


Why is it so difficult to hire a high performing general manager?

While the importance of the general manager position has long been understood, it has become increasingly challenging to recruit for effectively.



With time to hire increasing and average salaries on the rise, we spoke to over 50 logistics directors to better understand the impact that this is having, and for their insight on how to attract the best talent.

Q. In terms of budget performance, what is the difference between an average vs high performing general manager over a year?

A.  A talented general manager can generate savings in excess of

£200,000

£350,000

over £500,000

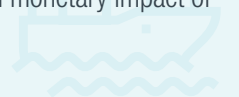
70%

45%

22%

At a time when margins are constantly challenged, the impact on profit is an alarming reminder of both the opportunity and risks.

This demonstrates the importance of hiring a high calibre general manager. On average, each logistics director surveyed currently has responsibility for seven sites, which equates to a potential monetary impact of between £1.4m and £3.5m.



Q. In terms of site culture, which areas are most likely to suffer from poor site leadership?

A. Looking at growth areas, employee engagement was also scored as more likely to be impacted than costs, under the same circumstances. The ripple effect of poor leadership throughout the management structure can lead to significant long-term cultural challenges.



The most likely area to suffer from poor leadership

Employee engagement

88%

Operational standards


75%

Attrition rates

56%



Q. What are the key barriers to hiring?

A.  The three biggest barriers to hiring talented general managers

A lack of quality external candidate

42%

Misplaced salary expectations

27%

Poor succession planning

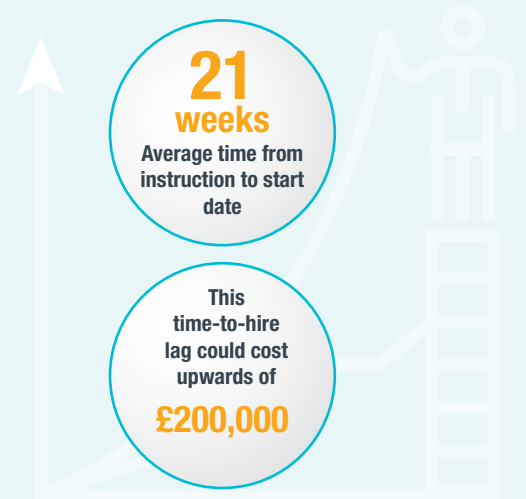
17%

As distribution centres have become bigger, more complex due to network rationalisation and the investment in technology, so too has the headcount and budgetary responsibility. The role of a general manager and the demand for this crucial skillset has grown as logistics is now integral to brand identity. Salaries have been climbing for several years in order to attract the best candidates into these business-critical positions, which in turn has triggered a rise in counteroffers, thus driving up salary expectations even further.



A typical management structure within a distribution centre has an operations manager reporting to a general manager. **The disparity in salary between an operations manager and general manager averages around £20,000, but in some cases can be as much as £40,000.** This makes it extremely difficult to generate a credible internal talent pipeline that isn't deemed high risk and encourages organisations to attract general managers from other sites internally or to look externally. This is a self-perpetuating challenge for many organisations that impacts site retention at all levels.

Taking the above into account, there can be a disparity between an organisation's pay structures and the market rate for candidates. In the absence of regular benchmarking, it is often the case that most applicants are underwhelmed by the salaries on offer. This can result in limited talent pool, a 2nd or 3rd round of hiring to compensate, and a salary review too late in the process, which can lead to a subsequent missed opportunity.



How are you perceived in the market?

How your business engages with candidates throughout the recruitment process is vital. Interview timescales are always important to maintain commitment, but the quality of feedback whether positive or negative is hugely important and will differentiate your business. Attracting candidates is one thing, keeping them engaged to reduce the risk of a counteroffer is another. The most successful businesses are running fast and efficient recruitment processes that ensure candidates feel valued. This is particularly important when there is a limited talent pool.



Who are you targeting in the market?



When recruiting general managers, the best candidates are often more passive in their search as they are likely already in a role. While investing in attracting this talent pool can take a little more time and resource, it can also yield positive results.

Building a talent pipeline or network through developing a more comprehensive understanding of candidates' motivations, flexibility, and timescales can generate deeper conversations, and more buy-in.

What message are you taking to market?

It is important to ensure you are not approaching the market in a transactional manner, as this will encourage candidates to do the same. Salary should not be the primary focus. Be sure to promote your full benefits package including your employer brand, career progression, diversity and inclusion strategy, employee wellbeing programmes, and business culture. This will broaden the appeal of the opportunity.

Recruitment partnerships

The right partner can be invaluable in the current market. As leaders in the space, we are constantly adapting our approach to recruitment. We utilise data to drive our decisions and can provide our customers with the deepest level of analysis on their local markets, within every industry.

Our use of data and AI to personalise user experience ensures that we are constantly engaging with professionals, at every stage of their career, promoting the jobs best suited to them, before the competition can. This means you access a pool of candidates that would not have previously been available to you, from right across the UK. A proactive approach to recruitment is essential when looking to hire general managers.

Get to know [our team of specialist logistics consultants](#) and find out how we can help better position your opportunities to attract the right general managers for your team. Alternatively, [request a call back](#) and we will be in touch.

Additional resources:

