

# Strategic Leadership: Do Supply Chain Management Leaders make Better Senior Executives?

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## ABSTRACT

Starting in the 1990's, various companies began to see Logistics and Supply Chain Management as tools to gain competitive advantage in the marketplace (Li et. Al., 2006). The rise of Supply Chain Management (SCM) as a critical element of various companies' strategies raises the question of the abilities of various leaders. For most companies, there is an assumption that the senior leader(s) should be a person whose operational and tactical experiences are in the basic function the company performs (i.e., a manufacturing company would be best led by an engineer that progressed through the manufacturing process/floor/plant/etc.) However, the assumption that tactical success will result in strategic success is likely flawed.

Furthermore, many organizations struggle to develop talented managers to become excellent strategic leaders. It is estimated that organizations in the United States spend up to \$200 billion annually to train their workforce (Salas and Cannon-Bowers, 2001). A second study identified that over half of CEOs (62%) recognized the importance and challenges of developing trained employees (Mourao, 2018). While neither study focused specifically on strategic leadership or training, both highlight the importance companies have traditionally placed on the development of their organizations' individuals. Given this importance across all levels of the organization, it would be safe to assume that the critical nature of strategic leadership would be equally, if not more, important to develop key employees' skills. However, the question becomes how to select and develop the best candidates for strategic development.

Traditionally, organizations were likely to choose managers for promotion that matched their primary business (Breugh, 2011). For example, a manufacturing firm would like choose an engineer with an operations background to be its CEO or key strategic. The assumption is that the functions, skills and abilities that make a person successful in an area, lead to their promotion to higher and higher levels within that organization and would be best suited to the C-level. Perhaps a better approach would be to develop strategic leaders from a pool of managers that have strategic level responsibilities within their organization. The implication is that a SCM executive is often positioned earlier in their career and has boarder set of responsibilities than many functional leaders and could possibly be a better candidate for the strategic level position.

This abstract is an early step in developing the literature, theories, propositions and methodology needed to examine the role of SCM leaders as future strategic leaders in organizations.

## **ABOUT THE AUTHORS**

Stephen M. Rutner is currently a Professor of Practice in Supply Chain Management. He holds a PhD in Logistics and Transportation from the University of Tennessee and rose to the rank of Professor at Georgia Southern University before his present position. He has over sixty publications across the spectrum of Supply Chain Management, Logistics, Transportation and Marketing journals. Also, his practical experience includes over thirty years of military logistics and transportation experience in various leadership roles to his current rank of Brigadier General.

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