

A Discussion with Daimler's Daniel Whitehead and Kirstin Hoskin

Boyden's *Leadership Series* presents discussions with business and thought leaders from organisations across the globe. The series focuses on topical issues that offer executives, political leaders and the media insight into current trends in business and talent management in the global marketplace.

This issue features Daniel Whitehead, Managing Director, Daimler Truck & Bus Australia/New Zealand and Kirstin Hoskin, Dealer Principal, Daimler Trucks Melbourne, which includes the Freightliner, Fuso and Mercedes-Benz brands. In the interview, they discuss the China slowdown, why downturns create positive leadership opportunities, management skills in the truck and bus sector, diversity initiatives and the rewards of giving women an equal chance, and selling Daimler to the next generation of talent.



Daniel Whitehead

Daniel Whitehead is the Managing Director of Daimler Truck & Bus Australia/New Zealand's operations and is responsible for overseeing all departments within the Daimler Truck & Bus Business Unit, incorporating Freightliner Trucks, Mercedes-Benz Trucks, Mercedes-Benz Buses, Fuso Truck & Bus, Own Retail, Parts, Homologation, Engineering & Certification, Dealer Development, Marketing, and Controlling & Finance, and a member of the Board of Management of the operating entity Mercedes-Benz Australia/Pacific Pty Ltd.

Whitehead returned to Australia in 2014 to take up the Managing Director position following 10 years working in China and Hong Kong as the Executive Vice President, After-Sales for Beijing Mercedes-Benz Sales Services Co. Ltd. In addition he sat on the Executive Management Committee for Daimler's China operations. He has extensive experience in the heavy commercial vehicle industry, having served 20 years with Daimler in a variety of senior positions across sales and after-sales.



Kirstin Hoskin

Kirstin Hoskin, Dealer Principal of Daimler Trucks Melbourne Somerton, heads up DTB's Melbourne-based factory owned dealership, representing the full brand portfolio of Mercedes-Benz, Freightliner and Fuso. After joining Mercedes-Benz New Zealand Ltd. in 2012 in a human resource management capacity, she was promoted into senior management and relocated to Australia in 2013.

With strong prior experience in retail sales and extensive experience in the bus industry, Hoskin took on the business partnering role for Daimler Truck & Bus, where she was responsible for all aspects of their employee relations, talent management, recruitment and organisational development needs. Leading up to her appointment to Dealer Principal in November 2015, she was a key member of the Daimler Truck & Bus Board of Management and made significant contributions relating to growth, the development of DTB's people, and planning of DTB's 2020 Strategy.

A Discussion with Daimler's Daniel Whitehead and Kirstin Hoskin *(con't)*

Boyden: How has the dynamic of the business changed in the past year?

Whitehead: The market itself here's been really tough, but not much has changed. The market is still basically at post-GFC [global financial crisis] levels in Australia, which here was not nearly as bad as it was in places like the US. Everyone's been expecting the market to come back up to where it used to be, though now there's a general acceptance that the downturn has created a much more efficient transport industry and it's never going to go back up to where it was.

The utilisation rates and everything about customers has changed a lot. This forces a bit more exposure for everybody: When the market is really good, everybody can get away with not being as good as they could be. The market slowdowns drive every person to look at everything they do and why.

I think it's actually reasonably healthy, when you look at profitability and costs and market share for us, across our brands. In terms of our three major brands, we're much healthier than we were 12 months ago. And when we look forward, it looks even better.

Boyden: So tougher times create better management and efficiency?

Whitehead: It's quite cathartic in a lot of ways. You look at things that have always just been the way they are because that's the way they've been, and then you take a look at them in a different way. Unless there's a reason to stop and consider, we tend not to find the gaps and areas that are ripe for improvement.

Boyden: In terms of the slowing, how much of that has been connected to China's economy slowing or is it more the general global slowdown?

Whitehead: It's dropped a lot in terms of the China slowdown. Everyone talks about it being mining, but it's more mining services and infrastructure than production. Our business is not carried out so much with the coal and the iron being dug out of the ground. It's a lot more related to the investment of China, \$20 billion to \$30 billion worth of investment into new mines and equipment and the cities and towns, and then the support for all of those. That's what's really dried up. Production's at record levels in Australia. So that's no problem; it's just that it's worth \$30 a ton, not \$100 a ton. It's the infrastructure spending and slowdown more so than anything else, and that's directly connected to China.

Boyden: What is most important in management and related skill sets in the truck and bus sector compared to other sectors?

Hoskin: I believe compared to other sectors there is no difference. Leadership has a universal attribute whereby the success of the industry and organisation within it is down to the quality and strength of its leaders. When I think about what's most important in terms of leadership success, I would say the severity of determination is key and the ability to inspire others to follow. It's a combination of qualities – having a clear vision and aligning people, processes and strategy is crucial to growth.

There's a vast difference between leaders and those who lead. For example a leader

A Discussion with Daimler's Daniel Whitehead and Kirstin Hoskin *(con't)*

by title knows what needs to get done, whereas those who lead know why they do it. It's connected to their own internal belief and connection to the organisation. It is these leaders that leave a legacy. They are often selfless in pursuit of the organisation's vision.

It confirms for me what is most important in management, and the related skill set is the ability to inspire others and have clear vision. The commercial vehicles industry in this respect is no different from any other industry. The industry you work in does not define the quality of leadership; it's the other way around.

Whitehead: Yes, exactly. Looking at the leadership team we've put together over the last two years, we have one executive with a human resources background, one out of private equity, and two others with engineering and/or customer service backgrounds. I think, for me, it's much more about intelligence and personality. If you're intelligent and you have the right personality, then you can do this job. Yes, in general, you have to possess leadership ability; apart from that the rest is possible to learn.

Boyden: [Your Daimler division has developed a very proactive diversity initiative, particularly in regards to developing female leadership. How and why was that program developed?](#)

Whitehead: We're still advancing our initiatives. For example, when we recruit we focus solely on the skills and attributes needed to do the job, not necessarily how many years' experience in the commercial vehicles industry. By doing this we are opening up opportunities for a large proportion of talent that would

not otherwise be known to us. All we're doing is giving the women in our industry an equal chance to get the same jobs as the men. I'm not sure that that deserves a great amount of praise, to be honest.

I will say that I spent 10 years working in Beijing before I came back to Australia. Until then, it didn't occur to me that half the leaders in our business in China were females. That was just the way it was there. So it was a bit of a stark reality to come back here and find that it wasn't the same. So I guess that was where it became apparent to me, because I had been working in a different environment. It seems logical that it's just a waste of talent and loss of perspectives to not bring as many females through as males.

In Kirstin's case, her promotion to Dealer Principal of our largest dealership in Australia wasn't a diversity choice. She was simply the best person for the job. The fact that she's female makes it diversity, but that certainly wasn't any of the intention. The only other thing I would say is that I think it was far more courageous of Kirstin to take the job than it was for us to offer her the job.

Hoskin: Gender equality comes down to the leadership of the organisation. Leaders set the tone. In my own case, my taking on this role would've been seen as an anomaly by some, and to others, probably laughable. I have definitely had to deal with some scepticism and sadly that was to be expected. If my move into this role can inspire other aspiring female leaders to do the same and to be confident in their abilities, then I have paved a way forward and helped make a difference.

A Discussion with Daimler's Daniel Whitehead and Kirstin Hoskin *(con't)*

What better place to do it than in a business led by leaders who do not distinguish between genders? It really does come down to the leadership of any organisation as to whether or not they are prepared to treat men and women the same and offer them equal opportunities.

Whitehead: It's a pretty rough-and-ready, tough, and chauvinistic industry at times. Kirstin knew that there would be some difficulties; it wasn't all going to be a bed of roses. We expected some tough moments and she's been able to handle that. We're all really proud of how well she's done. Not surprised, but proud.

Boyden: What have been the effects of stepped-up consideration of female candidates for management roles?

Whitehead: One of the interesting side effects is that when we advertise jobs now, the number of really talented females within the company who apply internally has gone up astronomically, because in a strange way we've almost made ourselves a destination employer for at least the people who are close to it.

For example, for a recent opening for a sales manager role for Fuso, a really great female candidate from finance applied. Honestly, that wouldn't have happened a year ago. They wouldn't have taken that risk, but the level of risk is removed when they see that there's a true equality.

Boyden: Do women have inherent advantages in how they operate in terms of leadership style?

Whitehead: I think it takes all types. Again, we have some pretty tough, direct female leaders and we have others that are more collaborative. I think at the moment

our problem is that we still have so few females in leadership positions that their view is very identifiable. It's not part of the group because they still stand out as different from everybody else. I think that will only come when we're 50/50 in men and women, and then it'll just be a group of opinions.

Boyden: Kirstin, do you think you've brought anything new to the role of Dealer Principal?

Hoskin: Yes, not having a technical background has enabled me to bring a new approach and perspective to running the business with a distinct focus on people and culture. On the day-to-day operational challenges, sure there are technical issues that I get involved in, but my role is to rally the right people around to ensure we make decisions to support our customer.

I came into this role knowing I wouldn't have all the answers, and I am okay with that. Leadership for me is about pulling on the collective strengths of the team to achieve goals. This is a different perspective from what they are used to, and not being caught up in detail has enabled me to lead with a balanced and unbiased view.

Whitehead: I think that's been a tremendous advantage, because Kirstin's not getting caught up in the day-to-day of her old job as the head of sales or her old job as the head of service. She's looking at it from a leadership perspective and running the dealership. She's not doing the operational functions and that's been a big, big plus.

Boyden: What is the junior management training program for the younger and new folks in the industry?

A Discussion with Daimler's Daniel Whitehead and Kirstin Hoskin *(con't)*

Whitehead: We have the emerging leaders and management programs that facilitate movement through more formal pathways to senior management. But to take a step back, what's important is who we employ at the very embryonic stage. Here, I guess we're working through that, because we've had quite some interaction with Boyden over the last two years.

We've done several executive searches, and one point of feedback from Boyden was that there's a dearth of available talent in the industry. This taught us that the only way we're going to win is to employ those people ourselves and bring them up through the organisation. So that's a big part of a longer-term program.

We'll be in a good place as long as we can bring in really intelligent people as well as be attractive to younger talent and hold onto them and offer opportunities that our competitors can't. We're part of Daimler, so we have a fantastic untapped opportunity of working overseas and a global reputation. We may lose some good talent, but that's just part of the game.

At the end of the day, the only way we're going to be better than everybody else is if we bring people in and develop them.

Boyden: For the more talented young men and women, if they have career options, how would you sell them on a career in the truck and bus business?

Whitehead: Surprisingly to me, I sell them on my own story. I've been with Daimler for nearly 20 years. I've spent 10 years overseas working in Hong Kong, working in China, working in Mercedes-Benz cars, working in Mercedes-Benz trucks, in both parts and sales. If you're willing, capable and eager, there's no greater company in

the world to work for. I've got head offices on three different continents and all I have to do is phone them up if there's an opportunity or challenge.

In terms of opportunity, take for example one of our managers from Fuso, who's been with the company for 30 years. He's moving to Tokyo next month to work there for three years. Another couple of my young guys here who fit that category will go and work in the States [US] for a couple of years. One of them just spent four months in Switzerland doing his honours for his MBA, which we paid, and continued to pay salary during his leave.

To me, that's the selling point of Daimler: There is a vast array of opportunities within the same company. If you want to work in a bank, we have our own bank. You can work in finance. You can also work in passenger cars, trucks, buses, production, engineering and R&D. It makes me proud to see the vehicles we produce and sell driving and operating each day. It's not hard to sell Daimler to young people coming through, but as Kirstin and I both believe, you have to be enthusiastic about it.

Boyden: In terms of your most senior direct reports, what do you look for?

Whitehead: I have to like them as people, and it's really important to me that they're intelligent. Their experience – I can take it or leave it, depending on the job. For an engineering job, I need an engineer, but in terms of the leadership level, I'm not so caught up in that. They need to be not just intelligent, but very intelligent and have a lot of EQ [emotional quotient].

Hoskin: I agree with Daniel. It's fundamental that candidates have

A Discussion with Daimler's Daniel Whitehead and Kirstin Hoskin *(con't)*

intelligence, and emotional intelligence is crucial because you're dealing with people on a day-to-day basis, whether it's your employees, customers or suppliers. The advantages of this are underestimated. I want to surround myself with likeminded people who are aligned to my thinking and just as ambitious and enthusiastic as I am as to what can be achieved.

We would like to thank Jacqueline Lehmann of Boyden Australia & New Zealand for making this edition of Boyden's Leadership Series possible.

The views and opinions expressed here do not necessarily represent the views of Boyden; only those of Mr. Whitehead and Ms. Hoskin.

For Ms. Lehmann's insight into the management market in Australia and New Zealand, please continue to the Boyden View section on page 7.

THE BOYDEN VIEW: The Management Market in Australia & New Zealand

Jacqueline Lehmann is a Partner of Boyden Australia & New Zealand



Jacqueline Lehmann

Boyden: Overall, what does the executive market look like today in Australia and New Zealand?

Lehmann: The demand for senior executives continues to be strong. When putting together a senior leadership team, there is a clear trend to look for much more than senior-level functional expertise and an impressive industry track record. More importantly it is the senior leadership skills required to enter the C-Suite that are the decisive factors. Leadership competence paired with integrity and an ability to engage a team and excel at strategy execution are key requirements.

Boyden: What sectors have the greatest demand for management talent down under?

Lehmann: It is not surprising that the greatest demand for talent in Australia is driven by the tech sector. The transformation required by organizations to keep up with the digital revolution is driven by rapidly changing customer expectations and behaviors. This also creates strong demand for talent in the consumer, retail, consumer health, pharmaceuticals and life sciences sectors.

More traditional and industrial sectors that have not managed to develop their own strong talent base are now being confronted with the fact that a large group of experienced leaders are nearing retirement.

This calls for them to take a fresh approach to talent search and to look beyond borders and their own industry to find that special executive talent.

Boyden: In terms of functional talent such as HR, marketing, finance and other areas, where is there a dearth of talent?

Lehmann: For aspiring chief marketing officers, chief digital or technology officers, their experience and skills will continue to be in high demand. Senior executives in human resources and finance with excellent track records in partnering with the CEO and the leadership team, as well as strength in business transformation will continue to be enticed by new opportunities.

Boyden: When looking at women and leadership, where is Australia gaining strides and where is the market behind? Is progress better in certain sectors?

Lehmann: Progress is not so much dependent on the sector. It all stands and falls with the leadership of the organization. This stands out in companies where 'building a more diverse leadership team' has been identified as a key strategy for the organization to become more successful. Then where we see real traction is when this strategy is underpinned with clear goals, measurable objectives, and linked to senior management performance measures.

Boyden: In Australia, do women have any advantages for advancement in certain aspects, compared to other markets such as the US or Europe?

Lehmann: Women in Australia, in theory, should have an advantage because Australia is historically well placed to embrace diversity, which is so positively reflected in the country's multicultural society. This includes its economic growth, cultural practices and lifestyle.

However, the hard truth is that the pay gap in senior level management positions is a testament that gender inequality in Australia is still rampant.

Boyden: Should quotas for executive or board roles for women deserve more consideration to achieve greater parity, or would that create other problems?

Lehmann: I would prefer to see more commitment and engagement on the part of chairmen and CEOs in actively promoting diversity rather than calling on the government to impose regulatory quotas. Though, the time might be right for a wakeup call and to create a strong sense of urgency for Australia to lift its game.