

Driver Turnover: Best Practices

In This Paper: Small to Mid-Size Market Urged to Go the Extra Mile to Reduce Truck Driver Turnover in 2016

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This article is intended as basic information only, it is not intended as legal advice, nor is it inclusive of the varying state laws that may apply, which may or may not be more restrictive. We encourage you to speak to your human resource professional or to consult an attorney for specific questions applicable to your company and employees. Information current as of publish date.

Whenever the trucking specialists at PEOPLEASE are discussing business pain points with a client, the majority of the time our clients claim driver turnover as one of their most troubling. Fact is, truck driver turnover has a multitude of origins, and sometimes a carefully crafted and personalized approach to addressing turnover needs be utilized so a trucking company can overcome the challenge of negative driver attrition. The following are a few important steps that would help bolster any truck driver turnover reduction initiative.

1. Understand That Trucking Is Special

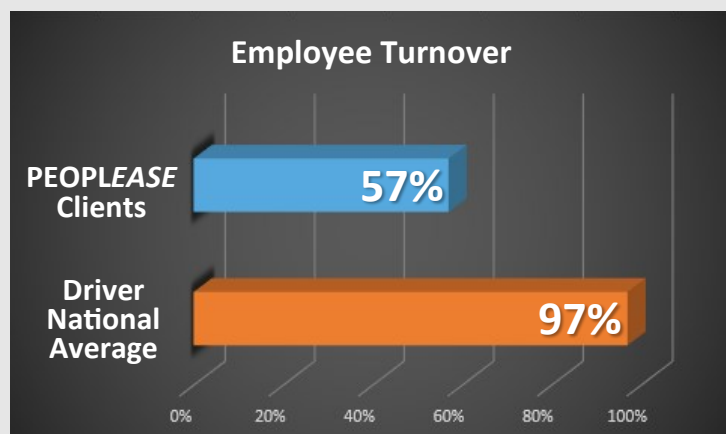
While evaluating their turnover metrics, some trucking companies tend to compare against metrics that aren't trucking industry specific. Focusing on transportation industry specific metrics is critical. For example, consider this helpful factoid reported by the American Trucking Association: "...the 11th consecutive quarter the turnover rate has been above 90 percent at large trucking companies." In other words, understanding how trucking industry leaders are performing can set an accurate benchmark while beginning to evaluate turnover for your small to mid-size trucking company.

2. Establish What Metrics Are Important to Your Business

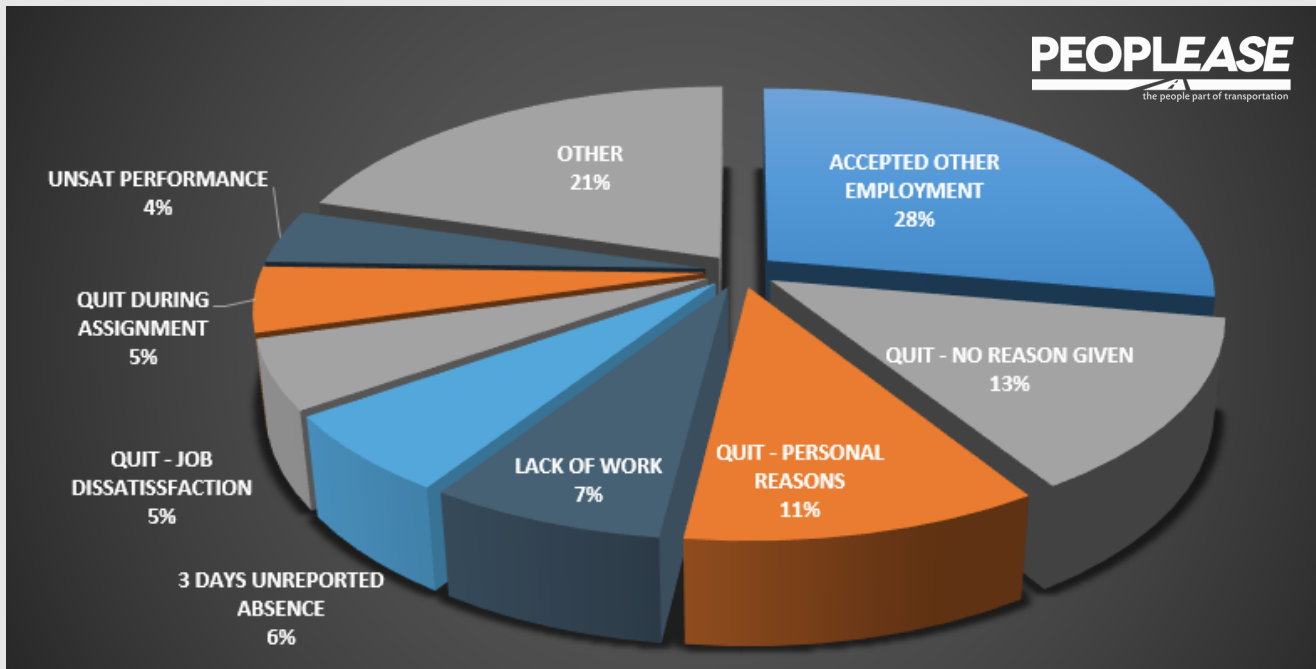
We recommend that our clients carefully select and evaluate relevant turnover metrics. Quarterly, annually, etc. are typical timeframes for evaluation, however, specialty haulers might have different ebbs and flows of hiring. Also, many of PEOPLEASE's clients have seasonal contracts, so turnover rates might spike based upon their hauling specialty or regional concerns. For PEOPLEASE clients, customized turnover metrics can be populated rather easily. Moreover, the PEOPLEASE trucking experts can populate, identify, and broadcast regional and national trends based upon the collective turnover metrics generated from our vast national client base.

Below is just a small sampling of 2016 turnover metrics from our clients' collective work site employees:

- PEOPLEASE clients enjoyed 57% employee turnover; 40% less than the national average for truck drivers
- Nationwide, 28% of PEOPLEASE clients' employees accepted other employment
- Nationwide, 13% of PEOPLEASE clients' employees left without stating a reason why
- Nationwide, only 7% of PEOPLEASE clients' employees left due to lack of work



Additionally, the following is a summarized graphical representation from the PEOPLEASE client pool indicating primary employee turnover factors.



“Other” factors include unsatisfactory performance, company policy, and health reasons to name a few.

3. Money Isn't Always Everything

Everyone in trucking has lost a good truck driver who took an offer from a competitor that pays more (or offers a generous signing bonus, health benefits, etc). However, consider what William B. Cassidy, Senior Editor of joc.com shared: “Despite paying higher wages, many large U.S. truckload carriers are still struggling to keep drivers in their trucks. The annualized driver turnover rate at large truckload carriers rose one point to 97 percent in the third quarter last year, the American Trucking Associations said.” In short, money isn't ALWAYS everything.

If an alarming number of drivers are leaving due to compensation, creative retention techniques might be a good weapon to combat driver turnover. Try focusing on the non-mandatory benefits that make your company really special such as:

- Family-like working atmosphere
- Guaranteed home time
- Generous benefit package
- Company longevity
- Quality equipment

Summary

Driver turnover is costly (some say \$5,000 per hire), and unavoidable to a certain degree. It is imperative that trucking companies focus on *trucking specific* metrics, understand which metrics (and there are A LOT out there) are most impactful to their unique business model, and remember that truck drivers are not all about the money. If that can be accomplished, small to midsize companies will be well on their way to going the extra mile in reducing their driver turnover in 2016.

References

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