

Reduce Churn: Teach Drivers to Job Search

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While the above titled retention activity at first makes as much sense as trying to melt the sun, its logic is based on the following facts:

1. Qualified drivers are hard to keep, and that won't change in the foreseeable future.
2. Drivers are constantly hearing about new and seemingly better trucking jobs, either from direct searches or word-of-mouth from fellow drivers.
3. Most drivers don't fully understand benefit values and trade-offs between employment offerings.

If your employment offering is truly competitive, then new driver orientation training on how to perform an effective job search — while at the same time touting your company's offering — could reduce turnover. The following is a condensed example of what that training script might include for hypothetical company GREAT Trucking.

The first thing you need to understand when considering a job offering is that trucking companies have limited capital and therefore have to make decisions about how to allocate that money. In terms of driver benefits, that money is allocated mainly between wages, medical benefits and new equipment.

When searching for a job, understand that trade-off. For example, a trucking company may pay \$1,500 a year more in wages but provide medical benefits with higher premiums, deductibles and co-payments that cost you significantly more than \$1,500.

So, let's take a look at how to analyze some of the key benefits drivers generally are most interested in when searching for a job. We'll begin with compensation.

Never — and I repeat — never hire on simply for a sign-on bonus or a higher mileage pay rate. A sign-on bonus is an obvious lure to attract new hires, and many drivers actually lose money when switching jobs strictly for a sign-on bonus. Time spent in orientation, getting an assigned truck clean and road worthy, becoming familiar with new procedures, dispatchers, routes, fuel stops, shops and customers all force lower productivity during a driver's first 30 days, resulting in a wage loss that often exceeds the bonus amount.

Yes, GREAT Trucking does provide a \$1,500 sign-on bonus. To be competitive, the company has to. But unlike many trucking companies, GREAT Trucking has new-hire wage guarantees to offset wage loss during the first 30 days.

As mentioned earlier, you should never switch jobs simply for a higher mileage rate. How drivers are paid varies greatly between companies. A higher mileage rate is beneficial only if the miles received are equal or greater than those you currently drive. Also, downtime pay, performance bonuses and scheduled raises need to be considered. When analyzing pay, research and com-

pare average annual wages instead of mileage rates. That number includes all compensation sources and therefore provides the best comparison. At GREAT Trucking, new drivers average \$53,500 their first year and \$58,600 in year two. Overall, the fictional carrier is in the top 15% of annual pay for all public truckload carriers and is committed reaching the top spot.

The cost of medical benefits is perhaps the toughest to analyze because it depends on your needs and what the company's plan provides. The cost of premiums is easy to track because they are deducted every week from your paycheck. But your total medical costs may go far beyond that. Copays, deductibles and out-of-pocket limits all add to your total annual medical costs. GREAT Trucking has one of the best medical plans in the industry, paying 65% of premium costs. Additionally, the plan's out-of-pocket costs are capped at \$4,500 per family, and unlike some trucking companies, it offers affordable spousal and child medical coverage in addition to vision and dental insurance.

Your actual script should provide significantly more detail for each benefit discussion, but hopefully this example adequately demonstrates the recommended format:

- Explain how each benefit should be analyzed.
- Detail how great that benefit is under your company's plan.
- Touch on every benefit you believe your company is competitive with.

In addition to those discussed, consider home time, paid time off, culture, pet policy, rider policy, equipment age and comfort, take truck home policy, etc.

Initially, drivers will be shocked that you are teaching them how to search for a job during the first few days of orientation. However, they will quickly catch on that through this training, you are explaining just how great your benefits are. The more they understand the depth and value of your offering, the higher the odds that you will keep them if your offering is truly competitive.

Training new drivers on how to perform a job search is a retention activity, not a retention strategy. The difference being that a retention strategy is made up of all activities designed, funded and managed to lower driver turnover. Job search training may not be an effective retention activity for your company because regardless of how fresh and creative an activity may seem to be, you only want to adopt into your retention strategy those activities specifically designed to address your company's particular strengths and weaknesses.

CostDown Consulting, based in Grayson, Georgia, provides trucking company owners and executives with driver retention, cost reduction and performance management services.

