

Driver Satisfaction Survey

Are you meeting their needs?

Find out what attracts, motivates and
retains drivers with our fifth annual
Driver Satisfaction Survey

**SPONSORED BY
MICHELIN NORTH AMERICA
(CANADA) INC.**

**CONDUCTED IN PARTNERSHIP WITH
THE CANADIAN TRUCKING HUMAN
RESOURCES COUNCIL**

FROM THE FOUNDING SPONSOR



Michelin North America (Canada) Inc. is Canada's largest manufacturing employer in the tire industry. In all, over 3,700 people work in its three Nova Scotia manufacturing plants and at its head office in Laval, Quebec. Michelin was founded in Canada in 1941, and in 2011 the company will celebrate 40 years of manufacturing operations in eastern Canada. Michelin produces tires for both individual and commercial customers nationwide. As a testament to Michelin reliability, the public transit vehicles in several major Canadian cities, including Montreal, Quebec City, Regina, Winnipeg and Vancouver, are equipped with Michelin tires. From coast to coast, on two wheels or four, Michelin is without a doubt a better way forward.

Michelin is pleased to have the opportunity and proud to be the Founding Sponsor of Transportation Media's 2010 Driver Satisfaction Survey. The North American economy runs on trucks and understanding the driver's view is a key to making sure trucking is safe, effective and efficient for everyone. Driven by a constant will to innovate, we are proud to help provide a long-term response to issues pertaining to mobility.



FROM THE SUPPORTING PARTNER



**Canadian Trucking
Human Resources Council**
**Conseil canadien des ressources
humaines en camionnage**

Our Industry, Your Council!

The Canadian Trucking Human Resources Council (CTHRC) works with employers, educators, labour and organizations who are committed to improving the professionalism and sustainability of Canada's trucking industry. Together, we are developing and delivering the products and programs that are dedicated to meeting these important needs.

This support is available at a critical time. Although the recent recession offered a temporary reprieve from human resource challenges such as driver shortages, these issues are expected to return as the economy recovers. Between now and 2015, Canada's trucking industry will need to hire another 27,100 drivers, 2,647 truck/transport mechanics, 3,633 cargo workers and 1,993 dispatchers. The council is dedicated to addressing Human Resource issues like these and helping to alleviate the pressures of labour shortages to come.

We are very pleased to have the opportunity once again to be the Supporting Partner for the *Motortruck Fleet Executive* 2010 Driver Satisfaction Survey. We strongly believe that you cannot get to where you are going without understanding where you are and that includes knowledge of professional drivers.

Can you meet their needs?

What attracts, motivates and retains drivers

Sometimes the most pleasant of surprises come during the most dire of circumstances. When we wrote last year that human resource management in 2010 would not be for the faint of heart, we were in the midst of the worst recession of the post-War era. We knew that all the nasty things that come with recessions – slumping revenues that necessitate cutbacks and make decent wage increases impossible, layoffs, relying on older equipment, changes in management, etc. – make for uncertainty and job stress that wreak havoc on employee morale.

Heading into this year's Driver Satisfaction Survey, our fifth annual attempt to get inside the heads of the men and women behind the wheel of our nation's fleets, we were, frankly, bracing for the worst, but hoping for the best. Trucking was bruised and battered by this recession like never before and many tough choices had to be made. And these choices were often made against a background of already slumping job satisfaction.

Yet, as you will read over the next few pages of highlights from our fifth annual Driver Satisfaction Survey, conducted in partnership with Canadian Trucking Human Resources Council, we were pleasantly surprised.

How did our driver relations endure the hardships of cutbacks, wage freezes and layoffs? Are our drivers still feeling engaged and enthused to tackle the distinct challenges of a career behind the wheel? As managers, do we know how to attract them, motivate them and retain them? We want to play an important role in helping you find answers to those questions. For the fifth straight year, our research arm, Transportation Media Research, spent several months surveying company drivers and owner/operators across the country – through e-mail and at industry shows. We wanted to know how satisfied they are in their jobs, which parts of their job provide them with the most satisfaction and which the least? We wanted to get to the heart of critical questions such as which parts of their job drivers most strongly feel should be recognized and rewarded, which areas they want to receive more training, and the relative importance they attach to having a say in a range of management decisions. Our research also looked at what would make them choose one employer over another when looking for a new job.

Research of this scope and breadth is a considerable annual undertaking and would not have been possible without the help and support of our founding sponsor, Michelin North America (Canada) Inc. and our supporting partner, the Canadian Trucking Human Resources Council (CTHRC). It speaks to their commitment to this industry that they have chosen to support such research year after year.

Our greatest thanks go out to the company drivers and owner/operators across the country who took time out of their very busy schedules to respond to our questionnaire. Thank you for making our research project a success yet again.

We hope the results of our survey are considered by both fleet managers and the drivers they employ in the spirit in which our research was intended and conducted: as a good starting point towards better understanding the driver-fleet manager relationship and what is required to make it most effective. We also believe that good research is meant to evolve over time and so we ask for your feedback on our effort and any changes or additions you would like to see made in future years.

Lou Smyrlis
Editorial Director



Last year, we were alarmed to find that job satisfaction had dropped to its lowest level since the start of the survey, with the national job satisfaction level calculated at a mere 3.13 out of 5. That's barely a C grade. Even more alarming was the fact that a full fifth of the drivers and owner/operators in our previous survey considered themselves either "unsatisfied" or "very unsatisfied" in their jobs.

It seemed logical to expect things to get worse this year. And yet, they did not.

Despite all the adversity the Canadian driver force faced this year, our survey found that not only did their job satisfaction not deteriorate, it actually improved. In fact, it rose to 3.67 out of 5, which is just a touch better than the 3.66 level posted during the first two years of the survey. And this year, 60% marked themselves down as either satisfied or very satisfied and the number of unsatisfied respondents was down to 16%. Part of the reason for the higher score is the fact that a greater proportion of our sample this year included owner/operators (59% compared to 45% the previous year) and they tend to report higher job satisfaction levels (and

also lower satisfaction levels as they tend to dominate the extreme ends of the satisfaction spectrum). But even when we isolate company driver responses, job satisfaction this year managed to rise, albeit to a more modest 3.37. Almost half (48%) of company drivers considered themselves satisfied with 29% con-

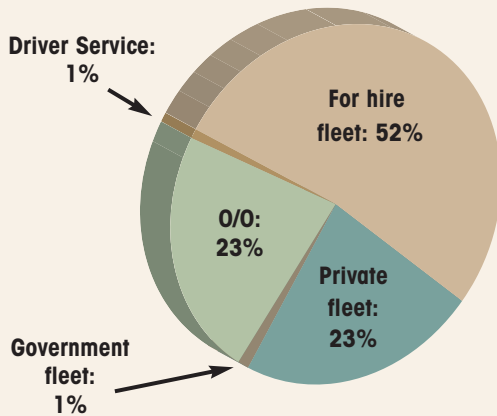
sidering themselves neutral on the issue and 23% being unsatisfied.

Understanding what drives driver job satisfaction is a key objective of our survey, conducted in partnership once again with CTHRC. Our survey examines how satisfied drivers are regarding 12 different aspects of their job, ranging from pay and recognition to stress and growth opportunities within the company.

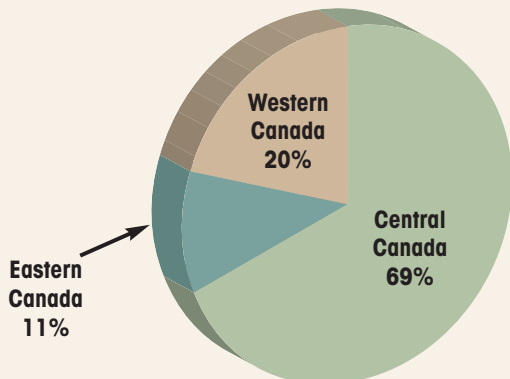
Recruitment, of course, is the other half of the human resource equation. When drivers are looking for work, what makes one employer stand out over the rest? Our research, once again, looks into that important question examining the factors you need to focus on to attract company drivers and owner/operators.

But first, let's get deeper into the issue of job satisfaction. As noted above, our survey asked participants to assess not only their overall job satisfaction, but also their satisfaction with specific characteristics of their job. With the previous survey, we had noted that the depth to which satisfaction levels had fallen in several areas should be of great concern. For example, of the 12 different job factors we track, only one had a

Distribution by Employer Type



Geographic Distribution



Respondent Profile and Survey Methodology

Over the course of the past year, company drivers and owner/operators were invited to participate in our fifth annual national Driver Satisfaction Survey in a variety of ways. E-mail invites were sent to a subset of the circulation of *Truck News* and *Truck West*. Invitations to participate were also provided at leading industry shows.

In total, the responses of more than 200 professional drivers are included in this survey. Forty one percent of our driver sample consisted of company drivers and 59% of owner/operators, which represents a 14% increase in owner/operators from the previous survey. Fifty two percent worked in the for-hire fleet sector; 23% in the private fleet sector; 2% worked in a government fleet or a driver service, and 23% worked for an owner/operator. While 69% were based in Central Canada, the survey included representation across the country. Eleven percent were from Eastern Canada and 20% from Western Canada.

The average age for survey respondents was 49, with 23 years of driving experience. During that time our average respondent worked for 5 different companies and has spent the last 9 years with their latest employer.

The vast majority of company drivers (92%) drove solo.

Pay by the mile/km was the most common form of payment for our survey sample with 40% of drivers reporting that's how they were paid. Pay by hour (20%) and by trip (16%) were the second most common forms of payment for our survey sample. Other forms of payment included by the hour, by the tonne, and by salary.

satisfaction level above 3.50 or, put more simply, was given a B grade. This is what we found this year:

- Survey participants gave a B grade or better to four of the 12 characteristics of their job. And whereas last year several areas came awfully close to receiving a failing grade, this year only one job characteristic was graded less than 3 out of 5. That was for training and development, perhaps no surprise considering training budgets are among the first cut when companies are trying to reduce their expenditures.

- Drivers gave their highest satisfaction rating, a 3.78 out of 5 to the people they get to work with on the job. Their next highest score, and particularly heartening, was the 3.68 they gave for being in a job that provides them with a sense of accomplishment. In the previous survey, that had declined to 3.09. It was mentioned earlier that company drivers are not quite as satisfied as are owner/operators, yet company drivers scored these two characteristics of the job higher than the overall survey average. Rounding out the four characteristics given better than a B grade were “respect and fair treat-

ment received from customers,” which was given a 3.59 out of 5 grade and the job’s allowance for “individual thought and action,” which was scored at 3.51. The latter showed a considerable improvement from the 2.97 grade it received last year.

- Last survey, several important areas slipped into dangerous territory, slipping uncomfortably close to receiving a failing grade. These included the “amount of pay and benefits,” graded at 2.93 out of 5; the “amount of job security” and the “amount of job training,” both graded even lower at 2.71; the “quality of supervision received on the job,” ranked at 2.86. This year, satisfaction with pay and benefits was graded at 3.33 out of 5. Since it’s highly unlikely that drivers received much of a wage increase, if any, in 2010, the improved satisfaction in this area may be explained by participants being more appreciative of their pay package when seeing their friends forced into pay cuts or be part of layoffs. Company drivers did score this area a bit lower than the survey average, but not by much. Their satisfaction with the quality of supervision they received on the job also improved to 3.44 out of 5 while their satisfaction with the amount of job security they felt improved to 3.27.

- In the previous survey, there were a couple of areas graded at 2.5 or less out of 5 this year, which translates into a D grade. These included driver satisfaction with the “amount of recognition received for strong performance” graded at 2.50 and the “opportunity to grow with the company,” receiving the lowest grade at 2.38. This year, no job characteristic received anything close to a failing grade.

- Stress during recessionary times is always a concern and it certainly was with the previous survey. Drivers had rated their satisfaction with “the amount of stress” in their jobs at 2.73 out of 5, which reflected a drop from the previous years. This year, they scored it at 3.14 – not great, but certainly an improvement.

- Looking at the latest results, the areas for greatest concern should be driver satisfaction with the “opportunity to

Figure 1

Importance of having a say in management decisions (on scale of 1 to 5)

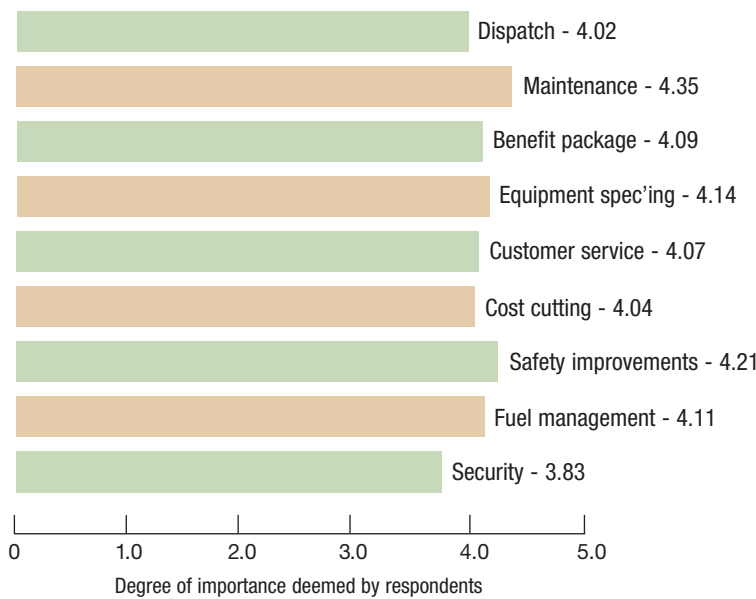
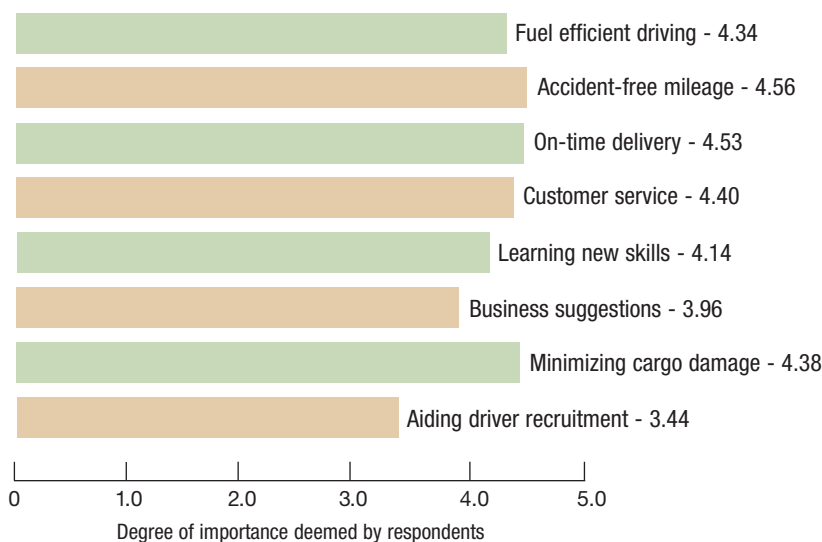


Figure 2

Importance of rewards and recognition (on scale of 1 to 5)



grow” with their companies (3.02), “recognition for strong performance” (3.15) and, as mentioned earlier, the level of “training and development” they receive, graded at 2.99.

Speaking of the low mark drivers gave their employers for recognizing strong performance, our survey also questions drivers about which areas they deem most important to receive rewards and recognition. As shown in Figure 2, carriers who reward their drivers for accident-free mileage, on-time delivery, minimizing cargo damage and customer service are most in tune with what is important to their driver force.

Every year, we also ask drivers to rate how concerned they perceive their employer to be in meeting their needs (see Figure 4). Here, too, we ask them to rate 12 different areas of importance, ranging from getting them home on time to rewarding strong performance. What was remarkable about the previous year’s survey results was that we found deterioration in 11 of the 12 areas and the one area that did not confirm to this pattern (paying you on time) simply held steady. It was heartening this year to find across the board improvement in this area, with every one of the 12 different areas we probed, being rated higher than the past year and no area receiving a failing grade. For example, last year, survey respondents marked their employer’s concern with getting them home when promised at 3.30 out of 5; this year they marked it at 3.76. Similarly, last year, employer concern for providing enough time to complete trips was graded at 3.41 and this year, it was improved to 3.72. Paying on time has traditionally received the highest mark and it did so again this year with a score of 4.34. Of note during this time when motor carriers have been forced into running the oldest fleet in recent memory is drivers’ grade for employer concern in “making sure your equipment is safe.” It was graded at 4.15 this year, compared to 3.85 last year.

While the recession did away with any concerns for a driver shortage, this is an issue guaranteed to become prominent again in the near future and be certain to impact motor carrier growth plans. Back in 2006, at the tail end of the

continent’s economic expansion, extensive CTHRC research found that almost 60% of industry employers considered the driver shortage as one of their top two concerns. Job vacancy rates increased to 12.3% and such a high job vacancy rate translated into an immediate need for 12,000 new drivers of tractor-trailers.

All the motor carrier executives who participated in our series of Profitability seminars put on this summer in partnership with Dan Goodwill and Associates shared the same concern for a looming driver shortage.

“What caused the shortage in transportation several years ago? I do not

Areas receiving training

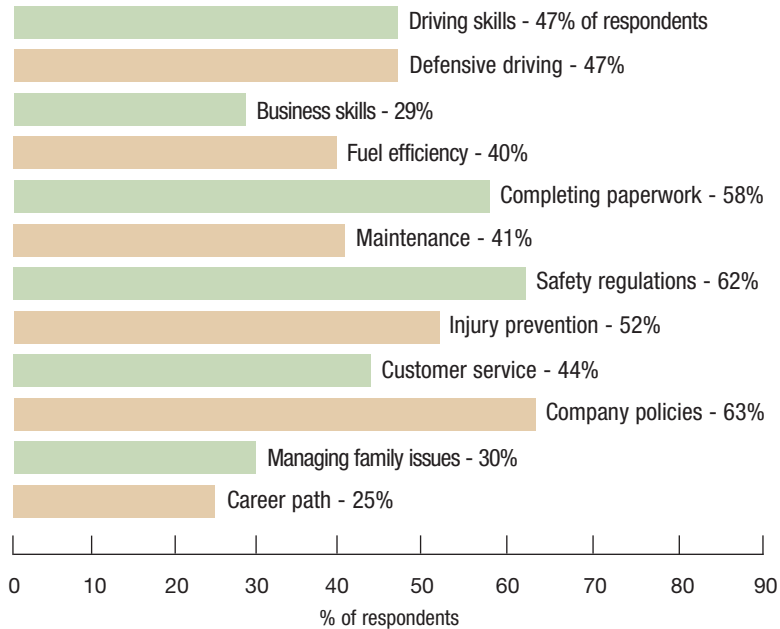


Figure 3

Rating of employer concern in meeting driver needs (on scale of 1 to 5)

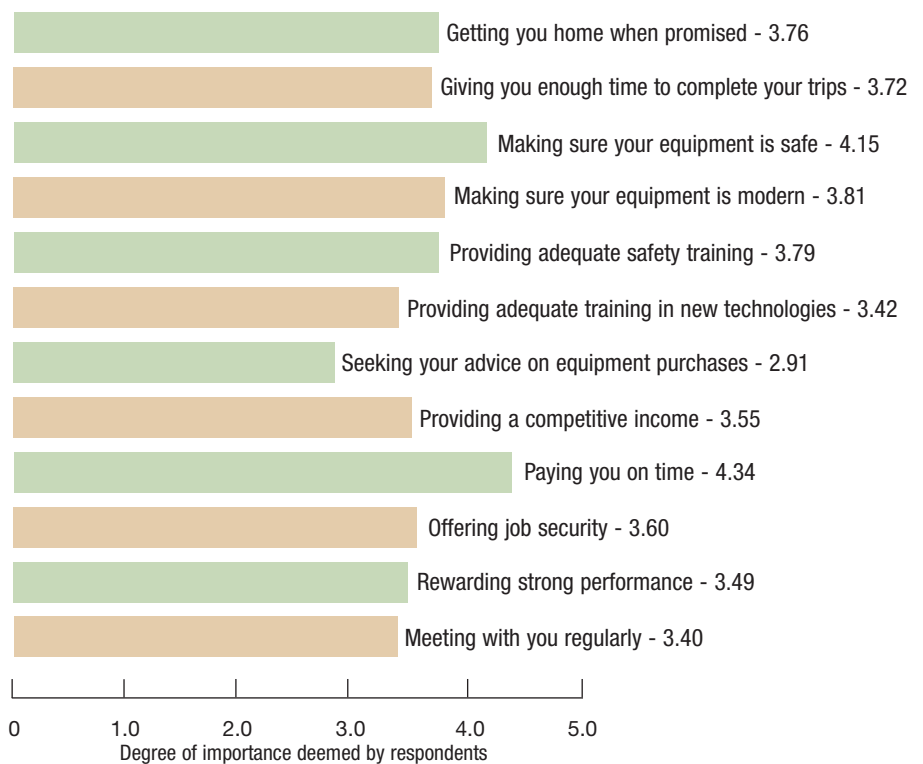


Figure 4

Items included in total compensation

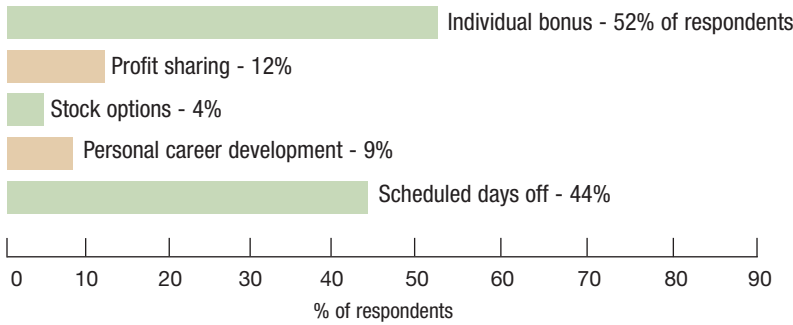


Figure 5

Rating of supervisor (on scale of 1 to 5)

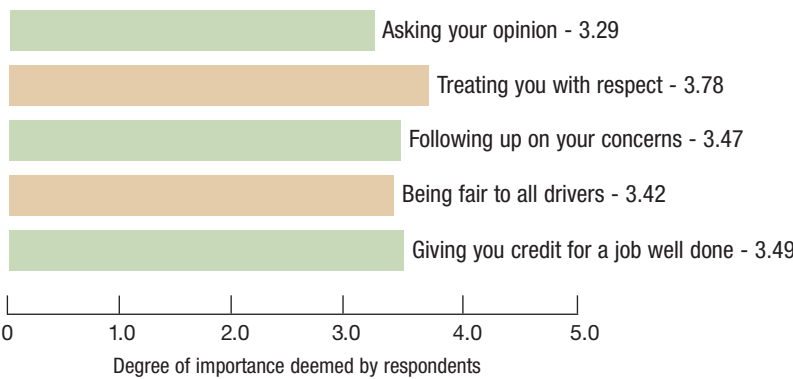


Figure 6

Job satisfaction (on scale of 1 to 5)

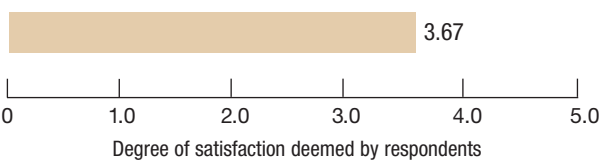


Figure 7

Top 7 reasons drivers would consider working for another carrier

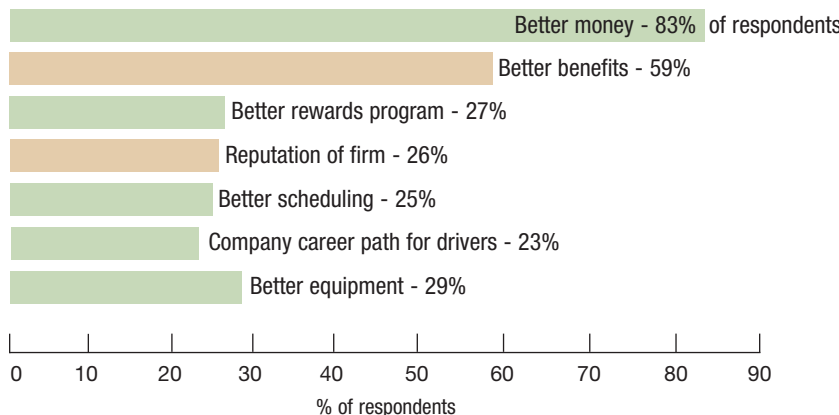


Figure 8

think it was lack of financing or lack of capital; it was finding the drivers. I think the issue is going to be an even bigger one this time because we have lost so many drivers out of the industry as they have changed occupations. I think our growth eventually will be controlled by the amount of help that we can find, and the amount of people that we can get into our industry," said Wes Armour, the well-known leader of Atlantic Canada's powerhouse Armour Transport. "If you are a young person and you can go to a job where you go to work at nine o'clock in the morning and get home at five o'clock at night, five days per week, why are you going to go and work for an industry that works weekends and nights under a lot of pressure? There is no such thing as an eight-hour day in trucking. I will make a prediction that we are going to be out of these people quicker than we think."

Previous CTHRC research found the hiring of new employees in trucking prior to the recession lagged behind the rate at which drivers were being lost. New hires were accounting for 17.6% of the workforce, compared to the share of drivers who quit (13.3%), were terminated (8%), or retired (3.2%). Retirement rates, according to the CTHRC research have increased threefold since 2002. When the economy resumes its stride and trucking companies start growing again, driver retention and recruitment are certain to be important barriers to growth.

Our survey also asks drivers to list the main reasons they would consider working for another carrier. In each year of our survey, not surprisingly, better money is the most often cited reason with 83% of respondents admitting that thoughts of a fatter paycheque do make them consider alternative employment. Better benefits (59%) and better rewards program (27%) are traditionally top of the list as is better scheduling (25%). What's interesting this year, however, is that reputation of firm has snuck into the top seven, cited by 26% of our sample.

Perhaps that's a fitting indication that a thorough understanding of what attracts and motivates drivers and the ability to deliver on those factors will be central to future growth strategy for Canada's motor carriers.