

## PERFORMANCE MANAGEMENT TOWARDS BETTER SERVICE AMONG CONTAINER HAULIERS IN PASIR GUDANG

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### Abstract

This paper examines the performance measurement focusing on operational activities of a container haulage industry. Apart from financial performance, satisfying customer via reliable delivery and services is a key factor of sustainability for container haulage service providers. In the highly competitive world of business, getting orders with fulfilment of Seven Rights of Logistics is vital. On the other hand, container haulage operators must always be on their toes as customers have the privilege to choose hauliers from the handful of providers available in the market. The operational performance is one of the metrics to measure the effectiveness of haulage operation. Therefore, the researcher needs to identify the availability of measurement at the company in order to ensure its efficiencies to the operation of haulage. The scope area is in Pasir Gudang and the researcher has chosen Pos Logistics Berhad (Southern Region) to analyse the data. The factors that affect the measurement of operational availability of equipment, speed and time which referring to deliver services and number of complaints by customer. The operational issue performance usually can be seen in terms of speed, cost, dependability, quality and flexibility. In order to get the information regarding the title, the researcher will need help by the important person which are head of operation, executive maintenance and head of customer service. Those people will make the research objective achieved by answering all the relevant research questions. The qualitative method that has been chosen is semi-structured. The researcher will conduct an interview session as to receive the information and fit with the related data. Developing an interview guide regularly begins with outlining the issues or topics that should be included. After the interview is done, the researcher will analyze the data to make sure the data is parallel with research objective. The researcher creates the coding based on the transcript of interview. Nevertheless, a few recommendations are recommended to make sure the effectiveness of measurement keep giving the best result at the end of haulage operation itself at Pos Logistics Berhad.

**Index Terms**-- Container, Performance measurement, Key performance indicator, Sustainable

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### INTRODUCTION

Inland movement of containers has been the backbone of logistics operations and development of business. Land transportation is the mode that will always be part of the elements of delivery as it is the most accessible compared to other modes of transportation where intermodalism is involved.

In most cases, it brings the consignment to other modes such as water, rail and air for outbound and on the other side it is again required to deliver to the door of the consignee. Zaid, Z. M., and Shah, M. Z. (n.d.) has indicated that efficient container haulage service is one of the important decisions a consumer needs to choose to ensure their inventory network is not affected. In order to assist their clients to make a right decision, the haulage companies have to make themselves proficient and practical. There must be indicators or benchmark for the consumer to base on in their decision. Some approaches to decide are based on benchmarking.

Operators need to gauge so as to accomplish the board improvement and strength requires. Each fleet management has key objectives and targets. Illuminated how well they are getting along in respect to the set targets required that they have some reason for looking at the others' genuine yield against the outcome they 'want' to have. Managers who go the technique for 'gut' will most occasions rely upon their experience to make presumptions worried on fleet execution, and afterward continue to put together key choices with respect to these suppositions.

Malaysian government incentives to container haulage operators has resulted in more acquisition of assets to meet the demand of increasing growth of volume of export and import of goods in

containers. Subsequently the demand for container haulage business and sea shipment increase continuously, dominating the volume of tonnages sent to and from Asian country; transport shipment is relentlessly developing in volume and qualities. However, it is generally far progressively exorbitant contrasted with sea transport (Sbmumcob, S. A., and Uumcob, M. M., 2014).

### FINDINGS

#### Operation Performance Measurement

Based on Zigu (n.d.), operation performance measurement are the key measurements used to quantify the operational performance of an organization. Various organizations have various measurements to quantify their own performance yet few of the measurements are similar over the whole business condition such as gross profit, productivity, employee satisfaction index, customer satisfaction index, and revenue generation.

#### Key Performance Indicators

According to Šimková, I., Konečný, V., Liščák, Š., & Stopka, O. (2015) mentioned Key Performance Indicators (KPIs) assist an organization to characterize and measure advance towards hierarchical objectives. Key Performance Indicators are quantitative estimations, that reproduce the significant achievement components of an organization. It involves setting of benchmarks based on historical data.

This suggests gathering the information on key areas of the operation, and switching this data into explicit measures that may facilitate to identify how the asset are performing. This will provide good information in the setting up of the Key Performance Indicator (KPI). KPIs are often accustomed facilitate

managers create strategy, set up and create selections, whereas at the operational level they will show plainly the areas that require improvement, or a modification in approach.

**Areas to focus on**

**1. Costs**

There are four indicators to be determined namely average cost unit delivered, regular running charge (per mile), typical standing charge (per mile), and normal driver cost (per mile). The data required for each indicator can be getting through rent cost, fuel cost, charge of driver agency, maintenance cost, annual insurance price and others.

**2. Operational**

In operational area, it takes about three indicators that help to measure the operational area. It is the overall miles run ('000s), whole empty miles run ('000s), and regular vehicle fill. In order to fulfill the performance, the data required can be taken including odometer opening, odometer closing, and number of empty miles.

**3. Services**

The service is one of the important areas to indicate the performance. Therefore, there are three elements to measure in services area that is the percentage of the total late deliveries, percentage of total damages, and percentage of total complaint. The data required comprise the number of deliveries, number of collections, number of late deliveries, number of complaints, and distance travelled.

**4. Compliance**

It is important to run the operation within the legal framework to ensure safety, security and sustainable business. This include total number of overloads, total number of vehicle traffic infringements, total number of driver hours infringements and total number of accidents. To gain the data are through number of overloads, distance travelled/number of trips, number of traffic infringements, number of driver conflict, number of blamable accidents, number of non-blameworthy accidents.

**5. Maintenance**

Maintenance have only two key indicators to measure this performance that is percentage of failed inspections total and percentage of defects rectified in 24 hours total. In order to receive the data, it requires the number of inspections due, number of inspections overdue, number of defects, number of imperfectness rectified in last 24 hours, distance travelled and number of trips

**Issue on Container Haulage Performance**

This section explain the reasons and summaries the issues facing the container haulage performance.

**1. Cost**

Cost has ceaselessly been in fundamental essential measurement in evaluating the logistic performance. A few investigations just have some expertise in elective measurements, for example, lead time, quality and adaptability. The basic providing esteem comprises of transportation and conveying inventory expenses. Be that as it may, different issue raised, and talks are inadequate in amending different guarantees on costs. The degree of power is affected by a few factors, for example, cost, time acclimated convey the administrations and dimensions of hazard.

**2. Speed**

To support exchange and permit product to prevail in their goals needs practical foundation just as proficient customs procedure. Electronic customs procedure may improve power through the time spent and cost. In spite of the presentation of paperless

methodology that improves customs skillfulness, the accessibility of amazing administration is remain lacking.

**3. Quality**

Logistics infrastructure is significant in pulling in household and global financial specialists in setting up and extends their business activities. The productivity of framework empowers nation to accomplish vast economies of scales, reducing the average time shipments spent at sea and in ports. With regards to Malaysia, the logistics infrastructure improved steadily. Be that as it may, the logistics infrastructure in Malaysia is inadequate with regards to which there are some deferrals in the conveyance of products to and from the port. The cargo transported to and from Port Klang is conveyed by truck and the railroad execution was not satisfactory.

**4. Dependability**

Customs department is one of the immediate specialists associated with fringe crossing forms. Along these lines, issues like deferrals, complex form- filling, principles and border clearance checked are much prompted. Logistics players were amazingly depending upon the information technology (IT) and electronic data interchange (EDI) detail that the use of IT and EDI may hinder crimes, casual installments and improve cost power.

Nonetheless, the change technique is required for a smooth progress from conventional to e- customs process. Despite the fact that it very well may be viewed as modern, it might make some intricacy all through the procedure. In any case, not all guideline could be changed electronically, because of trouble with the declaration letter, inspections that may affect the client indirectly.

**5. Flexibility**

Diverse entrance times has been seen commonly of the adaptable execution criteria that may improve the capability of the major ports in Malaysia to provide import and export compartments traffic just as bulk shipment. Various devoted paths for import and export still as various additional multipurpose paths is blocked. As demonstrated by the one of the logistics officers that they need to affirm that their containers arrive at the port, agreeing of every single relevant date, they entered an e-system given by port administration to smooth traffic stream. In this way, capacity to fulfill clients' request on entrance times may expand port performance.

**Improvement on driver performance**

Driver is important in operation haulage. They are the frontliner who pick up the container and deliver to the customer. Driver plays important roles in order to reach the target of operational performance. Nowadays, to get such a good driver with good manners is very hard. It is probably because of economic downturn. Incentive should be provided for driver with good performance. At the same time, they will also have a penalty for those that do not achieve the target. Employers need to develop skill among driver and have an operational training in order for them to aware the performance in haulage is important. Having training will improve overall of performance and enhance the driver attitude too.

**Efficiency of operational**

The researcher recommends some action in order to improve efficiency in their own operation. Under operational efficiency it could have a vehicle routing and utilization. Eventhough they have their own system in terms of tracing location of driver when driving the prime mover. Actually they can improve operation performance by upgrading their current system with new systematic system. For instance the system that already updated can reduce journey times and vehicle mileage, develop the

variety of delivery schedules, plan the most operative route, and moderate the number of journeys and vehicles required. All these are functionally in one system which can develop performance into better way.

#### Recommendations for Future Research

Throughout the interview session, the researcher analyse few things which could affect the operation performance in future if the company does not figure out the step to make it better from now. For the future researcher can continue the research by come out with more efficiency on operational performance in haulage industry.

Improve the operation process indicator by optimizing IT for performance usage. Based on the indicator previously that has been stated by respondent, there are a few indicators which help them to analyse the performance of operation in haulage service. By having indicator, it helps them to generate the result and make better changes from time to time. Different indicator for each department would play the different role. This is because they need to ensure at the end of process, they will obtain the result and analyse the problem. The indicators need to be recognizing the suitability for each department and implement it when it is ready.

They do also need to add the indicator that might assist them in future since haulage industry became important roles to other party in terms of transporting the goods in large amount. The usage technology in indicator performance becomes trend because it has come new era of technology for haulage industry. Along the operation process, they should have specialize the system in haulage performance in order to get the clear data without any interrupted by other system. Besides, all departments under haulage service shall have the reminder system whenever the data is update by employees, everyone in the department is aware instead of waiting from receiving email from another.

#### Limitations of study

Limitations are matters and occurrences that emerge in an examination which are out of the researcher's control. They limit the extensity to which an examination can go, and now and then influence the final product and ends that can be drawn. Each study, regardless of how well it is led and built has confinements. This is one reason why the scientist doesn't utilize the words "prove" and invalidate concerning research discoveries.

A limitation associated with qualitative study is related to validity and reliability. Although it is included in research methodology, it still being hard circumstances when the respondent were only giving answer generally with the questions provided. The researcher found that it is hard to get the important document in order to support the analysis that has been made by the researcher. Therefore, just by having interview session will help researcher to collect the data and make analysis. The respondent with much experience may help the researcher give the data as much as they can. But then, they still need to keep privacy the data. Besides that, time constraint. The availability of respondent may drag time become longer to make interview session. This is because they are busy with their job which involving many peoples. The researcher needs to wait until the time that they able to use for interview session.

#### CONCLUSION

Managing operational performance is vital for a sustainable operation such as a highly competitive industry of container haulage. Delivering goods alone is not sufficient because business today are expecting customer satisfaction fulfilment.

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