



YOUNG TALENTS' OPINION ABOUT THE INDUSTRY

Global Supply Chain Human Resources Research 2009



1. Introduction

Welcome to Europhia Consulting's *Global Logistics and Supply Chain HR Research 2009* series conducted in collaboration with a number of global media and industry partners. This analysis provides employers with useful insight into young talent's opinion about the logistics and supply chain industry. Our *Young Talent* survey received participation from over 800 young industry professionals and graduate students worldwide.

With the aging of the baby boomers and demand for qualified personnel in the logistics and supply chain sector exceeding supply, understanding whether the logistics and supply chain industry is appealing to young talent can help ensure skilled and qualified labour supply for the future. The present analysis covers topics such as young talents' opinion about the industry and the key aspects that would make working in the logistics and supply chain industry more attractive to young professionals and fresh graduates.

Employer branding and talent management are important tools for companies in the sector to be considering in how to improve 'tuning in' to this group of potential employees.

We are confident the outcome of Europhia Consulting's research is informative and helpful in evaluating and designing your HR strategy. We encourage you to contact us for further information about the *Global Logistics and Supply Chain HR Research 2009* or if you would like to discuss other aspects of your Human Resources requirements.

Eelco Dijkstra

Managing Director
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2. Profile Respondents

Almost two-thirds (58%) of respondents currently work/study in Europe and one-third (31%) in Asia. In accordance to gender representations across the industry, 25% of respondents are women. Most respondents (90%) aim for/hold a Bachelor degree or higher. From respondents currently working, 79% work in a logistics and supply chain position and two-thirds (72%) of them have been working in the logistics and supply chain industry for 3 years or more. Only half (46%) of young professionals active in the logistics and supply chain labour market have followed a course specialised in logistics and supply chain management. In contrast, more than two thirds (70%) of students are currently following a course specialized in logistics and supply chain management.

3. Knowledge About the Industry and Available Career Opportunities

Europhia Consulting investigated whether young professionals and fresh graduates/students in the logistics and supply chain sector acknowledge the career opportunities the industry has to offer, and found that almost two thirds (63%) of respondents believe they have sufficient knowledge about the logistics and supply chain industry and the opportunities it has to offer in order to make a proper career choice.

The results from Young industry professionals indicate that clear regional differences (see Figure 1) exist between European and Asian respondents with 67% European young professionals stating they have sufficient knowledge about the industry and available career opportunities whilst Asian young professionals claim only a 40% knowledge level.

Fresh graduates/students indicate a lower understanding of the career opportunities within the sector. Only 50% of European fresh graduates/students indicate that they have sufficient knowledge about the industry and the available career opportunities, only 37% of Asian fresh graduates/students state that they know enough about the industry in order to make a clear career choice.

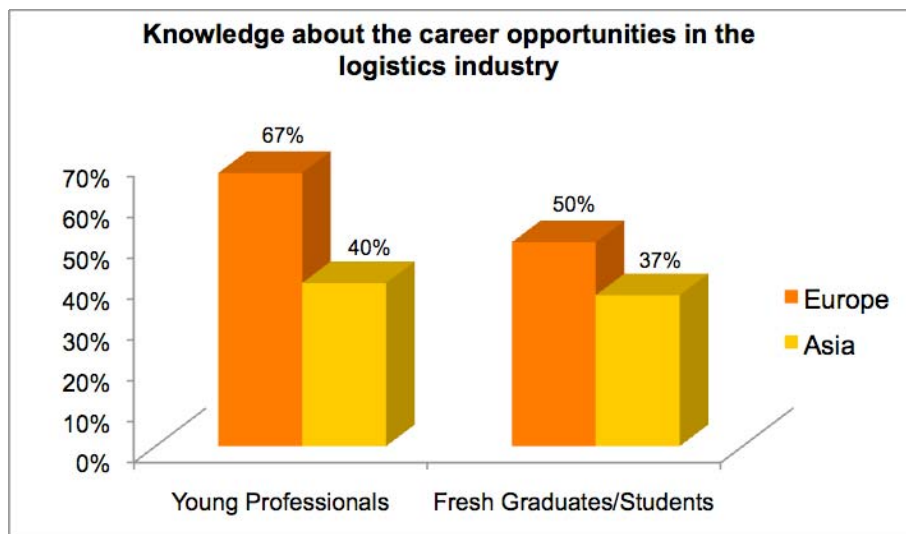


Figure 1: Knowledge about the career opportunities available within the logistics industry

Considering that the respondents' come from the logistics and supply chain industry, it is a concern to note that understanding of career opportunities within the sector seems quite low for young professionals and graduate students. In light of these results, there is an opportunity for companies within the industry to better promote career opportunities for young talents.

4. Attractiveness of the Logistics and Supply Chain Industry – Regional Differences

As mentioned, more than half of surveyed fresh graduates/students believe they do not have sufficient knowledge about the available career opportunities within the logistics and supply chain industry in order to make a proper career choice. However, are they willing to work in logistics? Is the industry attractive enough? Would fresh graduates and young professionals choose logistics over other industries when making a career choice?

More than two thirds of surveyed graduates/students indicate that they consider working in the logistics and supply chain industry. 67% of respondents think the logistics and supply chain industry is attractive. However, Asian respondents score lower than European respondents (60% v 72%) in agreeing that the industry is attractive to fresh graduates (see Figure 2).

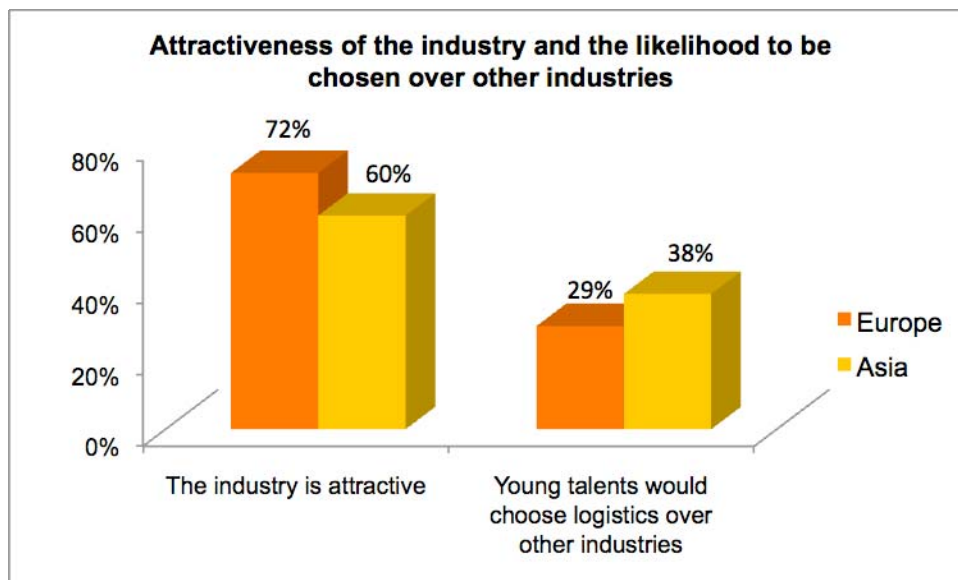


Figure 2: Attractiveness of the industry and the likelihood to be chosen over other industries

However, it is a concern that as many as 65% of young professionals and graduates/students also state that young people would **not choose** the logistics and supply chain industry over other industries when making a career choice. This confirms the results from other surveys which indicate that the image of the sector as an employer of choice is poor in comparison to other sectors.

Various industries find themselves in tough competition for young talent, generation Y is increasingly more demanding when evaluating career prospects than previous generations. Therefore, we believe that companies operating in the logistics and supply chain industry should not only invest in branding logistics and supply chain as an attractive sector to work in, but also invest in ways to make the industry (and their own company in particular) rise above others in young talents' top of mind as a leading industry to work in and as an employer of choice.

5. Job Satisfaction

Overall, young professionals do seem to be satisfied with their job/company in the logistics and supply chain industry (see Figure 3). Across regions, more than half of respondents are satisfied with their job and their current employer.

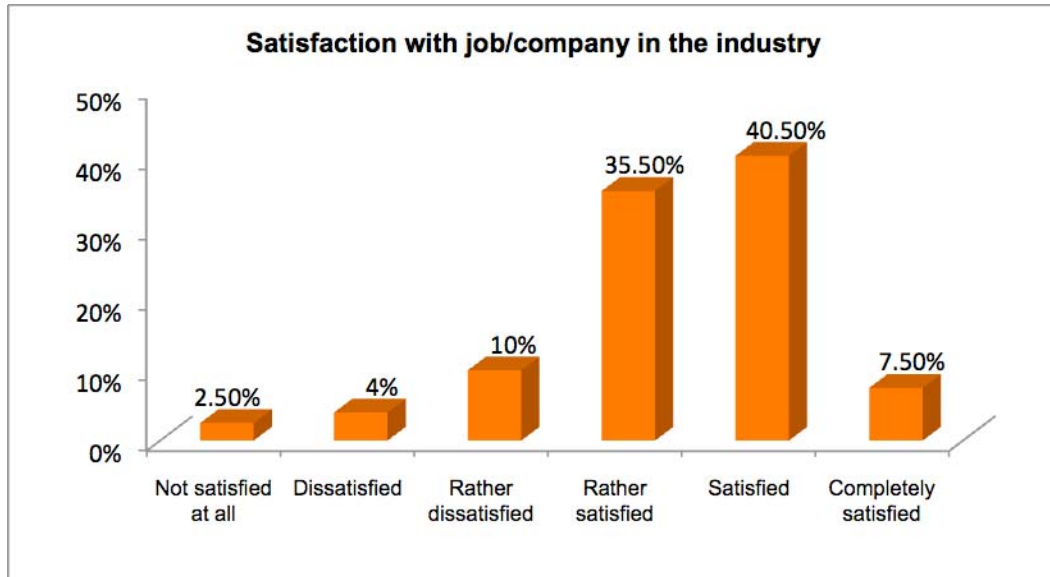


Figure 3: Job/company satisfaction among young professionals

The availability of concrete career opportunities plays an essential role in employees' career motivation and satisfaction¹ and, as young professionals point out, the available career opportunities for young talents within the industry are promising. With the availability of noteworthy career opportunities for young talents and most young professionals satisfied with their job and employer, the logistics and supply chain industry can provide a leading position in the ongoing war for talent.

However, as previously discussed, the available career opportunities within the industry are not fully promoted and fresh graduates/students view their knowledge about these opportunities as insufficient for a proper career choice. Therefore, clearer communication about what the industry has to offer young people is an important tool in promoting the sector as an exciting sector to work in and develop a career. The reality is that if young people are not captured at the moment in their lives when they make a career and study decision they tend to be 'lost' forever as relatively few people make a career change at a later stage in life to a different industry sector.

6. Current and Preferred Future Employer

This section segments the different types of employers within the supply chain into a number of categories such as logistics service provider, manufacturer with a supply chain, supply chain consultancy firm and government body.

¹ *What Drives Logistics Professionals?* Available at www.europhia.com

6.1. Current Employers

In terms of the type of employer participants currently work for, results (see Figure 4) show that most respondents currently work for a logistics service provider (LSP's include courier, postal, freight, logistics) or a manufacturing company with a supply chain division. Not so many respondents work for a consultancy firm with a supply chain division or for the government.

6.2. Preferred Future Employers

The results (see Figure 4) indicate that consultancy firms and manufacturing companies with a supply chain division are the most popular future employers.

Consultancy firms with a supply chain division (39%) and manufacturing companies (38%) clearly lead as preferred employers within the sector. In comparison, logistics service providers rate very poorly under young professionals and fresh graduates/students as employer of choice. With the increasing demand from LSP's and the declining number of professionals wanting to join such companies, LSP's will be faced with the tough challenge of branding themselves as an employer of choice, unless measures are taken by companies to improve their 'employerability' (employer branding).

These results are in line with the findings of Europhia Consulting's earlier surveys on logistics and supply chain job seekers² and students³ job hunting behaviour.

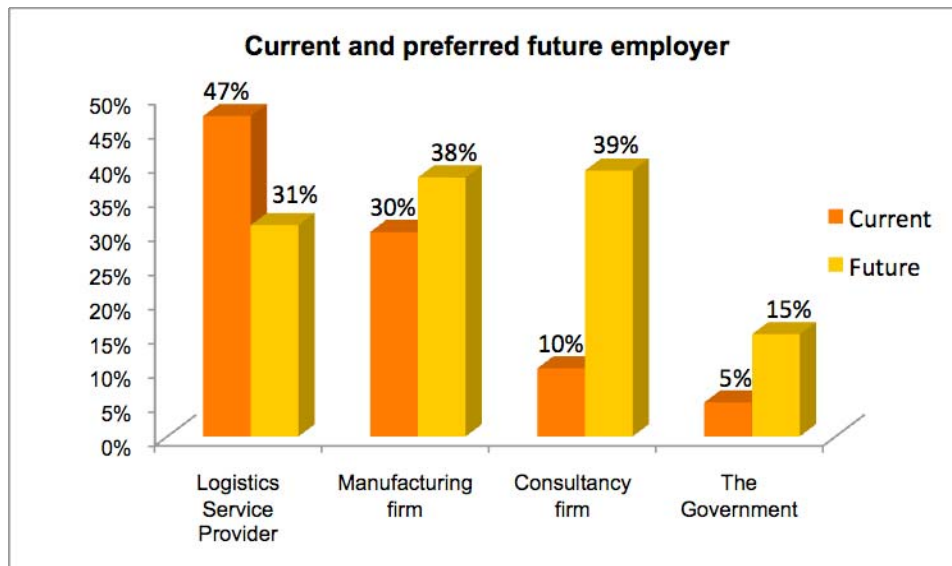


Figure 4: Current versus preferred future employer among young professionals

² *Job Hunting Tools: Job Seekers*, Available at www.europhia.com

³ *Job Hunting Tools: Students*, Available at www.europhia.com

7. The Areas Companies Should Focus on

How could employers in the industry increase their *employerability*⁴? Results (see Table 1) show that career opportunities are the most important area companies should focus on in order to attract young talents. Concerning training and development, Europeans ranked it as the second most important area companies should focus on whilst Asians rank this as the third. These results are in line with the findings of Europhia Consulting's surveys on career motivation and 'employerability' which found career opportunities and training and development as the most important areas companies should focus on in order to brand themselves as an employer of choice and attract and retain logistics and supply chain professionals. While salary is evaluated as important in attracting professionals, it is an extremely poor predictor of retention.

Table 1: Areas companies should focus on

Rank	Europe	Asia
1	Career Opportunities 59%	Career Opportunities 54%
2	Training & Development 50%	Attractive Salary 50%
3	Attractive Salary 39%	Training & Development 37%
4	More Information 30%	Financial Benefits 30%
5	Work-Life Balance 28%	More Information 28%

Availability of more information about the industry and its career opportunities to students before they graduate, work-life balance and attractive financial benefits were also ranked as important areas logistics and supply chain companies should focus on to better attract young talent.

8. Conclusions

The logistics and supply chain industry is still facing a severe image problem. On the one hand, the availability of information about the industry and career opportunities is mostly viewed as insufficient to facilitate young graduates/students in making a pro-industry career choice. On the other hand, when compared to other industries the logistics and supply chain sector is not seen as challenging/interesting enough to attract fresh graduates and young professionals.

⁴ For a discussion on *employerability* and 'employer of choice' please refer to the *What Makes a Good Employer?* report available at www.europhia.com

Moreover, it seems that within the sector itself, logistics service providers have the biggest image problem if people were given an option where to work within the sector. Consultancy firms and manufacturers score much better here.

In light of the present findings and recent logistics labour market developments, the logistics and supply chain industry is in need of an image makeover. The industry could change the way it is perceived by providing young talents with more information about the logistics and supply chain working environments and available career opportunities. In doing so, the industry could be actively promoted via universities career centres, job fairs and portals, and other media.

According to a recent McKinsey article⁵, talent management should be viewed as a business priority. Companies wishing to attract young talents should improve their Human Resources strategies and invest more resources in branding themselves as an attractive employer that attends to the needs of its employees and potential candidates, whether they are fresh graduates, young or experienced professionals. Career opportunities and training & development are the most important factors that attract and retain logistics and supply chain professionals, as shown repeatedly, and should provide the basis for the design of attraction policies.

Europhia's own experience within the sector confirms the findings above. In all the company's industry reports, we speak about the 'employerability' of companies, which is related to employer branding and talent management.

For more information about the *Global Supply Chain Human Resources Research 2009* and also on upcoming HR forums, please visit www.europhia.com or contact us at info@europhia.com.

Source: *Europhia Consulting: Global Supply Chain Human Resources Research 2009*, January, 2009

Europhia Consulting is an international company providing recruitment, executive search, consultancy and training services specialised in the logistics and supply chain industry. The company has offices in Singapore and Shanghai covering the Asia Pacific region and in The Netherlands and Belgium covering Europe. For more information, please visit www.europhia.com or contact us at info@europhia.com.

⁵ Making Talent a Strategic Priority. Source: The McKinsey Quarterly, January 2008

Survey Partners

