Managing driver performance is vital

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Propane fleet operators often struggle when it comes to developing an effective driver performance management program. The challenge for most companies in this industry is usually the first logical step of any performance management program: defining and developing a productivity measurement.

Freight and many other non-propane fleet operating companies use traditional measures such as miles driven, revenue per month, tons delivered, etc. to define driver productivity. For these companies, performance is easy to measure, as drivers spend most of their time behind the wheel. Loading and delivering are usually once or twice a day events, at most.

Measuring driver productivity in propane operations requires a different approach since drivers spend much of their day delivering and loading, logging less driving time. Also, the amount of time spent on each task can vary widely between days depending on customer needs, customer type and route density.

Fortunately, there is a simple tool that propane companies can easily develop to convert the tasks drivers perform into a meaningful productivity measurement – a work unit conversion tool.

This tool converts tasks (called work units) into productive hours based on a specific company's experience. For example, if it takes, an average of 20 minutes to load, each loading work unit performed is credited with one-third of a productive hour. If home delivery averages 15 minutes, each home delivery work unit would generate a credit of one-fourth of a productive hour.

Driving time also is converted to productive hours. Again, a company's specific history will define the conversion rate, which could be one productive hour for every 48 miles driven.

Other work unit conversions can be established to make the tool as sophisticated as needed. Commercial deliveries might be credited with a higher conversion rate (more productive time due to increased volumes being delivered) or gallons pumped could be converted to productive hours similar to the miles driven conversion.

At the end of the day, the productive hours for each work unit are added together to calculate an individual driver's total productive hours. That becomes the productivity measurement used in our driver performance management program.

Total productive hours provide the most meaningful performance information on a monthly (best) or weekly (good) basis. Fluctuations in routes, breakdowns or illness can easily affect daily performance and render it meaningless.

Now that we have a defined productivity measurement, our next step in creating a driver performance management program is to develop productivity goals.

Goal setting is the process of analyzing driver performance to define company expectations about productivity. When done properly, it is a continual process of raising the bar.

One approach to goal setting is to rank and layer current driver performance into three sections. Drivers in the top 25 percent are congratulated as their average performance is used to define expectations – the targeted productivity level. The middle 60 percent are challenged to elevate performance to the targeted level while the bottom 15 percent are coached for immediate improvement and, where necessary, placed on improvement plans.

Once productivity measurements and goals are established, we can now begin to implement and manage our performance management program by conducting driver reviews to jointly review performance and communicate expectations. A driver's individual performance ranking will determine the tone of the review.

The driver review should be structured as a forum for mutual learning. Drivers should educate management on how the company can help them improve performance. Possible topics include dispatch hours, reoccurring customer delays or improved routing suggestions.

Management should educate each driver on performance improvement opportunities by reviewing individual hours worked, starting times, absenteeism and other productivity obstacles.

Removing obstacles is the final component of our performance management program. In this way, management becomes directly accountable for driver productivity. Suggestions and concerns provided by drivers during reviews must be acted upon quickly and effectively.

Developing a driver performance management program is not complicated, requires minimal capital investment and has a potential return that is enormous. Unfortunately, too many propane retailers do not have a driver performance management program in place.

To those of you without a driver performance management program, I'd ask that you consider this: What would an increase of 5 percent in driver productivity mean to your cost structure and revenue generating ability?

Now also consider this: A propane company's two largest operating expenses are fleet and drivers. The vast majority of propane companies optimize fleet performance through measurement, goals and scheduled performance management.

Why would any propane company not want to use measurement, goals and scheduled driver reviews to also optimize driver performance?

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