

A CROSS COUNTRY COMPARISON OF CAREERS IN LOGISTICS MANAGEMENT IN AUSTRALIA AND BRITAIN

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ABSTRACT

Logistics managers are increasingly seen as key players in the drive for competitive edge in manufacturing and service organisations. This paper compares the results of a survey of 303 Australian and 161 British logistics managers. Routes into the profession are explored and subsequent career pathways. Respondents were asked about their current roles and responsibilities, how they compare their situation with other managers and to identify the types of knowledge and experience that would assist them to develop their careers

INTRODUCTION

By the early twenty first century integrated supply chain logistics has moved a long way from traditional concerns with transportation, warehousing and distribution. With this trend the logistics management function has expanded and logistics managers are increasingly recognised as key players in the drive for competitive advantage [9]. The virtual integration of operations with material and service suppliers, means that logistics managers can find themselves monitoring but not directly controlling the performance of assets and activities, which they cannot actually see [1]. Such changes raise issues about the skills required by managers in logistics, especially those at a senior level within the organisation [7] [8] and the extent to which they are well prepared for such challenges.

There has been well established interest in and discussion of the careers and skills requirements of logistics managers in the USA [3] [5] [6] [7]. An American research team has also collaborated on a study of logistics managers and their skills requirements for operating in the European Union [8]. In Australia and specifically in Britain however, this has been a much less well researched topic.

As an attempt to address this gap, this paper reports on two related studies of logistics managers which have been conducted in Australia and Britain. The Australian study was of 303 members of the Logistics Association of Australia. [10], and the British study was of 161 British logistics managers drawn from subscribers to a logistics magazine and direct contacts with manufacturing companies [4]. These studies are part of a research programme on careers in technical occupations and are based on a postal questionnaire, a version of which has also been used by the authors to investigate the careers of Production and Operations Managers in Australia, Canada and Britain [2]. The surveys covered both manufacturing and service organisations, including both small and medium sized enterprises (SMEs) and larger companies.

The paper is divided into five further sections, firstly Entering Logistics Management, where the early life experiences of managers is considered. Next there is a section on the Experiences of Logistics Managers, which covers the diversity of work undertaken, the time spent on different activities, the types of responsibilities for improvements and the degree of control they have over their various activities. The next section asks Are Logistics Managers Satisfied in their Work? Their perceptions of sources of satisfaction and dissatisfaction are reported, also what they would wish to change to maximise their effectiveness. Affiliations and Development Needs covers membership of institutions, continuing professional development undertaken and additional training opportunities needed for their present work and future careers. The findings are summarised in the Conclusions and recommendations made to employers and professional associations in the two countries regarding the future training and development needs of logistics managers.

ENTERING LOGISTICS MANAGEMENT

With a burgeoning occupation like logistics, the researchers were particularly interested in the educational routes through which managers entered the profession and their subsequent career pathways. In order to trace the origins of these managers and the ways in which they are drawn into the profession, they were asked to give their demographic details, including educational background and early job experiences.

For the sample as a whole, 56% of the Australian sample and 47% of the British were graduates, 21% of the Australians and 29% of the British had only first degrees but 35% of the Australians and 18% of the British managers also had higher degrees, often MBAs. In addition to the graduates, a further 20% of the Australians and 13% of the British managers had diplomas or other post school qualifications (see Table 1). 15% of the Australians and 20% of the British managers began their careers in logistics, 15% of the Australians and 12% of the British had started out in warehousing and the rest had begun working mainly in some type of engineering or in finance departments, the latter experience being more common amongst the Australians.

Table 1 Highest Educational Level Qualifications of Logistics Managers

| Educational Level Qualifications | Australian Managers (n=303) | British Managers (n=161) |
|----------------------------------|-----------------------------|--------------------------|
| School/Sub Diploma | 24% | 40% |
| Diploma | 20% | 13% |
| First Degree | 21% | 29% |
| Higher Degree | 35% | 18% |

EXPERIENCES OF LOGISTICS MANAGERS

One of the features of logistics management is the diversity of experiences within this activity. In this study eleven areas were distinguished covering traditional aspects like strategic logistics planning, transport management, material planning, warehouse operations, purchasing and supply, demand forecasting and systems design (logistics/information). Newer or less obvious activities for logisticians like business to business e-commerce, supplier quality, production planning, and personnel/human resource management were also covered. In order to gain a picture of the work of logistics managers, the study asked them about whether they had total, partial or no responsibilities for this series of activities. The most common areas of total responsibility for the managers in both countries were warehouse operations and transport management but whereas 51% of the Australians had total responsibility for warehouse operations and 44% for transport management with the British managers more had total responsibility for transport management (71%) and 61% for warehouse operations. Despite reported widening roles for logistics managers, amongst these two samples only 27% of the Australians and 42% of the British managers had total responsibility for Strategic Logistics Planning. Also only 9% of the Australians and 6% of the British managers had total responsibility for b to b e-commerce.

Respondents were also asked more details about their responsibilities for making improvements, in relation to seven categories of improvements covering technology, systems design, supplier quality, work and people organisation, productivity and cost reduction. Not surprisingly amongst both samples of managers the vast majority were responsible for cost reduction, organisation of work, organisation of people and productivity and over half of both samples were also responsible for the other areas too. For those who had responsibilities for improvements, 68% of the Australians and 59% of the British managers had defined targets set, 66% of the Australians and 62% of the British had defined

programmes of work but only 39% of the Australians and 35% of the British logistics managers had specifically allocated staff resources for these improvement programmes.

ARE LOGISTICS MANAGERS SATISFIED IN THEIR WORK?

Logistics managers' reactions to their work situations were probed in various ways. They were asked whether, in order to maximise effectiveness, they would like a change in the degree of control they have over the eleven areas listed previously. The Australian managers' wanted increased responsibility in most of the areas of their work. With their British counterparts, apparently the majority did not see many problems in most aspects of their work, in that they chose "no change", rather than calling for increased or decreased responsibilities. Where change was called for by British managers, this related to strategic logistics planning, where 44% wanted an increase in responsibilities compared with 96% of the Australians, also 38% of the British wanted more responsibility for systems design, compared with 90% of the Australians. When asked about relationships with areas not under their direct control, for both groups they were mostly satisfactory, although rather less were satisfied with relations with their demand forecasting, business to business e-commerce and systems design functions than with other areas.

The extent to which logistics managers derive satisfaction from their work was explored in two ways. They were asked about their sources of high and low satisfaction and how they think their situation compares with managers of other functional departments? In terms of their major sources of high satisfaction with their job content, both groups of managers gained most job satisfaction from four aspects of their work. These were opportunities for improving efficiency, for innovating, for personal initiative and for solving management problems. There were some other areas which were clearly sources of some dissatisfaction like hours of work and working conditions and there were also frustrations in relation to dealing with labour difficulties and the status of the logistics function.

Respondents were asked to make comparisons with the situation of managers in other functional departments in their organisation, in terms of a 7 point scale, from well above average (1) to well below average (7). Both the Australian and British managers compared themselves most favourably in relation to work importance, autonomy and work variety and saw themselves as less well placed than other managers in terms of advancement opportunity, workload, compensation and benefits.

AFFILIATIONS AND DEVELOPMENT NEEDS

In an ever changing work situation, the ability to remain current in terms of knowledge and understanding is inevitably a challenge for busy managers. Personal updating and development can take various forms and this study focused on membership of professional associations, and perceived needs for knowledge enhancement in specific areas of competence. Regarding membership of a professional institution, about a third of both samples of managers did not belong to any association but 66% of Australians compared with 49% of the British managers belonged to their respective logistics institutions, but more British than Australian managers belonged to a management or engineering/science type of professional association.

When asked about their training needs for their present job and for their future career, for their present job, needs were expressed by both groups for courses in logistics management, computer studies and new technologies. The Australians were also keen to study management, whereas the British managers felt the need more for language training. For their future careers, computer studies was the area most

often identified amongst Australian managers, whereas the need for language training was the most frequently specified by the British managers.

CONCLUSIONS

As logistics has been a burgeoning occupation since the 1980s, the researchers were particularly interested in the routes through which managers entered the profession and their subsequent career pathways. It has been shown that over a third entered work as graduates and half this group had higher degrees like an MBA. Whilst logistics attracts some people from the start of their careers, others have entered from other fields, particularly production/operations management, warehousing and general management.

Experiences in logistics management vary widely covering traditional areas of activity like transport and warehousing. They also cover wider strategic considerations and encompass other areas which might otherwise be covered by specialist functional departments, like demand forecasting, purchasing and supply and systems design. With increasing pressures for enhanced competitiveness, logistics specialists are not only expected to make cost reductions, improve work organisation and increase productivity but many are also expected to improve technology, systems design and supplier quality, working against defined targets for improvement but not necessarily with dedicated resources to carry out this work.

Given the taxing nature of these roles, the research sought to understand how managers viewed the demands made upon them and found that here there were differences between logistics managers in the two countries. Australian managers were much more likely to express a desire for increased responsibilities in most areas of their work, whereas the British managers did not see the need for change, except in the areas of strategic logistics planning and systems design. When asked about relationships with departments which they did not control, both groups generally saw them as satisfactory with the exception of three areas, demand forecasting, business to business e-commerce and systems design..

When job satisfaction was considered by both groups of managers, solving management problems, opportunities for improving efficiency and innovating and for personal initiative were the greatest sources of satisfaction. In contrast, hours of work, working conditions, dealing with labour difficulties and the status of the logistics function gave the least satisfaction. When comparing their situation with other managers in their organisation, they saw the most favourable aspects as work importance, work variety, autonomy and work variety. Comparisons were less favourable in respect of advancement opportunity, work load, benefits and compensation.

Membership of a professional institution is one way of remaining up to date, whilst pursuing a very demanding career. In the case of the Australian and British logistics managers however, only around two thirds of each group availed themselves of this source of current knowledge and information. They nevertheless acknowledge that they still have training needs to help them to tackle their present job and for their future careers but their priorities were somewhat different. Computer studies was seen as particularly important for the Australians, whilst languages was singled out by the British manager as a particular need. This difference in emphasis may relate to differences in geographical location, as for instance this need for language training in Europe has also been noted in another study [8]. On the other hand, the Ohio State University studies of logistics managers have commented in the past that their findings do not suggest a particular awareness amongst US logistics managers of the centrality of

international business for logisticians [7]. Also neither of the studies reported here have indicated that logistics managers think specifically in terms of the international dimension of their work.

The findings from the studies of Australian and British logistics managers suggest that given their apparent enthusiasm for new knowledge and updating, there are opportunities for the professional associations and training providers to be more proactive in meeting this market need. As international business appears set to continue to grow in the future, it is likely that those seeking success in careers in logistics will have to take on board the growing importance of the international dimension, in the battle for competitiveness.

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