



Captain Rajesh Unni, founder of Synergy Marine Group, believes employees owning shares will be better motivated to perform. Photo: TradeWinds Events

Seafarers to be shareholders in ship manager Synergy Marine

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By **Bob Rust**  in **Oslo**

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Ship manager Synergy Marine plans to give shares to its seafarers in a process parallel to last week's distribution to shoreside employees.

The proposal comes simultaneously with private equity investor Searchlight Capital's purchase of a shareholding in the company, as TradeWinds reported last week.

Singapore-based Synergy is the world's fourth-largest third-party technical ship manager.

It has been light on specifics about the size or pricing of the employee share deals. In its original announcement, it only characterised the number of employees receiving shares as "significant", and said Synergy founder and chief executive Captain Rajesh Unni would remain the majority shareholder.

In a phone interview from Chennai, Unni disclosed that "between 100 and 200" workers had received shares, all shoreside staff. Synergy employs about 2,000 on land, with the greatest number in India.

The form that their shareholding takes remains “somewhat confidential”, Unni said.

But a number of seagoing employees will be the next to become owners.

“We will find an opportune moment, and that will be the next step,” he said.

Unni intends to remain in control, but claims he wants to make radical-sounding changes in the relation between owner and worker.

“I want to overcome the inequities of the traditional employer-employee relationship,” he said.

“The question is how you move from a motivation that is based on salary and performance-linked bonus, — with employees who think, ‘If somebody pays me better, I will go work for them’ — from that to one based on a sense of belongingness and ownership.”

He said he has not studied the experience of other companies that have pursued an equity-sharing approach to promoting performance, but rather looked to what has motivated him in his career.

“A sense of partnership has been the igniting energy of my own leadership journey, and hopefully I have ignited something here that people will go back and look at.”

He thinks the best way to promote performance is not by numerical measurement of key performance indicators (KPIs), but by giving employees a sense of ownership in the company.

“If a company’s objective is to transform the way it engages the customer and creates value, that can’t be measured by KPIs,” he said. “If the goal is, ‘Try to find the best way to minimise the carbon footprint of the vessel’, KPIs don’t capture that.”

Unni gives shipboard safety culture as the kind of performance that needs qualitative rather than bean-counting measurement: “If your goal is to create a safety culture, the measure of whether you have done so is whether the lowest-ranking member of the team is able to stand up and have the courage to say no.”

No exit target

As for the new private equity investors, Unni said Seachlight Capital has not been discussing a specific exit plan or target date yet, and that although the

investment comes with representation on the board, Searchlight does not have a consultancy or management role.

“When we think, ‘Here is a problem we need to solve’, they provide their ideas,” he said.

Unni said he had been in talks with Searchlight for two-and-a-half years.

In addition to their cash, what he wanted out of them was help in their approach to digitalisation, and specifically to digital means of achieving decarbonisation.

“We wanted them to help us bring diversity into our thinking.”

Some players have approached digitalisation mechanically, in his view, as a matter of taking printed operational manuals and translating them into digital documents and procedures, but according to Unni, his new investment partner has helped some of its investees make more fundamental changes.

“Decarbonisation and digitalisation are big daunting tasks. We see what they have helped other businesses attain in other industries,” he said.

“One thing is clear, I’m still in control,” he emphasised. “They thought of us as the ones who could build a bigger platform in ship management. We wanted a partner not to change our business or our culture or our management team, but to help us think differently.”