



Owner-Operator's Business
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...from the
director's chair

Board or bolt? The 90-day dilemma

It never ceases to amaze me how long we've been talking about some of trucking's most pressing issues. As far back as the 1920s, for example, there were concerns about the lack of competent, quality truck drivers, as I discovered in a 1928 magazine series titled "What About Your Driver?" which cautioned carriers that drivers are a "vital factor in the success or failure of your business."

What's even more amazing is that whatever the issue, be it the driver shortage or its companion issue, driver turnover, we're saying pretty much the same thing today as we were saying decades ago. Not surprisingly, there are a variety of opinions on the nature and severity of the problem – ranging from catastrophic to nothing-to-panic-about, normal business cycle – but the analyses of causes and prescribed courses of action are remarkably the same. Driver turnover is the one that really gets me going. It happens every time the American Trucking Associations (ATA) releases its quarterly numbers on turnover rates. Sometimes they remain steady, or they can dip, drop sharply, spike or soar. But who cares?

It was almost ho-hum when ATA announced last month that the annualized turnover rate for large truckload fleets was up to 102% during the fourth quarter of 2015. I guess that with turnover peaking at 130% 10 years ago, a "plummet" to 84% in the first quarter of 2015 is something to celebrate, and a rise to 102% is no big deal.

Numbers are lower for small truckload carriers (a mere 89%) as are LTL rates. And turnover in Canadian fleets, both LTL and TL, is generally not as high as our American neighbours. "Obviously," commented ATA chief economist Bob Costello, "attracting and retaining drivers remains a top concern for the industry." Oh, really?

Granted, rising rates generate enough anxiety that articles are written and discussions are held on understanding driver turnover, and there

are countless ideas, guides, strategies, tips, and programs put forth on how to manage it, mostly by consultants and HR and management experts. But to be fair, there are also those rare carriers with single-digit turnover rates who generously share their own success stories and best practices for retaining safe and happy drivers.

But what really gets me is how accepting the industry seems to be that this is just one of those quirky things about the business of trucking. C'mon! These are numbers that would drive most other industry CEOs round the bend.

Notwithstanding the risk of oversimplifying a complex issue like employee turnover, it's interesting to look at the Conference Board of Canada's numbers on turnover rates across Canadian business sectors in general. In 2013, voluntary or employee-initiated turnover was 7.3% and creeping up slowly, with the retail sector experiencing the greatest challenge with an average of 20.6%. Involuntary or employer-initiated turnover rates varied from 3.7% to a high of 6.4% in the scientific and technical services industry.

For the life of me, I can't imagine why trucking doesn't hold people more accountable for driver turnover instead of just accepting it as a cost of doing business.

It's not as if trucking company executives don't know all this. At the ATA's Management Conference and Exhibition in Orlando a couple of years ago, a number of fleet executives exchanged ideas on recruiting and retention at an "All About the Driver" panel discussion.

It was generally accepted that turnover is at its worst within the first 90 days of employment. Indeed, some carriers contended that getting a new hire "settled in" during those early days is probably the single most important way to impact turnover. With this in mind, maybe trucking should get with the program and embrace onboarding, which is really just corporate jargon for the way new employees acquire the knowledge,



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skills, and behaviours to become effective members of the organization. In other words, consultant-speak for orientation, albeit a longer, more comprehensive process, but one that could certainly get a carrier past that precarious 90-day window and beyond.

This is even more critical as fleets turn to hiring Class A licence-holders right out of school. It's slowly sinking in that as experienced truck drivers are harder and harder to come by, the challenge becomes one not of hiring qualified drivers, but of creating them.

The more savvy carriers are building relationships with driving schools, helping them develop curriculum, and facilitating the graduates' transition into a fleet. And along with that, they're beefing up their own finishing programs and embracing mentoring.

The school can teach a student to steer and gear the truck, but at the end of the day, it's the carrier's job to give them a solid orientation into the lifestyle and culture of trucking, to integrate them patiently into the company, and be prepared for a lot of hand-holding and empathy as they navigate the first miles and months on the road.

So important are those early days for a new hire that top employer brands like Google, Facebook, IBM, and Ernst & Young have transformed their approach to orientation and adopted bold new practices. Next month we'll look at what some HR gurus are calling "extreme onboarding." You don't have to be a Fortune 500 company to upgrade your current efforts. Any company facing increased new hire turnover, motor carriers included, can take a tip or two from the high flyers.

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