Let's Talk

Keys to reducing driver turnover

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Like any North American company operating a fleet, the propane industry is experiencing the financial and customer service pain associated with high driver turnover.

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Recruiting and keeping qualified drivers has become a critical challenge for fleet operators of all sizes. Today's large for-hire carriers fund their workforce management budgets with substantial capital to support large recruiting efforts and a national team of recruiting professionals. Companies that five years ago were dedicated to soliciting customers by touting on-time performance, now solicit driver applicants by touting high pay and a family-like work environment.

Smaller vocational fleets, even on a revenue proportional basis, can't compete with the workforce management budgets of the large carriers. Their challenge then, as it always has been for the smaller fleet operator, is to do more with less. That challenge requires an extremely creative effort on a three-sided front: recruitment, retention and productivity.

In terms of recruiting, carrier giant Schneider National demonstrated their creativity last year by partnering with the American Association of Retired Persons (AARP). As a result of tapping into that new source of potential candidates, 15 percent of their drivers hired in 2005 were over the age of 50.

Another partnership possibility exists with the Department of Labor (DOL). Many state DOLs have programs supporting company recruitment efforts. The Georgia DOL has the Georgia Works program that allows their unemployed to receive unemployment compensation while under going company supplied training. Additionally they can also receive up to a $240 training allowance.

To be successful in a competitive hiring market, recruitment efforts need to aggressively seek out non-traditional candidate pools. Be creative in your search and explore all options. For example, where does the tank driver that sprays your lawn with weed control work during the cold, high-volume home heat months? If you had Spanish speaking supervisors at your locations, how much larger would your candidate pool be?

Creative recruiting demands that you look at every business and every association in your community as a potential source of driver candidates.

Retention is the second front requiring a creative approach. The successful driver workforce management program works like a funnel. The large end is for the flow of applicants; the small end restricts the flow of drivers leaving your company. Restricting driver departures requires a solid retention program.

A May 2005 trucking industry study identified the top 10 reasons drivers leave a company. Called "influences" the 10 reasons are: compensation, communication, problem resolution, respect, actual job duties different than recruited for, equipment, home time, lack of training, fair work rules and lack of advancement.

Understanding which influences cause your drivers to leave is critical to your retention efforts, and the best way to gain that understanding is by asking. A questionnaire soliciting driver feedback gathers a lot of data quickly while indirectly informing your employees that you are looking to improve at least some aspects of their working environment.

Once your questionnaire is administered, rank the performance of each influence from worst to best. The worst influences are those you need to allocate the most capital and time on improving. The best influences need to be incorporated as enticement points in recruiting.

For companies with small profit margins, addressing their worst influence can be troubling, especially if their worst is one of the most expensive to fix - compensation or equipment. Again, creativity is the key.

If compensation is your worst influence, you most likely won't be able to fund higher wages, so you need other options. Your first approach should be to dissect your total compensation plan and communicate the positive aspects or offer cost neutral alternatives.

The wages you pay may be low for the area, but perhaps your company provides a relatively high company match on a 401K or low monthly medical premiums. Communicating the strengths of your total compensation package could improve your compensation rating.

Cost-neutral alternatives could include a cash bonus to drivers opting out of your medical plan due to having spousal coverage. You might be able to shift funding between compensation components, contributing more to wages and less to a 401K, for example. New hire, tenure and safety bonuses could be eliminated and transferred into the wages category to increase mileage or hourly pay without impacting your total costs.

Maintaining and communicating your highest rated influences also helps fix the compensation influence. The message you are trying to reinforce is that while wages may be a little low, your company is the best in these other areas.

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