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1994

MANAGEMENT TRAINING NEEDS FOR THE TRUCKING INDUSTRY

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The trucking industry, a demand-driven industry, is changing in order to meet the demands of its customers. These changes also bring along obvious training needs. This paper outlines some of the findings of a study performed by Peat Marwick Stevenson & Kellogg for the Canadian Trucking Research Institute. The study dealt with the management training needs of the trucking industry.

The trucking industry is a labour-intensive industry and as such it needs to pay special attention to its human resources. As is often said, the trucking industry is a people industry. Some of its productivity and growth in the future will pass through its human resources. The other part of the equation is, of course, the equipment/technology component. Human resources adjustment cannot, however, be done in isolation of the outside environment. To summarize the "déjà-vu", the following outlines some of the factors making up the outside environment:

- Customer-driven globalization of the markets:
- Trend in cost reduction at all Levels:
- Quick response/JIT
- Technology plays a major role
- Need for a game plan and proper identification of market(s)
- Partnership and strategic alliances
- Where does trucking add value?
- Total Quality Management
- Cost and performance measurements

As part of the project, a series of workshops and focus groups were conducted across Canada. More than 50 participants took part in these discussions. One of the result of these workshops/focus groups was a listing of relevant management functions or tasks in the trucking industry. Following is a listing of these functions/tasks:

Asset Management	Budgeting and Cost Control
Business Planning	Communicating
Costing	Customer Service Management
Delegating	Financial Planning
Human Resources Planning	Information Systems/Technology
Relations	Labour
Marketing Planning	Leadership
Operations Management	Motivating
Problem Solving	Performance Measurement
Sales Management	Quality Management
Strategic Planning	Setting Goals and Objectives
Work Scheduling	Structuring the Organization

Obviously, the complexity of the above tasks increase with the size of the organization. It is fair to say however, that because most trucking companies are small and medium size businesses, the management of these companies is highly concentrated and the tasks are often performed by one or two individuals. Even in larger trucking corporations, we have witnessed recently a shrinking of the mid-management group in an effort to reduce management layers and become more hands-on. To use a new popular qualifier, trucking executives now have to be Renaissance Persons.

Management functions/tasks often represent a continuum not easily divided into discrete entities. Also, some of the requirements represent special skills, others knowledge, and others personality traits (e.g. leadership). The workshops/focus groups did, nevertheless, try to identify the functions in order of importance. The five tasks that ranked the highest in order of importance were as follows:

- Customer Service/Quality
- Quality Management
- Costing
- Leadership
- Strategic Planning and Logistics

Based on the findings of the workshops and focus groups, and recognizing the complementary nature of many of the above functions, specific management training in trucking was identified as follows:

1. Customer Service/Quality

- Understanding customer's needs
- Identifying the attributes of the interface with the customers
- Determine how important these attributes are for each customer

- Setting service objectives and policies
- Refining business processes to deliver the target service
- Measuring and Monitoring service performance
- Managing culture change
- Training, motivating people to deliver quality service

2. Quality Management

- Quality Programs and TQM programs exist.

The Canadian Trucking Association established in 1993, with the financial assistance of Industry Canada, a Canadian Trucking Quality Institute to assist trucking companies in adopting and implementing TQM programs.

3. Costing, Cost Control and Budgets

Costing is now becoming a science and it was recognized that some of the segments of the trucking industry need better training for properly costing their business. In the TL segment, costing is usually less complicated due to the nature of the business. For the Bulk Segment many moves are done under annual contracts. Thus, training for costing has to recognize the diversity of the business.

4. Leadership Skills

All group discussions identified leadership as a critical function in the industry. More specifically leadership needs were perceived the following way:

- Developing and articulating the vision of the company
- Defining the mission statement
- Promoting recognition and reward systems to encourage employees
- Encouraging team leadership, empowerment
- Communication skills

5. Strategic Planning and Logistics

Some of the trucking industry's customers have adopted an integrated logistics strategy. Consequently, to be successful motor carriers must

understand these changes and be part of it.

Specifically training in this area should deal with the following:

- Principles of logistics
- Supply chain management
- Changing shipper and consignee strategies

Obviously some organisations already provide some training in the fields above. The area with the more pressing need is on costing.

In closing, it is important that training and educational institutions/organizations provide a competitive package to the motor carrier industry in view of its importance in the freight distribution. The difficulty of course resides in the segmentation of the industry and the size of the market. On the latter point, although there are a potential of thousands of middle and senior managers who could take training in any of the five mentioned areas, very few have the time and access for doing so. In this respect, the Information Highway offers some potential to a market as fragmented and geographically dispersed as trucking management people.