

Training Needs Assessment Of the Logistics and Transportation Industry of Central Pennsylvania



Report Prepared by:

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Prepared for:

**The Luzerne/Schuylkill Workforce Investment Office
In partnership with:**

**Greater Wilkes-Barre Chamber of Business & Industry
Greater Pittston Chamber of Commerce
Penn State Wilkes-Barre – Hazleton – Schuylkill
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Executive Summary

Report Sponsors

This report outlines the work done to determine the training needs of Logistics and Transportation (L&T) Industry within Central Pennsylvania in terms of providing training to their incumbent work force. The report was funded by the Luzerne/Schuylkill Workforce Investment Office in partnership with:

- The Greater Wilkes-Barre Chamber of Business & Industry
- The Greater Pittston Chamber of Commerce
- The Penn State Wilkes-Barre – Hazleton – Schuylkill
- Luzerne County Community College

Data Collection

The report consists of data collected through a focus group activities with over 30 participants as well as a data analysis of survey information collected from a representative group of Logistics and Transportation (L&T) Companies within the Central Pennsylvania Region. Twenty-one firms were surveyed. The types of L&T firms surveyed included large (over 1000 employees) and small (less than 50) companies as well as a cross-sampling of firms from the L&T sub-areas of:

- Motor coach transport
- Warehousing
- Distribution
- Dump truck
- Third Party Logistics and Co-Packaging
- Large Truck Repair
- Steam Ship Lines
- Less-Than-Truck Load Carriers
- Full-Truck Load Carriers

Goal of Report

The report focused on primarily on determining the training needs of incumbent logistics and transportation firms in the area. The goal was to determine what types of training programs were needed by T&L organizations and then to aggregate that training to reduce the costs for any one of these organizations—especially small and mid-sized firms.

A secondary goal was to begin a dialogue between these organizations so they can learn and share with each other. Such a relationship was not previously established within the Central Pennsylvania Region.

General Findings

The results indicate that many logistics and transportation companies are facing the same issues in the areas of maintenance training, customer service, written and oral communications skills and leadership training. The needs in the area of technology training was a little more diverse i but, there are needs clustered around some common areas. The highlights of the results of the assessment include the following statistics:

- Approximately 50% of the organizations surveyed spend about \$500 per employee per year on training. While 25% spend more than \$1,500 per employee.
- Preventive Maintenance/Mechanics is an “Extremely Critical” skill for 62% of the companies surveyed. Yet, 38% of those companies did not conduct training in the area of Preventive Maintenance/Mechanics.
- Customer Service was deemed “Extremely Critical” by 88% of the companies surveyed. The majority of these firms conduct their own in-house customer service training, however, 27% of firms did not conduct any training in this area and no company indicated that their training was “Extremely Effective.”
- Written or Oral Communications Skills were deemed “Extremely Critical” by 61% of the companies surveyed. While 26% indicated the training they receive in this area is either “Somewhat Effective” or “Not Effective.”
- Leadership Skills are “Extremely Critical” to 55% of the companies. However, only 19% of the companies conduct that type of training. If training is conducted in this area, it is done internally with over 90% of the companies reporting conducting Leadership Skill training internally.
- In terms of technology needs, 37% thought Bar Codes/Labeling was “Extremely Critical” while others indicated EDI, Shipment Tracking Systems and Warehousing Systems as “Extremely Critical.”
- Approximately 43% of the organizations indicated that they were not involved in any local, regional, or national logistics and transportation employer associations.
- When asked if they would be willing to participate in a North Eastern PA Logistics & Transportation Industry Partnership of employers to address common or overlapping human resource needs. Approximately 73% indicated they would be willing to participate in such a group.

Recommendations

Based on the above findings and other data collected, there are clear needs for training within the L&T Industry in Northeastern PA. In fact, the data reveal a large discrepancy between the skills these firms indicate as critical and the effectiveness or quantity of training done in those areas. Many firms who identify skills as critical perform no training in those areas.

These areas of training needs include:

- Basic employability skills (arriving to work on time, email etiquette, proper behaviors in the workforce).

-
- Customer Service training for drivers and others who deal with the public or other companies.
 - Firms look for Commercial Drivers License (CDL) certification when hiring.
 - Time Management and Preventive Maintenance classes for mechanics.
 - Team building and interpersonal skills are highly critical to the success of L&T firms and are an area that needs a great deal of training.
 - Leadership Training for supervisors and managers who have many direct reports.
 - Training in the area of written and oral communication.
 - Train-the-trainer classes are required; many of the firms conduct their own in-house training and are not completely satisfied with the results.
 - Technology training is need in the areas of *Shipment Tracking Systems*, *Bar Coding* and *Warehousing Systems*.
 - Technology “awareness” training is needed in the region as few firms indicated that they are using these technologies (less than half of all firms surveyed viewed any of the technology skills as “Extremely or Moderately Critical.”)
 - The need for forklift training is consistent among many of the organizations.
 - Firms are looking for classes taught locally and at times that are convenient for their employees.
 - Add “soft skills” to the CDL training programs. Teach more than mechanics or truck driving, teach basic business etiquette skills.

Introduction

The Transportation and Logistics industry is important to the United States, the state of Pennsylvania and the Central PA Region. In fact, the American Trucking Association (ATA) asserts that the trucking industry is a barometer of the U.S. economy because it represents nearly 70 percent of tonnage carried by all modes of domestic freight transportation, including manufactured and retail goods. Trucks hauled 10.7 billion tons of freight in 2005. Motor carriers collected \$623 billion, or 84.3 percent of total revenue earned by all transport modes.

According to the US Bureau of Labor Statistics, “The truck transportation and warehousing industry provided 1.9 million wage and salary jobs in 2004. About 45 percent of the salaried jobs in the industry—857,000—were for truck drivers.” Additional percentages are: 24% for other transportation and material moving jobs; 17% for office and administrative support jobs; 4% for management, business, and financial occupations; 3% for vehicle and mobile equipment mechanics, installers, and repairers; and 2% sales and related workers

In Pennsylvania the trucking industry is the fourth largest employer with over 400,000 involved with the trucking industry in one way or another as reported by the Pennsylvania Motor Truck Association. The Pennsylvania trucking industry pays \$1.4 billion annually in state and federal roadway taxes and fees.

Here in Central PA, the confluence of major interstates and highways mean that logistics and transportation firms have a large presence within the area. It also means that these firms need to find qualified drivers, mechanics, warehouse employees and others who can keep the industry moving forward.

These employees may not be easy to find. The Bureau of Labor Statistics figures show that the need for diesel technicians is going to rise 10-20% from the 267,000 that were employed in 2002– which spells an increased need of nearly 60,000 technicians by the year 2012.

This need for technicians is occurring at the same time the labor pool of qualified mechanics is shrinking, dramatically. Currently, many mechanics are from the baby boomer generation and they just started turning age 60 in January of 2005. Approximately 35 million boomers will retire between 2000 and 2020 and another 23 million will retire during the following 10 years. This is going to directly impact the logistics and transportation companies within the central PA region. In general, there could be a labor shortage of over five million skilled workers between 2010 and 2012.

The need for drivers is becoming acute. *USA Today* reported that consulting firm Global Insight estimated that in 2005 the trucking industry was short 20,000 drivers and forecast that the gap could reach 111,000 in 2014 based on demographics and demand for transporting goods. Currently, there are about 1.4 million U.S. truck drivers, according to the Labor Department.

National organizations are starting to notice the shortage. The American Trucking Association is creating a large scale truck driver recruitment project for launch in mid-summer 2006. The

program will include a matching funds program for state trucking association driver recruitment ad campaigns, a trucking jobs Web site and other advertising materials that can be adapted by motor carriers to meet their individual needs. The ATA has also conducted focus groups and determined that pay was not the main attraction for joining the trucking profession. Instead, what made trucking attractive was the fact it meant getting out of a 9-to-5, office cubicle or factory floor routine.

These potential shortages mean that training and educational initiatives need to be undertaken now to provide the type of workforce required by the Northeastern logistics and transportation industry in the short and long term. This study was undertaken to determine the immediate and longer range training needs of L&T firms in this region.

This need for increased training is seen as a foundation for future growth of the region and Pennsylvania. A 2003 report titled “*Back to Prosperity: A Competitive Agenda for Renewing Pennsylvania*” prepared by the Brookings Institution Center on Urban and Metropolitan Policy in Washington DC, stated that to return to prosperity Pennsylvania needs to, among other things, invest heavily in education and training, and promote development in key select industries. Logistics and Transportation can be one of those key industries and training consortiums can play a large role in preparing the regional workforce for roles within the L&T industry.

To understand the training needs of the L&T industry, the Luzerne/Schuylkill Workforce Investment Office in partnership with:

- The Greater Wilkes-Barre Chamber of Business & Industry
- The Greater Pittston Chamber of Commerce
- The Penn State Wilkes-Barre – Hazleton – Schuylkill
- Luzerne County Community College

Funded this needs assessment report. This report is designed to provide insight and direction in terms of developing training program within the Central Pennsylvania Region that directly benefit the L&T firms in that region.

This needs assessment report contains both qualitative and quantitative data to provide the entire “picture” of the L&T industry training needs on multiple dimensions. This approach means that both numeric and anecdotal data was analyzed to develop recommendations. The results of the analysis and subsequent recommendations are detailed on the following pages.

Methodology

The follow section describes the process used to collect the data for the study. Every effort was made to ensure that the collected data accurately reflects the L&T industry within the Central Pennsylvania Region. This included gathering statistics on the national and state L&T industry, developing data collection instruments, conducting focus groups and careful analysis of the data to make recommendations.

Focus Group Process

A series of three focus groups, with a combined total of over 30 individuals, were conducted during the course of the assessment. The first was held in mid-February. This focus group was designed to determine initial needs of the industry and to serve as a basis for the development of the survey instrument. The preliminary results where categorized and analyzed to determine the type of questions that should be asked throughout the remainder of the assessment process.

The second focus group was held in April in Towanda, PA. This was a smaller group but it provide valuable input into the needs of small-sized firms as well as providing insight into the issues facing the industry as a whole.

The third focus group was held in early May. This focus group primarily consisted of advisory board members. The purpose of this focus group was to cross-check the information that was gathered in the other focus groups and from preliminary survey data.

Each of the three focus groups provided valuable input into the training needs of the L&T industry in Northeastern PA. The groups also suggested solutions to some of the common issues their firms are facing. Additionally, the focus groups provided a chance for many professionals in the industry to meet each other and share common concerns and issues.

Survey Protocol

The survey protocol was divided into several sections and reflected the preliminary findings of the first focus group meeting. The goal of the survey was to gather quantitative data to support (or refute) data gathered during the focus groups. For example, English as a second language (ESL) was presented as a major concern at a focus group, however; based on the survey results, ESL is only an issue for a small number of L&T firms in this region.

The survey consisted of a section on demographics, a section to determine major business challenges and what can be done, and included information on where employees were recruited and how they were trained. Questions were also asked about amount spent on training and detailed information concerning specific skill areas was sought. These skill areas: Mechanics, Drivers, General Workforce, Leadership and Technology.

The goal was to compare the critical needs of the firms with the quality and amount of training currently provided in those critical areas. The survey also looked at vendors to determine if a certain cluster of vendors where used by many of the L&T firms.

The survey consisted of series questions with many of the questions including multiple parts. The survey instrument included both open-ended and close-ended questions. It also included a series of Likert-type scale questions to determine criticality of training needs and effectiveness of the current training addressing those needs. In total, 21 firms responded to the survey which was available both online and via a paper-based format.

Results

The results of the needs assessment are divided into two groups. The first set of results is from the focus group meetings. This data was used as the foundation for the survey instrument and to “drill-down” into specific needs. The following follow are a consolidation of the results obtained from all three of the focus groups.

Focus Group Results

The main purpose of the focus group meetings was to gather preliminary data and to determine common needs among logistics and transportation companies and to determine what training programs providers can put into place to address those needs across different companies. A summarized list of findings appears below:

Areas of Training Need

- Properly trained workers are a critical need. As is the need for on-going training in a number of areas such as diversity, technology, communication, driving and mechanical skills.
- One skill set that was highlighted strongly in focus group meetings was that of basic worker skills. This ranged from interviewing skills to work place skills such as showing up on time, not bad-mouthing the boss, not taking 2 hour lunches, not asking for a raise on the second day of work. These are basic employability skills.
- Good written and oral communication skills. For example, when to use email and when not to use email.
- Few companies have customer service training but it is a big need.
- There is little computer training. The training that is needed is in the area of trouble-shooting basic problems. New workers know a minimum amount of computer programs (MS Office Suite) but don't know what to do if they have a problem or how to figure something out on their own.
- Most of the mechanic training is on-the-job while driver training is primarily focused on safety but there is a need to deal with driver paperwork and customer service issues as well.
- Forklift training is a critical need in many L&T firms and most of the training in that area is done in-house.
- Managerial, supervisor training was indicated as a need in many firms.
- CDL drivers, finding and locating them can be an issue.
- Train-the-trainer is an area of need. Since much of the training is done internally, these organizations would like to know how to prepare people who know the subject matter to present it to new and existing workers.

Recruitment Needs

- L&T companies are looking for help with the image of the industry. Need to find ways to recruit divers and mechanics. Being a mechanic is a high-tech job but not many potential employees recognize the skill level needed to be a mechanic. Kids aren't working on their cars in their garages because they are too complex so they shy-away from being a mechanic.
- The L&T Consortium members are looking for a systematic method of recruitment into the L&T field. Word of mouth is one of the most frequently used methods but it is not very systematic or overly effective for finding the best employees. Tighter relationships with schools may help.

Educational Needs

- Want to find employees with skills in basic technology as well as having a strong work ethic.
- Need and want to have better relationships with schools and sources of students.
- Want schools to develop curriculums around their needs (time and location.)
- Not always aware of courses that schools already have in place to assist with skills building.

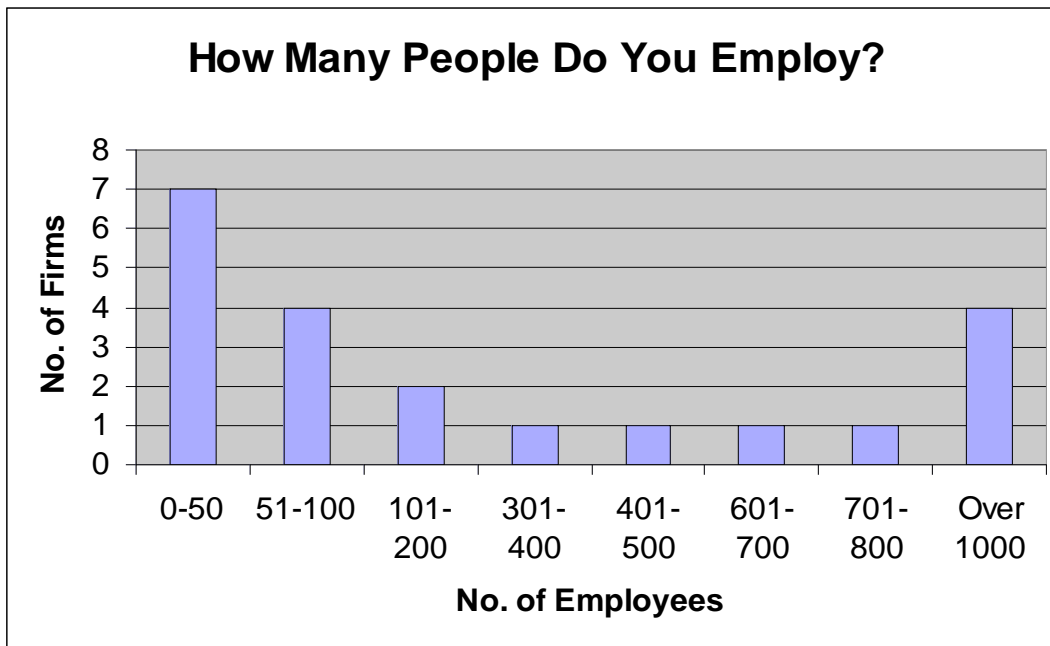
Survey Results

The results of the survey questions are displayed on the following pages. The most dramatic result of the data collection effort was the clear gap between the skills deemed critical by the L&T firms and the lack of current training or satisfaction with current training in those areas.

Demographics

The size of the companies participating in this needs assessment ranged from companies with less than 50 employees (with one company only having 3 people) to four companies with over 1000 employees.

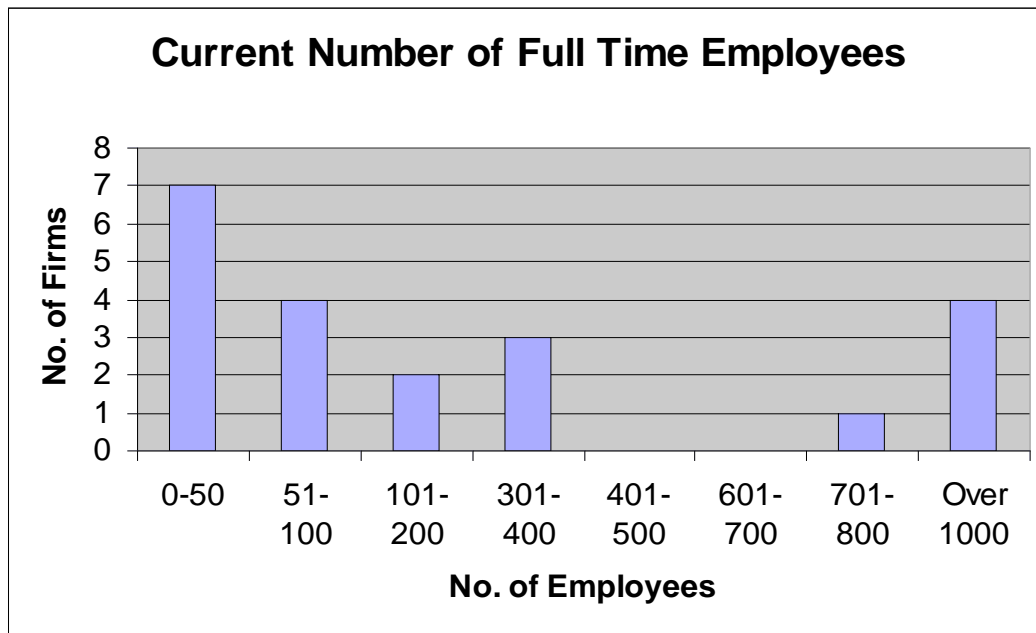
The company breakdown was as follows: seven companies with fewer than 50 employees, four companies with between 51-100 employees, two companies with between 101-200 employees, and four companies with 1000 employee. The remainder of the categories had one company each.



The three largest segments of number of employees were the ranges of 0-50, 51-100, and over 1000. This spread of various corporate sizes provided a well-distributed company size demographic for conducting data analysis and for making generalizations based on the results of the collected data.

Current Number of Full Time Employees

The next question was asked to determine how many of the employees within the company were full time. The break down of the number of full time employees is as follows: seven companies with fewer than 50 employees, four companies with between 51-100 employees, two companies with between 101-200 employees, three companies with between 301-400, and four companies with over 1000 employees.



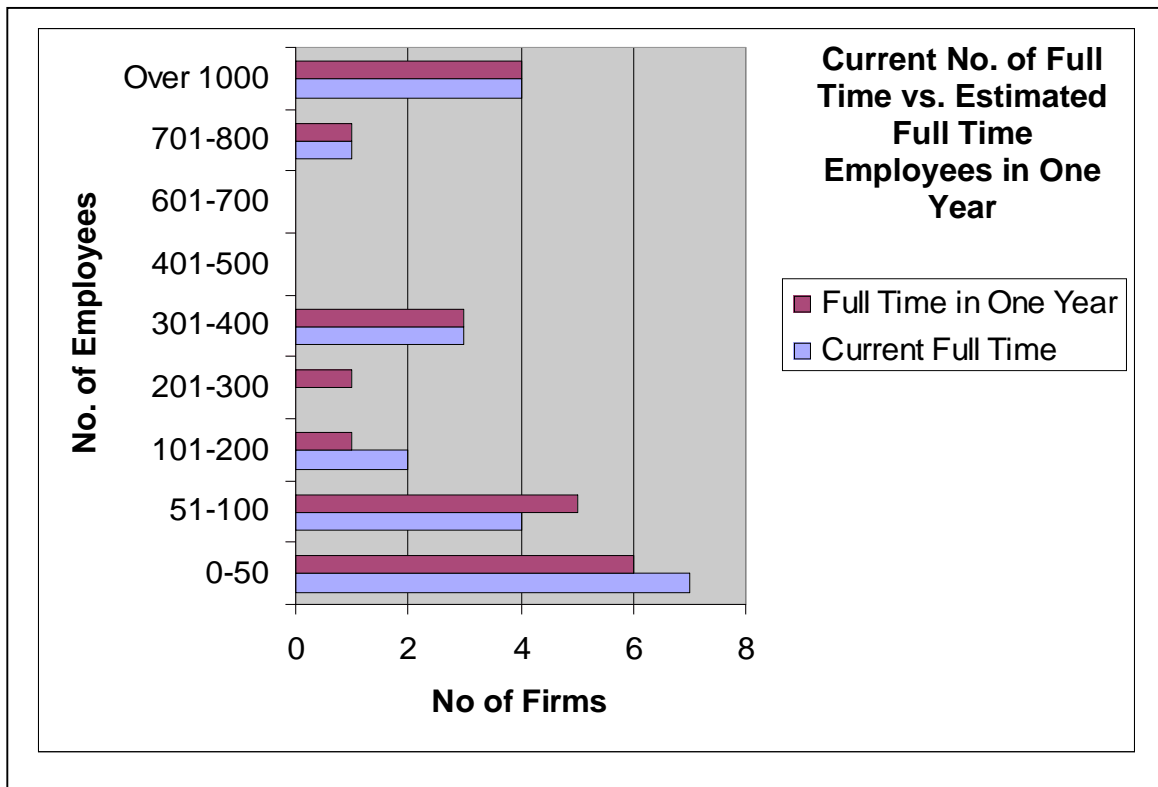
The following areas of the L&T industry were represented by the companies that responded to the survey:

- Motor coach transport
- Warehousing
- Distribution
- Dump truck
- Third Party Logistics and Co-Packaging
- Large Truck Repair
- Steam Ship Lines
- Less-Than-Truck Load Carriers
- Full-Truck Load Carriers

Current Number of Full Time vs. Estimated Full Time Employees in One Year

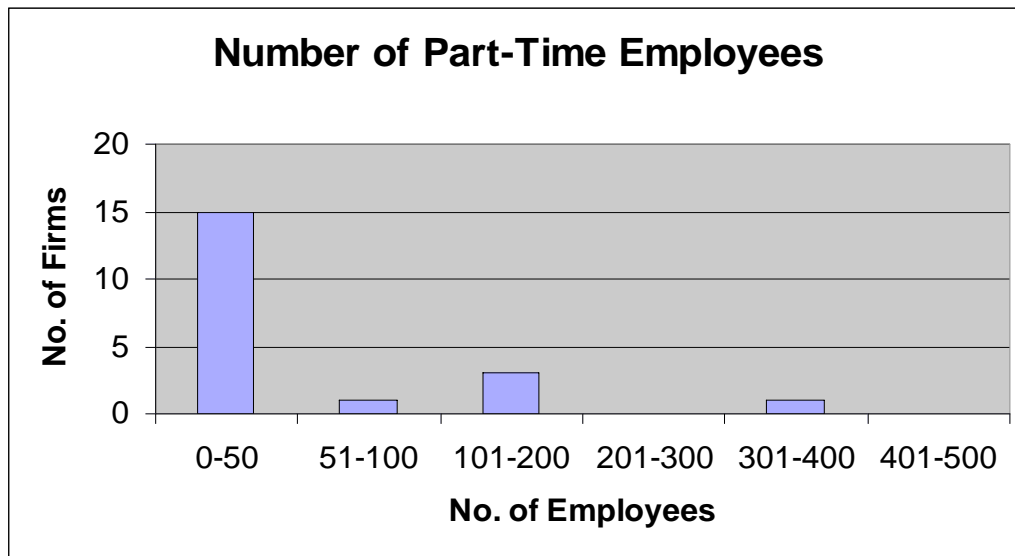
Based on the data of the graph, the indication is that smaller firms will increase full time employees through growth of the organization while larger firms (those above 300 persons) will not increase the number of full time employees.

This conclusion was drawn because the bars indicating number of full time employees in one year are ascending the scale. For example, there are going to be less full-time employees in firms with 0-50 employees and more in firms with 51-100 which seems to indicate that the firms are growing.



Number of Part-Time Employees

Seventy-five percent of all firms surveyed had 0-50 part-time employees. While five percent had 51-100, 15% had 101-200 and five percent had 301-400 part-time employees. These are employees that are working less than 40 hours a week with a firm. The work might be permanent in that the job is not seasonal but lasts indefinitely but is not full time. In terms of temporary employees (seasonal employees), 85% have 0-50 while 15% have 51-100 (not shown in a graph).



Position of Survey Respondents

Of the respondents to the survey, the following positions were held.

- Director
- Manager
- Executive
- Manager
- VP-Human Resources
- District Manager
- Partner
- President
- Senior Manager
- Human Resources Coordinator
- Executive VP and In-house Counsel
- Administrative Consultant
- Regional Executive Assistant

Primary Nature of the Business

The following is a list indicating the primary business in which the surveyed companies are involved. Some organizations indicated multiple primary businesses such as third-party logistics and warehousing.

- Hardwood veneer manufacturing.
- Co-Packaging
- Dump Trucks
- Federal Government (Logistics)
- Motor Coach Transportation
- Hauling for Meat Industry
- DOP Industrial and Technical
- Third-Party Logistics
- Radiator Repair
- Steel Distribution
- Less-than-Truckload Freight Carrier (LTL)
- Full truckload carrier
- Warehouse and distribution
- Third-Party Warehouse provider Real Estate Development
- Transportation of Goods (via rail or steam)

Types of Products Handled

The following types of product were handled by the companies responding to the survey and participating in the focus groups.

- Apparel
- Appliance
- Bakery
- Building Materials/Lumber
- Consumer Products
- Dry Grocery
- Electronics
- Glass Panels (Industrial size)
- Mechanical Parts and Systems
- Passengers
- Produce
- Refrigerated Products
- Anything delivered via steamship or rail.
- Auto Parts
- Beverages (alcohol)
- Confectionary
- Corrugated Products
- Dairy
- Frozen Grocery
- Health and Beauty/ Cosmetics
- Paper
- Plastics
- Raw Materials
- Rolls of paper

Major Business Challenges

When asked, “What are your major business challenges for which you currently or will, in the future, need training?” The following answers were received.

- Employee training, mechanics and drivers who can come in and do their job effectively and efficiently.
- Hazleton employee base is unskilled and poorly educated, we find that we have 60% of the applicants cannot pass a basic addition or subtraction test.
- Rules for the road as established by the PUC and DOT to meet their specifications. How well to handle themselves as truckers on the road and to the businesses we deliver product. Dump services training should be a priority at the truck driving schools rather than just over-the-road training.
- Finding, training and retaining CDL drivers. Class A CDL Drivers able to operate a flatbed within the region.
- Logistics management Sys (LMP)
- Talent Management and Succession Planning.
- Recruiting qualified drivers
- New warehouse technologies including RFID, new WMS systems and diesel engine repair.
- CDL Mgt. Development Mechanics
- Effective communications
- Forklift operation.
- Customer Service
- Warehouse management.
- Stress management.

Suggested Actions by Local Organizations

When asked, “What do you feel could be done to address those challenges locally, by government and academic institutions?” The following training related answers were received.

- It would be helpful if the academic institutions communicated with businesses and industries on what is going on in their world. It would be nice to have programs developed more specific to industry needs.
- Better train students through the vo-techs, etc., for promptness, ability, and performance.
- There is a big gap concerning English speaking and understanding of the English language.
- More diverse training at these trucking schools besides just awarding them with a CDL License. They need to have more dump truck training and how to handle themselves in situations.
- Make grants and/or funding available.
- Offer training
- Academic: Training classes that are locally taught and at convenient times

Finding New Employees

When asked, “Where do you find new employees? What is their skill set?” The following answers were received.

- Monster.com, career link and local papers depending on the position.
- PA career link, vo-tech, newspapers. Skill level is usually low to moderate.
- Basically we contribute to our employee's by teaching them basic skills. We have a very aggressive hiring process and have used the local news paper and all employment agencies, as well as temp staffing. The skill set is week we have a high rate of turnover.
- Mostly word-of-mouth, sometimes through newspaper ads. Need 2 years experience in dump truck with CDL plus no blemish MV report for 3 years, plus pass a pre-employment drug and alcohol test.
- Employee Referrals, newspaper ads, State agencies.
- Colleges and Universities, Internet, third party staffing agencies. Skill set - 4 year college degree with proven leadership and communication skills preferably 3 to 5 years mgmt exp
- CDL drivers: newspaper, word-of-mouth; clean CDL record, + 2 years exp. Mechanics: newspaper; experience on diesel engines Warehouse: temps, word-of-mouth; forklift experience Office: word-of-mouth; proficient with computers and experience in transportation (generally)
- All over the US. 2 years experience, 23 years of age minimum. Current CDL drivers.

Types of Training Offered by L&T Firms

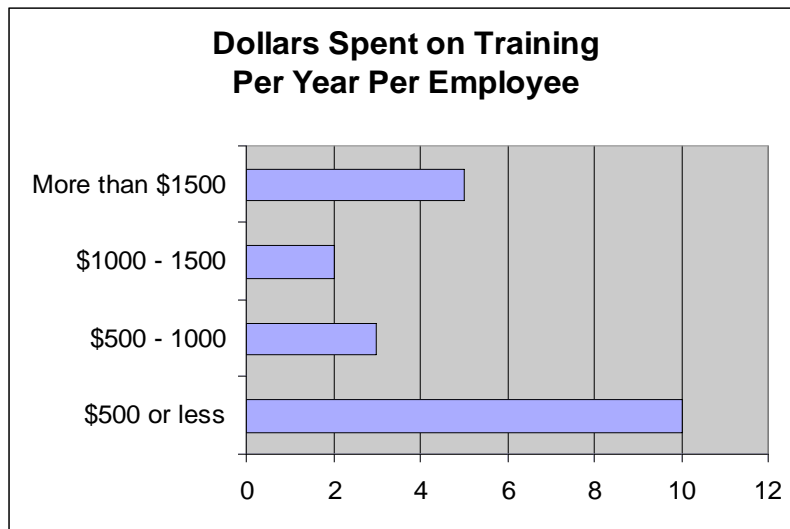
When asked, “What types of training does your organization offer?” The following answers were received.

- We have a consultant who is very familiar with our business conduct training based on specific needs and we do on-the-job training.
- On the job, night time votech.
- We train all of our associates for one month, on the full functions of the distribution process.
- Once a month employees are given a topic to read and answer questions about what they read. Also any changes in rules and regulations and tips on road safety.
- For truck driver we do not offer any training. Other warehouse employees receive on the job training.
- Electronic, IT, Soft skills, etc
- Fork Lift
- CDL, Thinking about starting a driving school.
- Online computer training, safety training, leadership training (out of state)
- Power equipment training, Train the trainer, situational self-leadership
- RF/Barcoding, and our present Warehouse Management System
- On-the-job training.
- Subscribe to a training newsletter created by an out of state organization.

When asked if it would benefit the firms to have more training available in-state, only 12 firms answered the question. Three answered, “Yes.” While five answered “possibly” or “maybe.” The rest answered “No.”

Training Dollars Spent Per Employee

Question was asked to find out how much per year each company spends on training employees. Most of the organizations spend \$500 or less. Of the firms that spend more than \$1500, three are over 1000 employees but two are between 0-50 employees. Both large and small firms appear likely to invest in training their employees. However, over half of all firms only invest \$500 or less.



Training Gaps

This analysis process consisted of an examination of three factors. The factors are 1) the skills deemed most critical by L&T companies, 2) whether or not the companies conducted any training as related to those skills and, 3) whether or not those companies believed the training was effective.

This analytic process revealed gaps in almost every area examined. The gaps are due to two primary factors that were identified. The first is that many companies do not offer training to their employees even in the areas they deem most critical. The second is that the training that is offered by the companies (internally or externally) is not always effective.

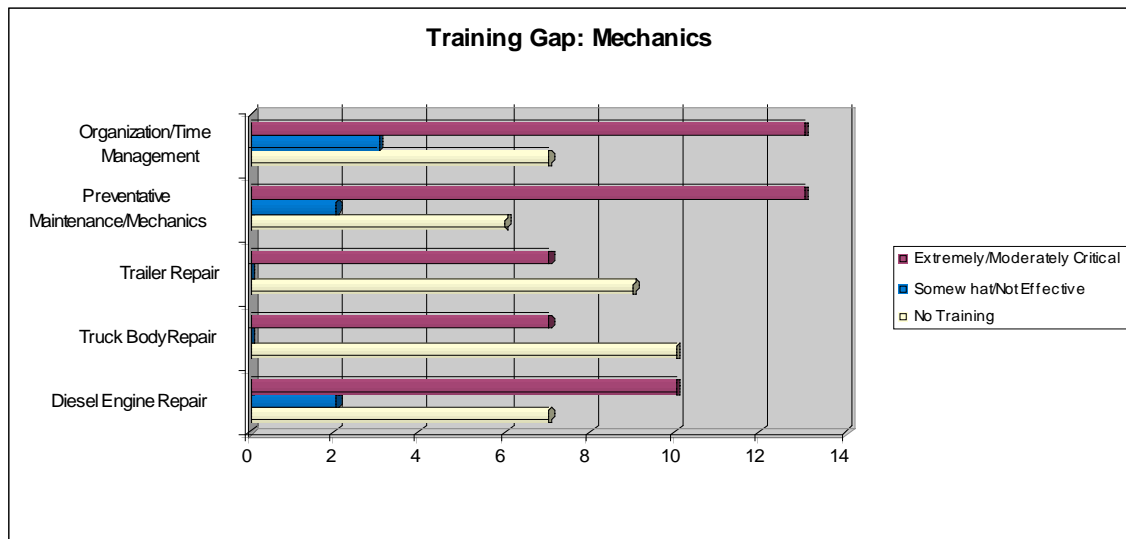
Training Gap: Mechanics

As you can see *Organization/Time Management* was deemed to be “Extremely or Moderately Critical” by 13 firms, yet, only slightly more than half did any training and three felt the training that was performed was “Somewhat Effective” or “Not Effective.” This indicates a need for this type of training.

Of the firms that do conduct training in the area of *Organization/Time Management*, 78% conduct that training internally which means they are not satisfied with the internal training as indicated in the gap illustrated below.

Looking at the other skills identified by the companies, as “Extremely Critical” or “Moderately Critical,” the second highest skill for mechanics is “*Preventative Maintenance/Mechanics*.” Again, this skill is deemed critical but companies either do not have any training or have training that is not effective as shown by the gap between the number that say the training is effective and the number that indicate a need.

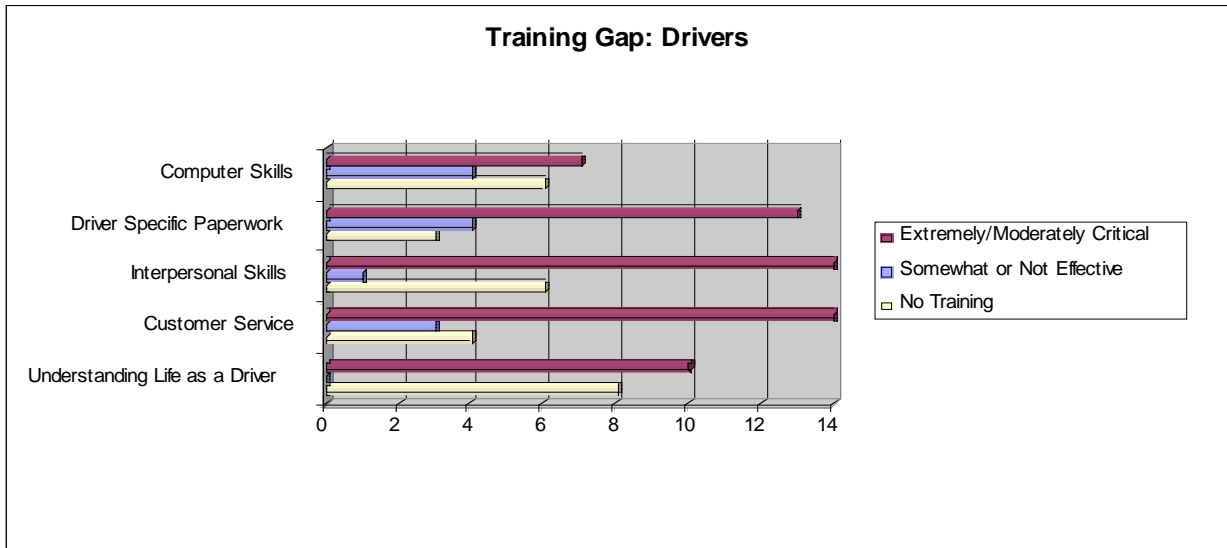
Again, 78% of the firms that do conduct this type of training indicated that this training was done internally, yet they are not overly pleased with the results.



Training Gap: Drivers

As you can see *Interpersonal Skills*, *Customer Service* and *Driver Specific Paperwork* are the three skills deemed to be “Extremely or Moderately Critical” by over half the firms surveyed, yet, about half either conduct no training or feel that training in those areas are “Somewhat Effective” or “Not Effective.”

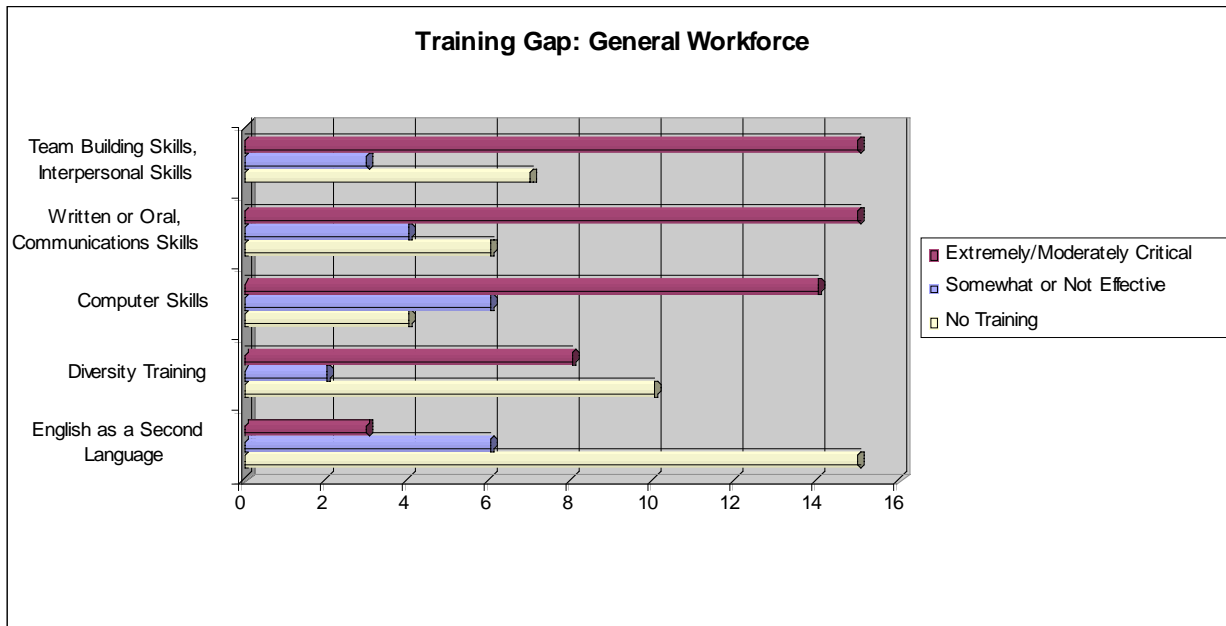
For the three skills, 100% of the firms’ conduct internal training for *Customer Service*, 88% conduct internal training for *Interpersonal Skills* and 90% conduct internal training for *Driver Specific Paperwork*.



Training Gap: General Workforce

The three most critical skills in terms of the General Workforce are *Teambuilding/Interpersonal Skills*, *Written and Oral Communication Skills* and *Computer Skills*. These are the three skills deemed to be “Extremely or Moderately Critical” by over half the firms surveyed, yet, about half either conduct no training or feel that training in those areas are “Somewhat Effective” or “Not Effective.”

For the three skills identified the majority, over 86% conduct that training internally. The companies that conduct the training externally do so either through local schools or through online training programs.



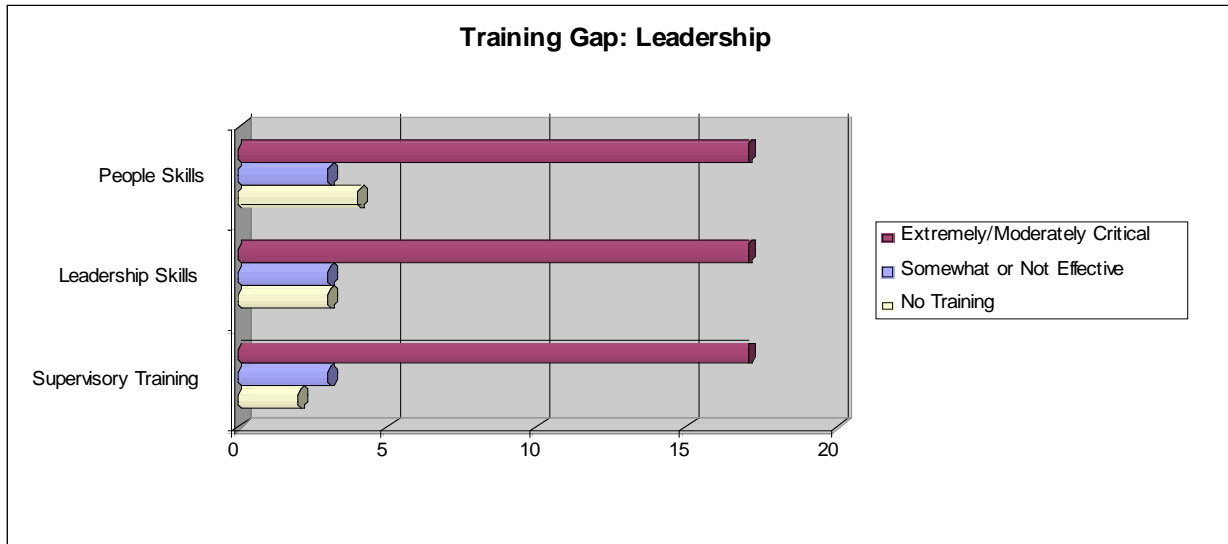
English as a Second Language (ESL) is an issue that gained a lot of attention in the focus groups but did not appear to be critical to the vast majority of firms. This, of course, shows why over half the firms do not conduct any training in this area. Firms that do need this skill seek external training vendors.

Training Gap: Leadership

Each of the three skills listed in this question were deemed “Extremely or Moderately Critical” by the majority of L&T firms.

The training efforts in this area appear to be slightly higher than in other areas and the training quality appears to be a little better but still has room for improvement. Of the three skills listed, 38% of the firms felt that Supervisory Training was “Effective”—one firm indicated “Extremely Effective.” For Leadership and People Skills, only 44% and 38% indicated that the training was “Effective” all other scores were below the effective ranking. Again, the majority of this training is conducted internally.

One mid-sized company (between 600 and 700 employees) does utilize a number of different sources for leadership training including East Stroudsburg University, Right Reasons Technologies, Institute for Management Studies IMS, and CaseWestern University.

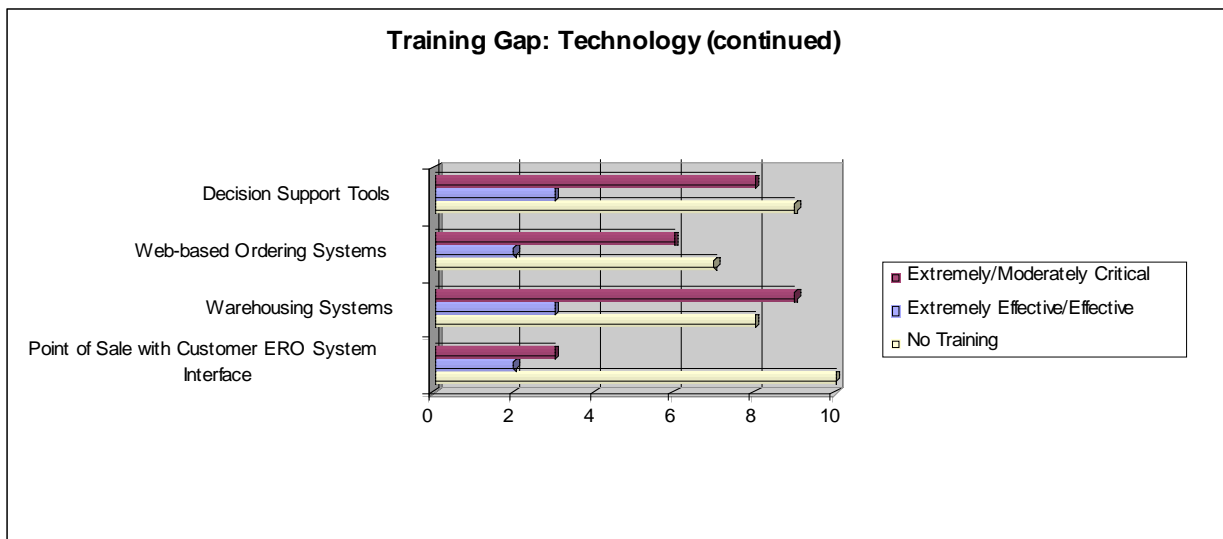
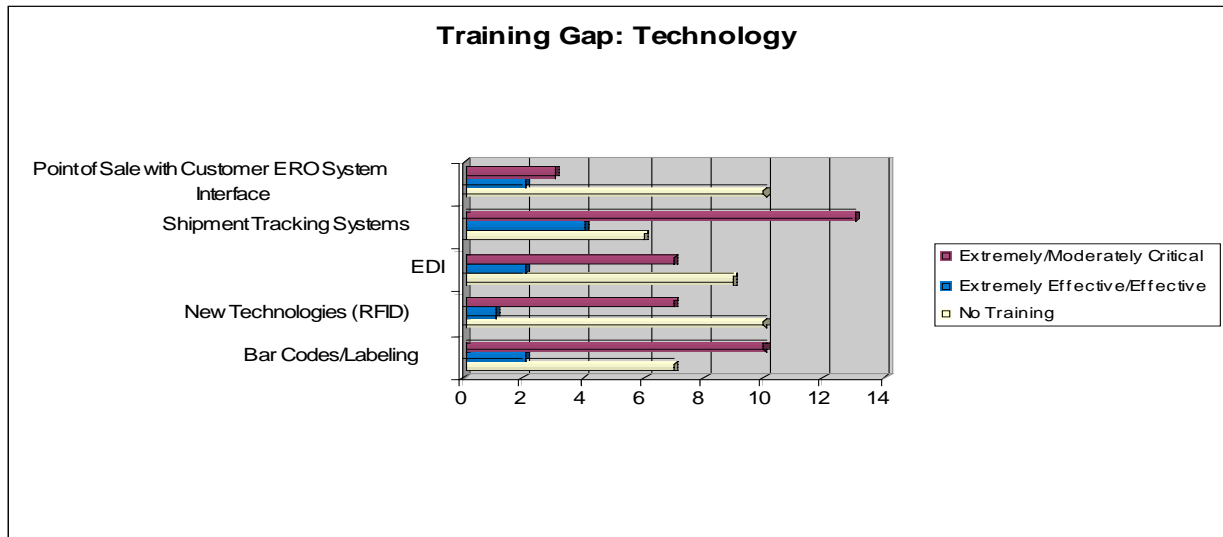


Training Gap: Technology

The technology gap is a little different from the other areas analyzed because not every L&T firm needs every type of technology training. So by showing the number of firms that do not conduct RFID training, for example, it doesn't mean that there is necessarily a gap. A certain firm may not have the RFID technology in place and, therefore, not have a need for that type of training.

So the real gap in the area of technology is in awareness and use of the technology (this was revealed in the focus groups.) It may be that firms need training just to become aware of what RFID can do for them rather than how to work with RFID.

So, the analysis for technology indicates "Extremely Effective or Effective Training" instead of pointing out "Somewhat or Not Effective" training as the other graphs indicate. Also, because of the number of topics, the technology issues were broken into two graphs.



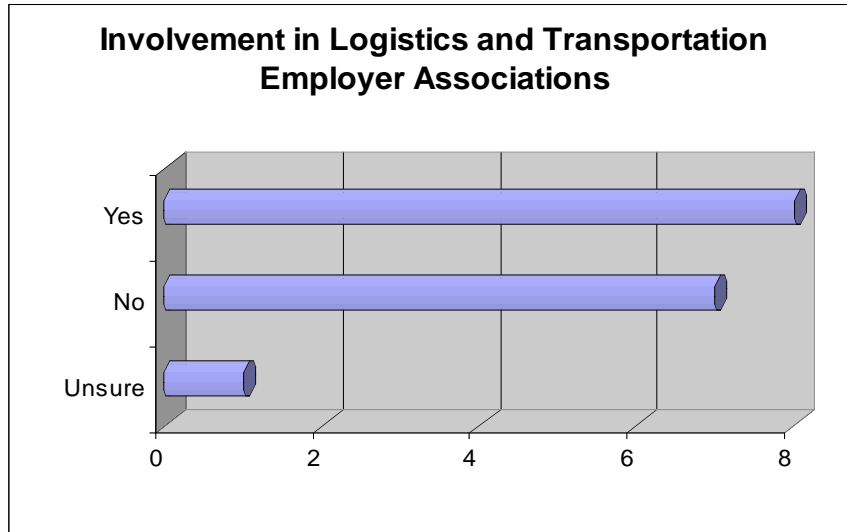
This analysis reveals that EDI training is deemed critical by three firms and they believe the training is “Extremely Effective or Effective” but that ten firms do not conduct any EDI training. This could be because they do not use EDI and don’t need the training.

The most critical technology skill identified was *Shipment Tracking System*. The data indicated that of the firms that conducted training in this area 40% thought the training was “Extremely Effective or Effective.”

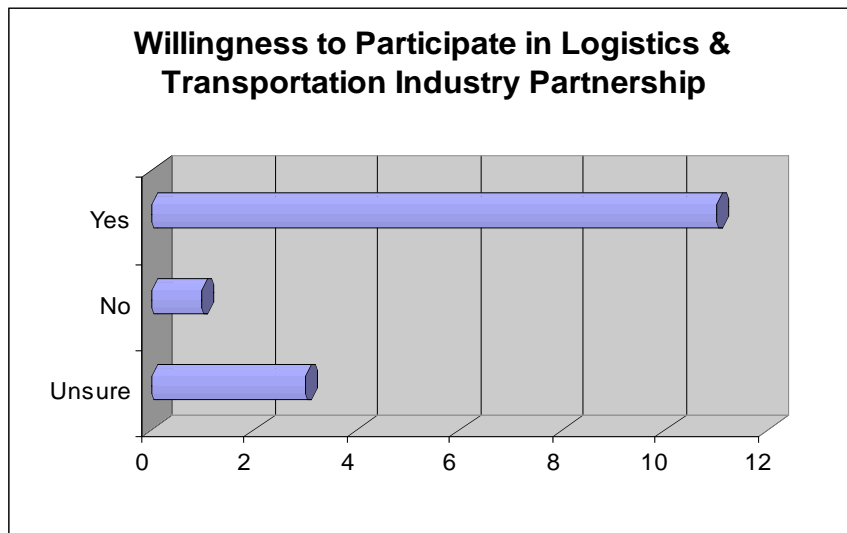
Bar Coding was seen as the next critical skill with 27% of the firms finding the training to be “Extremely Effective or Effective.” The next was *Warehousing Systems* with 20% indicating the training was “Extremely Effective or Effective.” Most of the technology training is conducted internally.

Involvement in Employer Associations

The question was asked, “Is your organization presently involved with any local, regional, or national logistics and transportation employer associations?” Eight indicated “Yes,” seven indicated “No” and one was “Unsure.” The rest of those surveyed did not answer this question.



When asked, if they would be willing to participate in a North Eastern PA Logistics & Transportation Industry Partnership of employers to address common or overlapping human resource needs? The vast majority, 73% indicated “Yes.”



Recommendations

Based on the data gathered during this study to help L&T firms in Northeastern Pennsylvania, the following training topics and actions need to be undertaken.

- Conduct classes teaching basic employability skills (arriving to work on time, email etiquette, proper behaviors in the workforce.) Also training in basic written and oral communications skills is needed.
- Every firm has a need for strong Customer Service training for drivers and others who deal with the public. This is not done well but is seen as highly critical to over half the firms in the survey.
- Firms look for Commercial Drivers License (CDL) certification when hiring, but they also want more than just a CDL. Consider adding “soft skills” to the CDL training programs. Teach more than mechanics or truck driving, teach basic business etiquette skills. Also teach truck driving in contexts other than simply “over the road.” Include areas like dump trucks or other utility vehicles.
- Consider creating a class/workshop/seminar that focuses on Time Management and Preventive Maintenance for mechanics. These are two areas of critical need for L&T firms.
- The skills of Team building and Interpersonal Skills are highly critical to the success of L&T firms. Yet, training either doesn’t exist or is not satisfactory in these two areas..
- These firms are looking for Leadership Training for supervisors and managers who have many direct reports. While this is the area that has been ranked the most effective, it still has a far way to go to meet all the needs.
- Train-the-trainer classes are required; many of the firms conduct their own in-house training and are not completely satisfied with the results.
- Technology training is needed in the areas of *Shipment Tracking Systems*, *Bar Coding* and *Warehousing Systems*.
- Technology “awareness” training is needed in the region as few firms indicated that they are using any of the technologies listed in the survey (less than half of all firms surveyed viewed any of the technology skills as “Extremely or Moderately Critical.”)
- The need for forklift training is consistent among many of the organizations.
- Educational institutions need to team with L&T firms to bring the training to the firm at the mechanic, driver and supervisory level.

-
- L&T firms and educational institutions need to work together on designing programs that are taught locally and at times that are convenient for their employees.
 - L&T firms need to be made more aware of the training opportunities that already exist within the region.
 - A consortium of L&T firms may be able to create an advertising or marketing campaign to recruit students into their organizations. Perhaps teaming with the ATA which has already done studies on why people entering the L&T industry as a career and has already created an advertising program that can be tapped into.
 - Assistance should be provided to firms from an employee recruitment perspective. Perhaps local academic institutions could bring potential employers to campus more frequently.
 - A consortium-type training initiative would be welcomed by many of the L&T firms in the region.
 - Efforts need to be made to expand the consortium and let more firms know about the goals and mission of the group.
 - Leverage the larger L&T firms in the region as a focal point for the L&T industry in Northeastern PA and work to strengthen the consortium which is deemed valuable by many of the firms already involved.

Report Summary

Logistics and Transportation firms are a vital industry within Central Pennsylvania, if the industry is to remain strong and compete on a national level, the L&T firms in this region need develop local talent from mechanics and drivers to supervisors and executive leadership. They also need to collaborate with each other and academic institutions to create common training programs from which they can all benefit.

There are a number of training needs that have been identified within this report. Many of those needs can be addressed through a slight modification of existing programs. Other needs will have to be met through the creation of brand new programs.

One possible solution is to create a tool that will help the L&T firms to become aware of the training programs available in the region. The tool on the next page is an excellent place to get started. It would also make sense to team the consortium with other like minded groups across the country to pool resources.

The gaps in the chart will also help to further identify needs. For example, the area of mechanics does not seem to have courses available from either educational institution.

Training Matrix

| Training Need | Supplier | |
|---|---|--|
| | LCCC | Penn State |
| Bi-Ligual (Spanish) | Command Spanish for Logistics/Transportation and ESL classes | Spanish Language Training |
| Computer Skills | Computer Skills Training | Computer Skills Training |
| Driver Training | International Computers Drivers License (ICDL) CDL Training/Refresher | |
| RFID Training (basic overview) | | RFID Technology |
| Mechanic Skills <ul style="list-style-type: none"> ▪ Diesel Engine Repair ▪ Truck Body Repair ▪ Trailer Repair ▪ Preventative Maintenance | POSSIBLE GAP | POSSIBLE GAP |
| Diversity Training | Cultural and Diversity Awareness Training | Cultural and Diversity Awareness Training |
| Leadership <ul style="list-style-type: none"> ▪ Supervisory Training ▪ Leadership Skills ▪ People Skills | Managerial Skills Training Supervisory and Leadership Development training | Project Management (on-line credit-free) |
| Customer Service Skills | Customer Service and Customer Relations Training | Customer Service and Customer Relations Training |
| Technology <ul style="list-style-type: none"> ▪ Bar Codes/Labeling ▪ EDI ▪ Shipment Tracking Systems ▪ Point of Sale with Customer ▪ ERP System Interface ▪ Warehousing Systems ▪ Web-based ordering systems ▪ Decision Support Tools | | |
| Basic Communications Skills | Adult Basic Education Classes | |
| Train-the-trainer | Train-the-Trainer Courses | Train-the-Trainer Courses |

References

The American Trucking Association web site located at
<http://www.truckline.com>

Pennsylvania Motor Truck Association web site located at
<http://www.pmta.org>

Commercial Vehicle Safety Alliance web site located at
<http://www.cvsa.org>

Heavy Duty Truck Magazine Online web site located at
<http://www.heavydutytrucking.com/>

USA Today: **Think convoys are a beautiful sight? Have they got a job for you** by Barbara Hagenbaugh. Retrieved from http://www.usatoday.com/money/economy/employment/2006-04-24-trucking-usat_x.htm?POE=click-refer

Appendix A: Sample Focus Group Protocol

| Task # | Activity | Time Frame |
|--------|---|--|
| 1 | Introduce the L&T team and explain the concept of the grant and why the focus group has been gathered. "Focus group has been gathered to determine training needs that are common among logistics and transportation companies and to determine what training programs providers can put into place to address those needs." | 5-10 minutes |
| 2 | Have each participant introduce him or herself and describe what their company does and their role within the company. | 10-15 minutes depending on # of people. |
| 3 | Ask participants to spend a few minutes completing the survey. Point out that on the page about skills, they have a column for indicating internal or external provider and the name of that provider if they use one, remind them to complete that if possible. (This will help them to get into the mind set of thinking about logistics training issues) | 15-20 minutes, monitor group to see if they complete sooner or need more time. |
| 4 | When they have completed the survey, ask, "Are there any training issues or items that you felt were missing from the survey?" (Have someone record any issues.) | 5 minutes |
| 5 | Inform group that you would now like to discuss a few training issues with them. Ask each participant for their top three training needs. (Have someone record those identified needs.) You may want to help clarify for example; if someone says MS Word, you might want to ask... writing a letter in Word or more advanced items like mail merges. Look for exact examples of training needs rather than vague statements like "management training" what do they mean by that? Time management, people management, management of tasks? | 10-15 minutes |
| 6 | Ask them if their training needs differ depending upon whether or not a person is full-time or part-time. "Do you have different training programs in place for part-time employees versus full-time employees?" "Do your full-time employees have different training needs than part-time employees?" "What types of training needs do your part-time employees have? How big, approximately, is your permanent workforce vs. your temporary workforce? Do you have different training needs among those two groups?" Do not go around the table on this topic, instead, ask for input from participants. Record answers and determine which logistics companies use part-time employees vs which do not.) | 10-15 minutes |
| 7 | Ask participants, "What types of businesses are your main or key suppliers?" Determine common suppliers. The goal is to see if there are support companies that work with several of the L&T Companies. (Record responses) | 10 minutes |
| 8 | If some common companies exist ask if the L&T companies think that there are any training issues those companies might have, if so, what are they? (Record answers) | 10 minutes |
| 9 | Ask participants if they would be willing to participate in a North Eastern PA Logistics & Transportation Industry Partnership of employers to address common or overlapping human resource needs? "What would make such a group attractive to your organization? What would make it unattractive? (explain what that might look like and what they could gain from such a group.) | 10 minutes |
| 10 | If time permits, you may ask the group if they have any training related issues that the focus group did not cover but that they feel are important to providing education and training to the Transportation and Logistics Industry. | 5 minutes |
| 11 | Thank them for attendance and ask if you can contact them in the future for a follow up. Remind them to pass forward completed survey. | |

Appendix B: Survey Instrument

Logistics Questionnaire: Training Needs

Name:

Title:

Company Address:

Phone:

Fax:

Email:

1) Approximately how many people does your company employ?

0-50 51-100 101-200 201-300 301-400
 401-500 501-600 601-700 701-800 801-900 901-1000 over 1000

Current number of full-time employees.

0-50 51-100 101-200 201-300 301-400
 401-500 501-600 601-700 701-800 801-900 901-1000 over 1000

Current number of part-time employees.

0-50 51-100 101-200 201-300 301-400
 401-500 501-600 601-700 701-800 801-900 901-1000 over 1000

Estimated full-time employees one year from now.

0-50 51-100 101-200 201-300 301-400
 401-500 501-600 601-700 701-800 801-900 901-1000 over 1000

Current number of temporary employees.

0-50 51-100 101-200 201-300 301-400
 401-500 501-600 601-700 701-800 801-900 901-1000 over 1000

2) Location of Company.

3) What is your Position and level within your organization? (manager, front line supervisor, executive, etc.)

4) What is the primary nature of your business?

5) What are your major business challenges for which you currently or will, in the future, need training?

6) What do you feel could be done to address those challenges locally, by government and academic institutions?

7) Where do you find new employees? What is their skill set?

8) What types of training does your organization offer?

9) Are you presently utilizing suppliers/vendors located outside northeastern PA? Yes No
If yes, please briefly describe the top three products/services and their locations

10) Would it benefit your operation if these products/services were located in northeastern PA? Please describe.

11) How much on average do you spend on training per year per employee?

🍏 \$500 or less 🍏 \$500-1000 🍏 \$1000-\$1500 🍏 More than 1500

12) How do we get access to trainers within your organization?

13) Who are your major suppliers in the following areas?

| <u>Technology</u> (Warehousing system, software applications, RFID, etc) | <u>Raw Materials</u> (Supplies like pallets, racking and material handling equipment, and other materials) | <u>Other Services</u> | <u>Location</u> (in PA or Outside of PA) |
|--|---|------------------------------|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

14) Additional Information or Comments about your major suppliers or how their training (or need for training) impacts your organization.

15) Please answer the following questions, on a scale of 1-5 regarding the skills you may require within your organization.

| Training Needs Analysis: Skills Chart | | | | |
|--|---|--|---|----------------------|
| 1 = Extremely Critical 5 = Not Critical | | 1 = Extremely Effective 5 = Not Effective | | Internal or External |
| <u>Type of Skills</u> | How Critical are the following skills to your organization? | How effective is the training your employees are currently receiving in this area? | Is the Training conducted internally or externally? If externally, please indicate provider | |
| Mechanics | | | | |
| -Diesel Engine Repair | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Truck Body Repair | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Trailer Repair | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Preventative Maintenance -Mechanics | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Organization/Time-Management | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| Drivers | | | | |
| -Understanding life as a driver | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Customer Service | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Interpersonal Skills | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Driver Specific Paperwork (understanding importance, DOT requirements) | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Computer Skills | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| General Workforce | | | | |
| -English as a second language (Spanish) or Other (specify) | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Diversity Training | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Computer Skills | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Written and Oral, Communication Skills | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |
| -Team Building Skills, Interpersonal Skills | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int | Ext Provider: |

| Training Needs Analysis: Skills Chart (continued) | | | |
|--|---|--|---|
| | 1 = Extremely Critical 5 = Not Critical | 1 = Extremely Effective 5 = Not Effective | Internal or External |
| <u>Type of Skills</u> | How Critical are the following skills to your organization? | How effective is the training your employees are currently receiving in this area? | Is the Training conducted internally or externally? |
| Leadership | | | |
| -Supervisory Training | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -Leadership Skills | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -People Skills | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| Technology | | | |
| -Bar Codes/Labeling | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -New Technologies (RFID) | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -EDI | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -Shipment Tracking Systems | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -Point of Sale with Customer ERP System Interface | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -Warehousing Systems | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -Web-based ordering systems | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| -Decision Support Tools | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| Other (list missed skills) | | | |
| | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |
| | 1 2 3 4 5 | 1 2 3 4 5 (no Trnng) | Int Ext Provider: |

16) Are you presently involved with any local, regional, or national logistics and transportation employer associations?

17) Would you be willing to participate in a North Eastern PA Logistics & Transportation Industry Partnership of employers to address common or overlapping human resource needs?

18) Please identify any type of industry wide certifications/credentialing that you look for when hiring personnel.

19) Would you be willing to provide a testimonial on the area's workforce to be used in a marketing campaign?

In not involved in a focus group, please return completed survey to:

**Karl M. Kapp
29 Erin Drive
Danville, PA 17821**

Or email to kkapp@bloomu.edu