



Geographic limits to global labor market flexibility: The human resources paradox of the cruise industry

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ABSTRACT

The cruise industry enjoys arguably the most flexible and globalized of all labor markets. Yet, in an apparent paradox, cruise lines face a potential labor shortage, despite the fact that the bulk of their labor is sourced from the Global South where a large labor surplus would seemingly make recruitment a simple process. This paper examines this paradox in greater detail with a focus on the tension that exists between the industry's demand for a flexible labor force, and the need for workers who maintain the skills required of a cruise ship job. It is argued that the contemporary geography of global labor recruitment is constrained by the particular political, economic and cultural circumstances of individual source countries that make certain cohorts less attractive or available as a workforce. In practice the need for skill and flexibility are not always reconcilable and cruise lines have found that there is a geographic limit to labor market flexibility. The article is based on interviews with various stakeholders involved in either working on cruise ships or in recruiting workers. Special emphasis is placed on Filipino cruise ship workers and labor recruiters as a means to discuss labor recruitment for the entire industry.

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1. Introduction

As production becomes more globalized, geography comes to play a greater role in determining how industries will secure their labor forces. Theoretically, globalized labor markets provide a means of achieving optimal labor market flexibility. Yet, in practice, human geographies set limits to the degree flexibilities can actually be found even at a global scale. This paper examines labor market flexibility as it is manifested in the highly globalized labor market of the cruise shipping industry.

It seems a general consensus exists both explicitly and implicitly that global neo-liberal capitalism creates a “malleable” and “responsive” employment situation that promotes non-standard work and provides management with a great deal of leeway to mold flexible work regimes to fit its needs (Oladeinde, 2008, p. 57). Thus the relaxation of labor supply rules in labor-short states has resulted in the growth of a “transnational working class”, that “exhibits great ‘labor flexibility’, increases the pool of army reserve of labor and furthermore, intensifies labor subordination to capital” (Kong, 2007, p. 14). In other words, with the emergence of global labor markets, “companies are now free to search the world for the most rightless and disempowered workers...in a position of having to accept bargains of desperation” (Bonacich and Wilson, 2008, p. 18). Within this broad purview,

“labor other than as an occasional short term impediment, is no longer a problem for capital” (Cumbers et al., 2008, p. 371). Deindustrialization in the Global North and the rise of sweatshop labor throughout the Global South attests to this. Yet even for globalized industries, maintaining a steady labor supply can represent a significant challenge. This reflects a broader failure of even the most nuanced strategies for conceptualizing globalized production. For example, even the global production networks (GPN) approach which has been lauded by many economic geographers for its ontological strength (e.g. Dicken et al., 2001; Henderson et al., 2002; Hess and Yeung, 2006; Coe et al., 2008), has not produced much work that treats labor as a fundamental component of global production networks. Instead, GPN research has tended to focus on how economic governance sustains accumulation, while the social relations of production have heretofore received little attention (Cumbers et al., 2008).

Labor in the cruise industry provides an ideal empirical study area within the GPN approach as its labor market is perhaps the most globalized aspect of one of the most globalized of any industries, and therefore provides a snapshot of potential labor–capital relationships in the advent of more liberalized global work regimes. While there are many industries that operate transnationally, the shipping industry in general and the cruise industry in particular are unique in the ability to leverage an extremely liberalized labor market that allows companies to recruit the most globally diverse set of workers possible. This includes positions that have often been considered low or semi-skilled that remain highly restricted to local labor forces

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in most countries (Nonnenmacher, 2008). With work occurring in a deterritorialized context on board ocean-going ships, cruise lines can legally recruit workers from wherever they choose. A common cruise ship will regularly employ dozens of different nationalities for its crew, which is one of the many reasons why Wood (2006) describes the cruise industry as a “paradigmatic case of globalization”. Despite this advantage, cruise lines have not necessarily found a panacea that allows them to continually keep their ships stocked with a fresh supply of seafarers recruited from a bottomless pool of transnational laborers. In fact, in an apparent paradox, cruise lines today fear a potential worker shortage, even though the bulk of their labor comes from high unemployment regions that would seemingly ease any labor supply problems. Furthermore, the fact that some labor source regions dominate the labor market, suggests that socio-economic factors attached to particular nationalities play a significant role in determining from where labor will actually be drawn.

This article examines this paradox in greater detail. In particular, I focus on the tension that exists between the industry's demand for a flexible labor force, and the need for workers displaying a specific skill set appropriate for work on board cruise ships. In practice, these two needs are not always reconcilable and as such cruise lines have found that there is a limit to labor flexibilities that is rooted in the uneven nature of labor supply. I extend the suggestion that while transnational workforces allow employers to tap into the widest possible labor markets, with seemingly endless possibilities for contributing to strategic operational flexibility, there are geographical limits to sourcing talent. Due to political, demographic and cultural characteristics of labor supply countries or regions, the ability to recruit suitable workers varies significantly from place to place. Even in lightly regulated global labor markets with a seemingly endless surplus of workers willing to accept difficult working conditions, low wages, and many forms of risk, the geography of labor recruitment within the cruise industry limits the actual size of the reserve army of workers. A combination of a need for skilled workers, cultural characteristics of local labor markets, and worldwide demographic shifts limits the degree to which companies can easily replace workers at low cost. Thus workers who embody the qualities that are necessary for a cruise ship job are not necessarily easy to locate, even though cruise lines operate in a regulatory environment that is generally conducive to their recruitment efforts.

This article serves to shed light on these limitations by focusing on seafarers in the cruise industry. Although the context of this article applies to seafarers of all nationalities, data collection primarily involved Filipinos due to their ubiquity on cruise ships where they comprise close to one third of all crewmembers industry-wide, and because Manila hosts a critical mass of manning (staffing) agencies that could be sourced for interviews (Wu, 2005).

This study draws on over 80 semi-structured interviews conducted between February 2007 and March 2009 with various stakeholders associated with cruise ship work. Roughly 60 of these included interviews with workers. In Manila, I conducted interviews with workers in the streets and cafes that surround manning agencies. Additionally, two manning agencies arranged for me to speak privately with various (roughly 20) workers who were presently at the agency conducting business. Also in Manila, I interviewed recruitment managers from eight of the ten major manning agencies that supply the cruise lines with Filipino workers. In Miami, Florida and Charleston, South Carolina, I conducted interviews with workers of various nationalities who had come ashore while their ship had docked in port. Interviews with non-Filipinos helped to balance the data by avoiding an over-reliance on Filipino sources and forge a more holistic image of the cruise industry. As the home port for one particular vessel, Charleston yielded particularly rich interviews. On Saturdays, I was able to

meet with many of the same workers over the course of three months during its weekly turnaround. Also in Miami or by phone, I interviewed three corporate human resources managers from major cruise lines, two personnel trainers and two port chaplains. In all cases, names of people and companies are changed or omitted in order to maintain anonymity.

This article begins with a discussion of labor flexibilization and how such processes relate to labor concerns in the cruise industry. Here, I pay particular attention to what labor flexibilization means for cruise ship workers, both in terms of their job duties as well as their vulnerability in the workplace and job market. This is followed by an analysis of the limits to labor flexibilization on cruise ships in light of broad demographic and economic changes. The paper concludes with a discussion of future concerns for the industry and its workers.

2. Flexible production and labor flexibility

Macroeconomic changes in the past few decades have made the issue of flexible production a central topic for economic geography. Although often loosely defined here I refer to labor flexibilization as a process characterized by labor forms decreasingly constrained by time, space and organization and which are increasingly adaptable to the changes in the marketplace (Villarante, 2006). Flexible work generally involves a move towards non-standard employment characterized as work by contract, organized on an individual rather than collective basis, without full-time benefits (Kalleberg, 2000, 2003; Standing, 1999; Storper and Scott, 1990; Peck, 1996). This coincides with a movement away from unionized workforces and includes the increased use of contractually-based “contingent” workers who can be hired or laid off as business cycles demand (Belous, 1989; Peck and Theodore, 1998, 2001; Peck, 2000; Carnoy et al., 1997; Barker and Christensen, 1998). Operationally, flexible employment involves any work that is either not full-time or where the duration of employment is indefinite (Ozaki, 1999). This numerical flexibility gives companies the ability to quickly and efficiently control staffing levels at minimal costs (Standing, 1999). This shift has been global as temporary staffing services have grown in international importance over the past decade as states have liberalized their labor markets enough to allow temporary contractual work to blossom (Peck et al., 2005; Coe et al., 2007, 2009). In the Global North low-end service positions in cleaning (Aguilar and Ryan, 2009; Savage, 2006), care giving (Rhee and Zabin, 2009), and hospitality (McDowell et al., 2008; Tufts, 2009) have been made increasingly flexible, characterized by part-time, precarious, gendered and often migrant workforces, often provided via staffing agencies. For example, in London this has become something of an industry norm (Lai et al., 2008; McDowell et al., 2007, 2008).

Flexibility can also be *functional* in that workers are increasingly expected to perform a variety of tasks potentially outside their official job duties (Ioannides and Debbage, 1997; Kalleberg, 2003; Storper and Scott, 1990). Companies increase productivity by allowing fewer workers to perform the tasks that might be required of a greater number of individuals in a rigid structure. In such cases, a limit in quantity of workers does not preclude the quality of the individuals who remain, and in fact might generally point toward the employment of higher-skilled people who can better adapt to changing workplaces (Ozaki, 1999). In short, for workers, flexibilization can mean anything from decreased job security, an expansion of job duties, or even flexible working hours. As such, labor flexibility is presented in both positive and negative terms.

With regard to the later, flexible work regimes represent increased insecurity for workers (Tombs and Whyte, 2006; Allen

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