



30th March 2024

Media release

Foreign Workers in the Logistic Industry Addressing HR Challenges – the way forward.

Publication, official launch

In a press conference organised by the Malta Employers' Association, together with representatives from Identità, Foundation for Transport and Transport Malta, an MEA publication was officially launched, full of recommendations and insights compiled from last year's SMEs National Forum's outcome.

Last October, over 110 delegates from different local Government and private entities together with a number of SMEs employers shared their views and discussed topics related to **"Foreign Workers in the Logistic Industry – Addressing HR Challenges"**.

By implementing the right strategies, HR Professionals in the logistics industry in Malta can better address the challenges associated with managing a diverse workforce, including foreign workers and create a more inclusive and supportive work environment. Addressing HR challenges in the logistics industry requires a multifaceted approach to succeed:

We need to improve our efforts in providing training to HR personnel and management to understand and appreciate cultural differences among foreign workers. This can help in fostering a more inclusive and supportive work environment. The government and private sector should continue offering language classes or language support services for foreign workers to improve communication and integration within the workplace. This can enhance productivity and reduce misunderstandings.

Ensure that all workers, including foreign workers, receive proper training and equipment to comply with health and safety regulations. Language barriers should not prevent workers from understanding important safety protocols.

Parallel to this we should provide equal access to training and career development opportunities for all employees, regardless of their nationality. This can help retain talented foreign workers and promote long-term commitment to the company.

It is also being advised that we should encourage foreign workers' involvement in local communities and support initiatives that promote integration and cultural exchange between foreign workers and the Maltese population. At the same time, we need to look at why foreign workers leave Malta after a short period of time. MEA Director General, Mr Joseph Farrugia believes that this is not related solely to wages.

Foreign workers have become indispensable in sustaining and accelerating local economic growth. They have filled labour gaps in the logistic sector that might have otherwise hindered its development. They augment the labour force, enabling companies to meet the escalating demand for their services.

In this publication, it is also said that at the same time, it is also evident that a wave of skills mismatch and obsolescence is being witnessed due to fast technological developments brought about by transitions and lagging education system. This is resulting in extensive infrastructure pressures on various levels.

Mr Farrugia MEA's Director General said that in a nut shell MEA would like to propose:

The development of a nationwide strategy which provides our enterprises with a clear action plan for the economy for the medium to long term. The strategy is to be built on the premise of transforming our country's output into one which is of higher value-added and our labour-force into one which is increasingly productive. This strategy needs to make the best use of our limited resources, including our human resources, whilst ensuring that we move from growth to sustainable development mantras. Above all this strategy is to be implementable and concrete. A shift from numbers to higher quality is required.

A well-drafted strategy would be a catalyst for the appropriate planning of our labour-market needs. In this regard, we recommend the **appointment of an expert task force** having clear terms of reference in the forecasting of all aspects related to demography. This would include the size of our population, birth rates and migration flows. Such a task force would monitor and advise action to mitigate the various demographic crises being faced, as well as be in a position to project different scenarios which meet the country's preferred economic trajectories. If the size, mix of Maltese to foreign and types of skills which we are expecting are redefined, we stakeholders along with policy-makers would be able to make the necessary decisions promptly, instead of being caught in a reactive loop.

The logistics sector is a sector which consists of micro and small companies. In this regard, we recommend **adopting a 'pilot-analysis' approach** in this sector and similarly placed sectors to achieve economies of scale both in terms of operations but also for HR planning purposes.

Mr Steve Agius as the new CEO of Identità declared:

That it remains committed to assisting responsible employers in the recruitment process of foreign

labour, while honoring its twin objectives, improve the efficiency of application processes while at the same time safeguarding Malta's national security. It was noted that throughout the years, the Agency has made significant investments in state-of-the-art technology, resulting in the streamlining of several procedures and the expansion of its online platforms. It was emphasised that employers must prioritise importing the right people, with the right skills to mitigate high turnover rates.

Mr Kevin Farrugia representing the Foundation for Transport said:

That the Foundation's main objectives in these regards are, to provide solutions and to serve the country over the medium to long term rather than quick, disconnected solutions in the transport sector especially in the logistics chain. Also it needs to make sure that foreign workers employed in this sector are fully aware of our transport and traffic related regulations, coupled by a regime with respect to the appropriate certification measures, especially for nationals coming from third countries.

In attendance:

Mr Joseph Farrugia – Director General MEA

Mr Kevin Farrugia – Director General Foundation for Transport

Mr. Steve Agius – CEO Identità

Link for press conference: <https://youtu.be/yar2kfPxmWA>

Link for publication: <https://www.maltaemployers.com/wp-content/uploads/Report-on-2023-SME-Week-National-Forum.pdf>