“Seabirds Matter More Than Us!”
Understanding the Complex Exercise of CSR in the Global Shipping Industry*

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Within the contemporary shipping industry there is the potential for open registers to act to varying degrees as “regulatory havens”. There are also well-known challenges relating to regulatory enforcement at both port-state and flag-state levels. In this context it is particularly helpful to consider the potential drivers of corporate social responsibility (CSR) within the commercial cargo shipping industry. This paper therefore considers three case studies, to explore: supply chain pressures relating to the exercise of CSR; financial drivers of CSR; the role of paternalism in the exercise of CSR; and normative orientations towards CSR in the shipping industry. The paper concludes that on the whole, the shipping industry is more concerned to focus on the protection of the environment, in conjunction with its CSR policies, than it is to focus on the health and welfare of sea-based employees. Furthermore, it explains the reasons for such prioritization.

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CAPITALIST MODES OF PRODUCTION in contemporary nations can generally be characterized as involving the interconnected yet contradictory interests of states, workers, managers and entrepreneurs/investors. Within Europe, in the post (Second) World War period, states and state regulation generally gained a tighter grip on the regulation of national industries, introducing increasingly stringent standards relating to labour rights and environmental protection. Concurrently, in many developed economies worker representation strengthened and living standards rose. In search of greater opportunities for profit many companies began to look overseas and “offshore” for locations in which they could operate with less regulation, lower labour costs and lower taxation (Sampson and Ellis, 2015). In this context, regulatory havens (Kneller and Manderson, 2009; Neumayer, 2001; Dam and Scholtens, 2012; Preuss, 2012) have facilitated the use of child labour (Zutshi et al., 2009) and environmental degradation (Manteaw, 2008; Muradian et al., 2003; Newell, 2005) as countries desperate for development, and people desperate to survive, submit to terms and conditions no longer deemed acceptable in the developed world.

In shipping, such regulatory havens also exist and these have taken the form of vessel registers that exercise little or no regulatory control over their fleets, choosing to operate as commercial, profit-making entities. As early as the 1950s and 1960s national ship registers witnessed the steady loss of vessels from their registers, as shipping companies chose to “flag out” to “open registers” (also known as “flags of convenience”) abroad, which presented fewer hurdles to the maximization of profits. As markets tightened in the 1970s, it became increasingly difficult for operators to stay in business unless they flagged-out (Sampson, 2013) and today 71% of the world fleet (by tonnage) is registered with open registers (UNCTAD, 2015). Such registers frequently ratify international conventions and it has been argued that many register newer, and therefore better quality, tonnage (UNCTAD, 2015). However, it remains the case that with regard to the enforcement of regulation, open registers (which are themselves often established for purely commercial reasons) can generally be described as more lax than national registers. Furthermore, their very presence exercises downward pressures on flag state regulation as a whole, as national registers seek to resist the flight of their tonnage by exercising greater leniency in operational matters. This is sometimes achieved via the establishment of (national) second registers which may, for example, sanction lower minimum manning levels (Winchester et al., 2006). Evidence of the lower standards demanded by open registers, such as Tanzania and Moldova, can be found on examination

1 The state where a vessel is registered is known as the “Flag state” for that vessel. Flag states are responsible for ratifying and enforcing international standards on board their vessels. Formerly, most vessels were flagged in the same country as they were owned. Vessels which are flagged with other countries (i.e. not where they are owned) are referred to as having “flagged out”. Broadly speaking, national registers are those which require vessels to be owned or managed locally, in some sense. Open registers are those which make no demands on vessel owners with regard to the location of their business.
of the detention and deficiency records of port state inspectorates, which show these registers to be over-represented (e.g. Paris MoU, 2014).

The problems associated with ineffective regulation by flag states has led to the emergence of regulatory enforcement in relation to vessels calling at national port states (known across the sector as “port-state control”). This has been characterized as more effective than regulatory control via flag states by some authors (Sampson and Bloor, 2007), but it is also patchy and inconsistent (Bloor et al., 2006; Hjorth, 2015), notwithstanding the development of what might be regarded as “clubs” of port states (DeSombre, 2006) which act to equalize standards of enforcement across particular regions, via the implementation of memoranda of understanding (e.g. the Paris MoU).

The importance of corporate social responsibility

As public attention has been drawn to the consequences of both poor regulation and regulatory avoidance that is so frequently associated with offshoring and outsourcing, we have seen an increased emphasis in business circles on the public exercise of CSR (Sampson and Ellis, 2015). CSR has been defined as encompassing voluntary corporate activities which are motivated by a concern for the environment or for the interests of wider society. As such, CSR can be understood as corporate actions which are neither driven by regulatory requirements nor by normal business practices oriented towards profit maximization (Carroll, 1999; McWilliams and Siegel, 2001).

As a result of the media exposure of a number of exploitative and destructive practices by multinational corporations, such as tax avoidance, poor labour standards and environmental destruction (Kneller and Manderson, 2009; Neumayer, 2001; Dam and Scholtens, 2012; Preuss, 2012; Zutshi et al, 2009; Manteaw, 2008; Muradian et al., 2003; Newell, 2005), many multinational corporations have been keen to develop written policies relating to their freshly established CSR agendas (Zyglidopoulos, 2002). This has been the case in relation to high profile “brands” in particular, as well as larger corporations, which occupy positions of higher social visibility than their smaller counterparts.

In the transport sector, alongside their land-based competitors, larger shipping companies and those operating in “sensitive” sectors such as oil and gas, have also developed an interest in the espousal of ethically responsible business operations (see Arat, 2011 for example). However, the focus of their efforts and their motivation in making them is complex. There are suggestions in the wider literature that such activities can take the form of “window dressing”, sometimes termed “greenwash” in relation to environmental CSR. In relation to this, authors (for example Robinson, 2010) argue that CSR may be seen as little more than an exercise in public relations, inasmuch as the corporate policies outlined in glossy brochures may have little beneficial impact in reality and may not reflect any genuine commitment on the part of corporations to protect the environment or have a positive social impact. From the published literature, it is
possible to identify three major potential drivers of the adoption of CSR policies by companies with regard to health and safety and environmental compliance: the role of corporate reputation and its impact on customer choices (Walters et al., 2012; Zyglidopoulos, 2002); the role of the belief that the exercise of CSR results in better financial performance (Griffin and Mahon, 1997; Roman et al., 1999; Molina Azorín et al., 2009; Van Den Berg and De Langen, 2016); and the role of paternalism and normative affiliations to CSR (Sampson et al., 2014). Strictly speaking, and as described earlier, it is only when CSR is driven by the latter motivation that it can be seen as “genuine” CSR which encompasses activities which go beyond regulatory minimum requirements and are not simply about the pursuit of profit maximization (Carroll, 1999).

The research question addressed in this paper concerns the drivers for the exercise of CSR in the shipping industry. The paper uses the broader literature relating to CSR to specifically explore the potential drivers for CSR in the shipping industry. It considers the views of managers and workers within companies in relation to the multiple motivations which may lie behind the establishment of CSR policies by corporations. This approach is revealing in a way that is not common in the general CSR literature and has not been uncovered in the previous literature in relation to the shipping industry. The paper considers what motivates the development of CSR in relation to three case study shipping companies. In doing so it reveals the multiple and entangled motivations for both the visible and the invisible exercise of CSR.

The paper is structured as follows: a discussion of the methods used, a presentation of the findings from three case studies followed by a conclusion.

**Methods**

This paper draws on three case studies, considered in conjunction with three different projects, all of which were concerned with understanding corporate approaches to risk in relation to accidents at sea involving personnel and the environment. In relation to each project, the methodology was informed by the principles of grounded theory. This approach allows for the generation of theory following the patterns identified in collected data. In this sense it reverses the positivist approach to science, which generally begins with the establishment of a theory and sets out to test this using empirical evidence.

The selected cases can be described as “revelatory”, in line with Yin’s definition (Yin, 2003). However while it is more usual for revelatory cases to be presented singly, here three cases are examined providing a multiple case approach. The rationale in selecting three cases for examination is in order to strengthen the overall robustness of the findings (Herriott and Firestone, 1983). Here the intention is to use a replication logic (Yin, 2003) to consider whether the drivers which emerge in relation to the development of CSR policies in different kinds of shipping companies (in terms of sector of operation and size) are the same or whether they differ. However, there is no suggestion that the cases constitute
perfect replicas of one another, as these were qualitative studies which were designed to be flexible and to maximize our understanding of the orientations and meanings of key actors within the field.

The earliest case study (Vizla) was selected from the tanker sector, where regulatory standards are high and where there is also considerable sensitivity with regard to business reputation, given that the customers for tanker companies (known as charterers) are particularly concerned to protect their international reputations and to avoid the brand image damage that is caused by oil spills (as was the case, for example, with the well-publicized oil spill from the Exxon Valdez). The case study was originally developed as part of a wider project concerning the corporate management of risk to vessels or personnel (Sampson et al., 2013; Sampson, 2011). Vizla was once a family owned business but today (as at the time of the research) it is a successful shareholder-owned tanker company specializing in the carriage of oil and related products.

The second case study was related to a container ro-ro (roll on–roll off) vessel operated by a small ship-management company. Here the potential drivers for the development of CSR policies are less readily apparent, as container ro-ros carry cargo belonging to very many charterers, each of which is unlikely to suffer reputational damage with regard to any incidents concerning social or environmental damage. Equally the company owning and operating the vessel is not considered to have a big “brand” reputation attached to it and is relatively anonymous in terms of the general perceptions of the public. The study was conducted as part of a project considering the impact of supply chain influences on corporate health and safety management on-board vessels. The case study company (QPR) had placed five of its ro-ro vessels under contract with an independent ship-manager which we named Eagle ship-management (see also Walters et al., 2012). QPR itself was owned by the parent company Griffin which was, and remains, a family-owned multinational fully integrated logistics group with a ro-ro/container fleet of 100 vessels. As with the case study of Vizla, this research incorporated a focus on both shore-side managers and sea-staff.

The final case study (Swan) was selected as it represents a very large, well-known container shipping company and a globally renowned “brand”. Swan was, and remains, a major owner/operator with significant tanker and container fleets. Originally a fully family-owned company, the organization is now stock-exchange listed; however the family retain significant holdings and some influence. In this case study it was only the container side of the operation that was the focus (see Table 1).

Like Vizla, Swan is a large company with a corporate image to preserve. However, unlike Vizla but in common with the much smaller company, QPR, the company carries cargo for many charterers and may not be expected to be under the same commercial pressures as Vizla to operate in an environmentally and socially responsible way. The case was constructed in relation to research undertaken as part of two projects: the aforementioned study of health and safety management from which shore-side data were drawn; and a subsequent project relating to ship–shore personnel interaction from which the shipboard data were drawn.
The methods underpinning all three cases combined a single voyage with each company involving ethnographic methods of observation and interviewing (informal and formal) and a number of qualitative formal interviews with shore-side personnel. The case studies were conducted over an extended period between 2006 and 2015. In total 22 interviews were conducted with shore-side personnel including those involved in health and safety and quality issues, procurement and fleet management. A further 38 formal interviews were conducted with seafarers of all ranks on board. In line with the grounded theory approach that was adopted in each case study, the exercise of corporate social responsibility (CSR) emerged as either a central or a peripheral concern.

In all cases pseudonyms are used in relation to companies, vessels and participants. Field notes were maintained throughout the voyages and these have been analysed and coded using NVivo. Interviews were recorded, transcribed and coded using NVivo and both the coded material and the full transcripts have been revisited in the course of the development of this paper.

**Potential drivers of CSR in shipping: three illuminating case studies**

**The case of Vizla**

Vizla produces a considerable amount of literature relating to its commitment to people and to the environment. Like Swan, it is conscious of its public image and publishes annual “sustainability” or CSR reports online. The company operates in the tanker sector, which is both highly regulated and highly sensitive to issues of compliance. Not only do charterers in this sector expect companies to avoid detentions and deficiencies at the hands of port state control, they also operate their own independent inspection regime and share results of inspections between them. Additionally they make demands on companies in terms of crew competence, training and experience, and they regularly audit companies to ensure compliance with their exacting standards.

In this context it is unsurprising to find that Vizla exhibits a high public commitment to both employee safety and to safe operations from an environmental perspective. This is demonstrated visually in the production of rafts of company safety information posters, videos and newsletters, as one seafarer described:
“They have posters, movies, everything ... you can read, you can see. [Even] if you don't like to see, you see! So this is like ... safety's around us!” (Vizla seafarer).

However further probing established that, within Vizla, the emphasis was very much on behavioural safety. This is a relatively inexpensive method of being seen to be committed to safety and to raising safety standards. It also has the potential to allow the company to distance itself from the costs of injuries to personnel as well as environmental damage at sea, and when, they occur after deviation from standard operating procedures and safety management systems. Thus the company was seen by seafarers to be apparently committed to safety and yet to avoid expensive remedies to safety concerns such as increasing crewing levels in order to mitigate fatigue. Seafarers understood the company to be cost-sensitive and to need to make a profit and as one said “at the end of the day the company has to make money ... has to!” They interpreted this as meaning that there were limits to the prioritization of safety (particularly with regard to fatigue management) and that ultimately operational considerations, and cost considerations had to take precedence. The following comments from a seafarer sum up the commonly held view:

Seafarer: Bang! All power shuts down for some reason! What do you say? “I haven’t got my sleep, I’m going to stay in bed”? But part of your job is to fix it, that’s my job, so you've got to go down there and fix it... or you say “no” because you have worked a specific time?
Helen: What does the company want you to do? Would the company support you?
Seafarer: The company wouldn't say anything, as long as nothing happened.
Helen: And when something happened?
Seafarer: They’d say “how long have you been up?” If there was a major disaster, something really happened, oh yeah, of course they would. But then if I hadn't done it, what would have happened if I hadn't done it?

Shore-side managers suggested that this was a misinterpretation of company priorities by seafarers, and suggested that they were needlessly afraid of informing shore-side management of situations where more time was required on board to accomplish a task, or to deal with a situation before loading or unloading a cargo, for example. However, seafarers had a rather different account and stories circulated within the company about captains who had been dismissed following delays resulting from decisions to allow seafarers to sleep, following demanding situations where rest hours could not be observed. These stories added to the fear factor and the perception that safety was cost-constrained and was very much something that seafarers were expected to “pull off”, even in the absence of proper resources. One manager who recognized the fear among seafarers explained how:

When they [shore based managers] are pushed for cutting times ... then they [the seafarers] will, maybe not state their case that they need more time “we need preparation ... what takes two hours here will maybe take three or four hours” and this they are afraid to say (Vizla shore side manager).

Another described the ways in which profits remained a paramount concern of the company despite their espousal of “safety above all else”. He explained that:
Yeah cost is ... probably racing far ahead of the safety factor, yeah. It is because I am quite sure that companies like Vizla have to answer to shareholders and shareholders need to see [a] reduction in budgets, not increases. Sad but true (Manager: Vizla).

In more detailed ways, the company priorities gradually came to be revealed in the course of the case study. In particular, the manner in which the company operated at compliance level with regard to safety but at “beyond compliance” level with regard to some areas of environmental protection. One example of this related to the provision of survival suits for seafarers. In some companies, at the time of the case study, seafarers were routinely provided with a survival suit in their cabin. However, at Vizla the regulatory minimum number of survival suits were provided on board. Consequently, these were only available to the members of the small fast rescue boat team on board. This situation pertained until the international regulations relating to survival suits were amended, whereupon the company was concerned to comply with the changes “ahead of time”, to promote an image of responsibility. Until this occurred, survival suits had not been prioritized by the shore-side team responsible for safety, because of the budgetary constraints within which they operated. As one manager explained:

I think it is definitely at the back of the mind [cost] because, like everything else, even the safety budget is a certain amount and there are probably times when I’ve cut items because it could have exceeded the ship’s budget (Manager Vizla).

However, this situation did not apply to issues of environmental protection and, at the time of the case study, the company had just lifted all budgetary constraints relating to pollution avoidance. This was driven largely by the substantial fines that had been introduced in the USA for ships breaching both international and local environmental regulations. A manager described the company decision as follows:

I guess from the company point of view they are just looking at the cost factor. Let’s face it, regardless of how much they talk about safety, they finally count the cost factor. One good example of it, unfortunately ... is that ... the recent environmental litigation that happened in the States, the senior management has now lifted budgetary control over environmentally related equipment on board. Now, unfortunately, nothing like that has been done ... for safety procurement. I mean, if you can, take up budgetary control over the environment just because they are probably going to affect you [financially] sitting here ashore why couldn’t you do that for, well, you know [seafarer safety]. It wouldn’t be considered for their safety because it only affects the seafarers out there. A sad fact of life, but it’s true! (Manager Vizla)

Overall it appeared that Vizla, as a large shareholder corporation operating in a highly regulated environment, was motivated very much by the “bottom line” when it came to considerations of both regulatory compliance and environmental protection. The promotion of a responsible image was described as important in relation to charterers and shareholders, and this public image related to both employee safety and marine protection. However, when faced with additional financial incentives, in the shape of a desire to avoid massively punitive fines and litigation, the company placed considerable priority on the protection of the environment in its resource allocation. Among seafarers and managers there was a
strong perception that the company was now governed by a board whose ethos was profit generation and business success, and that CSR would be practised and espoused where this aligned with these objectives. The normative attachments to CSR which were said to have existed when the company was family-owned were believed to have disappeared, since the paternalistic owner who previously ran the company had been replaced by a board and shareholders.

The case of Eagle

There was little doubt that in Eagle ship-management, the priority was for vessels to meet the standards established via international regulation and to avoid deficiencies and detentions from port state control authorities. This was the main objective for the company, which was very keen to market itself as a “quality operator”; a reputation that it was keen to establish via its record vis-à-vis the results from port state inspections.

Eagle’s main client in the operation of its fleet of container/ro-ros was a large shipper, QPR, which, in turn, had developed a series of relationships with companies wishing to transport vehicles and/or containers between the USA and Europe. It was evident from the interviews that Eagle was not under pressure from QPR with regard to the protection of its relationships with charterers. Indeed, many managers at Eagle had very little insight into the relationships between QPR and even its larger clients, as the following comment demonstrates:

Helen: And so do you get the feeling that the relationship is a very good one between [QPR] and their customers?
Eagle manager: I don’t really have any knowledge about that, but they keep on using us so yeah I think so. And since we go the same route all the time, almost like a ferry, so we have got our route so the same company use us for the same cargo on a regular basis. Of course I believe [QPR] owners are very keen on keeping those contracts, I think the relationship is good but I don’t know.

Alongside one or two major clients, including a well-known car company and a furniture retailer, QPR also offered services to smaller clients. From the perspective of Eagle these small clients remained anonymous and very difficult to identify, as one manager described:

[...] it is not so easy to see who the customer is, there is a total mix of cargo if you have seen, and looking for the container who is this container, they borrow it just for this but it is another name on it. I have to dig very deep, and if I have to find out who it is (Eagle manager).

QPR’s clients were generally reported by both seafarers and shore-side managers to take little interest in health and safety or the environment and its protection, and were rather more concerned with transporting their cargoes in clean ships (i.e. relatively grease and dust free) without incurring damage. More generally, they were regarded by staff at Eagle (both managers and seafarers) to be more sensitive to price than to health and safety and the maintenance of the vessel. One manager explained: “I think the customers if they find a cheaper solution I think they would take that” (Eagle manager).
While a seafarer put it like this:

The people on board we are still very old fashioned, we would like to have a nice vessel and so on, but I don’t think that for the ship owner it is priority number 1. For us on board it is and we have to fight and explain why we would like to do this. But I think that is more now the last 10 or 15 years than it was before because if the customer saw a very nice vessel and they were on board and everything was more or less perfect they got that customer, the customer is more sensible today, they look for the price. We can freight over 10 containers for half the price, they don’t care about how it looks like (seafarer on board *Sea Hawk*).

However, both seafarers and office personnel cited one exceptional example of a company which was one of QPR’s major customers and which sent auditors to the vessel. This company took a much broader interest in the ship and living conditions than other customers of the charterer. A seafarer described how:

*Seafarer*: They were interested in the crew and how the crew are living, and they were looking in the cabins, and there was a lot of that because they also get some complaints. *Scan Co* from Sweden, I can say there has been a big discussion about them buying things from workers from India and their children and there was a lot of things like that. But we don’t get these problems here but they were very interested about that and the standard of the cabins and that.

*Helen*: And did you see anything improve on board after that? Did the company respond in any way to the *Scan Co* interest?

*Seafarer*: We didn’t get any responses, so I cannot say that we are better or worse than before. We have that standard and we are still keeping it.

*Helen*: Do any of the other customers come on board to look at these things?

*Seafarer*: Um yes, [Company Name 30]. We take cars for them so they are on board very often, a couple of times 3, 4 or 5 times a year it depends.

*Helen*: And do they take an interest in health and safety and the seafarers?

*Seafarer*: No they are more interested about their cargo. But *Scan Co* was very much more interested in what I was thinking from the beginning, but after when I thought about it is because they got a lot of complaints and that is also the thing about money.

Notwithstanding this exceptional example, client relationships overwhelmingly lacked influence on standards of health, safety and environmental protection on board and, as a result, there was very little incentive for Eagle to demonstrate credentials with regard to the exercise of CSR in the sense of going beyond existing regulatory requirements relating to both health and safety and the environment. However, in the absence of such pressures from the “supply chain”, it was interesting to note that among shore side managers there was a perception that safety mattered for its own sake, and there were remnants of a normative attachment to safety that appeared to relate to specific personnel in the company and the constitution of the board of directors. However this paternalistic desire to exercise CSR was tangled up inseparably with the desire to market the company’s regulatory compliance and, unlike the case of Swan (where the priority was on environmental protection), the company had not established clear priorities to operate “beyond compliance” in any single sphere. The mixed motivations behind corporate priorities were expressed in a number of ways and included the comment that:
[the company priority] is care for the individual and everyone else around, but the individual comes first. I mean you read any ISM manual and the master has overriding authority to save a life. Life comes first, safety at sea, SOLAS... Within this company the promotion is, that is as [the general manager] says that is one of our selling points to the clients is we have a safety culture (Eagle manager 39).

[The ] Priority [for Eagle] is to keep the management [contract with QPR] I guess and to make a profit out of it... But of course if they have any accident on board which then comes out because we didn’t have that or because ISM was wrong that would not please the management at all. So of course that leads to safety work as well ... but I think the management priority is profit and to keep the management (seafarer on board Sea Hawk).

Thus, although customer perceptions and demands were not seen as driving the company to demonstrate that it went beyond minimum regulatory standards in terms of safety or protection of the environment, reputation in relation to regulatory compliance was important to the company and it wished to be identified as a “safe operator” at the quality end of the market. At the same time “quality” operators in this sector were seen to be those with consistent records of regulatory compliance. There was no pressure from customers to demonstrate efforts to exercise CSR in relation to voluntary standards. Similarly there was no evidence at all that managers perceived any savings to be associated with the exercise of CSR. Their comments were more indicative of an awareness that the preservation of life at sea was a basic human value but that the pursuit of safety came at a cost. Consequently they suggested that the imperatives of economic success limited the company’s aspirations with regard to voluntary standards.

The case of Swan

Like staff at Vizla, the shore-side management at Swan were clear in stating that their priorities, as a company, lay in the protection of the environment and that this took precedence over concerns with sea-staff and their health and safety. At the beginning of an interview with two key senior managers responsible for health and safety (including environmental safety) this was made evident when they described how:

There is no doubt that it is evident from our sustainability record that the environmental aspect is the prime mover force. As we say on safety, health and safety, we are more on what we would call a compliance level (Swan managers interview 2011).

They went on to describe how the company was concerned to achieve regulatory compliance with regard to seafarer health and safety, but in terms of environmental issues they stated that they wished to perform at a level that was better than that. In short their priority for the exercise of CSR, in going beyond regulatory minimum standards, was environmental protection. They explained it in this way:

2 The company was not pressed on which specific areas of environmental protection they were least interested in pursuing.
[In relation to environmental issues] we are moving from compliance to become more beyond [compliance], but as the illustration here clearly also shows, [points to graphic in a report he has with him] what we are driven by is the environmental issue should rank [highest] and that has a highest number [priority] in Swan [...]. That said and I think it is also important to stress that it is not because health and safety is not important but that [putting the environment first] is the view the company has in differentiating between what is actually included in the HSE work (Swan manager interview 2011).

For Swan the drive to present publicly “green” credentials was linked to the perception of what customers in their sector wanted. They identified more pressures from charterers to perform well in relation to health and safety in the tanker sector than they did in the container sector, where customers were not very interested in these matters. In the container sector customers did, however, take an interest in environmental issues such as “carbon footprint”. In their words:

Swan manager no 1: There is no doubt that if we compare ourselves with the tanker industry which as you have been doing, they have a lot of industry drivers for safety and health. And some are not really active or present in the container industry, not the customer focus...

Swan manager no 2: And you can say that where the tanker world is driven by the oil majors and they are looking very harsh into the safety part, then our industry at least you can say that the big shippers are, for them it is more important to show the buyer of any product that it has been transported in an environmental friendly way. So it is a little bit the opposite.

Helen: So you see the buyers as having more of an interest in the environmental side than in the health and safety on board kind of thing?

Swan manager no 1: That is how our company has assessed it, that the environmental and that is very much because we have a lot more customers than for example tankers, they may be concentrated on 20/50 customers, we have a lot more and people can probably use us, can much easily relate to CO2 emissions, environmental friendliness and hence this is a driver for us compared to safety. But as my officer said that does not mean that we do not prioritize safety, it is still important and we still have zero fatalities goals, we still have zero serious accident goals, we want to reduce our number of LTIs [lost time injuries] and work accidents etc. and which is basically what our function is working towards, improving safety as well, but from an “all company” perspective the priority is clear. What is our difference [to our competitors] commercially, that is the environment.

Swan manager no 2: We can say that the big shippers [i.e. clients/charterers] ... for them it is more important to get an environmentally good looking emission footprint than the safety... We know that Companies like Scan Co, and Market King and these big shippers they are looking very much at the environmental footprint ... And what we provide for each customer on that ... they get a survey on a monthly basis where they can see how much they have actually saved in respect of CO2 and emissions in general compared to if they had used, well compared to other companies (Swan manager interview 2011).

Managers at Swan made reference to commercial success and the links between these and CSR but they did not recognize direct links between CSR and better financial performance per se. In teasing out the company’s priorities and the drivers behind these, it became apparent that the public profile of the
Swan brand, both nationally and internationally, was a huge driver in relation to health and safety and environmental performance. This profile was considered by the management to be more significant in terms of influence on practice than the “family values” that were considered to underpin the corporation. As one manager explained “we have our values and we would hope that would apply irrespectively of who owned us”. Nevertheless, despite the company history it seemed that the priorities of the shore-side management at Swan were not driven by paternalism or strong normative affiliations (although managers professed to hold these) to the extent that they were driven by market considerations and sensibilities.

At sea priorities were interpreted a little differently. On board the vessel Beluga seafarers had incorporated environmental awareness into all operational matters and, in order to meet their personal key performance indicators (KPIs), the vessel had to maintain particular speeds and revs per minute (low energy consumption or “slow steaming”). This focus had become ingrained in practice to the extent that it was not a matter for debate or discussion but merely a “given” on board. However, adhering to safety standards (personnel) had also been linked in some ways to KPIs. In one illustrative incident, there was some dismay among the seafarers aboard Beluga when a young fourth engineer cut his hand and required hospital treatment ashore. Rather than sympathy from some officers there was irritation, and the captain made immediate reference to the impact on one of his KPIs. The incident prompted the following field note:

The fourth engineer has cut his hand. The captain has heard about it and asks the chief officer to check whether or not the fourth engineer requires stitches ashore. He does not appear sympathetic in any way in fact rather the opposite as he complains that his “bloody KPI is blown”. Later, when the Chief and Captain have left the mess room the fourth engineer arrives. He looks bashful when the electrical engineer sympathetically asks about his hand. I have the feeling he feels ashamed as though he is to blame for his accident (in keeping with the message that all the safety literature on board promulgates). When I let him know that the chief is looking for him to see if he needs to go ashore for stitches he leaves his lunch and comes to stand near me and tell me what happened. “I didn’t do it deliberately” he says earnestly... (Beluga field notes 2015).

This incident implied that on board, seafarers did not strongly differentiate between company safety priorities and environmental priorities, despite the fact that the company itself clearly identified the environment as its priority. However, there were indications that seafarers were aware that the company was less concerned to pursue proactive safety policies than proactive environmental policies, and that many of the safety concerns enshrined by the company in management practices derived directly from regulation and a desire to comply with it rather than a commitment to voluntary standards. In one illustrative example, a seafarer commented “thank God for the MLC [Maritime Labour Convention]. Before we were working like dogs”. In another example seafarers complained about the uncomfortable mattresses on board and how these were not replaced despite the complaints to the company that had been made.
In this context it is worth noting the MLC contains a reference to the need for comfortable mattresses as “guidance” and that these are not included under MLC as “mandatory”. These examples were described by seafarers as tangible indicators of management priorities and the extent to which seafarers’ health and welfare were regarded as less important than other factors such as profits and the environment. Thus lost time injuries did matter to the company but whether or not seafarers had adequate rest was of less importance.

**Case study company priorities for CSR**

In summarizing the case studies, it is apparent that in the two largest owner/operator companies, Vizla and Swan, there was a concern to be seen to be exercising CSR in relation to the protection of the environment. In the case of both companies, this drive appeared to be fuelled by a perception that environmental issues mattered to charterers and that apparent commitment to the protection of the environment was ultimately a route to the achievement of a “competitive edge”. This desire to exceed regulatory minimum standards did not extend to health and safety, as can be seen in Figure 1, which shows the objectives of companies with regard to the exercise of policy in particular areas. Thus in some areas such as environmental protection, companies sought to exceed the standards demanded by regulation (going “beyond” compliance) and in others they merely sought to meet regulatory minimum standards (see Fig. 1).

At Vizla the prioritization of environmental protection related to the removal of limitations on the budget for environmental protection, which was in contrast to the operation of strict budget limits in relation to the pursuit of seafarers’ health and safety. At Swan, company personnel were clear about the corporate priorities which had been articulated in corporate materials and communicated to all personnel. Eagle was the only ship management company to be included among the case studies and, as such, it had less leeway in terms of the establishment of priorities. While there were some expressions of a commitment to safety over and above other concerns, this aspiration did not seem to be borne out in practice. Similarly, while the company wanted to present itself as operating at the “quality end” of the market, there was an awareness that in order to secure contracts for the management of vessels, the company faced cost constraints that placed limits on such aspirations.

3 Specific mention was made of the avoidance of oil pollution and reduction in CO₂ emissions.
Conclusions

The concern that was identified at Swan, to display environmental awareness and “green credentials” in order to satisfy customers, is at odds with some of the findings that have been presented in earlier studies of CSR in shipping, where research has indicated that shippers and forwarders who represent the customers of Swan pay scant attention to environmental issues when selecting their ocean carriers (Lammgård and Andersson, 2014; Van den Berg and De Langen, 2016). They are generally considered to be much more focused on price, which accords with the perception of seafarers and managers based within Eagle ship-management (De Langen, 2007; Tongzon, 2009). This disparity in findings (between Swan and Eagle) may relate to the size and public profile of Swan. Unlike Eagle, Swan demonstrated a high degree of sensitivity to reputation as both a national and international brand. The difference could also indicate that as an ocean carrier of choice for some other large well-known brands such as Market King, which were also concerned to protect their brands in the face of consumer pressure, Swan (unlike Eagle) was forced to respond to their “unusual” concerns in this area.

It seemed that the experience of Eagle was more typical of the container and vehicle transport sector in experiencing negligible pressure from charterers with regard to environmental protection. While Eagle was aware of charterers’
interest in the secure stowage of cargo and in the cleanliness of the cargo areas on board, managers were not under any pressure to demonstrate anything other than regulatory compliance with regard to both seafarer and environmental protection. This confirms the accounts by some academics of the ways in which many shippers and forwarders are currently overlooking the direct benefits of environmental protection (Van Den Berg and De Langen, 2016).

The case of Vizla was different from both Eagle and Swan inasmuch as, in prioritizing environmental protection in relation to establishing high voluntary standards, senior managers seemed to be motivated primarily by a desire to reduce the risks of the very high financial penalties that had been introduced by some port states with regard to pollution incidents. For Vizla the pursuit of regulatory compliance in relation to all matters was a necessary feature of operation within the highly regulated tanker sector, where charterers operated their own inspections and codes of practice over and above those established via international regulation. Within these regulatory regimes they nevertheless aspired to go beyond compliance with regard to concern to protect the environment, but here they appeared to be motivated by the potential financial consequences of environmental damage rather than by international regulations as such. They wanted to do whatever they could to reduce the risks of environmental contamination, because they feared the huge fines that could be imposed by states following pollution incidents.

In the case studies described here, none of the managers or seafarers identified direct positive links between financial performance and environmental performance *per se*, despite the fact that this has been identified as a positive feature of CSR by some authors (Molina-Azorín *et al.*, 2009). This can possibly be explained in the context of research findings which indicate that there is little appetite among charterers for environmental performance that comes at a financial cost (Fries *et al.*, 2009). Thus companies such as Swan perhaps see the enhancement of their reputation as the main benefit of environmental protection, while understanding that unless it comes with competitive pricing it is unlikely to yield benefits with regard to financial performance overall (Cariou, 2011; Lättilä *et al.*, 2013). This perception is endorsed by evidence that companies do not consider shifting to alternative modes of transport as a result of environmental considerations (Large *et al.*, 2013; Lammgård and Andersson, 2014) and, by the same token, when they do shift it is in pursuit of reduced costs and higher service levels (Eng-Larsson and Kohn, 2012).

Whether it came as a result of the pursuit of high reputation (and therefore greater marketability to charterers) or as a result of a desire to avoid damaging (and potentially bankrupting) fines following cargo spillage, the evidence from the case studies indicates that seafarers are right to lament, as they frequently do, that “they”, by which they mean the public, the companies, and the regulators, “care more about seabirds than they care about us”. They identify that

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4 The lack of such identification was particularly curious given the awareness across the industry of the degree to which slow steaming not only impacts CO₂ emissions, but also saves a great deal of money in terms of fuel budgets.
vessels such as **Swanland** and **Cemfjord**, which have recently been lost with crew-members on board, attract less public interest and live for much shorter periods of time in the “public memory” than oil spills such as those caused by other vessels in comparable areas, such as **Sea Empress** and **Braer**. The evidence presented here suggests that it is for these very reasons that companies may aspire to the exercise of CSR in relation to environmental issues, while they seek mere regulatory compliance when it comes to standards of health, safety and welfare. This is strongly indicative of an approach to CSR which is not value-driven and does not conform with current definitions of CSR as described by Carroll (1999) and in the introduction to this article.

**References**


