

BEYOND THE WHEEL

Interpretation Report

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Non-driving occupations in the trucking industry

Our mission: to assist the Canadian trucking industry to recruit, train and retain the human resources needed to meet current and long-term requirements.



Canada

This project is funded by the Government of Canada's Sector Council Program.



**Canadian Trucking
Human Resources Council**

BEYOND THE WHEEL

Interpretation Report

An industry resource

CTHRC addressing HR challenges

The Canadian Trucking Human Resources Council (CTHRC) is the trucking industry's trusted source for conducting research, developing national occupational standards, national certification programs and Human Resources programs and tools for the recruitment, retention and training of Canadians and Internationally Trained Individuals.

Growing concerns

Thousands consulted in research initiative

The Canadian Trucking Human Resources Council's recent research initiative known as **Beyond the Wheel** has identified the following 8 key occupations in demand besides Truck Driver:

1. Truck and Transport Mechanic
2. Truck and Trailer Technician
3. Parts Technician
4. Shunt Drivers (licensed)
5. Cargo Workers
6. Dispatcher
7. Freight Claims, Safety and Loss Prevention Specialists
8. Foreman, Supervisor, Manager

Products developed through this research initiative are:

■ **Survey Technical Report**

This report details findings from a national survey of 1,004 carriers across Canada and is available at www.cthrc.com

■ **Labour Information Highway - basic and advanced data tools**

These data tools predict labour needs (demand) for the key non-driving occupations, labour market trends and indicators and enable industry to be better equipped to develop appropriate training, recruitment and retention strategies. These data tools are available at www.cthrc.com

■ **Interpretation Report**

This report explores the demand for and supply of workers in the key non-driving occupations based on six themes. These themes draw on the information gathered from the employer key informants sessions and employee interviews held across Canada, data from CTHRC's Survey Technical Report, CTHRC's Labour Information Highway - basic and advanced data tools and other background reports on the trucking industry.

The following pages contain this report which will assist decision makers in the trucking industry to better understand the key challenges and important considerations as they address these challenges.

THEME 1:

Recruiting and retaining employees in the key non-driving occupations

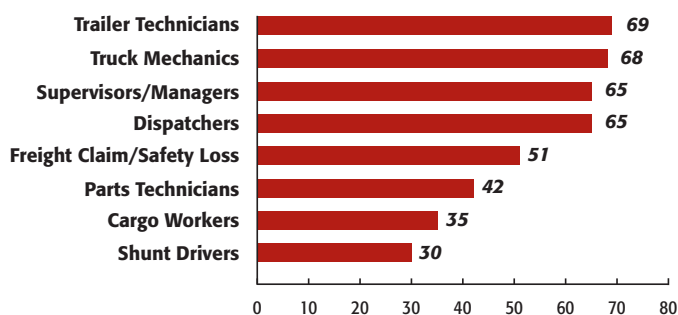
What is the current situation?

Despite recent downturns in the economy, employers across the trucking industry report challenges recruiting and retaining employees in the key non-driving occupations. When combined with the forecasted demand for employees in these occupations in the next 3 - 5 years, these challenges become greater.

In a recent survey of 1,004 carriers, more than 650 respondents indicated that they experienced significant difficulties recruiting and retaining Dispatchers, Mechanics, Truck and Trailer Technicians, Supervisors and Managers.

Significant challenges recruiting and retaining

2009 Survey of fleets (n=1,004)



The main reasons reported for these difficulties were:

- a lack of labour supply
- the industry's inability to pay competitive wages
- strong competition from inside and outside the trucking industry for a small number of employees

The current situation will likely worsen in the next 5 years. The CTHRC's Labour Information Highway - basic and advanced tools based on GDP growth indicates that by 2015, approximately 8,500 additional employees will be required for the 4 occupations for which most challenges are reported:

- 2,000 Truck and Trailer Technicians
- 2,600 Mechanics
- 1,900 Supervisors, Managers
- 2,000 Dispatchers

These projections are net increments and do not take into account the additional supply that will be needed to address retirements or exits from the industry.

As of 2009, it was estimated that the trucking sector employs approximately:

- 14,100 Truck and Trailer Technicians
- 19,200 Mechanics
- 13,700 Supervisors, Managers
- 14,400 Dispatchers

What are the barriers to recruiting employees in these occupations?

Participants in the employer key informant sessions held across Canada propose various factors that contribute to the industry's inability to recruit enough employees to the key non-driving occupations:

Barrier 1:

No clear career path stems from formal training

With the exception of the apprenticed trades, few formal training programs in the trucking industry lead directly to occupations such as Dispatchers, Safety and Loss Prevention Specialists, Cargo Workers or Dock Foremen.

I was looking for warehouse work and I stumbled into a dispatching position.

– Dispatch Supervisor

Historically, people from within the industry have moved into these occupations, receiving on-the-job training as required. The availability of formal training programs is often a factor that people consider when making career-path decisions. Formal training programs can help recruitment.

Barrier 2: Carriers deliver mixed messages about the types of backgrounds required for the key non-driving occupations

Among carriers, opinions vary as to whether Dispatchers, Managers and Supervisors need trucking backgrounds to work effectively in the industry. Some carriers hire only workers with trucking experience for these occupations. These carriers believe that the trucking industry is unique and that someone from outside the industry would be unlikely to understand or accept its particular demands. Many of these carriers also had negative experiences hiring Dispatchers, Supervisors or Managers who did not have trucking experience.

If you haven't lived it and done it, then the respect isn't there.

Give me someone who is motivated and willing to learn. I don't care where they come from because I can teach them about the industry.

– Employer key informant session participants

Other carriers maintain that potential employees do not need trucking industry experience, as long as they are willing to learn about the industry. These carriers believe that motivation combined with alternative skill-sets is quite advantageous. They also argue that the trucking industry must address its human resource problems more creatively. It should attract people from other sectors and with different backgrounds who may see the industry's challenges in new ways and contribute different solutions.

Barrier 3: The industry has placed too much emphasis on careers in truck driving

Participants of the employer key informant sessions and employee interviews report that the industry places so much emphasis on careers in truck driving that very few people are aware of the large number of non-driving occupations.

As a result, people who consider jobs in various sectors, often dismiss the trucking industry because they are not specifically interested in working as Truck Drivers.

There is a lack of awareness of the opportunities in the trucking industry.

– Customer Service Manager

Barrier 4: The industry has a poor public image

Another barrier to recruiting is the general public's negative perception of the trucking industry. Many Canadians consider the trucking industry to be:

- a last resort for young people
- a sector for high school drop-outs or for people who did not complete their post-secondary training

The academically inclined do not consider this industry.

– Key informant session participant

Barrier 5: Young workers' attitudes and work patterns are changing

A shift in young people's attitudes towards work and working conditions presents a significant recruiting barrier for carriers. Increasingly, young people want to work 09.00 – 05.00, Monday - Friday schedules, receive high starting wages and avoid work that involves physical skills or getting dirty.

Younger people's expectations are hugely different now and the trucking industry is not able to match them.

– Key informant session participant

What are the barriers to retaining employees in the key non-driving occupations?

Many of the same barriers that affect employee recruitment in the non-driving occupations also affect employee retention. However, information gleaned in the employer key informant sessions provides evidence of additional retention barriers:

Barrier 1: Wages in the key non-driving occupations are comparatively low

Low wages offered for many of the non-driving occupations specifically Dispatchers, Safety and Loss Prevention Specialists, Managers and Supervisors are a barrier to employee retention, especially among smaller carriers.

Over the past few years, the demand to increase wages paid to Truck Drivers has put a downward pressure on wages paid to the key non-driving employees. Dispatchers for example, are often paid less than the Truck Drivers they dispatch. Supervisors and Managers also receive lower wages than they would in other sectors. This problem has been compounded by the recent economic downturn. In some regions, carriers have cut wages and benefits for many employees in the key non-driving occupations.

The skills needed to do well in this position are desirable in many other better paying positions outside the industry.

– Manager

Barrier 2: Stress and burnout is common among Dispatchers

One of the main obstacles to retaining Dispatchers is the high level of stress and incidence of burnout related to this occupation. In many cases, Dispatchers deal with numerous challenges at once, often working as negotiators, facilitators and even counsellors. They are at times required to deal with problems from clients and Truck Drivers and need to have a thorough understanding of complex regulations. Skilled Dispatchers not only experience high levels of stress but also possess highly refined management skills that are often not properly recognized or rewarded by employers. The demands of the job, along with a general lack of recognition, contribute to a Dispatcher's stress level and his or her decision to leave the occupation or the industry.

This is a very demanding and stressful position. Dispatchers are responsible for so many things on so many levels.

– Dispatcher

Barrier 3: Truck and Transport Mechanics experience physical toll and injuries from their work

The physical burden placed on Truck and Transport Mechanics is another important barrier to retention. Young workers do not fully appreciate the demanding nature of working on heavy trucks and trailers until they begin an apprenticeship and observe some of their older colleagues.

What are the implications for the Canadian trucking industry?

Most of the recruitment and retention challenges outlined above are not unique to the trucking industry. They do however; have implications and effects that may be quite distinct for the industry, given its unique characteristics. The table below outlines some of the key implications for the industry based on these challenges.

Barrier:

No clear path stems from formal training

Implication ■ increased emphasis today on post-secondary training and education leads young people to consider formal training programs that prepare graduates for specific occupations or groups of occupations. Young people are far less likely to consider careers that are not supported by formal occupational training paths.

Barrier:

Carriers deliver mixed messages about the types of backgrounds required for the key non-driving occupations

Implication ■ experienced workers from other sectors will be reluctant to enter the trucking industry if their experience is discounted or not considered. As a result, the trucking industry will be less likely to receive new input and experience generated by new hires from other sectors.

Barrier:

The industry has placed too much emphasis on careers in Truck Driving

Implication ■ a lack of awareness of the key non-driving occupations will likely lead potential employees to consider other sectors before the trucking industry.

Barrier:

The industry has a poor public image

Implication ■ new entrants to the labour market are unlikely to consider the trucking sector because of the industry's poor public image. As a result, the quality of entrants recruited from outside the sector is likely to be low.

Implication ■ the industry is highly reliant on recruitment from within (family members of employees or from other trucking occupations)

Barrier:

Young workers' attitudes and work patterns are changing

Implication ■ employers in many sectors must adapt their workplaces to accommodate an attitudinal shift among young people while maintaining key standards and values. If the trucking industry does not achieve such a balance, the sector is likely to be less attractive to the young people.

Barrier:

Wages in the key non-driving occupations are comparatively low

Implication ■ recruiting and retaining quality employees with high levels of skill and performance will become increasingly difficult if wages remain low.

Barrier:

Stress and burnout is common among Dispatchers

Implication ■ employers that provide work environments that address the factors that contribute to Dispatcher stress and burnout will likely attract the best Dispatchers.

Barrier:

Truck and Transport Mechanics experience physical toll and injuries from their work

Implication ■ the physical nature of this occupation becomes a more significant concern as the average age of the industry's Truck and Transport Mechanics rises.

What are potential next steps?

Key informants describe various considerations and potential directions to improve recruitment and retention in the key non-driving occupations:

Next step 1:

Increase awareness among targeted groups of the industry's key non-driving occupations

The industry must increase awareness of careers in the key non-driving occupations among two groups:

- potential new entrants to the sector (the younger generation, recent immigrants and people in sectors experiencing a decline)
- those that help these workers make training and career decisions (parents and career, guidance and employment counsellors)

Next step 2:

Address the disadvantage of hiring only from within the industry

Most of the challenges the trucking industry faces have been present for years, if not decades. This fact underscores the need to develop new solutions to old problems. People from different sectors or industries should be welcomed into the trucking sector. They bring different types of experience and different business models to an industry that needs new ideas.

Some carriers have made efforts to recruit from outside the trucking industry. Their approaches and results should be studied and shared with the industry.

Next step 3:

Understand entry-level opportunities for career paths in the trucking sector

Industry members must continue to research and describe career paths to ensure that critical information

reaches the appropriate target groups. For example, a Cargo Worker could be an entry-level position in the industry, given its low occupational and knowledge requirements. Cargo Workers could then progress to other positions as they gain experience and training. This step, however, requires a concerted effort on the part of management to respond to the needs and aspirations of people starting careers in the trucking industry.

I started in the trucking industry by being a part-time Dock Worker while attending college.

– Account Manager

Next step 4:

The industry must accommodate the younger generations work expectations

Many employers have struck balances between the younger generations work expectations, corporate requirements and established work values and processes. Some carriers successfully offer co-op work placements and summer employment to high-school students that enable young people to experience professional work environments and give current employees the opportunity to work with skilled, enthusiastic young people.

Next step 5:

Carriers should elevate the role of a Dispatcher

The occupation that was consistently identified as a mismatch between the level of skill required and the wage and respect received was that of a Dispatcher. Given these workers' pivotal roles, the investment required to train someone fully (estimated at between 12 and 24 months of on-the-job training) and the risks associated with turnover, the industry must make this occupation a clear focus in recruitment and retention efforts. Employers should also consider making changes to the Dispatcher role by:

- providing more formal training opportunities
- offering a title that is more in line with the roles and responsibilities of the occupation (e.g. "Journey Manager")
- using the National Occupation Classification system (NOC) to better recognize the role

We keep promoting from within, and we don't ever get new ideas or new ways of doing things. We need to stop looking at problems from a trucking perspective and start studying them from a business perspective.

– Employer key informant session participant

THEME 2:

Training for the key non-driving occupations

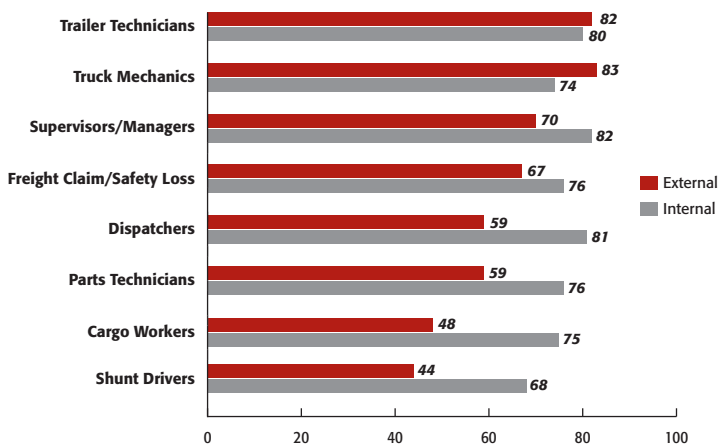
What is the current situation and what are the main challenges?

One of the principal challenges facing the key non-driving occupations is a shortage of training opportunities. Respondents to the CTHRC's national survey of carriers and participants of the employers key informant sessions highlighted this concern.

Survey respondents indicated that they would prefer to see training delivered in-house for all occupations except the apprenticed trades (in which, respondents expressed an equally strong preference for external training). This survey defined in-house training as training delivered in the workplace and usually customized to a carrier's specific needs; the survey defined external training as training delivered off-site and not usually customized.

Need for additional training opportunities

2009 Survey of fleets (n=1,004)



Challenge 1: Structured internal training is offered mostly by larger carriers

In the employer key informant sessions, representatives of most of the larger carriers reported that they offer systematic internal training opportunities to employees in the key non-driving occupations. These carriers indicated

that they deliver this training most often via e-learning modules. The training covers topics such as transportation industry basics, client service, specific company information and general information on business processes. A few larger carriers also indicated that they offered specific internal training courses tailored by occupation.

Challenge 2: Training is delivered principally through observation

Most carriers, regardless of size, indicated that the main type of training they provide is job shadowing, where new employees are paired with more experienced workers to observe tasks. A few carriers implement job shadowing in a semi-structured manner. These companies require new employees to meet goals and demonstrate competencies. In most situations however, carriers deliver training only when needed and in a relatively unstructured fashion.

Challenge 3: Is training an investment or a cost?

Larger carriers and those that offered structured training programs, view training as an investment, whereas those who had difficulty offering training view it as a cost. Carriers that view training as an investment describe its benefits as:

- higher rates of employee retention
- better safety records
- increased employee satisfaction
- improved client service

Those that view training as a cost focused on the challenges of providing training, such as:

- prohibitive costs
- opportunity cost of training employees
- perceived personnel problems such as higher wages
- retention difficulties

Challenge 4:

Some key non-driving occupations lack formal training programs

Given that there are limited or no formal training opportunities for occupations such as Dispatchers, Supervisors and Safety and Loss Prevention Specialists, carriers indicated that they expect to train employees rather than rely on the education system to deliver training. Unlike those occupations where the responsibility to train employees is shared, in occupations where no formal training exists, the industry and individual carriers must offer and finance employee training.

Challenge 5:

The role of the journeyman is changing

Some carriers noted that given the shortage of fully certified Truck and Transport Mechanics and Truck and Trailer Technicians, many of the most senior Truck and Transport Mechanics in larger shops perform dual roles as apprentice Supervisors. This additional duty takes away from the time available to the employee to perform mechanical work.

We have 8 apprentices, only one of whom has gone through for level-three certification. The rest are still working with us but they have decided not to go any further.

– Employer key informant session participant

This changing role is due in part to the high ratio of apprentices to certified journeymen. In some shops, that ratio is as high as 1:8 or 1:10. Many people attribute these high ratios to the length of time the apprenticeship certification program takes to complete and other challenges that the apprentices face such as prohibitive costs of tools, training costs and low wages earned during the training period.

Challenge 6:

E-learning is viewed as the most appropriate medium for in-house training

E-learning is viewed as an appropriate medium of in-house training as it enables trainees to work at their own pace and relieves employers of the need to schedule the typical formal, structured training sessions.

Challenge 7:

How do employers find the time to train new employees?

Participants indicated that one of the main barriers to training employees in the key non-driving occupations is scheduling training sessions.

Given that there are shortages of employees in many of these occupations,

most employees' schedules are filled by required work only. This challenge is more acute among smaller carriers, where many employees have responsibilities across a range of occupations.

We have to do our training on people's days off. This requires us to pay overtime.

– Employer key informant session participant

Challenge 8:

How can employers retain trained employees?

Some carriers indicated that they do not train employees as trained employees are much harder to retain. These carriers believe that trained employees will demand higher wages and be more likely to take jobs with other carriers.

Challenge 9:

Few employers maintain training budgets during economic downturns

Most carriers indicate that training budgets are among the first items to be cut during economic downturns.

What are the implications for Canada's trucking industry?

Although the challenges outlined above are not unique to the trucking industry, they do have specific implications for this industry. Some potential effects are outlined in the table below:

Challenge:

Structured internal training is offered mostly by larger carriers

Implication ■ small and medium-sized carriers are less likely to offer structured internal training. As a result, the main benefits of developing this form of training will likely be realized only by the larger carriers.

Challenge:

Training is delivered principally through observation

Implication ■ when training through observation is not systematic, trainees may not receive adequate instruction.

Implication ■ although this is the default training medium for many carriers, it may not be completely effective. Job shadowing generally has a specific purpose and can be quite resource intensive. It is most effective when combined with other types of training.

Challenge:

Is training an investment or a cost?

Implication ■ if training continues to be viewed predominantly as a cost, then it is likely that carriers will attempt to reduce training programs rather than expand or develop them.

Challenge:

Some of the key non-driving occupations lack formal training programs

Implication ■ increasing societal emphasis on post-secondary training and education leads young people to consider formal training paths to specific occupations. Trucking's non-driving occupations must be supported by formal training paths if young people are to consider these careers.

Implication ■ many people associate an occupation's status with the level of training required to perform that job.

Challenge:

The role of the journeyman is changing

Implication ■ as journeymen become Managers and Supervisors, the apprenticeship model changes. This change could affect the type and quality of training that apprentices receive.

Challenge:

E-learning is viewed as the most appropriate medium for structured in-house training

Implication ■ e-learning is growing in most sectors. The trucking industry may benefit from some of the e-learning technologies and initiatives that are being developed in other sectors.

Challenge:

How do employers find the time to train new employees?

Implication ■ the trucking industry is caught in a no-win situation with respect to training. When business is good, companies do not have the time to train employees. When business is slow, budget cutbacks do not allow for training.

Challenge:

How can employers retain trained employees?

Implication ■ given that there is currently no standard or general training for employees in many of the key non-driving occupations, employees who are well trained are also quite valuable. If training were more regular and structured, employees might be less likely to move between employers.

Challenge:

Few employers maintain training budgets during economic downturns

Implication ■ during economic downturns, only the most cost-effective training where delivery is inexpensive is likely to be maintained (e.g., e-learning).

What are potential next steps?

Taking into account the various challenges and implications raised related to training for the key non-driving occupations, participants offered various suggestions with respect to future considerations and directions:

Next step 1:

Make training more relevant

Training that is available for other industries is not always relevant to the trucking industry. For example, the skills required for dispatching in the trucking industry might be quite different from those required in other transportation sectors. The same problem applies for trucking sector managers.

Next step 2:

Develop generic training modules that small and medium-sized carriers can use

It may be feasible to develop e-learning tools aimed at the specific needs of small and medium-sized carriers. Generic training modules could focus on topics such as introductory components, client service, supervisory skills, industry regulations and business essentials. Small and medium-sized carriers could purchase these modules, as required, to offset development costs.

Next step 3:

Explore the extent to which formal training can be offered in the key non-driving occupations

Most participants believe that fundamental skills for many of the non-apprentice, non-driving occupations can be taught in formal training situations. These could include skills required for positions such as Dispatchers, Cargo Workers, Safety and Loss Prevention Specialists and some supervisory or managerial skills.

Next step 4:

Demonstrate the link between workplace training and profitability for small and medium-sized carriers

Attitudes toward training will change only through a more thorough understanding and demonstration of training's value. Any campaign to lead this attitude shift must be supported by specific examples from the trucking sector, as well as other sectors where small and medium-sized businesses dominate.

THEME 3:

Technology training for the key non-driving occupations

What is the current situation and what are the main challenges?

Participants identified a number of issues with respect to the types of technology training required to update employees on new technology. The 4 key non-driving occupations upon which most

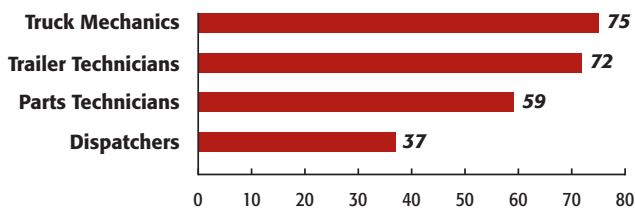
of the discussion focused:

- Truck and Transport Mechanics
- Truck and Trailer Technicians
- Parts Technicians
- Dispatchers

Approximately three quarters of carriers who responded to CTHRC's national survey indicated that their Truck and Transport Mechanics and Truck and Trailer Technicians need training on new types of equipment, parts and/or software. Respondents also said that more than half of their Parts Technicians and approximately one-third of their Dispatchers need additional training in the same areas.

Training needed on new types of equipment/parts/software

2009 Survey of fleets (n=1,004)



These training needs are not surprising when one takes into account the large number of original equipment manufacturer (OEM) vehicle technologies that have been recently incorporated or are likely to be incorporated in the next 3 – 5 years. According to a recent report¹ by the Canadian Automotive Repair and Services Council, there are a number of new OEM vehicle technologies for heavy trucks such as:

- biodiesel
- clean-diesel technology
- diesel-particulate filters
- self-inflating tires
- split rims/double rims
- truck-wheel monitoring systems

Technological changes such as these contribute to all carriers' needs for ongoing training.

¹ *Technology Advancements and the Impact on Skills Development for the Motive Power Repair and Service Industry Workforce (July 2009).*

Challenge 1:

Training on technological innovations is often unavailable

Participants of the employer key informant sessions reported that training is seldom available for emerging technologies. Often, these new technologies are proprietary or prohibitively expensive. They are typically used by Truck and Transport Mechanics who work at dealerships. As a result, these Truck and Transport Mechanics are among the few who are regularly kept up to date.

Challenge 2:

Schools and colleges are not able to keep up with the latest technology

Educational institutions are unable to keep up with new truck technologies. Apprentices are trained on outdated equipment. As a result, apprentices are often required to catch up with technology once they arrive in the workplace.

Challenge 3:

Technology training is generally provided by manufacturers

Whether dealing with technology for trucks, new dispatching systems or business technologies, product manufacturers are the industry's main training suppliers. For various software systems and business technologies, manufacturers offer product training as part of a client's purchase cost. Product manufacturers will typically offer training on servicing their particular products, timed with the expiry of warranties often 2 - 3 years after the technology has been introduced.

We can't rely on the colleges to teach this. They use technology the industry used 10 years ago.

– Employer key informant session participant

Participants indicated that Quebec's approach to training is different from those in most provinces. In Quebec, the provincial government coordinates mechanic training on OEM.

Challenge 4:

Technology produces increased demands on the trucking industry

Technological changes place new demands on carriers. Some carriers say that their clients now require them to bill for services by the quarter hour. While carriers can meet this requirement by tracking and recording truck movements using GPS technology and integrating these results with an invoicing system, this requirement increases the carrier's tracking, monitoring and reporting burdens substantially.

Challenge 5:

There is a need to fit with and use the clients' technology

Given the increased availability of load tracking and monitoring technology, carriers must constantly feed information into their clients' information management systems. To meet this requirement, carriers must install updated technology on all their trucks and train employees in non-driving occupations to monitor and deliver information to clients' systems. Employees in non-driving occupations must also be well versed in a number of different information management systems.

Challenge 6:

Keeping up with technology is expensive

Cost is the most challenging barrier to adopting new

Keeping up with technology in an industry where margins are small or non-existent is tough. So, yes, I can upgrade the computers but who am I going to lay-off so I can pay for the upgrades?

– Employer key informant session participant

technologies. For some carriers, the cost to train employees, acquire and implement new technology (in the case of business or dispatching systems, diagnostic software) and adapt the workplace to integrate the technology (retro-fit mechanic bays, and upgrade computer systems) is prohibitive.

Challenge 7:

Carriers have difficulty weighing the costs and benefits of adopting new technologies

The industry representatives realize the benefits from adopting new technologies: their businesses are much more efficient. Their challenge however, is deciding when to invest in new technology and when it is more prudent to wait. Participants admit they have difficulty making informed decisions about new software purchases, a field in which most had limited knowledge especially when faced with strong sales pitches from vendors or manufacturers.

Technology is a double-edged sword. It can cost a lot of money but it can also give you a competitive edge.

– Employer key informant session participant

What are the implications for the Canadian trucking industry?

The challenges outlined above are not unique to the trucking industry but they do have specific implications for this industry. Potential implications are outlined in the table below according to each identified issue.

Challenge:

Training on technological innovations is often unavailable

Implication ■ Truck and Transport Mechanics that are not located in dealerships do not receive training on new technologies until a few years after product implementation.

Challenge:

Schools and colleges are not able to keep up with the latest technology

Implication ■ as the Truck and Transport Mechanics have been trained in schools and colleges that have outdated equipment, apprentice Truck and Transport Mechanics and Truck and Trailer Technicians must catch up on new technologies once they arrive in the workplace.

Challenge:

Technology training is generally provided by manufacturers

Implication ■ given the proprietary nature of much of the new technology, the industry is required to collaborate with manufacturers or developers to receive appropriate training. If there is a switch to a different (or new) product, training costs are incurred again.

Challenge:

Technology produces increased demands on the trucking industry

Implication ■ the trucking industry is increasingly required to provide additional information, in specific forms and more rapidly as a result of the innovations in logistics technologies.

Challenge:

There is a need to fit with and use clients' technologies

Implication ■ as clients adopt new technologies, the trucking industry needs to be increasingly flexible. This challenge will require greater levels of skill to integrate and maintain various systems.

Challenge:

Keeping up with technology is expensive

Implication ■ smaller and medium-sized carriers are less likely to respond to some of the new technologies, given the implementation and training costs.

Challenge:

Carriers have difficulty weighing the costs and benefits of adopting new technologies

Implication ■ the industry is currently being guided in its adoption of new technologies by the same companies that sell the technology.

What are potential next steps?

To some extent, the considerations and directions needed to address technology training challenges are similar to those outlined in the section on training above. Additional considerations are outlined below:

Next step 1:

Review the impact of training apprentices on outdated equipment

Apprenticeship training may need to be reviewed to determine the extent to which training on outdated equipment affects the quality of education and apprenticeship retention.

Next step 2:

Develop training resources in cost-benefit analysis and business decision making with respect to new technologies

Many carriers rely on product vendors for advice on whether and when to implement new technologies. Employer key informant session participants felt uncomfortable making these decisions because they lack information. Carriers also rely on their colleagues' experiences to determine whether a new technology or product is well suited to their businesses.

The trucking industry may want to consult with other industries to see whether tools exist that enable businesses to analyze the costs and benefits of adopting new technologies and study the extent to which these tools could be used by carriers.

Next step 3:

Determine the demand and potential supply of IT skills for the trucking industry

As the trucking industry adopts more business technologies and various specialized information systems, it will need more IT employees and will require its Truck Drivers and employees in non-driving occupations to expand their IT skills base. As illustrated in the papers on recruitment, retention and supply, the trucking sector is not an obvious choice for many who possess these skills.

THEME 4:

Key non-driving occupations in smaller carriers

What is the current situation and what are the main challenges?

According to a recent study conducted on Canada's trucking sector, approximately 85% of carriers in Canada have fewer than 50 trucks or power units.² While they may not account for the majority of trucks on the road, small and medium-sized carriers do account for most of the trucking carriers in Canada. Participants in the employer key informant sessions as well as the survey listed a few of the special challenges these carriers face with regard to the key non-driving occupations:

² Canada's Driving Force Phase II – Profile of Employers Hiring Class 1/A Drivers (2007) – Canadian Trucking Human Resources Council.

Challenge 1:

The ratios of Truck Drivers to workers in the key non-driving occupations are different for smaller carriers

Smaller carriers that have employees in the key non-driving occupations are subject to lower Truck Driver-to-employee ratios than larger carriers. For example, on the national survey of carriers, the average ratio of Truck Drivers to Supervisors, Managers is approximately 8 drivers for every Supervisor, Manager in small carriers (those with fewer than 10 power units) compared with 18 Truck Drivers for every Supervisor, Manager in larger carriers (those with 50 or more power units).

Challenge 2:

Smaller carriers perceive more risk in hiring staff with little or no trucking experience

Representatives from smaller carriers are less willing to hire employees for the key non-driving occupations from outside the industry. These

If you have fewer than 50 trucks, you are not going to hire a kid with a marketing degree out of school.

– Employer key informant session participant

respondents are concerned about the risks of hiring employees who may be unable to perform key tasks effectively, and their ability to retain newly trained employees. Given the investment in training required to bring in a new employee, the smaller carriers consider the potential risk to outweigh any benefits.

Challenge 3:

Smaller carriers prefer to hire workers who have some training in the key non-driving occupations

Given the challenge smaller carriers have in providing adequate training, many of the smaller carriers in the employer key informant sessions say they prefer to hire employees who have already been trained for similar positions.

Challenge 4:

The nature of the job for many of the key non-driving occupations in smaller carriers is very different than for medium and large carriers

The key non-driving occupations in smaller carriers are usually more demanding than in medium and large carriers. For example, Dispatchers in smaller carriers perform a number of tasks such as managing Truck Drivers, interpreting regulations, providing quotes to customers, and engaging Truck and Transport Mechanics. In large carriers, different people are normally assigned to each of these tasks.

Challenge 5:

The cost of keeping Truck and Transport Mechanics on staff is sometimes prohibitive

Smaller carriers are unlikely to offer a steady enough flow of work to warrant hiring full-time Truck and Transport Mechanics.

\$30 an hour to have a mechanic change tires? It doesn't make financial sense for smaller firms.

– Employer key informant session participant

As a result, they outsource these tasks to independent workers (at much higher rates of pay than their employees) to keep up with demand. The downside of this situation is that small carriers pay far higher rates to independent Truck and Transport Mechanics for relatively simple tasks such as changing tires or doing lube jobs.

Challenge 6:
The quantity and complexity of regulations is increasing

Participants in the employer key informant sessions indicated that the number and complexity of regulations affecting the trucking industry is constantly increasing. While in medium and large carriers, various people are responsible for interpreting, implementing and monitoring regulations, in smaller carriers these resource-intensive tasks are often assigned to someone with other professional responsibilities such as dispatching or management.

What are the implications for the Canadian trucking industry?

The implications for the challenges facing smaller carriers are presented below.

Challenge:
The ratios of Truck Drivers to employees in the key non-driving occupations are different for smaller carriers

Implication ■ the overhead costs incurred by smaller carriers on the key non-driving occupations are likely higher than those paid by medium and large carriers. This means that there will generally be fewer funds available for HR development issues such as training

Challenge:
Smaller carriers perceive more risk in hiring employees with little or no trucking experience

Implication ■ the new entrants to the trucking sector are more likely to be hired by medium and large carriers. As a result, medium and large carriers are more likely to benefit from new ideas and different business models from outside the trucking industry.

Challenge:
Smaller carriers prefer to hire employees who have some training in the key non-driving occupations

Implication ■ given the challenges presented to smaller carriers in providing training (either on the job or more structured training), they will likely continue to focus on recruiting from within the industry.

Challenge:
The nature of the job for many of the key non-driving occupations in smaller carriers is very different than in medium and large carriers

Implication ■ the rates of burnout and levels of stress may be higher in smaller carriers, causing movement to medium and large carriers or exits from the industry.
Implication ■ occupation-specific skills may not be as well developed in smaller carriers, given the requirements for covering many occupations, tasks and responsibilities.

Challenge:
The cost of keeping Truck and Transport Mechanics on staff can be prohibitive

Implication ■ the demand for Truck and Transport Mechanics among smaller carriers may decrease as truck technologies become more complex. Smaller carriers may become unable to conduct this work as a result.
Implication ■ if Truck and Transport Mechanics' compensation rates continue to increase as anticipated shortages become more acute, smaller carriers may be less likely to hire them. The cost challenge increases if a licensed mechanic at a small carrier due to uneven volume is filling his/her workload with duties that require his/her high level of skill (e.g., oil changes, tire work).

Challenge:
The increasing number and complexity of regulations challenges smaller carriers

Implication ■ smaller carriers may require specialized services to interpret, implement and monitor regulations.

What are the potential next steps?

Given the issues and implications outlined for smaller carriers, potential next steps include the following:

Next step 1:

Develop training for the key non-driving occupations that are cost-effective for smaller carriers

Given the challenges with containing overhead in smaller carriers, training for the key non-driving occupations must be cost-effective. It should be relevant to smaller carriers (describe the need to perform many roles), affordable (development costs spread across multiple carriers and sectors) and delivered in a format that is adaptable to the smaller carrier environments (e-learning, module-based).

Next step 2:

Highlight cases where hiring new entrants has benefitted smaller carriers

The actual risks involved in hiring new entrants to the sector may be lower than those perceived by smaller carriers. If the industry were to find and analyze cases where smaller carriers recruited new entrants with positive results and described the factors that contributed to these successful outcomes, smaller carriers could use this information to better assess their own risks.

Next step 3:

Determine the extent to which industry can offer regulatory help to smaller carriers

The workers in the key non-driving occupations in smaller carriers who are responsible for interpreting, implementing and monitoring regulations struggle to meet these responsibilities. A study to determine the types and delivery of training and support in this area would likely benefit the smaller carriers.

THEME 5:

Uses of labour market information in the trucking industry

Participants in the employer key informant sessions were asked to provide the uses of different types of labour market information, in their day-to-day business. The types of information that the participants discussed and provided feedback on are:

Wage and salary information

Who uses this information?

People who most often use wage and salary information are Human Resources, Marketing and Sales, various compensation groups, Vice-Presidents and Senior Managers.

How is this information used?

Wage and salary data informs:

- union negotiations
- productivity estimates

- regional supply issues
- salary bands for regional and local offices
- regional differences in supply and wage expectations
- per load pricing. For some carriers, more than half of per-load costs are due to salaries
- comparisons of salaries, revenue and other expenses to determine profitability factors

Unit labour costs are important to understand pricing. They are more useful for the hourly wage earner occupations like Cargo Workers and Truck and Transport Mechanics than salaried occupations like Dispatchers, Managers and Foreman. Carriers say that they find this information useful because it serves as a common denominator for many data streams like shipments, hour, etc.

Shipment information

Who uses this information?

People who most often use various shipment information are those that are in charge of Marketing and Sales, Loss Prevention, Operations, Vice-Presidents and Senior Managers.

How is this information used?

Shipment information is used to:

- calculate lane profitability such as determine if certain runs are more or less profitable
- build claims-to-revenue ratios. If it is a high claims lane, then carriers need to make decisions about continuing in that lane or whether to introduce different resources
- establish volumes per lane in order to understand the reliance on certain lanes, the need to diversify and the risks of concentrating on a few lanes
- determine a carriers market position. Are they over-competitive or are they pricing themselves out of lane
- confirm insurance coverage such as identifying who is covering insurance for shipment and any associated costs
- facilitate audits

Information on revenues, shipments and insurance costs are used differently at various organizational levels. For example, Dispatchers will use compiled shipping information as a guideline for negotiating loads while Senior Managers will use less compiled data to understand profitability, develop pricing and determine strategic direction.

Cross-border shipment information is used for various decisions. For example, Human Resources will use this data to ensure that new employees meet the requirements for quick entry, pricing and predicting insurance issues and costs.

Vehicle information

Who uses this information?

People who use vehicle information most often are those in charge of internal repair shops, Loss Prevention, Operations, Vice-Presidents and Senior Managers.

How is this information used?

It is used to:

- project expenses such as maintenance, insurance and replacement costs
- select operation modes such as owner-operators, company trucks, lease/purchase
- compare carrier vehicle lifecycles with those of competitors and those in other sub-sectors - Truck Load vs. Less than Truck Load, to determine replacement schedules
- build intra-provincial fleet operational data (for federal carriers)

Employment and labour force information

Who uses this information?

People who most often use employment and labour force information are those in charge of Human Resources, Marketing and Sales, Vice-Presidents and Senior Managers.

How is this information used?

- information on layoffs and buyouts helps refine active recruiting processes such as Alberta carriers going to Sudbury
- apprenticeship information helps carriers understand and build relationships with apprenticeship programs
- immigration is becoming increasingly important to Canada's economy, yet there are major challenges with paperwork, delays, etc.
- understanding labour source supplies enables carriers to focus recruiting and succession plans
- data on client layoffs and recruiting supports marketing and sales efforts
- Senior Managers and Human Resource professionals use workforce age, population

statistics and immigration statistics to build succession plans and recruiting strategies

Economic indicators

Who uses this information?

Economic information is used by those in charge of Marketing and Sales, Vice-Presidents and Senior Managers.

How is this information used?

Economic indicators are used to:

- inform strategic decisions such as expansion and contraction, targeting new markets or offering new services
- set prices and expand or contract offerings in specific areas and lanes
- forecast demand for services

Participants indicated that most of the economic data they receive comes from other business information sources. They argued government sources are generally out of date and less useful.

In conclusion, labour market information is used by a range of stakeholders for multiple purposes:

- carriers, trucking associations, provincial sector councils and other industry stakeholders will use labour market information to support recruitment,

training, retention and business investment decisions and address challenges

- prospective employees use labour market information to research the trucking industry, careers within the trucking industry and to make informed employment decisions
- educational / training institutions use labour market information to develop trucking programs, curricula and assist the younger generation in the transition from school to work. This includes post secondary institutions such as colleges and universities. It is also used within the primary and secondary school guidance system
- trucking researchers use labour market information to monitor the labour market and write reports
- intermediaries use labour market information to assist their trucking clientele which include Human Resource professionals, Career Development Counsellors and unions
- program designers use labour market information to inform the development of trucking programs and assess their impact
- policy makers use labour market information to identify and make recommendations to remedy labour market issues

THEME 6:

Labour supply in the key non-driving occupations

What is the current situation and what are the principal challenges?

Although this report focuses primarily on the demand for employees in the key non-driving occupations, CTHRC has also examined the trends that affect labour supply in these occupations. Over the next 5 years, approximately four-fifths of new job seekers in Canada's labour market will come from the education system. The remaining one fifth of supply will be made up of recent immigrants.³

³ Looking Ahead: A 10-Year Outlook for the Canadian Labour Market (2006-2015) – Human Resources and Skills Development Canada

Challenge 1:

Recent immigrants make up a large portion of Truck Drivers but not the key non-driving occupations

In Ontario, Alberta and British Columbia, the majority of new drivers are recent immigrants. This trend has not transferred

New immigrants account for more than 90 percent of our Truck Drivers and none of our Dispatchers.

– Employer key informant session participant

to many of the non-driving occupations. Although some recent immigrants have taken jobs as Truck and Transport Mechanics or Cargo Workers, they do not do so in nearly the same proportion as Truck Drivers.

Challenge 2:
Job seekers may have difficulty finding jobs in the trucking industry

As highlighted in the section on recruitment and retention, carriers are mixed in their willingness to hire people with little or no trucking industry experience for example the younger generation or job seekers from other sectors.

Challenge 3:
Increased demand results in labour-supply diversification

According to the participants, the recent economic growth in the western provinces and particularly Alberta, demonstrated the value of considering various sources of supply when trying to find people to work in the key non-driving occupations. Participants discussed how supply shortages pushed them to actively recruit among new groups. This exercise yielded a much more diversified workforce with respect to non-traditional groups such as the younger generation, women and recent immigrants and offered its own share of benefits and challenges.

Challenge 4:
Labour supply still comes from within the industry

Key informants note that most of the labour supply for many of the key non-driving occupations comes from within the industry. For example, the majority of Dispatchers are former Truck Drivers. With the exception of the apprenticed trades and entry-level Cargo Workers, most people who occupy key non-driving occupations grew into these jobs over the course of their trucking industry careers.

Challenge 5:
Labour-supply sources are changing

There is a shift from the traditional supply of workers for the trucking industry, both among Truck Drivers and the key non-driving occupations. People from rural backgrounds and retirees from transport related jobs in the Canadian Forces have traditionally been the trucking industry's principal recruitment audiences. The number of people available from these sources appears to have decreased.

Where have all the farm kids gone?

– Employer key informant session participant

What are the implications for the Canadian trucking industry?

Exploring labour supply for the non-driving occupations raised a number of issues among participants in discussion groups. Each of these has potential implications for the trucking industry:

Challenge:
Recent immigrants make up a large portion of Truck Drivers but not the key non-driving occupations

Implication ■ it would appear that this may present a problem of supply to key non-driving positions that traditionally draw from the Truck Driver pool such as Dispatchers, Managers and Safety and Loss Prevention Specialists.

Implication ■ recent immigrants do not seek out jobs in the non-driving occupations because of their lack of English- and French-language skills.

Challenge:
Job seekers have difficulty finding jobs in the trucking industry

Implication ■ if the trucking industry is perceived as hiring only from within the industry, then it is unlikely to benefit from the supply of job seekers from other sectors or school dropouts.

Implication ■ the younger generation will continue to make up 80% of new job seekers in any sector. This will

mean that the trucking industry will have to be viewed as an attractive option for the younger generation if it is to benefit from this supply source.

Challenge:

Increased demand results in labour-supply diversification

Implication ■ recent peaks in demand for employees in all trucking occupations pushed some carriers to look beyond their regular worker-supply sources. This shift produced some benefits and challenges as the carriers accommodated more diversified workforces.

Challenge:

Labour supply still comes from within the industry

Implication ■ the model of supplying many key non-driving occupations with employees from within the industry may fail if the traditional supply becomes less appropriate for these occupations (if these employees possess insufficient literacy, technical or client-service skills) or if the traditional supply is not large enough to meet the demand.

Challenge:

Labour-supply sources are changing

Implication ■ if traditional sources of supply are shrinking or personnel are less attracted to the trucking industry, then the trucking industry must consider additional labour sources or make itself more attractive to this potential supply.

Implication ■ to address driver shortages, some carriers moved away from traditional labour sources and focused on new ones such as women and recent immigrants

What are potential next steps?

Many participants describe future considerations and directions that are similar in nature to those presented to address recruitment issues. Some additional considerations include the following:

Next step 1:

Consider the additional skills current Truck Drivers will need to move into the key non-driving occupations

Given that the population of Truck Drivers in some regions has changed significantly over the past few years, the potential supply for many of the key non-driving occupations will also change. The industry must consider the additional skill sets that will be required to transition these Truck Drivers into the key non-driving occupations.

Next step 2:

Learn from the lessons of the carriers that diversified their recruitment efforts to meet increased demand

Given the recent experience in the western provinces and Alberta in particular, where the demand for employees was extremely high, some carriers sought out groups that had been traditionally underrepresented in the trucking industry such as women, recent immigrants and Aboriginals to fill positions. The industry may derive some value from studying these carriers' efforts to determine how they identified non-traditional supply streams and review the successes and challenges these carriers experienced when managing diverse workforces.

CTHRC's

Labour Information Highway

supply data tool
under consideration



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