



DEVELOPING MANAGEMENT AND LEADERSHIP CAPACITY

a Strategic Scan



1 INTRODUCTION

The Transport and Logistics Industry Skills Council (TLISC) commissioned Dr Cameron Gordon, Associate Professor of Economics at the University of Canberra, to provide a research paper on management and leadership capacity with a particular focus on the transport and logistics (T&L) industry.

Historically, T&L studies have focused on cost efficiencies, while research on the leadership and management skills that deliver these results has been sporadic and less detailed.

Through Dr Gordon's expertise and literature review, TLISC sought to advance the understanding of leadership and management in T&L and to find a suitable model for the development of a strategic management and leadership framework.

Dr Gordon's full paper has been examined and discussed in detail by the TLISC Board. From the review presented, a model has been chosen on which the TLISC will build a strategic management and leadership development framework for the industry.

This abbreviated paper contains Dr Gordon's research on the model selected – the Business Logistics Management framework – plus a brief summary of the other models/material contained in his research that were part of the discussion.







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**CHOSEN MODEL:
BUSINESS
LOGISTICS
MANAGEMENT
FRAMEWORK**

2

CHOSEN MODEL: BUSINESS LOGISTICS MANAGEMENT FRAMEWORK

The Business Logistics Management (BLM) framework of Richard Poist (1984) is the most widely used template to measure the desired knowledge, attributes and skills that a senior-level logistician should possess. It consists of three sub-inventories:

- » Business knowledge and skills – direct business skills (e.g. marketing, accounting) and indirect business skills (psychology, public relations).
- » Logistics knowledge and skills – traditional

(e.g. transportation, warehousing, forecasting) and non-traditional (customer service, parts support).

- » Management knowledge and skills – traditional skills (e.g. planning, organising, supervision and motivation); non-traditional skills (e.g. ability to adapt to change and time management); and personal characteristics (e.g. assertiveness) (adapted from Razzaque and Sirat 2001).

Table 1 contains a full listing of the knowledge, attributes and skills in the BLM framework.

TABLE 1 The complete Business Logistics Management inventory



Business knowledge and skills

Accounting; business and government; business and society; business ethics; business history; business law; business strategy; business writing; computer science; economic geography; financial management; foreign languages; general business administration; human resource management; industrial engineer; industrial sociology; information systems management; insurance and real estate; international business; labour relations; macroeconomics; marketing management; microeconomics; organisational psychology; procurement; production management; public relations; quantitative methods; regional planning; speech communications; statistics; transport engineer; transportation and logistics



Logistics knowledge and skills

Customer service; facilities location; forecasting; international logistics; inventory management; logistics information management; logistics-related regulations; materials handling; order management; packaging; parts and service support; personnel movement; production scheduling; purchasing; return goods handling; salvage and scrap disposal; transport and traffic management; warehousing management



Management knowledge and skills

Adapt to change; analytic reasoning; assertiveness; computer expertise; decision making ability; delegate; enthusiasm; foreign languages; interpersonal relations; listen and empathise; managerial control; motivate others; negotiate; operational log tasks; oral communication; organise; outgoing personality; personal dress; personal grooming; personal integrity; persuasion; plan; quantitative expertise; self-motivation; self-confidence; statesmanship; supervise others; systems concept; time management; train/mentor; visualise future threats/opportunities; written communication

Source: adapted from Murphy and Poist (2006) and Razzaque and Sirat (2001).

The BLM framework is generic, covering both managers/leaders and line workers. For this reason, analysts often look to see how people at different seniority levels of a logistics operation differ from each other according to this scale.

Paul Murphy and Richard Poist (2006) were interested specifically in what leadership skills were needed in supply chain management and logistics. They did a survey of US-based search firms that specialised in supply chain placements, asking recruiters which BLM skills were most important for entry-level versus senior-level logisticians.

They found some differences and similarities for the five highest-ranked skills across the two job levels (see Table 2).

Murphy and Poist reiterated a common finding of the T&L management and leadership skills literature:

“... THAT SENIOR-LEVEL LOGISTICIANS ARE MANAGERS FIRST, AND LOGISTICIANS SECOND”

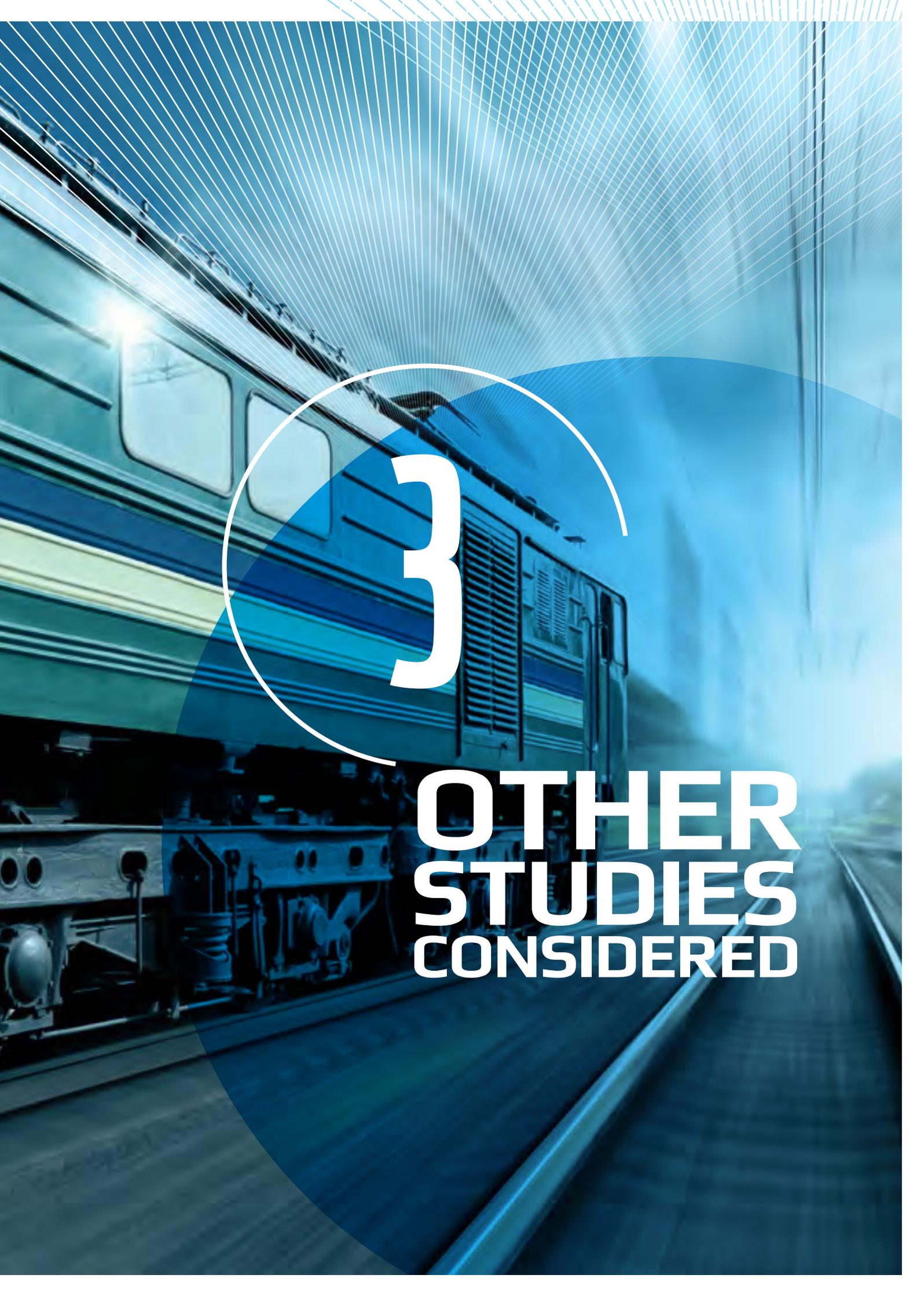
The biggest differences were in management skills, where there was only one characteristic – personal integrity – that was found in common between senior and entry-level logisticians. There is much more overlap in the business and logistics skills categories, with almost complete uniformity of desired skills in logistics, although the rankings are different.

TABLE 2 Skills most sought by US recruiters for senior versus entry-level logisticians

Rank	Senior-level logistician	Entry-level logistician
BUSINESS SKILLS		
1	Supply chain management	Business ethics
2	Transportation and logistics	Supply chain management
3	Business ethics	Transportation and logistics
4	Production management	Electronic commerce
5	Business writing	Business writing
LOGISTICS SKILLS		
1	Customer service	Transportation and traffic management
2	Inventory management	Logistics information management (tie at 2)
3	Transportation and traffic management	Warehousing management (tie at 2)
4	Logistics information management (tie at 4)	Customer service
5	Warehousing management (tie at 4)	Inventory management, order management (tie at 5)
MANAGEMENT SKILLS		
1	Motivate others (tie at 1)	Personal integrity
2	Personal integrity (tie at 1)	Self-motivation
3	Decision-making ability	Self-confidence
4	Oral communication (tie at 4)	Adapt to change
5	Persuasion (tie at 4)	Written communication

Source: Murphy and Poist (2006).





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**OTHER
STUDIES
CONSIDERED**

3

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» Studies by Mangan and Christopher (2005) (US) and Sohal and D'Netto (2004) (Australian)

looked at the general and educational characteristics of logistics managers.



» A major US study of transport sector 'systems operation and management' positions reviewed the nature of job levels, titles and skills and distinguished between five broad core functions and how essential those were to different job levels (senior, mid-level and

central technician/field staff). The core functions were defined as: policy and strategic considerations; program planning; systems development; project management; and real-time operations. Related competencies for each core job function were broadly defined (NCHRP 2012).



» Another study of the US transport sector focused on the urban public transit industry. High-level executives identified as part of the 'leadership team' of various transit agencies, mostly CEOs and general managers, were surveyed about

various aspects of leadership culture and function in their respective organisations. Relative rankings were offered of a list of leadership 'core competencies', using a list developed by the Houston (Texas) Metro as a baseline (TCRP 2003).



» Mangan and Christopher (2005) characterise supply chain management businesses as 'horizontal' in their organisation. Logistics and supply chain managers work "as part of teams where different functional skills are brought together with a common process focus". They argued for a 'T-shaped' skills profile for managers in which those in charge have an in-depth expertise in a particular discipline combined with enough breadth to see connections with others. They also argued for greater levels of 'cross-training' across functional boundaries. Mangan and Hull make predictions about what it will take to develop supply chain managers for the future.

They found that current external supply chain management and logistics training was often too

technically based at the expense of more holistic dimensions that industry changes seem to be bringing to the fore. They also believed that current training and education at universities in particular was too focused in a particular discipline area such as engineering or economics and planning. This of itself is not bad, but needed to be put in service to larger systematic imperatives such as 'lean logistics' and 'agile supply chains'.

Mangan and Hull suggested that for large firms, in-house training establishments might be in order. They mention the 'Academy of Logistics' established by Glaxosmithkline (GSK), which provides online and cooperative training to employees to achieve cross-training and adaptable modular teaching.



» A 2012 study by the US National Cooperative Highway Research Program (NCHRP) offers an 'action plan' for attracting, recruiting and retaining

what it identifies as the core skills and competencies for transport agency systems operation and management functions.







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CONCLUSIONS

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From his research, Dr Gordon drew five conclusions.

1 Although often considered as one industry, there are different perceptions of the leadership and management capacity and skills needed by transport managers and logistics managers.

To overgeneralise but to nonetheless make an overall valid point, transport managers and leaders will be more 'transactional' in their leadership style and task based, while logistics/supply chain managers and leaders will tend to be 'transformational' in their overall orientation because of the more strategic nature of the way their enterprises are organised. Also, the pace and nature of change is more pronounced in the logistics sector.

It is useful to consider the two together since they both move people and materiel around, but there is significant difference in the types of leadership and management needs they have, at least at the moment.

2 T&L managers and leaders need to have a significant technical background, but must develop sufficient non-technical skills and outlook to be effective, especially in meeting change.

Despite the differences between the sectors, their fundamental scientific and technical nature generally requires those at the top to be technically trained. Yet specialist training is often antagonistic to generalist management needs and vice-versa. This is not a new problem, but the increasing pace and nature of change being faced by the logistics and supply chain manager in particular is perhaps making the balancing of these more acute.

3 Specific management typologies for supply chain and logistics managers exist and more systematic application of them to identify ways to increase management and leadership capacity there may be in order.

The BLM framework in particular is fairly well-validated and has been developed with logistics functions in mind. The framework's practicality and specificity could be improved by cooperative alliances between industry, academia and peak bodies to help develop more effective and change-oriented recruitment, development and retention templates.

4 Cross-training and cross-institutional management and leadership education offers potential for improved outcomes and leveraging of scarce time and resources.

Much management and leadership training is offered through postgraduate business programs such as MBAs, technical masters or doctoral-level degrees in fields such as transport and supply chain management. Meanwhile, there is parade of task and program-specific transport and logistics courses – degree, short course, in-house and institutionally based.

While these arrangements will continue to have their place, it does seem that there is scope for significant change to the organisation of both delivery and material for those working in strategic management and leadership positions. There is a significant base of practice and academic thinking that might serve as a basis for some trial programs that cross tertiary sector/industry boundaries and knowledge/skill boundaries in the area of sector management and leadership in particular.

5 Given the nature of private and public sector differences there may be some requirement for examining leadership and management needs here differently, at least in part.

Regardless of function, the orientation of public and private sectors can be quite different and the change environments and management capacity challenges being faced might be quite different. Getting clear about these differences could be quite useful from a research and policy point of view, especially in public-private hybrids with mixed motives and structures.

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