
The Battle for Drivers

What steps fleets need to take to recruit, retain and plan for their drivers

Warning: Worsening driver shortage road signs are:

- The average age of drivers is the same as it was several years ago—53-54.
- Baby Boomer drivers are retiring.
- Baby Boomers who want to keep driving may not be able to due to stricter medical requirements under government consideration to limit negative effects of aging on safety.
- Gen Xers and Gen Yers are not displaying interest in a driving career.

This blue paper describes the circumstances indicating a general lack of interest in a driving career and offers strategies and tactics that trucking firms are using to compete for, develop, and retain driving talent.

Situation overview

In the wake of the Great Recession, some Baby Boomers are delaying retirement, hoping that a few extra years of work will help them replenish nest eggs devastated by the economic downturn. The media hype about prolonged retirement has led some employers into misinterpreting these delays for long-term workforce sustainability.

In the trucking industry, nothing could be further from the truth. Delayed reflexes and other negative impacts of aging may preclude drivers from fulfilling their desire to work longer. At best, it delays the inevitable: there will be a severe shortage of drivers unless the trucking industry implements tactics that attract younger drivers.

Startling statistics and facts

The industry's driver shortage is exacerbated by:

- Turnover and retirement of 10,000 Baby Boomers everyday on average
- U.S. Bureau of Labor Statistics' prediction of a 10 million-worker shortfall
- Competition for talent by four of America's largest industries—real estate, manufacturing, insurance, healthcare—the oldest by median employee age
- Overlooking early 2000s' prediction about talent gap causing scramble for capacity
- By 2015, Generation Y (1982-95) will outnumber Baby Boomers in the workforce.

The one statistic that appears to be somewhat encouraging is that turnover in entry-level hiring is astronomical—70 percent of college graduates leave their first job after graduation within two years. The success of the trucking industry in attracting candidates from the turnover pool relies on its ability to recruit and retain the next generations of talent. Firms must create plans now.

With competition for drivers intensifying, drivers can be more selective about the firms they drive for. And it's easier than ever for drivers to keep an eye open for greener pastures. For instance, drivers can subscribe to an online service that searches for opportunities. When a driver responds to an opportunity, the service provides a current resume/driving history for the driver to submit.

For trucking companies, this trend could be doubly concerning. First, how does a company differentiate itself to drivers as a highly desirable employer for attracting talent? Secondly, once a driver is hired and trained, how does a company retain that employee?

Career positioning and education

A much larger percent of GenX and GenY is bound for college, compared with Baby Boomers and as a result, are likely to perceive that they are overqualified for a driving career. They are unaware of the financial advantages that a driving career offers. That's why positioning and education are key strategies that the industry must adopt to paint an attractive picture.

The short- and long-term financial benefits are attractive to young candidates who want to avoid or are weary of office politics and climbing the corporate ladder. Compare a \$65,000 salary behind the wheel to \$35,000 behind a desk in the overcrowded white-collar job market. Add the upside potential of a six-figure salary with medical benefits and stock options that experienced drivers with good safety records and the lowest PSP scores.

There are other factors to incorporate in the positioning/education effort, such as personal values that may affect their career decisions. Both younger generations hold quality of life—including time with friends and family—dearer than their BB predecessors. Today's technology, such as Skype and face-time face-to-face communication, can compensate for life on the road by creating more of an "at home environment."

"Truck-driving is a lifestyle. They're away from family. If you want to retain a driver, don't make them sit and wait. Help them get home safely in good time. Technology is the best way to do that. Our system helps drivers manage themselves better. Information has made them proactive about drive time and productivity."

– Don Keeney, Leavitts Freight Service, Springfield, Missouri

Recruiting targets and strategies

The rising cost of higher education is a barrier to college for many who may not qualify for financial aid. Therefore, making information available through high school counselors should not be overlooked.

Reaching freshman and sophomore college students before they declare majors is another strategy. There's been much publicity about graduates who are unable to find jobs. Professional careers are not what they used to be. There is fierce competition among law school graduates for jobs. Managed healthcare is closing the salary gap between doctors and drivers. Plus, drivers don't face the medical-school debt that physicians typically have.

The 70 percent of college graduates who have left their first post-graduation jobs could be ready for an entrepreneurial driving experience. Becoming an independent contractor who could own their own vehicle in two to three years would appeal to GenX's self-reliance and GenY's individualism and "silver spoon" attitude.

Returning military personnel comprise another target market for recruiting drivers. Those that were delayed in entering the job market are looking for opportunities that jumpstart their careers, and others may be looking for something entirely different upon their return to civilian life.

One of the best recruiting resources—a firm's successful career drivers—is the most credible. A happy driver speaks volumes about the firm and career. Incentivizing drivers to tap their sphere of influence can boost candidate reserves. A talented driver understands what it takes and will refer like-minded people.

Recruiting/hiring process

There are many ways to reach prospective candidates—from job fairs to online job sites, employment opportunities listed on fleet websites, professional recruiting firms, word of mouth, etc. Turn your truck into a recruiter with a banner ("Now hiring professional drivers") and a web address that provides educational information and invites applications from interested prospects.

Recruiting is the first step of the hiring process. Next, a thoughtful, consistent screening process will tip the scale in favor of making successful hires—drivers that can, and will continue to, perform for your company. This is a multi-faceted step that should include: review of work history, safety record, other credentials and references; in-person interviews with HR, hiring manager, driver manager and peers; and a behind-the-wheel evaluation. Meeting with peers in a relaxed setting like a break room can garner some helpful comments from veteran drivers who can instinctively tell if a candidate will fit in as a team player.

Progressive, supportive infrastructure

Perhaps the strongest advantage a trucking firm can offer younger generations, especially college-educated and military-trained candidates, is an advanced technology environment. They are adept in the use of technology and have incorporated it into all aspects of their lives.

Paper-based systems may actually be distasteful to these techno-savvy groups. In addition to automated processes and recordkeeping, access to an active, informational web portal will support driver interaction, communication and evaluation. The ability of technology to greatly reduce, if not eliminate, administrative responsibilities elevates driving as a profession.

Most important, technology arms drivers with information—information that empowers them to be proactive about where they fuel, routing, etc. In addition, it provides drivers with a sense of security, knowing that their trucks are equipped with monitoring features for tire pressure, lane departure, and speed that will warn them when an issue occurs.



"I'm convinced that technology is a perk that keeps our company and owner-operator drivers happy. They have free email. They can save money by looking up fuel prices online. Most important, the enormous amount of time they save means they have more drive time. They have access to current maps that include HAZMAT routes to prevent wrong turns. Programmed pre-trip checks prevent taking the wrong trailer. They don't have to fill out trip sheets since our system captures the info automatically."

– Joe Neal, Heniff, IT

Clear, positive values and culture

Culture determines a firm's ability to retain drivers, and it is particularly important to GenX and GenY. A culture that values transparency, integrity, consistency, communication, and accountability will attract and retain younger drivers. While Boomers operated on the premise that no news is good news, Xers and Yers want objective feedback about their performance related to established company goals such as:

- Fuel and route compliance
- Fuel efficiency
- Safety (roadsides, accidents, incidents)
- Service failures
- Utilization

The younger workforce has no notions of a paternalistic organization and seniority entitlement that used to characterize the Boomer workplace, having seen their parents downsized force-reduced. GenX and GenY understand that reward and recognition are tied to performance.

Professional development

Training sets the tone for the firm/driver relationship and therefore should clearly establish goals and metrics that candidates are expected to meet. In turn, curriculum should focus on helping candidates meet objectives.

When training is positioned as the first part of an apprentice program, this conveys that the firm views and treats drivers as career professionals. The use of technology facilitates training by meeting a variety of learning styles and types of learners and providing candidates some flexibility. A blend of time behind the screen and the wheel and interactive discussions with trainers appeals to a variety of learning personalities.

While training may initiate the apprentice program, it should be emphasized that ongoing learning is tied to a culture of improvement. The younger workforce appreciates and responds well to coaching/mentoring on areas that need improvement. Discussions that include reports about their performance and progress are essential to this process. Frequent reports also align with a culture of accountability, in which strong performers are rewarded.

Fusing technology and culture

Public and private recognition of high performers demonstrates that driving talent is valued, which is a critical retention strategy. Posting driver scores and rankings relative to specific objectives (miles per gallon [MPG], sudden acceleration, etc.) and featuring strong performers in a newsletter are a few ways to publicly recognize success. Reports based on engine data make it easy for managers.

Another way to punctuate driver value and more fully engage drivers is to give each driver their own private portal so they have Internet access to their progress and personal benefits information at all times. The ability to "touch" the company can make the road less lonely.

"We've found that one of the most effective ways to engage and retain our drivers is to stay connected with them while they're on the road. It's easy for them to feel disconnected from other departments, but technology fills the gap and helps create a very positive in-cab workplace environment."

– Richard Hepler, Manager of Safety and Human Resources, Best Cartage

Relevant hiring incentives

In challenging recruiting environments, many companies offer signing bonuses. Some trucking firms offer cash signing bonuses to boost their recruiting efforts. While cash may be significant to Boomers, consider a bonus that appeals to younger generations' values and preferences. For instance, a free iPad loaded with all applications that

apply to trucking would recognize their appreciation for and pervasive use of technology.

The firms with the newest cabs and most current technology will have a leg up on their competitors. Providing a quality work environment and tools that make drivers efficient and reduce tedious paperwork send a strong message about respect for drivers' quality of life: "We work harder to get you back home more often." Technology is an exceptionally strong strategy for making a driving career attractive to Gen X and Y, because it also enables communication and entertainment options that make their work environment more like "home away from home" as previously discussed. A short list includes: personal email, Wi-Fi enabled web surfing (Skype) and a video subscription service.

A progressive financial signing bonus can be an effective retention strategy when parceled out at specific milestones: completion of training with threshold scores; satisfactory completion of apprenticeship program; first year of driving with threshold safety record and metrics met.

Reward and retention

Whether or not a firm chooses to incentivize candidates, a reward program motivates drivers to adopt appropriate driving habits that reduce operational costs (MPG, maintenance, etc.) and improve safety. To ensure a rewards program that resonates with drivers, they must have everything they need to succeed: frequent status updates, tips, training and meaningful incentives. Regular and frequent posting of results keeps momentum strong and interest in the competition high.

One firm actually awards a Harley Davidson motorcycle each quarter to the driver with the highest MPG. To qualify, drivers must also meet certain criteria, like drive a minimum number of miles, no unwarranted load refusals, no driver-responsible accidents, and meet DOT regulations and on-time requirements.

Although a driver can win a Harley only once, there is no limit on eligibility for the company's quarterly tiered bonus program that rewards drivers who achieve established MPG standards. To qualify, a driver must be a member of the elite MPG club by achieving a minimum average MPG for the quarter. Over the last three years, the company has awarded a \$25,000 grand prize to the top annual winner who meets all other criteria.

Another critical requirement for retaining drivers is supervisory staff trained in communications and management. They appreciate the value of a solid relationship with their drivers. They know how to coach and mentor them. They are well versed in conflict resolution. They can identify personality types and adapt their communication and management styles to gain drivers' trust. This front-line management relationship often times represents the face of the company.

"Our incentive pay program attracts and keeps the kind of driver we want. The data that our technology provides keeps them tuned into their productivity."

– Geoffrey Hawtrey, Director of Information Systems, Saddle Creek Logistics Services, Lakeland, Florida

Conclusion

Honesty is always the best policy, but for recruiting and retention it's critical, no matter how heated the competition for drivers becomes. Intentionally over promising when it comes to any part of the candidate's experience may help get more drivers in the door. However, under delivering is a misleading approach, which fuels mistrust that is almost impossible to overcome.

When the front door becomes a revolving door, the firm experiences costly turnover and sabotages its reputation and its culture-building effort. The ensuing lack of integrity and transparency may put the relationship between existing drivers and the firm at risk.

A driving career is not for everyone. Painting an honest, real-world picture of the job will help a firm establish the kind of culture that goes a long way in retaining high-performing drivers.

Supplement: Generation snapshots

While generational differences are overtly expressed in cultural preferences, different attitudes toward the workplace and how work gets done are more subtle. To understand the gaps that exist in today's driver population, the following table provides a glimpse of each generational group and the context in which they grew up.

Baby Boomers	Generation X	Generation Y
<p>Born 1946-64 <i>characterized by social change and increasing affluence</i></p> <ul style="list-style-type: none"> » Transitioned to diversity » Healthiest/wealthiest to their time » Redefined traditional values » Expect world improvement » Loyal to patriarchal employers » Task focused » Downsizing has made them skeptical/forced into early retirement » Late adopters of technology; social use 	<p>Born 1965-1976 <i>characterized by expansion of mass media/advent of technology</i></p> <ul style="list-style-type: none"> » Accept diversity » Pragmatic, adaptable to lateral moves in lieu of career ladder » Mistrust institutions, reject rules » Commitment to work (not company), team and boss » Multitask » Latch-key childhood fostered self-reliance, individualism, need for autonomy, less supervision » More friend than family-oriented » Technology proficient; quick to adopt 	<p>Born 1977-1998 <i>characterized by the rise in instant communication technologies</i></p> <ul style="list-style-type: none"> » Celebrate diversity/ work well in multicultural setting » Child-centric youth bred optimism, self-invention, individualism » Rewrite the rules » Institutions irrelevant » Socialize in groups; prefer working in groups » Multitask fast » Nurtured; want relationship with boss » Friends are family » Earliest adopters of technology; permeates lifestyle (education, social, purchasing)

Published by:

PeopleNet
4400 Baker Road
Minnetonka, MN 55343
888-346-3486

www.peoplenetonline.com
info@peoplenetonline.com