Driver Recruitment and Retention Strategies

presented by | Rich Moldstad, CDS

Cottingham & Butler
Safety Management Services Company
Our Presenter

Rich A. Moldstad, CDS
Safety Consultant
rich.moldstad@cb-sisco.com

Please send questions to rich.moldstad@cb-sisco.com.
Objective

Locating qualified drivers?

Are there ideas for improving our processes?

How do I attract and maintain good talent?

What are other companies in the industry doing?
Seminar Topics

What seminar is and isn’t

Reference materials

Captive member input
Industry Challenges

**Truckload turnover = 96%**

a. Expected to rise as shortage increases
b. Truckload industry spends over $500 million a year as a result of turnover
c. Turnover plummets after 90 days and another 50% after 1 year

**Smaller Carrier turnover = 86%**

90% can’t find enough drivers

a. 88% get enough applications – they just don’t qualify
b. Only hire about 10% of applicants

56% are considering hiring inexperienced drivers
Driver “Churn” Negative Consequences

Incredible costs of “churn”

Direct and indirect costs of turnover

Message sent to potential future drivers

QUESTIONS Please send questions to rich.moldstad@cb-sisco.com.
Driver Hiring Costs

- New-hire costs $3,500 - $7,000
- 100% turnover
- 200 drivers X average of $5,000 = $1,000,000
- Generate $1,000,000 at a 96% operating ratio = ?
Hiring Good Drivers

Notes: Carriers could indicate more than one place and “Other”, in most cases, was employee/driver referral.
Hiring Good Drivers

**Referrals**
Ask drivers personally and privately

**Internet**
- Social media – Facebook, Twitter, etc.
- Company website
- Pay per click
- Craigslist
Locating Driver Applicants

Truck stop advertising
- Digest magazines
- Pump toppers

Newspapers
Hiring Good Drivers

*Includes motor carrier’s internet site as well as other sites

Note: Many carriers responded with multiple answers.

Other Interesting Answers:
- “Free jobs books at Walmart and Kmart”
- “monster.com”
- “Craigslist”
- “social media”
Hiring Good Drivers – Least Effective

*Includes motor carrier’s internet site as well as other sites

Note: Many carriers responded with multiple answers.

**Interesting Finding:** The most interesting response was that no carriers said that the military is very effective, and several said it isn’t very good. Nevertheless, several carriers that said that they will continue to seek out ex-military and a few said they are going to begin actively recruiting ex-military.
Hiring Good Drivers

Schools

Please send questions to rich.moldstad@cb-sisco.com.
The 3 Most Important Words in Recruiting

Track, Track, Track

- Know where your apps are coming from
- Use a formal tracking method
- Develop a database
- Ingest leads into your system for follow-up
Hiring Good Drivers

**Shorten qualification cycle:**
- Empower recruiters
- Take phone, internet, and online apps
- Tenstreet
- Sense of urgency
Hiring Good Drivers

Driver Recruiting:

Perceptions of our image and culture become reality in recruiting process:

• How we answer the phone

• Conversational skills or “interrogative list”

• Build relationship or keep distant?

• Ditch the “fine print”
Driver Recruiter Goals

1) Give a driver applicant every reason to stop calling other recruiters and/or looking at the internet to submit applications

2) Make the driver yours until such time as you decide they are not going to meet your qualifications

3) “Setting the hook”

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Hiring Good Drivers

PSP

Yes 94%
No 6%
Average Pay Per Mile – ATA Study

Results weighted by number of drivers.

- **Mean**:
  - All Fleets: $0.34
  - Dry Van TL: $0.31

- **Min**:
  - All Fleets: $0.24
  - Dry Van TL: $0.25

- **Max**:
  - All Fleets: $0.51
  - Dry Van TL: $0.42
Highest Pay Per Mile

Results weighted by number of drivers.

- **Mean**
  - All Fleets: $0.45
  - Dry Van TL: $0.42

- **Min**
  - All Fleets: $0.36
  - Dry Van TL: $0.37

- **Max**
  - All Fleets: $0.60
  - Dry Van TL: $0.46
Locating Driver Applicants

Missed opportunities

- Send offer letter at 30 - 45 days
- Send offer letter at six months
- Send offer letter on December 1 each year

Please send questions to rich.moldstad@cb-sisco.com.
Dear __________,

I was sorry to hear you chose to take other employment. It always hurts when a professional driver like you chooses another company to drive for.

In our search for quality professional drivers, we look for those that have a proven record of safe driving, courteous service, and take pride in themselves and the company they represent.

The reason for this letter is to inform you that if things don’t work out at your new company we would be happy to still have you as a member of the __________ Transportation team. A simple telephone call could get you behind the wheel of a __________ Transportation truck where you belong.

We realize that our growth and continued success depends on our ability to have drivers like you working as part of our team. Let us help you achieve the success you desire. Don’t hesitate to call if you find it necessary to make a change. There are just a few things we need to do to complete the application process and get you on the road.

You can reach me at 1-800-000-0000. I look forward to hearing from you.

Sincerely,

Name
Driver Recruiter
___________ Transportation
E-mail address
Conclusion

• Industry challenges
• Cost of driver “churn”
• Driver hiring expenses
• Advertising
• Tracking
• Recruiter empowerment
• Setting the “hook”
• Industry pay
• Pursuing the ones that “got away”
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Please contact Rich directly and he’ll be happy to answer any questions you have regarding today’s presentation.