

## ROLE OF MANAGERS IN SUPPLY CHAIN MANAGEMENT – AN EXPLORATORY STUDY

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**Abstract:** In today's world of competitive business, Supply chain management has become the indispensable part of the action management dealing with business improvement and exploring the operational actions that managers and staff need to do to drive better business performance and achieve business excellence. The need of the customer is ever-changing at a galloping pace which makes an organization competitive and non-competitive based on the fulfillment of these needs. With increased supply chain management (SCM), practices, organizations are putting more emphasis on development of their human resources across chain to ensure green performance, through training and retraining of their employees. A systematic literature is reviewed and presented with this paper. The study focuses on managerial skills and abilities needed at various levels of Supply Chain.

**Keywords:** Abilities, Exploratory study, Supply Chain Management, Managerial Skills

### 1. INTRODUCTION

Supply chain management has become the indispensable part of the action management dealing with business improvement and exploring the operational actions that managers and staff need to do to drive better business performance and achieve business excellence. Today's competitive business environment puts lots of pressure on management to implement more and more new business strategies to accomplish the vision and mission of an organization. The need of the customer is ever-changing at a galloping pace which makes an organization competitive and non-competitive based on the fulfillment of these needs. The needs of the customer these days include the supply a right quality product or service at right price, in at right time at right place. Management is much more concerned as the customers' loyalty to a product or service now becomes most important part

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in winning or losing a market share. Thus, it has become increasingly important to build organizational competencies that enable employees to combine and leverage their individual knowledge for greater organizational advantage (Athey and Orth, 1999). The profound knowledge, skills and abilities that are key to developing and realizing organizational goals would appear to be particularly relevant is supply chain management, when utilized effectively, thus can be used strategically to create added value to the firm (McCarter and Northcraft, 2007; Pandey *et al.*, 2012). With increased supply chain management (SCM), practices, organizations are putting more emphasis on development of their human resources across chain to ensure green performance, through training and retraining of their employees (Gowen and Tallon, 2002). A very few literatures are linking the operations management with human resource field (Ahmad and Schroeder, 2003; Koulikoff-Souviron and Harrison, 2007).

Organization needs to develop its human resources continuously for excelling in the challenging business environment. Various important human capabilities are adaptability, collaboration, socialization, sharing, outsourcing, commitment etc. Adaptability is needed to develop an adaptable organization for various products and production, Collaboration, develops a socialized relations for long term association, socialization, enhance Collaborative awareness across supply chain, Sharing helps in shareing information, Outsourcing of human capital and Commitment to ensure and enhance human resource commitment are becoming challenges to management (Chandra and Kumar, 2000; Fawcett *et al.*, 2008). Organizations needs to develop specific human skills among those affiliated with SCM, i. e. problem-solving skills, leadership skills, team building skills and job skills.

Based on the above premises, it has become important to explore and take an account of available literature that highlights the role of managers, scope of managers, do's and don'ts of the manager in the area of supply chain management. Thus the present research is evolved on the following objectives:

1. To review the literature pertaining to supply chain managers.
2. To explore the role of supply chain managers, abilities of managers and extend its scope in supply chain management.

The rest of the paper is organized as follows, the papers explores the managerial abilities of organization in section 2, followed by discussion of important managerial skills of supply chain manager in section 3. Further section 4 deals with systematic analyses of review of literatures available for human resurce as an indispensable part of supply chain. At last, section 5 concludes with managerial implication of study.

## **2. MANAGEMENT LEVELS AND RELEVANT SKILLS**

Group of managers i.e. first level managers, middle level managers and top level managers must possess conceptual and design skills, human skills and

technical skills to manage organization's business in a most efficient and effective manner. The scope of each manager is depicted schematically in Figure 1.

Change in manufacturing technology and advent in digital computer technology has revolutionized business in a big way. Managers responsible for supply chain management have to bridge between management and customers. They have to accomplish the business by achieving the objective, mission and vision of organization and delivering the customers' needs in a best possible manner in order to retain them in changing business environment.

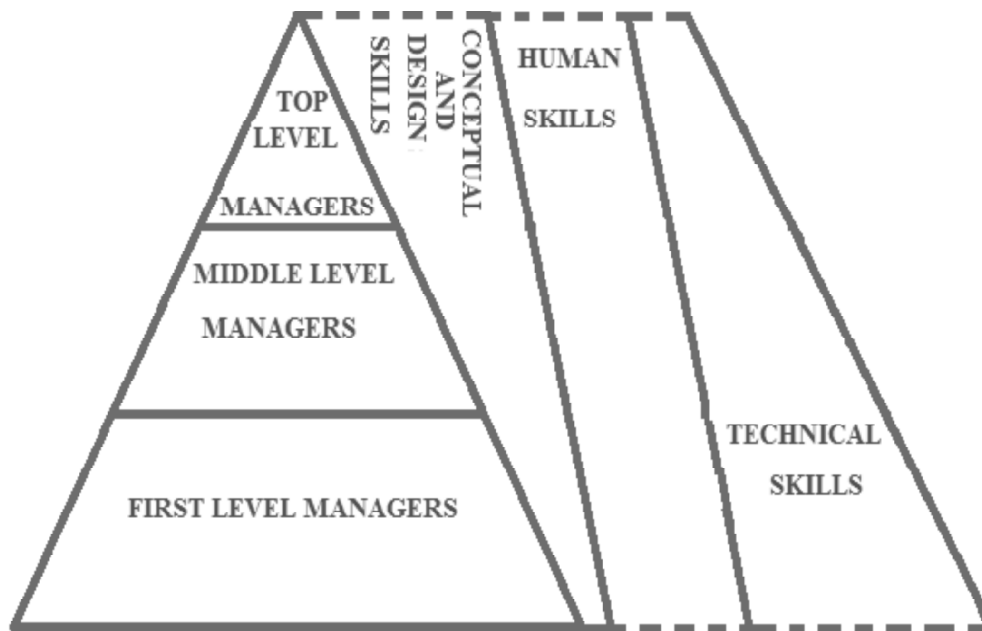


Figure 1: Management Level and relevant skills (<http://www.bzpapers.com>)

In today's fast changing business practices, managers have to develop many skills and capabilities in order to meet the business requirements. The practicing managers of supply chain management must continually develop to meet the new challenges. Managers have to use many latest electronic equipment and gadgets to take effective and fast decision. The use of computer based softwares is increased thus managers has to be computer savvy and technical qualified to update skill to use the procedures, techniques and knowledge relating to a specialized fields. Human skill has to be developed in order to understand how to communicate, motivate, lead, and inspire the subordinates and colleagues. Conceptual skills help managers to visualize the organization in a holistic way, and prepare themselves to present their organization at the local and global level.

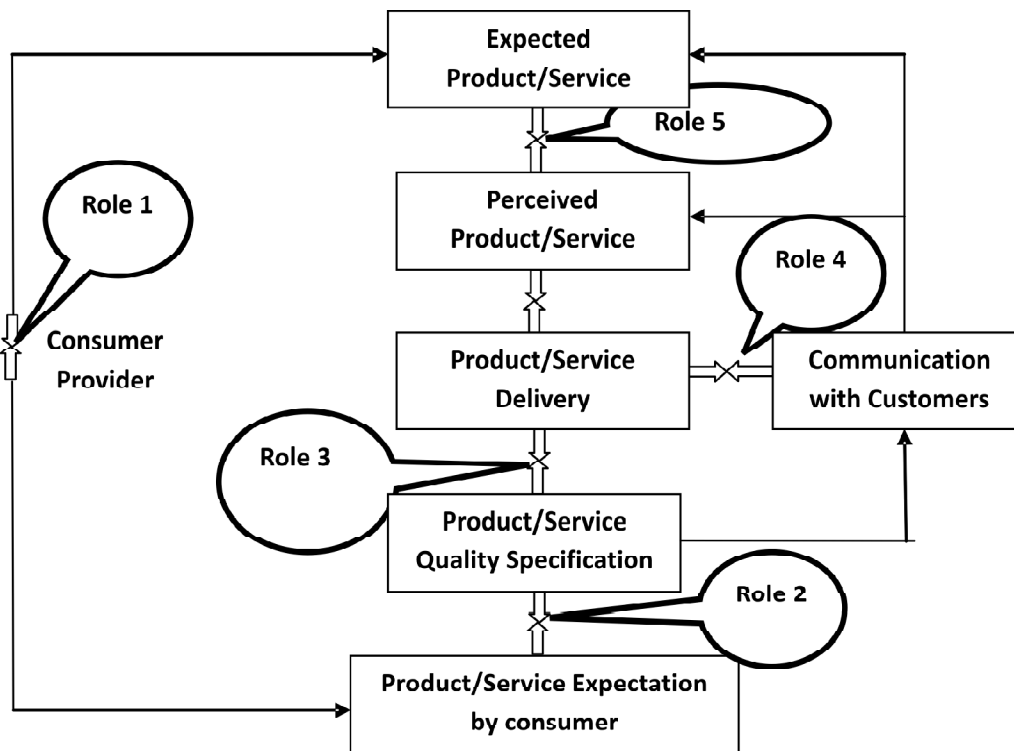


Figure 2: Manager's Role in Providing Product/Service to the Customers

Managers play an important role by communicating and bridging with customers through own staff/subordinate in an effective manner such that their needs are satisfied. Manager play a vital role in reducing the gap between expected and perceived needs. Manger also plays a vital role by ascertaining the required delivery by meeting the demanded specification in a product/ service. Manager plays a vital role in bridging the gaps in product/service. Various roles of manager are depicted in Figure 2 while delivering a product/service to customer/consumers in a supply chain.

### 3. ABILITIES OF MANAGERS REQUIRED FOR SUCCESS OF GSCM

Adaptability refers to a willingness to reshape organization structure/supply chain when necessary, without ties to legacy issues or the way the chain has been operated previously (Lee, 2004). Adaptable supply chains rely on information systems to identify shifts in the market, and then take appropriate actions such as moving facilities, changing suppliers, and outsourcing. Adaptability sometimes requires developing more than one supply chain for the same product in order to ensure distribution (Ketchen and Hult, 2006).

Socialization in integrating newcomers' to the cultural norms and values of an organization is essential as what people learn about their work roles is often a direct result of how people learn it (Van Maanen and Schein, 1979). In the context of buyer-seller relationship, relationships, a similar observation can be made, especially early in the relationship. Although socialization between buyers and sellers is often frowned upon in Western contexts, other authors extol the benefits of supporting such behavior, and even proclaim it to be a "best practice" (Lee, 2004; Liker and Choi, 2004). Socialization helps build inter-personal relationships and trust within these exchange relationships, leading to a stock of relational capital (Kale *et al.*, 2000) which can be leveraged to enhance the supplier relationship. Informal socialization processes are important in the creation of relational capital, which in turn can lead to improved supplier relationship outcomes. Formal bridging socialization conduits appear to play a lesser role in deriving these benefits (Cousins *et al.*, 2006). The concept of socialization has also been well explored in the strategic literature, in particular, the effects of socialization on multi-national and joint ventures (Chung *et al.*, 2000; Gupta and Govindarajan, 2000). Socialization in this context refers to the level of interaction between, and communication of, various actors within and between the firms, which leads to the building of personal familiarity, improved communication, and problem solving (Gupta and Govindarajan, 2000).

Stank *et al.* (2001) suggest that both internal and external collaboration are necessary for successful supply chain performance. The combination of the organizational awareness on the part of the supply chain manager and the competency of the supply network should result in a trusting, long-term relationship with the supplier, a termed as collaborative awareness (Barnes and Liao, 2012). Successful supply chain managers collaborate often with other functions and engage in joint problem solving of operational issues and strategic issues, which facilitates inter-organizational partnership to take place and to be effective, in turn, it results into improved design and delivery of the product/services to the end user.

Lee (2004) used shared information to improve the supplier's order quantity decisions in a serial system with a known autoregressive demand process. Cachon and Fisher (2000) compared a traditional information policy that does not use shared information, with a full information policy that does exploit shared information. In a numerical study, they found that supply chain costs were 2.2% lower on average with the full information policy than with the traditional information policy, and the maximum difference is 12.1%. A provider-retailer partnership model based on profit sharing is presented by assuming that customer demand depends upon the retail price and tends to zero as the price of commodity tends to infinity, where the combined profit is maximized and the profit is shared among partners proportional to their risk (Chauhan and Proth, 2005); a model of a supply chain

contract aimed at coordinating a three-stage supply chain under a decentralized control is proposed, which is based on the revenue sharing mechanism by focusing on supply contracts addressing buyer-supplier coordination that deals with quantity discounts, quantity flexibility, backup agreements, return policies and revenue sharing mechanisms (Giannoccaro and Pontrandolfo, 2004)

Organizations are operating with competition collaborate across a range of boundaries, and personal complexities to deliver the aid. The outsourcing phenomenon has been increasingly receiving attention both from academic and practitioners communities. The result of the research has lead towards the emergence of several process frameworks depicting the phases of the outsourcing process. It is commonly recognised that the outsourcing process consists of the preparation, vendor(s) selection, transition, management of relationship, and reconsideration phases. Each of the phases has been broken down in the serious of activities that an outsourcing company performs. (Perunovic, 2007). To support managers' decisions about whether or not to outsource HR activities, Adler (2003) has identified factors that can help organizations determine which HR processes to outsource and which to retain.

The success of SCM depends greatly on level of support, training and implementation barriers. Some practices may be enhanced by management and employee support in terms of their commitment towards organization and its practices, leads to success of SCM (Powell, 1995; Dooley and Fryxell, 1999; Dow et al., 1999. Managerial and employee support has a surprisingly slightly greater impact than employee training on competitive advantage (Gowen and Tallon, 2002).

#### **4. MANAGERIAL SKILL REQUIRED**

One of the major factors of success of SCM is considered as the extent to which firms' workforce is trained in each of the following four areas: problem solving skills, leadership skills, team building skills and job skills (Bowles and Hammond, 1991; Goldstein and Ford, 2002; Greene, 1993).

Problems are categorized as ill-defined or well defined, based on how problem and goal are represented. Problems with complex representations and/or more than one solution are termed ill defined. Problems with discrete representations and finite goals are termed well defined. (Schoenfeld and Herrmann, 1982). Problem-solving knowledge is, conceptually, of two kinds. Declarative knowledge knows that something is the case. It is knowledge of facts, theories, events, and objects. Procedural Knowledge is knowing how to do something. It includes motor skills, cognitive skills, and cognitive strategies. (Hardin, 2002)

Leadership is a complex process and we have serious reservations over the extent to which a set of standards, qualities or competencies can ever fully capture the nature of what makes some Leaders/organisations successful and others

unsuccessful. This not leads resources of the organisation but also leads entire organisation to success or failure. The major role played by manager in supply chain in terms of reduction of costs, identification of critical success factor and move the resources on that path etc. (Blackler and Kennedy, 2003; Rodgers et al., 2003)

Examination of the specific components of team building revealed that interventions emphasizing role clarification were more likely to increase performance, whereas interventions that emphasized goal setting, problem solving, or interpersonal relations were no more likely to render an increase or decrease in performance. Finally, the effects of team building decreased as a function of the size of the team. (Sallas *et al.*, 1999). However, Supply chain manager deals with a very large and team and despite of that the management of team is a key to success of the chain.

Supply chain managers must routinely share information, develop relationships, cooperate, and use collaborative skills with suppliers and internal and external customers. Internally, they must understand, collaborate and resolve differences with the various business functions within their own company. (Kraiger *et al.*, 1993). Job skill includes wide range of skill starting from negotiation to dealing with technical people and widening from doing by own to taking initiatives for organization.

## **5. SYSTEMATIC LITERATURE REVIEW**

The in-depth literature review on human resource dealing in supply chain management practices has been carried out. The literature review has been done with a focus on managerial skills, abilities and its relation with SCM. The available literature have been classified chronologically, in three phases, i.e. ability wise, skill wise and methodology wise, the same is depicted in Table 1.:

## **6. CONCLUSION, MANAGERIAL IMPLICATION AND FUTURE SCOPE**

The study throws light on gaining competitive advantage by exploring human as a resource for the management of Supply chain, even if competitor have effectively implemented Supply chain. As there are several cases of in which companies made themselves distinct from others based on proper utilization of HR for management of their supply chain. As identified early in this study, competitive advantage can be confirmed by ensuring six major abilities i.e. adaptability, socialization, collaboration, sharing, outsourcing and commitment of the managers/ organization to deal with supply chain members. It is even been identified from the study that the abilities of the mangers really help the supply chain, intraorganizational and interorganisational, perform in the right direction in order to produce the right results. In general the study demonstrates the abilities and skills of the managers, as a human to successfully deal with supply chain.

**Table 1**  
**Classification of Literature**

Sr. No.	Name of author	Year	Phases of study		Abilities studied			Skill studied		Methodology								
			Early	Mediocre	Adaptation	Socialization	Collaboration	Sharing	Outsourcing	Commitment	Problem solving	Leadership	Team building	Job	Review	Case study	Conceptual	Empirical
1	Barnes and Liao	2012	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Pandey et al.	2012	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Fawcett et al.	2008	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Koulikoff-Souviron and Harrison	2007	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	McCarter and Northcraft	2007	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Perunovic	2007	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Cousins et al.	2006	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Ketchen Jr. and Hult	2006	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Kosnik	2006	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Chauhan and Proth	2005	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Giannoccaro and Pontrandolfo	2004	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
12	Lee	2004	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
13	Liker and Choi	2004	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
14	Adler	2003	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
15	Ahmad and Schroeder	2003	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
16	Blackler and Kennedy	2003	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
17	Rodgers et al.	2003	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
18	Goldstein and Ford	2002	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
19	Hardin	2002	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
20	Stank et al.	2001	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

contd. table





The overall study reveals a compelling argument that the efficacy of managerial and employee support, employee training and employee commitment to enhance not only SCM practice but also implementation successful and yield the result needed. However, the study also reveals the surprising facts that a very few work has been carried out in the field of development of human as resource for the success of supply chain. Major focus is found on technology, flow of activities and logistics management as a success factor of supply chain. Supply Chain managers must learn to harness the power of human resources management to effect sweeping programs of change, not only in their own companies but in other companies in their supply and distribution channels as well. In fact, supply chain managers realize that crafting company-wide HR policies is much more difficult than it might seem, and there is continuous thrust on acquiring this proficiency.

The overall results, compiled by systematic review of the available literature published with science cited journals, argues for the efficiency of the managerial and employee support to enhance SCM practices. Furthermore the future researcher can measure the abilities and skills of the managers and its impact on supply chain implication and performance as well. Ultimately, the vision and savvy with which supply chain manager tailor companywide HR policies that drive coordinated product flow will go far to determine both their own effectiveness and their companies' long-run success. The study and their results will attract the future research to focus in the human as a resource for the success of supply chain. The study further studies can be extended to empirically test the mentioned abilities and skills separately and combined. Additionally, various criteria can be defined and measured using proper statistical tool and methods.

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