

EXECUTIVE SUMMARY

As labor cost is becoming increasingly larger portion of the operational cost of ship owners, the management of marine human resources have become an increasingly important objective of cost management of ship owners today. The world's merchant ships continuously increase in number, and the worldwide supply of qualified crew members shrinks and the demand for experienced crew members increased rapidly. Every crew member has a different set of requirements based on his or her personal circumstances, training needs, abilities, travel arrangements from their countries of origin, and immigration requirements. In order to manage crews in a consistent and cost-efficient manner, optimized and efficient shoreside marine administrative processes are essential for the owners. Woqod Marine Services, a Qatari ship owner struggles to control the increasing cost of seagoing personnel.

Woqod Marine Services is a fully owned subsidiary of Qatar Fuel which is one of the major energy marketing and distribution company in Qatar. The company own and operate ten different types of oil tanker ships mainly supporting its parent company's energy distribution process within the state of Qatar. The company's core business focus is to support its parent company's resilient bunker fuel and bitumen distribution. The local operation of the company is based on two major oil and gas ports of Ras Laffan and Messaied. Woqod Marine intends to expand its business operations to Middle East and Asian regions. To understand its strengths, weaknesses, opportunities and threats of the company, a comprehensive internal and external analysis has been conducted. One of the major weakness identified in SWOT is the high crewing operational cost that hinders the growth and profitability. Through a comprehensive root cause analysis, the research intends to identify key root causes of the problem and aims to provide recommendations to optimize the high crewing operational cost overrun.

The crewing cost overrun problem has been examined from a contextual and theoretical perspectives that helped to develop the project's theoretical framework. Recruitment and Selection, Operations Management and Compensation Management are the project components that closely relates to crewing cost overrun problem. A comprehensive literature review has been discussed based on the areas of the problem to provide recommendation to reduce the crewing costs overrun. Then the study framework was created through the literature review.

The solution development techniques that derived from the literature discussions are cause and effect analysis, SWOT analysis, Training Need Analysis. System Implementation, coaching and mentoring, Vendor management and Process management. After developing the research project's frame work, the core objective and the subobjectives have been identified. The main objective of the research project is to reduce crewing operational cost overrun from 11.97 % to 1.97% per year. To achieve each goal of the project component, each problem area has been described in detail and have provided the appropriate solution under each objective through techniques derived from the literature. The process flow charts, organizational documents and value stream mappings are used to demonstrate the exact problem areas to provide a thorough understanding of the current situation and recommended solutions. The solution recommended for each objective has been described in corresponding appendices in detail with the expected budget and resources allocation.

The project's benefit-cost investigation shows a net benefit of USD 603,609 and the benefit-cost ratio is 7.8.1 which demonstrated the practicality of the solutions proposed in the research. The output and outcomes of the research project were clearly provided in numbers and percentages for the main project objective and subobjectives under each proposed three components. The expected out comes of the projects are to support the company to improve its cost savings specially on crewing cost which have been overrun for considerable period creating a significant impact on bottom line of the company.

Finally, each project component will be discussed with the literature provided in project component relating to proposed solutions of the problem with recommendations to reduce the high crewing operational cost overrun. Furthermore, last part of the research project intends to specify the relevant applicability of the techniques discussed in implementing solutions and the potential time duration of implementation and author's recommendation . The application of concept through research literature to find solution to crewing cost overrun has been further discussed and validated in this section. The developed research approach through this study can be applied for any other ship owning organization to identify and priorities causes of crewing cost overrun in their local context, so that the management can systematically address the issues based on relative importance of components identified in the analysis.