

WANTED! Supply chain talent to deliver the strategic objectives

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WANTED!

Supply chain talent to deliver the strategic objectives

Each year, DILF and researchers from the Department of Entrepreneurship and Relationship Management at SDU in Kolding conduct several mini surveys focusing on different supply chain management issues. Respondents to these mini surveys are voluntary senior managers from various Danish companies represented as the Danish Supply Chain Panel. This article presents the results of a mini survey dealing with supply chain competencies.

Læs mere her

Pssst... det er gratis at sidde med i panelet!



By Jan Stentoft, Professor at Department of Entrepreneurship and Relationship Management, University of Southern Denmark, and Ole Stegmann Mikkelsen, Associate Professor at Department of Entrepreneurship and Relationship Management, University of Southern Denmark

1. Introduction

Having the right competencies on board is pivotal for companies to ensure competitive advantages. This is also true for the supply chain where several studies conclude that the right talent is in short supply (Holcomb et al., 2015; McKinnon et al., 2017), and this is even strengthened by the COVID-19 crisis (van Hoek et al., 2020). Derwik & Hellstrøm (2017) have classified competence areas within supply chain management into four groups which all take place at an individual, intra-organizational and inter-organizational level:

- Functional competencies within processes, such as sourcing, manufacturing, and distribution.
- Relational competencies deal with relational competencies between all possible stakeholders, such as employees, customers, suppliers, partners, managers, and departments.
- Managerial competencies within general management aspects of competence in SCM, such as overall strategy development and implementation.
- Behavioral competencies concerning attitudes and characteristics tied to the stakeholder, such as creativity or change orientation.

Slone et al. (2010) was early to predict the shortage of supply chain talent and found that supply chain leaders must excel within five areas: 1) have

DANSK RESUMÉ

DILF og forskere fra SDU gennemfører hvert år adskillige surveys, besvaret af Det Danske Supply Chain Panel, med fokus på forskellige problemstillinger inden for supply chain management. Denne artikel præsenterer resultaterne af et survey omhandlende supply chain-kompetencer og -talent.

Resultaterne indikerer, at respondenterne til en vis grad har fokus på talent management, og at det rigtige talent i virksomheden anses for essentielt for at opnå strategiske mål. Ligeledes viser data, at COVID-19 kun i nogen grad har påvirket bevidstheden om, hvorvidt de rigtige kompetencer er til stede i virksomheden.

/Redaktionen

a global orientation (such as cultural understanding and risk management); 2) exhibit holistic and cross-functional understanding (look and behave beyond the silos); 3) demonstrate inspiring and influential leadership (focusing on communication skills and relationship management); 4) have technical savvy (the technological development moves rapidly, and one needs to know about the technologies but not necessarily be a master in operating them), and 5) have superior business skills (ability to measure, quantify, and communicate the value of supply chain management).

FIGURE 1. Talent management

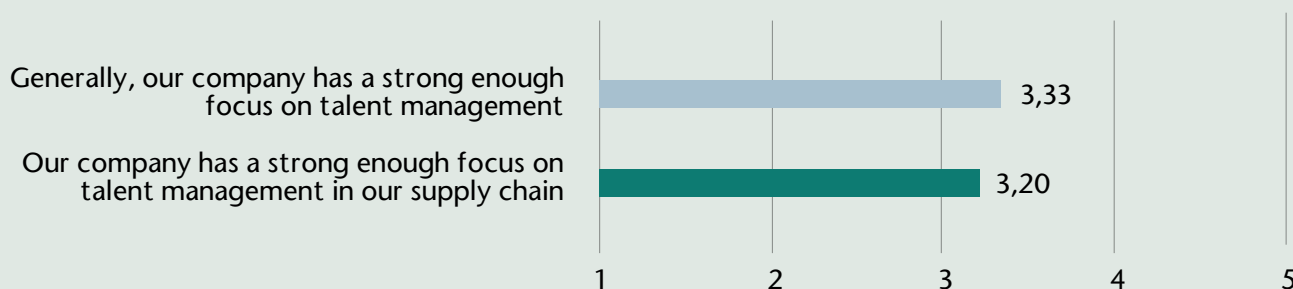


FIGURE 2. Importance of supply chain talent



With this in mind, the purpose of this mini survey in the Danish Supply Chain Panel is to address the current supply chain competence level, also seen in the light of the COVID-19 crisis. First, the panel members have been asked to evaluate on a five-point Likert-scale (1 = to a very low degree and 5 = to a very high degree) to what degree their companies are focusing on talent management in general, and more specifically within supply chain management (see Figure 1).

As appears from Figure 1, companies only to some degree (with an average of 3,33) focus on talent management. However, even though the difference is small, we see from Figure 1 that the focus on talent management in the supply chain is even lesser than the overall talent management focus in the companies as such. This is interesting

since the whole world is talking about all the challenges in the supply chain. Not only the challenges caused by COVID-19 but also the blockade in the Suez Canal, natural disasters such as volcanic eruption and flooding.

We also found it interesting to investigate how companies look at the perceived need as well as the status of having the right supply chain talent to reach the strategic objectives in the companies.

As it appears from Figure 2, the respondents to a high degree (with an average of 4,26) acknowledge that having the right talent mass within the supply chain of the company is a major prerequisite to reach the strategic objectives in the company. However, when it comes to the current

FIGURE 3. The influence of COVID-19 on supply chain competence

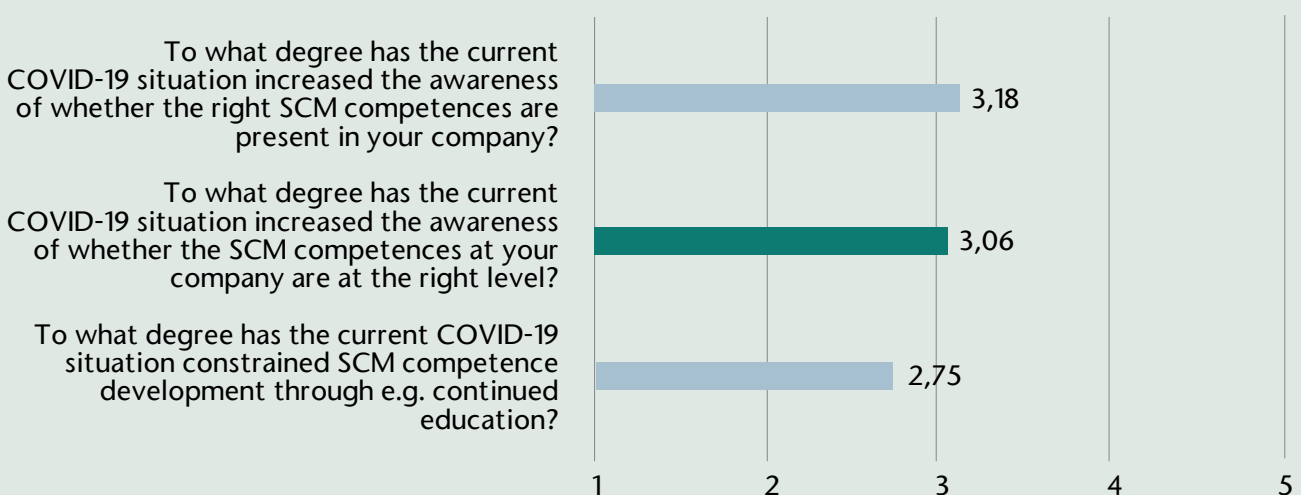
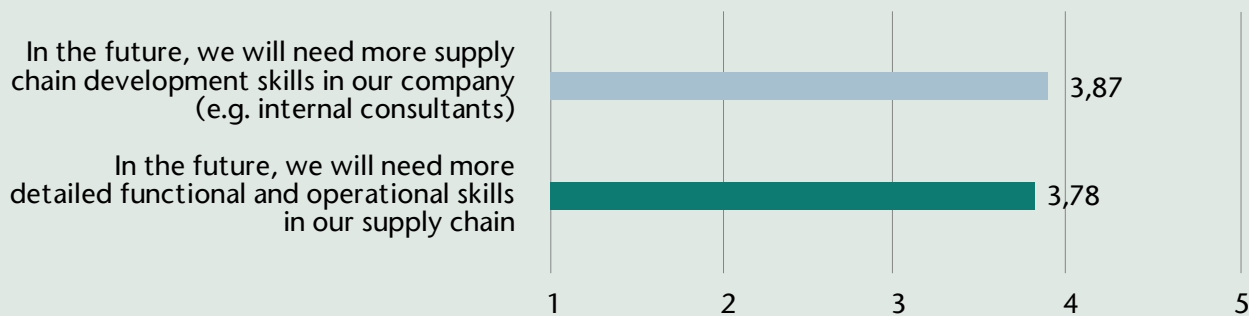


FIGURE 4. Perceived need for supply chain skills in the future



situation, the respondents report that they only to some degree (with an average of 3,21) have the right supply chain talent at hand to reach the strategic objectives in the companies. This is a significant gap (1,05) that should be a focus, not least in the current situation characterized by extreme challenges in the global supply chains.

However, as seen from Figure 1, it seems that the companies do not allocate much focus on closing this gap. In other words, the companies need to have a recognition of the importance of having the right supply chain talent on board, not least given that we are faced with an extremely challenging global supply situation. However, the right talent is only to some degree at hand, and the companies only focus on developing the future supply chain talent to some degree. This is a paradox.

We can only encourage the companies to start focusing much more on talent management and developing the right supply chain talent, which we predict will be even shorter soon. One may ask, what if we develop new talent and they leave? However, the right question to ask is: What if we do not train the staff and they stay?

2. COVID-19 and supply chain competence

We were very intrigued to understand if the current COVID-19 situation has had any impact on the awareness of whether the right supply chain competences are present and if they are at

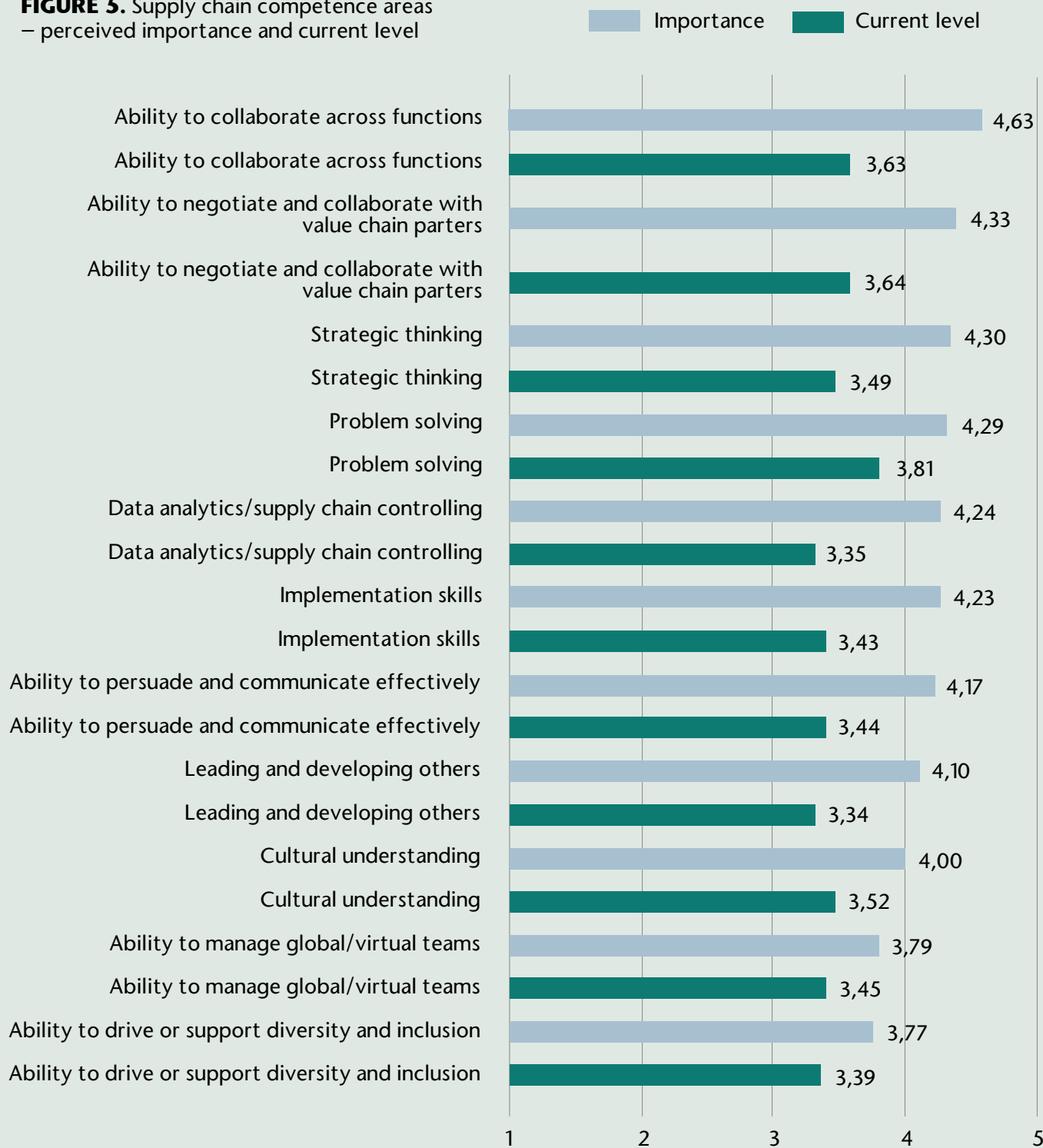
the right level in the companies. The results are shown in Figure 3.

As seen from Figure 3, the current COVID-19 situation has only to some degree (with an average of 3,18) increased the awareness of whether the right competencies are present in the company. The same goes for if the current COVID-19 situation has increased the awareness of whether the competencies are at the right level (with an average of 3,06). Likewise, COVID-19 has not significantly constrained SCM competence development/continued education (with an average of 2,75). Since COVID-19 has not significantly increased the awareness of the presence of the right competences or level of competencies, it indicates that the rather significant gap (1,05) derived from Figure 2 between the perceived need and the current state of having the right supply chain talent in the supply chain to reach the strategic objectives is not of a new date.

This supports the findings in Figure 1 on the rather modest focus on talent management, and especially in the supply chain (3,21). Given the current challenges in the global supply chains, we anticipate that many companies wish that they had been better prepared, not only by building resilience into their supply chains but also by having better equipped staff on board.

Again, given the increased importance of a well-functioning supply chain, we can only encour-

FIGURE 5. Supply chain competence areas – perceived importance and current level



age addressing this in the companies. Thus, what goes around, comes around.

Another question of interest is to what degree the respondents envision the future need for supply development skills as well as more func-

tional and operational skills in their supply chain. The answers are given in Figure 4.

As it appears from Figure 4, both *supply chain development skills* (with an average of 3,87) and *more detailed functional and operational skills* (with

an average of 3,78) are perceived to be more needed in the future as they both are close to “to a large degree” (4,00). Thus, companies are aware of the needed skills for the future which is highly positive. However, as the focus on talent management is rather modest, one may suspect that companies hope that other companies will do that talent management and then “steal” the trained staff from each other. In other words, they may try to freewheel.

However, if all companies are waiting for each other, they may end up in the same situation as currently for the building industry which faces a severe lack of skilled workers (carpenters, masons, etc.). It is the same when companies demand well-skilled blacksmiths but do not themselves contribute with apprenticeships of blacksmiths.

3. Supply chain competence areas

Going a little deeper in terms of Figure 4, we now turn to the more specific competencies that the respondents perceive as important as well as what the current level is. This data appears in Figure 5.

Quite interestingly, Figure 5 shows that the most important perceived competencies are all soft competencies such as *the ability to collabo-*

rate across functions (with an average of 4,63), *the ability to negotiate and collaborate with value chain partners* (with an average of 4,33), *strategic thinking* (with an average of 4,30), and *problem solving* (with an average of 4,29). These results are in line with previous mini surveys of this theme (Stentoft & Mikkelsen, 2016; Stentoft, 2017). Only at a fifth place, we see some hard competencies such as *data analytics/supply chain controlling* (with an average of 4,24) and *implementation skills* (with an average of 4,23).

As it appears from Figure 5, the perceived importance for all but two (*ability to manage global/virtual teams* and *ability to drive or support diversity and inclusion*) are all above 4 (to a high degree), with *the ability to collaborate across functions* perceived as being of high if not of very high value (with an average of 4,63). Notably, the cross-functional collaboration ability is also the ability that has the highest gap (1,00).

However, equally interesting is *data analytics/supply chain controlling* which has the second-largest gap (0,89). Figure 5 should thus help to inform where the focus should be when developing the talent. One respondent has mentioned focus on *quality and continuous improvement* in the field “other”.

FIGURE 6. Barriers for attracting the right talent



4. Barriers for getting the right supply talent

Given the data on talent management, an interesting issue is to investigate what barriers the companies face in getting the right talent. The answers from the respondents are shown in Figure 6.

Although the mentioned barriers reported are not significant, but only to some degree present, it is interesting to observe that the two highest perceived barriers are concerned with budgets, either for hiring (with an average of 3,27) or investing in competence development (with an average of 3,16). This may correspond with the modest focus on talent management as shown in Figure 1. Given the data in Figure 3 that COVID-19 has not significantly constrained SCM competence development/continued education (with an average of 2,75), it seems that this is not a new situation.

5. Conclusion

This article has set out to report on a mini survey from the Danish Supply Chain Panel with a focus on talent management. The respondents report that they to some degree generally have a focus on talent management and within supply chain management in their companies, although the average is lower for the supply chain. Having the right talent in the company is deemed important to reach strategic objectives, but there seems to be no significant gap between the perceived importance and the current level.

Data reveal that the COVID-19 pandemic only to some degree has affected the awareness of whether the right competencies and their levels are present in the companies. COVID-19 seems not to have influenced the level of continued education. Concerning future skills, the respondents find that both development-oriented skills as well as functional and operational-oriented skills are needed close to a high degree. In general, the pre-listed competence areas obtain high

average scores; and a common pattern is that the perceived level of current competence level obtains lower average scores compared with the perceived relevance (up to one point).

The five highest averages are concerned with *the ability to collaborate across functions, the ability to negotiate and collaborate with value chain partners, strategic thinking, problem solving, and data analytics/supply chain controlling*. In general, the respondents do only to some degree see barriers in attracting talents with *lack of budgets to hire* getting the highest average followed by *lack of budget to invest in competence development and lack of top management awareness*.

We hope this short article has inspired you to evaluate whether your organization has the right talent on board to meet the actual and future supply chain challenges./

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