



Logistics Industry Report

2007

Compensation

Employee Recruitment

Employee Retention

Training and Mobility

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Introduction

Introduction

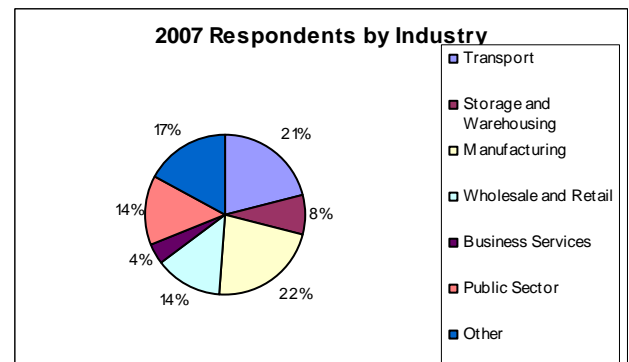
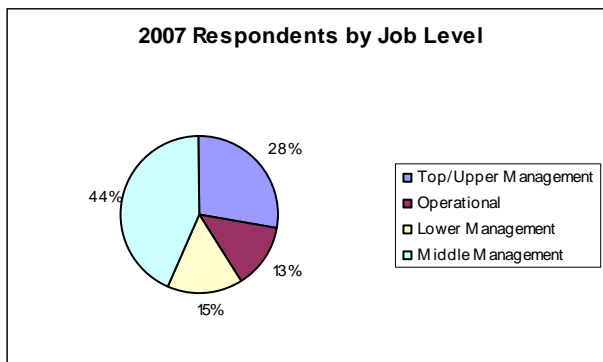
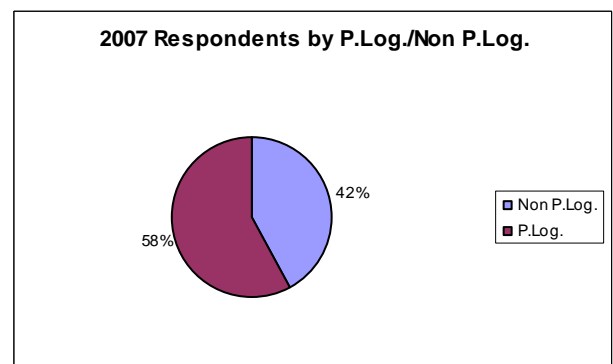
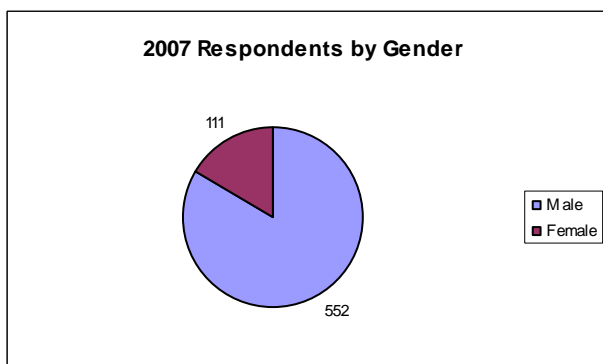
The 2007 Logistics Labour Market Information Study is the third in a five year series being conducted by the Logistics Institute. The overall purpose of this longitudinal study is to identify trends in the Canadian logistics labour market along a number of parameters that include:

- Compensation
- Recruitment and Retention
- Training and Mobility
- Career Path Modeling

In the second year of the LMI report, gender was discovered to be a relevant issue to logistics practitioners, with women earning less money and being given fewer opportunities on average than men. In order to explore these issues and their root causes, the Logistics Institute launched the Women in Logistics (WIL) initiative. *The Women in Logistics initiative creates processes and programs which attract, support, and retain women in the supply chain logistics sector and assists women to further develop their professional careers.*

Profile of Respondents

The following charts show the characteristics of the survey respondents. A large portion of the respondents were men, a greater number of respondents were P.Logs. as opposed to Non P.Logs., 44% worked in the middle job level, and the predominant industries of the respondents were manufacturing and transport.



Compensation

Compensation is the financial and non-financial rewards provided by an employer to an employee.

1.1 Salary Trends

In 2007, position within corporate hierarchy continued to be directly and positively correlated to salary increase, as seen in the previous two years.

Overall, the salaries of P.Logs increased from 2005-2007. Those without a P.Log saw an increase in salary at the lower management and operational levels. The trend indicates a decrease in salary for non-P.Logs. at the top management levels.

1.2 Compensation and the P.Log

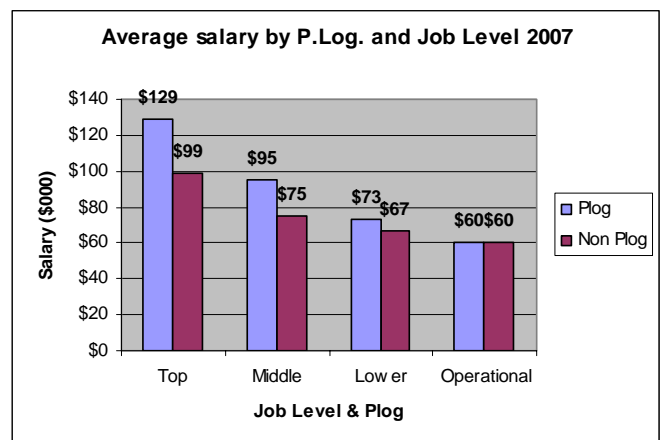
The advantages of P.Log certification are seen when comparing the salaries between P.Logs and Non-P.Logs in Graphs 1a and 1b. It is evident that a P.Log can lead to salary differences of up to \$30k more a year at the highest levels of an organization. This is seen when looking at the average salary of a P.Log. versus a Non P.Log. at the top organizational level in Graph 1a.

From 2005 to 2007, the salary gap between P.Logs. and Non P.Logs. increased steadily for top and middle level management, while remaining steady at lower level management, and declining at the operational level.

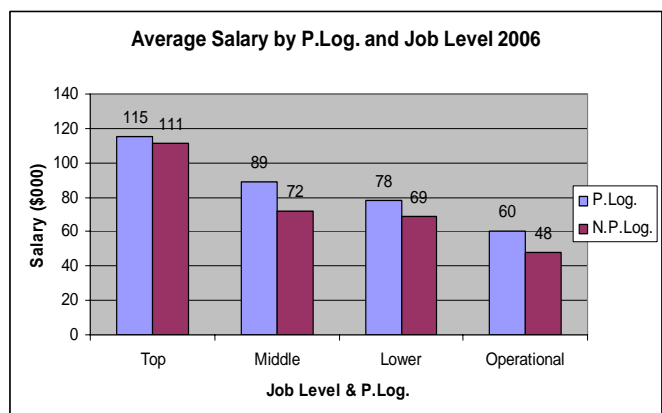
Year after year, the results show that those with a P.Log experience salary increases. The results show an average \$14k increase from 2006 to 2007 which is seen when comparing the salary of a P.Log. at the top organizational level in 2006 and 2007 (See Graph 1a & 1b). Those without a P.Log saw the largest increases in salary at the Operational level, with an increase of \$12k from 2006 to 2007.

These results point to the fact that the P.Log is valued most at the higher levels of an organization; it is a leadership designation. The P.Log. helps practitioners achieve promotions and advance in their personal careers.

Earning a P.Log results in higher levels of compensation for those in management positions. Within the P.Log. community, responses clearly indicate that at the operational level, the P.Log. designation does not translate into salary benefit. However, at all three management levels, practitioners with a P.Log. report earning more.



Graph 1a



Graph 1b

1.3 Factors Affecting Salary

Firm Size

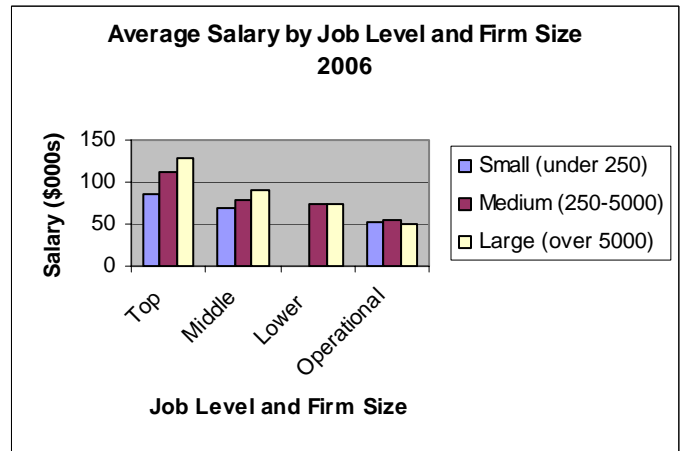
In 2006, the greatest salary increase was experienced between the middle to top level in each firm size. (See Graph 1c)

In 2007, the greatest salary increase was seen in small organizations, with a \$44k increase between respondents at the middle and top levels of a small firm. (See Graph 1d)

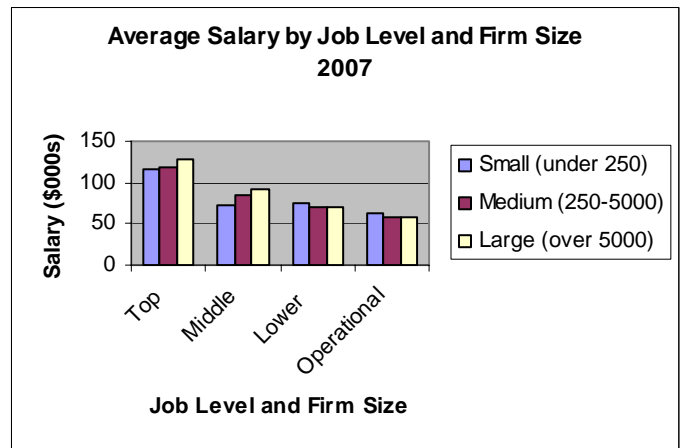
In 2007, results indicated that salary increased with firm size at top and middle management roles, while it declined slightly in lower and operational levels. This increase in salary at middle and top levels is often due to the increasing responsibilities that one takes on with larger firms. Management responsibilities vary across firm size and may account for differences in salary increases.

Education

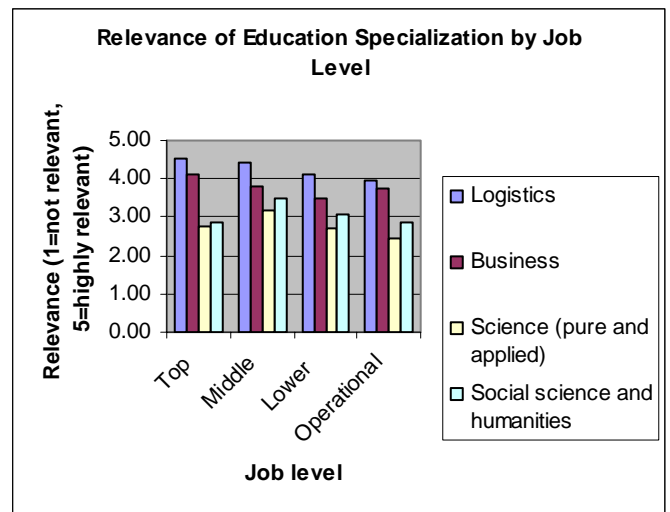
Across all job levels, the most relevant educational background is proving to be logistics, followed by education in business. Social sciences and humanities are seen as more relevant than science. Non-business/logistics educational backgrounds were most common in middle and lower management. Those who do not have a business or logistics background could benefit by taking a professional certification program, such as the P.Log. to help them advance in an organization. (See Graph 1e)



Graph 1c



Graph 1d



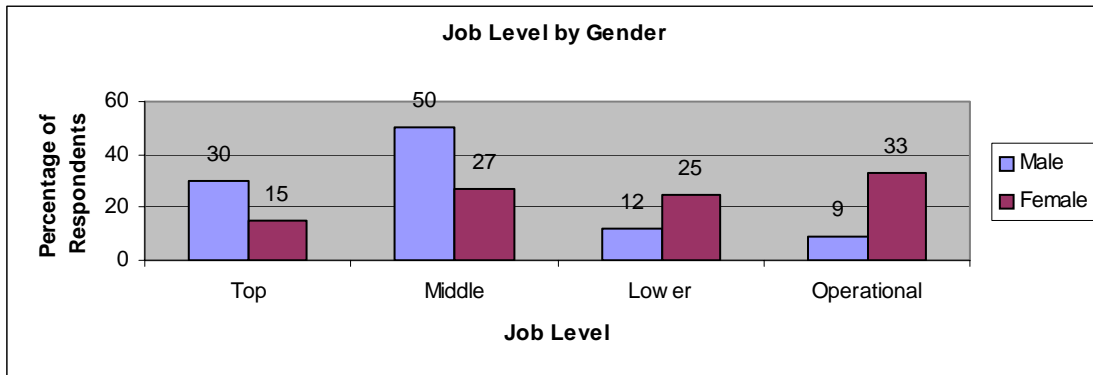
Graph 1e

Gender

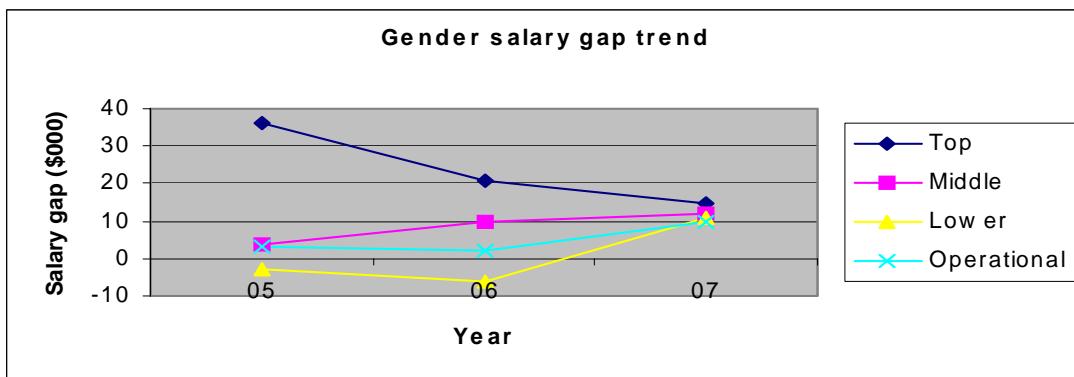
Across job levels, the patterns identified in 2006 remain consistent in 2007, with more males than females populating the logistics workforce. At top and middle job levels of the organization, there are significantly more men than women. In contrast, at lower management and operational levels there are more women than men. (See Graph 1f)

The salary gap between the males and females at the top level is decreasing, as evident in Graph 1g. Education helps to level the playing field. In contrast, the salary gap between genders at all other levels appears to be increasing.

When respondents' gender is viewed by industry, there is a spike in the number of women represented in manufacturing, with women outnumbering men by 18%. However, in every other category, women are outnumbered by men.



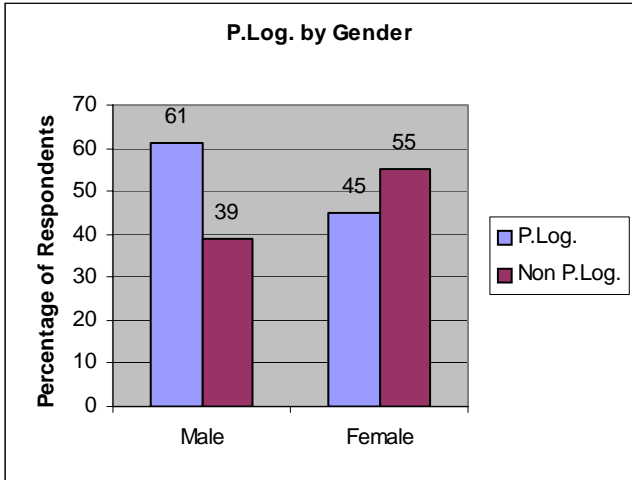
Graph 1f



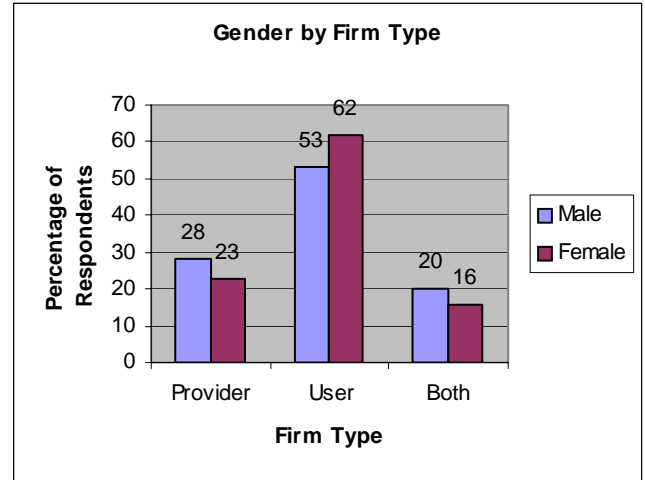
Graph 1g

Gender also affects the distribution of P.Logs. and Non P.Logs. , which is evident in Graph 1h. Of those P.Logs. surveyed, 61% were men, as opposed to 45% being women.

Further to this, gender also differs by firm type: men are the dominant gender in provider firms and equally both firms*, women are the dominant gender in user firms. (See Graph 1i)



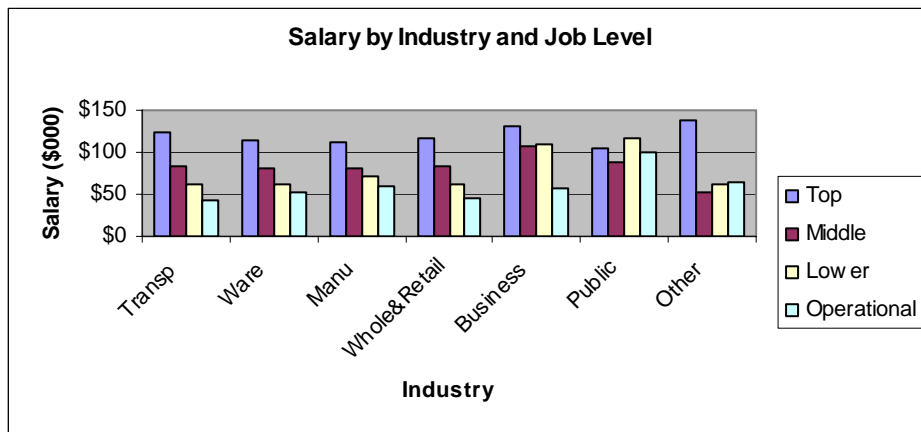
Graph 1h



Graph 1i

Industry

The industry within the logistics field affects salary levels. Graph 1j shows the salaries by job level and industry.



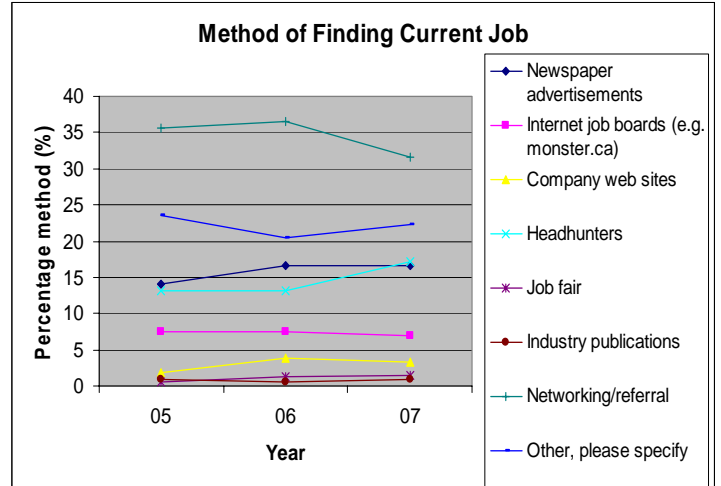
Graph 1j

* An equally both firm is one in which respondents have indicated logistics responsibility for their own organization and also for external and non-related companies.

Recruitment

2.1 Locating Employment

For the third year in a row, the most popular method of finding employment is through networking or referrals, while the least popular methods are through job fairs and industry publications. Networking events and career counseling offered to the P.Log. community are helpful in career development. (See Graph 2a)

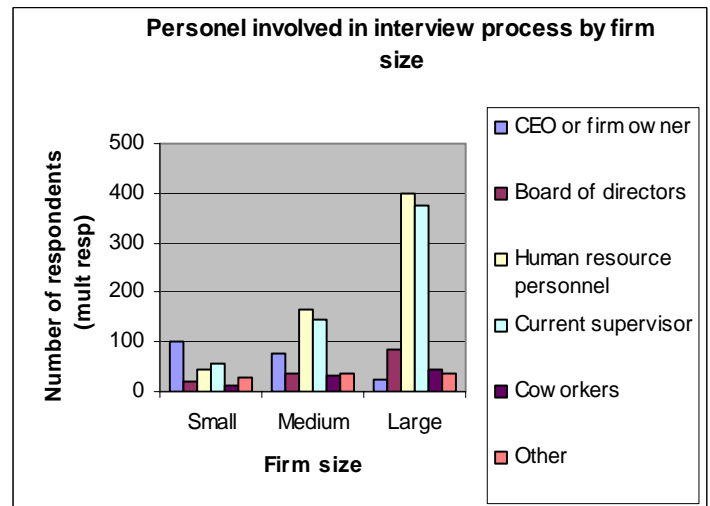


Graph 2a

2.2 Interviewing Process

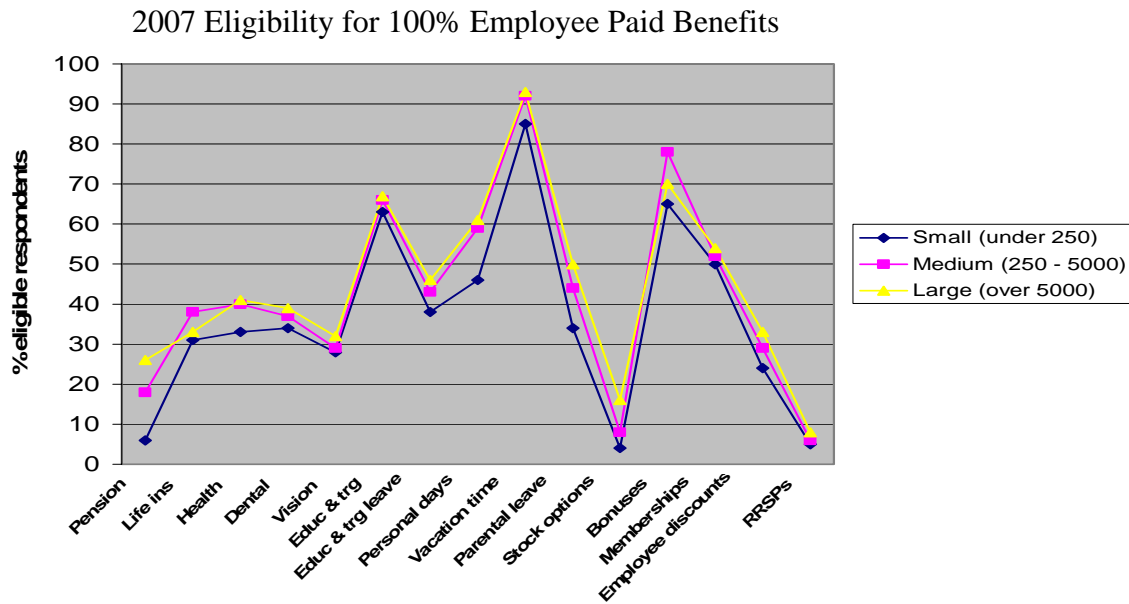
As seen in graph 2b, the CEO is often most involved in the interview process of logistics hiring for small firms. Their involvement is negatively correlated with the firm size due to the increasing presence of HR personnel as firm size increases.

Smaller firms generally have flatter organizational hierarchies, leading to a more 'hands-on' style of management by higher level executives. Responses show that women reported a greater number of interviews than men for jobs both at top and lower organizational levels. Hiring women at the entry level and at the most senior levels could be perceived as riskier than hiring men.



Graph 2b

2.3 Workplace benefits



Graph 2c

Since 2005, the gaps between the benefits offered at small, medium, and large firms have been decreasing. This indicates that there is a standard being developed in the industry; benefits are no longer the defining feature of a company.

Retention

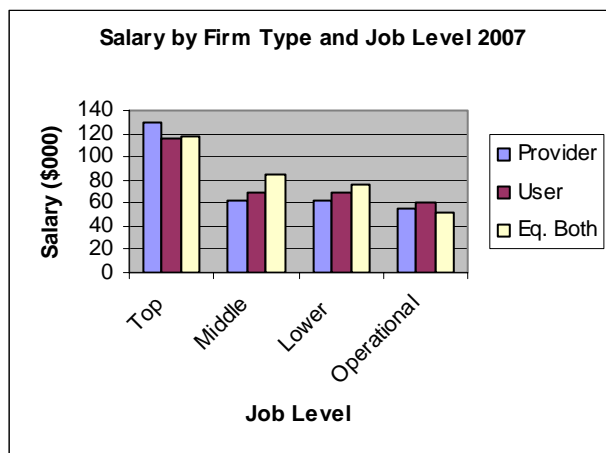
Retention is the ability of employers to retain employees using various methods. One particular method utilized by employers is increasing an employee's wages. However, boosting employee morale is becoming a more prevalent method for retaining workplace professionals.

3.1 Financial compensation

Financial compensation increased in the top level of all firm types. The highest salary is seen at the top level of a provider firm at \$129k in 2007, while the lowest salary was seen in the operational level of an equally both firm at \$52k. (See Graph 3a)

'Equally both' firms provided the highest salaries at the middle and lower levels, while user firms provided the highest salaries at the operational level.

In order to maximize salary over a career: start in a user firm to benefit from the highest salary at the operational level, then switch to an equally both firm as they offer the highest salaries in lower and middle management. Finish a career at the top management level of a provider firm.

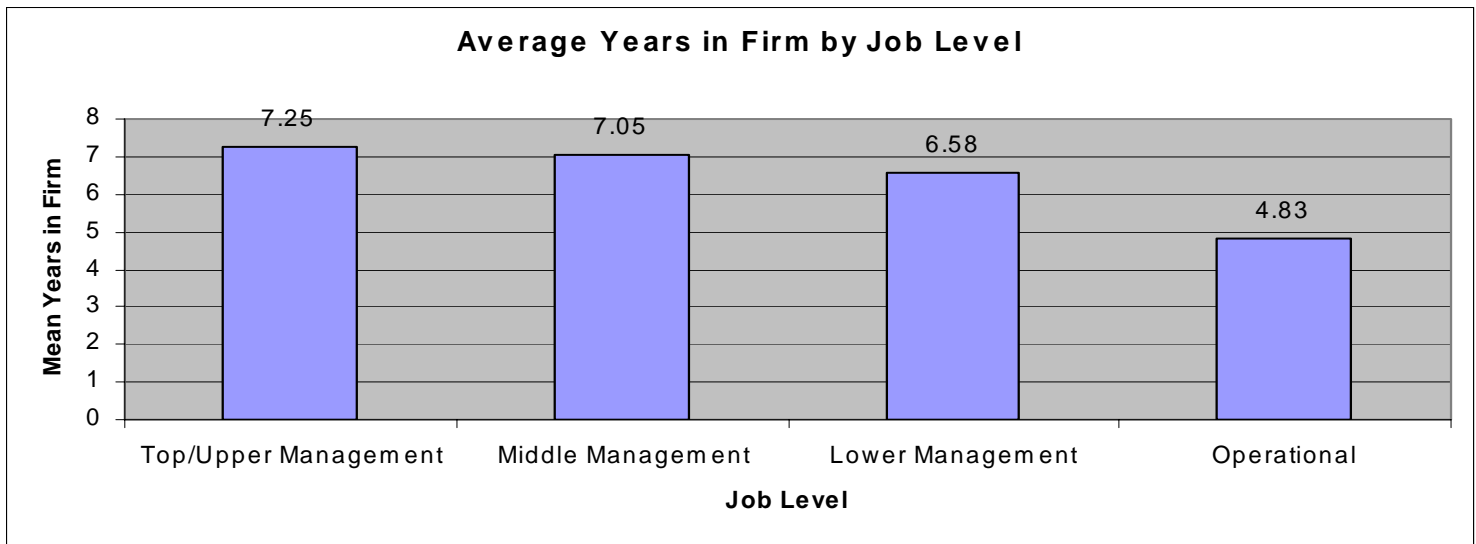


Graph 3a

3.2 Job Commitment and Career Opportunities

Changing companies often or the movement of workers from firm to firm suggests discontent or an individual's attempt to gain higher wages. The responses show that firm hopping decreases with the increasing firm size.

The number of years spent in a firm increases when moving up the different levels of a company. Graph 3b shows the average years spent in a firm by job level, ranging from 7.25 years for upper management to 4.83 years for the operational level.



Graph 3b

Average Years in Firm by Job Level

The number of years spent in a firm increases when moving up the organizational levels of a company. The most senior management positions are filled by practitioners with the longest employment in the firm.

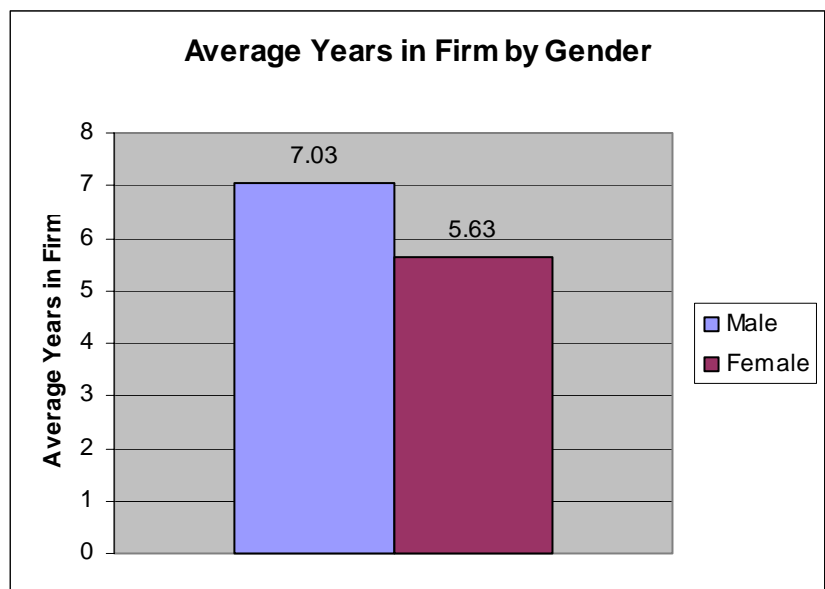
Significant Components of Job Satisfaction

- Feeling of accomplishment
- Requires a high level of skill
- Communication is good among the people
- You have clear guidelines to do your work
- Your job challenges you
- You have access to the information needed
- Your employer is committed to you
- You are committed to your employer

The component “Requires a high level of skill”, was rated highest among respondents.

Average Years in Firm by Gender

Women spent an average of 5.63 years in a firm in comparison to 7.03 years for males. This may be related to the fact that women need to switch firms in order to obtain upward mobility. Maternity leave could be a factor with women switching firms after a leave. Women may also leave a firm to follow a spouse’s relocation. (See Graph 3c)



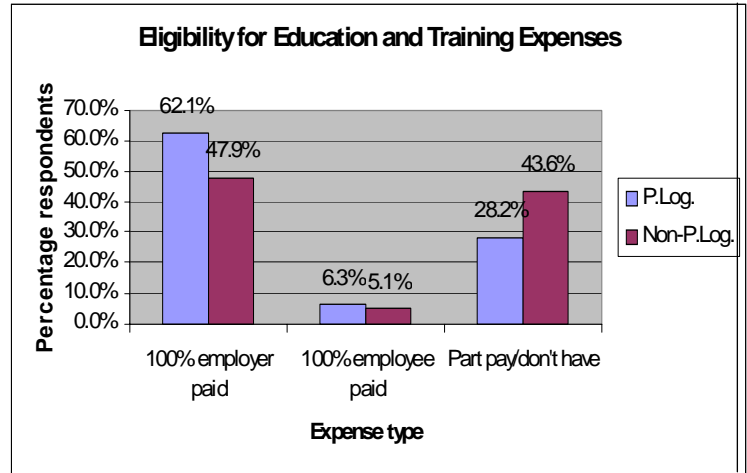
Graph 3c

Training and Mobility

4.1 Specialization and Professional Designations

Upward mobility in a firm is facilitated through life-long training, education and professional certification. This education helps personnel to maintain and grow the knowledge, skills, and competencies they need to increase their mobility to higher positions within the firm.

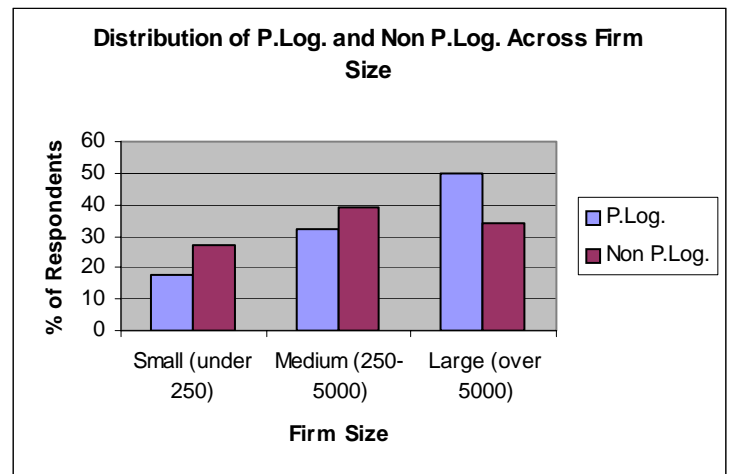
Respondents who earn a P.Log. have more of their training expenditures covered by their firms than Non P.Logs. (See Graph 4a) This could be due to the fact that the majority of P.Logs. are at positions at the higher levels of their organizations, which is where more training dollars are spent. In addition, those with a P.Log. reported higher degrees of comfort with their superiors.



Graph 4a

Distribution of P.Log. and Non P.Log. Across Firm Size

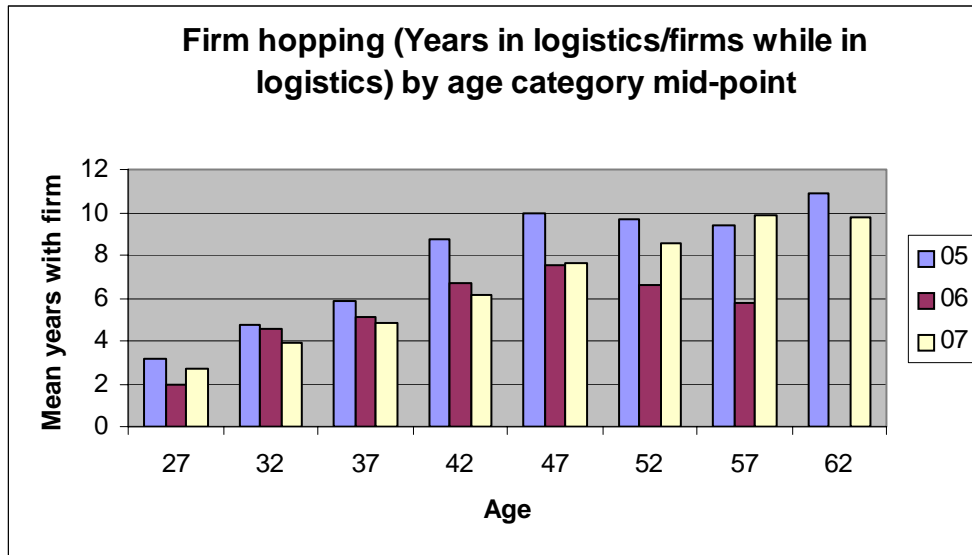
In Graph 4b, it is evident that the majority of P.Logs. are present in large firms. One reason for this is because larger companies may have better support systems and recruit personnel based on formal credentials as opposed to smaller firms where personal attributes may be a primary factor in hiring. The P.Log. designation also prepares personnel for leadership roles in which personnel must be able to think strategically.



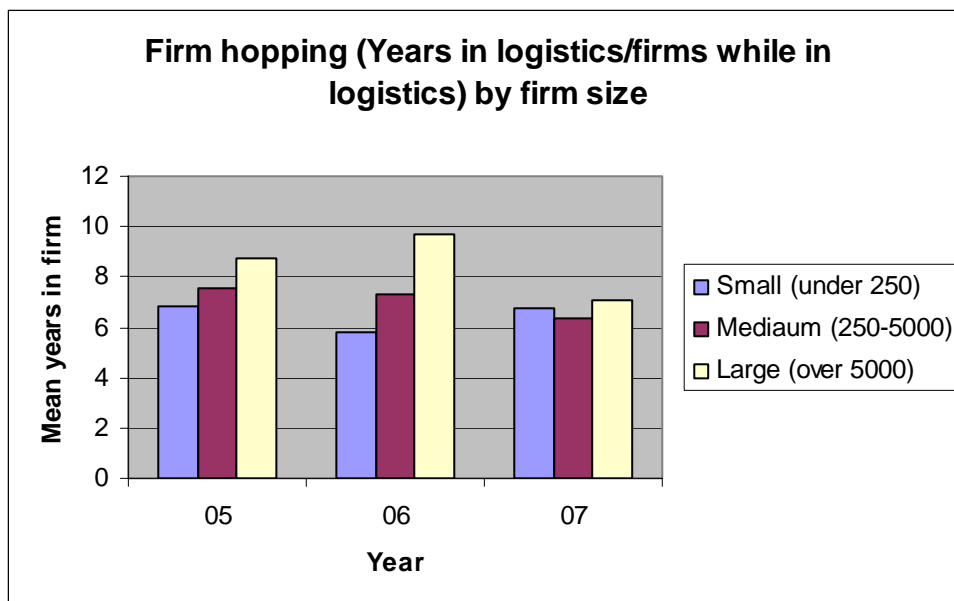
Graph 4b

4.2 Development, Training and Mobility

Length of firm stay increases with age, which is a continuing trend as illustrated in graph 4c. Graph 4d indicates that firm hopping may be increasing in larger firms. The graph shows also that medium sized firms experienced increasing firm hopping from 2005 to 2007 as the average years spent in a firm decreased, while small firms showed less firm hopping as the average years spent in a firm increased.



Graph 4c



Graph 4d

Women in Logistics

In the second year of the LMI report, gender was discovered to be a relevant issue to logistics practitioners, with women earning less money and being given less opportunities on average than men. In order to discover more about these issues and their root causes, the Logistics Institute launched the Women in Logistics (WIL) initiative.

The first step in the WIL initiative were nationwide launch events in which women were asked a series of questions in order to get their insights into any relevant information regarding their experiences as logistics practitioners. Following is a summary of anecdotal feedback of some issues and trends that surfaced in women's responses.

The skills, competencies, and knowledge identified as the most helpful/relevant to a career in logistics were:

- Leadership
- Communication
- Organizational skills
- Business skills
- Change Management skills
- P.Log.
- Team Work
- Project Management
- Multi-tasking
- Experience

The elements in a logistics career that originally attracted women to their career and retain them are:

- Challenge
- Change
- Diversity
- Future Career Opportunities
- Customer Service
- Problem Solving
- Excitement
- Interaction with People/Team work
- Fulfillment of Job/Making a Difference
- Continual Learning

Women are motivated by the following elements:

- Challenge
- Change
- Customer Service
- Team Work
- Career Opportunities

Issues that concern women are:

- Work Load
- Staff Concerns/Organizational Change
- Career Advancement
- Resources
- Mistakes

Barriers experienced by women are:

- Gender
- Work/Life Balance
- Poor Managers
- Resistance to Change
- Little Room for Advancement

Enablers for women in their careers were:

- Mentors
- Support for Ideas
- Colleagues/Team
- Determination
- Education

These were the most frequent responses received from the facilitated feedback exercise that women partook in during the WIL launch event. Future LMI studies will identify trends in regards to gender, and further research may be done in this area.



Key Findings 2006 and 2007

2006

Compensation

2007

- P.Logs. continue to earn higher salaries than non-P.Logs. at the same job levels
- Larger firms and logistic provider firms continue to pay the highest salaries at the top level
- Women continue to earn less than men at all levels except for lower management; however, the salary gap appears to be shrinking
- P.Logs. earn more money than non-P.Logs. except at the operational level where Non-P.Logs. earn the same as P.Logs.
- A P.Log. can lead to differences of up to \$30k more a year
- Women continue to earn less than men at all organizational levels; the salary gap is only decreasing at the top levels of an organization

Recruitment and Retention

- By investing in employee growth, employers continue to acknowledge the need for a home and work life balance
- Senior logistics practitioners agree that networking is crucial to gaining employment in the logistics industry
- As in 2005, eligibility for training and education benefits increases greatly with the P.Log.
- The CEO of a company is most involved in the interview process of small firms due to the lack of presence of HR personnel
- Networking and referrals continue to be the most popular methods of finding a job
- The gap between benefits offered at small, medium, and large firms is decreasing
- P.Logs. continue to have more of their training expenses covered by their employers than Non-P.Logs.

Training and Mobility

- Further to 2005, while P.Logs. change firms less often, they are very mobile within their companies which makes the P.Log. an excellent investment
- Women continue to change firms more often than men
- As in 2005, personnel in business services switch firms much more frequently than those in the public sector or manufacturing
- Education helps logistics personnel to maintain and grow the knowledge they need to advance in a company
- Women continue to change firms more often than men
- The P.Log. designation prepares personnel for leadership roles

