Driver Retention: Hiring the Right Employees the First Time
THE FINDERS
Driver Retention Statistics

• Originates from the Motor Carrier Act of 1980
• Industry average for medium sized companies (500 drivers) is 11-50%
• Bulkmatic’s overall turnover rate is 42%
• The turnover for new drivers is even higher
Importance of the Problem: Compared to the Industry

- Truck drivers are becoming harder to find
- The average age of a driver is 55
- There are currently 5,000 unfilled positions
- By 2020, the projected scarcity is 330,000 drivers
- This makes filling the positions more costly for Bulkmatic
  - Recruiting costs
  - Incentives
Importance For Bulkmatic

• Fits in with their mission statement
• High turnover rates show a dissatisfaction with the company
• This hurts Bulkmatic goal to be “Employer of Choice”
Importance For Bulkmatic

• 20% of the drivers are approaching retirement age
• More experienced drivers are needed for the more technical driving
• Finding and retaining good drivers will lower the potential of accidents and lower recruiting costs
Possible Solutions

- Mentorship programs
- Incentives programs
- Pay raises
- Counseling
- Driver forum
- More vacation days
Strong Points

- Bulkmatic University
  - All costs covered for driving school
  - Mentorship programs

- Incentive Programs
  - Signing bonuses
  - Initiative-based pay system

- Insurance
  - Health and dental covered

- Safety
Why Drivers Quit Bulkomatic

• Expectations not being met
  • Caused by early communication issues
• Hires not being a good fit for the company
  • Issues with the hiring process
• Lack of respect
Our Solution

• Fix the problem early
• Correct miscommunication in job descriptions & expectations
• Improve interviewing to find better fits
• Nick Charbraja, CEO of General Dynamics - “Success comes from having the right person in the right job at the right time with the right skill set for the business problem that exists”
Sourcing, Screening, and Company Culture

• Increased focus on sourcing and screening

• Sourcing
  • Prevents hiring crises
  • Proper sourcing allows time for the rest of the process

• Screening
  • Saves resources
  • Poor screening wastes time and money
RJPS

- RJP stands for realistic job preview
- Gives the applicant a realistic view of the job
  - Good, bad, and neutral
- Improved version of a job description
  - Focuses on qualities of the job and the candidate
  - Goals and outcomes-based
  - Provides an honest view of the job, not just the positives
- Clarity and communication is key
- 3 parts
  - Mission
  - Outcomes
  - Competencies
Mission

• Defines the essence of the job
• Why does this job exist?
• Written in plain English to avoid miscommunication
• Helps find the specialist
Outcomes

• Goals instead of processes
  • Will be doing vs. what must be done
  • Driving vs. loads per shift

• Make goals quantitative
  • Qualitative must be as objective and observable as possible (customer feedback, plans delivered on time, budgets met)

• Clarity is critical

• Gives new hires the best chance possible
  • Know what is expected of them
  • Shows them what the boss/company thinks is important
  • Allows for a solid game plan right away
Competencies

• How the employee is expected to fulfill the mission and outcomes
• List of personal qualities important to the particular job
• Captures the values of the company as a whole
• Can be used as a checklist for interviewing
• Ensures job and cultural fit
Examples of RJP's

• Most companies incorporate their RJP's
  • Toyota
  • Allstate
Why Other Approaches Don’t Work

• RJPs sets a solid foundation and allows you to build upon it
Importance of Evolution

• Companies need up to date RJP's for them to serve their purpose
  • It's better to not have an RJP than to have an inaccurate RJP
• Companies are always changing, and need to be sure their RJP's continue to fit them
Interviewing Teams

• By using teams, the chance of hiring the wrong person decreases
• It is harder to make a bad decision when a group of people have to make it
• The teams should consist of at least one of each of the following
  • HR Representative
  • Hiring Manager
  • Technical Expert
Creating an Individualized Approach

• Using the exact interviewing methods of another company is easy, but ineffective
• Every step of the process must adhere specifically to Bulkmatic
• At first, this will require trial-and-error, but a precise and successful interviewing process will result
Company Guidelines

• Needs to be on paper for all the interviewers

• Useful Methods
  • Being aware of legal implications
  • Make a good impression for the applicant
  • Be open-minded
Rubrics

- Keeps interviews the same for every applicant
  - This process being systematic can change as the company evolves
- Quantitative analysis of applicants
- Guides the interview, but does not constrain the interviewer
  - Clear directives in what to look for
- Saves time by excluding low scores automatically
Rubrics

- BP just recently began using a rubric during the interviewing process
- Forces the interviewer to justify how they scored someone on a certain topic
  - only useful if the answers are legitimate
- Interviews should include questions that assess both behavior and skill
Types of Interviews

• Behavioral
  • Assess how the applicant will fit within the company and if they will fit with the company culture
  • HR Representative performs this interview
  • Involves questions that allow a candidate to express their personality and work ethic

• Technical
  • Hands-on potion of the interview
  • Qualification process

• Management
  • Final decision
Suggested Questions

• What they already know about the company
  • Dedication
  • Problem solving, confidence

• Needs to Accomplish
  • Expectations
  • “Talk less, listen more”

• Story: Taken a Risk and Failed/Succeeded
  • Tolerance, self-awareness, honesty

• Bring out Major Qualities
  • Find whether a candidate is right for the company
Individualized Approach

• If all interviews were the same, they would be unreliable
• Every company has different values and requirements for their employees
Evolution of Interview

• Interviewing solution is dynamic
  • Must evolve over time with needs of the company
• Use what works to improve the process
Drivers initially only cared about salaries when searching for jobs, but they soon considered respect to be the most important factor in staying with a company.

Making the drivers feel respected from beginning will reduce turnover rate.

Bulkmatic will get closer to reaching their goal of having a turnover rate of 21%.

Saves company $382,200 solely in finding new drivers.

Drivers who have worked there longer are less likely to leave.
Monetary Input

• This proposal is very low-cost
  • All costs associated are time spent improving the process
• This means that Bulkmatic will not lose any money
Immediate Benefits

• Bulkmatic will not need to wait a long time to begin the change
• Will see results right away
Systematic Benefits & Constant Improvement

• Keep up to date with Bulkmatic’s needs
• This ensures that the interviewing procedure will never become outdated
Enhanced Productivity

- Bulkmatic hires around 140 new drivers a year
- It is harder for these new drivers to adjust to the work environment
- If turnover rate lowers to 21%, only 29 new workers will have to adjust. This means only 5% of the drivers will have a high chance of making mistakes
- Underappreciated drivers do not work as effectively
- Productivity can be a problem when one driver has too many tasks. Interviewing helps managers find drivers who can do specific tasks.
- Productivity inefficiencies cost $20/hour/person
Improved Morale

- As more drivers leave, the remaining drivers have more work to do
- Job approval worsens
- Morale decreases
- Productivity worsens
- Possibility that more drivers will leave
- Previous employees can tell other drivers the negative aspects of Bulkmatic
- Bulkmatic wants to be the employer of choice and must maintain a good reputation
- Many experienced drivers will retire soon
- Bulkmatic will spend between $120,000 and $130,000 replacing them and cannot afford losing potential drivers due to its reputation
Saving Resources

• It will not cost additional money to interview drivers

• This procedure, however, uses most expensive resources for interviewing at the end of the process

• RJP helps drivers understand daily life and can leave the process at any time

• Interviewing helps managers find most qualified drivers, so they do not have to waste money interviewing drivers that they do not see fit