

Supply Chain Recruitment

Competing for scarce resources

By Darryl Judd

The growing recognition of the importance of sound Logistics and Supply Chain management at boardroom level has created increased demand for talented and experienced Logistics personnel.

With demand for suitably qualified personnel far exceeding supply in most parts of the world, this has resulted in a shortage of candidates for many positions, and created upwards pressure on salaries across many key areas of the Supply Chain.

Most employers we speak to are reporting that they are disappointed with the quantity and quality of people applying for Supply Chain roles and, that to attract the type of candidates they are looking for, they are having to offer increasingly attractive remuneration packages for many roles from Warehouse Supervisor through to National Manager level.

The lack of suitably experienced and qualified Supply Chain personnel reflects a general shortage of candidates for management positions in the wider business community. A recent article in Shortlist (Australia's main online recruitment newsletter) reported that: "The lack of candidates is now the number one concern for business according to the ACCI's latest Survey of Investor Confidence. This is only the second time in the history of the survey that Business Taxes and Charges were not ranked number one. A year ago the lack of suitable employees ranked fifth among constraints on business investment, but the tightening labour market has pushed it to the top of the list."

"We have been advising customers for sometime that the lack of candidates means companies need to consider paying a premium above existing salaries to attract the best candidates and retain existing personnel. This has been borne out by a recent Market Issues Survey conducted by Logistics Recruitment."

The survey also found that 77.7% of the 940 companies surveyed expected to increase their business activity in the coming 12 months, with 48.0% of those planning to increase staff levels.

With market research showing that staff turnover can cost organisations between 1.5 and 2.2 x Total Employment Cost to recruit replacements and train them to be as productive as those that have left, leaving the pressure on organisations to be more creative with their talent acquisition and possibly more importantly retention strategies.

Increasingly companies are turning to global recruitment specialists to attract talent from abroad with more than 54.3% of companies being prepared to 'import' or sponsor talent.

The survey confirmed that there had been a shift from an employers' to an employees' market in several sectors, and that employers are not only experiencing difficulty in finding appropriate people for new roles, they are also struggling to keep the good ones they have.

In order to retain employees and reward high performers, employers will need to rely more heavily on incentive/bonus plans as a way of differentiating between levels of performance, according to the survey. Because finding the best people for Supply

Chain roles has become so difficult, employers are increasingly turning to specialist recruiters for assistance in sourcing skilled candidates.

We are constantly assessing potential candidates for existing and pending positions. Over time, this has enabled us to create a 'bank' of pre-qualified candidates for all levels of positions within the Supply Chain.

Over 90% of the work recruitment firms now do for our clients should be on a retained and exclusive basis. This means a client retains the professional services for an agreed assignment commencement fee. Full assignment guarantees should be provided to make this a cost effective service.

The reality is that, barring any unforeseen events, the current shortage of suitable candidates for Logistics and Supply Chain positions will continue for the next couple of years. Until then, employers looking for the best people would be well advised to seek the advice of a specialist recruiter to ensure they keep their options open and give themselves the best chance of finding the right person for their operation.

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