

Power to Your People Motivation Breeds Success

Case Study



Company: Hardstaff Group
Walkers Snack Foods Distribution Ltd
GeoPost UK plc

Foreword

Freight Best Practice is funded by the Department for Transport and managed by AECOM to promote operational efficiency and reduce environmental impact within freight operations.

Freight Best Practice offers **FREE** essential information for the freight industry, covering topics such as saving fuel, developing skills, equipment and systems, operational efficiency and performance management. All **FREE** materials are available to download from **www.businesslink.gov.uk/freightbestpractice** or can be ordered through the Hotline on **0300 123 1250**.

Additional free copies of the guide can be obtained by calling the Freight Best Practice Hotline on

0300 123 1250. It can also be downloaded from the programme's website **www.businesslink.gov.uk/freightbestpractice**



These case studies from the Hardstaff Group, Walkers Snack Foods Distribution Ltd and GeoPost UK plc show how well motivated staff can improve efficiency, reduce costs and reduce environmental impact.

The Hardstaff Group Motivate their Drivers Through Incentives



The Company

The Hardstaff Group is a transport and distribution service provider with over 140 years' experience. The Group employs over 300 staff and operates a varied fleet of 200 vehicles across more than 20 sites nationwide. The fleet ranges from 7.5 Tonne rigid vehicles to 44 Tonne articulated vehicles. Vehicle types include bulk tippers, concrete mixers, draw-bar vehicles, low-loaders and liquefied natural gas tankers.

Hardstaff's Driver Training Programme

The development of driver expertise and fuel economy techniques is an integral part of Hardstaff's philosophy. In the early 90s they took the decision to form their own registered driver training company in order to improve standards, reduce accidents and to motivate their drivers.

Hardstaff now employ three full-time qualified training instructors. They provide a comprehensive training programme, that when coupled with tried and tested motivational techniques, has resulted in sustained efficiency improvements and cost reductions. The company has found that the savings made have significantly outweighed the costs incurred.

The driver training programme starts with a pre-employment assessment designed to specifically target fuel efficiency, helping Hardstaff to identify areas of weakness and helping the drivers to recognise and change their driving habits.

Hardstaff's ongoing training programme provides the means to communicate effectively with all their drivers, including those that are based away from depots. Management's active role in the driver training helps to motivate drivers as they can see that their managers are committed to the scheme. Human relationship skills are an important part of the programme.

“Training isn't intended to try and teach our drivers how to drive. We treat our drivers as professionals and good driving practices are part of a safe and courteous ethos that reflects well on us, as well as the driver. Our training is designed to show them how their skills are valued and that they personally have a major impact on safe and efficient driving with consideration for the environment. The Safe and Fuel Efficient Driving (SAFED) standard is a culture that Hardstaff has been adopting for years.”

Linda Fletcher, Director, Hardstaff Group

If you require further information, detailed guidance is available in *SAFED for HGVs: A Guide to Safe and Fuel Efficient Driving for HGVs*, and many other Freight Best Practice publications.

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environment also act as an added motivator that encourages Hardstaff's drivers to use less fuel.

Use of Incentives to Motivate Drivers

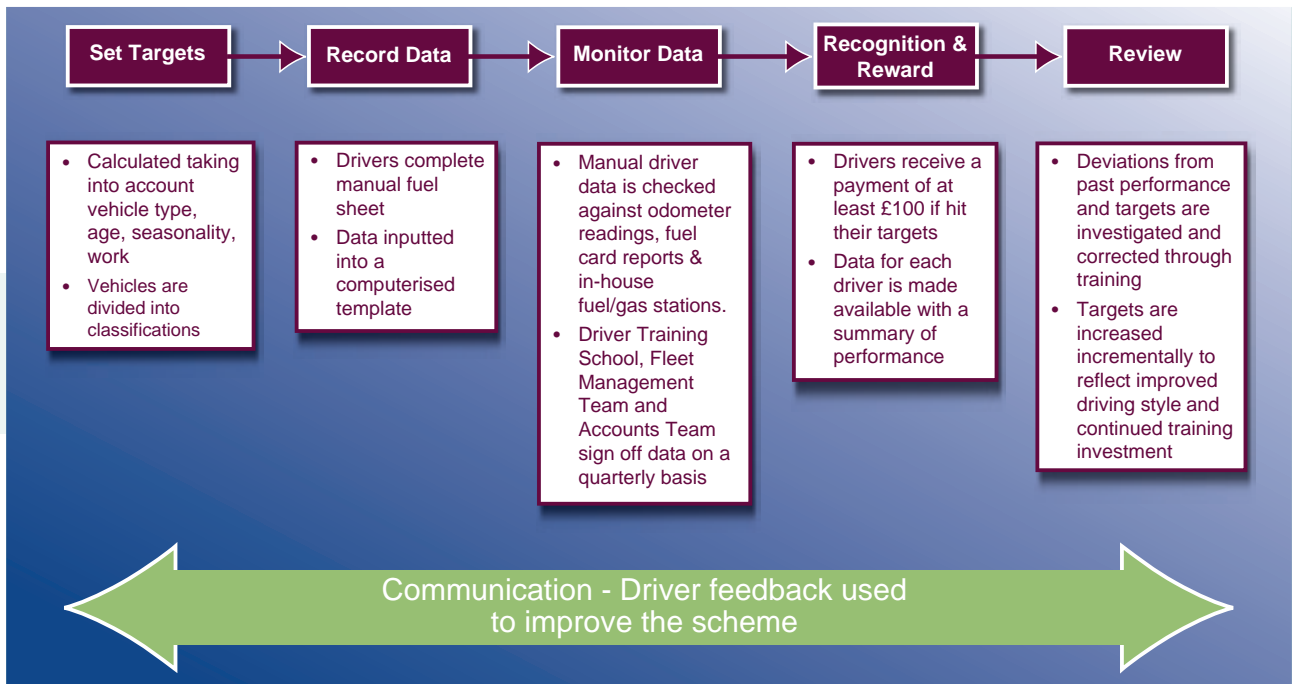
A driver incentive scheme was introduced by Hardstaff in July 2006 to sustain the benefits of the training programme. Figure 1 shows how the incentive scheme operates. Around 75% of all drivers have received some form of bonus payments. Other forms of motivation adopted by the company also include recognition of achievement in the “employee spotlight” section of the employee newsletter.

Hardstaff are always looking for new ways in which to motivate their drivers further and they are currently looking to introduce other non-monetary reward schemes. The company is conscious that bonus systems can also have a demotivating effect on some drivers. As a result, it aims to have as many drivers as possible attaining targets by continuous driver training.

Equipment and Systems Aid Motivation

The ability to track and manage the performance of both driver and vehicle with on-board monitoring equipment enhances efficiencies in fuel and safety. An electronic download provides data on cruise control, throttle demand, idling and other parameters that can be analysed and used to reinforce the economical driving style taught during the regular driver assessments. Environmental awareness and an emphasis on the effects that bad driving habits have on the

Figure 1 The Hardstaff Driver Incentive Scheme



Benefits

Since the introduction of the scheme the following company and driver benefits have been reported:

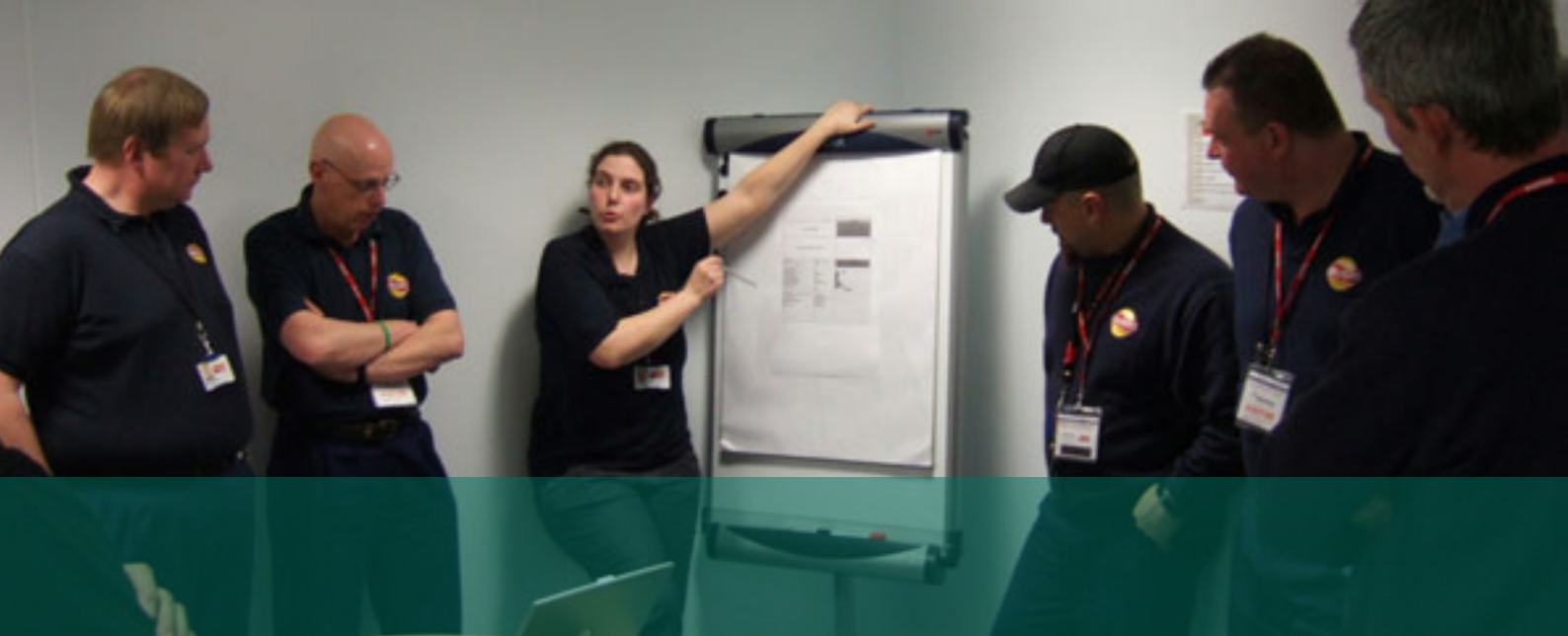
Company Benefits

- ➔ Average miles per gallon (MPG) improvement of around 0.4 MPG - approximately 5% fuel saving
- ➔ CO2 emissions cut by around 680 Tonnes over a 12 month period
- ➔ Computerised data collection has saved time and improved accuracy
- ➔ Rapid identification and rectification of driver skills gaps
- ➔ Improved staff recruitment and retention
- ➔ Reduced accident damage and stable insurance costs
- ➔ Motivated drivers



Driver Benefits

- ➔ Comprehensive driver skills development package
- ➔ 35% cost savings share distributed in the form of bonus payments to drivers
- ➔ Skills learned are applicable at work and in personal vehicles
- ➔ Less fatigue due to improved driving style
- ➔ Reduced risk of injury or accidents
- ➔ Effective identification of areas for improvement



Walkers Snack Foods Motivates Employees Through Ownership of Change

The Company

Walkers Snack Foods Distribution Ltd is the transport and distribution arm of PepsiCo UK. It undertakes 170,000 deliveries per year across the UK, operating on a 24/7 basis. The company achieves this using a fleet of around 300 vehicles and 600 trailers operating out of two major distribution hubs in Leicester and Warrington, with a number of smaller depots across the country. It employs around 350 lorry drivers plus a further 100 agency drivers.

A core aim for Walkers is to engage and involve their staff in order to achieve and sustain high safety and performance levels. Walkers recognise that getting employee “buy-in” is key to keeping their staff motivated.

Walkers’ Best Practice Groups (BPGs)

In order to engage and motivate staff, Best Practice Groups (BPGs) were established. They cover all aspects of the operation including the warehouse, transport yard, loading areas and driving. The BPGs are employee-led work groups that focus on reducing risk and improving

efficiencies and safety in targeted areas of the business.

How Are BPGs Created?

BPGs are created from employee meetings, round table discussions and one-to-one talks that give employees a platform to air their opinions. Feedback from employees is used to gauge opinion and to establish the scale and severity of the issues raised. Recurring themes within these comments led to the creation of a BPG to help provide solutions.

Who Is Involved in a BPG?

Anyone in the company can be involved with a BPG, which are initially headed by a member of the management team. Walkers have found that employee take-up has been high and estimate that around 80% of employees are involved in at least one group. Ideas and solutions come from throughout the company by encouraging participation and involvement of employees from different depots.



“Employee involvement is at the heart of delivering the culture required to drive sustainable performance improvements. Walkers’ approach in involving their employees is varied and wide ranging encouraging the contribution on both a team and individual basis.”

Martin White, Northern Distribution Operations Manager, Walkers Foods Ltd

Management has as little involvement with the group’s decision making process, so that the issues are raised and decisions are made by the group. The function of a manager within a BPG is to act as a resource provider, not to say what is a good idea or a bad idea, but to enable the ideas to become a reality, thus stimulating the workforce rather than suppressing ideas.

Motivation, Reward & Recognition

Employees are motivated to participate in BPGs because they can solve everyday issues that directly affect them. Solutions to these problems could make their own lives easier and safer. Staff are also motivated by incentives offered to those that successfully make the company more efficient.

Currently, an employee is creating a device that will stop rainwater accessing trailers and thus prevent damage to the load. Once officially approved, the device will be deployed across the company’s whole operation and the originator will receive recognition for their initiative and work.

The reward and recognition for contribution helps to keep employees motivated and encourages a fresh supply of ideas. Walkers believe that the fact that employees trust the company and want to work for them ensures that self-sufficient solutions are created to resolve operational problems.

The Benefits

Walkers have seen many benefits arise from the BPGs including:

- ➔ Implemented ideas have reduced product damage and reduced journeys, mileage and fuel use
- ➔ A high level of employee empowerment creating a culture of trust and improved morale
- ➔ Buy-in to and acceptance of change
- ➔ Easier communication of progress and change
- ➔ High levels of staff self-esteem

- A more rewarding and happier place for employees to work
- Employee ownership of projects makes staff more motivated and proud

Motivation at GeoPost UK plc



About GeoPost

GeoPost UK plc is wholly owned by La Poste, the second largest postal operation in Europe. It is a leading operator in the express parcels sector, represented in the UK by brands such as DPD (the new name for Parceline) and Interlink Express. GeoPost runs a fleet of over 1,700 vehicles from three main hubs and 42 depots nationwide.

The Importance of Staff Motivation

GeoPost recognises that people are vital to the company's success and that skilled and motivated people are just as important as technology and equipment. In a competitive jobs market drivers can choose from several potential employers and so GeoPost aims to be an 'employer of choice'.

The business relies on the efficiency of drivers to make sure that fuel performance figures are optimised. If GeoPost drivers lacked the motivation to drive safely and fuel efficiently, it would have a negative effect on fuel costs and company reputation.

“Our people are the key to our success. Employee motivation does have an effect on the output of our business and impacts on quality.”

Darren Wilson, General Manager, GeoPost Linehaul

Motivation in GeoPost

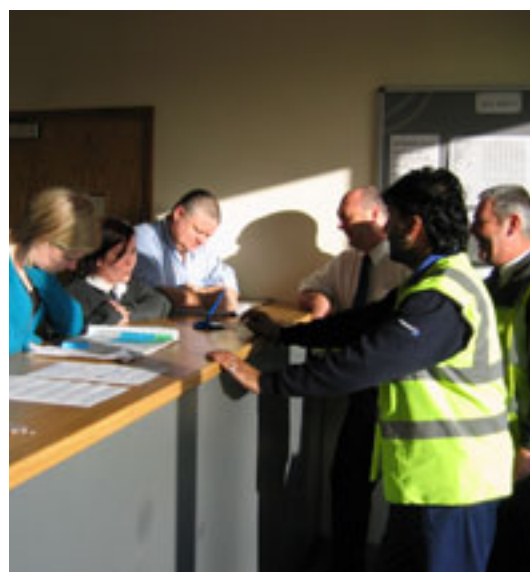
The main challenges the trunking fleet (Linehaul fleet) has faced have been to improve fuel consumption, improve driver retention and reduce the amount of accidents and damage to vehicles. Employees are motivated to meet these challenges by a range of factors including financial rewards, status, praise and acknowledgment, peer group competition, job security and public recognition. Employees are given some autonomy and encouraged to find their own solutions.

“Our employees are motivated because they understand the overall goals of our business. We ask questions to establish how clear they are about the company's principles, priorities and mission.”

Stephen Hayes, Training & Resources Manager, GeoPost Linehaul



Staff knowledge and competencies are identified, developed and sustained. Throughout the training and development process, staff are involved, empowered, rewarded and recognised. The company recognises the importance of retaining skilled drivers and staff, so it has created several initiatives aimed at doing this.



The company ensures that training is provided to all drivers via the 'Economic and Defensive' driving course. Once a driver has received training, progress is monitored using driver league tables. Drivers can see how they are performing compared to their colleagues and the league table is used to determine the 'Driver of the Year' competition winner. The driver league tables are used to monitor:

- ➔ Driver time and attendance
- ➔ Accident and damage records
- ➔ Fuel consumption
- ➔ Driver retention (length of service is reflected in bonus entitlement)

“Our driver league table together with all our other motivational measures has been an excellent success not only for the company, but also for our drivers and the management team. It’s been a total team effort. Both drivers and management contributed and also the Union was consulted. Our open door policy has encouraged our drivers to continuously provide us with feedback and ideas to improve our systems and processes.”

Stephen Hayes, Training & Resources Manager, GeoPost Linehaul

The Benefits and Outcomes

Within a year of introducing driver and staff motivational measures GeoPost has seen the following benefits:

➔ 4% saving on fuel. The Linehaul operation of GeoPost spends approximately £12 million on fuel per annum. Based on 99p per litre of diesel (correct at June 2008) this amounts to the following annual savings:

- £480,000
- Approximately 484,848 litres of diesel
- Approximately 1,275 tonnes of CO₂

➔ 10% saving on accidents and damage to vehicles

➔ Improved driver retention

➔ Greater competency behind the wheel

➔ Increased pride in the job. All drivers now wear uniforms, helping to maintain the reputation and image of GeoPost

Conclusion

These case studies provide excellent examples of diverse methods that seek to encourage, motivate and retain employees in a transport operation. Importantly it is not only monetary incentives that lead to performance improvements, a sense of achievement and pride is also extremely important in terms of both professional development and company progression. These examples illustrate the following overall benefits:

- ➔ Fuel savings
- ➔ Monetary savings
- ➔ Happy workforce who are proud to represent the company
- ➔ Responsible and accountable workforce
- ➔ Improved employee retention
- ➔ Increased productivity
- ➔ More competent drivers
- ➔ Reduced accidents and damage
- ➔ Improved communication
- ➔ Increased buy-in to changes and company development

Freight Best Practice publications, including those listed below, can be obtained FREE of charge by calling the **Hotline** on **0300 123 1250** or by downloading them from the website **www.businesslink.gov.uk/freightbestpractice**

Saving FUEL

Fuel Management Guide

This is the definitive guide to improving the fuel performance of your fleet. It gives step-by-step explanations of the key elements of fuel management, how to measure performance and how to implement an effective improvement programme.

Performance MANAGEMENT

Performance Management for Efficient Road Freight Operations

This guide explains the process of measuring performance effectively. It includes advice on how information is best collected and interpreted to allow informed decision making in order to achieve operational efficiency improvements.

Developing - SKILLS

Saving Fuel Through People

This guide provides advice and real life examples to help operators motivate their staff effectively and shows how to implement and manage change more successfully.

Transport Operators Pack - TOP

TOP provides practical 'every day' support material to help operators implement best practice in the workplace and acts in direct support of tasks essential to running a successful fuel management programme.

Equipment & SYSTEMS

Telematics for Efficient Road Freight Operations

This guide provides information on the basic ingredients of telematics systems, highlights how to use this technology, the information obtained from it and how to select the right system for your needs.

Case STUDIES

There are over 25 case studies showing how companies have implemented best practice and the savings achieved. Check out the following selection of case studies:

- Tesco Sets the Pace on Low Carbon and Efficiency
- Engine Idling – Costs You Money and Gets You Nowhere!
- Operational Efficiency Brings Savings for Yearsley