer. However, the manning agency also has a number of powers, which include:

- the right to reimbursement of cost of the foreign employer incurred as a result of a referral to a seaman work on shipboard (including travel expenses and the return of the person, the translation of documents);
- in the event of unjustified abandonment or default by the seaman from taking jobs from foreign agencies manned the employer is entitled to reimbursement of expenses incurred as a result of mediation [5].

Crew agency also has the right to terminate the agreement with immediate effect due to reasons caused by seaman which include:

- crimes committed by the seaman abroad;
- misrepresentation or latency of the facts, which have a decisive influence on the failure of the provisions of the contract signed by the seaman with the foreign employer;
- not demonstrate professional qualifications;
- in case of a serious breach of discipline (including alcohol abuse and aggression with respect to co-workers) [2].

#### **The condition of manning agencies in Poland**

At the moment there are 36 licensed manning agencies on the Polish market. A vast majority of them (including branches) are located in Gdynia – it is as many as 28 units. Next in order is Szczecin (with the number of 8 manning agencies), Gdańsk and Sopot (with 2 crewing agencies) and Warsaw (1 agency).

Because of the large number of manning agencies seaman have the freedom of choice of employment according to tonnage operated by individual manning agencies.

The largest supply of ships represented by the agencies are tankers (23 manning agencies).

Secondly, the containers (22 manning agencies), which are increasingly prominent form of transport by sea thanks to the growing importance of inter-modal transport. The bulk carriers are another substantial positions (21 manning agencies) and increasingly used offshore units (18 manning agencies) [6].

Manning agents constantly enhance the quality of services they provide (the main achievement of the Agency is manned) certified to ISO 9001 – Quality Management System or the MLC 2006). Some of the agencies also work with trade unions [7]. All of these factors can attest to the fact that the manning agencies want in ever greater influence on the situation in the industry through the development of seaman labor market in accordance with the latest trends and to the highest standards.

### **Crewing agency Polaris Maritime Services Ltd. in Szczecin**

#### **Origin of the Polaris Maritime Services Ltd. in Szczecin**

Polaris Agency Maritime Services Ltd. was founded in July 1991 in Szczecin and originally had its headquarters at Staromłyńska Street. Currently, the agency is on the first floor of the Maris Office Center located at Hołdu Pruskiego 9 Street. This agency is one of the first private licensed agencies intermediary in employment of seaman in Poland. In 2001, the company increased the range of its influence through the establishment of subsidiaries of agencies in Gdynia, which main task is to attract seaman from the region of Pomeranian province, including Gdynia Maritime University, verification of documents and arranging contracts between the seaman and the shipowner. Initiator of the creation of Polaris Maritime Services Ltd. in Szczecin, and the president of agency is Master Mariner Cpt.

From the beginning of its activities the agency is in direct cooperation with Maritime University in Szczecin, thus for the young and well-trained seaman chance to find their way into future career thanks to student placements program. This program was created in 1997 in accordance with the provisions of the STCW and IMO guidelines. It provided an innovative solution in the Polish market.

Provision of services at the highest level since the beginning has been an important goal of the agency, so in 1996 Polaris Maritime Services Ltd. in Szczecin as the first crewing agency in Poland received a certificate of conformity of quality management systems according to ISO 9001. The agency has once again demonstrated the highest

standards of care in 2011 and gained as the first crewing agency in Eastern Europe (including Poland) a certificate of compliance with the requirements of the MLC, 2006 [8].

#### **The scope of Polaris Maritime Services Ltd. activities**

Polaris Maritime Services is a company dedicated to the recruitment of Polish seaman on various types of cargo vessels, ferries and until recently in the offshore sector. The agency offers shipowners well educated and experienced crew. It deals with both the organization of substitutions at individual positions, as well as full log of ships belonging to cooperating owners. Agency staff constantly verifies the sailor's job market in the country and in the countries of Central and Eastern Europe, so they are able to provide not only the crew of the Polish nationality.

About 120 of the seamen employed by the agency already signed a permanent agency agreement with the German shipowner Hamburg Sued and at this moment they work as masters or chief engineers. Many of them started their careers as cadets on shipboard as part of the student internship program developed by agencies in cooperation with shipowner. The owner of Hamburg Sued Group also offers a scholarship program targeted at the most talented students in both the navigation and engine department, in which agency Polaris Maritime Services Ltd. in Szczecin mediates as well.

Polaris Maritime Services Ltd. in Szczecin, in addition to its core business, which is mediating in the employment seaman is also applying on their behalf for visas and documents necessary to work on shipboard [8].

In addition, through direct cooperation with Polaris Travels Lufthansa City Center in Szczecin, the agency offers a full organization of transport crews to / from the ship by air as well as through owned by the agency vehicle fleet.

#### **Analysis of employment by Polaris Maritime Services Ltd. in Szczecin**

To illustrate the trend of employment of seaman on foreign shipboard, the agency's database can create relevant reports, and the collected data for the period 2008–2013 has been analyzed and is presented in tabular form [9].

In the first analyzed the total number of employment by agency Polaris Maritime Services Ltd. in Szczecin for the period 2008–2013, and the results obtained in the course of this analysis are presented in table 1.

Table 1. The total number of embarkations by agency Polaris Maritime Services Ltd. in Szczecin (own study based on [9])

Year	Number of embarkations
2008	1326
2009	1196
2010	1257
2011	1170
2012	968
2013	886
All	<b>6803</b>

The data shown in table 1 captures mustered officers, crew and hotel division staff (steward, messman, etc.). For purposes of this article it pays particular attention to the first two groups for the sake of the fact that they represent the majority of people employed by intermediate of the agency. According to the data collected in recent years the number of people taking up employment through this agency decreases, which has been analyzed in the following section.

Analyzed agency has found an employment for people with numerous qualifications (for years 2008–2013), as presented in table 2.

Table 2. Number of embarkations according to the rank (own study based on [9])

Rank	Year					
	2008	2009	2010	2011	2012	2013
Master	40	37	59	48	36	20
Chief Engineer	63	62	78	70	68	59
Chief Officer	54	62	90	100	101	74
2 <sup>nd</sup> Engineer	84	99	115	99	79	73
2 <sup>nd</sup> Officer	59	67	70	79	72	67
3 <sup>rd</sup> Engineer	57	62	79	79	57	47
3 <sup>rd</sup> Officer	60	44	55	65	42	52
Electrician Officer	61	73	80	82	78	62
Assistant Electrician	32	31	43	47	41	39
Junior Electrician	5	3	7	15	13	10
Fitter	71	80	103	113	101	104
Cook	69	62	58	43	19	10
Deck Cadet	50	44	51	66	59	71
Engine Cadet	20	23	37	68	54	76
Apprentice	19	3	4	16	9	7
AB (Able Body)	129	81	39	20	19	13
Bosun	7	8	8	7	2	3
OS (Ordinary Seaman)	4	7	16	4	0	1
Motorman	27	36	24	18	14	8
All	<b>911</b>	<b>884</b>	<b>1016</b>	<b>1039</b>	<b>864</b>	<b>796</b>

The officers are the largest group in the illustrated combination who participated in 2008–2013 remained at a high level despite the obvious decline. The largest employment has reached occupa-

tional group in the profession Fitter at the end of 2013 (104 embarkation). Next one which the count 76 embarkation was the machine room cadets (Engine Cadet). The largest number of embarkation according to the classification position can be seen in 2011, where the biggest percentage of embarkation for position already mentioned Fitter (113 embarkation), followed by Chief Officer for a position which falls 100 embarkation.

The final aspect of the analysis concerning the activities of the manning agency Polaris Maritime Services Ltd. in Szczecin was reference rates on the number of employment positions in the world's merchant fleet to the total number of employment in 2008–2013 (Table 3). This study aimed to understand the true meaning of seamen market in Poland, which is not included in the group of steward, messman, etc. and the crew of the hotel division passenger ferries.

Table 3. The share of the main positions in the total number of embarkation (%) (own study based on [9])

Year	All embarkations	Embarkations according to the rank	% share ranks in the all embarkations
2008	1326	911	69
2009	1196	884	74
2010	1257	1016	81
2011	1170	1039	89
2012	968	864	89
2013	886	796	90
All	<b>6803</b>	<b>5510</b>	<b>81</b>

As is clear from the data presented in table 3 despite the decline in the number of embarkation by agency Polaris during the analyzed years, the share of mariners of merchant ships in the number continually grows. This result shows that the decrease in the total number of embarkation is the result of a significant reduction in recruitment of hotel staff in 2012 and 2013.

In conclusion we can see that the agency is recruiting a crew, mainly on ships of respected owners and observed in recent years decrease of embarkation does not indicate a lack of popularity but targeting agency for commercial vessels.

#### Place and role of manning agency on the seaman labor market according to the surveyed

In order to determine the place and role of the agency in the seaman labor market both regional and countrywide an anonymous survey has been carried out, aiming to obtain opinions on the topic. The respondents were economically active seaman who currently use the services of Polaris Maritime

Services Ltd. in order to obtain employment on ships of different owners.

The first survey question was to determine the gender of the respondents (Table 4).

Table 4. Gender of the respondents

Gender	Number	Percentage
Female	16	14%
Male	96	86%
All	<b>112</b>	<b>100%</b>

Analysis of the data collected showed that the majority of respondents were male. Such a result, however, is not a surprise considering the fact that seaman for many years was one of the activities reserved for the male part of the population, and women received free access to it in a gradual manner over the recent years.

Subsequently, respondents were asked about the age group in which they are currently (Table 5).

Table 5. Age of respondents

Age group	Number	Percentage
18–26 year	61	54%
27–35 year	23	21%
36–45 year	11	10%
46–55 year	15	13%
56 year and more	2	2%
All	<b>112</b>	<b>100%</b>

According to the data mentioned in table 5, most people responding to the survey questions were the youngest respondents belonging to the age group 18–26 years.

As part of the questionnaire, respondents gave a response concerning place of residence also (Table 6).

Table 6. Place of residence of respondents

Place of residence	Number	Percentage
City to 50 thousand residents	25	22%
City 51–200 thousand residents	16	14%
City 201–500 thousand residents	29	26%
City more than 500 thousand residents	10	9%
Village	27	24%
Another country	5	5%
All	<b>112</b>	<b>100%</b>

Table 6 shows that in the study, there were no large advantage inhabitants of certain areas over others. The largest group of respondents were from cities with a population of 201 to 500,000 (26% of

respondents). In the next place, respondents ranked residing in rural areas.

Subsequently, the respondents were asked to identify their education (Table 7).

Table 7. Education of respondents

Education	Number	Percentage
Primary	0	0%
Vocational	11	10%
Secondary	45	40%
University degree	56	50%
All	<b>112</b>	<b>100%</b>

Half of the respondents were people with higher education. Group of the vocational schools accounted for only 10% of all respondents.

The most important for the analysis of the research sample was a question directed at determining the currently occupied by the surveyed people on the ship positions (Table 8).

Table 8. Position of the ship occupied by respondents

Position on the ship	Number	Percentage
Deck Cadet	19	17%
Electrician Cadet	7	6%
Engine Cadet	16	14%
Third Officer	10	9%
Second Offices	8	7%
Chief Officer	6	5%
Master	3	3%
Third Engineer	11	10%
Second Engineer	8	7%
Chief Engineer	4	4%
Fitter	14	13%
Electrician	6	5%
All	<b>112</b>	<b>100%</b>

The data included in table 8 showed that the most numerous of survey questions was answer by the Deck Cadets represented by 19 respondents. Subsequently, the Engine Cadets have ranked with the number of 16 persons surveyed and the person performing the function of Fitter with the number of 14 representing this group.

In this article, aiming to analyze the activity of manning agencies on seaman labor market in Poland the respondents have been asked to answer the question of whether they thought crewing agency is needed. All of the respondents answered in the affirmative, appreciating crewing agency that largely facilitate them to find a job in ship owners

from around the world. Against the background of all 36 agencies located in Poland majority of respondents considered that the manning agency Polaris Maritime Services Ltd. in Szczecin has average importance both in the local and national labor market for seafarers. Others respondents (34%) say that the agency's position in this market is high.

## Conclusions

Both the MLC 2006 and the national regulations regarding employment of seaman on ships are important elements to ensure the improvement and development of the current situation. The guidelines and requirements set forth in the legislation imposes on the people involved in the employment of crews (including shipowners and crewing agencies) must check and improve working and living conditions on shipboard for crews. These regulations also necessitate attention to ensure the seaman of adequate, relevant to the needs of the social conditions that include to their families.

Constantly, updating regulations for employment agencies in Poland forced the obligation to improve the quality of services provided by these units, which results in the fact that operating on the territory of Poland crewing agencies increasingly widen the spectrum corresponding to the needs of the labor market for seaman.

Agencies in mediation are required to inform and targeting of cooperation with foreign shipowner a seaman on their rights and obligations under the provisions of the agreement and commit to clarify unclear for the seaman.

At the moment in Poland operate 36 licensed manning agencies, most of which have certificates of quality, have a wide range of supported tonnage, and belong to associations working in the shipping industry.

Crewing Agency Polaris Maritime Services Ltd. in Szczecin since its establishment remains in close collaboration with the Maritime University in Szczecin. This cooperation provides an opportunity for the young and well-educated sailors to find their way into future careers thanks to a program of student by agencies. Moreover, operated by Polaris Maritime Services Ltd. shipowner of Hamburg Sud Group offers scholarships for the most talented students (agency mediates in the recruitment process), which further guarantees the employment for two years from the end of education.

As it is clear from the survey presented in subsection *Place and role of manning agency...*, according to sailors crewing agency is needed.

The most important reason for the indication of the respondents' argument is that crewing agency make it easier to find a job through constant cooperation with global shipping lines, and hence they are able to monitor current staffing needs for subordinate shipowners vessels.

Among the agencies mentioned by the respondent, the name of Polaris Maritime Services Ltd. appeared. This mention testifies the company's position among the agencies located on the Polish market.

As a significant name of Polaris Maritime Services Ltd. can choose (according to respondents) cooperation with renowned shipping companies in the global market so it is able to provide seaman wide range of jobs, while maintaining the accepted standards of wages and social services.

To sum up the situation of seaman taking up employment via and agency is better than the situation of those sailors who alone looking for a job by foreign shipowners. This is due to the fact that these agencies constantly monitor economic activity led by the people themselves (through databases of personal data) and ensure that they are providing career continuity, control over the payments of wages, as well as mediating in disputes between the company and the seaman.

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