

How to guide

Strategic approaches to improve employee retention and training in the Logistics Sector

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WHY READ THIS?

The European labour market maintains a large population with low levels of qualifications and skills. This guide seeks to identify ‘what works and why’ in regional efforts to up-skill workers in the logistics sector and retain them at their current places of employment. It includes typical challenges encountered by stakeholders, recommended approaches and best practice examples.

The guide sets out recommendations for action and related case studies with particular emphasis on how local and regional actors can support target groups and coordinate with one another.

CHALLENGES AND NEEDS ADDRESSED BY THIS GUIDE

Unattractive working conditions

Conditions such short-term and seasonal contracts can disincentivise long-term commitments to the logistics sector or a specific company.

Many low-skilled workers are dependent on public transit to get to and from work. Inconvenient locations and less than optimal shifts can make it challenging for workers to get to their jobs.

Shift work can also make it difficult to achieve work-life balance or meet the needs of school age children, particularly for single parents.

Challenges convincing employers to offer professional development opportunities

Employers and employees alike are often unaware of the opportunities and funding available for continuing education. Even if they are aware that opportunities and funding may exist, the prospect of learning more about these opportunities can feel overwhelming and bureaucratic.

Few flyers and brochures outline the specific opportunities to support qualifications for employees. The materials that do exist are generally weak with regard to visual appeal and content. Small and medium-sized companies in particular may not have the time and personnel to investigate professional development and skilling opportunities.

Whether an employer offers its employees further training is often dependent on the size of the company. Small and medium-size employers, which compose 90% of the logistics companies in Hesse, are often less prepared to offer more than basic training and mandatory healthy and safety trainings. In particular, they often lose employees who have completed an apprenticeship with the company and are looking for opportunities available with bigger companies.

Nevertheless, it can be challenging to convince employers that the long-term benefits of investing in their employees' educations outweighs the initial investment of resources.

Low-skilled workers do not necessarily see the personal value of obtaining further qualifications

Qualifications generally take a long time, and the wage difference between lower-skilled and higher-skilled work may not justify the additional time and energy.

Workers do not necessarily associate their personal identity with their work in the logistics sector, which can reduce their motivation to advance in their careers or devote time to further educational opportunities.

Obtaining a qualification can add unforeseen stresses

Beginning a qualification can seem overwhelming for individuals who may have been out of school for many years and who may have had negative previous educational experiences.

Qualification courses often take place in the evening and on weekends, which adds additional burdens to employees, who are expected to attend trainings in addition to their working hours.

Negative atmosphere in the workplace

Logistics is a high stress field, due to the physically demanding work, little room for error and time constraints.

Uncompetitive wages, temporary contracts and seasonal employment fluctuation lead to a low sense of personal identification with and loyalty to a particular employer. Workers often feel undervalued and expendable and therefore do not develop long-term relationships with an employer.

**Fewer
opportunities for
older workers**

There is an assumed age limit with respect to the physical burden of loading and unloading transport vehicles. Large companies may try to transfer older employees internally to a physically less-demanding field of work, but capacity for internal transfers are limited and consequently only temporarily possible. In small and medium-sized companies, an internal staff transfer is rarely possible.

RECOMMENDATIONS

Long-term retention of a qualified workforce is a key challenge facing the logistics sector as a result of demographic shifts and the changing nature of work. Successful retention efforts are dependent on transparency and collaboration between employers and employees.

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It is helpful to gain perspective from policies and strategies that are being adopted **in other countries in Europe**. The French How-To Guides may be especially helpful to see how a neighbouring country is approaching challenges in the logistics sector.

Offering improved wages alongside continued education can help retain employees and motivate them to take part in continuing education.

A **higher pay scale** can incentivize employees to stay with an employer. Paying extra for overtime or night shifts and providing bonuses can make employers feel more appreciated and motivated. Subsidizing job tickets or food allowances can act as financial incentives as well.

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Employers can **improve Work-Life Balance** among their employees by offering on-site daycare programs, flexible shift schedules and continued wages during temporary family or health-related absences.

Some employers organise shuttle buses or finance job tickets to **ease their employees' commutes**. They may also make **shifts more flexible**, so that employees can take advantage of public transit connections.

Training facilities can hold **local information sessions** or visit companies to inform them of the course offerings available to their employees, the advantages of further qualifications or continuing education for their workforce and about opportunities for financial assistance.

Word of mouth among companies and with trade unions can reinforce the importance of offering qualifications for workers while **informing companies about programs** that provide financial support for continuing education.

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It is helpful when qualification courses and professional development have a **clear and practical connection to the workplace**, so that employees see the relevance and usefulness of the material. Small working groups help employees collectively test their new skills and analyse their mistakes before using them in the workplace.

Better communication between training facilities and companies can highlight the connections between knowledge acquisition and practical application.

Providing employees a **clear and precise overview** of the structure, sequence and length of qualification and continuing education programmes helps motivate them and demonstrates the relevance to their current and future work.

Shorter qualification programmes are more appealing for current workers. While many qualifications used to require four years, many have been re-structured so that they can be completed in two years.

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Facilitating open communication can help develop a more positive work environment and motivate workers. It is important to have a free flow of information to employees and to have a **culture of dialogue and discussion** among employees and between employees and management. **Clear processes and assignments** foster trust, understanding and respect. It is also important for employers to be **open to suggestions for improvement** from employees, as this shows a willingness of management to be flexible and reflective.

Working together with employees to create a **company mission statement** that focuses on tolerance, acceptance and diversity can help employees feel more invested in and valued by a company.

Employees respond positively to **praise and positive reinforcement** from management. **Recognition of a job well done** creates a familial atmosphere and a sense of belonging.

Employers can improve employee satisfaction by **taking employee health into consideration**. Efforts such as subsidizing gym memberships, creating company sports teams and other activities show that the employer is concerned about its employees' health and well-being.

Company sports teams often compete against other teams, **developing a sense of company pride and identity**. Sports teams also provide opportunities to publicize non-business news in local press.

Stress-prevention activities and conflict management courses can also support a **healthy mindset in the workplace**.

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BEST PRACTICES AND USEFUL LINKS

- Profilpass – A continuing education series in collaboration with adult education centers aims to increase the skills and competences of workers. The profile pass systematically identifies and develops skills and competences that are relevant to the professional and personal development of participants and results in individualized competence profiles.
- Fraport AG, the Frankfurt Airport, used the development of a company mission statement to reinforce the importance of diversity among employees. By creating a charter of diversity, a more positive working atmosphere developed. They also created a drop-in center called, "Rainbow at Fraport" that focuses on issues of discrimination in the workplace. <https://www.fraport.de/content/fraport/de/unternehmen/karriere/fraport-als-arbeitgeber/Diversity.html>
- The DHL Group developed a company-wide health and wellness platform as part of a health awareness campaign. They were awarded the German Company Prize for Health from the BKK Federation of German Industries. http://www.dpdhl.com/de/presse/pressemitteilungen/2009/deutschepost_dhl_vorbildliche_gesundheitsfoerderung.html
- The logistics company Karldischinger organizes regular events on subjects such as Personal Care and Healthy Workplace. They develop and distribute company-specific brochures. As part of this health campaign, they have developed unusual shift models. For example, some workers can choose to have a 2:1 schedule, whereby they work two weeks in a row and then have one week free. Other employees can opt to work from home, and during parental leave, workers can stay in touch through a web-based Company Forum or through qualification and continuing education courses. <https://www.erfolgsfaktor-familie.de/index.php?id=477>

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- The Company U.I. Lapp GmbH won an award for the most family-friendly mid-size company in 2016. They have developed policies such as flexible working hours, part-time management positions, mobile working, on-site childcare, help finding off-site childcare and a family-friendly shift plan. The shift plan includes a shift bank, so that employees can trade with one another or cover for one another. As part of this shift plan, all employees are qualified to assume any role in the logistics department, so that they can easily rearrange schedules and substitute for each other. The exchange function uses a bulletin board and an electronic information board. The company also developed an employee blog that encourages employees to share personal experiences related to relevant themes. <https://www.erfolgsfaktor-familie.de/index.php?id=485>

BACKGROUND

This practical guide offers strategic recommendations targeted towards policy makers responsible for public employment, training and social inclusion policies, in order to increase the attractiveness of certain sectors and improve the job opportunities and the employability of low skilled people at risk of exclusion in Europe.

The guide is based on the conclusions of the Institute for Economics, Labour and Culture (IWAK), Centre of Goethe University established in Hesse, Germany within the framework of the Erasmus + REPLAY-VET project, with the aim of analyzing the barriers and identifying good practices to developing better labour market insertion of people with lower qualifications in the logistics sector. Three workshops were developed throughout Winter 2017 / Spring 2018, integrating vocational training providers, companies, social entities and representatives of public institutions (employment services).

The strategic actions are based on projects and recommendations that are helping or would help to improve the attractiveness of the logistics sector as well as to protect the professionals who currently work in this sector. Moreover, most of these strategies are transferable to the other sectors of opportunity identified by the REPLAY-VET project, which have similar challenges: gender gap, unattractive working conditions, negative image of the sector, etc.