



2021 Hiring Benchmark Report

The State of Hiring in the Supply Chain Industry

Key insights into how hiring and HR in the Supply Chain sector has adapted in a year of unprecedented change, and strategies for success in the future.



Welcome

Welcome to Occupop's State of Hiring in the Supply Chain Industry Report, a comprehensive evaluation of the hiring trends, challenges, and nuances of hiring in the Supply Chain in 2021.

We conduct research from different industries to learn more about how companies attract, hire, and retain their teams and the current challenges facing each sector.

This year we have focused on understanding how organisations are responding to one of the most tumultuous years in recent memory. COVID-19 and the resulting increase in unemployment have fundamentally shifted the balance in hiring across each and every industry.

In this State of Hiring in the Supply Chain Industry report, we've researched and collated industry statistics, trends and observations from our own data and also externally available data to help you develop and optimise your hiring strategy in the post-pandemic employment market.

Attracting top talent requires robust and relevant employment branding strategies. Further, it must remain an organisational priority.

We hope you'll find this report insightful and will use it as a benchmark for building a successful hiring strategy in Supply Chain over the coming year, and how to successfully adapt and modify recruitment tactics in what is probably the most challenging employment market for Supply Chain employers to date.

Any thoughts or questions, please feel free to share them with us via Twitter, LinkedIn, or by direct email.

- Gerry Farrell



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About this Report

The results and findings in this report was drawn from the hiring activities of over 30 Occupop customers in the supply chain sector in the past year.

It covered multiple supply chain lines of business including logistics, procurement, production and operations of multiple different sizes based in the UK and Ireland. Data was collected in September 2021.

We hope you find this report interesting and that it provides you with a benchmark to formulate your supply chain recruitment strategy moving into 2022.



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About Occupop

Occupop is a beautifully simple recruitment software built for small and medium businesses. We help businesses be great at hiring through our simple philosophy – to make recruitment incredibly easy and accessible to everyone at work. So, businesses can hire the best people and build the best teams.

At Occupop, the automation and digitisation of the recruitment process for supply chain companies has been our key area of focus for the past 5 years. We have helped supply chain companies across the UK & Ireland turn manual, laborious volume hiring processes into efficient, candidate friendly digital experiences.

In the past 12 months alone, we've helped supply chain companies across Ireland and the UK helping them through the challenges of operating during the pandemic, but ensuring they thrive in years to come.



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Supply Chain Hiring Trends:

Results & Findings



Demand for Supply Chain Talent



69%

Increase in the total number of people hired in Supply Chain in 2021



779

Number of Supply Chain Job listings created (Jan-Aug 21)

75%

Decrease in the average number of applicants per role in Supply Chain in 2021

2020 – 106 applicants/role
2021 – 26 applicants/role

15%

rate of jobs listed to filled in Supply Chain in 2021

Job Searches & Vacancies

Best source of hires by platform for Supply Chain:

52% Indeed

52% Direct sourcing

52% LinkedIn

52% Careers Page

1% Facebook

80%

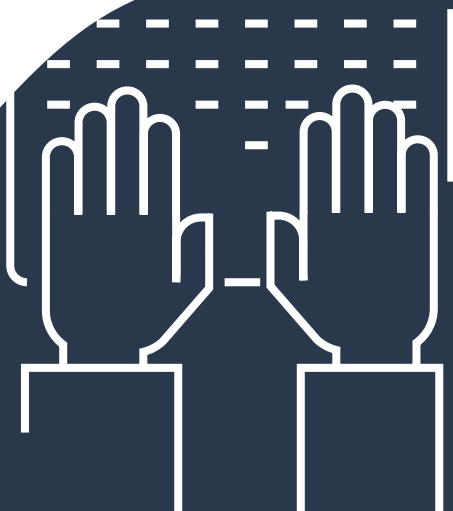
Increase in the total number of job listings in Supply Chain in 2021 (156 v's 779 in 2021)

20,152

Number of Supply Chain Job Applications (Jan-Aug 21)

Warehouse Operative

Highest number of applicants for a single job posting. (1,718 applications)



Pulse of the Supply Chain Market



Hiring in Supply Chain : The challenges in numbers

The number of adverts targeting supply chain professionals is 219 per cent higher than the UK average, but these roles attract far fewer candidates.

Source

219%

45%

9%

A UK Commission for Employment and Skills study found just 9 per cent of those working in supply chain and logistics are aged 25 or under, while 45 per cent are over 45.

Source

25-30%

Between 25 and 33% of the current supply chain workforce is at or beyond retirement age

Source

Prior to Covid the estimated shortage of HGV drivers was around 60,000, and this has increased to around

100,000
post pandemic.

The Telegraph reports on Indeed data which shows that from February to July 2021 lorry driver pay increased by a massive

10.7%

which is more than 13 times the average across all jobs in the period.

Source

91%

of CEOs identify a need to change their strategy for attracting and recruiting talent, although 61 percent claim they have not taken the first step to do so.

70%

of surveyed supply chain firms believe that 'perceived lack of opportunity for career growth and, 'perceived status of supply chain as a profession' have a high or very high impact on talent acquisition and retention.'

46%

of respondents to the DHL survey are reporting a high level of hiring difficulty in hiring supply-chain middle management.

57%

of surveyed supply chain leaders believed that one of the biggest sector challenges is offering top performers a compelling career progression

49%

of supply chain leaders have accelerated spending in digital technologies to make their operations more responsive and forward-looking during the pandemic'

Economic Overview

Before the pandemic and Brexit, the supply-chain sector was already facing a massive resource gap. Jake Barr, CEO of Blueworld Supply Chain Consulting, speaking on supplychain247.com prior to the pandemic asserted, “For every graduate with supply chain skills there are six holes to be filled, and it could be as high as nine to one in the future”.

Just a few months before the pandemic, **Recruitment Firm Michael Page** reported that the, ‘the number of adverts targeting procurement and supply chain professionals is 219 per cent higher than the UK average, but these roles attract far fewer candidates.’

In that pre-pandemic era the main driving force behind supply chain sector talent shortages was an ageing workforce and a wave of retirement of baby boomers. According to the DHL Research Brief From Gap to Crisis some studies suggest that anywhere between ‘25 and 33% of the current supply chain workforce is at or beyond retirement age and the

backfill pipeline is inadequate to satisfy demand. Of course, this problem has likely to have deteriorated significantly 2 years down the line.

Another issue that is exacerbating the supply chain talent shortage issue is a visibility problem, which again existed pre-pandemic. The supply chain sector is just not on the radar of younger people, so the sector has a grass-roots recruitment problem which compounds the inherent ageing workforce issue. Speaking on [Raconteur.net](https://raconteur.net), John Perry, managing director of supply chain and logistics consultancy SCALA, says, “School curriculums do not include anything around the supply chain at either GCSE level or A level. The result of this is few school-leavers have ambitions to become supply chain professionals and only a limited number will move on to college or university to study the subject.”

An image problem, which existed both before and now post-pandemic, is also exacerbating the talent shortage issue today. The Supply Chain sector is simply not seen as a good place to have a career by candidates. The majority of respondents to **DHL's survey** of 350 Supply Chain firms agreed that, “perceived lack of opportunity for career growth” and “perceived status of supply chain as a profession” was/is having a high or very high impact on their supply chain talent management endeavours.

The supply chain industry skill sets are also changing, and this is also driving talent shortages according to the DHL report. The modern supply chain employee needs an eye-catching combination of skills including tactical and operational expertise and analytical skills which most employers were struggling to find in the marketplace.



For various reasons, the pandemic has led to an industry-wide acceleration of the corporate digital revolution and supply chain sector has willingly become part of this transformation agenda. Research shows that almost half of businesses in the sector have increased spending on digital technologies to make their operations more adaptable and progressive. This has created more hiring challenges as supply chain employers are now attempting to recruit from the digital talent pool, bringing them into direct competition with technology companies.

Acute talent shortages exist within the logistics area of the supply chain, namely the well-publicized shortages of HGV drivers, which is threatening the national/international supply chain network. Brexit and the pandemic have contributed to reduce availability of EU workers, but the HGV Driver talent shortages pre-date Brexit and the pandemic.

Prior to Covid 19 the estimated **shortage of HGV drivers** was around 60,000, and this has increased to around 100,000 post pandemic. The haulage sector has serious structural issues around the profession and associated working conditions which have been

left unaddressed for many years. Historically, HGV drivers have been expected to work in an environment of long unsociable working hours, poor work-life balance, safety and comfort concerns, sedentary working health issues and perception of it being a low status job with limited career prospects. As a result, alongside short-term incentives like sign-on bonuses and overnight pay rises, the haulage sector is race to reform and revitalize its employee brand offering to make it more attractive to talent for the long term.

Hiring Challenges



Supply Chain Recruitment and Retention Challenges

Supply Chain Image Problem – Perceived lack of career progression is a talent deterrent

Talking in supplychaincareers.com Rodney Apple a veteran recruiter in the supply chain sector highlights the negative perception amongst younger workers about this sector. This is borne out by the statistics from this [UK Commission for Employment and Skills](#) study which found that just 9 per cent of those working in supply chain and logistics are aged 25 or under, while 45 per cent are over 45. He suggests that many people aren't sure what a supply chain is and are unaware of the technological innovation and job complexity, and that Millennials and Gen Z's don't see a great value proposition in a supply chain career.

The report by [DHL](#), The Supply Chain Talent Shortage, from Gap to Crisis also highlights this issue. The study found that nearly 70% of respondents believe that 'perceived lack of opportunity for career growth and "perceived status of supply chain as a profession" have a high or very high impact on talent acquisition and retention.'

It's no surprise to find that the recent MHI Annual Industry Report revealed that 57% of respondents believed that one of the biggest sector challenges is offering top performers a compelling career progression. The actual/perceived lack of career progression and a lack of a strong employee value proposition is making it harder to attract and retain talent in the sector.

Complicated and changing skill set driving talent shortages

According to the DHL supply chain report, 'changing job requirements' has had the biggest impact on the supply chain talent shortage. Before the pandemic, the ideal supply chain employee combined tactical/operational expertise and professional competencies such as analytical skills, but 58% of surveyed participants said this skill set was hard to find.



Digital skill shortage

The pandemic has rapidly changed the skill-set by introducing a need for digital skills, (a competency for which there is a world-wide shortage). The **2021 MHI Annual Industry Report** revealed that '49% of supply chain leaders have accelerated spending in digital technologies to make their operations more responsive and forward-looking during the pandemic'. This has forced supply chains firms into direct competition with technology firms for critical talent.

The MHI Annual Industry Report for 2020 focussed more on talent and revealed that the top company challenge, identified by 56% of respondents was, 'hiring and retaining qualified workers.

This has been a recurring theme in the sector over recent years and this report found that '71% of respondents rated finding talent as extremely or somewhat challenging followed by hiring talent (68%) and retaining talent (59%).

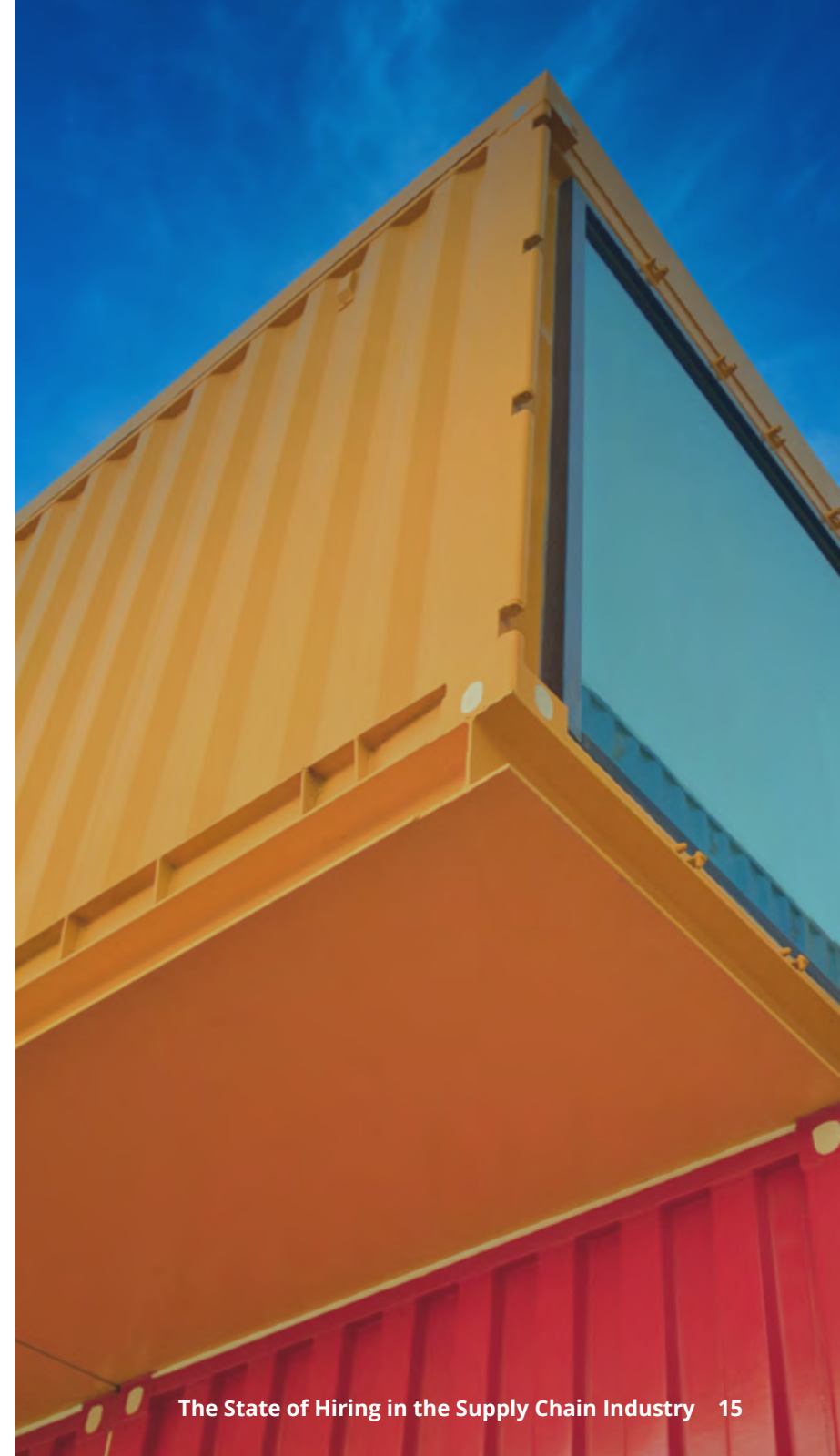
The main barriers to attracting talent were identified as 'high competition for talent (78%), access to targeted talent groups (63%), and the company's ability to offer a work/life balance and PTO (48%).

The main barriers to retaining supply chain talent are high competition for talent (57%), leadership vision and organization direction (45%) and lack of adequate employee compensation package (43%).

Where are the talent shortages?

The DHL survey suggests that entry level supply chain professionals are easily found, although the situation has changed post-pandemic as there is now clear talent crisis in warehouse staff and HGV drivers. In fact, the **Road Haulage Association** suggests that there is currently a shortage of about 100,000 HGV drivers in the UK. Prior to Covid the estimated shortage was around 60,000 drivers. About a third of HGV positions in the UK are now taking **longer than 2 months to fill**.

It's even harder hiring middle management with 46% of respondents to the DHL survey reporting a high level of hiring difficulty in this management layer. But, some of the biggest supply chain hiring challenges are reserved for the executive management layer with 73% of employers ranking this the most difficult area to recruit.



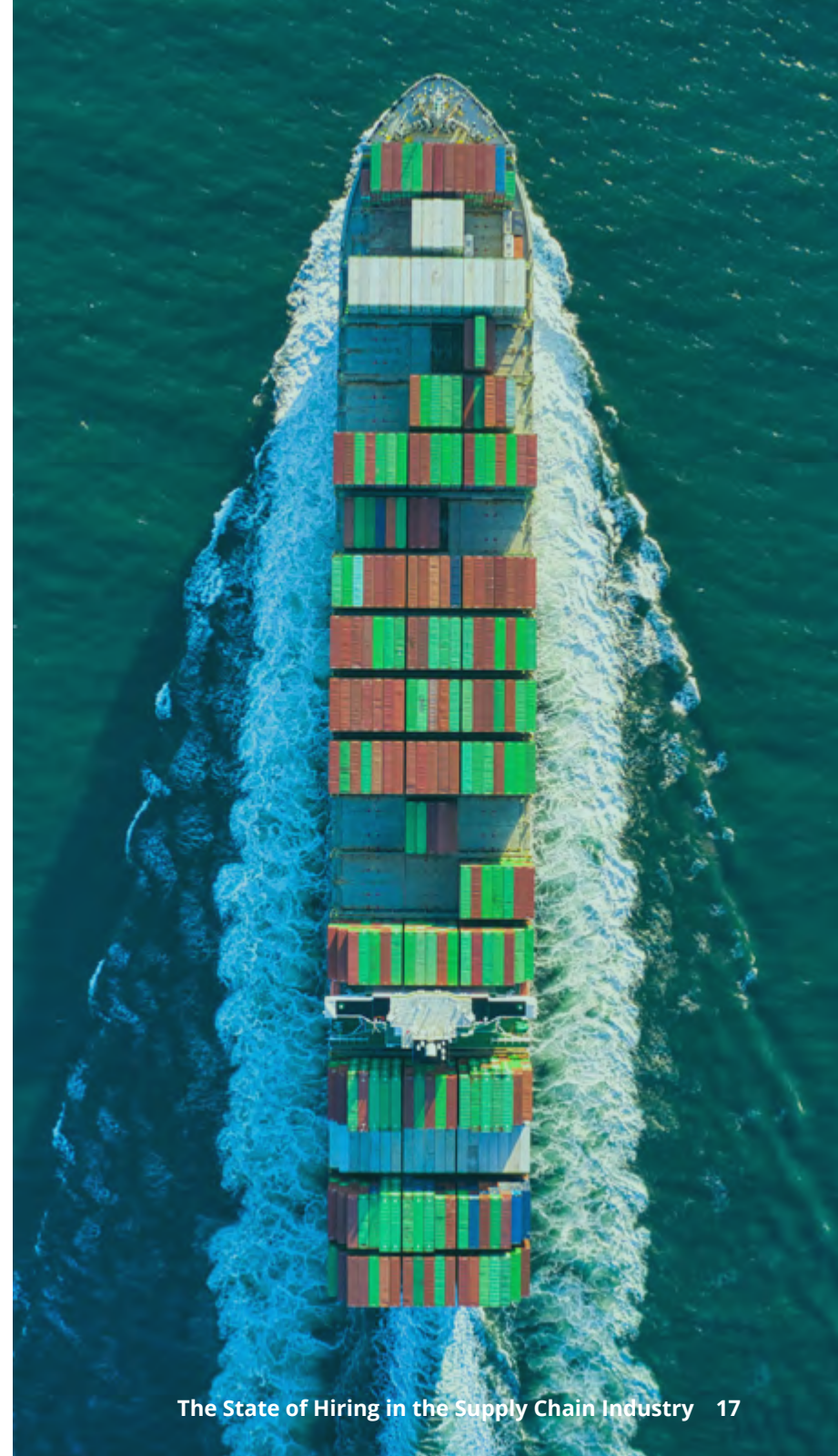
Changing Tactics



Recruitment – Changing Tactics

A recent study by the **Global Supply Chain Institute** at the University of Tennessee revealed that, '91 percent of CEOs identify a need to change their strategy for attracting and recruiting talent, although 61 percent claim they have not taken the first step to do so'

There are talent shortages across the supply-chain sector, leading to innovative changes to recruitment in order to attract and retain talent. In some of the hardest-hit areas, namely haulage we are seeing some of the most aggressive hiring tactics in a generation, if not ever.



Big Overnight Pay Increases

The HGV hiring crisis has led to some dramatic and almost instantaneous pay increases within this area of the supply chain. In August **John Lewis** offered a snap pay increase of £5,000 to its lorry drivers. This was probably in responses to Tesco and particularly Aldi offering pay increases to staff the week before, according to a **Times Report** which stated, 'The discount supermarket is understood to have pushed through a rise to maintain its position as the highest payer in the industry and to fend off attempts to poach its drivers. The scale of the problem means Aldi expects to increase driver wages for a second time soon.'

The Telegraph reports on Indeed data which shows that from February to July 2021 lorry driver pay increased by a massive 10.7pc which is more than 13 times the average across all jobs in the period. One driver, talking on the **BBC** talked about receiving a 40% pay rise overnight, jumping from £17.50 an hour to £24.50 an hour.

Walmart's Supply Chain Academy

Walmart developed its innovative **supply chain academy** in anticipation of the digital revolution within the supply-chain sector which would require **reskilling of its workforce**. This program was launched following massive investment in eCommerce technology and automation and was 'specifically created to train supply chain associates and provide them with technical and leadership skills to be more effective in their current roles and enable clearer paths to advancement.'

Training involves:

- Hands-on training enabled with digital technology, including virtual reality, augmented reality and simulation technology to train store associates in supply chain.
- Each participant is given an iPad to facilitate the training
- The content and notes are loaded into the cloud to allow associates to learn from each other, with associates having access to the cloud content and notes throughout their careers.
- A tailored curriculum, covering areas such as: how to identify productivity and improvement opportunities, how to build a stable pallet, how to properly load a truck and how to deal with difficult conversations in the workplace.
- This Academy is also used to roll out change programs.

This investment in people via the supply chain academy has boosted the employee value proposition, helping to build an exciting image around a supply chain career. It has led to substantial improvements in both the recruitment and retention of key supply-chain-staff



Bonuses

Sign-on Bonus

The logistics and transportation sectors are being severely impacted due to the shortage of HGV drivers, and sign-on bonuses are being rapidly deployed within this hard-hit employment area. Tesco, for example, are offering **£1000 sign-on bonuses to HGV drivers** who join their distribution centre before the 31st October to sure up their creaking supply chain before the busy fourth quarter.

Waitrose are also introducing a £1,000 'welcome payment' for new drivers with C+E licenses who join before November 2021. The welcome package is one part of an enhanced compensation package designed to attract and retain HGV drivers, including a £5,000 pay increase for lorry drivers and £2 an hour base pay increase for LGV drivers across all its regional and national distribution sites. Speaking in the *retailgazette.co.uk*, supply chain director Mark Robinson said, 'We're responding quickly to the national driver shortage by ensuring our drivers are paid competitively and by investing in training for the future.'

Retention Bonus

M&S have responded too with a comprehensive bonus plan for new HGV drivers who join their logistics partner Gist. This involves a £5,000 potential bonus pot, consisting of a combination of a £2,000 sign-on bonus and up to 3 additional retention payments of £1,000.

Pay for Training

Gist, the logistics partner of M&S is taking the more innovative step of offering to cover the costs of training for new drivers which is a great way to attract trainees into the business. This is an unusual benefit but could prove to be a prudent one as training fees have historically proven to be a barrier to entry to many professions.

Employers who deploy this perk soon may be able to set themselves apart from the rest, (many of whom are focussed around quick-fix financial incentives).

Aggressive Hiring Tactics - Poaching

Desperation is creeping into some areas of the supply chain sector hiring process and we have heard reports of employers beginning to deploy some more aggressive hiring practices when it comes to attracting HGV drivers.

Reports suggest that some haulage employers are now plundering the public sector refuse collection workforce, with reports of staff being recruited while out on their rounds.

Speaking to the BBC, Tony Wilkinson of Weston-super-Mare waste collection company North Somerset Environment Company said, 'that he had lost five dust cart drivers in the last two weeks. A lot of drivers are getting poached with offers from big companies.'

Councillor Mike Solomon, who oversees waste at the North Somerset Council, said one of the drivers had been poached after working for the company for 11 years after a 10% wage increase was proposed.



Haulage Sector Image Overhaul

Employers will need more than just bonuses and perks to attract people to the industry. There is a perception of poor working conditions in the sector too, comprising long hours, lonely nights in cabins in remote lay-bys away from family etc...

Gist, M&S' supply chain arm are attempting to makeover the haulage industry, improving the image by espousing its virtues in order to attract more talent. They promote their career development, job satisfaction and flexible working by publishing the career story of a 33-year old HGV Driver employee. Here's a key excerpt.

Becoming a HGV driver has enabled 33-year-old Luke Caswell to press the accelerator on his career.

He started working as a warehouse operative at M&S's logistics partner Gist in 2014. Keen to pursue his love of driving and gain valuable new skills, he changed lanes and embarked on the company's internal Warehouse to Wheels scheme.

The programme develops warehouse workers into fully qualified drivers, allowing Gist to build a pipeline of driving talent and retain committed colleagues.

The article also promotes the flexible working aspect of the driving job, in that they have a choice of shifts to suit lifestyle. *"In my last job, I would finish late and I wouldn't always get home in time for my daughter's dinner time. As I driver, I tend to work shifts that start early and finish early. It's great to be able to do bath and bedtime. That's a benefit I always raise to people considering making a move into driving."* Another perk highlighted was some of the beautiful scenery encountered driving certain routes and that post-pandemic he has noted the public have a greater appreciation for haulage drivers.



DHL Report on the practices of 350 companies to attract retain supply chain talent

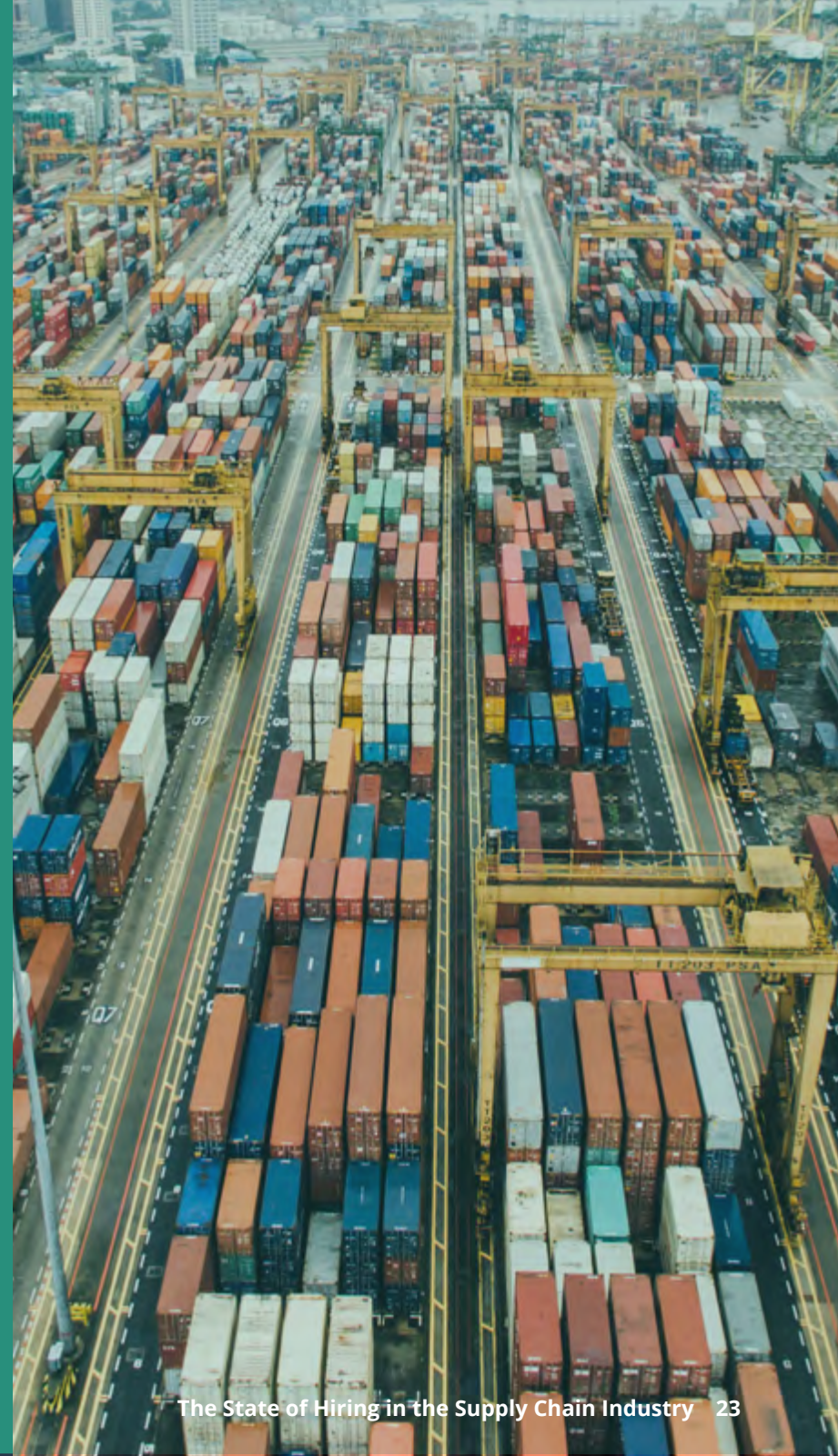
The DHL report, from Gap to Crisis takes an aggregated look at the practices of 350 large companies to boost their company's ability to attract and retain talent. There seemed to be several key areas of focus.

Focus on career development

Nearly 50% of employers have strategically prioritized supply chain/logistics and, 'Recognized logistics/supply chain as a strategic asset with an attractive career path within the organization'

A great example of this is DHL Supply Chain's Dock To Driver Programme which they developed to help attract more drivers to the profession. 'Through **Dock-to-Driver**, DHL Supply Chain identifies warehouse workers that have shown the stability and commitment to advance in their careers and invests in them to allow them to make the transition from the warehouse to driving.'

The DHL report found that 65% of companies who focus on career development encourage professional development through certification and in-house training.

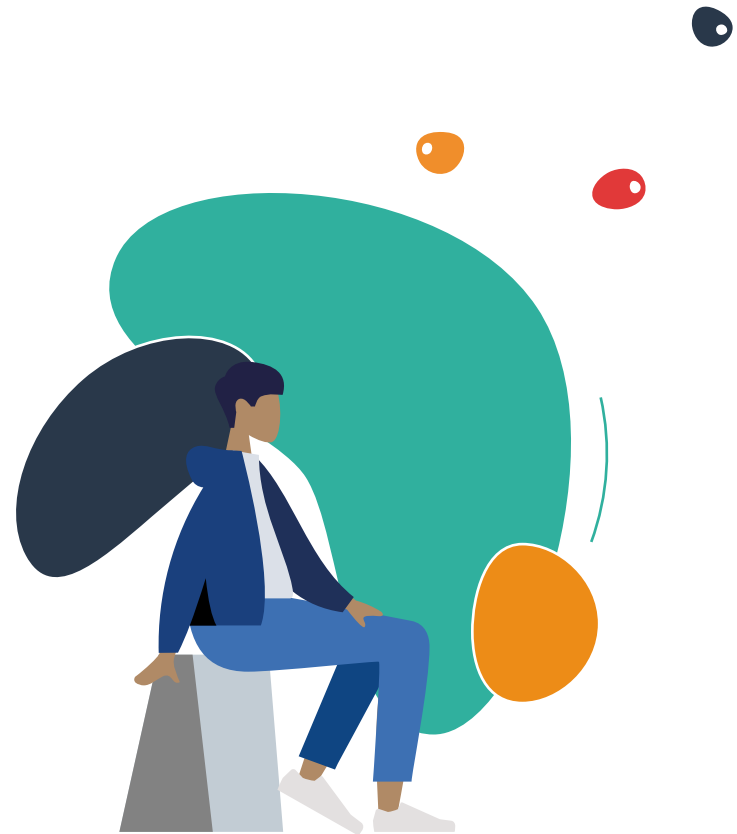


Adaptable

37% of organizations, 'Adapted culture to support changing demographics, workforce needs and preferences'. DHL's approach to this involved improving the quality of the driver's life. DHL acknowledged that the need for drivers to be away from their home and family for extended periods was leading to excessive turnover, and was deterring young people in particular from entering the industry. DHL adopted a relay approach to long routes where multiple drivers share separate legs of a long journey, allowing them to return home each night. This is led to a more positive working environment that is more attractive to new hires in a competitive marketplace with changing attitudes to and tolerances of unsociable working conditions/hours.

DHL led the way in introducing an experimental form of job rotation as a means to attract and retain talent. This works by allowing drivers to rotate into warehouse roles during periods of slack capacity which give them the ability to return home at night and keep a stable year-round job. Recent studies suggest that around a third of companies have established job rotation programmes.

New technologies have a role to play in attracting and retaining talent too. DHL has begun investing in state-of-the-art trucks equipped with 'turning assistants' and solar panels for powering ancillary equipment, which they hope will make them more attractive to drivers.



Future Outlook



Future Outlook

In the last year or two we have had the perfect storm of Brexit, the pandemic and the continuing digital revolution, all of which have exacerbated supply chain talent shortages, bringing the situation to crisis point.

Talent shortages now exist across the supply chain sector, although acute shortages exist within logistics, particularly within haulage, which is threatening the national availability of goods to the point where army HGV drivers are being placed on standby. Employers are also finding it hard to recruit middle managers and senior executives. Another emerging area of concern is in the area of digital talent. Like many other sectors the pandemic has accelerated the digital revolution within the supply chain sector which has now placed supply chain employers in direct competition with technology companies for digital talent.

External forces have played a big part in the logistics talent shortage situation that exists today. The pandemic led to an enforced exodus of drivers back to their European home countries and many of the drivers have not been able to return due to Brexit related worker mobility issues. Also, delays to driver

testing during the pandemic have severely impacted the backfill pipeline of replacement drivers. The government is applying some patches to the situation such as introducing temporary visas for EU workers and accelerating new driver testing. However, these talent shortages, like the wider supply chain shortages, predate the pandemic and Brexit. Clearly quantified talent shortages which existed prior to the pandemic have simply grown bigger as a result of the events of the last year and a half.

So, while the hole is deeper and the uphill climb longer the supply chain needs to address the systemic issues that have plagued the supply chain talent attraction and retention process for many years and still do today. In particular, the supply chain sector needs to address its image problem.

A lack of visibility and favourable promotion of the supply chain sector at grass roots level means that the supply chain sector is simply not attracting enough school-leavers and graduates into the profession to offset the aging and retiring workforce. This can and should be addressed on both an industry level and individual company level, by highlighting the exciting work, career progression prospects and digital revolution that is/has occurred within the sector. This kind of rebranding needs to be extended right throughout the employer branding process to touch employees at all levels of the hierarchy, to break the damaging image of supply chain being a dead-end profession stuck in warehouses stacking boxes.

The poor working conditions have for a long time hindered the haulage sector's recruitment and retention efforts. Long hours, days and nights away from the family, sleeping in cabins in dark laybys and associated health concerns paint a poor picture of the profession. The message has been that if you want work-life balance, value family time and your physical and mental health don't work in the haulage sector. This negative image is making it very hard to attract and retain talent. So, along with

appropriate financial incentives employers should be developing a more family friendly approach to enable them to attract new haulage drivers and retain existing ones and effectively tap into the modern talent ecosystem.

Like most sectors, the supply chain sector has been subject to an array of external forces, (Brexit, Pandemic, Ageing Population), which have reduced the supply of labour in the marketplace. But, if the supply chain sector can successfully pivot itself to be a modern industry of choice, while lobbying government and industry bodies for support, it will be able to attract and retain the talent it so desperately needs.

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