

A Study on Shipping Enterprise Culture under the Influence of Ocean Culture

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Abstract

The formation of the culture of an enterprise is determined by a multitude of factors, including the cultures of the trade and the region it belongs to. This paper explores the influence of ocean culture on the culture of shipping enterprises, and specifically how ocean culture affects the business operations of an enterprise. The author focuses on such basic features of ocean cultures as openness, external expansion, adventurousness, and business-mindedness as well as their influence on shipping enterprise culture. Also examined in this paper are the team spirit and scientific and pragmatic attitude generated by ocean culture as well as their impact on shipping enterprises.

Key words: Ocean culture, Shipping enterprise, Corporate culture

The formation of corporate culture, a kind of organizational culture, is determined by a multitude of factors. In the book *Corporate Cultures*, Terrence E. Deal and Allan A. Kennedy have given a detailed account of the influence of business environment on the formation of corporate culture. If take one step forward, we can find that formation of a particular corporate culture is affected by at least these factors: the industry a certain enterprise belongs to, the cultural background of the nation or region where the enterprise is situated, the time when it is founded, the experiences of the entrepreneur and the nature of the enterprise. All these will exert influence on the corporate culture, which might be strong or weak, and constitute determinants of the success or failure of the enterprise. By studying shipping enterprises, this paper explores the influence of ocean culture on their corporate culture from the perspective of trade and geographical factors.

1. Features of Ocean Culture

Ocean culture has often been touched upon in scholarly books and articles both at home and abroad. With the advent of the twenty-first century which is also recognized as a Maritime Century, ocean culture is set forth as a discipline and has become a hot topic. Interestingly, ocean culture has not an acknowledged explanation, just like the word “culture” which has been studied for centuries but could not possess a uniform definition. In a broad sense, ocean culture here denotes a culture related to the sea. As for shipping enterprises which run business with vessels as their production tools, seafarers as production personnel and cargo transport as main products, their corporate culture falls to the category of ocean culture because cultural aspects on the level of material, system, behavior and spirit do arise out of the interaction between the enterprise and the sea. And the most important aspect is the spiritual culture.

People voice different opinions as regards the definition of ocean culture. Though offering their own insightful thoughts, they are reaching consensus. For instance, in *Collection of Papers on Ocean Culture* by Guangdong People’s Publishing House in 1997 and *Research into Ocean Culture* by Culture and Arts Publishing House in 1999, the authors outlined features of ocean culture from a multi-facet perspective. But they reached consensus on the features: openness, external expansion, adventurousness, and business-mindedness. Though some scholars depict the ocean culture features as sea relatedness, external radiation, business-mindedness, interaction and expansion-seeking, they share the same idea with the authors of the two above-mentioned books. It is objective to summarize features of ocean culture as openness, external expansion, adventurousness, and business-mindedness. The traces of maritime culture or the so-called “blue culture” can be found in corporate culture of shipping enterprises and reflected in their business operations.

2. Openness, External Expansion and Their Influence

Boundless seas are responsible for these two features of ocean culture: openness and external expansion. Covering over 70 percent of the Earth’s surface, oceans join landmasses and islands of the five continents and connect most peoples and

nations in the world. Oceans prompt people to build vessels which in turn enable people to explore the distant parts of the world. The seas made possible the epoch-making ocean voyages by Christopher Columbus, Vasco da Gama and Ferdinand Magellan and their great geographical discoveries as well as Zheng He's seven maritime expeditions 600 years ago. For colonial expansion into the New World or out of the necessity to fish for livelihood, sailings have broadened people's outlook and changed their ways of thinking. In the face of exotic cultures, navigators learn to break the traditional frameworks and take an attitude to learn widely.

As far as the culture of shipping enterprises is concerned, such openness and external expansion are embodied in their all-inclusive spirit and pioneering spirit. The high degree of globalization is illustrative of this point. Take COSCO for example. As early as 1960s, China's first international liner route was launched by COSCO, which is now the largest domestic shipping company and the second largest in the world. Its transnational operation network has been built up with areas like Japan, Korea, Singapore, North America, Europe, Australia, South Africa and West Asia as the strong points, which are linked up by shipping lines. COSCO's senior executives point out that COSCO is trying to transform itself from a transnational operator to a real transnational company, but there is no denying COSCO's vessels are calling at more than 1,300 ports in 160-odd countries. A non-maritime enterprise, surely, cannot achieve this. Though such high degree of globalization is much interrelated with the nature of ocean shipping, the conception of discovering "New World", which is encompassed in ocean culture, also plays an important role.

Despite the fact that COSCO has established many branches overseas, the company, on the one hand, respects cultural habits of various countries and regions, abides by the local laws and regulations and promotes administration by law. On the other, COSCO endeavors to localize its management and recruit senior managerial personnel overseas. Only 9 percent of overseas staff or about 360 employees are sent by Chinese headquarters. COSCO unswervingly follows the principle of "Treating Overseas Staff Equally Without Discrimination". This hence gives a full play to the role of the local staff in business operations. The strategic management philosophy, i.e. globalized thinking and localized acting, which embodies ocean culture's openness and all-inclusiveness, has exerted a positive influence on COSCO's operations.

3. Adventurousness and Its Influence

Ocean culture's adventurousness relates man's will and courage to explore the unknown of the oceans and to conquer the seas. In comparison with landmasses, seas seem to be more dangerous and unpredictable. So on the one hand, people on the sea or fishermen depending on seas for livelihood hold the sea in awe, they, on the other, learn to be more adventurous and brave. In the face of heavy seas, they should have both perseverance and determination to run risks. The vast reservoir of unknown treasures in the unfathomable sea encourages man to explore with a spirit of enterprise. Seafarers know well that when rowing upstream, they should strive to advance; otherwise they will fall back. Only by attempting and innovating, can they win the battle with the sea.

As regards the culture of shipping enterprises, such adventurousness is embodied in their brave acts. There are many successful decision-making cases, but the most representative one is the maritime myth created by China Shipping (Group) Company. In the late 1990s, the Asian Financial Crisis put Asia's economy in an awkward predicament and affected economic trade of the whole world. Thus the world shipping industry entered a slack period. In light of this, most shipping companies made the decisions to sell or scrap their vessels and rent out vessels at a low price, with a view to alleviating the cost pressure. However, China Shipping did not follow the suit: it rented ships from others, converted some outdated vessels to containerships and ordered new ships when it had capital. This decision was rather risky, but it proved to be successful later on. Several years later, the shipping industry regained its momentum, and freight rates and shipbuilding prices were on the rise correspondingly. When other companies began ordering new ships to prepare for the new industry boom, China Shipping had already deployed the new vessels on trunk lines, thus giving its quickest response to the market demands for handling capacity. More importantly, since these new vessels were ordered at the bottom of the market, the building costs were rather low. This enabled China Shipping to acquire superiority in new-building cost and sharpened its competitive edge in the market.

It is widely believed that this seemingly risky move is attributed to the former President of China Shipping, Li Kelin's insight into the market and the quick-response and decision-making mechanism of the company. But we should also confess that Capt. Li Kelin, who has engaged in ocean shipping for decades, as well as his leading group, were brave enough to venture into business. Such spirit of going against the trend, which is also responsible for the success of China

Shipping, is illustrative of ocean culture's adventurousness.

4. Business mindedness and Its Influence

Apart from openness, external expansion and adventurousness, business-mindedness is another recognized feature of maritime culture. However, different from the other features, business-mindedness's influence on the culture of shipping enterprises is self-evident. This can be explained from two aspects. First, as far as international trade is concerned, over 80 percent of cargos are dispatched by sea. The fact itself decides the close relationship between the sea and "business". Ocean shipping, the core business of shipping enterprises, is integral to the promotion of international trade. Here ocean culture's business-mindedness is summed up in accordance with the extreme importance of trade for people who conduct sea-related business. Secondly, shipping enterprises are profit-oriented just like enterprises in other sectors, because making profit is surely the aim of doing business. Interestingly, capable shipping companies are now not content to merely develop their major business; they make pluralistic investment in other fields with shipping as the core industry. Take COSCO for example. While offering high-quality shipping services worldwide, COSCO also branches out into such modern businesses as shipping agency services, freight forwarding services, shipbuilding industry, terminal construction, trade, finance, IT and real estate. It is also the case with China Shipping. Owing a large oil tanker fleet, bulk carrier fleet, passenger transportation fleet, container transportation fleet and special cargo transportation fleet, the company also expands its business scope to include integrated logistics, terminal operation, financial investment, engineering and labor services, supply and trade as well as information technology. The above-mentioned multi-outlet strategies of COSCO and China Shipping, on the one hand, can be attributed to their desire to reduce risks by "not putting all eggs in one basket", and on the other are the product of the profit motive.

5. Other Influence of Ocean Culture

It should be noted that the influence of ocean culture on shipping enterprise culture is far more than what has been said above. The sea exerts a subtle influence on the deeds and thoughts of the employees in shipping enterprises.

Seafarers communicate with the working staff on land; seafarers are appointed to the post of administrative management personnel... All these will influence management and operation of shipping enterprises and constitute part of shipping enterprise culture. Team spirit and scientific and pragmatic approach are two important aspects of the culture.

“Team Spirit” has become a much-cited expression in recent years. Jack Welch’s “team” refers to a sports team which is a combination of selected players. According to him, each player does his part and brings into full play his strong points with an aim to contribute to team success; group members enhance team spirit by achieving the same goal with converted efforts. This is also true with the officers and crew of a ship. Above and below the deck, from captain and chief engineer to sailors, they target the same destination although their roles are different from one another. During a sea voyage, the relationship between man and the sea is of the first importance. The mighty power of the sea prompts seafarers to handle problems with concerted efforts, without regard to their rank. Each seafarer’s work is indispensable and should be esteemed and each seafarer must do his part. Only by doing so, can they surmount difficulties brought about by the sea and safeguard the safety and interests of the whole vessel because, at this time, an individual’s fate is inseparable from the fate of the whole group. To be more specific, the team spirit in shipping enterprise culture can be specified as follows: each seafarer undertakes his responsibility; each brings into full play his strengths; seafarers work shoulder to shoulder; and seafarers take aim at the same goal. Thus the team spirit embodied in sea voyages will be a positive influence on individual seafarers and develop into a consensus shared by each member of the staff.

Scientific and pragmatic spirit embodied in ocean culture also stems from the practice of ocean shipping. For those people working at sea, they have a definite destination in mind before they set out. Even in today’s liner services, intended shipping lines, shipping schedules and ports of call along the shipping lines are fixed. Such definite schedule of sailings requires seafarers to deal with each stage of the voyage in a practical way and be well prepared for unpredictable risks at sea. When challenging seafarers’ courage, the sea is also testing their capacity to rationally handle risks with scientific instruments.

Development of shipping enterprises hinges on the sea. By interacting with the sea, shipping enterprises develop such corporate cultures as all-inclusiveness, spirit of enterprise, adventurousness, business-mindedness and pragmatic spirit, all of which, in fact, originate from the ocean culture. These corporate cultures are first diffused among individuals and then develop into a consensus shared by all or most of the employees of a shipping enterprise, and furthermore become guidelines

for the management of corporate operations. It should be noted that some shipping enterprises have been possessed of all the above-mentioned corporate cultures while some just obtain part of them. Sometimes the manifestations of the corporate cultures are overt, whereas sometimes covert. But one thing is certain: the “blue culture” exerts a positive influence on shipping enterprises, whether the “blue” is “deep” or “light”.

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