

Attrition challenges of Drivers in Prime Logistics in Bhiwadi (Guwahati), West Assam

Sweta Singhal

Associate Professor, Asian Business School, Noida

Abstract

Mr. Shubham (Protagonist and Entrepreneur) has started his transport company in 2019 focussing on providing good and timely services to their customer. In October 2021, he found that 6 drivers have left out of 26 in this month which was an alarming situation for the sustainability of his company. He immediately called up his manager Mr. Ajay to know the reason for attrition. He always believed in providing help to his staff as and when required for their family and medical emergencies. The compensation paid to his drivers in case of accidents and medical emergencies maximum amounting to rs 25000/- annually. He holds a management degree and wants to re-work on his business strategies and business model so that it comes out to be innovative and sustainable in nature.

In the early morning of October 10th, 2021, the phone bell rang when Shubham owner of Prime Logistics and Services limited, was entering his cabin. He picked up the phone it was a call from his old customer complaining of the non-delivery of the consignment. This incident has happened thrice in 2 weeks receiving complaints of non-delivery or delay in delivery of products. He wondered what was happening in the company? He called a meeting with his manager Ajay, who looks after the customer relations and a decision-maker on behalf of him. He wanted an immediate action into the matter. Ajay, the very day elaborated on the issue, he was confronting with the drivers in past few weeks as some of them have left without notice. He wondered what was the sudden reason for attrition among them? Shubham established his new enterprise in March 2019 and followed the same principle of retaining the truck drivers which his father, Mr. Vinod (business-man) did to gain their commitment and loyalty. He provided them with all the benefits and facilities to increase their well-being. He thought that if the attrition rate of drivers increased on the similar scale it will surely create a sudden impact on the performance and good-will of the company. He proposed a meeting with Ajay (decision maker), backend team and Union leader to meet at 10am to discuss about the upcoming challenge. The next day, the owner, manager and the union leader met at the fixed time to discuss about the issue as decided. The backend team also while during conversation complained of not able to manage the trip with the drivers. It was found that to retain drivers now had become a huge task? It is due to they are looking for a better opportunity and there is a need to re-work with the HR policies which should aim at retention and overall development of their staff. He wants to know what are the factors responsible for drivers attrition in the company and its percentage rate of declining in the near future so that they can forecast the short fall easily.

Keywords: Attrition, Logistics, transport industry

Management Insight (2024). DOI: <https://doi.org/10.21844/mijia.20.2.8>

Introduction:

Company background and its working

Prime Transport & Logistics started in January 2019 in Bhiwadi, West of Assam with an initial investment of 200 US\$ now 350 US \$ Company with a staff of 45. He started this venture on the principle of providing quality and timely services to his customers. Shubham is 23-year-old and will soon be receiving his Post Graduation degree in management. He has worked closely with his father whose business was into truck and tiers. His

Corresponding Author: Shweta Singhal, Associate Professor, Asian Business School, Noida

E-mail: swetasinghal81@gmail.com

How to cite this article: Singhal S., (2024). Attrition challenges of Drivers in Prime Logistics in Bhiwadi (Guwahati), West Assam, Management Insight, 20(2) 72-78

Source of support: Nil

Conflict of interest: None

Received: 25.10.2024; **Accepted:** 05.11.2024; **Published:** 31.12.2024

father supported him with the initial capital of 150 US\$ as he found good entrepreneurial potential in him to expand his transport and logistics business. As a novel,

young protagonist in this field, he compounded with lot of challenges which includes social, political and geographical factors in Guwahati but the utmost is human factor. The companies unique selling proposition has been providing raw material to the Pharma companies on time and safely. He is also planning to tie up with the national brands (in alcohol and beverages) located in Guwahati to increase the competitiveness of his business. The company is committed on providing speedy and timely services to his customers. There are 40 employees out of which 26 are drivers which form a major part of the organisational hierarchy. The drivers in his company initially work for one year on contractual basis to supply the required raw material from the producer to the manufacturer (Pharma Industry) and contractors which require delivery of their material on time.

He as an asset from his father got few drivers which show loyalty towards them and support the company. Due to sudden attrition of drivers from the company has left him with to re-think on his new business model in this financial year.

The drivers which form the backbone of the Prime Transport and Logistics services worked on the principle of building good customer relations and providing services on time. The drivers work initially for one year on contractual basis and then on the basis of their performance their proposal is considered for a permanent job. The dexterity and number of trips accomplished is an important criteria for their hike in salary and other benefits. Their basic salary is @8000/-pm+incentives. They are provided with good fleets and break after the non -stop journey of 5 hours. The company has tie ups with petrol pumps which come on their way to provide the logging services. The GPS fitted in the fleets of the truck drivers helped them to remain in touch with the backend team in case of any help and emergency. The company covers insurance policy for the drivers going on tedious and dangerous job only. They have provided maximum compensation amounting to rs 25000/- in case of small accident and rs 100000/- for deadly accident and recovery. The company is new and it requires more systematic and durable model for the drivers as per the need of today. The protagonist has a post-graduate degree in management and handhold experience of his father

business which motivates him to work on the different HR policies as per need of the private company.

Challenges Ahead

The owner when confronted with the present issue is in a dilemma how to stop the attrition rate and make a competitive retention model for it. He thinks to work on the old model as new would require more time and investment and should also have a long-term effect on the competitiveness and satisfaction of the drivers. Is the company in a situation to re-work on the new model which can stop the attrition rate which was estimated at 2% monthly by the manager.

Situational Analysis

Mr. Shubham is an entrepreneur in Guwahati, Assam has recently started facing problem regarding the attrition rate of the drivers from his company. He called an important meeting with his manager to know the abrupt reason of their leaving. He holds a management degree and therefore, wanted to exercise his skills in favour of truck drivers employed by his company. He knew that his drivers are hardly educated but are aware about their own benefits and future, they can be quite prone to quit or switch jobs either due to their financial issues or health issues or societal-status issues. Another major factor, he found was of high attrition was the competition with the local transporters as drivers are willing to switch the organization at hike of mere ₹ 1000/-. The company provides a systematic insurance scheme and that too full premium paid that adds expenses to the company who have a long time relationship with the company and involved in dangerous trips. Moreover, the managers and accountants who are dealing directly with the drivers are asked to be friendly and cooperative with them. However, policies like rewards and penalties, yearly incentives and recognitions for the outstanding duty are there to take care of them.

Decision Point

The tradition in this sector is usually that management spends less money acquiring, recruiting and training them. So Performance goes low. Engagement also goes low and attrition goes high. Now it is a big problem in the company to retain the drivers for a longer period of time

and make sure that they don't lose any business because of lack of good drivers. He has to make sure that he conveys the right instructions and receive feedback from the drivers to ensure lower attrition rate in the near future. So, he is in a fix what to do to resolve this issue? He is now stuck in a dilemma to whether go ahead with the risk of making structured plan for investments towards their drivers' retention and well-being as nobody else in the sector is doing that. But if the investments don't pay him well and drivers are not motivated then not only, he will incur losses in his business but will also lose credibility in the transport market.

Discussion Questions

Q1. What is the importance of transport industry and challenges faced by truck drivers in Guwahati?

Here, the class will be divided into two groups in which the first group will talk about the role and importance of transportation industry in India and the second group will highlight the challenges faced by truck drivers in our society who form the backbone of our industry.

Transport infrastructure development is the most important factor for a country's progress. Although, India has a large and diverse transport sector with its own challenges states wise and sector wise. It is growing steadily and tremendously locally. India, the seventh largest nation with over a billion population has one of the largest transport sectors. "Domestic transportation is a key factor for economic growth"- Amitabh Kant, CEO, Delhi Mumbai Industrial Corridor (DMIC).

During the time of independence most of the freight travelled through railways but after 1990's the development of road started and network became more stronger leading to requirement of skilled and dedicated drivers in the country. Truck drivers play a vital role in our transportation system who travel long hours in all weather conditions so that the consignment reach us on time. Their life is difficult as they don't have a fixed time for their food, rest and sleep. On top of that there are no good provisions for them related to their health facilities, accidents cover and secured life.

In the Save Life Foundation (2020) said "if we analyse the report there has been many initiatives taken to raise the awareness and safety of the truck drivers in India, the study aims at important gaps that need to be addressed to improve the status of truck drivers in India. Truck drivers are the lifeline of the road freight transport in India and its important to address the challenges faced by them"- Vijay Nair, VP -Admin &CSR, Mahindra and Mahindra.

Q2. What are the factors that led to the attrition of the drivers in the transport company of Guwahati?

Ans-The class can be divided into two groups in which one group can talk about the reasons for attrition and second can give suggestions for it which can have a fruitful implication on the transport industry. Attrition was recognized as the huge issue by the protagonist and was in a dilemma to understand its probable reason. Inadequate funding is also recognized as a perennial problem in Guwahati and Look East as a policy was adopted to solve the issues related to overall development in the transportation sector.

India had a truck to driver ratio of 1:1.3 in the late 1980's and early 1990's which has come down to 1:0.6 and is expected to further drop down by 1:0.5 in the next couple of years.(source)

Some of the reason for attrition are as follows:

- Opportunities of self-employment many of the truck drivers are opting for some other profession.
- Industrial and service industry opportunities offer far more comfortable working conditions thus many of the unskilled segment of the population are looking for employment in these sectors.
- Lack of respect for the driver community leads to disliking towards the job drivers don't want their next generation to be in this field.
- Poor compensation
- New generation are opting for less stressful and better remunerated jobs
- Infrastructure condition is pathetic with high risk of accidents

Q3. What is the role of HR policies in retaining and motivating the truck drivers of a transport company in Guwahati?

The instructor can divide the class in two groups, where one group can talk about the need and importance of HR policies in the organizations and the other group will speak against the HR policies. The instructor can pose the question on how do you think HR policies are at all helpful for organization's existence? The instructor should talk about the need to form these HR policies in the organizations and how this can help in people management issues.

The instructor should explain the benefits of having HR policies in the organization. HR policies are plan of action which ensures commitment from the management to a general course of action. These HR policies reflect the company philosophy towards various practices including people management. The instructor can also discuss how disastrous it can be for the organizations if they are not having well drafter HR policies in their organizations. There are various HR policies which the organizations adopt such as recruitment and selection, training and development, handling employee grievances, reward and recognition, career development etc. The more well-structured are the HR policies, higher will be the employee retention. According to Workforce Planning for Wisconsin State Government (2015), employee retention is a systematic process to improve workplace environment and encourage employees to stay employed by having policies and practices in place which addresses their diverse needs. It can be emphasized, that with strong HR policies in place, all future HR needs could be addressed without any difficulty. But if the policies are not present, it will be challenging to meet the employee needs effectively.

The instructor can discuss the following determinants of employee retention and the need to have a strong HR policy against each one of them

for effective integration with business strategy (Kossivi, B. et al, 2016).

- Development opportunities: personal and professional growth opportunities such as career development, training opportunities, promotional openings, advancement plans etc.
- Compensation: reward strategies linked with employee performance, compensation needs to be based on current market trends, skills used and performance to be emphasized while compensating, variable pay to be continuously revised depending upon industry trends.
- Work life balance: harmonious balance between professional and personal needs, emotional support to employees, supervisory support.
- Management / Leadership: Participative leadership style, involvement of employees in decision making, supportive supervision etc.
- Work environment: flexible work atmosphere, conducive working environment, fun workplace, availability of resources.
- Social satisfaction: employer-employee relationship, addressing employees' individual needs, favourable work environment.
- Training and development: developing obsolete skills, learning new skills, employee loyalty.

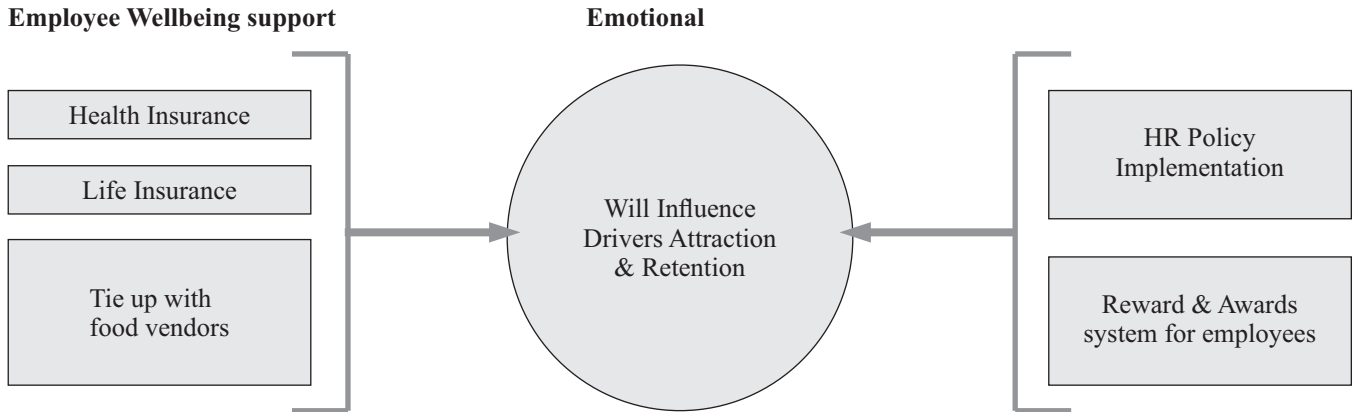
All the above retention strategies require the presence of strong HR policies. The instructor can discuss on the importance of developing HR policies in order to implement the above strategies systematically. Without proper HR policies none of the retention strategies can be effective.

Q4. What can be the proposed retention techniques/model in the transport industry for the truck drivers in Guwahati?

Answer to be attempted by the readers

The Proposed Model-

Appendix I Model for the drivers attraction and retention (proposed by protagonist)



Way Forward

Shortage of drivers certainly doesn't have a quick solution it will take time and continuous efforts to make this field or profession attractive. Some of the positive steps which can be taken into account as per the researcher.

- Rest houses for drivers as large conglomerates have started this facility of providing drivers with the rest houses where drivers can rest well for the night, have access to clean washrooms.
- Continuous counselling and good words are bringing change in the society but at the slower pace
- Many of the companies are coming up with the insurance policies for their drivers just to guarantee a strong support system.

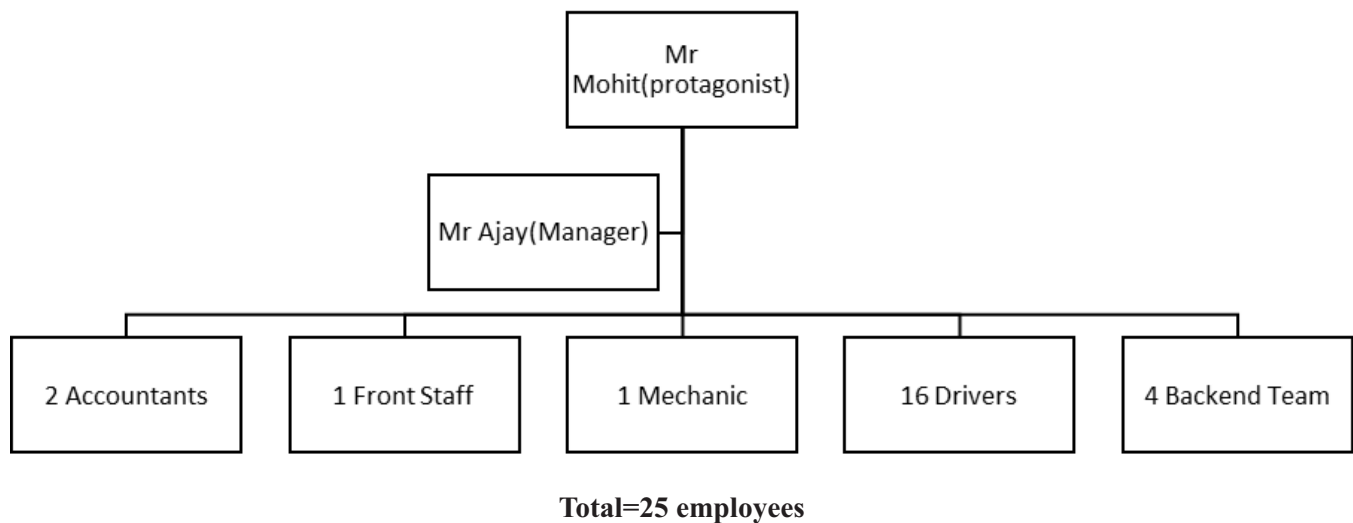
Conclusion

Guwahati is the largest city in Assam and one of the fastest developing cities in India. With the rapid growth in the different sectors like Pharmaceuticals, Beverages, Cement Industry and on the top tourism is opening source of livelihood and tourism in this area. It is necessary to develop new models as the traditional models will not much pay in the development of the economy.

Mr. Shubham being a management graduate understands the economy and wants to inculcate the best policies for his company. He wants to build a good culture and environment for his staff so that they work for a longer time and show loyalty towards them. He is on a firm belief that the model proposed above will definitely improve the situation of attrition in his company and can be a workable model for other unorganized transport industry located in Guwahati.

Exhibit 1**Table of Revenue of Friends transport and Company**

Year	Cost estimated	Revenue Earned	Profits	Losses
2019	40\$	45\$	5\$	Nil
2020	45\$	52\$	7\$	Nil
2021	60%	90\$	30\$	Nil

Exhibit 2**The Organisational Hierarchy of Prime Transportation and logistic****Theories:**

1. Herzberg's X & Y theory - Most relationships are made up of a certain amount of give-and-take, but this does not mean that they are always equal. Social exchange suggests that it is the valuing of the benefits and costs of each relationship that determine whether or not we choose to continue a social association. In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".

2. Ouchi, 'Theory Z' - focused on increasing employee loyalty to the company by providing a job for life with a strong focus on the well-being of the employee, both on and off the job. According to [Ouchi](#), Theory Z

management tends to promote stable employment, high productivity, and high employee morale and satisfaction.

References:

- Saunders, L.W., Bell, J.E., & Sawhney, R.R. (2015). The use of common carriers to control the internal capacity: A survey of the industry. *Transportation Journal*, 54, 122-135. doi:10.5325/transportationj.54.1.0122
- Status of Truck Drivers in India (2020). Save life foundation by MDRA. Available at www.savelifefoundation.org
- Bhattacharya, A.K. (2000). Indian Trucking. *The Asian Journal*, Volume VIII, No.2, ISSN 0971-8710, pp II-VI.
- TNN (2019). Assam recorded most accident deaths among north east states. 20th sept. pp1-
- IRU (2018). Driver shortage for trucking industry - an Indian perspective. 20th sept. pp2-
- Skill Gaps in the Indian Logistics Sector - A White paper', 2007 - KPMG.
- Tewari (2020). Most truck drivers in India are sleep deprived, compromise

road safety: Save life's hard -hitting report.

www.industries.assam.gov.in retrieved on 17/12/2021-Government of Assam, Industries and Commerce last updated on 10th December, 2021.
swarajyamag.com