

# IMPROVING EMPLOYEE RETENTION RATES IN CRUISE INDUSTRY BY ASSESSING LIVING AND WORKING CONDITIONS

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Scherbl, Maria Dolores

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RIT CROATIA, DUBROVNIK

IMPROVING EMPLOYEE RETENTION RATES IN  
CRUISE INDUSTRY BY ASSESSING LIVING AND  
WORKING CONDITIONS

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PROFESSOR: REBECCA CHARRY  
STUDENT: MARIA DOLORES SCHERBL

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*“The worst part of the job is being 'owned' by the corporation. They control what you eat, when you eat, when you can go use the toilet, how cold it is in your cabin, everything. If you've already worked 12 hours that day and they need you for another four; you work it no questions asked”*

Brian Davis Bruns, former cruise ship employee, author of “Cruise Confidential “

## INTRODUCTION:

One of the biggest challenges the cruise line industry is facing today is long-term retention of employees. High turnover rates have impact on crew and the safety of vessels, considering the fact that the cruise industry has average turnover rates between 25% and 35% (Bhattacharya, 2015). But, how exactly are cruise line companies addressing this issue properly if employees are still treated unfairly and there is little concern for their well-being? It raises ethical, cultural and social concerns that every cruise ship company around the globe should be aware of.

Cruise industry today:

As a result of globalization, cruise industry expanded rapidly increasing demand by building mega-innovative ships, offering diverse ports of calls and expanding itineraries. Presently, According to Cruise Lines International Association, cruise industry is one of the fastest growing segments of travel and tourism industry. This relatively young segment of travel industry achieved growth of 2,100% since 1970, becoming the fastest growing type of vacation in the travel history. In 2017, a record 26.8 million global passengers were cruising which is a 4.5% increase over prior year. (Cruise Lines International Association, 2018) . Moreover, according to the data, 32 million passengers are expected to set sail in 2020 generating 139\$ billion total output worldwide. (Cruise Lines International Association, 2020)

## Amenities:

These new ships have the capacity to provide innovative facilities and personalized guest services and experiences. From the guest's perspective ships are seen today as a "floating resorts" compared to land-based hotel resorts, with all kinds of facilities including restaurants, bars, shopping centers, show lounges, communication centers. (K.Dowling, 2006) In 2020, 19 new ships are expected to set sail with the capacity of carrying 7000 passengers and crew members. In order to adapt to ever-changing guest vacation preferences, brand-new ships are expected to have customized onboard technology, biking above the ocean, chefs' kitchens, health wellness seminars and many more. (Cruise Lines International Association, 2020) As a result, ships are designed to accommodate every personality no matter if you are adventure, entertainment or culinary seeker.

## Prices:

To outsmart competition and keep up with industry's trends, cruise line companies are offering wide variety of packages at different prices that are affordable to audience from different socio-economic backgrounds. With the development of "Fun Cruises" concept, mass cruising operations started to accumulate large number of guests by offering fun, memorable yet affordable shipboard vacation experiences. This concept was a starting point in the cruise industry where cruising became accessible for everyone at reasonable price for the best money value. (Dickinson, 1995). Over the years, as ships were sophisticatedly built to offer upscale amenities for low budget, cruising became economical rather than a luxury vacation , In 2018, an average price for one day for one person started from \$180 varying on the type of cabins and gratuities included ,whilst having full access to all dining areas, pools and entertainment onboard. (Gref, 2018) Simplified cruise pricing enabled people from different-socio background to have world-class experience.

## Routes:

The majority of cruisers in 2018 were from North America, 16.2million, respectively compared to Europeans and Asians who both account for 11.6 million. To attract new and manage flow of existing guests, new ports and exotic destinations are being explored. The USA is predominant market in close proximity to the Caribbean which is the world's most popular route for cruisers.

However, cruising in the Mediterranean is gaining on popularity as well with the increase of 8 % from 2017 to 2018. ( Cruise Lines International Association, 2018).Other growing cruise destination includes Alaska which is popular among adventurous type of travelers. They see cruise as a beneficial way to visit far-secluded places while in the same time to have cruise vacation experience. (Alaska cruise guide, 2016).

## Problems:

However, more recently, the industry is facing serious challenges. Some destinations like Italy, Spain, France and Croatia are banning or restricting the number of cruise ships entering the historic sites due over tourism, pollution causing more damage than profit. According to Forbes magazine, around 600 cruise ships are docking in Venice every year. Over the years, Venice became European's most affected over tourism destination, with the abundance of tourists entering the city on daily basis. With no previous restrictions, thousands of tourists were entering the city harming social and cultural identity of the sites. (Lakritz, 2020). In 2019, Italian authorities decided to ban large ships passing through the Venetian Lagoon, followed by accident in June, when 13-deck MSC ship crashed in the city of Venice. Four cruise tourists were injured while those on-land were forced to run in order to save their lives. Since there are no laws that bans cruise

ships, this incident has raised many concerns how to deal with giant cruise ships. The temporary solution would be to restrict ships from docking in terminals inside metropolitan region, forcing cruise companies to change their routes and find alternative ports. Even though, cruise industry is a very good business for port cities, local authorities are environmentally concerned to preserve their historic and cultural sites. Even though, this particular accident was a minor one, the danger of collusion could happen anytime and the consequences would be devastating.

In addition to that, the fuel oil used on cruise ships pollutes air and waters 2000 times more than ordinary diesel does. (Copeland, 2005). Also, cruise ships tend to produce high amount of waste coming from gray and ballast waters and if not being properly disposed it can affect ecosystem. These waste streams are governed by domestic standards and protocols but there is no enforced law under which cruise ships should operate in the international waters. As a result, some countries have raised public and environmental concerns, like Dubrovnik, Croatia and Mallorca, Spain did more recently. In 2018, Dubrovnik, Croatia made an agreement with the cruise companies and CLIA to restrict the number on two cruise ships simultaneously entering Gruz port in one day. (Croatia Week, 2018). On a larger scale, residents of Mallorca are protesting against mega-cruise ship contaminating their sea and creating more traffic crowds on the island. The groups are teamed up to draw attention on ‘‘air pollution and exploitation of cruise ship workers’’.

### Safety:

Corresponded to the recent city restrictions and air pollution that have been associated with cruise ships, safety is a major concern among crew and guests. Crew members are responsible for maintaining ‘‘ Culture Safety’’ (Vukonic, 2016) by anticipating any potential unsafe hazards and preventing a spread of health-related diseases. According to Cruise Line International

Association, sinking, fire and spread of viruses are top major concerns among employees and cruise travelers when deciding to opt for an employment or book a cruise. To be more precise, 2012, is considered to be one of the biggest disasters in the cruise industry of all times. The sinking of Costa Concordia was followed by deaths of 32 people and criminal sentence against captain aiming the industry to lift safety precautions on the higher level. (BBC News, 2015). Most recently, almost 5000 crew members and passengers, are quarantined on Diamond Princess cruise ship due corona virus. An epidemic that already had contaminated couple of people onboard who were exposed to previous on-land activities. (Bendix, 2020). According to the New York Times, some would describe onboard quarantined state as “floating prison”. Ship quarantine was criticized by epidemiology experts, who argue that ship evacuation in early phase would prevent cross-infection, instead of keeping people in a constrained space. As a result of ship quarantine, at least 700 crew and guests reported to be infected by coronavirus. Regardless of human rights and quarantined conditions, crew was still required to provide safety and service for the guests. Apparently, cruise company did not provide crew members with adequate protection when handling food, water, medication or anything of that kind. All these potential sick people had to been taken care by crew risking their own lives (Bendix, 2020). Since there are no legal protections going in their favor, crew had to follow health emergency instructions. Unlike passengers, crew was not isolated from each other at any point as sharing eating and sleeping spaces was inevitable. (Bendix, 2020)

Not surprisingly, the corona virus outbreak could be the biggest challenge facing the cruise industry in the modern history. According to CBS News, U.S cruise lines lost around \$750 million of profit since January. Consequently, shares of major cruise companies have dropped to 60% during that period. In fact, U.S State Department issued warning to avoid traveling by

cruise ships, stating that ship's confined space is an ideal place for spreading the virus. As a result, cruise companies released temporary cancellation policies which allow passengers to cancel their trips without penalty. World's largest cruise company, Carnival Corporation will be forced to suspend all Asian operations in the following months. Apparently, it could cost the company \$400million of revenue profit. (Fitzgerald, 2020). According to the forecast of CLIA, Chinese market had the potential to become world's biggest cruise market by 2030. With the annual passenger growth of 51%, many cruise companies started to invest heavily into bringing new ships and extending itineraries in order to respond effectively on Chinese growing market. (CLIA, 2018)

So far, cruise industry has been significantly affected by coronavirus outbreak. Quarantine ship, Diamond Princess, has raised many health and safety concerns in the mind of future passengers. But what is more important, ship's epidemic crisis violated the human rights of every individual, in this case, crew, who had to perform their job on daily basis without being properly trained and protected. Chinese market had an exponential growth before coronavirus crisis, but now the future of market will be shaped quite differently. One thing is sure, this will leave devastating consequences for the entire industry and some companies will have hard times recovering from. (CLIA, 2018)

In order to meet all of these current and future challenges, the industry will need to rely even more on dedicated and stable workforce. They will need highly qualified, energetic, dedicated people who know more than just how to make bed or clean the floor. They will need to be able to be counted on in any kind of emergency and also to be environmentally conscious. So, good HR is even more important than ever.



## Employment:

The expansion of the cruise industry has led to new job opportunities for people with different backgrounds. (Sevcikova, 2011). Industry's impact on the communities' around the world is very recognized sustaining more than 1.1 million jobs as of 2019. (Lakritz, 2020)

## Organization structure:

Due its safety, cruise ships are structured in the organization pyramid, based on hierarchy, where applied rules are clear and strict. As such, authority onboard of the ship can be described as ‘paramilitary’ ship-command in which rules, rank and discipline are of great importance, while little privacy is offered. According to the research done, ships are ‘total institutions’, where cruise companies have total control over the time and the space of employees, on and off-duty. In addition to that, autocratic management supports one-person decision practice followed by the chain of the command, the Master, Captain.

## The Master and Departments:

The master is the ultimate authority on the ship, acting as a company's representative to carry out international policies and rules, navigate the vessel and assure safety for the guests and crew. Duties and responsibilities are shared between five departments who report to the master, Captain. Deck department is led by Staff Captain who takes full responsibility when the master is not available. Deck members are responsible of providing safety knowledge to the of crew members and conducting guest safety drills. (Vukonic, 2016) Engine Department is led by Chief Engineer who has the responsibility of all technical aspects including equipment on the ship. Hotel department is the biggest department on the ship being led by Hotel director. Hotel director has the largest number of staff guided as hotel crew is responsible of providing guest vacation experience. (Vukonic, 2016). The head of Entertainment department is Cruise Director who takes responsibility of the entertainment quality- performance. Human Resources department is encouraged to maintaining relationship with employees in the way of providing adequate training and measuring discipline. Heads of Department together with the master are members of Steering Committee. Steering Committee is the executive leadership responsible for decision-making process and effective cooperation with all departments. (Vukonic, 2016)

## Employment Structure:

The overall labor structure on the cruise ship can be divided into hotel and marine operations accompanied by a three social class structure: officers, staff and crew members. A 'crew'' is in the bottom line of the hierarchy occupying lower-ranked positions. These occupations are largest in the number including positions in the dining room, bar, steward, housekeeping and hotel

department. (Chin, Cruising in the Global Economy, 2008). A 'staff' can be characterized as those who occupy position as a gym instructor, shop assistant and entertainment. Compared to 'crew' and 'staff', 'officers' have guest privileges to eat and socialize in the guest area. Skilled or permanent 'staff' are more task-oriented taking more responsibilities, whereas semi or unskilled 'crew' is employed by crew agency in their home origin country. An 'officer', the highest ranked position in the class structure, has specific authority with a considerable amount of power. (Chin, Cruising in the Global Economy, 2008).

#### Division of labor:

The wide range of jobs available on the ship requires separation into divisions of labor followed by the top-bottom hierarchy. There can be over 250 vacant job position in more than 20 departments that has to be fulfilled based on the demand and supply of the workforce. (Dennett, 2013). According to the research done, it is estimated that 70% of ship employees work in hotel division, 20% in marine division and 10% in concessionaries work. To maintain workforce flexibility, companies do not employ on the fulltime basis which result in ready source of labor and no obligation when the demand for crew is being low. Also, this leaves companies a freedom to choose between the candidates who will perform better for the next contract. (Chin, Labour Flexibilization at Sea, 2008).

## Recruitment and Contracts:

Employees are outsourced by third parties, usually ones off-shored. Recruitment agencies are located in every part of the world working cooperatively with cruise companies to attain people. Unlike land-based jobs. The length of the contract is associated with the status, wage and position held onboard. There is a suggestion that 74% cruise companies depend upon international sourcing done by foreign crew agency. These temporary contracts are in between 6-9 months followed by 2 months of unpaid vacation. The majority of people is employed on 6 months contract (Schadel, 2010). These contracts are not fixed and there is no guarantee of continued employment until the end of on-going contract. As contract workers, cruise companies are not required to provide benefits such as health care, pensions and paid vacation. (Schadel, 2010). Moving forward to that, 'crew' receives lowest monthly base of \$50 and the rest of their income depend upon fixed service charge and passenger gratuities. In this way companies are reducing labor costs and encouraging 'crew' to provide high-customer service (Schadel, 2010). Compared to 'crew', 'staff' is directly employed by concessionaries who cruise lines contract out in their prospective companies. These individuals are acting as concessionaries specializing in certain fields with better work condition, higher wages and benefits. Their job position is followed by monthly salaries going over \$1000 and the percentage of sales profits. (Schadel, 2010)

## International workforce:

As mentioned before, as ships expanded in the size featured by modern facilities so did the demand for crew required to provide many services. In just a matter of time, competition on the labor market became more intense and cruise companies started rapidly changing ways to attain new people with right skills at low cost (Chin, 2008). In 1920, as a result of US prohibition, cruise companies were open to register their vessels in law-relaxed countries such as Bahamas, Panama and Liberia which are known today as “flags of convenience” (Chin, 2008). In 1997, 62% of cruise ships were flying under “flags of convenience”, which applied for minimum taxes and wages laws, low registration fees, less safety, environmental regulations and flexible recruitment from any country in the world (Chin, 2008). In such conditions, there is no wages standards and crew employment protections are minimal. Open registries tend to weak labor regulations and employees who are entitled to work beyond legal limits on working hours per day. Over the time, in limited working conditions and minimal regulations, cruise companies were able to minimize additional costs and maximize profit (Chin, 2008).

## Mini-United “Nations”:

Flying under “flags of conveniences” ships are able to recruit from any part of the world. As a result of 100 years practice, employees onboard not only have different nationalities but also ethnic and racial backgrounds. Diversity in nationalities under ship hierarchy is referred as ‘cultural class system’, in which status and positions are associated with the identity. Cruise ship hierarchy labor division was based on racial and ethical colonial separation with ‘white people’ at the top of the pyramid and many different ones in subordinate positions. (Chin, Cruising in the

Global Economy: Profits, Pleasure and Work at Sea, 2008). There are approximately sixty to eighty-five nationalities onboard and this so-called phenomenon is known as 'mini-UN'. In order to identify different nationalities, each and every employee onboard is required to wear a distinct uniform which symbolizes the position held and a badge displaying the name and their home country of origin (Llangco, 2017). Employees who come from developed West and Western Europe have higher positions and ranks. On the other side, employees who come from undeveloped economies and relatively poor countries such as Asia, Latin America and the Caribbean occupy low-skilled positions. Most crew come from traditional outsource markets in the Philippines and Indonesia, where wages are low and the work onboard is a primary way to support their families. For that reason, most challenging positions are given to those who do not have better income choice in their home countries. (Llangco, 2017).

#### Retention:

The retention of cruise employees is a major issue that every cruise employer nowadays most face. According to recent study, the cruise industry is currently facing staff shortage of 60,000 while demand forecast predicts that by the end of year 2020, the industry will opt for 250,000 employees more. (Cruise Industry News, 2018). The labor on cruise ships is very intense, since ships are the center of production for many different services and skills provided. However, work and life at sea is perceived poor and carriers are usually short-term oriented therefore retaining staff is becoming an enormous challenge. (Gibson, 2011). According to Asian Journal of Shipping, the industry has an average turnover rate between 25%-35%. The service is affected by high staff -turnover which might be caused by poor work and life conditions. (Bhattacharya,

2015). Staff on board is facing small cabins space, limited access to communications and recreational facilities as well as the fact of having to work every day of a week for 6 to 9 months. (Dickson, 2008). The labor market is shrinking and attaining highly-qualified and knowledgeable staff is getting harder than ever before. New generations are not willing to accept a career under bad conditions. Even though, the cruise industry is growing in the terms of size and service provided, the cruise industry is still trying to change the poor image associated with the work and life on sea. (Gibson, 2011). The key problem facing the industry today is to attract qualified employees through desirable working conditions and achieve the requirements of modern staff given the fact the industry is already facing a staff shortage and ongoing retention labor issue.

Today, it is not only the retention of highly-skilled employees that is important, these employees have to be “fully” engaged to deliver memorable cruise vacation and ensure basic safety and security. In order to do so, cruise companies have to understand crew expectations and needs who are responsible to provide their guest five-star service. Cruise employers have to address living and working issues as soon to maintain strong company culture.

#### Working conditions:

Also, staff shortages create a challenge for crew as everyone is expected to deliver the same service as when the ship has the full hands of staff. As a result, crew is expected to work extra hours and this may cause the feeling of exhaustion. Staffing shortages puts an additional burden on crew as some might have shorter breaks and less rest time. However, hotel service crew have to face many other challenges in order to have work and life experience on the ship. (Sevcikova, 2011).

As mentioned before, ships are ‘‘total institutions’’ where the companies have a total control over employees while on and off duty. Even in their free time, study by Lashley & Bolt (2015) found, employees have limited access to recreational and sports facilities. Compared to crew, staff and officers are allowed to use guest are in their free time. (Schadel, 2010). Unlike land-based jobs, there is no separation of living and work and the interaction with outside world is limited by constrained space. In addition, crew is pretty much underpaid depending on tipping culture and the hours worked. Employees’ wages are relatively low compared with cruise companies’ national rates. Sevcikova and Sehkaran research found, that fixed salary for crew is \$75 per month and the rest is based on tipping received from the guests.

Practice of the HR usually involves employing people based on their nationality resulting in unfair cultural treatment and less chances for promotion. The reasons behind this practice are creating cultural difficulties and less of opportunities for employee career development. (Schlingemann, 2015).

According to the survey done among cruise employees, some stated to be working from 6 to 15 hours a day in the split shifts without a day off during the entire contract. Poor perception of life at sea is followed by challenging work schedules and the length of contract. The length of contract can create physical and emotional exhaustion since employees have to perform their job every day of the week leaving little time for recovering. (Lashley, 2015). Even though, jobs are physical demanding and very intense taking time off can only happen due the illness under the permission of the ship doctor.

Flying under ‘‘flags of conveniences’’, seventy nationalities work and socialize together having different beliefs, behavior and eating habits causing potential difficulties in the communication.



(Lashley, 2015). Also, open registries allowed cruise companies to avoid laws regulating wages, working hours creating exploitative working conditions, regardless of nationality. Cruise companies have the power to control employees lives onboard and during vacation time which creates job insecurity and unpredictability. Crew has no power of choosing the length of the contract and the embarkation location. (Ceaser Livingstone : Cahoon, 2015)

With less time off, crew has limited free time during the entire contract to make frequent contact with family and friends. However, according to employee satisfaction survey done among crew, some stated, even in their free time, there is no enough time explore the ports .In addition, many also stated that access to the Internet is not free of charge and in the most times does not work properly. (Zhao, 2003).

Privacy was also a great concern among crew members in the measures conducted by job satisfaction survey. For the duration of their contract, crew is sharing cabins, showers, toilets and all recreational areas with each other. Nevertheless, restrictions were great dissatisfaction factor in major cruise companies. Long-term employees stated that restrictions are becoming more rigid year by year. Most recent restrictions include alcohol drink policies.

The physically demanding conditions requires crew to be healthy and fit for duty. Food is an essential element of whole health for every individual and crew. Long working hours and split shifts can disrupt crew eating habits, which is why poor food, according to survey done by Zhao, Hu and Carter, was the most dissatisfied factor for crew members. (Oldenburg, 2013).

## Solutions:

The retention of cruise employees remains an important issue for the HR and the entire cruise industry. In order to solve the labor shortage, HR must understand the reasons for poor retention and find corresponded solutions. Factors influencing poor retention must be identified and managed correspondently. Employers need to address retention issues understanding the valuable importance employees have for the industry (Bhattacharya, 2015). Employers must find ways to motivate employees to stay longer at sea with better monetary rewards, equal opportunities for promotion and job satisfaction. However, more human and individualistic approach is required from the management to better understand employee motivations in the unique ship environment. Also, greater emphasis should be put on living and working conditions which is directly related to the employee retention. (Livingston, 2015)

Improving working conditions should be a priority retention strategy to decrease employee's turnover ratio and avoid additional costs of trainings and recruitment. In order to retain employees, employers must address their basic needs and create work and life situation which will be beneficial for both, employees and company. In such way, providing basic amenities, companies can become an attractive employer for those seeking career at sea. (Papachristou, 2015). According to Da Silva research, factors that influence employee retention at the sea include friendly company culture and improvement of living and working conditions. Improved working and living conditions should include shortening long duties to reduce stress and fatigue caused by job workload. (Ceaser Livingstone : Cahoon, 2015). Also, technology can be used as an important communication tool to connect employees onboard and their families back on land. (Papachristou, 2015) Improving Internet access should reduce stress factor among crew, who according to employee satisfaction survey, feel isolated being unable to contact their families

frequently. (Zhao, 2003) Moreover, in order to achieve positive work environment, the length of crew contracts should be shortened without reducing salary. Food also plays an important part in crew working day, and according to Zhao survey, crew was the most dissatisfied with food quality considering hours worked every day. The management should be more concerned about employee's well-being and address this issue appropriately. According to Maslow Hierarchy of Needs, food is the most fundamental human need. Cruise management should solve dissatisfaction issue with the quality of food, by introducing fresh ingredients and changing the entire food menu. Considering cultural diversity onboard, employees should be more encouraged to participate in designing new food menus. (Zhao, 2003)

Today, employees are more demanding and most of them expect to get personal satisfaction from their jobs. Most studies have shown that monetary rewards such as increase in salary are not enough to achieve high level of employee retention. (Ceaser Livingstone : Cahoon, 2015) That is why companies should find innovative ways to incorporate incentive programs which will be based upon employees' responsibilities. But before that, fixed salary of crew should correspond to cruise companies' national rates. Tipping culture is an additional challenge for employees who have to compete with each other. In the long run this type of culture cultivates uncertainty and financial insecurity. Also, prolonging number of employee's years at sea should be a next focus for improvement. But it is important to mention that employees today look far beyond "money for work", expecting something more in return. According to Shevickova study, many employees see beneficial side of working on cruise ships. Most of them consider it is a great opportunity to travel the world. Travel opportunities were a great motivator factor for most participants. But, according to another employee satisfaction survey done by Lashley, participants noted that even in their free time, most of them did not have enough time to explore

the ports. This created a great dissatisfaction among participants which than influenced their motivation level. If management wants to develop a culture of long-term employee's, corrective actions must be identified and taken to achieve high quality of internal service. (Zhao, 2003). Cruise employers can cultivate employee career development by creating equal internal promotion opportunities. In such way, HR management can improve employee's morale and job satisfaction. In return, companies will have more chances to retain skilled and knowledgeable staff. Also, qualified and motivated employees will be able to provide superior quality of service to their guests. (Zhao, 2003).

#### METHOD:

In order to investigate the level of satisfaction of shipboard employee with various aspects of their work experiences, a job satisfaction survey was distributed and completed by 46 current and former cruise ship employees. The main purpose of this research was to measure overall employee job satisfaction in the cruise industry. The survey was adapted from (Zhao, 2003). For the purpose of this research, a survey of Jinlin Zhao and Cherly Charter was considered to be the most appropriate instrument to adjust. According to (Zhao, 2003), the study suggests that the analysis of job satisfaction was needed to create organizational strategies which will improve cruise employee job satisfaction.

During the month of March, 2020, an electronic survey was created in Google forms. A link to the online survey was distributed to through social media Instagram and e-mail accounts. "Snowball Sampling" method was used to identify personal contacts who are or have been employed with the cruise industry. In order to obtain sufficient number of participants, personal

contacts were asked to recruit additional contacts and reaching their candidates. The advantage of this method was the opportunity to target specific groups in the short period of time. However, those who did not have verified Google account were not able to access the survey.

#### Instrument:

The survey was conducted in English, and asked participants to report their level of satisfaction with 17 specific areas of their employment on a 4 Point Liker Scale, from 1(very dissatisfied) to 4 (very satisfied). These areas include intangible factors, such as company organization and policies, supervision, and work atmosphere, as well as tangibles such as wages, benefits, workload, food and accommodation. An additional section of the survey included three questions measuring respondents' overall satisfaction and intention to return. Responses to three items were created on a 5-point Liker scale. An optional, open ended comment section was also included. Out of 45, respondents,17 choose to leave comments in this area. Based on (Zhao, 2003),the final section of the survey included 6 demographic items, including gender, marital status, age, employment position type, birthplace and tenure of employment. A total of 90 questionnaires were distributed through Instagram, Facebook and E-mail. However, the study faced few challenges in distribution process. Due its distribution limitations, a total of 45 participants responded to the survey. Targeted population reported not to gain access to the survey without having google accounts. With that, other reached groups choose not to reply nor showed the will to fulfill the survey.

## Participants:

The research aims to understand the influence of gender, age, region of origin, employee rank, and length of industry of service upon level of satisfaction. Based on further data analysis, new findings should aim the research project to find appropriate solutions to improve employee conditions, meet employee expectations and cultivate the culture of long-term retention.

Among the participants, 45.5%, 20 were female and 54.5%, 24 were male. Of the sample, responders were coming from three continents, Europe (63.6%), Asia (15.9%) and North America (13.6%). Shipboard categories were divided into four categories: Officers, crew, hotel staff (housekeeping, food and beverage), entertainment and cultural staff and other. On the other side, the majority of respondents were entertainment and cultural staff (40.9%), compared to hotel staff (22.7%) and crew (13.6%), officers (11.4%) and other (11.4%). However, limitation to this study are those who reported other in job position item measured, which mean no data conclusion can be drawn out.

## RESULTS:

In general, results showed a moderate level of satisfaction in most areas. Participants indicated the most satisfaction with supervision ( $m=3.08$ ) and with organization ( $m=3$ ). Moderate satisfaction was reported in rewards ( $m=2.9$ ). Interestingly, lowest satisfaction was found in the tangibles including food, living accommodation, recreating facilities ( $m=2.81$ ), and working environment ( $m=2.76$ ). Overall, the lowest satisfaction grade was scored under ship life category. In all items measured, entertainment staff showed the lowest satisfaction with food ( $m=1.9$ ). Further, the results from data collected indicated that almost half respondents 43.2%

would recommend cruise employment to a friend. Interestingly, N44 reported to be more satisfied with supervisor having respect ( $m=3.25$ ) than supervision concern for employee well-being ( $m=2.90$ ).

#### Gender:

The data showed quite few differences between males and females. In the graph 1.1 presented below, males in general seemed to be more satisfied than females in most categories. Particularly, significant differences were found in organization category. Males reported to be more satisfied than female in every variable measured in the organization category in the terms of policies, fairness, concern for well-being and job security. But, interestingly, in this survey almost 45.5% participants were females. However, one exception to this trend was that females ( $m=3.1$ ) were slightly more satisfied with wages than males ( $m= 2.95$ ). The only category where female reported to be more satisfied than male was in supervision category. As a result, female was more satisfied than male with supervisor respect, fairness and concern for the well-being. Big difference was found between female ( $m=2.7$ ) attitude toward availability and quality of recreational opportunities than male ( $m= 3.83$ ). In intention to stay, males were significantly more satisfied with every item measured. Compared with females, males are definitely more likely to extend their contract as to see themselves in the cruise industry in 3 years from now.

Job position:

Job position was found out to be the most significant factor associated with the level of job satisfaction in the cruise industry. Among all, officers were the most satisfied group in all categories. Crew and hotel staff was moderately satisfied in every category, while, entertainment staff showed under average satisfaction level in all categories, except for intention to return. In organization, big differences were found between officers and entertainment staff. Compared with officers, entertainment staff showed slight dissatisfaction in the terms of company policies, fairness and professional growth. Within the category, crew showed the lowest satisfaction with company concern for personal well-being ( $m=2.5$ ). In rewards category, significant difference was found between the most satisfied officers and least entertainment staff. In the term of benefits, officers scored high average score ( $m=3.2$ ), compared to entertainment staff ( $m=2.16$ ). Time-off item turned out to be high satisfactory only for officers' group. In fact, hotel staff indicated the lowest satisfaction with this item ( $m=2$ ). In the terms of wages and contract, every group showed decent satisfaction level except for entertainment staff. Work schedule item indicated low satisfaction by crew ( $m=2$ ). In supervision, from all, officers for the first time scored the lowest satisfaction indicating to supervisors' concern. Interestingly, crew and hotel staff responded to be moderately satisfied with all questions being asked. One thing that matters, hotel staff reported some dissatisfaction with company fairness, compared with other groups. In ship life category, officers were high satisfied with most items measured. Crew and hotel staff again indicated slightly moderate satisfaction within the scope. Certainly, entertainment staff showed the lowest satisfaction in the terms of accommodation, food, health care and recreational facilities. Food ( $m=3.2$ ) and living accommodation ( $m=3$ ) was ranked the highest by officers' group. On the other side, entertainment staff showed dissatisfaction with living accommodation ( $m=2.1$ ),



especially with food (m=1.5). Actually, food turned out to be the lowest scored item in the whole survey. For health care and recreational facilities, all groups were quite satisfied except for entrainment staff group, who reported moderate satisfaction. In intention to stay, officers and hotel staff were very satisfied with all items measured. Crew showed high satisfaction with extending their contract and recommending cruise employment to a friend. Despite the fact, crew reported only moderate satisfaction working in the cruise industry 3 years from now (m=2.8). Also, entertainment staff showed high satisfaction with all items being presented, except for working in the cruise industry 3 years from now (m=2.5).

#### Origin of Birth:

In the survey, participants were also asked to respond based on their home country of origin. The data found differences in the level of job satisfaction, between North American/European and Non-European. In general, Non-European were more satisfied in almost every category except for supervision. In organization, Non-European, majority of whom were hotel and entertainment staff showed more satisfaction than those holding higher job-position. In rewards, Non-European were slightly more satisfied with every item measured. Particularly, big difference was found in benefits, Non-European scoring (m=3) and European/North America (m=2,64). As already mentioned, N.American/ European were more satisfied in the terms of supervisor's concern, respect and fairness. Out of all items measured, Non-European showed the lowest satisfaction with food (m=1,9). Lastly, intention to stay, found significant differences between examined groups. Non-European (m=4.2) showed high satisfaction to extend new contract than N. America/European (m=3.41) indicating moderate satisfaction level. Based on the results of open-

ended comment, Non-European participant stated life onboard and crew future would be much better if all companies like NCL, Royal and Virgin have single cabins. Also, Non-European were very satisfied (m= 4.5) to recommend cruise employment to a friend, compared to slightly less satisfied N. Americans/European (m=3.7).

#### Years of employment:

Respondents were asked to indicate years of employment with previous or current employer. Based on the answers, respondents were divided into groups of: 1 year or less, 2-5 years, 5 years or more and 10 years or more. Overall, 1 year or fewer groups was the best scored group in all examined groups, scoring the highest in organization, supervision and ship life. The second leading group was 10 years or more, who showed the most satisfaction in intention to return, and rewards categories. Respondents who were part of 5 years or more groups, were moderately satisfied in most categories. However, the level of highest satisfaction this group showed in the working environment. The lowest satisfaction showed 2-5 years group in most categories. It is the only group without scoring at least one highest satisfaction level in any category. The difference was found in 1 year or less group reporting moderately satisfaction with benefits (m=3.4). In the meantime, 2-5 years group showed not to be satisfied with the same item scoring under anticipated level (m=2.5). In intention to return, every group reported to be positively satisfied with every item measured. Out of all categories, 10 years or more group indicated the highest scored item (m=4.5) to extend or accept another contract in the cruise industry

Age:

Total of N37 are in the group up to 34 years of age compared to less-numbered group N6 over 35 years of age. In general, older group seemed to be more satisfied than younger group in all categories. Particularly, big difference was found between average scores of two groups in rewards. The average score of older groups ( $m=3.4$ ) in the terms of benefits, professional growth was moderately higher than younger group ( $m=2.8$ ).

Marital Status:

Respondents were asked to answer question based on their marital status. Almost half respondents were single (45.5%), and other (18.2%) were those who reported to be married. Married group in most cases were slightly more or equally satisfied with single group in all categories. Married group reported to be more satisfied with organization, rewards, working environment and ship life. In exception, intention to return was dominated by single group scoring the highest positive score on the whole survey. Single group scored ( $m=4.2$ ) recommending cruise employment to a friend.

## DISCUSSION:

The aim of this study was to investigate working and living conditions of cruise employees and find appropriate solutions based on the results of employee job satisfaction survey. This study suggests that analysis of job satisfaction level may be used to develop companies' organizational strategy. First and foremost, definitely more individualist and humanistic approach is required

from the management in order to better understand employees needs and wants. However, based on data results satisfaction was lower for tangibles and physical conditions. Food, accommodation and hours worked had the greatest impact on overall job satisfaction and as such should be addressed. In particular, entertainment staff was most dissatisfied with food. Although it seemed like a small issue, food showed out to be the most important item measured. Employees in order to maintain ‘‘Culture Safety’’, have to satisfy their basic human needs. Companies should address this issue quickly before satisfying higher needs. It can be concluded, tangibles are the most important and all other things like atmosphere, politeness and money seem less important and abstract.

The results also found employees showed satisfaction is higher for intangibles and relationship-oriented items. So far, human resources seem to be doing good job in maintaining respectful relationship between management and employees. However, there is always space for improvement in the mind of company’s organization and supervision. In order to improve the existing, human resources should allow management to identify problems and find appropriate solutions. In the same time, show genuinely care and concern for personal well-being.

Based on the results, this study suggests that cruise industry is male-dominated industry, and females being exposed to gender segregation at work. From the sample, male was more satisfied than female in every category. In the long run, cruise ship HR can face serious labor issue. Females may start looking for better work opportunities elsewhere and end up leaving the industry. Matter of fact, companies should try to maintain balanced men and women ratio that could build more ‘‘positive atmosphere’’ (Zhao, 2003), and create fairer work environment. If the industry wants to cultivate long-term retention culture, then satisfaction in female should be an attention priority. Along with that, the study suggests developed organization strategies

should include family-oriented policies and better female contract conditions with crewing agencies.

According to literature review (Chin, Labour Flexibilization at Sea, 2008), ships flying under ‘Flags of convenience’ are able to recruit workers from any part of the world. Based on examined data, North-Americans/Europeans are certainly being treated more fairly than Non-European by the management. Results of this study found that, employee retention is more important than ever. According to open-ended comment, Non-European indicated it is ‘good for money reason, easy to save and travel for free’. From what is concluded, cruise employment is seen for short time as it is good for the money. The same is for N/Americans and European group, who indicated ‘cruise ship is very hard and it is not for long period’. This study suggests that, cruise HR have to acknowledge these facts in order to create a long-term career plan at sea.

Big differences were found between officers and lower level staff. Lower level staff reported to having longer contracts, longer working hours and less time-off than officer group. According to literature review, temporary contracts for lower level staff are in between 6-9 months. It seems like cruise management should pay attention in the length of contracts in order to better motivate staff. As a result of open-ended comment, European officer considered that ‘cruise company are taking care of employees more than every other company’. Compared to European hotel staff, who indicated ‘long working hours, no days off, small cabin, average food quality, but experience gained can’t compare’. The results of this research showed staff who occupy lower level jobs seem less happy than those occupying high position jobs. In some cases, lower level staff is putting up with bad physical conditions just for the money considering it is for short time period.

From what can be seen is that, younger employees tend to have idealistic sea career expectations. Results suggest that HR should pay attention to these findings in order to reduce expectations gap. In order to do so, HR should thrive to understand hiring needs and candidate's personality. Not surprisingly, older group seem to value only extrinsic rewards. Majority of whom are ready to adjust their expectations toward organizations goals.

By far, coronavirus is biggest existential threat cruise industry has faced and employees will have to do more responsibilities in order to maintain vital health. After all, coronavirus could affect 'flags of convenience', under which ships were able to operate in poor working conditions and low wages. With this outbreak, safety standards will move on higher level. Health and environmental rules will be definitely stricter. In order to meet new crisis challenges, the industry will have to rely on dedicated and stable workforce. In any kind of emergency, these people will have to perform their job but also be environmentally conscious. The retention of employees will be more important than ever, and companies will have to find new ways how to improve employee job satisfaction.

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