

EQUALITY IS BLIND

The freight transport industry fails to attract the same level of workers from ethnic minorities, or women, as passenger transport. So the questions become: why, and does it matter? **Louise Cole** reports

When we look at ethnic diversity and gender equality, the supporting arguments will always come from a raft of different approaches. Morality, social impact, politics, culture and commercialism always have different demands and many businesses may be forgiven for thinking that the overall pattern of worker availability in the UK does not much matter to them. However, ethnic diversity and gender balance will become much more important commercial indicators in the future.

According to a 2014 report *Understanding Skills and Performance Challenges in the Logistics Sector (UK Commission for Employment and Skills)*, logistics currently employs 2.2million people. That's one in 12 of the British workforce. By 2020 it will require 1.2million more people. According to Skills for Logistics figures (which are a few years old and probably therefore understated by now) 150,000 of those workers will be drivers. Logistics is already struggling to attract recruits among its traditional workforce – white males – and if it is to gain anything like the numbers required, the sector will have to recruit from demographics with which it has so far had little interaction.

Addressing myths

There are many issues and many myths wrapped up within workforce diversity and these need to be addressed before any progress can be made. The first is a lack of interest in transport jobs among ethnic minorities or women.

In fact, as a sector, transportation and storage has a higher proportion of ethnic minority workers than the UK population as a whole. The table overleaf, which we have collated from many different government sources, shows that with the exception of Chinese workers, almost all ethnic groups are better represented within storage and transportation than they are in the working population as a whole. Transportation and storage includes both freight and passenger transport.

When we look at the passenger transport sector itself, it has 19% ethnic minority workers, suggesting that relatively few are in freight transport.

(As these data streams are all from different sources, there are minor discrepancies in how the figures have been compiled.)

In simple terms? Ethnic minority workers are very keen to be bus drivers, but not truck drivers.

The immediate question is why? Passenger transport may be concentrated in major cities, but then so is much logistics. Truck and delivery drivers also have local routes, as well as long distance. There is no substantial difference in regulation, flexibility or job demands between bus and truck drivers.

The one crucial difference, however, is that bus companies do not expect drivers to apply with a qualification. They fund licence acquisition in a way that the freight industry typically does not. There are distinctions between freight and passenger transport, of course, which make this largesse more understandable. Bus and coach companies run on much better margins and they typically receive public subsidy for non-profitable work and, far from being penalised for taking up kerb space, buses get whole lanes cleared just for them. Undoubtedly the passenger transport industry has advantages.

In the end, however, this will not matter. It is a commercial imperative that haulage starts to recruit more drivers and other staff and, in order to do that successfully, it may have to look hard at offering training. It is possible that the great success of passenger transport in broadening the diversity of its workforce with training could be a powerful argument for the freight industry to take to government in support of licence acquisition funding.

TUC policy officer for race equality Wilf Sullivan says there are many issues which encourage applicants towards one sector and away from another. Largely these are to do with the industries someone knows, and where they believe they



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Wilf Sullivan

have a reasonable chance of success. The passenger transport sector actively recruited for migrants, and so there is a well-worn map to these jobs two or three generations later. On the other hand if you know no one from your background who is a truck driver, you are unlikely to assume you will get a job there.

Training is key though. “An HGV licence will cost a new applicant a few thousand pounds. If you have no confidence that you can get a job in the sector, why would anyone invest that kind of money?” asks Sullivan. “Employers need to be proactive and actually engage with people [in different groups] and offer them career paths.”

TUC policy officer
for race equality
Wilf Sullivan



Acclaim Pallet Express

Ravi Sandhu, a British Asian entrepreneur, has been in the transport business for 25 years. He is currently a director of Hangar Lane-based haulier Acclaim Pallet Express. Sandhu left university with a degree in mechanical engineering but quickly left his first corporate job when the opportunity to buy his own firm came along. His first company held a contract to deliver cigarettes; when this contract ended, he pursued air freight contracts and parcels. He has since managed transport to the Former Soviet Union and, more latterly with Acclaim Pallet Express, focused on the pallets business.

Sandhu believes that the business models in freight transport deter Asian investors. "Asian

people are well represented in passenger transport and taxi firms," he says. "These business models have instant rewards and immediate cash flow. Freight transport runs on credit and this deters many: 95% of Asian businesses believe in instant reward. Also the high level of regulation and bureaucracy deters many Asian people – there is too much red tape for them. That will change perhaps with the next generation but, in the meantime, transport becomes even more demanding an environment. It requires exact compliance," he says.

Sandhu remains committed to Acclaim Pallet Express which has enjoyed a successful decade in pallets and is planning a new expansion phase.



Female drivers

There is a distinction to be made between women not wanting to drive trucks and women not being given equal access to the job. One is their right, the other a problem. So which is it?

Wendy Priestley, truck driver, trainer and owner of Priestley LGV training company, is also president of the Lady Truck Drivers UK. It has 500 members, driving in animal transport, trunking, urban distribution, international transport for high-value racehorses, double-deckers and tankers. When Priestley participated in a Channel 4 series about female truck drivers, the response from women who wished to work in the industry 'but had never known they could' was overwhelming. Even several years later 10% of Priestley's trainees are female.

Again, myths abound to keep women away or to explain their absence. The idea that logistics is a dirty job with unsocial hours may not be news

– or even entirely untrue – but it also applies to nursing, a female-dominated profession, and no one makes such arguments there. And construction and logistics, like nursing, have seen physical strength become a less important attribute as manual lifting has been curtailed.

Driver and DCPC trainer Jenny Tip-



“There are still assumptions that women have poorer spatial awareness, or that driving is inconsistent with femininity. Challenging such beliefs is good for everyone, and for our ability to change”
Driver, Jenny Tipping

ping, who has spent the past nine years working in construction and, more recently, for Royal Mail via Manpower Logistics, also says there is a persistent idea that driving is not a proper female activity and that female drivers therefore cannot be 'proper women'. "We have to tackle the underlying messages we send about what it is to be a woman. There are still assumptions that women have poorer spatial awareness, or that driving is inconsistent with femininity. Challenging such beliefs is good for everyone, and for our ability to change."

Tipping's experience is that most men will give female drivers a fair chance but the moment they make a mistake – which all drivers do – the fault is laid with gender.

Kristen Schilt, assistant professor in social sciences at the University of Chicago, studied transgender people who 'replaced' themselves in their own jobs, often unknown to those rating them. The response to the 'new' worker underlined the inherent discrimination which suggested greater praise, greater workplace rewards and more opportunity offered to the 'male' worker. As one man who has transitioned from being a woman said of his job: "I am right a lot more now."

Tipping makes the point that resistance to change is an impediment in workforces generally and that crews which include women, or people from different backgrounds, tend to then be more accepting of other commercial and operational change. Schilt also found that in workforces which accepted their transgender colleagues, change became more fluent and easier.

In an industry which is constantly asking its workforce to change for efficiency, best practice and regulation, this is an important finding – acceptance of change starts with challenging the status quo.

LGV pass rates suggest that women have a consistently higher pass rate than men by 2 to 4%. In 2013/14, women qualifying as HGV drivers were 74% of candidates and to date in 2014/15 they are 8% or one in 12 of newly qualified drivers. They make up only 1% of the current HGV workforce.

Priestley believes women have better safety instincts as drivers. "We use a particular, very difficult corner to teach on. Each time we say to a candidate: 'You must slow and, if anything is coming, stop because you will not be able to squeeze past them.' Not one woman has driven on, but a high proportion of men do, ending up on the pavement. When asked why they ignored the instructions, they all say: 'I thought I could do it anyway.'"

The apprenticeship uptake for women in logistics is dropping – not, it would seem, because women do not want to drive, as seen above, but because the industry is failing to provide them with apprenticeship opportunities. In 2003/4 the LGV apprenticeships undertaken by women stood at 9% of the total. By 2013/14 it has dropped to 5.6%.

The PCV sector does far better. Again, female pass rates are consist-

ently higher than men's. Their proportion of qualifying drivers is far more impressive than in freight. In 2013/14 18% of new category D drivers were women, and so far in 2014/15, it's running at 30%.

Broader benefits

Ethnic minority recruitment is important because BME groups have twice the unemployment and twice the poverty levels of the wider population. That creates a spiral which, alongside the human suffering, drains rather than builds our economy.

BME workers are often expected to be less well qualified than their counterparts, yet in fact they tend to be better qualified. There is still a very real problem of active discrimination. The DWP did a blind CV test which proved that identical CVs bearing English-sounding names received positive responses after half the submissions of ones with a foreign sounding name.

Active discrimination also affects promotions. The difficulty for UK employers is that they may not be aware of this kind of racism – it can be far from stereotypical 'slurs' or name calling. It is the habit of thought which suggests we choose people like ourselves, people we assume may match our backgrounds, values and experience, because that is what we are most familiar and comfortable with.

Sullivan says: "People tend to recruit those with qualities like their own.

Top tips for smart recruitment

- Offer licence acquisition training
- Be self-conscious about your decisions. Grade using objective data, not subjective impressions
- Shake off the idea that new recruits have to mirror old recruits – new people bring new skills and new ideas
- Quantify what diversity means to you – and put strategies and targets in place
- Target promotions as well as entry level recruitment. More candidates will apply if a career path is visible.

They recruit themselves. If they continue to do this, without opening genuine access points for new groups, they simply recreate the workforce they already have. There are usually many people capable of doing a job – it is up to the employer to be prepared to develop the skills someone needs."

If you have a diversity policy, then you need to know why it is important for your business and what you want to achieve. There is no point in having a meaningless politically correct statement.

"Employers should ask themselves: 'What do we mean when we say we want a diverse workforce? Do we mean, for instance, that we want our workforce to be proportional to the population?'" says Sullivan. "Identify and quantify what you want to achieve and then develop strategies to achieve it. Remember, all discrimination is positive towards someone." ■




Figures show BME workers flock to transport – just not to freight

	White	Mixed	Indian	Pakistani/ Bangladeshi	Pakistani	Bangladeshi	Chinese/ Other	Chinese	Other Asian	Black	Other	Total ethnic minority population	All
Ethnicity by UK population	87.17%	1.98%	2.3%	0%	1.86%	0.71%	0%	0.69%	1.36%	3.01%	0.92%	12.83%	100%
Ethnicity of working population	89.5%	0.9%	2.5%	1.7%	1.25%	0.5%	2.9%	0.4%	1.0%	2.5%	1.4%	10.5%	100%
Percentage of each demographic working in transport sector	4.8%	3.0%	6.5%	12.5%	13.4%	10.2%	4.9%	0%	6.1%	6.9%	4.5%	6.8%	5.0%
Ethnic workers as proportion of transport sector	85.7%	0.5%	3.3%	4.3%	3.3%	0.9%	2.8%	0%	1.3%	3.4%	1.3%	14.3%	100%
Transport workers by ethnicity 000s	1,243	8	48	62	49	13	40	0	18	49	19	207	1,451
Percentage of ethnic minority workers in passenger transport	81%			15%			0%	2%	0%	2%	0%	19%	100%

These figures are collated from Census data 2011; DWP employment by ethnicity and industry sector up to Q4 2013; and proportion of employment by non-white ethnicity 2011, Annual Population Survey, ONS. BME workers make up 10.5% of UK working population; 14.3% of transport overall; 19% of passenger transport; an undetermined low proportion in freight.



LOMBARD COMMERCIAL TRANSPORTATION WHITE PAPER: RECRUITMENT



Written by Louise Cole,
director of White Rose Media Ltd,
logistics journalist

ATTRACTING THE WORKFORCE OF TOMORROW

The logistics sector faces a recruitment crisis – and it will have to learn to think and hire in different ways in order to succeed and to support the UK economy over the next five years.

The March 2015 Budget revealed forecasts of 0.2% inflation and 2.5% economic growth. Both of these factors will simply exacerbate the dire shortage of skills and labour facing the logistics industry. Logistics currently employs 2.2m people or one in 12 UK workers; but according to a UK Commission for Employment and Skills report¹, it will require a further 1.2 million workers by 2022, which equates to 40% growth in the labour force. The difficulty is that the sector cannot attract sufficient staff to keep its numbers, skills and age profile refreshed even if its needs were static. In order to address these issues logistics operators will have to learn to think, recruit and operate differently.

This will mean:

- actively engaging with potential recruits in unfamiliar places
- spending far more on training and licence acquisition
- working with government, with trade associations and as individual companies to raise the profile and

competitiveness of the sector in the labour market

- challenging systemic bias towards those of different racial backgrounds and towards women
- establishing career development paths in every organisation

TODAY'S PROBLEMS WITH RECRUITMENT

The driver shortage is substantial, despite the fact that freight activity between 2012 and 2013, for both tonnes lifted and tonnes carried was down by 7%. The number of O-licensed vehicles in the industry has also decreased markedly in the past ten years, largely due to operational efficiencies and recessionary downsizing, and dropped 7.6% between 2010 and 2014. The cost of fuel, among other things has pushed the industry to use as much load space as possible and to reduce fleet sizes, through shared platforms, routing software, double-deck trailers and many other optimisation techniques. However with economic growth vehicle numbers are growing once again, with the Society of Motor Manufacturers and Traders (SMMT) showing truck registrations up by 41%, on a year-to-date comparison.

Skills for Logistics figures suggest that the industry will need at least 150,000 additional HGV

LOGISTICS CURRENTLY EMPLOYS 2.2M PEOPLE OR ONE IN 12 UK WORKERS; BUT ACCORDING TO A UK COMMISSION FOR EMPLOYMENT AND SKILLS REPORT¹, IT WILL REQUIRE A FURTHER 1.2 MILLION WORKERS BY 2022, WHICH EQUATES TO 40% GROWTH IN THE LABOUR FORCE.

¹UKES Understanding Skills and performance challenges in the Logistics Sector Oct 2014

drivers by 2020. The Freight Transport Association says that it believes the industry is currently short of 60,000 drivers. Despite an unemployment rate of 5.7%, March ONS Labour Market Statistics revealed that 1,345 HGV drivers were claiming Jobseekers Allowance in February 2015, down 56.6% from a year ago when the figure was 3,100.

The driver shortage, which was widely predicted in 2006–7, was mitigated and disguised by the fall in freight movements during the recession. However, the return to economic growth from 2013 onwards left the industry struggling. The culmination of the first Driver CPC cycle in September 2014 saw a proportion of the oldest drivers leave the industry.

The most visible effects of this were short-term, but the long-term loss of drivers when the industry needs to grow significantly will nonetheless have a significant impact.

Not all problems are as obvious as a lack in numbers. The current logistics workforce is challenged, and will be increasingly challenged, by the sector's growing dependence on technology. The use of IT requires a level of adaptability and skill that employers say is beyond many of their workers². The industry has evolved markedly in the past decade from paper-based

systems to electronic barcode scanning, integrated enterprise resource management systems, automated routing and scheduling and electronic signature capture. The skills and understanding needed today is barely comparable to those required in the 1980s, 1990s, or even the early 2000s. Even modern HGVs are highly computerised.

The pressure to adapt to technology is exacerbated by the fact that only 9% of the logistics workforce is under 25 (and less than 3% of HGV drivers) while nearly half are over 45 years old. Only 18% of logistics employers have recruited at least one 18 year old leaving education³. Logistics underperforms with regard to education and training, ranking 22nd against other sectors⁴ (this despite the advent of mandatory professional development training for drivers).

E-retail has also changed the nature of much of logistics. Many haulage firms which previously saw themselves as B2B specialists are forced into public-facing activities, their drivers not dropping at regulated, well-equipped premises to fellow professionals, but at kerbsides and driveways, often with poor access, compromised circumstances and a demanding but uninformed public. Again, the skills set needed just keeps shifting.

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²UKES Understanding Skills and performance challenges in the Logistics Sector Oct 2014

³UKES Understanding Skills and performance challenges in the Logistics Sector Oct 2014

⁴World Economic Forum, 2014

The 2014 UKES report suggested that one-third of vacancies in the logistics industry were classified 'hard to fill', with candidates lacking specific skills such as technical or practical skills, customer-facing skills, planning and organisation, problem-solving and communication abilities. These hard to fill vacancies were actively losing contracts for at least half the affected employers.

Logistics is, it would seem, unattractive to the next generation of its typical workers who are overwhelmingly white and male. While numbers passing their LGV test have picked up in 2014-15 for a little since 2010, they are still 20% down on 2007, at just 26,000 a year⁵. Those who foray into the world of education repeat the same dismayed news: young people do not know what logistics is and those who guide career decisions, such as teachers and parents, view it negatively.

Logistics also has very poor gender and ethnic diversity. 7.5% of those acquiring LGVs licences are women⁶. They only represent 1% of the driver workforce. There is also evidence that freight transport attracts a very low proportion of people from ethnic minority backgrounds, unlike passenger transport which has a disproportionately high number compared to the general working population.

All in all, logistics is in a bit of a bind.

RECRUITMENT IN LIGHT OF ECONOMIC GROWTH

If logistics were the only industry reporting a skills shortage, the task facing transport employers would be easier. However, Manpower Group says employment needs across all industry stands at +7%, with big business hiring at +21%; overall the highest hiring level in a decade⁷.

At the same time pressure is increasing on those sectors where jobs were withdrawn during the recession – such as construction which lost 400,000 workers – and those jobs where, as with driving, the talent pool was already stretched too thin. Hence engineers, plumbers, a variety of construction roles and many other blue collar jobs are also actively being sought. One reason for the low levels of available skill, according to the Union of Construction, Allied Trades and Technicians has been the “30-year failure to train apprentices”⁸.

Hence logistics must not simply become better at presenting itself to potential candidates and offering an attractive career proposition. It must do so while competing with many higher profile and similarly hungry sectors of the UK economy.

However, unlike transport, many of these sectors can afford to pay substantially more in order to attract candidates because their costs are more easily passed on to the consumer. People do not live without running water simply because

⁵Government figures, DRT0501

⁶Government figures, DRT0501

⁷Manpower Employment Outlook Survey Q1 2015

⁸The Guardian February 2015

plumbing becomes more expensive. Freight transport, on the other hand, runs on small, tight margins and has always struggled to pass on its costs to the customer.

This means that as well as the difficulty of attracting drivers and other workers, semi-skilled or otherwise, the wage cost for those running fleets will climb simply in order to hold onto the staff they have in an increasingly competitive environment.

THE NEED FOR NEW THINKING

Logistics has an ongoing need for innovation, through which it has achieved all of the major efficiency gains of the past decade; and for adaptability, not least when hit with ever-expanding and complex regulation.

It is much harder, however, to manage change within an unchanging workforce – that is, a workforce which perpetuates its beliefs, values and backgrounds, from generation to generation. There may be minimal shifts from the beliefs of one generation to the next but they will nonetheless keep more in common than they have with someone of a markedly different demographic.

Female drivers and studies of transgender people in the workplace have both stipulated that workforces asked to accommodate an unusual worker once, become much more adaptable to future changes. Flexibility breeds flexibility.

EMBRACING DIVERSE ETHNICITY

Having no active prejudice against different racial backgrounds is not sufficient if logistics is to avail itself of all the talented workers it needs. Logistic companies must go out and deliberately engage workers from different ethnic backgrounds, breaking down the myths and cultural associations which stop non-whites thinking of freight transport as a viable career, as well as tackling any endemic prejudice in their own workplace head on.

There are differences in cultural values which may, for example, prompt an Asian candidate towards the professions than a logistics directorship – or may nudge them towards retail, rather than the investment and credit-heavy business models of transport. But by far the biggest barrier to any new employees imagining themselves in the world of freight transport is not seeing anyone from their background doing these jobs.

Passenger transport does not face this obstacle because immigrant communities were specifically targeted for work in passenger transport decades ago. Hence there are role models and positive associations aplenty. It is time for logistics to follow suit and actively encourage black and Asian workers into the sector.



LOGISTICS INDUSTRY URGENTLY NEEDS TO ADDRESS THE SHORTAGE OF SKILLED PROFESSIONAL DRIVERS

There are currently 2.2 million people employed in logistics but economic growth means that an additional 1.2 million workers will be needed by 2022 – an increase of more than 40%

The industry is already 60,000 drivers short of current requirements (according to the Freight Transport Association)

WHY HAS THE SHORTFALL COME ABOUT?

AGE PROFILE OF DRIVERS:

Average driver age is



53



16% are 60+

(nearly half are over 45)



Less than 3% of HGV drivers are under 25



GENDER AND ETHNIC MIX:



Less than 1% of drivers are female



Freight transport attracts low proportion of drivers from ethnic minorities compared to



passenger transport

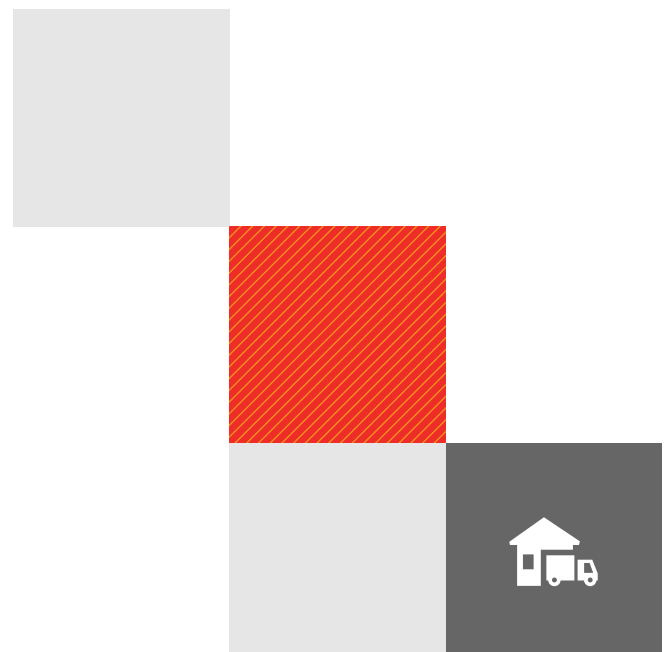
CHANGING SKILL REQUIREMENTS:



Flexibility to adapt to **increased use of IT**



Drivers increasingly need **customer-facing skills, problem-solving** and **communication abilities**



BITING THE SILVER BULLET

Logistics doesn't train sufficiently, despite the introduction of the Driver CPC, to be seen as an industry that offers careers, rather than jobs. In particular only 34% of logistics firms offered any management training⁹. When competing against sectors, such as banking and retail, which invest heavily in management training, this must improve.

It is also worth looking at the concept of career progression. Some jobs, such as driving, do not within themselves have a career path, except to leave the cab and go into management. However, it is possible to continually reinvent jobs by offering new skills sets and opportunities to perform better.

The UKES report states that many logistics employers do not train or add value to the employee for fear they will leave and take that value elsewhere. This is a parochial and insular mindset that the sector can no longer afford.

GOING FORWARD

The trade associations' earnest appeals to government resulted in a Budget promise that ministers will work with industry to find 'industry-led' solutions to the driver shortage. We have yet to see what this will mean in practice. However, in the meantime employers could consider the following:

- Talk to their local Job Centre Plus to find drivers or those who may consider training. JCP has discretionary funds for job-readiness training.
- Develop a relationship with a local sixth form college to offer role models and, if possible, apprenticeships.
- Challenge internal criteria for job applications, ensuring that recruiters do not instinctively 'hire themselves'. Set a diversity quota to foster a new culture.
- Advertise driving jobs internally. Encourage female workers to consider driving. Be prepared to train in the required skills rather than buy them in.
- Ensure that careers progression and training is considered for every job in the organisation.
- Discourage negative thinking such as: 'Young people are not as well prepared as we were.'
- Use recruitment days or advertise in new places – for instance, gender or ethnically specific media.
- Use buddies and mentors amongst your older drivers to coach new and younger drivers.
- Become involved with schemes such as the Prince's Trust Get Into Logistics or Movement to Work, both of which help young people gain experience in industry.

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THE TRADE ASSOCIATIONS' EARNEST APPEALS TO GOVERNMENT RESULTED IN A BUDGET PROMISE THAT MINISTERS WILL WORK WITH INDUSTRY TO FIND 'INDUSTRY-LED' SOLUTIONS TO THE DRIVER SHORTAGE.

- Have frank conversations with customers about the skills shortage, rates and wages.
- Talk to local media about logistics and the wide range of job opportunities available.

The TUC advises employers to quantify their concept of a diverse workforce – whether that’s in relation to the wider population, their local population or some other metric – and take active steps to achieve it. Logistics badly needs to break down the cultural and attitudinal barriers which prevent many demographics from approaching the sector.

ABOUT LOMBARD

Lombard’s dedicated Commercial Transportation team provides specialist expertise in funding commercial vehicles. By offering an alternative to vehicle manufacturer ‘captives’, we are able to offer customers more flexibility and choice in sourcing their fleet. Through our range of funding product options we are able to give our customers access to a mix of new and used trucks and trailers from different manufacturers, and thereby support their transportation needs and help them to succeed and grow.

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