



Talent: hard to recruit and harder to retain

Ian Putzger speaks to players across the project logistics supply chain about the challenges faced when recruiting, retaining and training staff. The industry's protracted slowdown may have reduced the impact of staff shortages, but longer-term challenges remain as the baby boomers hit retirement age.

Ehronic shortages of truck drivers and aircraft pilots have loomed over the industry for years and are predicted to become more acute in the years ahead. From China and the rest of Asia to North America, airlines have warned repeatedly that the growth in

aviation is not matched by a corresponding rise in pilot numbers. Warnings from the haulage industry have been even more dire. According to the American Trucking Association, the driver shortage in the USA will reach 175,000 by 2024.

There the challenge is most acute in the

long-haul sector, less so in the LTL and regional arenas. "That is where the pool has shrunk the greatest. It has spurred all kinds of bonuses for signing up drivers. In some cases it is almost a bidding war between companies," observed Bob Imbriani, executive vice president international at forwarder Team Worldwide.

Perilous shortage

The heavy haulage segment is facing a perilous talent shortage, given the long time it takes to train drivers and the looming retirement of a rising number of riggers. "Out-of-gauge (OOG) is even more difficult than finding long-haul drivers," remarked Imbriani, although he conceded that the

Fracht FWO is concerned about a shortage of experts in its field of business in the future.



situation is "not necessarily at crisis level".

Colin D'Abreo, chief executive at project freight forwarder KOG Transport, based in New York, agreed that the heavy and oversize sector faces unique challenges. "I think heavy hauliers and riggers are having a bigger problem than we are," he said. One heavy haul outfit that KOG works with regularly, recently had some staff poached, which left a big void, he noted.

Lately, quite a lot of business has come up with somewhat shorter lead times than usual, which has made it challenging to ramp-up resources for projects, reported Greg Tansey, president and ceo of Oregon-based Omega Morgan. Experienced supervisors and experienced project managers are at a premium, he added.

Marshalling sufficient drivers who have the necessary skills and experience is a concern, Tansey noted. "The driver shortage continues," he said. "We look for riggers first, drivers second."

As this issue of HLPFI went to press, Omega Morgan was debating whether or not to pursue one request for quotation (RFQ) because of manpower issues. This

particular project required the deployment of 14 employees over a six-month period.

Reiner Wiederkehr, chief operating officer of Fracht FWO, is also concerned about the future. "Do we foresee a shortage of experts in our field of business? Could the potential staffing shortages and resulting difficulties of placing the right employees in the right roles with the right salaries be a hindrance? Yes on all counts," he said.

Long-term concerns

The staff shortage issues could be a lot more pronounced if it was not for the slowdown in key sectors such as oil and gas.

"Given the downturn in the project logistics business over the past several years, there are some markets where the project guys may not have enough work to do," remarked Bruce Cutillo, general manager of the projects and dangerous goods networks at logistics network WCA, citing Australia, Dubai, Canada, Russia and Europe. "I think the real shortage of logistics managers will be fully seen once the project logistics market starts to pick up again."

Industry consolidation is also tempering the shortage of project specialists. "Mergers and acquisitions and a couple of closures are removing a number of senior managers. We see that trend continuing," said Imbriani.

D'Abreo said there are people on the market, particularly in Houston, as many freight forwarders have downsized activities. However, "it is a problem to get qualified staff," as in the past few years everybody on the forwarding side claims to do projects, he explained.

While the downturn of the overall project logistics business may have taken the edge off



The long-haul sector is where the pool has shrunk the greatest. It has spurred all kinds of bonuses for signing up drivers.

—Bob Imbriani, Team Worldwide

some staff shortage issues, it has also laid the seeds for deeper problems down the road, warned Cutillo. "The problem is that during a project industry downturn, recruiting trainees for project forwarding is also down — at the same time the older guys are retiring. The project management skill-set is developed over many years and is often held closely by few people in an organisation. This problem will only get worse when projects 'recover'," he pointed out.

The rising number of retirements as the baby boomer generation comes to the end of its working life is casting a long shadow. "The exit of the boomers will create some concern. There is a tremendous amount of experience walking out the door," said Jonathan Lamb, president of Lake Superior Warehousing at the Port of Duluth.

For Omega Morgan, which has a relatively young workforce, the issue has a silver lining. Some of its customers have replaced retiring managers with younger people who have strong skill-sets but less experience, and have come to rely more on the logistics provider as a result. "It has helped us to deepen relationships," Tansey said.

For the most part, replacing experienced supervisors and managers is a headache, with Imbriani describing the situation as "a bit of a scramble for experienced leaders".

Progression issues

Recruitment for entry-level positions is not without its difficulties. "There is no career path, no pipeline to develop these people," said Helmut Berchtold of logistics recruitment specialist adi Consult. "I do not know anybody who chose to become a project forwarder. Those I know were excellent forwarders who fell into that vertical."

D'Abreo noted that there is no shortage of logistics courses on offer at universities and colleges today, but none that target the project logistics sector.

Overall awareness of logistics as an area for interesting careers has grown over the years. "The industry as a whole has made quite some progress in making graduating pupils more aware of the industry and the opportunities there," remarked Berchtold.

Imbriani, who juggles his role at Team Worldwide with his position as an adjunct professor at Baruch College and Pace University in New York, noted that the logistics field is not the most attractive for millennials looking for regular working hours and fixed one-hour lunch breaks. This chimes with a recent comment by Ryan Petersen, chief executive of Flexport, a technology-driven new type of forwarder,

who claimed that smart young people want to work downtown, not at airports or in industrial areas.

Brandon Fried, executive director of the US Airforwarders Association, also teaches at the University of Maryland. He finds millennials are increasingly interested in training opportunities during their employment in order to build their skills.

"They have seen their parents' generation work years in the same job only to be summarily dismissed, so they see having a variety of skills as essential to keeping themselves marketable. If you do not offer training, that worker is going to leave," he commented.

Leadership opportunities

Lamb stressed the importance of giving employees opportunities to take on responsibility and leadership roles: "We love the millennials. They certainly have a different perspective on how to manage a project. They are also more vociferous about wanting to have opportunities for leadership, for opportunities to see what value they are contributing," he continued.

D'Abreo reckoned that the European approach to training, notably the German apprenticeship model, would be a good way to build up project forwarding capabilities for North American trainees.

Leaders in this industry could play a significant role in strengthening training if they were to give some of their time to



Do we foresee a shortage of experts in our field of business? Could the potential staffing shortages and resulting difficulties of placing the right employees in the right roles... be a hindrance? Yes on all counts.

– Reiner Wiederkehr, Fracht FWO

sharing their experience with younger talent, he added.

There is broad agreement that experience is essential in the project arena. The Canadian International Freight Forwarders Association (CIFFA) offers a course in "specialised freight services", which includes an introduction to project cargo. Combined with other elements like cargo insurance, this can provide a good grounding in oversize cargo, said Ruth Snowdon, the organisation's executive director. "Nothing, however, beats experience and the building of good judgement," she added.

Project forwarder network, the Project Professionals Group (PPG), has revamped its Certificate in Project Cargo Forwarding. The ISO-accredited training course will be delivered over one-and-a-half days, as opposed to two days, at the Breakbulk Americas exhibition in Houston during October 2017.

More than 450 project forwarders and associated multimodal transportation workers have taken the course since its launch in 2009. Course coordinator and general manager of PPG, Kevin Stephens, said compressing the course content will enable students to maximise industry networking opportunities at Breakbulk Americas.

Course co-presenter, Rodger Hall, said the popular workshop format would continue to include case study presentations, group discussion and team exercises that were designed for effective and immediate use in professional life.

"All key learning and course modules will be retained in the new format course, including value-adding strategies, traffic and logistics functional planning, meeting client expectations, biosecurity, working with brokers, tricks of the trade, preparing tenders and business communication," he said.

eLearning

The Project Cargo Network (PCN) launched its eLearning Platform during June 2017, in a bid to tackle training and staff development shortfalls in the project logistics industry.

PCN president and ceo Rachel Humphrey commented: "Besides the benefits of not having to travel to a training centre and sit in a classroom for extended periods, there are additional advantages to eLearning such as being able to stop the training at your convenience and start again when you are ready."

The five-module online training course, consists of 54, 10-minute video sessions. Once completed, PCN says that the user



will understand the practical, operational and engineering aspects of heavy transport, heavy lift and project cargo. The user will be able to ask pertinent questions at the relevant time and understand industry terminology.

PCN has already introduced a new load-outs module covering ro-ro operations, how to ballast a barge during the operation and keep it stable while taking advantage of a changing tide.

In the haulage arena, the Specialized Carriers & Rigging Association (SC&RA) has produced two videos dedicated to promoting safety in the industry by providing drivers and employers educational material on the challenges and dangers of specialised hauling and transport.

The first video, 'Specialized Transportation Driver Training', was produced as a training tool for drivers who are new to the specialised transportation industry, as well as a resource for seasoned drivers in need of a refresher course.

The 'Specialized Transportation Load Securement' video, updated from its 2006 version, provides drivers with the most current Department of Transport (DOT) regulations, policies, along with techniques for properly securing cargo during specialised hauling.



In order to strengthen ties with its customers, transport and engineering specialist Mammoet hosted a three-day course to share heavy lifting and transport expertise with engineering, procurement and construction (EPC) contractors and owners of industrial plants.

More than 150 people employed by some of South Korea's leading EPCs attended Mammoet's 'Engineered Heavy Lift & Transport Academy' earlier this year.

Chong Kook Cho, managing director for Mammoet Korea, said that engineered lifting and heavy transport is a key element of many construction or turnaround projects. "Such activities are critical to project efficiency and cost-effectiveness, harboring many opportunities to realise time-savings."

He said the course provided a platform to share information and knowledge, while simultaneously enabling Mammoet to better understand its clients' needs.

Remuneration

While training is an important aspect for entrants into the project logistics business, remuneration naturally is a huge factor. "In today's environment, the main motivator seems to be money – employees often chase higher salaries," commented Wiederkehr.

"Because we operate in Houston, salary issues often present themselves because we are in one of the shipping industry's hubs with multiple competing companies, and we are also competing with major players in the oil and gas sector."



Poaching staff is particularly tough on small players in emerging economies, where there are fewer qualified people.

– Bruce Cutillo, WCA

Imbriani thinks that entry-level salaries may be an issue to address when it comes to attracting people to operational roles. "Salaries have to adjust more to attract entrants. We pay reasonable salaries, but you have to work some years to earn the better salaries," he reflected.

Omega Morgan sometimes recruits externally, which can bring fresh ideas into the company. For the most part, though, it tries to bring up talent through the ranks. Overall this has worked well, but there are times when it becomes problematic. "When we go through rapid growth or cycles that evolve rapidly, that model is challenged," said Tansey.

KOG itself sometimes uses headhunters. LinkedIn is also a good source of seeing who is in the market, although it does not always mean that the people profiled are actually available, he remarked, adding that word of mouth from heavy lift partners has been another way to locate potential recruits.

Poaching

According to Cutillo, poaching experienced staff is particularly tough on small players in emerging economies. "I believe the smaller companies – especially in developing markets where there are very few qualified people – get hit hardest when the big multinational forwarders come to town. They will often strip away good staff from the private companies with salaries that the smaller forwarder just cannot match. It is very frustrating for the small business owner," he stated.

For many operators, the key to their human resources strategy is to retain as many staff as possible. Fracht tries to achieve this through a combination of competitive salaries, comprehensive compensation plans, a motivational work environment, extensive training initiatives, and what Wiederkehr called "a process of enhanced talent retention".

Lamb added: "We do everything to make the experience here positive." This involves pay and benefits as well as making their job "a home for them in some form".

Berchtold said that people drawn to project forwarding are driven by challenges. "It is a unique mix of skills and preferences that drives these people. They have to be able to sell, to deliver the end product, and to deal with crises."

This may tilt the balance for many between a job in the project business and employment in another branch of logistics, but when it comes to choosing between two or more project firms, an attractive incentive package and salary go a long way.

HLPFI