

STEPPING ASHORE FROM OPEN OCEAN CLASSROOMS

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ABSTRACT

One can hardly over emphasize the contribution of the seafaring community in the global marketplace. However, many seafarers do not consider sailing aboard vessels to be a lifelong career and feel the need to transition ashore, which requires confidence, motivation and adequate knowledge base expansion. The paper examines the scope of a new Master’s program in Global Maritime Business offered in a hybrid format with a significant online component in order to accommodate the student mariner. A scoping study was done for the proposed program that compared the post graduate offerings of several maritime colleges in the US and other IAMU member institutions around the globe. A market survey was conducted on current students and alumni of MMA as well as international students. The results of the survey were analysed to design the format, curriculum and delivery mode of the program. In conclusion, the paper underscores the role of cooperation and harmonization between member institutions of IAMU to provide a practical high quality educational solution addressing the problems of transition of a seafarer to rewarding shore side careers.

Keywords: *Global Maritime Business, Shore-side Career Transition, Global Marketplace*

1. INTRODUCTION

There has been a significant structural change in the global seafaring market since the last quarter of the twentieth century. The shipping industry has seen a surge of ship management companies managing large fleets, significant reliance on information technology for vessel operation and resource management, intense environmental protection and security related regulations and the development of a global labor market in the maritime sector. The ship’s officers and crew are assembled to a large extent by these global managing agencies, resulting in several permutations and combinations of various nationalities aboard a vessel. Employment data over the past few decades show a significant decline in the number of seafarers from OECD nations and a rise in numbers from Asia and Eastern Europe.

A structural change is also noticeable in the length of a seafaring career, particularly in the OECD nations. Around 1.3 million seafarers around the world service the needs of 7 billion people transporting goods from the supply sources to the demand destinations. However, many seafarers do not consider sailing aboard vessels to be a lifelong career and feel the need to transition ashore, which is often quite difficult. A major push to move ashore comes from the needs of the modern family structure where it is expected that both spouses will pursue a career and share child rearing responsibilities. In a recent survey done by Faststream, a UK based maritime professional recruitment firm, of 2000 maritime industry professionals, it was observed that seafarers prefer positions like operations manager, surveyor and fleet manager when transitioning ashore which offered lucrative salaries. Some of the average salary related findings of the survey are depicted in Figure 1. The report also found that seafaring engineering officers were much more confident of finding jobs ashore than deck officers. However, moving

forward with a mid-career shift requires confidence, motivation and significant knowledge base expansion, which is quite a daunting task.

Job title	Asia	Europe	USA
Charterer	\$153,113	\$121,246	\$141,444
Fleet Manager	\$120,613	\$129,786	\$130,887
Marine Surveyor	\$81,291	\$69,492	\$91,045
Shipbroker	\$98,325	\$78,298	\$90,981
Ship Operator	\$92,217	\$77,334	\$71,454
Technical Superintendent	\$98,175	\$97,896	\$110,287

Figure 1 Current average annual salaries
Source: Faststream

However, the maritime industry is much wider than the few career opportunities mentioned above. A much broader shore-side career opportunity in the maritime sector is reflected in Figure 2, demonstrated by Prof. Torger Reve. The career opportunities ashore for a maritime professional are quite diverse and require appropriate skill sets. In the past decade, the shore-side jobs have become more demanding and there is an emerging need for a new breed of professionals.

These individuals are required to master the intricacies of finance, logistics, chartering and brokerage, marine insurance, be proficient in the latest IT tools and promote safe and environmentally friendly work practices in a multicultural and diverse environment. In response to the growing need of the maritime professional to find the right career fit while transitioning ashore, Massachusetts Maritime Academy has designed a new Master’s Program in Global Maritime Business. Training the next generation of maritime professionals who will be just as comfortable working ashore as in the high seas, requires multidisciplinary education in international shipping, economics, finance, maritime, global logistics, law, business management, and maritime science and

technology. The curriculum, content and delivery mode of the program is a culmination of a long process that was enriched by input from several maritime institutions around the world, many of whom are IAMU members.

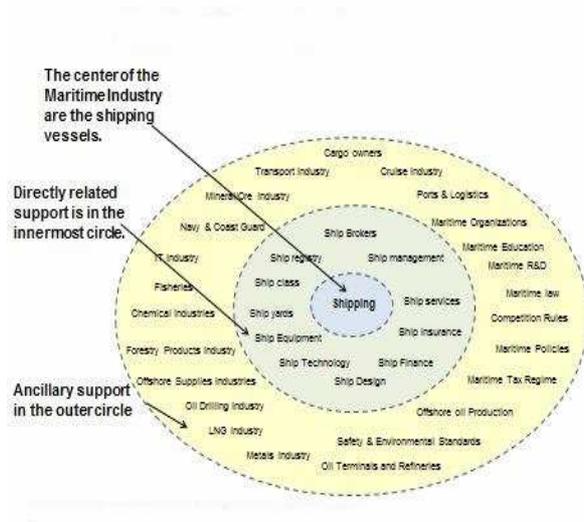


Figure 2 The Maritime Industry
Source: Prof. Torger Reve

2. A GLOBAL KNOWLEDGE HUB

There is a significant amount of research by Prof. Torger Reve on global knowledge hubs, particularly in the context of the maritime sector in Norway. Boston is a well-known global knowledge hub in bio tech and life sciences. It has the highest concentration of world class universities, labs and specialized biotech firms than any other place in the world and attracts the best talents worldwide. When it comes to the maritime cluster, as indicated by Figure 3, one typically places the shipping firms in the core, surrounded by cargo owners, ship services, ship equipment, marine insurance, ship brokers and charterers, registry etc. At the periphery of the cluster one finds maritime education, port and terminal along with a host of other service providers. The following countries/regions in the world are some examples of competitive maritime clusters:

1. Houston, USA: global oil and gas center with substantial maritime interests
2. UK: large maritime cluster with specialization in advanced maritime services
3. Norway: complete globally oriented cluster with focus on knowledge development
4. Singapore: open easy-to-access port sector cluster serving as a gateway to Asia
5. South Korea: world leader in ship-building, stimulated by an active industrial policy

As the abovementioned list shows, clusters can become engines of value creation and innovation. For example, the Norwegian cluster is responsible for providing 40% of marine insurance coverage to the world's tonnage. Though not as well centred as the bio tech and life sciences cluster, Boston is still a great location for a maritime cluster due to the following reasons:

1. Proximity to various ports and shipping business interests in the Massachusetts, Connecticut and New York, New Jersey region.
2. Many of the world famous maritime schools in the US are in the Massachusetts, Maine, and New York area.
3. Proximity to some excellent institutions engaged in maritime transport related research such as MIT, WHOI, Volpe National Transportation Systems Center, to name a few.

The objective is to build on the basic industrial cluster idea and transition into a global knowledge hub in maritime business, drawing resources from not just the local and regional partners, but global knowledge partners housed in various maritime universities and research institutions around the world. IAMU gave us an excellent platform in this regard. The concept was developed during my sabbatical tour around the world visiting several maritime colleges and universities in 2012 with the following objectives:

1. Extend our student and faculty exchange program to other reputed maritime institutions
2. Seek input from leading maritime institutions for our proposed Master's program in International Maritime Business and Logistics
3. Get a better understanding of maritime business education around the world for benchmarking purposes

I was graciously hosted by the following institutions during the Spring semester of 2012 where I spent time interacting with faculty, administrative staff and students:

1. AMET University, India
2. Singapore Maritime Academy, Singapore
3. Shanghai Maritime University, China
4. Dalian Maritime University, China
5. Kobe University, Japan
6. Liverpool John Moore's University, UK
7. City of Glasgow College, UK
8. Dokuz Eylül University, Turkey
9. Istanbul Technical University, Turkey

I selected the host institutions on the basis of their reputation in the maritime transportation and business management fields. Some of the institutions offered both undergraduate and post graduate programs and also granted Doctoral degrees in some majors. Many of my hosts shared their curriculum with me including course descriptions and syllabi. Almost all of them were members of IAMU (International Association of Maritime Universities) and I spent almost a year communicating with their representatives to plan my tour.

This tour proved to be a wonderful opportunity for me to learn from my hosts in designing a Master's program in Global Maritime Business at MMA and pave the groundwork for the concept of a global knowledge hub with international partners. This was an extremely enriching experience for me. I believe that such attempts to learn from the wide array of maritime institutions scattered around the world can be key catalysts in

initiating a cross-pollination of ideas among these institutions and provide value to all by allowing a common shared platform of learning.

3. BACKGROUND, CONTENT AND DELIVERY

Beyond the survey tour and information gleaned from international partners, a scoping study was completed by my colleague at MMA, Dr. Ragu Krishnasamy in the summer of 2012 who studied the Master’s level programs in various maritime colleges in the US as well as general MBA programs with logistics concentration. Additional information on general business, finance and logistics/supply chain management post graduate programs in the US was compiled by my other Departmental colleague, Dr. Shu Tian. Dr. Krishnasamy compiled detailed program information on four of the maritime academies in the United States that offer Masters programs in similar areas. The program structure, entry requirements, mode of delivery and fees charged by the following institutions were studied:

1. California Maritime Academy
2. Maine Maritime Academy
3. Texas Maritime Academy
4. SUNY Maritime College

The main conclusion of the scoping study was that the market for general MBAs with a logistics/supply chain concentration in the Boston region is mature and quite saturated. MMA should be focused on providing a graduate program which had a maritime / transportation / logistics specialization for a competitive edge which is in tune with the mission of our institution and our Department. Full-time residency status may be preferred by a small group of students – those who have time to complete many courses quickly as well as international students. Most applicants, particularly the seafarers, however, would prefer a limited or no-residence requirement (on-line program). The scoping study also revealed that most of the maritime academies appear to gear their programs towards the “US maritime sector”. A sustainable program would require us to market our program in other parts of the world, especially Asia. There are several maritime colleges and universities in Turkey, India, China and Japan with students who aspire to earn a foreign graduate degree. This program should be geared towards attracting those students as well.

In order to determine the preference of the market, the IMB department conducted a survey of the following market segments in the Fall of 2012. My Departmental colleague Dr. Paul Szwed and Ms. Katherine McLaren - Director of Institutional Effectiveness, Academic Affairs, MMA were instrumental in designing, disseminating and analyzing this market survey.

1. MMA alumni (both seafaring and shore-side)
2. International students
3. Current IMB seniors

The market survey yielded well over 400 respondents of which 32% of alumni, 55% of undergraduates, and 66% of international students indicated a high or very high interest in such a program. Additionally, 56% of graduates, 75% of undergraduates, and 72% of international students indicated that they

intend to pursue a graduate degree in the next five years.

Of those respondents interested in pursuing a graduate degree, most were seeking to advance their career or obtain new knowledge.

The results helped us to understand the pulse of the market. More than half of MMA graduates and current seniors preferred a program that blends international business, maritime business, and logistics. 31.3% of international respondents preferred a global maritime business program. Most of the MMA graduates and current students preferred a program that blends in residence and online sessions and runs for 18-24 months. International students preferred a daytime program that runs for 12 months. Some of the response is compiled in Figures 3 and 4.

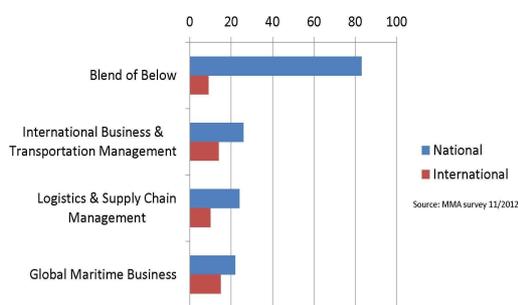


Figure 3 Survey response regarding program focus

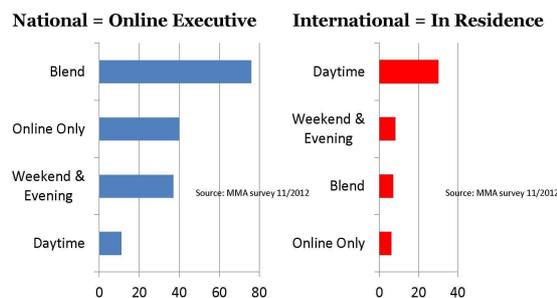


Figure 4 Survey response regarding mode of delivery

The following groups were considered in identifying potential market segments for prospective students. This was developed by senior students in the International Maritime Business program at MMA in their Marketing course.

The Graduate Management Admission Council (GMAC) 2012 Application trends survey indicated that the flow of applications from foreign citizens continued to be a source of strength. Also, women made up more than half of the 2012–2013 applicant pool for Master’s programs in management, accounting, and marketing/communications. 744 programs were

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represented in the GMAC survey from 359 business schools and faculties in 46 countries. 46% of all MBA and Master’s programs combined saw increased female applicants in 2012 compared with 2011. Full-time one-year MBA programs had the most international applicant pool in 2012, with more than half (55%) of applicants residing outside the country where the program is administered. There was significant emphasis on distance learning. These findings were incorporated in our target market segments for the Master’s program in Global Maritime Business.

In keeping with the findings of the market survey, the program was conceptualized. The proposed program closely aligns with the MMA mission to graduate “men and women to serve the maritime industry as licensed officers and to serve the transportation, engineering, environmental, and industrial needs of the Commonwealth and nation”. It also pays special attention to those seafarers who are attempting to transition ashore and might find it difficult to attend full time day programs or weekend executive programs due to logistical constraints.

Potential Market Segments



Figure 5 Potential market segments

Table 1. Master of Science in Global Maritime Business

COURSE	CREDITS	MODE OF DELIVERY	CORE BUSINESS FIELDS
<i>END SUMMER (END AUGUST)</i>			
1. All Aboard: Workshop on Global Maritime Business	3	Residence (one-week intensive)	General Management, Professional Skills in Business, Quantitative Analysis. This workshop will present an overview of how the different courses in the program shed light on critical components of the shipping business and how they are intricately tied together.
2. Shipping, Trade and Globalization	3	Residence	Macroeconomics, Microeconomics, International Business and Trade, Global Logistics
<i>FALL SEMESTER</i>			
3. Maritime Leadership and Strategic Management	3	On-line/Classroom	Ethics, Organization Management, Negotiation, Strategic Management
4. Shipping Economics, Operations and Management I: The Market for Ships	3	On-line/Classroom	Microeconomics, Finance, Statistics and Quantitative Methods
5. Shipping Economics, Operations and Management II: Liner and Bulk Markets	3	On-line/Classroom	Economics, Managerial Accounting, Global Logistics, Statistics and Quantitative Methods

<i>WINTER SEMESTER</i>			
6. Maritime Law, Policy and Regulations	3	On-line/Classroom	Law, International Relations
7. Maritime Finance and Risk Management	3	On-line/Classroom	Finance, Financial Accounting, OR, Statistics and Quantitative Methods
<i>SPRING SEMESTER</i>			
8. Global Logistics and Supply Chain Management	3	On-line/Classroom	Global Logistics, Operations Management, Statistics and Quantitative Methods
9. Port Operations and Management	3	On-line/Classroom	Operations Management, Global Logistics, Statistics and Quantitative Methods
10. Maritime Technology and Innovation	3	On-line/Classroom	Information Systems, Information Technology
<i>EARLY SUMMER</i>			
11. Capstone	6	Residence (two-week intensive)	Professional Skills in Business Integrative Exercise, Statistics and Quantitative Methods
TOTAL: 11 MONTHS (36 CREDITS) for Full-Time Students			

In the market segmentation, the disciples are MMA graduate who are familiar with the school and faculty. The seafarers are the ones who are currently sailing but would like to move ashore. The insiders are from the maritime sector on the shore side looking for career progression. The catchment consists of prospective students in the New England region looking for interesting and rewarding graduate learning opportunity. The generalists are business professionals in the management/ logistics area looking for an inroad into the maritime sector. Distance learners, women and international students comprised significant chunks of the market.

The program is designed to include a significant online component and will appeal to a much broader population locally, regionally, and internationally by offering both a part-time and a full-time format. Currently, there is an abundance of general MBA programs across the nation that provides supply chain management specializations. Additionally, there is a high degree of saturation in the New England region of high quality business programs offered in a number of formats, including executive weekend formats. There are only a few programs focused on the maritime industry, primarily out of the other maritime academies, none of which are in Massachusetts (e.g. a residential program offered at Maine Maritime and an entirely online program offered by California Maritime). There are no programs nationally that offer a blended format and focus specifically on global maritime business and supply chain management. This represents a niche opportunity that does not duplicate offerings within the Commonwealth; further, as identified in the market

survey, a strong demand for such a program exists. The survey conducted by the department indicated a strong preference for a blend of in-residence and online sessions by MMA alumni who may be currently sailing and a strong preference for a full time day program by international students.

The 36-credit proposed Master of Science in Global Maritime Business curriculum comprises an introductory overview course, a nine-course specialization and a culminating capstone project. Mindful of the findings of the market survey, existing competition and available resources, the proposed curriculum allows for an 11-month in-residence option, an 11-month blended (fast track) option, and extended track options for working professionals. The plan of the program is indicated in Table 1. The teaching resources for the program will be drawn predominantly from full-time Academy faculty and adjunct professors both local and global. The option of the online component will allow some of the best faculty from all over the world to join hands in this global learning process that will provide the opportunity for sustainable open ocean classrooms that lead to a fulfilling career ashore in the maritime field.

4. CONCLUSIONS

The paper underscores the role of cooperation and harmonization between member institutions of IAMU to provide a practical high quality educational solution addressing the problems of transition of a seafarer to rewarding shore side careers. Due to the significant online component of the program, valuable faculty resources can be combined from various IAMU member institutions across the globe offering maritime business courses in virtual open ocean classrooms.

5. ACKNOWLEDGMENTS

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