

Improving Competencies for the Courier Service Industry in Malaysia

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INTRODUCTION

Begun around the year 2000, globalization is being powered by individuals and smaller organizations. Emergence of e-commerce enables the individuals and smaller organizations to do business in a more effectiveness and efficiency way (Bowersox et al., 2013). They increasingly rely on courier services that can complement and contribute to their logistics operation particularly in Asia market due to its high population.

It is crucial for a business to reassess their competencies to operate in a competitive global working environment which is highly volatile and rapidly change. Subsequently, the supply chain is facing a paradigm change in the e-business environment. A company supply chain in an e-business environment can be very complicated typically in Asia Market due to Asia Market is made up of many countries which is vary in culture, religion, political system, legal systems, language and stage of economic development. The use of internet and advancement in technologies enable e-commerce to quickly emerge in courier service industry, linking enterprises, associations, governments and individuals together. The usage of internet has changed the industry strategy in conducting business.

The aim of this chapter is, therefore, to explore the literature on improving competencies for the courier service industry in Malaysia. The competencies of courier services as the ability of third party (3PL) logistics operator to smooth

the supply chain in e-commerce. The focus of the study is not how courier services competencies is generated within an e-commerce environment in Malaysia, but rather on how such competencies manifest itself, and able to ultimately influence the competencies for the Courier Service Industry in Malaysia. Additionally, this study is intended to help shape the future of courier services as a professional entity in the business environment.

BACKGROUND

Globalization affects the way of doing business today. Many industries experienced deregulation, deconsolidation, re-engineering, downsizing, and organization restructuring to meet the need for efficiency in a fast-paced operation with unpredictable supply pattern (Ling, 2014; Sheffi, 2012; Grant et al., 2006).

E-commerce has opened up an utterly new market for players in logistics. In the year 2012, total population in Malaysia has reached 28.7 million and the internet users are 17.7million accounted 65.8% of the population. Among the users of internet in Malaysia, there are 30% of the people who are e-shoppers that engage in purchasing goods and services from various entities on the web (Malaysian Communications and Multimedia Commission, 2012).

Besides that, business of courier services has been stimulated by the development of e-commerce in terms of the growth in parcels volume and in

home delivery. There is a tremendous increase in sales orders delivered by e-commerce companies that accomplish via courier companies, which has resulted in the rapid growth in this niche segment as well as the increase in the struggle for a greater market share in this sector (Hoo et al. 2014).

Sheffi (2012) defined logistics clusters as one of the strategies to support existing local industries, these clusters include third party logistics services providers (3PLs), transportation carriers, warehousing companies, freight forwarders, retailers, distributors, manufacturer; and the operations of companies for whom logistics is a large part of their cost. Courier service is operationally distinguished from the ordinary mail services. It plays a role as third party logistics services providers (3PLs) in Malaysia logistics clusters.

The logistics clusters have been recognized as one of the sectors attain global competitiveness in the Ninth Malaysia Plan and Third Industrial Plan (IMP3) (Khalid, 2009). Unfortunately, the Chairman of Asia Logistics Council, Sri Abdul Rahman Mamat declared that logistics sector is the weakest amongst the four pillars of international trade namely finance, commerce, insurance and logistics in Malaysia (Bernama, 2013).

PROBLEM STATEMENT

The courier services industry plays a key role in e-commerce activities by meeting the delivery fulfillment in the right time, to the right person, at the right place. In a study conducted by Malaysian Communication and Multimedia Commission (MCMC), result shown that the customer satisfaction index towards courier service in 4th quarter of year 2010 is 3.74 from a scale of 1 (total dissatisfaction) to 5 (total satisfaction). According to the Industry Performance report for the year 2012 provided by Malaysian Communication and Multimedia Commission, the quality goal achieved is only 69% which is lower than the expected quality goal, more than 80%.

It is a challenge for courier service providers when facing online order soars, fulfilling customers' order become more complex. Because of the recent increase and focus on e-commerce, without some movement toward the establishment of professional principles for practitioners in this field, there will continue to be a lack of awareness and acknowledgement about the specialized and unique skills and knowledge inherent in the practice of courier service industry.

RESEARCH QUESTIONS

This study seeks to uncover the professional skills and competencies for individuals who work in courier services industry. The main research question is: What are the competencies of courier services in Malaysia? The following two questions will be examined: (1) What are the required professional skills for courier services practitioners? (2) What are the most critical competencies factors in courier services?

OBJECTIVE OF THE STUDY

The learning purposes were listed as below:

1. To identify the competencies that marks a professional in courier services industry.
2. To investigate the critical competitive factors for the courier services industry.

LITERATURE REVIEW

Logistics secured a prominent role as it provides the backbone to facilitate the international trade. With the increase of the global competition and rapid progress of the IT technology, the emergence of e-commerce has spurred the demand for courier service in order to facilitate the delivery of merchandise purchased online.

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