

ELIMINATING ROADBLOCKS TO GREATER PRODUCTIVITY - EDUCATION

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The author explains the positive steps that the educational system should implement in order to increase the number of professionals employed in the food distribution sector.

Food distribution, especially at the retail level, has benefited relatively little from technological developments compared with the manufacturing sector of our economy. Moreover, competent management notwithstanding, there are proportionally fewer trained professionals employed in management within the distributive sector. We might ask why? Does it matter? And if so, what should be done to change the situation?

It is unnecessary to retrace to antiquity the development of prejudice (albeit all too often justified) against middlemen. Retailers today are the hapless beneficiaries of this historical sentiment and, in truth, have not always done their best to disabuse themselves of their reputation. Small wonder that, by and large, they have failed to attract the best graduates of colleges and graduate programs to the industry.

I recall the time when I was about to receive my MBA degree and was looking for a job. Of 630 graduates in my class only three of us went into supermarketing, and the other two joined family owned firms. The food distribution industry, and the retail component in particular, had all the appeal of coal mining. Long hours, relatively low initial pay, and, especially, a low level of professionalism among peers made work in this industry very unattractive.

To some extent these conditions prevail. However, there has been important change. Relative compensation no longer is a problem and professionalism among co-workers is the rule rather than the exception. Even so, the industry has not been seen by a new generation of prospective managers as a vehicle for change in the same way that, say, the law or management in the public sector has been seen. To reap the full benefits of the new generation of managers, companies will have to recruit from that sub-set of graduates who ordinarily would not seek work in the food distribution industry. Only by recruiting a sufficient proportion of such individuals can companies be assured of exposure to their peculiar creative influence.

This argument is illustrated by quotations reported in a recent Business Week article.¹ Speaking of the new generation of employees, an executive reports his experience with recent graduates: "They ask why and often suggest alternate methods. As a result, the people on the giving end of orders are better equipped to back them with reasons than they used to be." Individually, they exhibit an innovativeness which "makes things happen".

The food distribution industry will need to "make things happen" in many novel ways if the difficult times forecast ahead are to be navigated. An improved industry image is essential if qualified young employees are to be attracted.

Moreover, the changes must be more than cosmetic. Unless companies are

genuinely committed to responding to the efforts of these new employees, these young people will evidence their disenchantment by leaving the industry and thereby make future recruitment more difficult. The same Business Week article reports:

The newcomers have also created pressures for quick promotion by tackling risk situations boldly - and demanding prompt rewards for success. A 23-year old process engineer at the Painesville (Ohio) chemical works of Diamond Shamrock Corp. put his trainee's job on the line by rejecting the advice of senior engineers, developed a novel method of preventing costly ruptures of an important machine - then left the company abruptly when neither promotion nor salary increase followed his feat.

However, I am not arguing either for abject surrender of managerial prerogatives to young managers, nor, indeed, am I arguing that the primary need is for an elitist group. Only that roadblocks be removed so that an appropriate number of capable, well trained, forward thinking graduates are attracted to the industry and given opportunity to make a meaningful contribution.

After all, we talk of hypermarkets and superstores, of automated warehouses and checkouts, and of management information systems and tools known by a host of acronyms including COSMOS, IMPACT, SAMI, and the like. Clearly, the managers of a store with hundreds of employees doing several hundred thousand dollars of business a week is going to have to be well schooled in the principles of organizational behavior. Indeed, the transient nature and limited commitment of many of these employees calls for leadership of a sophisticated nature, leadership which too many of today's managers are unqualified to give.

Equipment manufacturers tantalize us with descriptions of the reams of

information which will be generated in the manager's office -- well, that manager had better be qualified to use this output to fine-tune scheduling and merchandising and otherwise improve his operations. At the headquarters level, knowledge of information systems will be more important to buyers and merchandisers than will be store experience per se. I see it as the role of education to provide intelligent, well schooled graduates; and the role of firms creatively to employ these graduates

In addition to training future managers, education should assume the important role of upgrading today's employees to higher levels of competence. Recently, I have conducted a number of management seminars for a major food manufacturing firm whose products are well known to each of you. I was amazed at the parochialism of the salesmen and managers who deal daily with supermarket buyers and merchandisers. Their narrow focus was understandable in view of the natural competitiveness of channel members, but by striving to maximize their immediate returns, they failed to appreciate the "big picture".

Today it is imperative that we consider distribution from a "systems" point of view. Otherwise we would not have a Universal Product Code, pallet exchange programs, or other joint industry efforts. We must learn to maximize the joint benefits of distributive systems, and realization of this goal is exacerbated by lack of knowledge on the part of individuals about other aspects of the distributive system within which they operate.

Education can make an important contribution by teaching retailers more about the problems and capabilities of manufacturers, and visa versa. Industry should avail itself of the proven abilities of educators to conduct seminars and workshops openly and in a non-collusive way to the benefit of the entire industry.

Finally, the food distribution industry must make a far greater commitment

to research. There are few industries which expend so little on research relative to sales, investment, value added or any other measure. Recent graduates constitute a pool of junior researchers with potential. Moreover, the academic community itself constitutes a unique, underutilized resource capable of executing much needed research. (The TAFI program organized by Dr. Gordon Bloom is one effort to redress this situation.)

I have noted three areas which have to do with education where the elimination of roadblocks can lead to greater productivity. New attitudes toward the recruitment of qualified managers, training of existing employees and use of academics as researchers are in order. Although time does not permit detailed consideration of other factors, one is deserving of special mention. We have all heard the story making the rounds of the little girl who when asked by her Sunday school teacher to describe God, replied: "Well, she's a very nice person". Twenty-five percent of the entering MBA class at Boston University where I teach are women. They will graduate as well qualified, indeed in many instances better qualified, than their male classmates. If roadblocks are allowed to impinge on their rights to meaningful employment, it will be criminal, both figuratively and literally.

Footnote

- 1 "A Home in Business for the Radical Generation", Business Week, October 5, 1974, pp. 78-80.