



WHITE PAPER

Beyond the shortage

Strategies to build a resilient logistics workforce

The materials handling and intralogistics industry is a cornerstone of global commerce, enabling the smooth flow of goods from manufacturers to consumers. However, this sector is currently grappling with significant labour shortages, exacerbated by economic shifts, demographic changes, and the rapid growth of e-commerce. This whitepaper delves into the complexities of labour availability, highlighting the need for innovative solutions to support growth and efficiency.

01

The challenge of labour shortages

CURRENT LABOUR MARKET TRENDS

Labour shortages are a widespread issue across Europe. Several countries, including the UK, Germany, and Poland, face significant worker shortages in critical sectors such as logistics and warehousing. The demographic shift towards an aging population further compounds this issue, as the number of working-age individuals declines.

SPECIFIC CHALLENGES IN MATERIALS HANDLING AND LOGISTICS

The logistics industry is particularly vulnerable to labour shortages due to high turnover rates and the specialised skills required for roles such as forklift operators and warehouse managers.

High staff turnover rates in the logistics and warehousing industries exacerbate the problem, as companies struggle to retain experienced workers while incurring significant onboarding costs to train new employees. This constant churn not only disrupts operations but also places inexperienced operators at the helm, potentially increasing the likelihood of accidents and inefficiencies.



The ripple effect of labour shortages

THE SAFETY IMPACT

In 2021, the European Union recorded 3,347 fatal accidents at work, with 10% involving forklifts. This statistic underscores the need for experienced operators and highlights the potential risks associated with logistics and warehouse labour shortages.

As the demand for e-commerce grows, so does the need for skilled warehouse personnel and lift truck operators, but the supply of qualified workers is not keeping pace.

ECONOMIC COSTS

Labour shortages in the intralogistics sector have profound economic implications. The direct and indirect costs associated with workplace accidents are substantial, highlighting the financial burden on companies, which extends beyond immediate expenses to encompass lost productivity and operational disruptions.

It has been estimated that, in Europe, absenteeism due to workplace injuries and illness costs approximately 2.5% of GDP, some €455 billion annually. Furthermore, the declining availability of skilled workers forces companies to raise wages to attract talent, inflating operational costs. The average salary for a warehouse operator in Europe ranges from €26,000 to €38,000, with Germany paying on the higher end at an average of €19 per hour.

OPERATIONAL DISRUPTIONS

Labour shortages disrupt the supply chain, causing delays and inefficiencies that ripple through the entire logistics network and supply chain. For instance, the exodus of Ukrainian workers, who formed a significant part of the workforce in countries like Poland and the Czech Republic, has left a void that is difficult to fill quickly. This disruption impacts everything from inventory management to delivery schedules, ultimately affecting customer satisfaction.

Companies are often forced to rely on a pool of qualified but less experienced workers to fill gaps, which can lead to higher error rates and increased safety risks. The prevalence of forklift-related accidents, including those involving a pedestrian, underscores the critical need for both qualified operators and sufficient on-the-job training. These incidents not only harm individuals but also disrupt workflows and reduce overall efficiency.



Empowering logistics amid labour shortages

SUPERCHARGE TALENT RECRUITMENT AND LOYALTY

The labour market is evolving, and companies must adapt to remain competitive. The rise of remote work, gig economy, and flexible working arrangements are reshaping the workforce. Logistics employers that embrace these trends and offer flexible working options may attract a more diverse talent pool and improve employee retention.

To address labour shortages, companies also have an opportunity to adopt more innovative recruitment strategies that leverage technology and expand their reach. Utilising online job portals, social media platforms, and professional networks can help attract a broader pool of candidates. Additionally, partnerships with educational institutions and vocational training centres can create pipelines for future materials handling talent.

Retention of talent is equally crucial, and materials handling can be a demanding job. It requires focus, physical stamina, and working in potentially fast-paced environments. Recognising this, companies that invest in creating a comfortable and safe workspace can significantly improve employee satisfaction and retention.

Equipping operators with the right tools for the job goes a long way. This could include ergonomic forklifts with ample legroom and comfortable seating or utilising advanced technologies like automated pallet jacks to reduce physical strain. By prioritising operator experience, companies can demonstrate their commitment to their workforce, leading to a happier and more loyal team.

UNLOCK POTENTIAL WITH TRAINING AND DEVELOPMENT

Investing in training and development helps equip workers with the necessary skills and knowledge to excel in their roles. Compliant training programs, tailored to meet local guidelines and regulatory requirements, should cover safety protocols, equipment operation best practices, and any industry-specific regulations. These programs can significantly reduce the risk of accidents and improve efficiency.

Continuous professional development initiatives, such as workshops, certifications, and on-the-job training, can also help employees stay updated with the latest industry trends and technologies. This not only enhances their skills but also boosts morale and job satisfaction, making them more likely to stay with the company.

AUTOMATING FOR SUCCESS

Automation presents a viable solution to mitigate the impact of labour shortages in intralogistics and warehousing. Integrating automated systems and robotics in warehouses can reduce dependency on manual labour, streamline operations, and enhance accuracy.

Automated guided vehicles (AGVs) and autonomous mobile robots (AMRs), for instance, can handle repetitive tasks such as transporting goods, allowing human workers to engage in more interesting, stimulating and rewarding work, thereby boosting employee retention.

In addition, adopting warehouse management systems (WMS) and other digital tools can optimise inventory management, order fulfilment, and overall operational efficiency. These technologies provide real-time data and analytics, enabling better decision-making and resource allocation.

ADVANCED LIFT TRUCK TECHNOLOGIES

Technological advancements in lift trucks have significantly improved safety and efficiency in materials handling. Modern lift trucks include improvements in stability control and other standard features and can be equipped with a variety of operator assistance solutions to meet the application-specific requirements of different worksites. These innovations can help operators avoid incidents and reduce the risk of injuries while reinforcing best-practices and increasing operator confidence.

However, in addition to technological advancements, fostering a culture of safety within the organisation is crucial. This involves creating clear safety guidelines, conducting regular safety audits, and encouraging employees to report potential hazards. Providing personal protective equipment (PPE) and confirming that it is used correctly can also help reduce the risk of injuries.

Conquer labour shortages with innovation and support

Labour shortages in the intralogistics sector present significant challenges, but they also offer opportunities for innovation and improvement. By adopting strategic recruitment and retention practices, investing in training and development, leveraging technology, and providing warehouse employees with the correct equipment fleet, companies can mitigate the impact of labour shortages, all while better supporting safety goals.



With more than a century of experience, Yale Lift Truck Technologies is committed to helping the materials handling and logistics industry overcome these challenges through innovative solutions and expert support. Learn more about how our varied solutions can benefit your operations.

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