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The Road to Retention Runs Through Socialization: Skipping the Early Turnover Exit

Tim Hindes, Co-Founder & CEO
Stay Metrics
2/21/2018
Workshop 12: The Road to Retention Runs Through Socialization: Skipping the Early Turnover Exit

This workshop examines groundbreaking research linking driver feedback with their actions of staying/leaving a carrier, including an emphasis on research regarding early-stage turnover.

Attendees will hear about the 5 stages of new driver socialization, successful interventions at each socialization stage, and the importance of consistent, intentional, and aligned communications.

Attendees will leave with new information and insights; and practical ideas and implementable strategies for improving driver retention.

Speaker: Tim Hindes, CEO & Co-Founder, Stay Metrics
Outline: The Road to Driver Retention

1. Introduction
2. Regular Driver Feedback & Using the Data
3. Root Causes of Turnover
4. Focus on Early-Stage Turnover
5. Understand Socialization Process
6. Develop a Strategy and Interventions
7. Increase Driver Engagement
8. Summary, Takeaways & Questions
1. Introduction
Introduction: Stay Metrics

**Mission:** Elevate the focus on drivers as key to company success: increase retention/decrease turnover, slow driver churn, increase safety, help clients grow revenue.

- **Insight #1:** Lack of sophisticated research into driver satisfaction-retention-turnover; no comparable data between companies; many decisions use conjecture & anecdotes.
- **Insight #2:** Retail rewards programs influence buyer behavior; gamification.

**Approach:**
- Attitude & Engagement Data
  - Driver Surveys, Advanced Analytics & Predictive Modeling
- Driver Engagement Platform: Recognition & Rewards
- Best-in-Class Training and Onboarding
- Driver Matching Application

Founded by Tim Hindes, CEO & Kurt LaDow, COO
Our Company

• Tim Hindes, Co-Founder & CEO
• Kurt LaDow, Co-Founder & CAO
• Timothy Judge, PhD, Director of Research
• Stay Metrics Team
• Partnerships
Research-Based

• Timothy Judge, PhD - Director Of Research

• World-class Scientific Advisory Board
  • Research identifying causes of turnover
  • Evidence-based approaches to retention
  • Ongoing research studies

UF Warrington College of Business Administration
UNIVERSITY of FLORIDA
Translating Driver Feedback Into Higher Retention

**The Five “What’s”**

- **What do they say?**
  - Surveying Driver Attitudes
  - Survey your drivers during various points in the driver lifecycle.

- **What do we know?**
  - Understanding What They Mean
  - Conduct data analysis, including advanced analytics, comparative data and predictive analysis.

- **What can we do?**
  - Generating Ideas for Practice
  - Consider best practices including **Driver Rewards & Recognition**

- **What are we doing?**
  - Acting on Ideas
  - Implement “low hanging fruit” best practices and other operational changes

- **What’s the outcome?**
  - Keep Drivers/Right Retention
  - You can experience lower turnover; keeping your best, safest & most engaged drivers

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A practice-oriented approach to science, and a scientific approach to practice.
2. Regular Driver Feedback & Using the Data
Driver Feedback - Opportunities

- Tools for Driver Feedback
  - Conversations
  - Meetings
  - Suggestion “Box”
  - Emails
  - Focus Group
  - Surveys
    - Phone or Written/On-Line
    - Qualitative or Quantitative
  - Social Media
  - Other
Lifecycle Approach to Driver Feedback

**Driver PHASE**
- **Onboarding**: New drivers are at the highest risk of quitting
- **Engagement**: Driver is working but pre-emptive strategies needed to prevent withdrawal
- **Withdrawal**: Drivers "quit" before they exit

**Driver EVENT**
- **Signed On**: Day-7 & Day-45 New-Driver Surveys
- **Driving**: Annual Driver Satisfaction Survey
- **If Separated**: Exit Interview

**SURVEYS**
- Save new drivers during the period of greatest risk
- Develop strategies to lower carrier-wide turnover
- Provide "voice" of exiting driver
3. Research: Root Causes of Turnover
Does Age/Generation Matter?

Judging by the age of turnover, young generation is as likely to quit as older generation. Age doesn’t matter as heavily as you expect.

Source: Stay Metrics Database N = 104, n = 37,883. Updated 1/22/18.
What Matters?

- Company’s Communication (Orientation)
- Recruiter
- Pay and Compensation

Turnover

Source: Stay Metrics Database N = 74, n = 10,760. Updated 9/20/18.
Top Predictors of Turnover

**Company’s Communication (Orientation)**
- Dissatisfaction with the maintenance done on your equipment.
- Dissatisfaction with individual department, including, Maintenance Department, Settlement Department, HR and Payroll Department.
- The orientation adequately prepared you to drive for the carrier.
- Dissatisfaction with orientation.
- Dissatisfaction with the respect the carrier shows you.

**Recruiter Professionalism**
- Recruiter accurately described what it would be like to drive for the carrier.
- Recruiter misled you about the compensation you would earn.
- Dissatisfaction with recruiter.

**Fair pay and Compensation**
- Your compensation is fair for the amount of work you do.
- Felt underpaid compared to other drivers with your experience.
- Dissatisfaction with accessorial compensation.
- Dissatisfaction with health care coverage.
- Dissatisfaction with retirement plan.
- Dissatisfaction with compensation for deadhead miles.
- Dissatisfaction with compensation for wait time.

Source: Stay Metrics Database
N = 74, n = 10,760. Updated 9/20/18.
4. Focus on Early Stage Turnover
How Bad Is Early Turnover Nowadays?

- Over 70% drivers left within 1 year.
- Moreover, half of those drivers quit within 3 months. (35.6%)

Source: Stay Metrics Database.
N = 104, n = 37,883. Updated 1/22/18.
Focus on Early-Stage Turnover

• Definition: Early-Stage Turnover
  • Turnover <90 days
  • Turnover <180 days

• 100 drivers started orientation Monday:

  35 will leave within 90 days;
  22 more will leave within 180 days.

  Total = 57% leave within 6 months

Source: Stay Metrics Database.
N = 104, n = 37,883. Updated 1/22/18.
Manage early-stage turnover for better retention

Driver turnover (%) by duration of tenure (weeks)

Carrier ABC

72% annual driver turnover

Carrier DEF

42% annual driver turnover

After 13 weeks, both carriers have weekly turnover rates similar to the entire database. Difference in annual turnover almost all attributed to difference in early-stage rates.

Shaded blue = Stay Metrics Database – all drivers, all carriers, % turnover by week of tenure at departure.
Takeaway: Critical Turnover Data

• What is the average percent of drivers that leave during each week of their tenure for the first year?

• Identify which weeks are most problematic for you:
  • Week One?
  • Week 12?
  • Week 53?

• Develop intervention strategies.
Early Stage Driver Feedback

• Gather early stage driver feedback.
  • Consider 7-day (Orientation) and 45-day (Onboarding) surveys to identify
    • early job expectations,
    • experiences, and
    • satisfaction levels of drivers.
  • Act quickly to resolve any misunderstandings.
  • Early intervention = driver saves.
7/45 Day Surveys: Latest Research

- Drivers who have not taken the 7/45 day surveys are more likely to leave.
- Refusal may mean the driver is disconnected/disengaged
- Call drivers who haven’t taken the 7/45 day surveys

Reinforce:
Intervene at most fragile point in relationship with drivers.

Engage or they are gone.

Source: Stay Metrics Database (Hire Date: Jan 1st, 2015 – Sep 20th, 2017; N = 104, n = 46,806) & Carrier XYZ (Hire Date: Jun 15th, 2017 – Nov 22nd, 2017; n=2,167).
Survey Participation as an Early Indicator of Turnover

- Drivers who took both surveys are significantly less likely to quit.
- However, drivers who took only one of the surveys (an indicator of attitude change) are more likely to leave.
- Willingness to take survey is an early indicator of turnover, especially for those who change their behaviors.

Questions that Predict Early Turnover (7-Day & 45-Day Surveys)

- How satisfied are you with the overall information you received during orientation?
- My recruiter described what it would be like to drive for my carrier.
- My recruiter explained how compensation for deadhead miles works with my carrier.
- How satisfied are you with your recruiter?
- My experiences with my carrier match the expectations I had when I signed up for the job.
- How satisfied are you with the compensation you receive?
- Overall, how satisfied are you with the Operations Department?
- How satisfied are you with the number of miles you typically drive per week?

Source: Stay Metrics Database 7 and 45 day Driver Feedback Surveys. N=104 n=11,928
Changes in NPS between 7-Day & 45-day Surveys (Carrier ABC)

Turnover Rates for Carrier ABC

NPS = Net Promoter Score based on:
Likelihood of recommending a friend drive for this company.

- When drivers lowered their NPS rating after their first 45 days, 40% left the company. (Unmet Expectations)
- When NPS scores remained the same, 30% of drivers left. (Met Expectations)
- When drivers raised their NPS rating after their first 45 days only 19% left the company. (Exceeds Expectations)
Driver Satisfaction with Recruiting and Turnover Rate

Recruiter Satisfaction Decreases the Likelihood of Turnover -- Especially for Early Turnover

Source: Stay Metrics 45 day Driver Feedback Surveys. N = 104 n = 10,610.
5. Understand the Socialization Process
Socialization: How a “newbie” becomes an organizational member

Pre-arrival  
Orientation  
Onboarding/Early Experiences  
Productivity  
Commitment  
Turnover

Outcomes

Model developed by John Kammeyer-Mueller, PhD; University of Minnesota. Member Stay Metrics Scientific Advisory Board.
Key Factors in Socialization

- Organization
  - Orientation sessions
  - Training procedures
  - Formal matching programs
- Supervisors and co-workers
  - Support
  - Undermining
- Newcomer
  - Information seeking
  - Relationship building

Model developed by John Kammeyer-Mueller, PhD; University of Minnesota. Member Stay Metrics Scientific Advisory Board.
Expectations to manage for drivers

• What the industry/experience will be like?
  • Applies to newbies – new to trucking, driving, haulage.

• What will driving for THIS carrier/company will be like?
  • Applies to all drivers.
Early Turnover and Driver Tenure

Explanation: Even though Drivers with MORE total industry experience quit slightly more often early on (first 3 months), once they stay, they are less likely to leave.

- **Early Turnover Rate Changes -- Effect of Occupational Tenure**

<table>
<thead>
<tr>
<th>Shorter Industry Tenure</th>
<th>Longer Industry Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Left During the First 3 Months</td>
<td>80.00%</td>
</tr>
<tr>
<td>Left after 1 Year</td>
<td>43.53%</td>
</tr>
</tbody>
</table>

*Source: Stay Metrics Database. N = 104, n = 4,532.*
Discussion: The challenge of socialization in trucking

• Drivers are on the road – individual activity
• Discussion: What are you working on to improve driver onboarding & socialization?
• How do you integrate dispatchers-fleet managers into the process?
• Driver mentors - making a comeback
Dispatcher Helps Attenuate Early Turnover

Driver Satisfaction with Dispatcher Attenuates Early Turnover

Turnover Rate During First 3 Months

- High Dispatcher Satisfaction: 75.39%
- Low Dispatcher Satisfaction: 86.78%

Turnover Rate After 1 Year

- High Dispatcher Satisfaction: 21.31%
- Low Dispatcher Satisfaction: 24.35%

Data Source: Stay Metrics Annual Survey Database (Hire Date through 9/20/17. N=104, n=4,529.)
5. Develop a Strategy & Interventions
Develop Strategy & Interventions

• Comprehensive Strategy
  • Driver-Centric Culture
    • Best Fleets to Drive For
  • Communications
    • Consistent
    • Intentional
    • Aligned
    • Truthful

• Five Key Areas for Intervention
Five Key Areas for Intervention

1. Recruiting
2. Selection
3. Orientation
4. Onboarding/initial socialization
5. Ongoing
1. Recruiting

• Examine the entire experience from a recruit’s perspective.

• Message alignment. Communicate a consistent message to drivers during recruiting, orientation and onboarding. It should continue into operations. What is “reality”?

• This message should include specifics for what they can realistically expect for earnings, home time and other areas during the first few days and weeks on the job.
  • Be sure to add / market known areas the company is making improvements (for example: Dispatch)
2. Selection

• What is your selection process? (Once standards are met.)

• Driver characteristics – behavioral interviewing

• Driver matching (for teams or to trainers)

• Which candidate will be a successful driver; for YOU?
3. Orientation

• What does the driver say in the first call home?

• Engaged learning. No driver wants to sit through a couple days of instructor-led orientation meetings. Where possible, use interactive technology and e-learning tools to shorten orientation and provide a more focused and engaging learning experience.

• Develop relationships. Use the time for new drivers to get to know team members from all departments.

• Start process of check-ins early and regularly. (Bad first impressions and misunderstandings are hard to overcome.)
4. Onboarding/Initial Socialization

- Socialize new drivers. Help drivers make connections with other drivers and staff. Engage them whenever possible. Seek driver feedback.

- Support network. Apply a data-driven approach to match drivers to their trainers, mentors, dispatchers and supervisors in your organization. The data could include previous work experience, skill levels, personality types, demographics and more.

- Communication. Continue to live up to “truth in advertising.” Focus on driver-dispatcher relationship building.
5. Ongoing throughout driver tenure

• Commitment to a Driver-Centric Culture – Drivers as an Asset
• Focus on Improving Communications & Messaging in All Areas
• Increasing Driver Engagement
  • Driver Retention Strategy & Plan – work & refine every day
  • Driver Feedback: Annual Surveys – Spot Surveys
    • Many ways to collect & use feedback
    • Collecting feedback from other team members is also invaluable
• Robust Recognition & Rewards
7. Increase Driver Engagement
Evidence-Based Engagement Platform

• Research Based:
  • Recognition matters
  • Rewards are a form of recognition
    • Not a substitute for pay
  • Merchandise > cash
    • Not an entitlement
    • Earned from performance
    • Want vs Need
  • Gamification
  • Engagement

• Results: Carriers who use our rewards program have a predicted turnover rate that is 45% lower than those who do not use the program.

Source: Stay Metrics Customer Survey Data: 8/1/17.
7. Summary Takeaways & Questions
Evidence-Based Takeaways: Reducing Driver Turnover

• Gather Driver Feedback
• Analyze Results
• Use Results to Improve Operations
• Critical to Success
  • Driver-Centric Philosophy
  • Extraordinary Communications
• Key Areas of Focus for Early Turnover
  • Recruiting process
  • Selection process
  • Orientation
  • Onboarding INITIAL socialization
  • Throughout the driver's tenure
• Gather more feedback & repeat
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