

Talent Management becoming Key to Transportation Success

Need for New and Broader Skills in the Middle and the Top Key Challenge for Transportation Management, MIT's Caplice Says; from Hard to Soft Skills

SCDigest Editorial Staff

When discussing the challenges of transportation management, the conversation usually falls to areas such as volatile fuel prices, increasing customer demands, the impact of globalization, and other dynamics with which transportation professionals must grapple every day.

However, the issue of "talent management" is a key one that often does not receive enough attention, says **Dr. Chris Caplice**, Executive Director of MIT's Center for Transportation and Logistics. His remarks came as part of his keynote presentation at the recent **Transportunities 2009** on-line conference, and can be viewed here: [Caplice Keynote on Transportation Opportunities and Challenges](#).

"Transportation management has changed dramatically over the past several years – it's a different function now," Caplice said. "Today, transportation is engaged much earlier on in the supply chain process, and so you have an influencing role."

As transportation management moves further up "the food chain," the talents need to change accordingly, he says.

"There's more uncertainty, there's more complexity in the market – companies need to make more logistics choices now," Caplice noted. "The question now is how do you develop and acquire the talent to make those complex decisions."

Caplice says that until recently, the head of the transportation function could be successful managing a very hierarchical organization, and be almost "dictatorial" in his or her approach, in part because there was relatively little need for process integra-

Talent recruitment, retention and development has now become a key factor in logistics success for most companies, Caplice says.

tion with other functions. But the case is much different today, demanding a new set of skills sets that include communication and collaboration, broader systems and process thinking, financial acumen, and more.

"Today, I'm working across functional boundaries, across borders, much more with people that don't report to me, and I have to influence," Caplice said. "I need a better combination of hard and soft skills."

Like others, Caplice also notes that the changing workforce mix is also making life complicated for transportation managers and executives, with more departments now an interesting mix of baby boomers, "GenXers," "Millennials" and whatever other cohort group follows next – each with their own views of the world and work.

"You have to be able to get these different demographic groups to all work together," Caplice says.

The upshot, Caplice believes, is that there is a talent shortage in transportation, "and it's not just truck drivers."

Talent Management becoming Key to Transportation Success (Con't)

To deal with that, Caplice says transportation organizations need to focus on several things. The first is making sure they don't just focus on getting managers who are "action oriented," the skill perhaps most valued in the past.

"You need people who are capable of thinking more abstractly and out of the box," Caplice says. "Those skills are also needed today."

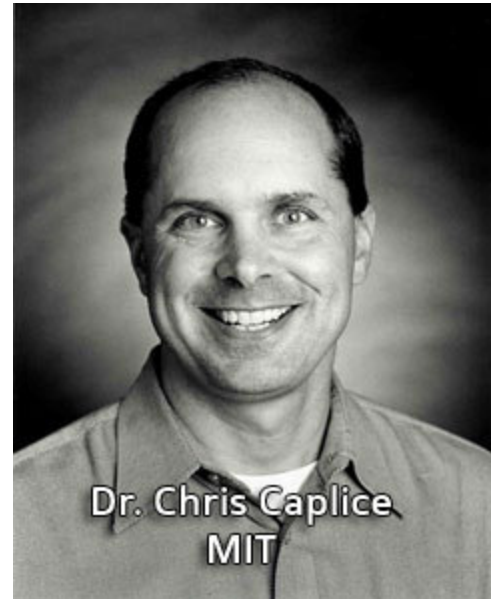
Second, they need to get a mix of people who can work both "correlations and corridors." In other words, people skills and the influencing role is just as important as the technical skills most valued in the past.

As a result of all this, companies need to ask themselves if they are really able to recruit, retain, and develop the right talent, Caplice says.

"Are you forcing people into roles and boxes that made sense 10-15 years ago, not today," Caplice says. "Many companies still treat transportation as if it were still regulated, and that misses the boat, you miss opportunities."

One challenge is that entry and mid-level candidates that have the new types of skills required can also be pretty savvy about how the transportation function is positioned inside the company.

Caplice says it's not only important that transportation and logistics has a seat when impor-



tant decisions are being made, but that the executive can interact and add real value at that level.

"If they can't, it actually is detrimental for transportation to be operating at that level in the company," Caplice says.

The bottom line is that talent recruitment, retention and development has now become a key factor in logistics success for most companies, Caplice says, and they need to continuously assess how well they are performing in this area