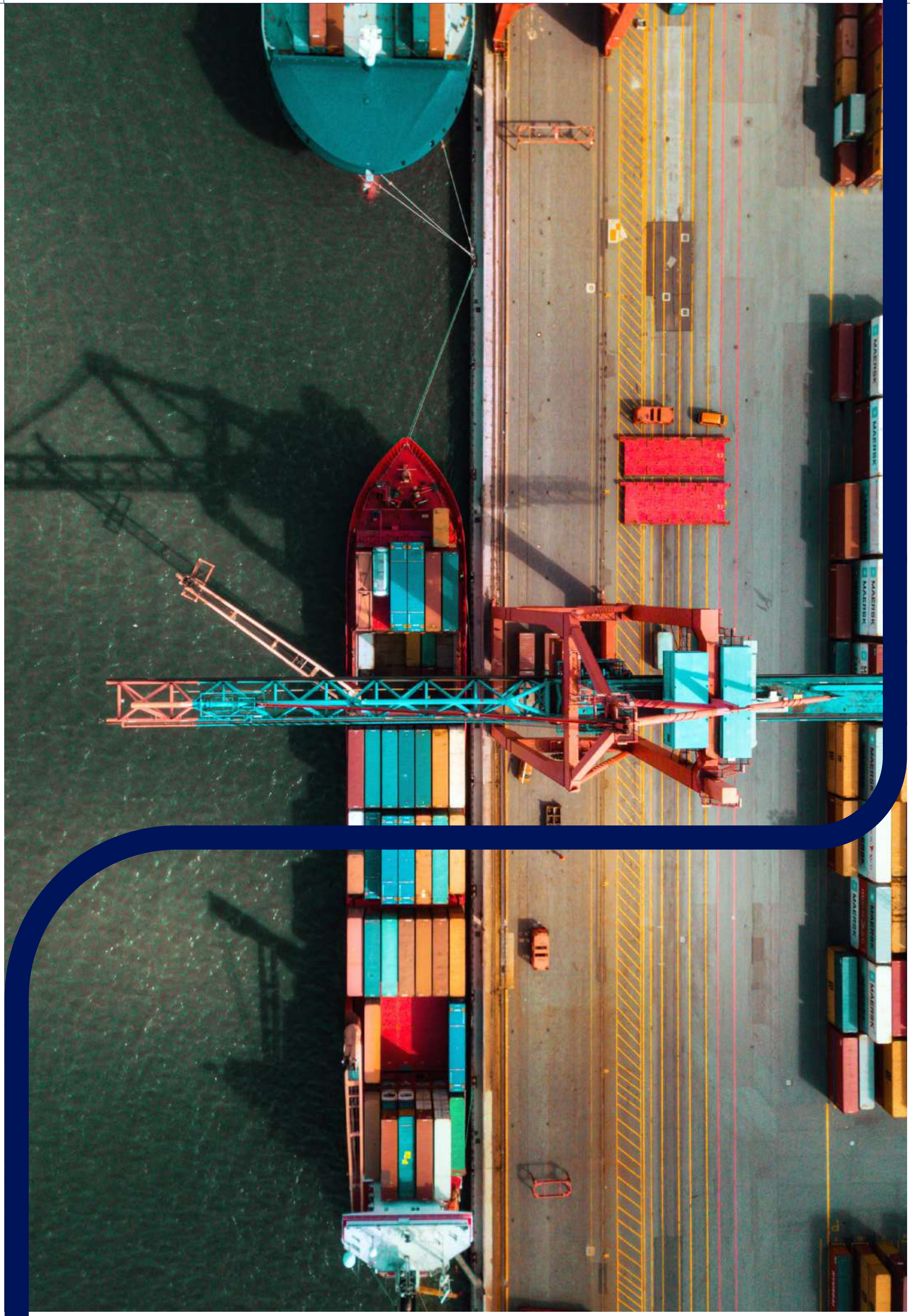
2023 EDITION

Logistics
Global HR Trends

Knowledge HUB

Gi Group HOLDING



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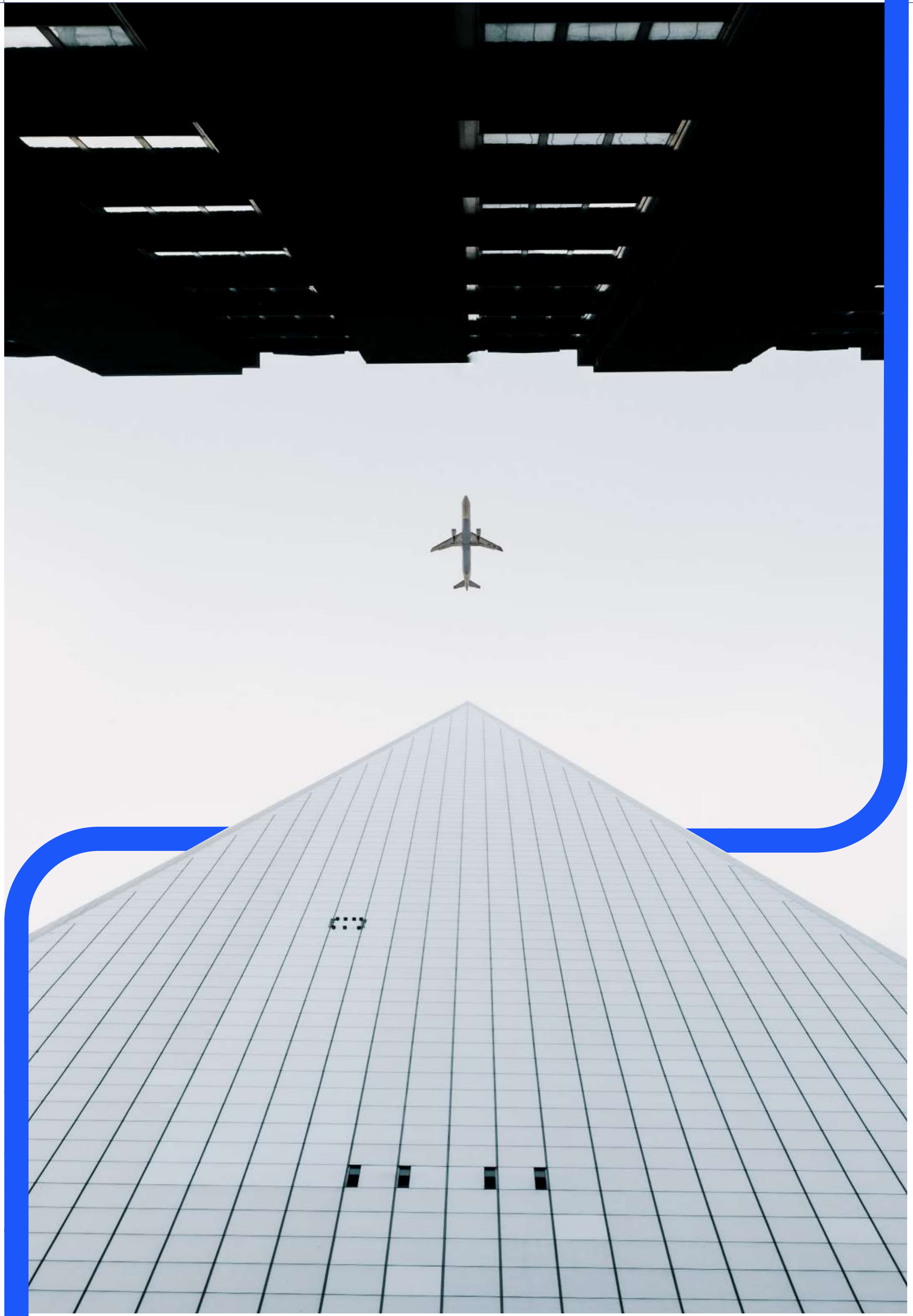


Introduction

Logistics plays a fundamental role in the development of all countries in the world, maintaining economic growth, and enhancing national competitiveness. Until a few years ago, however, Logistics was often taken for granted, and its processes and activities tended to remain invisible to most.

The Coronavirus pandemic that hit the planet in 2020 set off a chain of events that **made the world think of the industry in a very different way.** Logistics, transport and warehousing moved from being necessary costs to playing a major role in the strategy of organisations in economic systems. In the last few years it was necessary to evaluate how we consume, how products are distributed to us, and how much we can control the availability of supplies and commodities.

This report aims at illustrating the active role of Logistics, offering an exhaustive and sound overview of this sector. The following pages are the result of **a rigorous study conducted in 6 countries** (China, Brazil, Germany, Italy, Poland, and the United Kingdom) that brings together updated public data on the industry, interviews with opinion leaders and an International Survey*.

The research reveals a clear and coherent picture, in which Logistics stands out as a strategic sector for competitiveness of all markets and the precursor of all other productive activities. Thanks to the deployment of new technologies and the development of the eCommerce cluster, Logistics has experienced **striking growth, that is expected to continue over the coming years.**

Although the potential of this sector has been widely acknowledged, continues to suffer from **an inaccurate portrayal in the public eye**, where it is viewed as a physically demanding sector in which manual or unskilled labour prevails. This general belief makes the industry look unappealing, and is among the causes of the severe **labour shortage** that is affecting the sector. To overcome this issue and attract workers, Logistics companies are implementing different policies, ranging from higher salaries to benefits. An approach that has led current employees to **greatly appreciate their quality of life at work.**

Finally, in recent years, the logistics sector has also begun to pay particular attention to the **environmental impact** of its activities.
Green solutions are flanked by social sustainability policies, with a general improvement in working conditions. However, the environmental and social responsibility measures have to reckon with growing costs resulting from the current energy crisis; a hard **trade-off between environmentally friendly solutions and economic performance.**

This report clearly shows that Logistics is going through a fundamental transformation, which is already setting the stage for the future development of the sector. Thanks to new technologies and innovations, **Logistics will soon be increasingly crucial for economies and societies worldwide.**

***Details in Methodology, page 48**

Overview of the logistics sector

*"The sector is witnessing a constant growth due to numerous factors. Above all, the **global economic growth** and the **expansion of a specific consumption model,** which is based both on mass customization (thanks to production systems' flexibility) and on a hyper fragmentation of the distribution model (thanks to the eCommerce cluster, which allows enabling ubiquitous, informed and impulsive purchasing processes)."*

Logistics plays a fundamental role in the growth and economic development of countries. With a global market worth of 8.6 trillion U.S. dollars, Logistics has experienced exponential growth in recent years. The sector is estimated to keep growing in the near future, proving to be a strategic industry with a strong positive impact on all productive activities.

Economic Value

An essential role in economic systems worldwide

In 2021, the global logistics market was worth almost **8.6 trillion U.S. dollars,** 53% of which refers to outsourced activities.

In particular, **45% of the global logistics market is concentrated in the Asia-Pacific area.** The region's leading position in the logistics industry is due to the leading role of this region in supplying most trade goods globally. With 24% of the global logistics market, **North America** occupies the second position, followed by **Europe** which accounts for 19% of the market.

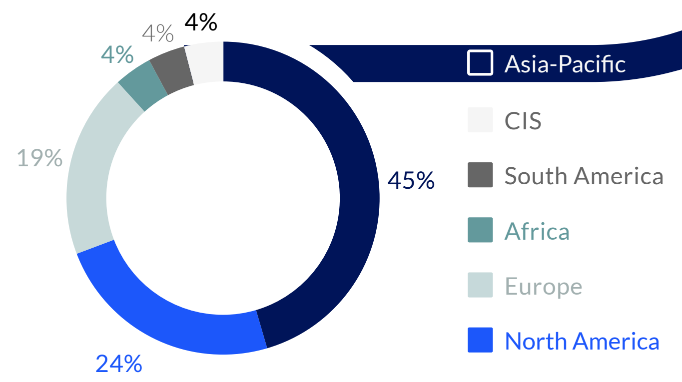
Although these three markets account for the main share of logistics expenditure, there are also interesting developments in other regions, particularly in the Middle East and North Africa.

Size of the global logistics market

8.6
trillion
US dollars

(53% refers to outsourced activities)

Size of the logistics market by region

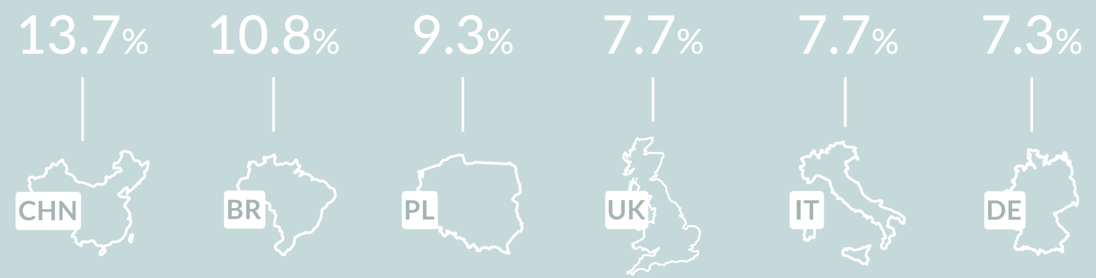


Source
Statista based on Armstrong & Associates; IMF; Indonesia Investments; other sources (Australian Logistics Council, NESDB, Vietnam Business Forum, Logistics Viewpoints); Statista

The relevance of Logistics for economic systems is confirmed by **the value of the industry in relation to the gross domestic product.** In particular, in China Logistics accounts for 13.7% of the GDP, while in Brazil it reaches 10.8%. In Europe, Poland stands out (9.3%), followed by the United Kingdom (7.7%), Italy (7.7%), and Germany (7.3%).

Source
CLO based on Armstrong & Associates and AT Kearney

Country comparisons: Logistics market value (as a percentage of GDP)

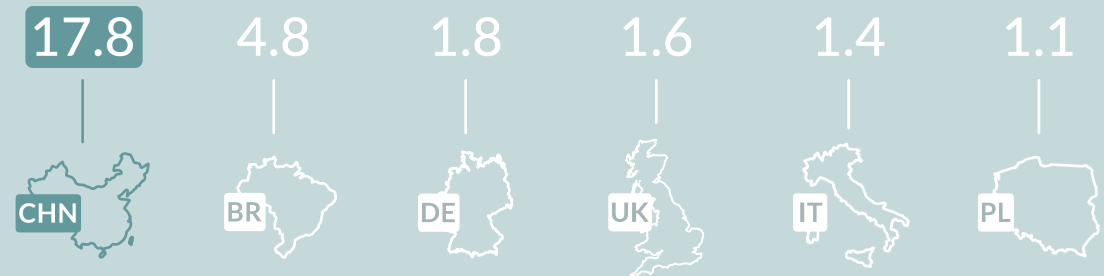


The logistics sector plays a significant role also in terms of people employed. In developed economies, the percentage of people employed in the logistics sector is generally in the range of **5-10% of the total workforce.**

The data show that **in China the number of workers employed in the logistics sector is equal to 17.8 million.** Brazil follows with 4.8 million people employed in the industry. As regards the European countries considered, Germany has 1.8 million citizens working in Logistics, followed by the UK (1.6 million), Italy (1.4 million), and Poland (1.1 million).

Source
CLO based on Armstrong & Associates and AT Kearney; ILO

Country comparisons: people employed in Logistics (millions)



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Market Growth

A positive trend, meant to last

For several years, the logistics sector has been growing worldwide. Despite the pandemic and its impact on the markets, **interest in Logistics has risen** in the last three years, contributing to the growth of the industry in economic terms.

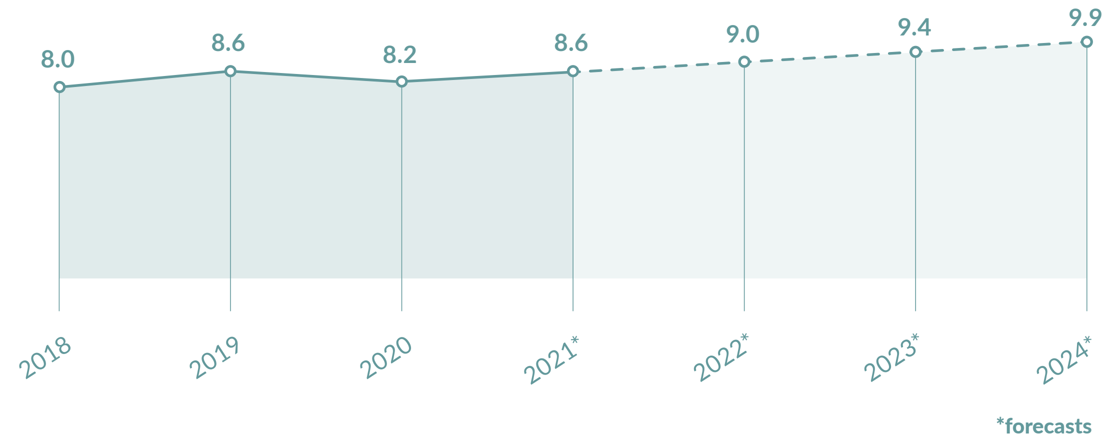
In 2020, the global economic value of Logistics was 8.2 trillion U.S. dollars, but by the end of 2022, it is estimated to reach 9.0 trillion. This trend is expected to continue in the near future. In particular, in 2024 the economic value of Logistics is expected to **grow by 10% compared to 2022, reaching 9.9 trillion U.S. dollars.**

Two main factors form the basis of the growth trend: rising freight volumes, and higher values of logistics services due to recent developments, primarily the expansion of eCommerce sales.

Size of the global logistics market (trillion US dollars)

Source

Contract Logistics Observatory, based on Armstrong & Associates; IMF; Indonesia Investments; Worldwide; other sources (Australian Logistics Council, NESDB, Vietnam Business Forum, Logistics Viewpoints); Statesman; Worldwide; Transport Intelligence

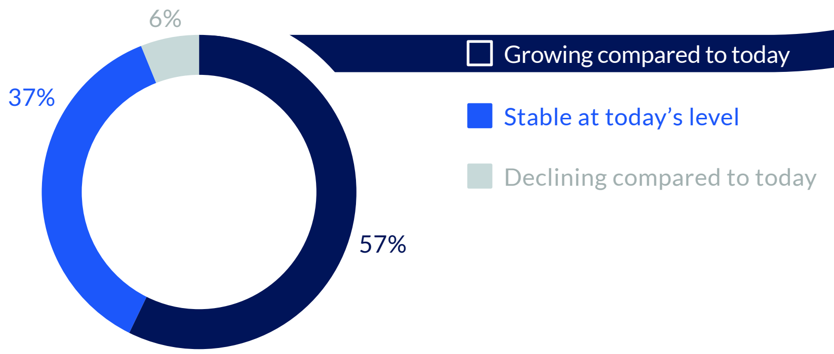


The growth potential of Logistics is also perceived by the general public. The results of the survey show that **57% of respondents believe that the sector is destined to grow** in the next 5 years, while only 6% assume there will be a decrease.

Logistics market trend in the next 5 years, according to the international sample surveyed

Source

CLO-INTWIG, International Survey



Strategic Role

A key player in society

Logistics plays a fundamental role in economic systems worldwide. Nevertheless, statistics alone cannot fully describe **the strategic role** logistics and transport services play in creating economic and social value.

The effects of the supply chain issues that arose following the outbreak of COVID-19 on macroeconomic indicators and business activities validate **the importance of a solid logistics sector** to guarantee the stability of economic systems.

To keep playing this strategic role, supply chains need to prove to be both **resilient and sufficiently flexible** to be able to face rapid changes.

*"Recent events, from the pandemic to the blocking of a major shipping route, made clear how key the **role of Logistics** is"*

*"It is necessary to strengthen supply chain resilience, increase the ability to predict the development of complex events, and maintain a level of flexibility that allows us to **respond to rapidly changing situations**"*

OP leaders speak up

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Innovation and reputation

*"The sector is facing an important **technological transformation,** which is crucial to find solutions that can optimise processes and reduce costs. The increasing cost of production factors (fuel, labour, warehousing), the labour shortage, and the progressive decrease in the cost of technological solutions are pushing Logistics companies to look for solutions to remain profitable and competitive."*

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The logistics industry is enriched by innovation and new technologies that are promoting its growth. Nevertheless, Logistics is still publicly perceived as a physically demanding sector, where manual, strenuous labour prevails. A belief that is hard to change, but which is clearly in contrast with the overall satisfaction expressed by workers in the sector.

New Technologies

Facing challenges with Innovation

Logistics is witnessing a period of profound change. Among others, the most relevant factors that are driving the transformation of the logistics sector are the **deployment of new technologies** and the **development of eCommerce.**

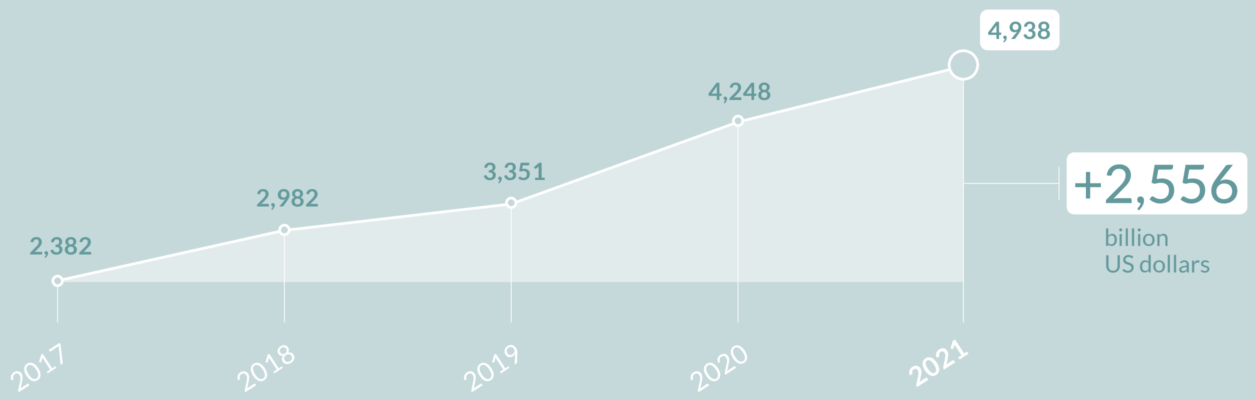
The recent **growth of online sales** affects almost every country in the world and has allowed the logistics industry to branch out and diversify its operations. Among the other main effects of growth in the eCommerce cluster, it is worth pointing out the increased importance of Logistics and the profound changes in distribution channels and processes.

The eCommerce cluster has become particularly strong during the **pandemic.** When governments enforced lockdowns, a vast portion of the global population started shopping online for all their consumer needs. This has led Logistics companies to adapt to **increasing delivery pressures** and to keep up with customer expectations.

Between 2019 and 2020, **the value of global eCommerce sales** grew by 26.7% to **4.2 trillion U.S. dollars.** This trend kept rising in 2021 when the global market for online sales reached almost 5 trillion U.S. dollars. Among the countries analysed, **Italy grew the most** in eCommerce sales between 2019 and 2021 (88.6%), followed by Brazil (65.5%), Germany (61.3%), Poland (39.8%), UK (32,3%), and China (24,6%).

Source
Statista from eMarketer

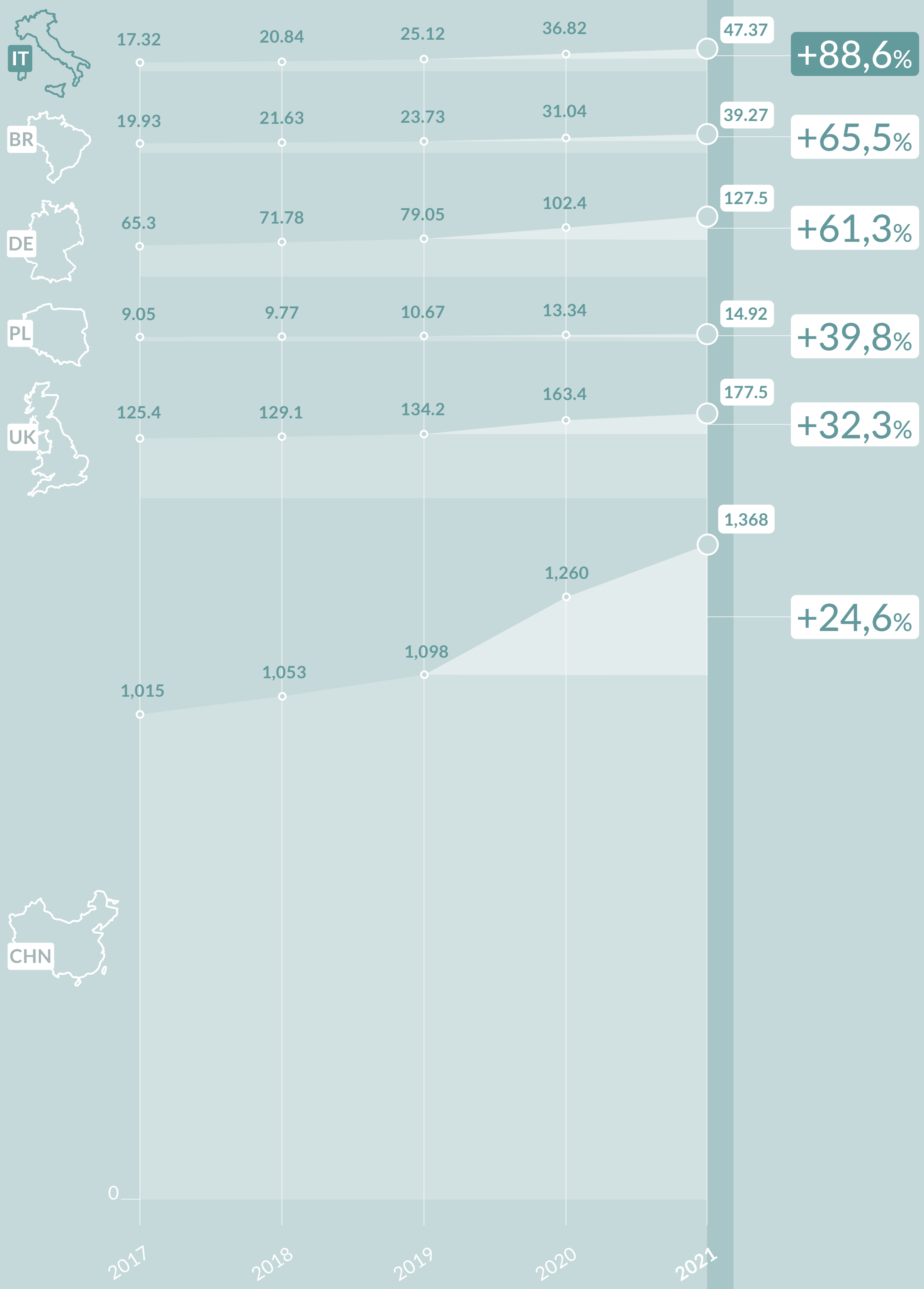
eCommerce retail sales worldwide (billion US dollars)



Source
Statista

Country comparisons: eCommerce retail sales (billion US dollars)

Sales growth
2019 to 2021



The major innovation trends in the logistics sector are directly linked to the main challenges that companies are facing in the current scenario. First of all, there is a growing interest in technological solutions that enable greater **supply chain visibility** and more **accurate predictions.**

Secondly, eCommerce development has brought renewed attention to **automation,** with new technologies that allow automated systems to incorporate a necessary degree of flexibility. In addition, **data aggregator companies are gaining relevance,** since data represent a fundamental resource for improving the quality of processes and overall performance.

Finally, innovation trends are impacting the role of certain categories of operators. To provide an example, **traditional freight forwarders** need to update their business model to maintain their current market position.

The drive towards innovation, automation, and digitalization in the logistics sector is often supported by **significant state incentives.** A clear demonstration that institutions also recognise the strategic role of this industry in overall economic development.

OP leaders speak up

"In the UK there is a solid presence of ***digital solution providers"***

"China is investing heavily in ***warehouse automation.*** *The presence of a large number of technology providers and the need to manage big freight volumes – with which automated systems fit well – enhanced this trend"*

"In recent years, Poland has succeeded in effectively using EU economic incentives to invest in innovation, particularly in solutions to ***reduce the impact on climate*** *of logistics activities"*

"The ability of companies to invest is more related to the product they manage than to the industry or country in which they operate. When a company ***manages high added-value products*** *it will have higher margins and greater* ***product knowledge,*** *therefore be more inclined to invest in innovation"*

"Italian companies have recently sped up on ***innovation investment*** *– also as a result of Industry 4.0 incentives – and are bridging the gap with northern European and Anglo-Saxon countries"*

"In Germany, public incentives for innovation have been significant. Moreover, the German market has great confidence in ***digital solutions"***

"Automation and digitalization *are the main innovation trends that can be seen in the logistics sector today"*

Public Image

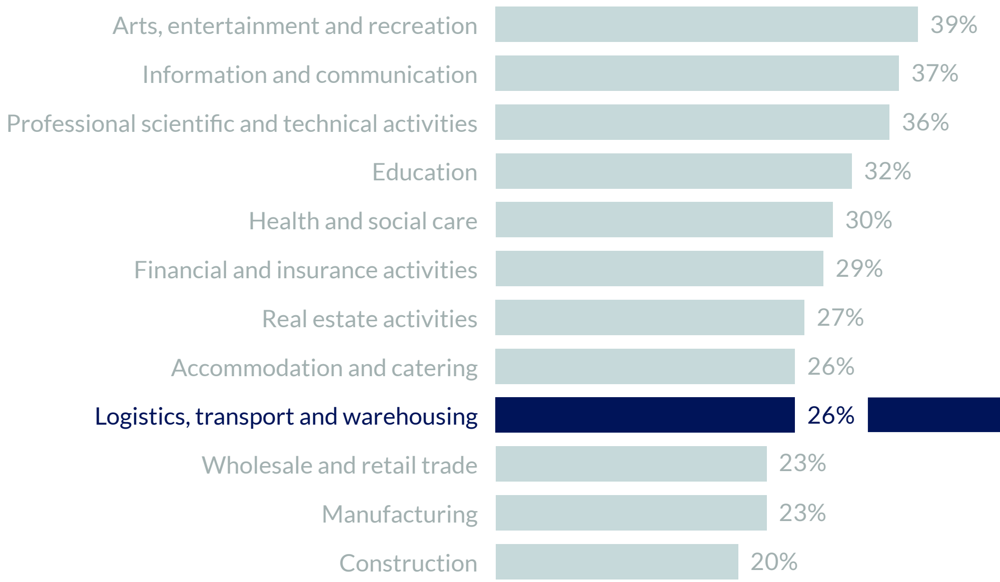
A false belief debunked by workers' satisfaction

Despite widespread acknowledgment of Logistics' central role in improving both the economy and society, the industry is still tied to a traditional public image that no longer reflects reality. Logistics is still perceived as a **physically demanding sector,** where manual or unskilled labour prevails.

This general belief that any work in Logistics is tiring and physically strenuous is difficult to debunk and **makes the industry unappealing** to a large share of the population. According to the survey, only 26% of respondents identify Logistics among the best sectors to work in, slightly above traditional blue-collar sectors such as manufacturing and construction.

Source
CLO-INTWIG, International Survey

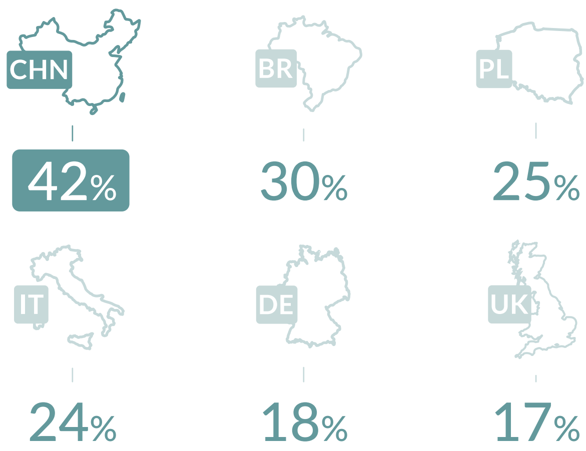
People's desire to work in each area



Source
CLO-INTWIG, International Survey

Country comparisons: people who would like very much to work in Logistics

The study shows that Logistics is proportionally **more appealing in China,** where 42% of participants not employed in the industry say they would like to work in the sector, followed by Brazil (30%), Poland (25%), and Italy (24%). Germany and the United Kingdom close the ranking with 18% and 17% respectively.

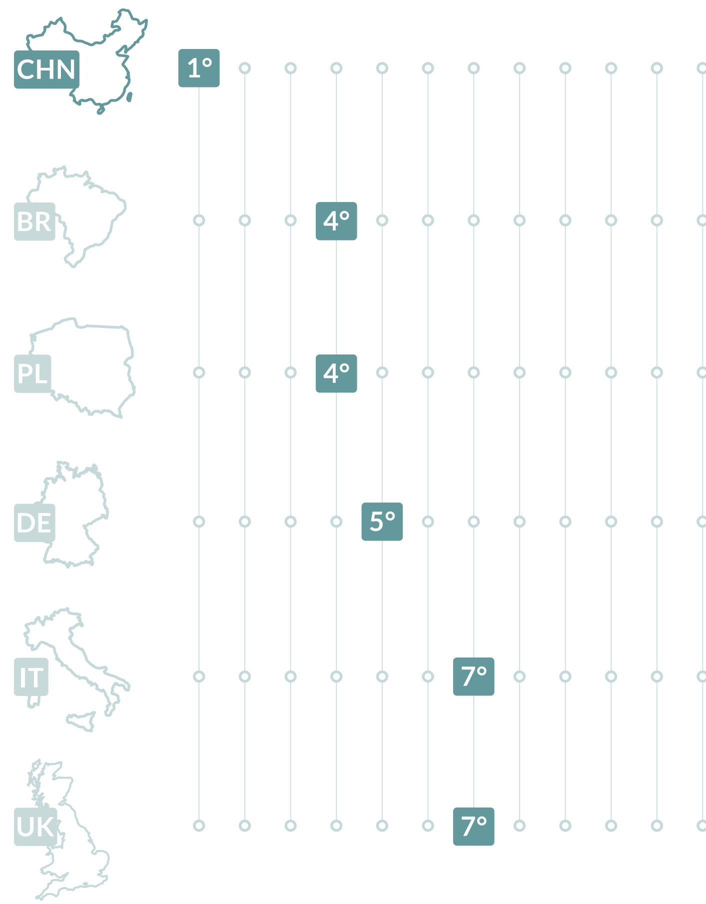


Source
CLO-INTWIG, International Survey

Country comparisons: position occupied by Logistics among best sectors to work in

Finally, Logistics is chosen as **the best sector to work in by only 1 in 10 respondents.** Again, it is the Chinese respondents who put Logistics first, followed by Brazil, Poland, and Germany. Italy and the United Kingdom close the ranking, placing the sector in seventh place.

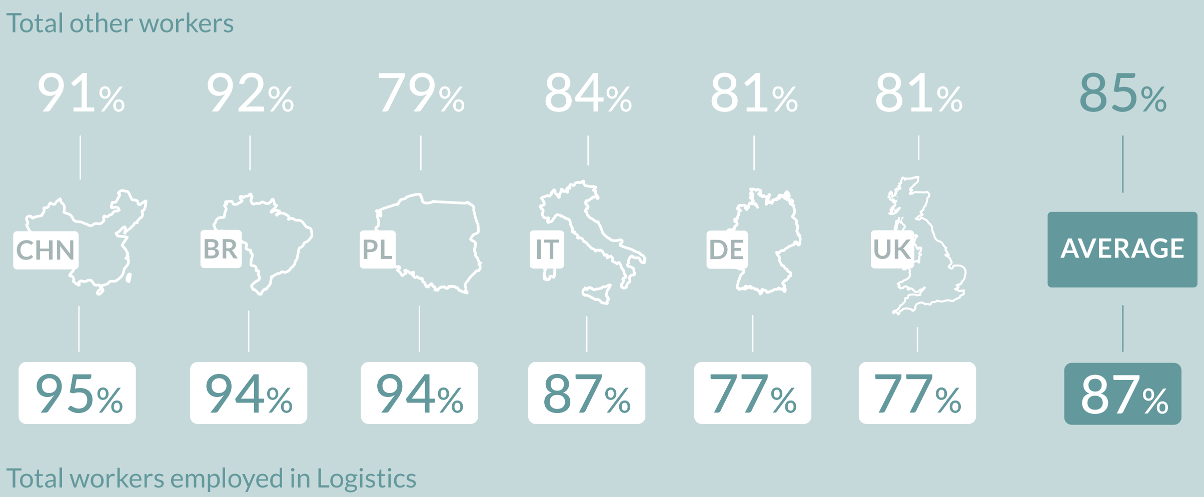
Logistics' lack of attractiveness contrasts with the results gathered from those employed in the industry. The appreciation expressed by Logistics workers is in fact generally very high and exceeds that stated by workers in other areas. On average, **87% of those employed in the logistics industry are satisfied,** compared to 85% of those employed in other sectors.



The analysis by country shows that 95% of workers in China and 94% in Brazil and Poland are very satisfied with employment in Logistics, followed by Logistics workers in Italy (87%), Germany, and the UK (77%).

Source
CLO-INTWIG, International Survey

Country comparisons: employee satisfaction within the logistics industry



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Labour market

Gi Group Speaks up

"The sector shows a ***growing employment dynamic,*** *which is renewing from a technological point of view and changing in terms of the quality of work. In addition, the current technological transformation is opening interesting professional opportunities, requiring skills and roles that are not traditional for the sector. Among these,* ***software developers,*** *maintainers of highly automated systems,* ***data management and artificial intelligence experts*** *are some of the resources needed for the transition towards Logistic 4.0."*

"A case in point is that of the ***workers employed in the road transport cluster,*** *which is among the clusters that are suffering from a lack of generational change that has been going on for years, with a worrying labour shortage in many countries. For this particular task, the issue of attractiveness poses challenges similar to those that companies have to face for other professional figures, but with specific complexities and peculiarities due to the very nature of the professional profile."*

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Labour shortage is one of the main challenges that Logistics is facing. To respond to this emergency, companies use benefit programs and economic incentives to attract skilled and unskilled workers. An approach that increases the overall appreciation for the sector by its current workers. In addition to this, the logistics industry is starting to fill the gender gap, by increasing women's participation at managerial levels.

Labour Shortage

More workers for greater growth

Undoubtedly one of today's major concerns that Logistics companies are facing worldwide is labour shortage, both in **transport and warehouse sectors.**

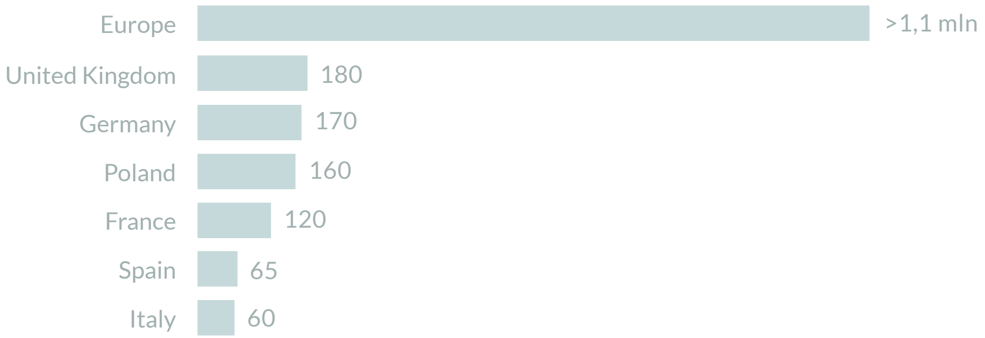
The shortage of workers is a global phenomenon with different causes. Among these, the false belief that Logistics jobs are strenuous, plays an important role.
A perception that does not take into account the fact that companies are increasingly equipping themselves with cutting-edge technologies to **improve operational efficiency** and **create safer working conditions.**

The shortage of manpower is also linked to **cultural and social transformations.**
For instance, in Italy and Germany recruiting truck drivers has become difficult since fewer and fewer people have driving licences for these vehicles.

The data clearly show the scale of this phenomenon. In general, considering the European regions with the greatest shortage, it appears that the **United Kingdom lacks 180,000 Logistics operators, Germany and Poland lack 170,000 and 160,000** workers respectively.

Source
Contract Logistics Observatory "Gino Marchet"

Country comparisons: Logistics operators shortage in Europe (thousand people)



Source
CLO on Instawork

75% of **warehouse operators** in developed economies are having **trouble attracting employees,** causing them to operate below capacity.

OP leaders speak up

"Driver shortage issues are due to the sum of several factors. For example, in Germany and Italy, the ***elimination of mandatory military service*** *has caused a reduction of truck driving licenses, affecting the number of potential truck drivers today"*

"Driver shortage for international transport is the main problem – this kind of transport requires extensive ***driver flexibility.*** *The issue is more manageable at national transport level"*

Qualified Personnel

The experts that will lead innovation

Labour shortage does not affect only blue-collars, but also key skilled workers.
In addition to the lack of traditional workers such as drivers and warehouse operators, there is **widespread difficulty in finding specialised labour** which can support companies in their innovation processes.

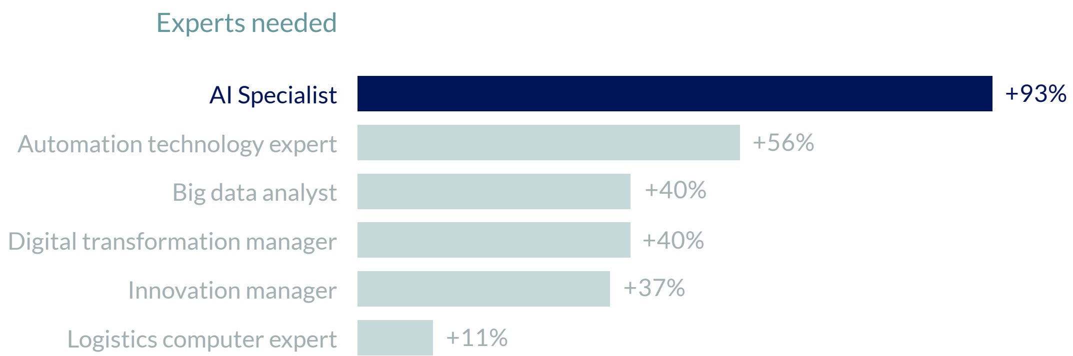
The causes of the skilled labour shortage range from **a lack of adequate training courses** to **the high cost of qualified workers** which, in turn, depend on the mismatch between supply and demand.

The most sought after qualified profiles among Logistics companies include **customer care, data analysts, logistics engineers** and **cyber security experts,** but also people with great knowledge of new technologies, like **automation technology experts.**

Source
Contract Logistics Observatory "Gino Marchet"
These data refer to Italian companies

Focus Italy: experts needed to facilitate logistics service providers' growth, according to Italian companies

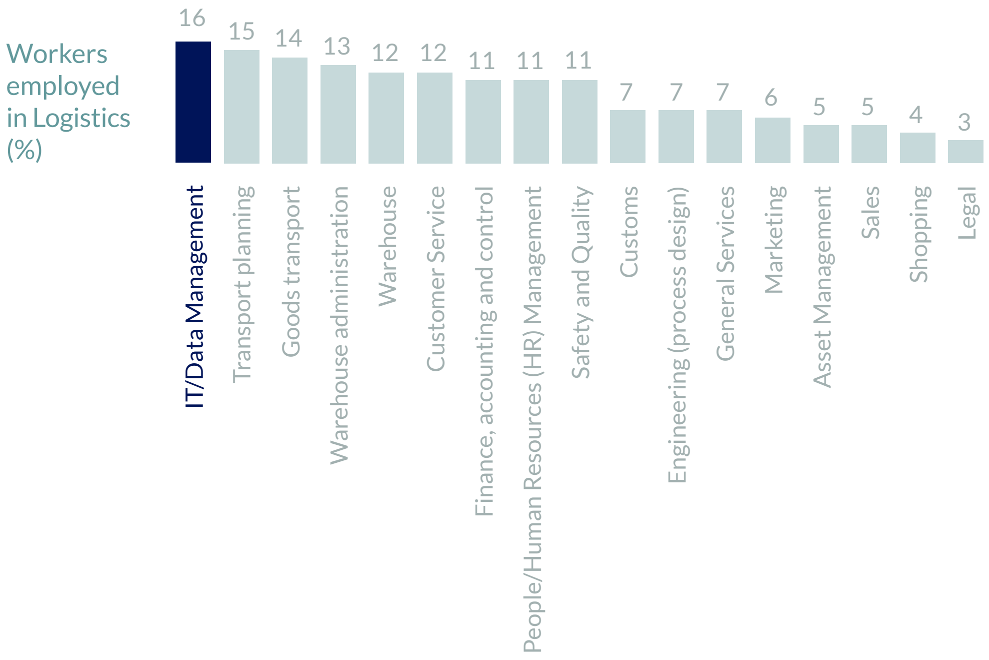
The number of logistics service providers with automation and AI experts will grow, respectively by 56% and 93%.



The growing interest shown by Logistics companies in IT and Data experts is having an impact on the general attractiveness of these professional areas. When asked to point out the best department to work in, 16% of workers employed in Logistics choose IT and Data Management.

Source
CLO-INTWIG, International Survey

Best Logistics area to work in



OP leaders speak up

*"**Cyber security experts** are becoming increasingly critical for Logistics companies"*

*"It is increasingly important for companies to have **highly skilled people on new technologies capable of comparing different solutions** taking economic costs into account. If not, Logistics companies risk relying completely on technology providers, and investing in the wrong solutions"*

*"The significance of employees **specialised in customer care** and **customer engagement** is rising steadily"*

*"The importance of **transport optimisation** dedicated employees is growing"*

*"Companies are implementing major changes in their organisation. The importance of **data analysts** is growing"*

Incentive Programs

The strategies to attract and retain workers

To overcome labour shortage and attract workers, companies are using several levers. These include **economic incentives, training policies, work-life balance programs, solutions to increase workplace ergonomics, and corporate welfare programs.**

The choice of the most appropriate levers to use is highly **dependent on the target** and varies according to the activity, the age and gender of the workers considered. It is particularly evident, for instance, that among young workers there is a high demand for a good work-life balance. Another factor that impacts on the policies implemented to hire and retain workers is the **type of company** and, in particular, its level of **internationalisation.**

Finally, many companies recognise the importance of **improving the working environment and fostering cooperation with universities** to improve brand visibility and promote their industry.

OP leaders speak up

*"Today, there is high demand for a **good work-life balance.** Smart and remote working are requested especially by young people. However, we often need physically present employees"*

*"A certain degree of **employee turnover** can be beneficial for companies in terms of renewal. However, in some countries, the turnover level is too high: it is necessary to enhance **worker loyalty."***

*"It is necessary to offer a complete package to attract and retain workers. Our company offers **training programs and retirement benefits.** Furthermore, it is important to improve the **work environment:** multicultural work teams, open spaces, etc.*

*"The company has implemented several **initiatives to help workers with their daily life needs,** such as dedicated discounts on certain products or free sessions with a psychologist"*

*"**Cooperation with universities** can be beneficial also in terms of brand visibility"*

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Wages and Benefits

From salary increases to welfare and well-being

Increasing salaries and implementing benefit policies are among the main strategies available to companies to attract and retain a workforce.

The increase in costs resulting from higher salaries can nevertheless be a problem for companies. For this reason, achieving the right balance between **maximizing attractiveness and minimizing costs** is among the top priorities for Logistics companies.

To achieve this goal, companies operating in countries where the tax burden on salaries is particularly high, prefer to adopt more generous benefit policies.
The benefit policies most commonly implemented by companies are:

- **Economic benefit policies** (e.g., stock options);
- **Corporate welfare programs** (e.g., health insurance);
- **Worker well-being targeted policies** (e.g., free psychologist, discounts on products, etc.);
- **International exchange programs,** implemented especially by multinational companies.

Source
CLO-INTWIG, Salary guide

Country comparisons: average wage per job position

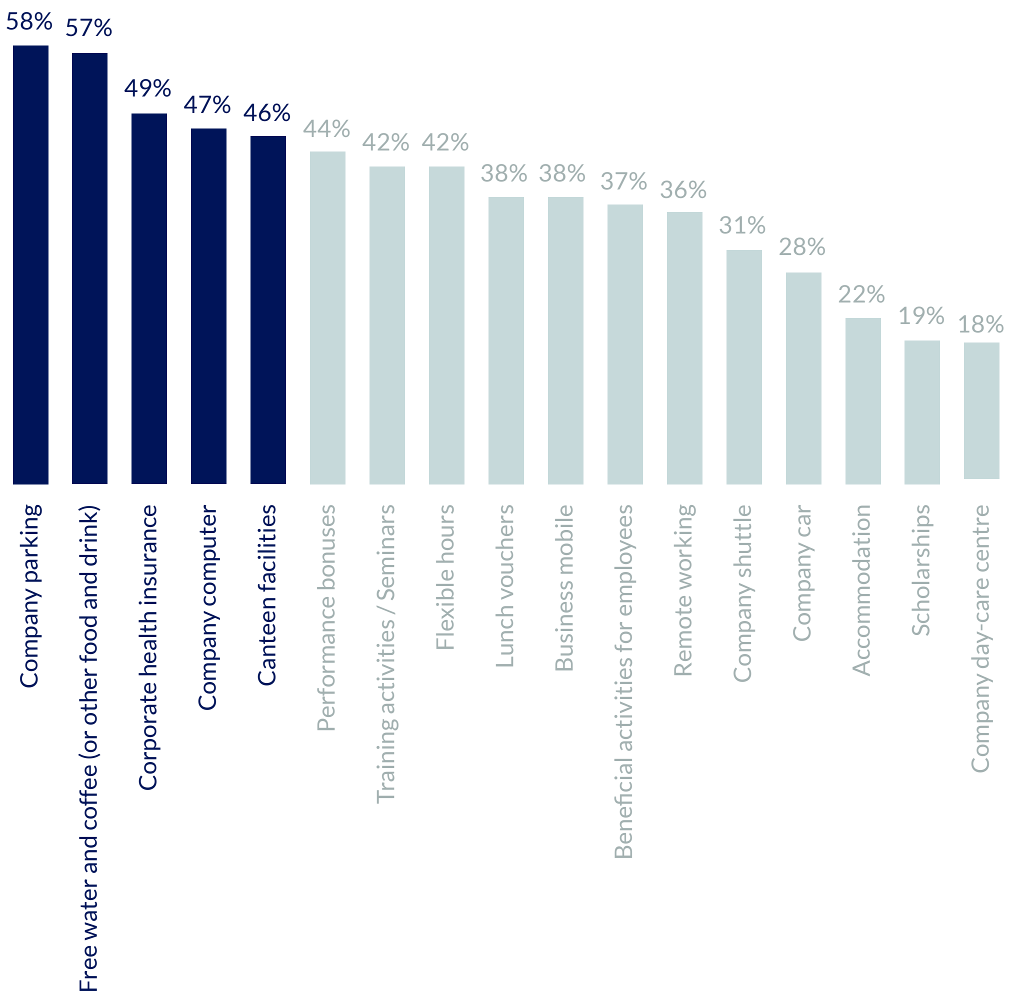
	Warehouse Operator (median)	Logistics Planner (median)	Supply Chain Director (median)
DE	33,387.00 €	47,979.00 €	106,517.00 €
UK	31,147.00 €	41,780.00 €	105,913.00 €
IT	23,683.00 €	29,221.00 €	104,602.00 €
PL	11,279.00 €	17,85200 €	39,094.00 €
CHN	9,074.00 €	25,760.00 €	123,420.00 €
BR	7,891.00 €	15,961.00 €	58,140.00 €

For more information
APPENDIX SALARY GUIDE PAG. 34

The survey shows that on average, about half of all Logistics workers have access to **company parking, free water and coffee** (or other food and drink), **corporate health insurance, a company computer, and canteen facilities.** Less common benefits include performance bonuses, training activities, and flexible hours. And, the least common benefits, we find accommodation, offered to 22% of workers in the logistics sector, scholarships (19%) and company day-care centres (18%).

Logistics workers who have access to each benefit

Source
CLO-INTWIG, International Survey



*"Tax burden on salaries is high in Italy. Therefore, companies are encouraged to implement substantial **corporate welfare programs,** as their **tax impact is zero**"*

*"To **hire new workers,** it is sometimes necessary to **pay them more** than workers that have been in the company for a long time. It is a problem that must be managed"*

OP leaders speak up

Working Conditions

Quality of life at work

The attention that companies operating in Logistics pay to their employees results in the **overall satisfaction of workers.** The survey shows that, when asked to evaluate the quality of their life at work, people employed in Logistics assign **a score of 7.5 out of 10.**

As for individual countries, it appears that, with a score of 8.5, **Chinese workers express the greatest degree of satisfaction,** followed by people employed in Brazil (7.7), Italy (7.4), Poland (7.4), and Germany (7.1). A slightly lower degree of satisfaction is reported in the United Kingdom (6.9).

Source
CLO-INTWIG, International Survey

Country comparisons: quality of life at work according to Logistics employees (scale 1 to 10)

When asked about the specific aspects that they value the most, respondents say they are particularly satisfied with their **relationships with colleagues** (8.0) and the degree of **safety in the workplace** (7.8). Relationships with superiors (7.7), quality of the work place (7.6), and ease of finding employment in the industry (7.5) are also appreciated. It is worth noticing that **the prestige of working in the sector is the least chosen aspect,** a clear sign that workers are aware of – and perhaps influenced by – the public image of Logistics as an unappealing industry.

Source
CLO-INTWIG, International Survey

Aspects valued by Logistics employees (scale 1 to 10)

Training

A successful policy to improve skills and abilities

In Logistics, training is important both to **improve the skills of employees** and to **attract new workers.** For this reason, companies are implementing different training policies, internally or in collaboration with other private or public bodies, like universities and technical schools.

Implementing **in-house training** is generally easier for big companies, which usually devote specific resources to this kind of activity. Among the factors that affect companies' training policies, there are also cultural differences. For instance, Germany stands out for the great number of training initiatives implemented, motivated by a high degree of social recognition for the sector and the **cooperation between schools and companies.**

*"In **Germany,** Logistics is recognised high social value. There are several **upper high school courses** dedicated to the logistics sector "*

OP leaders speak up

From the workers' point of view, the survey reveals that **69% of those employed in the logistics sector consider training and continuous learning very important** in order to stay up-to-date, while only 2% consider it irrelevant. Finally, it is worth pointing out that workers also deem training and learning to be fundamental for keeping their job and finding new ones.

Source
CLO-INTWIG, International Survey

The role of training and learning in order to stay up-to-date

very important	quite important	not very important	not at all important
69%	24%	5%	2%

Source
CLO-INTWIG, International Survey

Country comparisons: training is considered very important

CHN	BR	UK	DE	PL	IT
88%	79%	66%	64%	60%	59%

The analysis of the answers provided per country shows that **training is considered very important in China,** where 88% of participants responded positively, **and in Brazil** (79%). On the other hand, workers residing in Poland and Italy pay less attention to it.

In general, **41% of Logistics workers surveyed consider their skills as certainly in line/up-to-date with the market demands.** As for the individual countries, Italy has relatively greater training needs, where only 27% consider their skills as completely up-to-date, while Germany, and Poland have 35%.

Source
CLO-INTWIG, International Survey

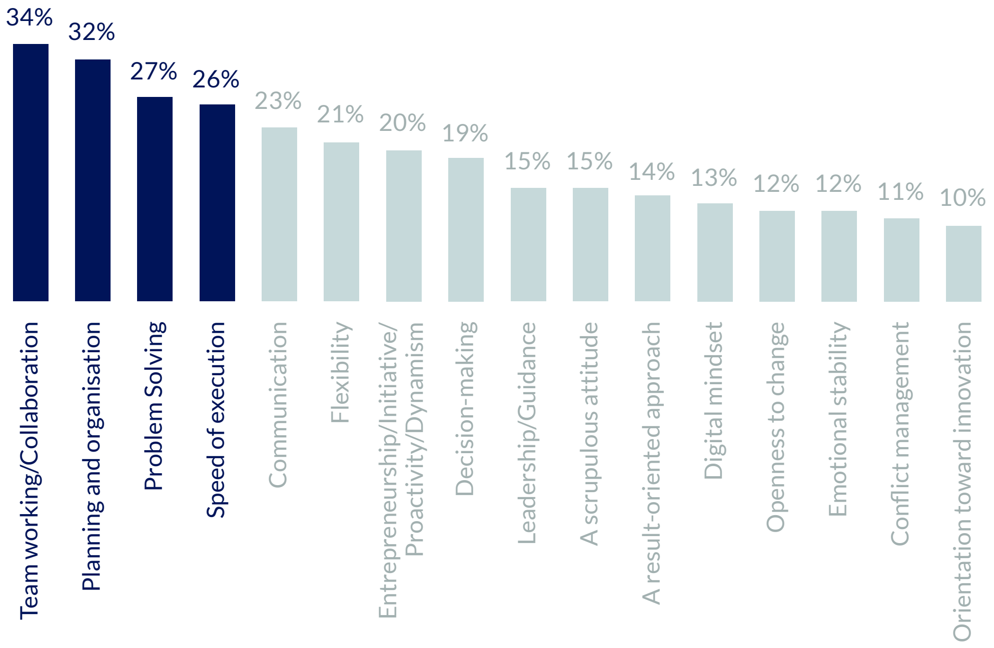
Are your skills in line/up-to-date with the Logistics market demands?

	definitely yes	probably yes	probably not	definitely not
Average	41	52	6	1
CHN	54	44	2	0
BR	52	47	1	0
UK	45	45	10	0
DE	35	58	7	0
PL	35	57	8	0
IT	27	63	9	1

As for **the most requested soft skills in Logistics,** workers state that in order to find employment in this sector it is first and foremost necessary to have **team working abilities,** but also planning and organisational skills, as well as problem-solving and speed of execution.

Source
CLO-INTWIG, International Survey

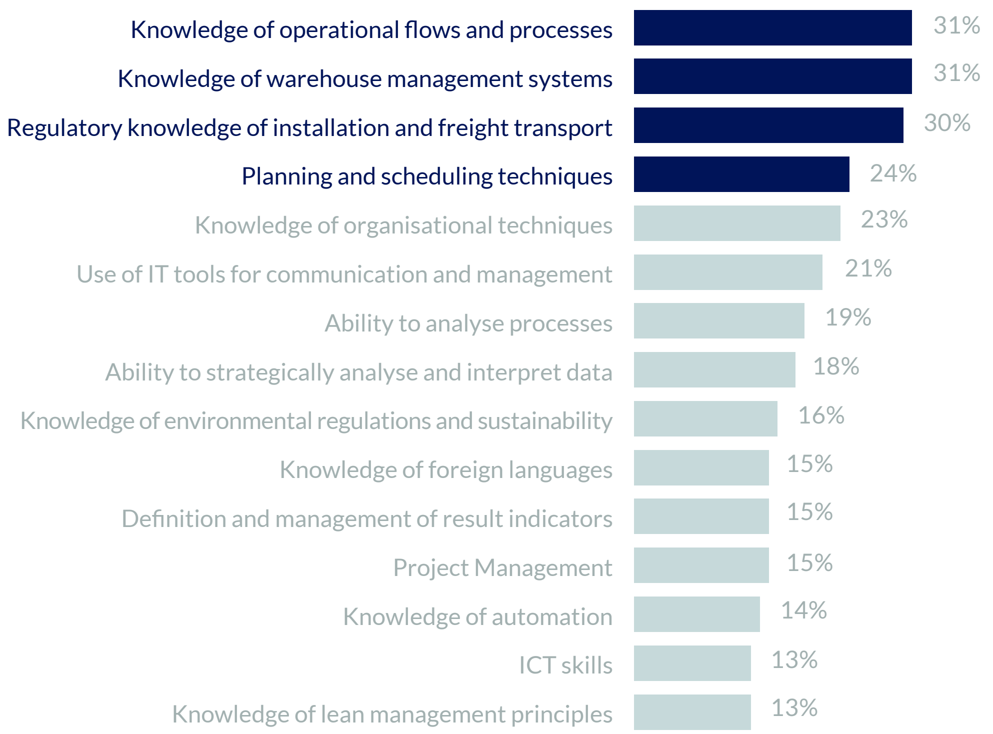
Most requested soft skills according to Logistics workers



On the other hand, **the most requested technical skills** (hard skills) are **knowledge of operational flows and processes,** knowledge of warehouse management systems, regulatory knowledge and planning, and scheduling techniques.
It is interesting to note some **differences at the territorial level.** To provide an example, China and Germany include the knowledge of environmental regulations and environmental sustainability among the main hard skills, while in Poland the knowledge of foreign languages is particularly significant.

Source
CLO-INTWIG, International Survey

Most requested technical skills according to Logistics workers



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Gender Gap

Logistics' evolution toward equality

Analysing the composition of Logistic's blue collar workforce, it becomes evident that there is an overwhelming majority of male workers. On the other hand, **female participation is growing among white-collars and managers.** Although the situation is changing, the top management of companies is generally still predominantly male.

Among the countries considered in the survey, **Germany is the country with the highest overall percentage of female workers** in the sector (24.7%), followed by Poland (20.9%) and Italy (20.4%).

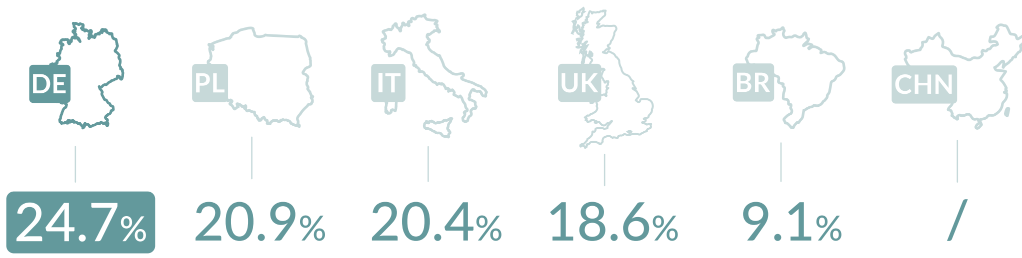
Looking at salaries, **a gender pay gap does not emerge at the blue-collar level,** since salaries are generally defined by collective labour agreements. On the contrary, **a gender pay gap exists at managerial level,** due to the higher percentage of male managers in top-level positions.

OP leaders speak up

"Blue collar warehouse workers and drivers are still predominantly male. Female presence is higher at ***white-collar and management level"***

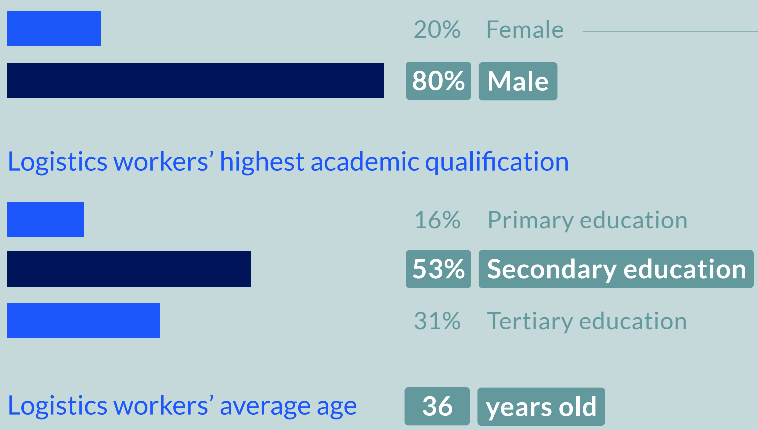
Source
International Labour Organization

Country comparisons: percentage of female workers



Source
CLO-INTWIG, International Survey

Logistics workers' gender



The sector's demographic distribution, with a larger number of male employees, is reflected in the perception of interviewees, who describe **the average Logistics worker as a man, around 36 years old, and with a low level of education.**

Responsibility and sustainability

Gi Group speaks up

*"The sector shows a tendency to seek **sustainable solutions,** not only from an economic point of view but also from an environmental and social point of view. Many companies, especially those addressing a B2C target, pay particular attention to sustainability because of its **impact on reputation.** That's why they demand their suppliers, including Logistics operators, a conduct based on similar criteria of sustainability."*

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The key role Logistics plays in economies and societies calls for great responsibility. In order to be sustainable, Logistics has to implement practices aimed at improving the sustainability of the supply-chain, ranging from the supply of raw materials to processing, storage, packaging, and distribution. Yet, the concept of "Sustainable Logistics" is not limited to the environmental footprint but also involves the economic and social sustainability of its activities.

Environment

Green solutions to reduce Logistics' environmental impact

Logistics companies are showing a growing interest in environmental sustainability issues. Although the most important criteria for clients selecting a Logistics supplier are still price and quality, **environmental impact standards** are becoming increasingly important for big, publicly traded companies.

Logistics companies are working on **several «Green Logistics» solutions.** These solutions are related to **warehouse and transport activities, logistics network design and innovative packaging solutions.**

To reduce their warehouses' carbon footprint, companies are implementing several solutions, such as **solar panels, green-building solutions or LED lighting.** Nevertheless, in the transport sector, technical aspects and high costs still curb investments in environmentally friendly solutions, while small Logistics companies are not always confident about which solution to invest in.

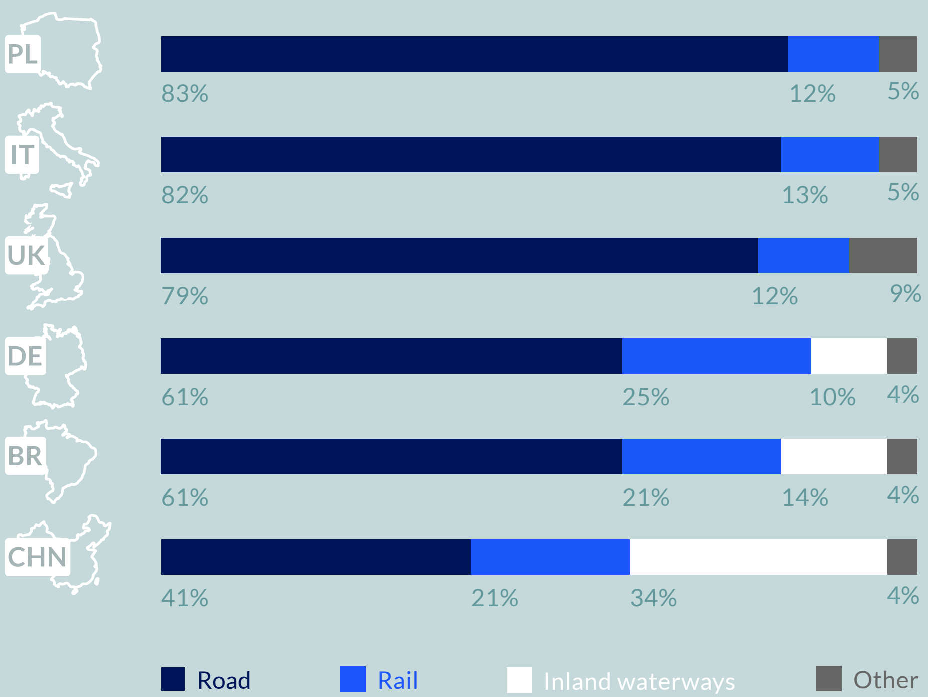
With regards to **short-haul transport, electric trucks** are often considered as the best option, but the high initial investment and issues related to charging times hold companies back, both in the purchase and usage of electric vehicles. When it comes to **long-haul transport, LNG and hydrogen-powered trucks** are the most viable solutions. However, the recent gas price surge has hindered companies' investments in LNG trucks, and hydrogen power for transport requires a few more years to be considered a mature solution.

Finally, although **intermodal transport** can be considered an effective solution, it allows for lower flexibility than road transport and requires a high level of collaboration between public and private stakeholders.

Last but not least, it is worth noticing that a **trade-off between environmental and economic sustainability** exists. The solutions that might be pursued to positively combine these two aspects are related to **process optimisation** (e.g. increasing truck saturation) and **customer-company cooperation** (e.g. encouraging customers to select specific delivery time slots to implement transport optimisation strategies). In addition, Logistics managers should **cooperate with other business departments** (e.g., marketing managers for innovations in sustainable packaging) to implement environmentally sustainable solutions.

Source
Ocse; CNT

Country comparisons: freight transport – modal split



Source
Contract Logistics Observatory "Gino Marchet"

Green Logistics solutions

LOGISTICS PROCESS

1 Network Design

- Warehouse localization review
- Modal shift
- Route-to-market review

2 Transport

- ING/bioLNG fuels
- Electric powered transport
- Cargo-bike
- Eco-driving
- Increased truck mileage
- Increased truck saturation
- Reduction of empty runs
- Review of the delivery schedule

3 Warehouse

- Green building and yard management
- Electric plants (HVAC)
- Lighting systems
- Handling systems
- Certificates
- Process review
- Measurement systems

4 Packaging

- Palletization optimisation
- Replacing plastic with cardboard
- Primary packaging review
- Secondary packaging review
- Inventory updating
- Testing of alternative materials
- Circular economy projects
- Reverse Logistics

OP leaders speak up

*"Small transport companies **don't have visibility and clarity on which solutions could reduce environmental impact.** Even a small transport company knows that diesel-fueled transport will not last forever, but it doesn't know in which direction to invest"*

*"To implement sustainable solutions, logistics managers need to work with other business departments. For example, **the cooperation with marketing managers** is necessary to introduce innovative environmentally friendly packaging solutions"*

*"The **cooperation between client company and logistics services provider** is key to implement environmentally sustainable solutions"*

*"Company sustainability is increasingly considered by **financial funds in their long-term investment decisions"***

*"It is possible to effectively combine environmental sustainability and economic savings by aiming for **network design optimisation solutions** or **increasing vehicle saturation.** Other solutions, such as electric trucks, entail greater investment. Logistics still has quite a ways to go to achieve big improvements in terms of reducing its climate impact by increasing efficiency"*

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Society

Enhancing the quality of work and workers' well-being

The logistics sector has been often criticized for social sustainability issues and it is not infrequent to read news about **poor working conditions** in this sector. The most relevant social sustainability issues relate to low salaries, the physical effort required from operational workers in the sector (e.g. truck drivers, warehouse operators) and the stress associated with shift work.

These issues are highly dependent on **country specific labour legislation,** the rules governing negotiations between companies and trade unions, and the employment contracts of operational workers. In addition, these issues can be exacerbated when the approach of the client company is too price-oriented.

However, awareness of the social sustainability issues affecting the logistics sector is spreading, leading to the implementation of several initiatives meant to improve workers' well-being.

Moreover, **new technological solutions,** the increased value of logistics services, and other organisational innovations are **transforming the work activities in the logistics sector.** Truck driver jobs increasingly entail performing problem-solving activities and warehouse operational workers can be relieved of the heavier tasks through the introduction of new technological solutions such as goods-to-person picking systems and, in the future, exoskeletons.

OP leaders speak up

*"Digitalization has enabled improvements of the transport sector's social sustainability. An example is the introduction of the **digital tachograph"***

*"The introduction of **automatic conveyors, advanced forklifts** and – potentially, in the long run – **exoskeletons** can improve warehouse ergonomics"*

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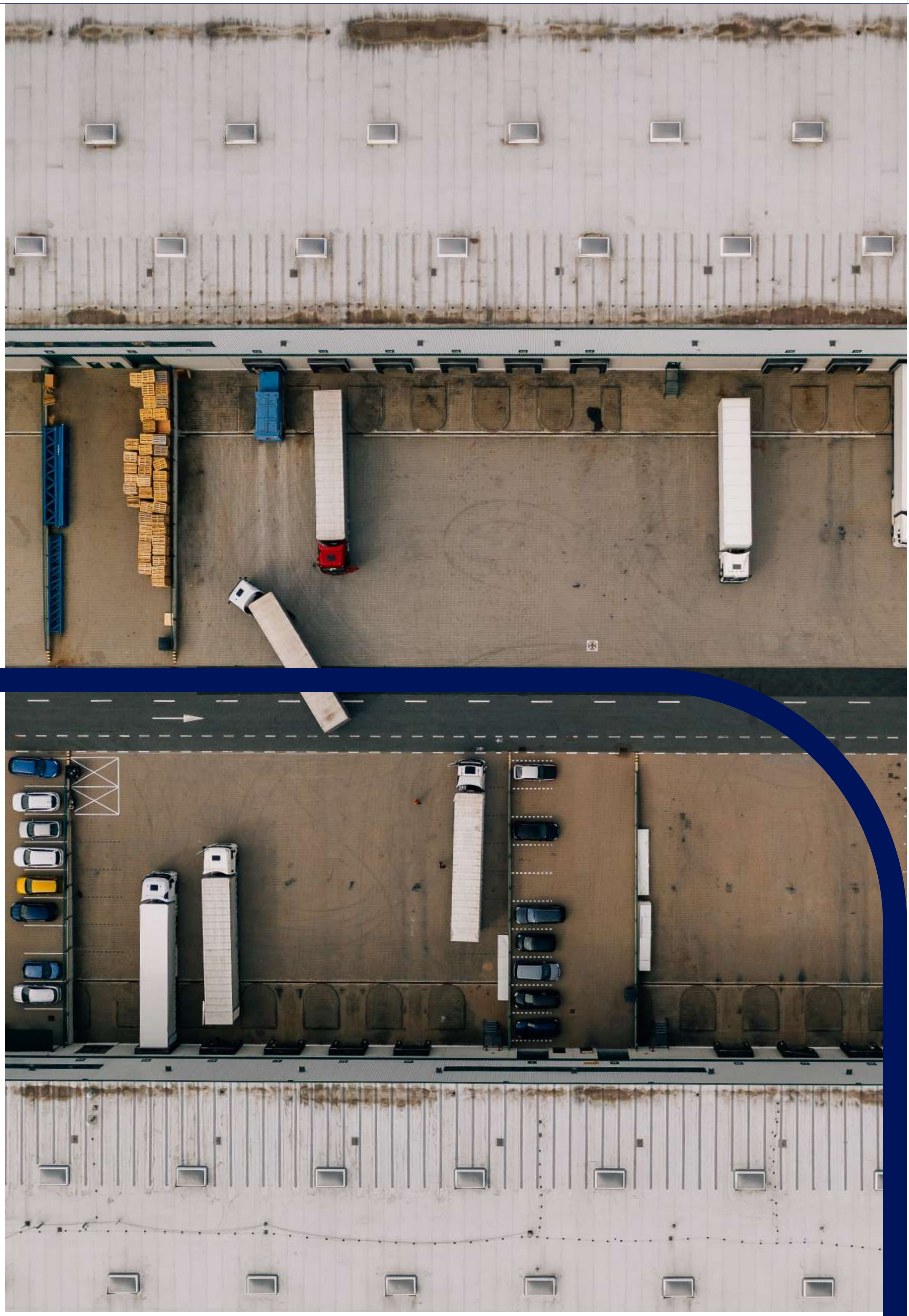
Economics

The trade-off between cost and environmental performance

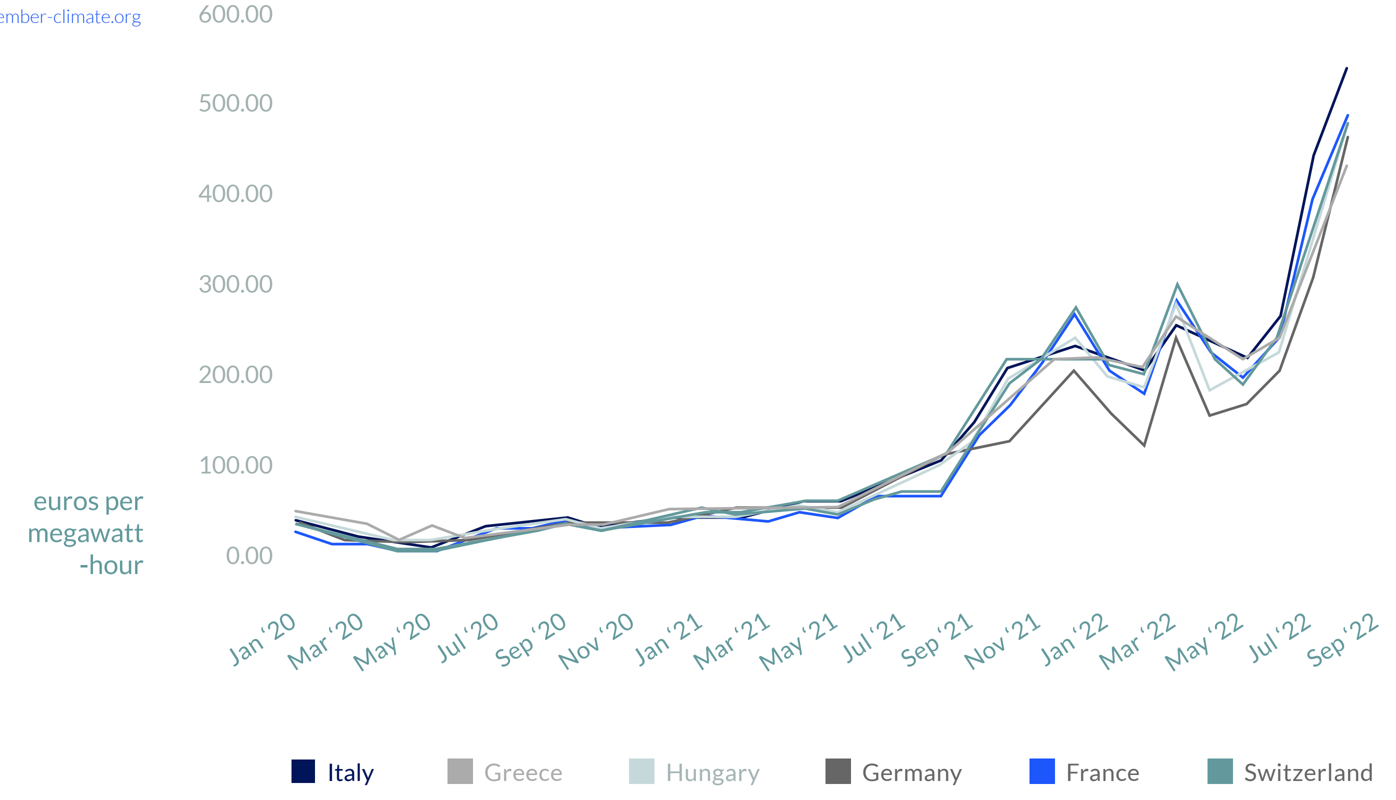
When dealing with the implementation of solutions that could reduce environmental impact, Logistics companies often face difficult choices. Among the factors that need to be taken into consideration, economic issues play a crucial role. Achieving environmental sustainability **without compromising economic performance** becomes a priority for companies operating in the logistics sector.

Today, **increasing costs can harm companies' potential to invest** in digital and green solutions. **Rising raw materials costs** – and the related increase in fuel prices – can harm companies' profit margins, generating many concerns among operators in the logistics sector.
The input factor where the cost increase shows the **highest growth trend,** causing many concerns among Logistics companies, is **electricity** – prices have experienced a sharp rise since the second half of 2021 in all European countries.



Source
Statista from ember-climate.org

Monthly wholesale electricity prices in selected EU countries 2020-2022



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Gi Group Holding's conclusions

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Gi Group Holding draws a brief concluding note showing its point of view on the future of Logistics. In the past years, the sector has been able to face great changes with resilience and flexibility. The innovations and new technologies that are emerging will give a further boost to an industry destined to play a key role in society and global economies.

Towards the Future

What to expect from Logistics in the future

In the first two decades of the 2000s, we witnessed a profound **transformation of production, acquisition, and distribution models.** A change that has produced an irreversible change in consumption habits and modified supply chains globally. Logistics has provided the key infrastructures for these changes and for the economic and social development of many countries globally.

Over the next few years, we will observe further transformations accelerated by **the digitalization process** in Logistics. A process that has proved crucial during the pandemic, in order to respond to the stress of global supply chains and to ensure greater operational efficiency and flexibility.

We will soon discover how innovations such as **Big Data Analytics, Blockchain, IoT, 5G, Artificial Intelligence, and Additive Manufacturing** will change the supply chain and influence the balance of power among the market players, reshaping the current business models.

The logistics sector is ready to make the most of these innovation and changes, proving once again its ability to play a fundamental and essential role in the **improvement of economic systems** and in the **functioning of any other production activity.**

What to expect for the Logistics labour market in the future

During the pandemic, the logistics sector has gained **unexpected attention from the media**, making clear also to the general public that the industry plays a key role in the economy, the production and distribution systems.

After more than two years, Logistics still dominates the headlines of mainstream newspapers every time topics such as the increasing cost of fuel, the global consequences of inflation, the ports' congestion or the bottlenecks in global supply chains are addressed.
As a result of this media exposure, a large number of non-experts have become aware of the fact that **Logistics** – conceived as the effective and coordinated handling of goods and people – **has direct implications in anyone's daily life.**

The study conducted by INTWIG and the Contract Logistics Observatory shows interesting trends related to the countries analysed, ranging from the **sector's constant growth** to the **technological transformation**; from **sustainable solutions** to a **growing employment dynamic**.
The ongoing technological renewal generates interesting professional opportunities, requiring skills and roles that are not traditional for the industry. From the HR point of view, this means that companies are able to **attract skills in the Digital & Automation** field in order to achieve this transformation.

These considerations lead to a key result of the study. Despite the sector does not generally enjoy a high level of attractiveness (with the exception of China) **the average level of satisfaction of Logistics' employees is higher** than that expressed by those employed in other sectors. Yet, in a labour market characterized by **a wide labour shortage**, with a specific lack of workers in roles that are key for the digital transformation and the automation process, the low level of attractiveness can become a limiting factor.

At the same time, a sector that considers **operational flexibility** as a key ingredient to respond quickly to market fluctuations and make labour costs more efficient must also be able to attract a workforce in the warehouse sector. Interesting data emerge also from this point of view, including the fact that one in two workers declares to have access to **parking, free coffee and water, canteen facilities**, but also some form of **health insurance**.
Finally, in terms of **salaries**, the survey shows that there are no disadvantages for those who work in the sector, which is comparable with other similar tasks.

In light of this paradigm shift, that led the market **from being client-driven to becoming candidate-driven**, companies are well aware of the fact that they need to increase attraction and, even before that, invest in retention policies.

To retain workers, companies have no choice but to create **working conditions as welcoming as possible**, promoting work environments based on **positive relationships**, and on **Total Rewards** systems (salary, welfare policies, well-being and business ethics). Secondly, companies must find solutions to **promote their employment offer**, using communication and marketing actions expressly addressed to potential candidates.

In order for these factors to actually work, companies need to accept the changed conditions of labour market, equip themselves with modern, advanced and engaging Employer Branding policies, offer stimulating professional challenges and keep the promises they make to their workers.

These are challenges that Logistics managers, above all HR and Operations, must feel as their own, updating methods and approaches to the management of organizations and workforce.

Michele Savani

Division Manager Logistics Gi Group Italy

"The phenomenon of the Great Resignation that started in 2021 highlights that workers have more opportunities to choose where to work, and are **more open to resign for economic and personal reasons**. Secondly, the Great Resignation shows that the **market is liquid** not only because of labour shortage, but also because the set of **transversal skills required is largely overlapping** between different companies and perhaps even between different sectors. In this context, considering the results of this study, we can say that there are many characteristics that can **make Logistics companies attractive to the most demanding candidates**: quality jobs, salaries in line with - if not higher than - the rest of the market, benefits above the average of other sectors, training opportunities, and working conditions perceived as satisfactory."

Chris Van Ooik

International Sales Director at Gi Group Holding

"During COVID-19 the key role of Logistics became clear to everyone, highlighting a fundamental point of the sector: it is **continuously changing**.
Logistics is renewing itself both regarding the technological solutions and the quality of the work, opening **new professional opportunities that are not traditional** for this industry. Now a days new professional figures, such as software developers, maintainers of highly automated systems, data analysts and artificial intelligence experts are more and more required by logistics companies. The analysis highlights the capability of the sector to **sustain this process** and to **attract new resources**. The high level of satisfaction of actual Logistics workers and programs to improve new skills and abilities are the **main drivers to continue the transformation** of this sector."

Barbara Bruno

Global Head of Gi Group Staffing

"We are aware of the **misperception associated with the Logistics sector.** We need to ask ourselves: how can we change this perception? How can we transfer an unbiased image to candidates, making them aware of all the opportunities that this industry can offer? The point is that the world of Logistics **is definitely changing,** not only the industry itself but also the way of working in it. Companies should improve their reputation, taking into consideration the **target audience of workers** to which they are communicating. There is great **growth potential** for young people, and digital innovations are being rapidly implemented: these could be two big pull factors for employers in the industry, and we can help them to reinforce the way their value proposition is communicated to candidates."

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Who we are

Founded in 1998 in Milan, Italy, Gi Group Holding is one of the **world's leading providers of services for the evolution of the labour market.** Through a global staffing and recruitment business ecosystem formed by six individual, yet complementary brands (Gi Group, Gi BPO, INTOO, Wyser, Grafton, Tack/TMI), the group offers a 360° suite of offerings that generate relevant, impactful solutions. Gi Group Holding works **to promote** a sustainable, streamlined and enjoyable **global market for candidates and companies,** reflecting the ever-changing labour market needs.

The company employees over 6,700 staff and is active in 29 countries across Europe, APAC, the Americas. Providing services to more than 20,000 client companies and with revenues of €3.2 billion (2021), **Gi Group Holding is the 5th largest European staffing firm, and 16th in the world** (according to Staffing Industry Analysts).

Our Vision

We firmly believe that people must be supported so that they remain employed for the majority of their working life. Work must be transformed to eliminate any factors that discourage or hinder workers from staying in, or entering the workforce.

To that end, our vision is to be recognised as a **worldwide player, responsible for creating a sustainable, streamlined and fulfilling global market** for candidates and companies, reflecting labour market needs.

Our Mission

Through our services, we contribute, as a key player and on a global level, to the **evolution of the labour market, emphasising the personal and social value of work.**

Our Global Presence

Today we have a direct presence in **29 nations** across Europe, APAC and Americas.

+650

branches and offices

+6,700

employees

Our Brands

Gi Group – Temporary and Permanent Staffing

Gi BPO – Businesses Processing Outsourcing

Grafton recruitment – Professional Staffing

Wyser – Middle and Senior Managers Search & Selection

INTOO – Career Transition and Employability

TACK TMI – Learning and Development

Our Direct Presence

29

countries with direct presence

Argentina
Brazil
Bulgaria
China
Colombia
Croatia
Czech Republic
Denmark
France
Germany
Hong Kong
Hungary
India
Ireland
Italy
Lithuania
Montenegro
Poland
Portugal
Romania
Serbia
Slovakia
Spain
Switzerland
The Netherlands
Turkey
Ukraine
United Kingdom
USA

Logistics... *at a glance*

...is a sector of **huge economic importance, worth**

...experiencing **continued growth**

...which represents a **high percentage** of **GDP** in each country

CHN	13.7%
BR	10,8%
PL	9,3%
IT	7,7%
UK	7,7%
DE	7,3%

17.8 million employed people

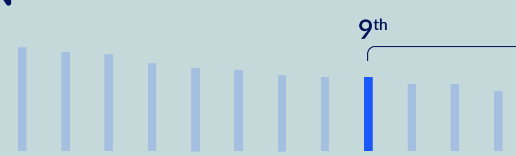
...a **strategic** sector

OP leaders speak up

*"Recent events, from the pandemic to the blocking of container ships, made clear how key **the role of Logistics is**"*

*"It is necessary to **strengthen supply chain resilience,** increase the ability to **predict complex event developments,** and maintain a level of **flexibility** enabling to respond to rapid scenario changes"*

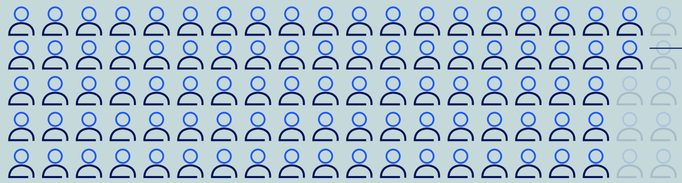
...perceived as a **physically demanding** sector, so **unappealing**



Logistics is in ninth place among the sectors in which **people would like to work**

26% of respondents are keen to work in Logistics

... and, despite being a **rewarding** sector to work in



87% employee satisfaction in the logistics sector

Needs emerged

One of the major concerns that Logistics companies are facing worldwide is **labour shortage**:

...lack of **traditional** workers

Logistics operators shortage (thousand people)

EU	> 1,1 mln
UK	180
DE	170
PL	160
FR	120
ES	65
IT	60

75% of warehouse operators in developed economies are having trouble attracting employees

...lack of **specialised** workers

Qualified workers required the most

- Customer care experts
- Data Analysts
- Logistics engineers
- Cyber security experts
- Automation technology experts
- New technologies experts

*"Today, there is high demand for a **good work-life balance.** Smart and remote working are requested especially by young people. However, we often need physically present employees"*

Solutions

To **attract new resources** and **improve workers' skills,** logistics comapenies are implementing several **training policies**

very important	69%
quite important	24%
not very important	5%
not at all important	2%

69% of employed in the logistics sector consider training very important

Appendix Salary Guide

IT

JOB	ABS - ANNUAL BASE SALARY (EUR) 1st QUARTILE	MEDIAN	3rd QUARTILE	VARIABLE PAY (% ON ABS) MEDIAN
Supply Chain Director	86,989	104,602	125,780	17.6%
Supply Chain Analyst	30,197	35,299	41,287	6.4%
Logistics Specialist	26,165	30,604	35,795	6.0%
Warehouse Clerk	23,369	27,333	31,970	5.2%
Logistics Planner	24,983	29,221	34,179	7.0%
Truck Driver	23,636	26,980	30,796	5.4%
Delivery Person	22,563	25,755	29,398	0.0%
Warehouse Manager	41,060	47,810	55,669	9.3%
Warehouse Coordinator	23,781	27,815	32,534	5.3%
Warehouse Operator	20,748	23,683	27,033	6.4%
Warehouse Technician	22,323	25,481	29,085	5.5%
Forklift Operator	21,506	24,548	28,021	4.8%

DE

JOB	ABS - ANNUAL BASE SALARY (EUR) 1st QUARTILE	MEDIAN	3rd QUARTILE	VARIABLE PAY (% ON ABS) MEDIAN
Supply Chain Director	85,380	106,517	178,990	19.2%
Supply Chain Analyst	41,321	50,301	65,39	6.7%
Logistics Specialist	36,246	42,865	54,235	10.4%
Warehouse Clerk	28,614	33,153	40,755	2.0%
Logistics Planner	40,571	47,979	60,705	4.9%
Truck Driver	39,504	46,785	59,252	3.3%
Delivery Person	30,501	35,638	44,340	3.1%
Warehouse Manager	54,715	65,880	84,824	6.0%
Warehouse Coordinator	37,741	45,083	57,600	3.2%
Warehouse Operator	28,655	33,387	41,415	1.7%
Warehouse Technician	51,150	61,409	78,839	2.4%
Forklift Operator	30,212	35,202	43,622	3.1%

UK

JOB	ABS - ANNUAL BASE SALARY (EUR) 1st QUARTILE	MEDIAN	3rd QUARTILE	VARIABLE PAY (% ON ABS) MEDIAN
Supply Chain Director	84,896	105,913	177,977	17.6%
Supply Chain Analyst	37,492	45,640	59,103	9.4%
Logistics Specialist	31,563	37,326	47,227	4.0%
Warehouse Clerk	26,694	30,928	38,021	7.9%
Logistics Planner	35,329	41,780	52,862	8.0%
Truck Driver	32,993	39,073	49,484	2.1%
Delivery Person	25,473	29,763	37,031	4.5%
Warehouse Manager	49,645	59,776	76,964	9.3%
Warehouse Coordinator	35,210	42,059	53,735	7.1%
Warehouse Operator	26,733	31,147	38,637	5.1%
Warehouse Technician	42,445	50,958	65,421	12.1%
Forklift Operator	26,558	30,944	38,346	4.5%

PL

JOB	ABS - ANNUAL BASE SALARY (EUR) 1st QUARTILE	MEDIAN	3rd QUARTILE	VARIABLE PAY (% ON ABS) MEDIAN
Supply Chain Director	31,341	39,094	65,715	25.2%
Supply Chain Analyst	16,149	19,656	25,463	10.6%
Logistics Specialist	13,489	15,949	20,186	8.9%
Warehouse Clerk	9,668	11,200	13,773	6.4%
Logistics Planner	15,098	17,852	22,595	14.6%
Truck Driver	13,052	15,455	19,580	6.0%
Delivery Person	10,077	11,773	14,652	5.4%
Warehouse Manager	21,384	25,744	33,157	12.3%
Warehouse Coordinator	12,752	15,230	19,465	9.6%
Warehouse Operator	9,682	11,279	13,996	6.1%
Warehouse Technician	17,184	20,628	26,491	6.7%
Forklift Operator	10,827	12,613	15,635	4.0%

BR

JOB	ABS - ANNUAL BASE SALARY (EUR) 1st QUARTILE	MEDIAN	3rd QUARTILE	VARIABLE PAY (% ON ABS) MEDIAN
Supply Chain Director	46,783	58,140	98,565	24.9%
Supply Chain Analyst	20,000	24,250	31,691	14.3%
Logistics Specialist	12,107	14,260	18,208	12.4%
Warehouse Clerk	6,791	7,835	9,721	13.0%
Logistics Planner	13,552	15,961	20,380	13.3%
Truck Driver	9,350	11,029	14,096	6.0%
Delivery Person	7,220	8,401	10,549	4.3%
Warehouse Manager	26,484	31,761	41,269	12.4%
Warehouse Coordinator	8,956	10,655	13,739	10.2%
Warehouse Operator	6,801	7,891	9,879	5.0%
Warehouse Technician	12,307	14,717	19,067	6.0%
Forklift Operator	8,413	9,763	12,210	7.7%

CHN

JOB	ABS - ANNUAL BASE SALARY (EUR) 1st QUARTILE	MEDIAN	3rd QUARTILE	VARIABLE PAY (% ON ABS) MEDIAN
Supply Chain Director	99,454	123,420	209,920	21.9%
Supply Chain Analyst	25,401	30,754	40,328	13.4%
Logistics Specialist	19,569	23,014	29,486	10.5%
Warehouse Clerk	7,821	9,010	11,217	8.0%
Logistics Planner	21,904	25,760	33,004	11.4%
Truck Driver	13,896	16,365	20,988	14.2%
Delivery Person	10,730	12,466	15,706	5.0%
Warehouse Manager	33,637	40,279	52,515	11.9%
Warehouse Coordinator	10,314	12,253	15,852	9.4%
Warehouse Operator	7,832	9,074	11,398	7.9%
Warehouse Technician	22,593	26,976	35,069	9.6%
Forklift Operator	13,552	15,701	19,704	6.7%

Methodology

This report is the result of research conducted by the **Contract Logistics "Gino Marchet" Observatory (CLO)** – of the Politecnico di Milano and the Data Intelligence company **INTWIG.**

The study was conducted in **6 countries** (Brazil, China, Germany, Italy, Poland, and the United Kingdom) and was structured following **a rigorous methodology** developed in 4 phases:

Desk Analysis: collection and matching of public data in order to provide a complete overview of the logistics sector;

Opinion leader interviews: 7-8 interviews with opinion leaders in the logistics sector, conducted in each of the 6 countries surveyed;

International Survey: a CAWI survey conducted on a sample of 850 citizens aged 18 to 65 (including at least 85 workers in the logistics sector), in the 6 countries surveyed.

Salary guide: in the 6 countries surveyed, market pay (base salary + variable pay) benchmark focused on 12 job positions, with following structure:

- first quartile: splits off the lowest 25% of data from the highest 75%
- median: cuts data set in half – 50% of the data set is higher than median, the other 50% is lower
- third quartile: splits off the highest 25% of data from the lowest 75%

Notes

Data
Research
and
Analysis

POLITECNICO MILANO 1863 SCHOOL OF MANAGEMENT | osservatori.net digital innovation

The **Digital Innovation Observatories of the School of Management of the Politecnico di Milano** were born in 1999 with the aim of creating culture in all the main areas of Digital Innovation. Nowadays, Observatories are a qualified reference point on Digital Innovation that integrates Research, Communication, Continuous Updating and Networking activities

OSSERVATORIO CONTRACT LOGISTICS

The **"Gino Marchet" Contract Logistics Observatory of Politecnico di Milano** was established in early 2011 as a permanent table for critical analysis and discussion concerning the role of innovator that the Contract Logistics ecosystem can undertake to spread practices of excellence in Logistics and supply chain management.

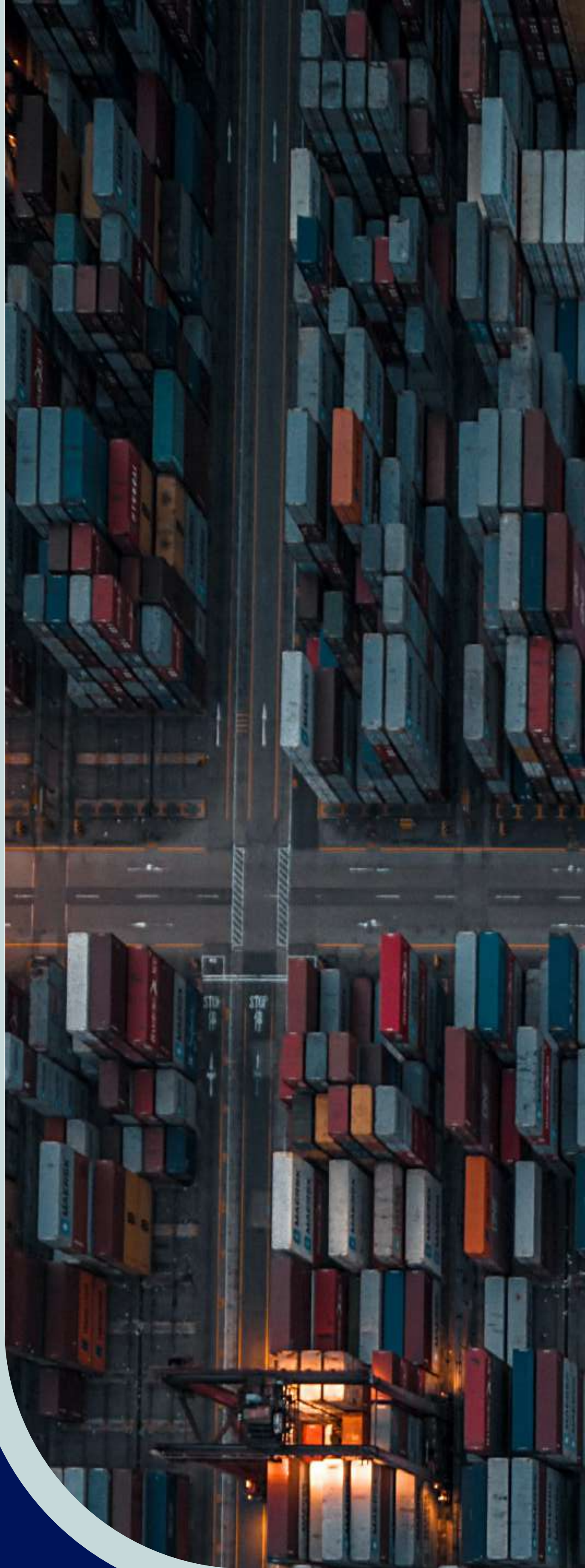
Data
Research
and
Analysis

+ Graphic
Design

IN.TWIG
make data work

INTWIG is a **Data Intelligence company** that has been developing data management strategies since 2016. It offers support to companies to understand the context they move into, anticipate trends, optimise processes and make decisions quickly. INTWIG's method is customised, rigorous and covers the entire **Data Lifecycle: collection, analysis, interpretation and visualization.** Customised tools and solutions are developed by a team of researchers, analysts, data managers and communication experts with technical and cross-functional skills.

More than
Work



Knowledge HUB

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