

## Leadership Competencies for Middle Managers in Thai Logistics Companies

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**Abstract.** *The objectives of this study were to investigate leadership competencies for middle managers in selected Thai logistics companies and to indicate key success factors for those working in logistics companies. A well-reputed, mixed qualitative and quantitative method was employed using exploratory design procedures. In-depth interviews were conducted with the participants who were logistics top managers and logistics middle managers working in the logistics companies listed in the Transportation and Logistics Sector of the Stock Exchange of Thailand (SET). The questionnaires utilized for the quantitative part were derived from the qualitative findings obtained. Three hundred and thirty logistics operation officers' opinions toward leadership competencies for middle managers were used as sample data. Additionally, both first and second order confirmatory procedures associated with the factor analysis method were employed to establish greater reliability of each questionnaire item. Findings revealed five core leadership competencies of middle managers which were identified as: (1) social responsibility; (2) innovation; (3) leading others; (4) self management; (5) and task management. Importantly, the report proceeded to identify the obstacles to effective middle management faced by middle managers in Thai logistics companies. Identifying these obstacles will better enable logistics companies to prepare themselves and proceed effectively when responding strategically to risks. Finally, implementing the key success factors will enable logistics companies to concentrate on ensuring better performance of middle managers, in order to achieve overall company goals and enhance customer satisfaction.*

**Keywords:** Leadership Competency, Competencies for Middle Manager, Logistics Business in Thailand

### Introduction

Public and private organizations have been focusing on (a) implementing effective methods to combat, confront and neutralize the negative impact of the global economic crisis, (b) ways to develop competency levels of their employees, as well as, (c) on how to ensure their organization's profitability (Wilson, 1998). They are equally interested in how to interact with employees at different levels and how to make effective decisions (Yukl, 2002). These crucial factors will tangibly affect, directly and indirectly, the organization as a whole. Most organizations concur that employees constitute an extremely critical factor in improving and enhancing organizational performance. Organizations also need individuals who can work in an unstructured environment and who can respond faster and with more flexibility (Swanson & Holton, 2001). Furthermore, it is acknowledged that leadership must come into play in order to effectively negate the current global crisis and, on a lesser scale, to improve an organization's efficiency (Bratton, Grint, & Nelson, 2005). Becoming a great leader is a major challenge, especially when coping with the basic objectives that all organizations must achieve and when determining how organizational issues are to be successfully resolved.

In a logistics company, there are many people at different levels who perform different specialties. Logistics companies have to employ a wide range of workers at different levels in order to achieve smooth operation of all logistical processes and provide high quality services for their consumers (Brewer, Button, & Hensher, 2001). Therefore, this research will investigate leadership



competencies, as defined by Manfredi (1996), namely a set of skills, attributes, and behaviors that are directly related to successful and effective performance on the job by the leaders.

There are many levels of people who work in logistics companies, such as top managers, middle managers, and operation officers. However, this research will be focused mainly at the middle manager level, since this level is one of the most important functional elements within logistics companies. As such, the need for good quality mid-level management is essential to supervise the ever-growing lower workers who perform the majority of the work required.

Within logistics companies nowadays, an identifiable percentage of middle managers lack ability in leadership skills to work efficiently within their respective companies (Brewer, Button, & Hensher, 2001). As a result, the researcher is interested in investigating leadership competencies for middle managers in Thai logistics companies with the aim of ensuring that they produce better work for their companies and facilitate the logistics companies in their quest to obtain more benefits and higher profits. This applies particularly to their middle managers who are responsible for balancing operational patterns among top managers and operation offices in order to ensure smooth work flow and consistent quality.

Consequently, the objectives of this study were to empirically investigate the findings of leadership competencies for the middle manager in Thai logistics companies, together with describing and identifying key success factors and obstacles faced by the middle manager working in logistics firms, through in-depth interviews of top managers and middle managers, and by distributing questionnaires, focused on the purpose of the study, to logistics operations officers in order to obtain data pertinent to the research questions, which were:

1. What are the leadership competencies for middle managers in Thai logistics companies?
2. What are the key success factors for middle managers in Thai logistics companies?

## Literature Review

### Leadership Competencies

Many people today are seeking to understand the concept and practices of leadership. There are a great many reasons for the popularity of the topic, including the realization that organizations are faced with changes as never before. The concept of leadership is relevant to any aspect of ensuring effectiveness in organizations and in managing change. By drawing on numerous sources, leadership can be described quite thoroughly. For example, Bueno and Tubbs (2004) found that the leaders of they surveyed considered the following leadership competencies to be some of the most important in a global context: 1) communication skills, 2) motivation to learn, 3) flexibility, 4) open-mindedness, 5) respect for others and 6) sensitivity. Manfredi (1996) also described leadership competencies as including achieving goals. He spoke of coping with change, influencing staff, controlling resources with power, stimulating the growth and development of staff, mentoring staff, and creating a vision. A leader is responsible for motivating, facilitating, and encouraging their staff to achieve common goals. A leader is an agent of change, coping with change by emphasizing participation and cooperation among staff members. To influence other people, a leader builds trusting relationships, persuades, and communicates with others. A leader is also responsible for stimulating the growth and development of the staff by mentoring, coaching, and guiding them. Communicating visions to staff provides an understanding of the future state of an organization and leads to success of that organization. Effective leadership is a mix of personal attributes and management skills, enabling leaders to bring positive change to the organization and the people with whom they work. At the core of leadership is a vision, which can be motivating to others and capable of generating creative problem-solving. Good leaders are assertive and courageous people who can implement new plans with a high degree of authority (Bolden & Gosling, 2006).

## Logistics

Logistics is one of several relatively new conceptual terms. It is significant to note that experts provide a full range of definitions of logistics. For example, Kasilingam (1998, p. 6) stated that logistics is comprised of “all functions essential to provide place and time value to a product, including all functions that are necessary to move a product from point of production to point of consumption, safely and efficiently”. The UK Institute of Logistics and Transport (1998, p. 1) also pointed out that logistics is “the positioning of resources at the right time, in the right place, at the right cost, at the right quality”. Bowersox and Closs (2006, p.4) mention that “logistics involves the integration of information, transportation, inventory, warehousing, material handling, and packaging. All of these areas of work provide a variety of stimulating jobs”. From these definitions, it can be inferred that the meaning of logistics is based on a range of approaches, which include processes, functions, frameworks, flows, and strategic management. The concept of logistics can be also readily referred to as the moving and handling of goods and materials, from the beginning to the end of production, on through the sales phase, and on to the final delivery process. Additionally, logistics is basically concerned with the smooth supply of raw materials and produced goods between the place of production and the market or consumers.

## The Work of Logistics

Logistics exists to move and position inventory to achieve desired time, place, and possession benefits at the lowest total cost. Inventory has limited value until it is positioned at the right time and at the right location to support ownership transfer or value-added creation. Decisions in one functional area will also impact the cost of all others. There are five areas of logistics work, specifically order processing, inventory, transportation, warehousing, materials handling, and packaging, in addition to a facility network. Integrated work related to these functional areas creates the capabilities needed to achieve logistical value, as presented below in Figure 1.

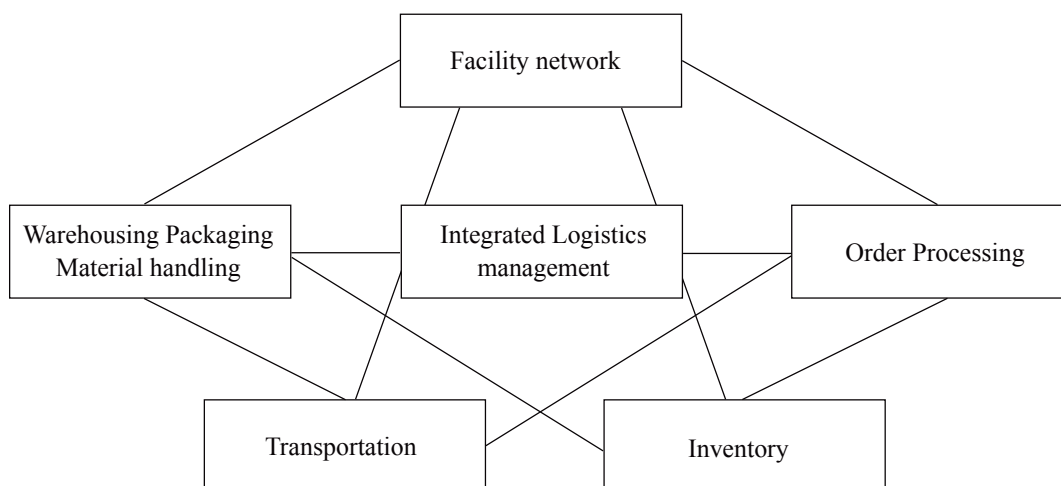


Figure 1. A model of integrated logistics (Source: Bowersox & Closs, 2006)

## Research Design

This study used a mixed methods design often referred to as an exploratory design procedure. Creswell and Clark (2007, p. 77) stated that “the exploratory design is a two phase approach that starts with qualitative data, to explore a phenomenon, and then builds to a second, quantitative phase”. In this design, the researcher began with a qualitative approach, by designing participant selection by utilizing purposive sampling which Kerlinger and Lee (1999) noted as particularly relevant when researchers are concerned with exploring the universe and understanding the audience. The researcher then continued conducting the study through in-depth interviews with 10 top managers

and 24 middle managers who (1) were working for logistics companies in the private sector, listed on the SET and whose positions as middle managers should implement their leadership skills; (2) who have experience of at least five years in logistics management; and (3) who have demonstrated their willingness to participate in this study and are willing to share their experiences in leadership and logistics management practices, as a means of collecting data. Finally, the researcher applied interview data to an analytical process in order to obtain the results.

Upon completion of the first portion of the qualitative method, the researcher then required quantitative information to confirm reliability of the preliminary answers by using survey questionnaires and factor analysis. These questionnaires are for submission to logistics operation officers who work for the selected logistic companies under the Transportation and Logistics Sector listed by the SET. The chart below shows the step-by-step approach utilized in conducting the mixed methods design by progressing from the qualitative method to the quantitative method, as shown in Figure 2.

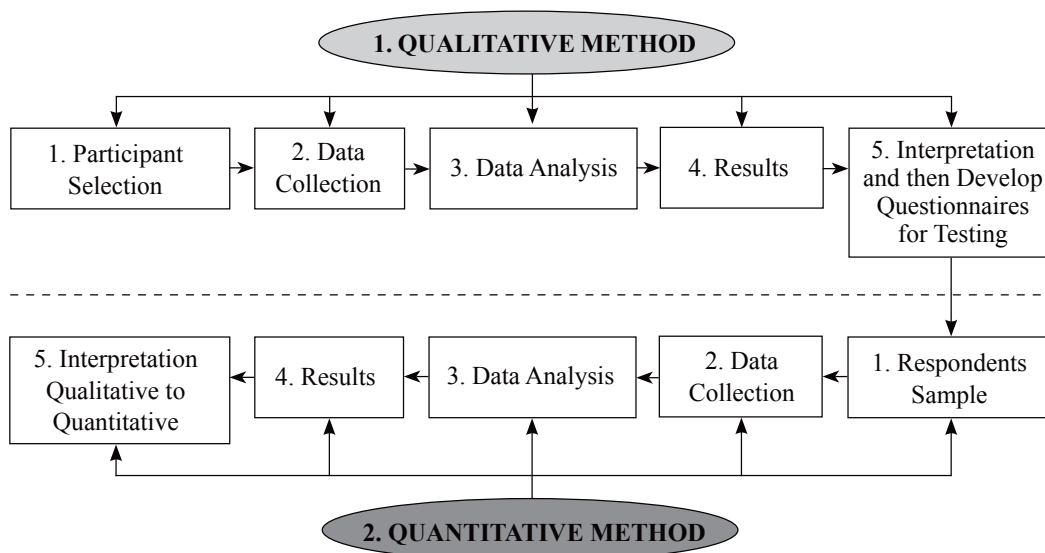


Figure 2. Flowchart of the mixed methods design utilized during this research  
(Source: Creswell and Clark, 2007, p. 76)

### Data Collection and Analysis of the Qualitative Method

The key informants in this study were twelve top managers and twenty four middle managers. Setting studies were conducted with the logistic companies in the private sector listed in the Sector of Transportation and Logistics on the SET. There were 15 companies in this sector for the sampling group. However, there are twelve logistics companies out of fifteen private companies in the Sector of Transportation and Logistics listed on the SET which were the main target of this research. The researcher used the previously presented definition of logistics to define a logistics company. It can also be stated that logistics mainly consists of carrying goods, not ridership. The final setting selection consisted of the twelve logistics companies listed by the SET. The qualitative approach was generated from documents and in depth interviews with 10 logistics top managers and 24 logistics middle managers. However, according to this project, most participants agreed to attend interviews, but five (one manager and four middle managers) declined to participate. Therefore, the researcher designed the interview guides based on the information gathered from the literature review together, with the exception of the 20 logistics middle managers out of 24 logistics middle managers in the target and eleven logistics top managers out of twelve logistics top managers in the target who have worked in Thai logistics companies on which the researcher conducted the data analysis and interpretation.



For purposes of structural coding, the researcher began by using the first cycle method which can be kept at a basic level and can be used as a categorization technique for further qualitative data analysis, dependent on the research study's goals (Saldana, 2009). The researcher then determined the categories which were classified after conducting the interviews. The interview content was transcribed and data was obtained to perform the first round categories which included 76 categories. After completing the first cycle coding method, the researcher implemented the second cycle coding method by using the first categories to 'mix and match' with the second leadership competencies for middle manager categories, which constituted the second round. These procedural steps could be compatibly mixed and matched for accurate application to one particular study (Miles & Huberman, 1994). Following this process, there were 36 categories.

### Findings of the Qualitative Method

The researcher took all of the second round's findings to the next step, called focus coding, to verify the core leadership competencies for middle managers in Thai logistics companies. Focused coding categories coded data based on thematic or conceptual similarity (Saldana, 2009). In this research, the researcher used focus coding. The researcher finally obtained five final core leadership competencies for middle managers in Thai logistics companies' categories, which included social responsibility, innovation, leading others, self management, and task management. Subsequently, the researcher proceeded with constructing the questionnaire for distribution to operation officers who work in Thai logistics companies under the sector of transportation and logistics listed on the SET. The core leadership competencies for middle managers in Thai logistics companies' categories are listed in Table 1.

Table 1. Core leadership competencies for middle managers in Thai logistics companies

Core Leadership Competencies	Sub-Leadership Competencies from 2 <sup>nd</sup> Round
1. Social Responsibility (SR)	Category 1 – Category 8
2. Innovation (IN)	Category 9 – Category 20
3. Leading others (LO)	Category 21 – Category 26
4. Self Management (SM)	Category 27 – Category 32
5. Task Management (TM)	Category 33 – Category 36

### Data Collection and Analysis of the Quantitative Method

To survey logistic leadership competency in selected companies, the researcher developed a questionnaire to confirm the logistic leadership competency list and to reveal any new logistics leadership competency criteria. There were 330 participants in the sample which was administered the questionnaire.

The questionnaire was used to gather all information from the logistic companies. The questionnaire also tested reliability on the basis of factor analysis and the content was divided into three parts: (a) Overall information relating to clients, such as gender, age range, education, and year range of logistics experience; (b) Leadership competencies with five main parts, namely Social Responsibility, Innovation, Leading Others, Self Management, and Task Management; and (c) Open ended questions also solicited suggestions and recommendations that middle managers should have as leadership competencies.

Quantitative analysis was conducted through the "Statistical Package for the Social Sciences" program (SPSS). The questionnaire was divided into three parts. The first part included general information such as gender, range of age, education, and range of logistics experience. The second part was divided into 5 parts (i.e., social responsibility, 5 questions; innovation, 8 questions; leading others, 5 questions; self management, 7 questions; and task management, 6 questions). There



was a total of 31 questions in part two of the questionnaire. Additionally, part three was an open ended format for obtaining more opinions and suggestions about leadership competencies for middle managers. These data were predicated on 'attitude scales' of operation officers in Thai logistics companies who worked in the logistics section.

The second part was developed after conducting in-depth interviews with the key informants. All questions in Part Two were assessed by using a Likert five - point rating scale which is a rating scale measuring the strength of agreement or disagreement with a clear statement (Creswell, 2003). It is often administered in the form of a questionnaire used to gauge attitudes or reactions and could also be used as a quantitative research method tool for helping to evaluate officers' attitudes and performance in order to obtain results under this research. All five core leadership competencies for middle managers in Thai logistics companies appear in Table 2.

Table 2. Summary of core leadership competencies for middle managers in Thai logistics companies

<b>Core Leadership Competencies for Logistics Middle Managers</b>	<b>Total Questions</b>	<b>Mean Scores</b>	<b>Standard Deviation</b>	<b>Meaning</b>
1. Social Responsibility	5	3.84	0.65	Agree
2. Innovation	8	4.04	0.76	Strongly Agree
3. Leading Others	5	4.10	0.73	Strongly Agree
4. Self Management	7	4.11	0.70	Strongly Agree
5. Task Management	6	4.06	0.75	Strongly Agree
Total	31	4.03	0.64	Strongly Agree

The results of Table 2 indicate that leadership competencies for middle managers in Thai logistics companies from the logistics operation officers' viewpoint are primarily self management, leading others, task management, and innovation, with which the middle managers were in strong agreement, while they agreed that social responsibility is also an important leadership competency. Furthermore, the most important leadership competency that logistics middle managers should especially realize is self management and the least important under this finding is social responsibility. This can be implies that the logistics middle manager should focus on improving themselves as agents of the company more than worrying about social responsibility.

Moreover, the researcher found that all leadership competencies for middle managers in Thai logistics companies had a positive relationship to each other. That means, if self responsibility ranks high, others will be ranked high. Therefore, it can be summarized that all leadership competencies for middle managers in Thai logistics companies obtained above will include the five previously named important factors, which are Social Responsibility, Innovation, Leading Others, Self Management, and Task Management. However, the researcher's obligation is to try to prove greater reliability of the quantitative findings referred to above and whether these findings have a relationship with the others or not, by using factor analysis which is explained below.

### **Factor Analysis**

This research used factor analysis to demonstrate greater reliability of the quantitative findings. Factor analysis searches for joint variations in response to unobserved latent variables (Hair, 1995). The researcher used confirmatory factor analysis (CFA) and sought to determine if the number of factors and the loadings of measured (indicator) variables on them corresponded to what was expected on the basis of previous theory. The researcher sought to determine, for instance, if measures created to



represent a latent variable really belong together. There are two processes of CFA, which are, namely, first order confirmatory factor analysis and second order confirmatory factor analysis, utilized as repeated verification, to prove again the findings of the first order confirmatory factor analysis. This methodology will confirm that this research has stronger reliability in the quantitative method section. The results of second order confirmatory factor analysis are shown in Figure 3 below.

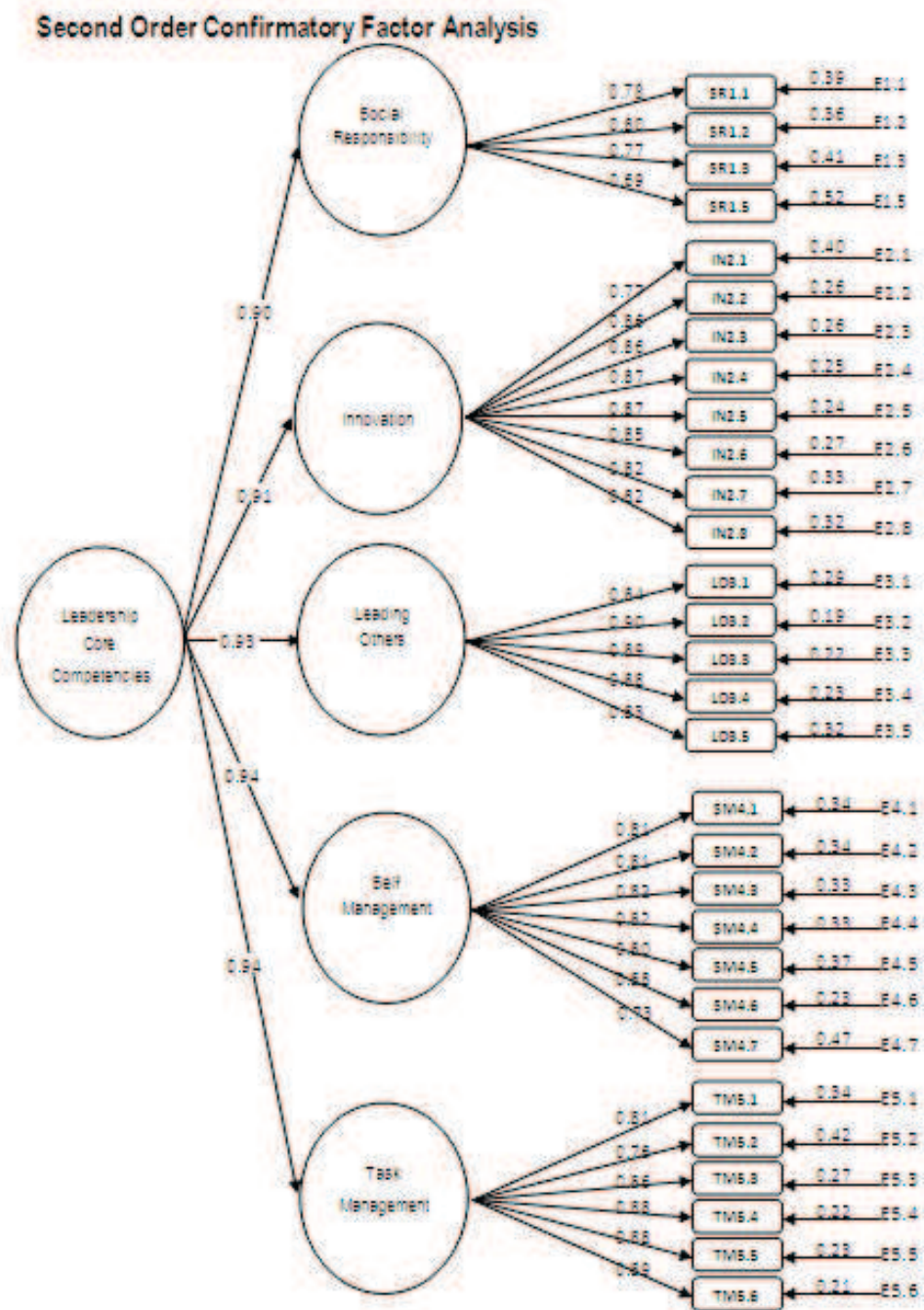


Figure 3. The second order confirmatory factor analysis



### Findings of the Quantitative Method

From the above models and tables, it can be seen that Cronbach's Alpha ( $\alpha$ ) is 0.979 and that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) is 0.971. When taking the information to second order confirm factor analysis, the structural model features relationships relevant to the empirical data with the Chi-Square reading at ( $\chi^2$ ) 298.246, the P-Value is 0.193, and the Root Mean Square Error of Approximation (RMSEA) is 0.0149. The Value of Goodness of Fit Index (GFI) is 0.943, Adjusted Goodness of Fit Index (AGFI) is 0.905, Normed Fit Index (NFI) is 0.994, Root Mean Square Residual (RMR) is 0.0255; that means the model has an acceptable relationship with the data. Moreover, the low Root Mean Square Residual (RMR) and the high Normed Fit Index (NFI) means the structural model of The Rationales of the Logistics Operations Officers' Opinions toward Leader Competencies for Middle Managers in Thai Logistics Companies within the second order confirmatory factor analysis features nearly perfect relationships relative to the empirical data.

However, when considering the weight of questions in each factor by the first order confirmatory factor analysis, the weights meet factor loading of observed variables in all factors at more than 0.75-1.00, except question 1.4 related to social responsibility. This might be because the researcher has only one negative question in the questionnaire that may have confused the logistics operation officers and might have caused some errors. Consequently, the researcher decided to delete this question from the second order confirmatory factor analysis. Additionally, when considering all factors and sub factors which include, Social Responsibility, Innovation, Leading Others, Self Management, and Task Management, it is more readily seen that the validities of factor loading apply to Self Management, Task Management, Leading Others, Innovation and Social Responsibility. Lastly, the confidence of construct reliability ( $\rho_c$ ) is 0.963 and variance extracted ( $\rho_v$ ) is 85.44%. In summation, it can be stated that the model of 'the Rationales for Logistics Operations Officers' Opinion toward Leader Competencies for Middle Managers in Thai Logistics Companies' is acceptable, at more than 0.7, the level confirmed by Hair (1995) to be above the standard requirement for high reliability.

### Rigor of this Study

In terms of the qualitative approach, three 'dimensions of rigor' criteria were applied in this study as follows: (1) an audit trail of this study was established at the early stages of this research; (2) triangulation of methodologies, methods and data sources was applied in this research. The technique of triangulation is one of the modes "*of improving the probability that findings and interpretations will be found creditable*" (Lincoln & Guba, 1985, p. 305); and (3) authenticity checks conducted in this study included: obtaining informed consent from all participants with authenticated name cards. Informed consent of participants was obtained from each of them during the interview process.

With respect to the quantitative approach, the researcher developed a questionnaire to confirm the logistics leadership competency list and to reveal any new logistics leadership competency criteria. The researcher consulted two logistics experts and one research methodology expert to check for consistency and properly develop the questionnaires. In addition, the researcher used factor analysis to prove more reliability of the quantitative findings. The weight of questions in each factor was examined by first order confirmatory factor analysis, to see if it met factor loading of observed variables in all factors at levels of more than 0.75.

### Response to the Research Questions

#### ***RQ1 : What are the leadership competencies for middle managers in Thai logistics companies?***

Regarding the findings, the leadership competencies for middle managers in Thai logistics companies should be separated into five main core leadership competencies for middle managers in Thai logistics companies in this study: (1) Social Responsibility, (2) Innovation, (3) Leading Others, (4) Self Management, and (5) Task Management.





**Social Responsibility :** The middle manager in the logistic business is required to be a model of proper social responsibility and behavior, by acting with integrity and honesty in interaction with the companies, customers, and other social contacts, because logistics processes are mostly concerned with budget and goods; thus, integrity and honesty are critical in this type of business. The concept of civic responsibility and corporate social responsibility also often appear in logistics management, since certain aspects of logistics have to deal with customer satisfaction which is related to social interaction with society. Therefore, good logistics middle managers have to lead their logistics operation officers ethically and demonstrate social responsibility to stakeholders, such as owners, customers, employees, community, competitors, suppliers, social activist groups, the public at large, and others. These qualities can strengthen the middle manager's professional life and corporate performance.

Under this section, Kouzes and Posner (2000) developed a survey, known as the Leadership Practices Inventory, which asks people to respond, using a list of common characteristics of leaders. It was found that especially noteworthy are honesty, competency and a forward-looking attitude, all of which ranked highest among traits that should be considered of great significance, as they complete the ideal image of an effective leader. When considering corporate social responsibility, company operations consist of two aspects. They are quality management of people and processes, and the impact on society. As for quality management of people and processes in organizations, the middle manager should work hard and develop all aspects of his or her work. This notion is similar to ensuring 'total quality management', but with positive effects on society, which should be ranked among the corporation's and the top manager's primary objectives and expectations.

**Innovation :** Logistics is a highly competitive business in which innovation frequently comes into play, notably in many aspects of this industry, such as speedy service aimed at ensuring customers' satisfaction, quality of time management, and increasing the efficiency of innovative work. Consequently, it is simply understood that, the logistics middle manager must be creative at all times so as to promote innovation and improvement, resulting in customer satisfaction and proper operation of the entire corporate entity. Logistics middle managers are required to be assertive enough to present their opinions creatively for development of the company and be courageous enough to indicate the flaws and problems, as well as the strong and weak points of the operational procedures, so that the process of decision-making affecting marketing plans, policies, and objectives of the logistics companies will be done in the right way in order to develop effective working systems within the corporation. The skill of 'change management' should also be capable of controlling the impact of change prudently by focusing on analytical skill. ArMour (2007) said that middle manager jobs have become more demanding and modern technology means they are increasingly oriented toward multitasking. A variety of assessment techniques should ensure that information collected is relevant and reliable (Melancon & Williams, 2006). Furthermore, today's organizations facing an ever-increasing pace of technological and social change, a further shift to an information economy requiring highly skilled knowledge workers and intensifying global competition. These trends have created a tight labor market for the most needed 'knowledgeable' workers who, in turn, change the way competency-based Human Resource Management is judged to be most effective, when it is based on reliable monitoring of employee performance and follow up (Ozcelik & Ferman, 2006).

**Leading Others :** There are many management skills for middle managers that need to be acquired in order that they could properly lead others. Communication skills are essential and crucial for the middle manager who can apply this talent for use with partners, subordinates, and executives. The middle manager's function represents a key position in charge of coordinating other corporate positions at both the top and at the lower levels. Policies from the top level are communicated to the lower level through the middle manager who has to use practical wording, so as to facilitate implementation. Additionally, customers' recommendations have to be applied to all jobs for



appropriate development. Middle managers are also required for purposes of composing evaluations of performance and working observations pertaining to each employee that can help the middle manager develop the potential of subordinates, ultimately leading to increased departmental efficiency. The middle manager's tasks encompass major skills of persuasion and inspiring logistics operation officers to propose efficient working procedures and to strive for an increase in efficiency of all work accomplished. Good relationships with colleagues, subordinates, and executives within the companies will help to create smooth work patterns and reduce coordination problems as well as strengthen teamwork. Together with creating good relationships with external organizations, internal relationships will help to build totally effective networks. Transparency of the middle manager can also serve as a model to be followed by operation officers.

Leadership and management communication affect nearly all aspects of organizational life. Leaders help guide individuals, groups, and entire organizations in establishing goals and sustaining action to support goals. Managers fulfill specific organizationally assigned roles designed to direct and evaluate the work of others. Zalabak (1988, p. 291) pointed out that "internal communication specialists must have extensive background in interpersonal and organizational communication with an emphasis on human relations. These specialists are familiar with principles of instructional design, can evaluate the designs of others, can plan and implement their own programs, and have well-developed presentational skills." In fact, leadership communication can come from virtually anyone in the organization, with the effectiveness of leadership and management communication directly relating to organizational success and work satisfaction. Communication relationships between managers and subordinates influence innovation, decision making, work satisfaction, and perceptions of organizational climate (Nahavandi, 2006). Evaluation skill is also important for internal efficiency. Specifically, task evaluation skills have recently become a central concern of many companies (Deway, Montrosse, Schroter, Sullins, & Mattox, 2008). In the logistics area, there is an emphasis on the need for a systematic approach, wherein continual review takes place. This is an important logistical concept because most operations need to be highly dynamic. They are subject to continuous change, as both demand and supply of goods and products periodically vary according to changes in customer requirements for new products and better product availability (Rushton, Croucher, & Baker, 2006).

**Self Management :** Self management is definitely one of the required skills for logistics middle managers. They have to be willing and able to assess themselves in terms of what they should develop, especially if they lack essential logistics skills. They need to be able to open their minds to learn new things continuously for development of logistics knowledge and skill, both of which need to be utilized as a valuable tool for working efficiently. The development of English language skills is also an important key when working in the logistics field, since communication and cooperation with foreign customers constantly occur in the logistics business. Middle managers must consider opinions and feedback from customers, colleagues and shareholders and adapt this input appropriately to their work for improving internal processes, especially time management, providing better services, and generating more profit for logistics companies. Training can help logistics middle managers to become more professional if they realize what skills should be developed. Furthermore, strategic planning, both externally and internally, needs to be organized and coordinated by the middle manager for prioritizing activities, which may have predetermined objectives. There may be 'benchmarking' against other logistics companies in terms of style of work, services, and appropriate pricing, but it should not be forgotten by efficient middle managers that customer satisfaction must also be taken into account at all times. Determining external and internal strategies will also be useful for better performance and will encourage efficient service while, at the same time, eliminating barriers to optimal performance. That is one of the critical strategies.

A successful strategy, embodying both implementation and execution, depends heavily on competent personnel. Recruiting, developing, and retaining the right managerial staff are crucial



elements for ensuring successful strategies (Thomson & Strickland, 2001). Training can help logistics middle managers to learn and experience more about logistics management. Miller et al (2001 cited in Bolden and Gosling 2006), “identify two primary reasons why organizations use a system of identifying competencies. There are two elements which help increase performance of employees, namely evaluation and training, in addition to other personnel practices; and as a means for articulating corporate values and objectives” (p.152). However, the mixture of training options is designed to address organizational needs, such as reducing costs and increasing accessibility to training and individual needs such as meeting social, developmental, and cognitive needs as well as learning style performance (Holton, Coco, Lowe, & Dutsch, 2006). The implementation of mixed learning techniques is a direct response to organizational demands that participants reduce their time away from the job when attending training sessions. One of the most popular uses of blended learning is e-learning. E-learning strategies can help logistics officers assimilate a considerable body of information (Karrer, 2009).

To summarize the scope and nature of ‘middle manager self management’, it is useful to refer to *HumanResouces.hruinet.com* which points out the skills and abilities that logistics managers should utilize in order to evaluate themselves. They cite a strong work ethic, a positive attitude, good communication skills, time management abilities, problem solving skills, acting as a team player, self confidence, ability to accept and learn from criticism, flexibility, adaptability, and working well under pressure.

**Task Management :** Task management is necessary for the middle manager and is required to accurately manage internal data and material costs. Operating cost is also considered and managed with the objective of cost reduction, so as to ensure both convenience and efficiency of work. It is also significant for middle managers to possess sufficient knowledge for problem solving of urgent cases. They have to analyze what the strengths and weaknesses are for each case, how to solve the problem, and how much it costs for each solution. The problem solving strategy utilized must not be against regulations, rules, or applicable laws. If the case is crucial, the middle manager has to report to the top manager for making the proper decision. It is necessary for the middle manager to set systematic processes that can be arranged with a wide variety of tools. Key Performance Index (KPI) is one of the tools that can be applied to evaluate subordinates distinctively and reasonably. This tool can be used to develop a successful organization and can reduce human errors as well as any problems arising from human resource management that should be resolved. Visiting customers is another crucial strategy that can create a strong relationship between customers and the company. Information, suggestions, and comments have to be taken to improve working processes and should be entered into the company’s database.

Referring to the logistics business, Rushton, Croucher, and Baker (2006) point out that logistics “is concerned with physical and information flows and storage from raw material through to the final distribution of the finished product. Thus, supply and materials management represents the storage and flows from the final production point through to the customer or end-user. Major emphasis is now placed on the importance of information as well as physical flows and storage, and an additional and very relevant factor is known as reverse logistics, i.e. the flow of used products and returnable packaging back through the system. They additionally summarize that *Logistics = Supply + Material Management + Distribution*” (p.4). All of these concepts are mentioned by Holste (2006), who feels that they are unrecognized by logistics middle managers. He also suggests that having each employee do the job the right way can shave valuable seconds off each task, every time, and that adds up to real savings when multiplied across dozens of workers, hundreds of shifts, and tens of thousands of tasks per year.

**RQ#2: What are the key success factors of middle managers in Thai logistics companies?**

There were eleven key success factors that were found to be important in this study. They were derived from the qualitative method, as indicated in Table 3.

Table 3. Key Success Factors for the Middle Managers in Thai Logistics Companies

Key Success Factors for Middle Managers in Thai Logistics Companies
1. Required to Participate in Training Courses and Seminars
2. Experience Gained through Working
3. Brainstorming with Co-Workers
4. Electronic Mail is Effective in Logistical Communication
5. Measurement of Current Situations
6. Communication Skills
7. Discussing with Top Managers, Providing Information and Generating Creative Ideas
8. Establishing Personal Relationship with Co-Workers and Customers
9. Trust among Members
10. Required Performance Evaluation
11. Wisdom

**Required to Participate in Training Sessions and Seminars**

The logistics middle manager is generally required to participate in training sessions and seminars so as to increase his/her logistical knowledge. If they have no logistical experience, this knowledge can usually be gained by assisting with specific jobs in the logistics field. When designing a training program for an organization, determining competencies will be essential to the success of the training programs. Improving employee performance, which results from competency-based training, is regarded as an important part of the professional development and recognition of individual workers, and also develops the occupational competence of the individuals involved in the process. This, in turn, ultimately benefits the organization (Holton, Coco, Lowe, & Dutsch, 2006). However, an effective training and development system must take a long view of organizational needs and it must focus on developing the talent currently available in the workforce in order to meet those needs (Ozcelik & Ferman, 2006).

**Experience Gained through Working**

Experience gained through working and by discussing with colleagues is a critical factor for middle managers. They are required to assimilate considerable applied experience in successfully solving problems. Many logistics companies have to seek their senior logistics middle managers outside of the company because these managers have to report directly to Thai Finance and Administration Management and will be responsible for following many key functions, such as providing the guidelines and regulations relating to logistics transactions; coordinating with the shipping agencies, transportation companies, customs, suppliers and customers, as well as liaising with Government.

**Brainstorming with Co-Workers**

Brainstorming is another key success factor. It can be an effective way to generate a variety of ideas on specific issues and then determine which idea is the best solution. The logistics middle manager should vary the groups of employees when brainstorming. Participative groups should come from a range of different departments, both from within specific departments and across the entire organization; and they should have different backgrounds. As for the logistics area, outsiders can sometimes bring fresh ideas that can inspire the logistics middle manager. Brainstorming also generates ideas that focus on creation of new concepts, allowing a large volume of thought to be



generated in a short period of time. It also ensures that all parties are involved, since no ideas are initially eliminated (The Institute of Value Management, 2010).

### **Electronic Mail is Effective in Logistical Communication**

Electronic mail is another critical means of communication for the logistics middle manager. By cooperating with the top manager, various departments, and customers, he or she can remain privately in contact through e-mail all the time. E-mail is the main center of communication for the full panoply of management levels. It is more important more than telephone, paperwork, meetings, and boardroom conferences. Using this means of communication enables top managers to become aware of customers' needs. It also facilitates the middle manager's learning of positive and negative comments and feedback to the company on a consistent and reliable basis (Unilever Thai Trading Co., 2007). Importantly, electronic mail is the cheapest and fastest communication directly linking one person to another person (Rushton, Croucher, & Baker, 2006).

### **Measurement of Current Situations**

The middle manager is constantly required to monitor current situations since the logistics business obviously concerns economic, environmental, political, and other developmental or sociological issues around the world. These factors constitute the foundation for analytical thought and for creation of marketing plans related to the business. For many companies, including logistics companies, a key measure of success is the return on investment (ROI): the ratio between the net profit and the capital employed in the business. For improved business performance, this ratio needs to be shifted to increase profits such as sales, and needs to benefit from the provision of high and consistent levels; together with reducing capital employed, whether initially or in later developmental phases (Rushton, Croucher, & Baker, 2006).

### **Communication Skills**

Communication skills are a critical element necessary for the logistics middle manager who has to cooperate with top managers, subordinates, operation officers, and customers. He or she is located in the middle position and therefore has to collaborate and organize many groups which must work together. Therefore, communication skill is a key success factor for the position. Managers are expected to be leaders, although not all managers exhibit leadership behaviors or good communication skills. In fact, leadership communication can come from virtually anyone in the organization, with the effectiveness of leadership and management communication directly relating to organizational success (Zalabak, 1988).

### **Discussing with Top managers, Providing Information and Generating Creative Ideas**

The opportunity for the middle manager to meet and discuss with the top manager encourages the middle manager to present additional information and more creative ideas. The more opportunities that he or she perceives, the more active he or she is at work. Additionally, a close relationship allows the top manager to obtain more detailed and descriptive information. When middle managers have to interface with top managers, they have to properly prepare information and use it in such a way as to achieve goals realistically, which may include (1) making a good specific measurement, (2) action plans to support each goal, including documentation of each step, and (3) proper use of time which contributes to enhanced ability to make acceptable progress (Macmillan, 2011).

### **Establishing Personal Relationships with Co-Workers and Customers**

Establish good personal relationships with the concerned persons such as the top manager, colleagues, subordinates, operation officers, and customers for effective negotiation and work flow. Good personal relationships can also be a forerunner to official negotiations and conflict resolution.

There are several points that need to be considered when establishing relationships in the area of logistics management. One of the dimensions of customer service and relationship building involves its measurement. It is also important to understand that customer service and customer requirements can and will differ not just between industries and companies, but additionally between the market segments a business might serve and the clientele of those segments and businesses. This





is because the logistics business is a diverse and dynamic function that has to be flexible and has to change according to the various constraints and demands imposed upon it, particularly with respect to the environment in which it works (Rushton, Croucher, & Baker, 2006).

### **Trust among Members**

Trust among members of an organization is important for the organization's success. The middle manager should be supportive of the actions of his/her subordinates, and his/her evaluations should be based on positive expectations related to their intentions and behaviors. On the other hand, the middle manager should have sufficient credibility to allow his or her subordinates and customers to trust him or her as well. They will judge a middle manager's trustworthiness based on personal characteristics and behaviors in their various interactions with them. Early in the relationship-strengthening process, interpersonal trust, communication, and relationships emerged as important issues among team members. A variety of trust building interventions, such as team building and facilitated discussions were implemented to improve the effectiveness of the team (Stephen, 2000). Carruthers (2011) also mentions that "sometimes managers find that they have one or more people working independently because these individuals feel that they cannot trust other members of the team. This is the reason there are now team building activities designed to increase trust among group members" (p.1).

### **Required Performance Evaluation**

Performance evaluation is required for the middle manager him or herself, and for his or her logistics operation officers. It provides feedback about job effectiveness and career guidance, so as to be beneficial for work improvement. In order to achieve positive financial results, logistics companies should implement goals established in at least three categories, specifically customers, internal processes, learning and growth (Brewer, Button, Hensher, 2001). One thing is virtually certain; customer satisfaction can improve financial results of a logistics company. Such satisfaction is based on efficient middle manager performance, which should be evaluated periodically (Nahavandi, 2006).

### **Wisdom**

Wisdom is another key qualification for the middle manager. Accidental or unforeseen problems can arise every working day; only shrewd managers solve these problems effectively and efficiently. Logistics management has to interface with customer management, warehouse management, scheduling management, transportation management, customs management, and recycling accounts; therefore staff 'wisdom' within a logistics company helps to ensure success in the business (Bell, 2010).

In conclusion, eleven key elements of success for the Middle Managers in Thai Logistics Companies were identified in this study.

As a corollary, the researcher was also able to distinguish internal and external obstacles faced by middle managers in Thai logistics companies based on the findings of the qualitative study. Due to space limitations, a rather brief summary of these obstacles is presented in Table 4.



Table 4. Obstacles faced by middle managers in Thai logistics companies

Internal Obstacles	External Obstacles
1. Decision Making	1. Problem of Communication with Customers
2. Limitation of Authority	2. Global Economic Risk
3. Time Consuming	3. Climate
4. Lack of Vision	4. Frequent Changes in Government Policies
5. Human Resource Management's Concerning	5. Political Problems related to Long Term Organizational Planning
6. Budget Limitations	
7. Communication Conflicting with Co-Workers	
8. Insufficient Experience or Knowledge in Logistics Management	

### Limitations of the Research

There are a number of limiting factors that need to be taken into account when considering use of the results of this research for further study. This study was intended to provide an initial understanding of leadership competencies for middle managers in Thai logistics companies, specifically SET- listed companies under the transportation and logistics sector. Consequently, it may not be possible to generalize the findings about leadership competencies for middle managers in Thai logistics companies to other logistics companies outside the SET market in Thailand.

Moreover, the following considerations are recognized as possible limiting factors in this study:

1. Given the qualitative nature and sample size of this study, it is not possible to broaden its findings to the whole practice of leadership competencies for logistic middle managers in the private sector. As such, this study was intended to provide a fundamental understanding, rather than to generalize logistical leadership competencies from the selected samples' viewpoint for application to all Thai logistics organizations.
2. There is a prevailing criticism of the reliability of interviews as a data collection method. To deal with this problem, specially formulated interview guidelines were used in this study to assure a more systematic data gathering process, thereby enhancing the reliability of the interview process.
3. Another concern involves the participants' perceptions. However, there is no 'right or wrong' answer to the questions posed in the interviews or on the questionnaires, since this study focused on the perceptions of the participants. Perceptions are useful in enhancing our understanding of the appropriate logistics leadership competencies for logistics middle managers (Harper, 2001).

### Implications for Practice

This study is useful for many Thai logistics companies in preparing their officers for carrying out their demanding responsibilities. The researcher would like to recommend to middle managers, who are beginning to implement new policy directions, the following suggestions and guidelines for practicing leadership competencies, particularly for the twelve logistics companies, listed on the SET which were consulted during the course of this research.

This study found that leadership competencies are important for logistics middle managers who perform an important function in their organizations. Therefore, the logistics companies should provide a checklist of leadership competencies for their middle managers as a standard requirement. This will help the companies become consistently successful.



The findings also benefit logistics middle managers when they wish to prepare themselves by using the leadership competencies defined. If they lack of any leadership competency skills, they should plan to enroll in additional training or locate any textbook to study and learn more extensively. For example, many middle managers lack evaluation and communication skills, which are an important aspect of leadership competency in the area of logistics under these research findings. As a result, middle managers, whose skills in this area are deficient, should find a way to learn more about evaluation and communication programs for purposes of improving themselves and their on-the-job performance. If they do so, their newly acquired knowledge will benefit and profit logistics companies and the industry as a whole.

### Conclusion

The purposes of this study were to investigate the leadership competencies of middle managers in Thai logistics companies, and to determine the most critical obstacles middle managers often face, as well as the key success factors relevant to middle managers employed in the logistics business. The results of this study will serve as guidelines for logistics companies to achieve higher profits, derive more internal and external benefits, and ensure enhanced awareness of their social responsibilities. The findings will also assist middle managers to become aware of their strengths and weaknesses within the spectrum of their leadership competencies. Achieving full cognizance of middle management leadership competencies, through reference to this study, will facilitate establishment of valid criteria for logistics companies in recruiting new middle managers. Furthermore, it was found that identifying the obstacles faced by middle managers in Thai logistics companies will better equip logistics companies to prepare themselves and plan strategically when facing the possibility of unexpected risks. Knowing and implementing the key success factors will allow logistics companies to concentrate on better performance of their middle managers in order to achieve their goals and improve customer satisfaction. It is finally recommended that logistics companies in Thailand pay close attention to implementation and demonstration of logistics middle managers' leadership competencies in order to yield benefits to their organizations, and in order to become increasingly competitive in the global logistics forum.

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