

NO ADDED VALUE WITHOUT SKILLED WORKERS

Logistics is an economic sector which plays a significant role through the whole supply chain. It enables division of labour and is therefore an important aspect of globalization. It is a major competitive factor for the companies involved. Therefore, the logistics sector has a strong growth and because of that there is a serious logistics skill shortage.¹ It is important to mention that the logistical quality depends highly on the employee qualification of each service provider.



In the worst case the logistics skill shortage could lead to a breakdown of specific supply chains within e.g. the automotive industry or any other industry. **82 percent** of the employers expect that the logistics skill shortage will have a negative impact on the development of their company.¹ The reasons for the supply bottleneck are diverse. The image of the logistics and its apprenticeships is low and are further decreasing compared to academic career paths. The salaries are low compared to other industries.

Shortage of university graduates

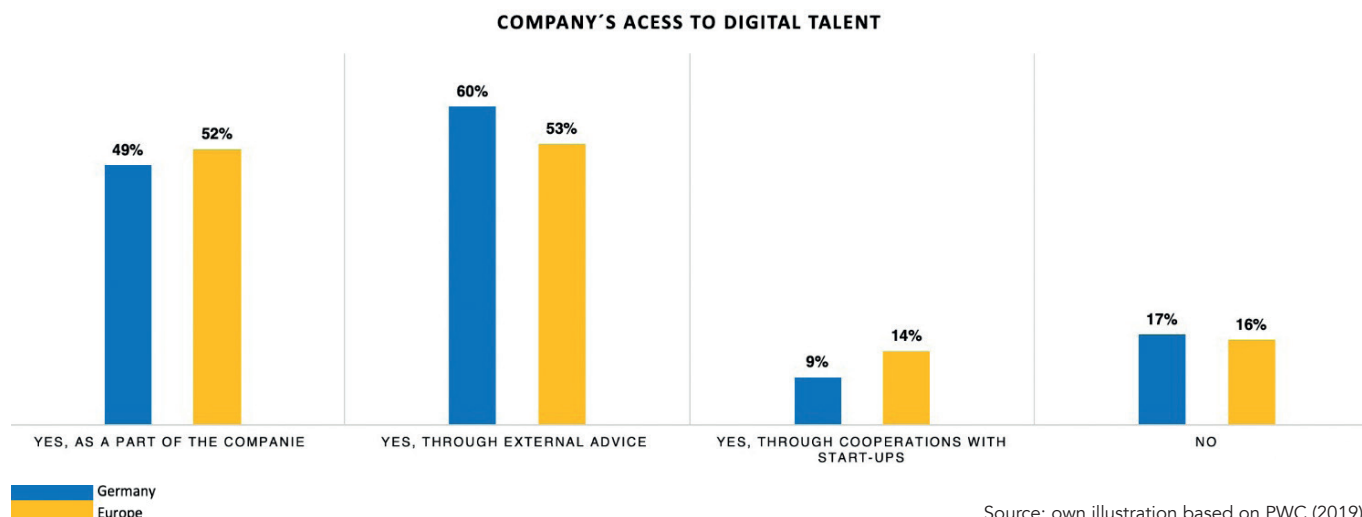
Is it important to you to become a manager after graduation with a high salary, a short working day and the possibility of working from home? Then a logistical service provider is not the place to start your career. The logistic sector cannot cope with such expectations furthermore there is no time for coaching by your supervisor during daily work. Additionally, it is necessary to be at the facilities the whole time for direct communication in the form of shop floor meetings. Because of small profit margins of only three percent graduates cannot expect a high salary.² However, there are other important aspects for university graduates besides the salary. The so called “**heart skills**”. They include flexible working hours, further education and training opportunities and the option to do home office.³ We think it is not possible to achieve every positive aspect, however companies have to agree to a compromise to recruit young university graduates. It is a hard challenge for each logistic provider but it has to be done to increase the image from this line of business. It is necessary to prepare logisticians for the future challenges because the resource of qualified staff is crucial for every company.

Transformation induced by digitization

Do you struggle with your smartphone, prefer to write letters instead of e-mail and would not trust a self-driving car? If that is the case, you probably should not work in logistics. Intelligent warehouse management systems, digital twins and platforms like Uber Freight® or Ticontract® are advancing and will change the logistical work environment fundamentally. The daily workflow of employees is changing towards the use of social media and smart devices which require a high amount of technical affinity.

SAP and other tools are already indispensable. If motivated applicants do not match these skills, they cannot be considered by the employers. This is probably one of the most critical aspects considering the recruitment of logistics professionals. At the same time, it is a great chance for young people who want to start a career with a logistics provider.

In our opinion it is necessary to use the tools of digitization to optimize logistical processes within the whole supply chain. Furthermore, it defuses the logistics skill shortage by replacing manual activities with automated information flows like EDI interfaces between the shipper and the supplier. The digitization could also solve intensive administrative and laboring activities.

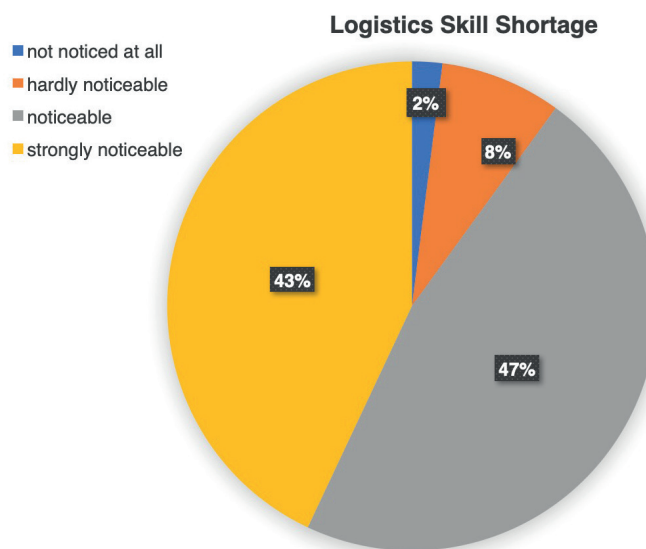


Shortage of qualified employees

Do you want to work in a job that requires you to work shifts during night, on weekends and getting paid the minimum wage? No - For many young people this professional field is unattractive for mentioned reasons. On the other side, there are a lot of chances because logistics is an expanding economic sector. Out of scope of the Covid-19-crisis there is a really good job security which is further improving with increasing demand. This thesis is supported by the adjacent visualization.

Employers within the transport and logistics sector say that **90 percent** of the skill shortage is already noticeable.⁵ This becomes apparent with the current and estimated future lack of truck drivers. It is estimated that there is a shortage of up to **60.000** truck drivers in Germany.⁶ The deficiency results in a current supply bottleneck for the ordinary citizen as well as big industrial companies. The importance is underlined by the fact that even the politicians work on practical solutions

like the legalization of driving licenses of non-EU countries in Germany.⁷ At the same time freight forwarding companies try to achieve the same results by solutions like improving their fleet, offering driving training, increase salaries and build modern boarding houses to allow their drivers to do the weekly rest.



Logistics Skill Shortage as opportunity

Due to pressure in the German job market companies are forced to improve their working conditions and offer additional work-balance benefits to satisfy their workers. Concurrently logistic companies have to use online-platforms like Xing® and LinkedIn® to recruit new staff. Furthermore, the companies are forced to consider lower skilled applicants which have not been considered before. This inevitably leads to more diversity in the workforce. Multicultural teams seriously enrich the company and might as well enrich the world-wide supply chain.

We hereby allow Ms. Schulz to publish the article.

Sources

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⁶ **Arts Holding SE (2020)**, A sign of the change – skills shortage in logistics, URL: <https://arts.eu/insights/article/a-sign-of-the-change-skills-shortage-in-logistics/>, (accessed 14th of October 2020).

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⁹ **Wiedmann & Winz GmbH (2020)**, URL: https://www.wiedmann-winz.de/wp-content/uploads/lagerlogistik_cardgroup.jpg, (accessed 14th of October 2020).