

DISTINCTIVE CHARACTERISTICS OF HUMAN CAPITAL IN SHIPPING

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Abstract. *In the globalized world economy increases the role and importance of training and exploitation of knowledge, professional skills and cultural values and the shipping companies are aware that only transform into priority investment in human capital may submit their competitiveness to meet the new circumstances dynamics of the world economy. The concept of human capital in shipping is identified through its own specific content of the work on board ship. In the presented paperwork the authors distinguish the main characteristics of human capital in naval transport, underlying the importance of knowing this in pursuing the competitive advantage by shipping companies.*

Keywords: *human capital, naval transports, characteristics*

THE THEORETICAL FRAMEWORK FOR DEFINING OF HUMAN CAPITAL

Understanding the concept of "human capital" is a challenge by his interpretable character, being sometimes used instead of different terms such as "intellect" or "knowledge". Adam Smith was the first economist who use terms like skill and knowledge to define the capital, elements associated with cost and ability to produce revenue. Similarly, Léon Walras and Irving Fisher argued as well as other economists of the early twentieth century, the inclusion of human skills among available capitals (Voicu, B., 2004).

Human capital does not designate human beings in general, but the capitalized value of productive investment in individuals, the idea of Alfred Marshall.

The concept of human capital has been imposed into economic literature since the early '60s, Theodore W. Schultz and Gary S. Becker, reaching its peak in the seventh decade of the last century (Beizadea, H., 2002).

Becker stated that all human capital can be represented as a series of individuals based on maximizing the utility of a stable set of preferences, accumulate an optimal amount of information, and other inputs in a variety of markets. Becker applied systematic methodological individualism to a broad set of human problems and relates human capital to future monetary income of the individual.

Human capital formation through education takes a number of years, to which it relates a cost and therefore an investment. The size of this investment must be at least equal to the extra income earned as a result of the educational process.

Becker has limited research on human capital, to the analysis of educational capital highlights the costs associated with investing in training, and the relationship between school and post-school investment.

Another approach to human capital is given by Spencer, who makes the connection between training and the labor market, arguing that measurements observable of human capital are more a sign of competence than useful characteristics, use independently, in production.

Further, the concept of human capital has attracted the curiosity of economists, being interpreted, individually, as a combination of genetic inheritance, education, experience and attitude to life and business or collective capacity of an organization to determine the best solution to use the knowledge workers (Bontis, N., 1998).

In endogenous growth models, human capital is assimilated to a stock of knowledge economically valued and incorporated individuals, measured by salary.

Davenport performs a model employee as an investor in educational capital. Considering the increasing number of job with high level of specialization in detriment of unskilled work, low specialized, investment in continuing education thus becomes a priority for individuals and can be regarded as insurance against the risk of unemployment and poverty (Davenport, T., 1999).

In general, human capital treated as investment must take into account the social and economic environment in which individuals are at a time in conjunction with human capital skills. However, the investment must be extended, with the objective of developing, for instance training or continuing education courses, or maintaining the capital stock.

Human capital is a profitable investment and in terms of society. Investing in continuing education is the trigger for increased flexibility and adaptability to future challenges individuals and local and central public authorities, private sector and community are supporting factor in promoting the training of individuals, all leading to increased competitiveness of firms.

CHARACTERISTICS OF HUMAN CAPITAL IN SHIPPING

a) High level of specialization

In order to accomplish tasks on board ships personnel should have training and specialization courses conducted to ensure knowledge and skills.

With the increasing share of information technologies in specific activity on board ship, older staff felt increasing specialization being forced to invest in training courses.

The high level of specialization of human resources operating in shipping is a barrier for people on the labor market to meet this requirement and so, they should make an investment in education that is to sacrifice financial resources and time.

b) Opening to multiculturalism

Work on board the ship different from other activities through diversity in unity - meaning that the crew of a vessel may be composed of seafarers whose nationality often differs. In shipping, sometimes outweighs the interest owner who seeks to employ on ships in compliance with the minimum of the relevant international laws, qualified personnel willing to accept difficult working conditions.

On naval transport, especially on ships, multiculturalism is a reality. Crews made up of many nationalities exceed 65% worldwide.

Most times, shipping companies are trying to differentiate the methods of managing human capital to create the perception that the company has value and contribution of its employees nationalities.

Linking human resource policies with crew nationality, results in reducing potential contributions of seafarers to strengthen the competitive advantage of companies.

Multiculturalism highlight the problems faced by individuals related to social, interpersonal relations, discrimination, racism, culminating in the stability of the group.

High levels of formalization and routine work lead to the creation of a limited space in the social interactions on board. Social isolation and discrimination often become evident on board, because usually, seafarers are not trained to deal with multicultural issues.

Social and intercultural confrontations may negatively influence crew cohesion.

c) Vocation

Because of the specific working conditions existing in shipping vocation is an important element in the decision process of individuals who want to pursue being a sailor. Among the factors that determine the specificity of working conditions include: long time at sea away from family, the conditions on board a ship, workload, with short turns which repeat etc.

Working conditions involve guaranteeing minimum requirements for employment and decent life on board.

d) Risk inclination

In recent years, the risk in shipping activity is more and more present, about 80-85% of accidents at sea is because human factor.

As a result of a study by the International Federation of Transport in the Black Sea during 01.01.2012-31.05.2012, have been identified the most significant problems were faced by crews, first being placed wages owed by the employers.

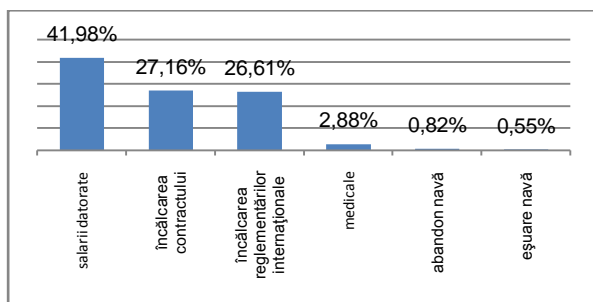


Figure 1 Risks assumed by the crew

Another risk factor is breach of contract signed by seafarers with crewing agency, a factor which can be reduced by affiliation to a seafarers union who can defend their rights.

Piracy is another risk to seafarer's being present mainly on the coasts of Africa, where, for example, in 2011, was captured 1118 seafarers from which 24 persons were killed. The phenomenon took over the attention of

CONCLUSIONS

Interest in investing in human capital is emphasized and the constant concern of economists to support economic growth by increasing educational capital. In the current economic climate it is necessary to increase the value of individual investments in training, monitoring and maintaining insertion on the labor market to more people, improving flexibility of employees and employers, promoting social inclusion of vulnerable groups.

Education and training provides opportunities for higher earnings. This positive externality of the production process itself justifies a certain involvement of the state by taking the task of formative educational system.

In conclusion, it can be said that shipping is not for everyone. The persons who want a career in naval transport must satisfy some characteristics specific to work and live on board ship.

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relevant institutions, which together with the UN mission ordered the organization of naval forces in the pirate attacks targeted areas. Also shipping companies have hired armed guards on the vessels that are crossing dangerous areas.

e) Age

Age represents an important characteristic of human capital on the labor market in any sector. Neither naval transport does make a discordant note, except that there is a difference between the two categories of seafarers.

So, in the case of officers, age is an advantage being associated with the experience, proper training, appropriate skills and competences for functions on board. Instead, in the case of ratings, age can be an obstacle in finding a job in shipping, because there is an decreasing work productivity with age.

Clearly, the challenge in naval transport is how to make careers in ships more attractive, in order to prevent young graduates start looking for jobs ashore.

f) Flexibility

Because of the specific working conditions, shipping personnel must show flexibility and adaptability to changing conditions of the environment in which they operate.

Flexibility can be characterized by frequently changing, for significant periods between service aboard ships at sea and ashore leisure time, the diversity of operating vessels characterized by specific tasks, the need for adaptability to working mode of chiefs by multicultural perspective.

g) Resistance at sea (physical and mental)

Mental resistance on sea is the extent to which the individual psychic has the ability to maintain functional parameters unchanged in difficult environmental conditions, for a long period of time.

Invariably, physical resistance is related to psychic and leading functioning on multiple physical actions without reducing their effectiveness.

Acquiring a psychic resistance among seafarers is not obtained immediately, requiring the completion of each stage and being in power to be overcome, depending on the degree of motivation that accompanies them.