

# airline CARGO

March 2012 Volume 11, Issue 1

management

## Roses test the waters

A growing love for sea freight?

**China:** land of change

**Leadership challenge**

Can air cargo attract the best?

Plus:  
exclusive  
survey

Your opinions,  
uncut





# ↳ Step forward, Generation X

As airline executives reach retirement age, the air cargo industry is asking where the new leaders are. Forwarders are attracting talent – but aviation no longer holds a glamorous appeal, finds **Ian Putzger**

**A**s the baby boomers head for the exits, airline HR departments – at least the more forward-looking among them – are wondering where the next leaders are going to come from. Ask a veteran how he got into this industry, and there is a good chance that he was drawn by the lure of aviation and ended up dealing with boxes and warehouses.

The romance of flying is not going to replenish the ranks of cargo managers at the controls of the airlines today. If anything,

---

Lufthansa Cargo is one of the few carriers to run a development programme, which targets young business graduates with some experience in logistics  
*(photo: Lufthansa)*

the sector seems to have lost its cachet and struggles to attract up-and-coming executives.

Ram Menen, senior vice president of cargo at Emirates Airlines, diagnoses a shortage of talent in the air cargo industry, which he attributes in part to a lack of broader appeal. "Air cargo no longer seems to be out there," he comments. "The talent that the industry attracts depends on the perception outside, and our industry is losing out a little bit. In the past, an airline job was regarded as a sexy job."

He adds that the perks associated with working for an airline also seem to have lost much of their former lustre, and pale in the cold light of higher remuneration packages found elsewhere.

The airlines' predicament is in stark contrast to the situation in the forwarding and logistics sector. Robert Imbriani, vice president of corporate development at forwarder Team Worldwide and an adjunct professor at Baruch College in New York, finds that a growing number of people, particularly college graduates, are looking at logistics for a career.

"A few years ago, logistics was not on top of the list for external talent, but this is changing. Now logistics, in a broader sense, is the industry of the future, it is the high-tech sector of the future," declares Lothar Harings, global head of human resources and a member of the management board of Kuehne + Nagel. As a fairly recent

## “ Now logistics, in a broader sense, is the industry of the future, it is the high-tech sector of the future ”

Lothar Harings, Kuehne + Nagel

entrant to this industry, he should know what he is talking about, having joined the logistics firm in 2009 after lengthy spells with Siemens, T-Mobile and Deutsche Telekom. The growing perception of the global nature and diverse challenges of logistics is attracting more and more talent, he adds.

Not only does the logistics sector appear more varied and stimulating, the remuneration beckoning is usually more attractive than what is on offer from airlines, according to Helmut Berchtold, managing partner in logistics recruitment specialist adiConsult.

Imbriani agrees that graduates seem to lean more towards logistics providers and multinational shippers than to air carriers when it comes to a career in cargo. To appeal to young talent, companies have to open up new routes of recruitment too, Harings notes. Kuehne + Nagel has embraced e-recruiting, has connected with job boards and is interacting actively with platforms such as LinkedIn.

Menen reckons that more could be done to raise the profile of the air cargo industry at educational institutions. He points to large industrial firms that visit college campuses and in some cases, offer scholarships.

Most importantly though, companies have to offer potential recruits career prospects, but this is precisely where most airlines fail, Berchtold finds. Apart from a few isolated exceptions, airlines do not offer real career paths, he criticises.

“There is rather more depth on the forwarder side. In the airline industry you have to be with a big player to have longevity and a career path. On the forwarding side there are more companies to pick to pursue your career,” he says.

Moreover, in the struggle to trim costs, airlines have taken the knife to their training programmes. Stan Wraight, managing partner in Strategic Aviation Services International and a former executive with several large international carriers, looks back at the training he received at KLM in his early days in cargo, which has since disappeared. Many carriers have neglected

their training programmes which nurtured rising talent and are now finding it hard to attract high-calibre entrants, he laments.

To make matters worse, HR departments have not escaped unscathed either – if they ever had strategic roles to begin with. “Many HR departments are just administrators of payroll and associated functions. They don’t have a planning resource in their ranks, so they remain in a reaction mode,” Berchtold says.

As such, it is no surprise that at most airlines, the alarm bells have not rung yet about the large exodus of experience that goes with the retirement of large numbers of baby boomers. “Their worries are more of an immediate nature, not what happens in 10, 15 years. They are busy throwing resources at the problems of today,” Berchtold remarks.

One of the few carriers that still run fully fledged development programmes is Lufthansa Cargo. Its ‘Start Cargo’ trainee programme, which runs over 12 to 18 months, was designed to develop executives within the company. In the main, it targets young business graduates with some experience in logistics and includes spells at headquarters and in overseas stations.

Among other tools, Emirates SkyCargo uses the Emirates Aviation College, which performs the dual function of providing training needed for the airline as well as academic studies. “We have several management development programmes. We use both internal and external agencies,” says Menen.

All vacant positions are advertised internally first. “We first look within the company. If we do not have the competence, only then do we look outside,” Menen remarks.

Kuehne + Nagel can draw on the Kuehne Logistics University, a private, state-recognised university in Hamburg. It consists of two departments – Logistics, and Management & Economics – and offers bachelors degrees, two masters programmes and a PhD programme. However, Harings is quick to distance the university from the logistics firm to emphasise its neutrality.

“The university is a private donation by Mr Kuehne, who said he wanted to



Harings: attracting talent  
(photo: Kuehne + Nagel)

do something for the industry. It is not a company university. Its programme is completely independent from Kuehne + Nagel,” he comments. “We see it as one source for recruitment. Our participation is not higher than any other company’s.”

Kuehne + Nagel has recruited a significant number of specialists from the industry over the past year to ramp up its expertise in special product segments. “As we move forward there will be increased demand for highly educated people in special areas,” says Harings, adding that it is important to find the right mix between practical experience and “pure academic background”.

Of the firm’s top 200 managers in Germany, about 70% have come through the ranks, while about 30% joined with an academic background. “Our key source is our apprenticeship to get people on board. In Germany, we have about 800 apprentices in 12 different programmes. We have them for three years, so we can see if we want to keep them,” Harings says.

The apprenticeship scheme, which is universal in Germany, is one reason why many companies look for staff who have trained in Germany, remarks Berchtold. In some cases, this is combined with academic studies. He cites Dachser, a medium-sized German forwarder and trucking firm that runs a management training programme that includes the apprenticeship scheme as well as university studies for a bachelor’s degree. This gives a trainee a fast track to a forwarding licence, a university degree and practical experience including stints in overseas branches – in return for a commitment to work for the company for a specified number of years after graduation. ▶



Wraight: well-trained by KLM  
(photo: SASI)

Intent on furthering their skills, some companies mandate a set number of days of training for all employees, but not everybody is enamoured with this concept. Christina Trelle, head of personnel development at Lufthansa Cargo, argues that training needs vary from case to case.

By the same token, requirements for qualifications are more varied – more so than a decade ago. “The diversity of the workforce is increasing,” Harings observes. For Kuehne + Nagel, the range between traditional forwarding and 3/4PL activities brings increasing complexity and a need for different skill sets. “We need higher skilled people who can manage that complexity,” he says.

The changing profile of airlines, as they concentrate on core activities and shed functions that used to be taken care of in-house, also requires new skills. “If you outsource, you need strong managers who know how to do the job. They have to understand why you outsource and what the effects are,” Berchtold says.

“Many carriers have neglected their training programmes which nurtured rising talent and are now finding it hard to attract high-calibre entrants”

“It requires skill to manage that outsourcing in sync so it’s an extension of you. You need more management focus if you outsource,” Menen remarks.

At this point, one headache for many companies is a lack of experienced staff, Imbriani reports, a problem he attributes in part to experienced managers retiring from the industry, either voluntarily or through attrition.

Kuehne + Nagel eschews forced retirement. Harings recalls the saga of a large German company that retired virtually an entire generation of engineers a few years ago to slash costs, and subsequently found itself with massive problems as a result.

Opinions differ on how far the replacement of the baby boomers with exponents of Generations X and Y affects the pool of experience in the industry. In any case, the change of guard has repercussions for the company culture.

“Gen Y has even more of an entitlement mentality than anybody before them. Some say that the Y stands for ‘why me, why should I do this?’”, says Berchtold. “How do you talk to these people and how do you motivate them? It is not what motivated the boomers.”

Trelle has found that in job interviews graduate applicants nowadays ask more about opportunities for training and furthering their career than their predecessors did.

Longevity is another generational divide. “The new generation coming in no longer has the concept of a lifelong relationship with one company. You have to accept that,” Harings says. His advice is to keep the door open when good managers leave.

In a way this seems almost programmed to happen, as air cargo companies looking for experienced staff often look first among their competitors, Berchtold reports.

On the other hand, higher pay alone typically does not induce an up-and-coming manager to abandon ship for a competitor, Menen and Harings claim. “It’s not just money, it’s also job satisfaction. A big part is how motivated people are working for your company,” Menen says.

Harings agrees that providing a stimulating environment is a powerful magnet to keep good staff with the company. This is not necessarily for everybody. “Kuehne + Nagel is a tough culture. We don’t want to be the nicest place to work, we want to be the best place to perform and grow,” he says.

What about a career in air freight within the broader logistics world of a forwarder-cum-3/4PL like Kuehne + Nagel? The door to this is open, but so is the exit. “You can pursue air freight, but you don’t have to. There is no sticker on you that says ‘once air cargo, always air cargo,’” Harings says. ■



Emirates Aviation College runs training courses for the airline as well as offering academic studies (photo: Emirates Aviation College)