

DRIVER SATISFACTION SURVEY



Can you
PACK
The Room?

When the driver shortage resumes, you'll need a competitive HR strategy to get the drivers you need.

Find out if yours fits the bill with our fourth 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 2009 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) is dedicated to working in partnership with the stakeholders to develop products and services that will assist our industry recruit, train and retain the human resources needed to meet current and long-term requirements.

CTHRC activities are limitless as we listen, learn, research, educate, train, guide, inform, mediate, facilitate, speak and so much more in our efforts to assist as the industry moves forward. We are so pleased to have the opportunity to once again be the Supporting Partner for the *Motortruck Fleet Executive* 2009 Driver Satisfaction Survey. We strongly believe that you can't get to where you're going without understanding where you are and that includes knowledge of professional drivers' opinions.

CTHRC is proud to work on behalf of the 500,000 employees and 50,000 businesses that form one of the most vital sectors of the Canadian economy. We are a 67 billion dollar a year industry that operates 24/7. As commonly noted if you got it, a truck brought it and for this we say to the members of the trucking industry, Thank you!

Can you pack the room?

Understanding what drivers need to feel appreciated and motivated is the start to a post-recession growth strategy

"Good captains in fierce storms are made" is one of the first sayings I remember learning as a child and it has stuck with me these past four decades. The ability to handle adversity is the true test of a professional or a business enterprise and what separates the winners from the pretenders and wannabes.

If we buy into the belief that ultimately a trucking company is only as good as its people, and its driver force in particular, then the economic uncertainty and tumultuousness of the last couple of years have proved to be the perfect storm in which to test our mettle.

How have our driver relations fared in the maelstrom of cutbacks, wage freezes and layoffs? Are our drivers still feeling engaged, enthused and motivated to help us tackle the challenges and seize the opportunities to come when the economy improves? If not, do we know how to get them back on our bandwagon? These are some of the most critical questions a fleet owner or manager has to answer in the months ahead.

And we want to play an important role in helping you find answers to those questions.

For the fourth straight year our research division, Transportation Media Research, has 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 how often drivers changed jobs and, when doing so, what would make them choose one company over another.

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 goes 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 once 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

There may be no better test of a company's human resource strategies than a recession. When times are good and the raises, bonuses and other forms of recognition are flowing, it's easy to believe you have the work force motivation and loyalty you desire. But try maintaining a positive attitude within your driver work force when slumping revenues force you into cutbacks, layoffs and other difficult decisions that wreak havoc on employee morale – definitely not for the faint of heart. Yet communicating effectively and maintaining positive relations with your driver work force is not only important to a fleet's survival during tough economic times but critical to positioning it to seize the opportunities of the eventual economic turnaround.

Most sectors of the trucking industry have been in a freight recession for more than two years now. Heading into 2010, this is a battered industry with company valuations dropping by more than 40% from their pre-recession values. Many tough choices have had to be made, with more to come. Understanding how this has affected driver job satisfaction was an



important objective of our fourth annual Driver Satisfaction Survey, conducted in partnership once again with CTHRC.

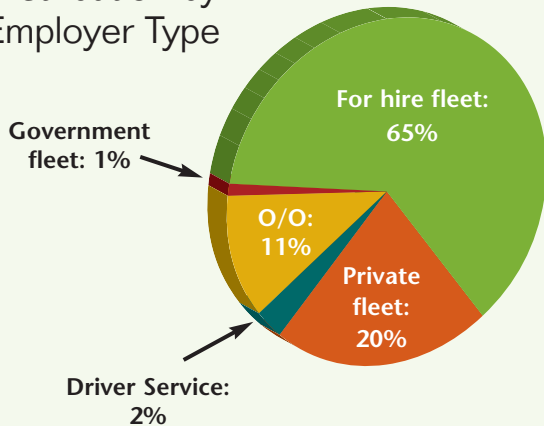
Employee retention, of course, is only half of the human resource equation. Recruitment is the other half and our survey once again pays close attention to the factors that make company drivers and owner/operators choose to work for one carrier over another. The carrier bankruptcies, mergers and downsizings, experienced over the past couple of years may have temporarily done away with concerns about a shortage of qualified drivers. But don't be fooled into thinking that a more generous labor pool is a trend sure to continue into the future. Tracking the growth of the transportation industry over the past 30 years

in contrast to the growth of the Canadian economy over that time period clearly shows that when the good economic times return, trucking booms. And that will likely mean a relatively quick return to the pre-recession difficulties of finding good qualified drivers.

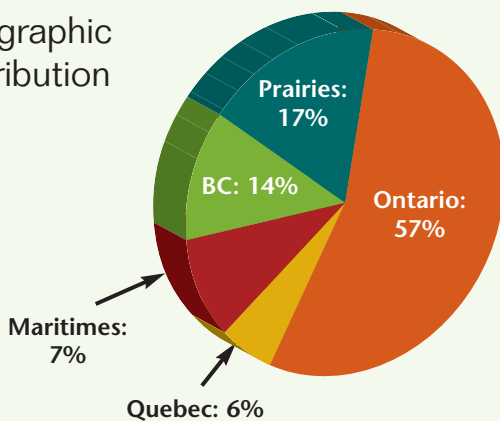
Back in 2006, at the tail end of the continent's economic expansion, extensive CTHRC research found that almost 60% of industry employers considered the driver shortage as one of their top two concerns, up from the 50% who said likewise in 2002. The research showed industry employers had good reason to be worried as job vacancy rates increased to 12.3%, compared to the 9.6% vacancy rate identified four years previous. Such a high job vacancy rate translated into an immediate need for 12,000 new drivers of tractor trailers.

So how are truck drivers faring in the worst recession to hit our companies since the Great Depression? Well, most economists believe our economy hit bottom at the mid-point of the year. Perhaps the best we can say about this year's survey results is that driver morale has also hit bottom and so is

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 fourth 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. The survey was made available in both French and English.

In total, the responses of about 200 professional drivers are included in this survey. Fifty five percent of our driver sample consisted of company drivers and 45% of owner/operators. Sixty five percent worked in the for-hire fleet sector; 20% in the private fleet sector; 3% worked in a government fleet or a driver service, and 11% worked for an owner/operator. While 57% were based in Ontario, the survey included representation across the country. Seven percent were from the Maritimes; 6% from Quebec; and 31% from Western Canada.

The average age for survey respondents was 50, with 25 years of driving experience. During that time our average respondent worked for 6 different companies and has spent the last 7 years with their latest employer..

The vast majority of company drivers (96%) drove solo.

Pay by the mile/km was the most common form of payment for our survey sample with 50% of drivers reporting that's how they were paid. Pay by hour (22%) and by trip (22%) were the second most common forms of payment for our survey sample. Other forms of payment included by the tonne, and by salary.

hopefully ready for a bounceback.

The continuing drop in job satisfaction is impossible to ignore. It is down to a paltry 3.13 out of 5 this year, compared to 3.48 last year and 3.66 for the two years previous to that.

Whereas two years ago job satisfaction rate could be considered a solid “B”, 3.13 is barely a “C”. For the first two years of our survey almost two-thirds described themselves to be either “satisfied” or “very satisfied” in their driving jobs. Last year that dropped to slightly more than half being likewise happy with their driving jobs. This year that’s

down even further with only 42% being satisfied. And while last year we reported alarm that a full fifth of the people behind the wheel now considered themselves either “unsatisfied” or “very unsatisfied” in their jobs, that level is now up to almost a third reporting dissatisfaction with their jobs.

It’s not enough, however, to know that job satisfaction is dropping. To have any chance to deal effectively with the situation it’s important to first be able to identify which aspects of the job are suffering the most and which are faring the best. For the third year in a row we asked

survey participants to rate their satisfaction with 12 different aspects of their job, ranging from pay and recognition to stress and growth opportunities with the company. This is what we found:

- Although it’s not surprising that satisfaction levels have dropped across the board, the depths that these satisfaction levels have fallen to in several areas should be of great concern. Of the 12 different job factors, only one was rated above 3.50 or, put more simply, given a B grade. Drivers once again gave their highest rating, a 3.57 out of 5 to the “degree of respect and fair treatment” they felt they received from customers. Although that is heartening (even though it also shows a slight deterioration from years past) it also means there is nothing else about their job that drivers find satisfying enough to give it a B grade.

- 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 and the “amount of independent thought and action exercised on the job”, graded at 2.97. The last point is an interesting one because the ability to have a degree of independence on the job is greatly valued by drivers and received a much higher satisfaction rating (3.55) just last year.

- And 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.

- At the same time, drivers rated their satisfaction with “the amount of stress” in their jobs at 2.73 out of 5, again a drop from the previous year’s 2.94 and the 3.06 out of 5 rate from two years ago. Other markers of job satisfaction, such as enjoying their workmates and the “feeling of accomplishment from

Figure 1

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

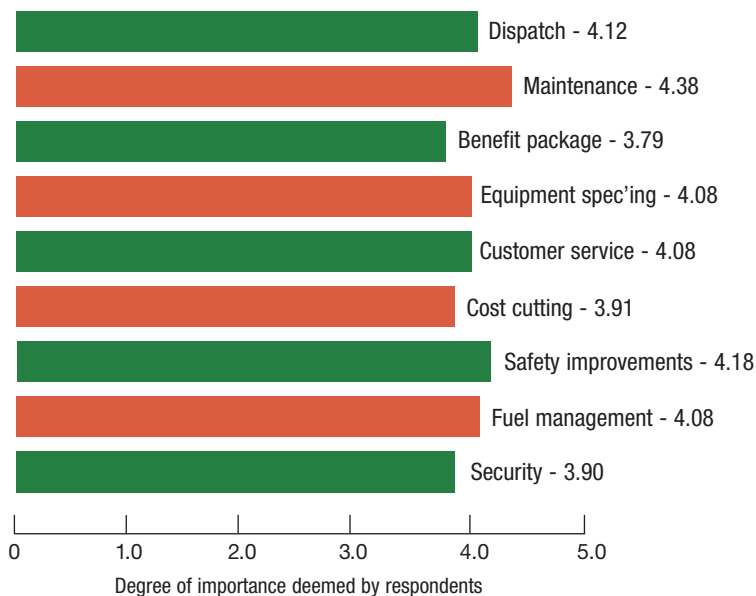
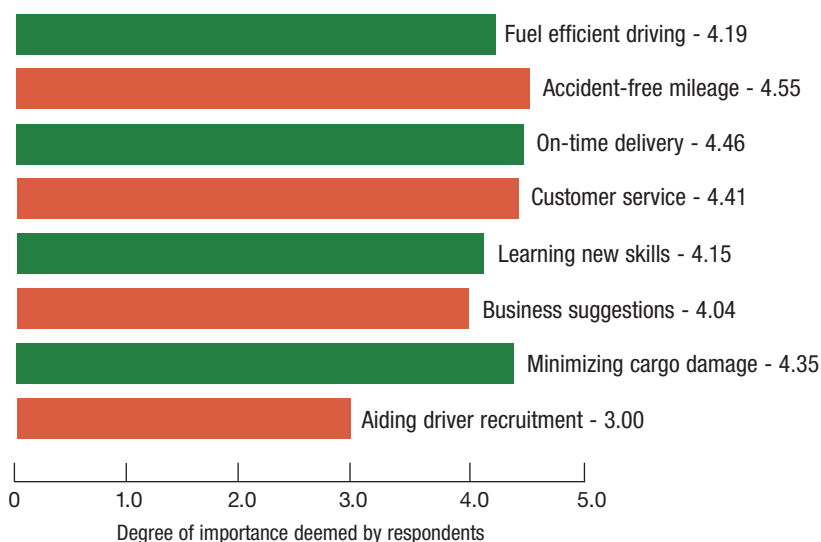


Figure 2

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



doing the job” also dropped from previous years, down to 3.27 and 3.09 out of 5 respectively.

Every year we also ask drivers to rate how concerned they perceive their employer to be in meeting their needs. Here too we ask them to rate 12 different areas of importance, ranging from getting them home on time to rewarding strong performance. In years past we noted some slight deterioration in driver perception about management concern in several areas. What’s most remarkable about this year’s survey results is that we found deterioration in 11 of the 12 areas and the one area that did not conform to this pattern (paying you on time) simply held steady. It’s no surprise during these tough financial times that survey respondents would be less convinced their management was concerned about “offering job security”, “providing a competitive income” and “rewarding strong performance”. It’s no surprise either that drivers would be less convinced this year about management’s enthusiasm for “making sure equipment is modern”; after all, Canadian truckers are currently operating the oldest fleet in recent memory. But it is disappointing to see drivers becoming increasingly less convinced about management’s concern about “getting you home when promised”, “giving enough time to complete trips” and “making sure equipment is safe”. Although none of the last three areas mentioned received a failing grade, there were marked drop offs from past years’ results. And just as puzzling is the low rating given by drivers about management concern over “meeting with you regularly.” After all, that one doesn’t really cost anything.

We take the survey one level further by asking respondents to directly rate the performance of their supervisors. In keeping with the trend for the year, all five of the areas surveyed showed deterioration. For the third year in a row, drivers scored their supervisors lowest when it came to asking for their opinion (2.57 out of 5), which was a considerable drop from even last year’s ranking. That was followed by their supervisor’s demonstrated ability to “give credit for a job well done”, “be fair to all drivers” and “following up on concerns.” Supervisors’

ability to treat drivers with respect (3.28 out of 5) received the best grade but, as noted, it too showed a drop.

Drivers unquestionably want to have a say in management decisions. If anything, during the recession this interest has intensified, perhaps in response to tough changes they may

not have agreed with. Drivers responding to our survey showed particularly strong interest in having a say in their fleet’s maintenance strategies (4.38 out of 5); safety improvements (4.18); dispatch (4.12); equipment spec’ing (4.08) and customer service (4.08).

Being rewarded in a number of areas

Areas receiving training

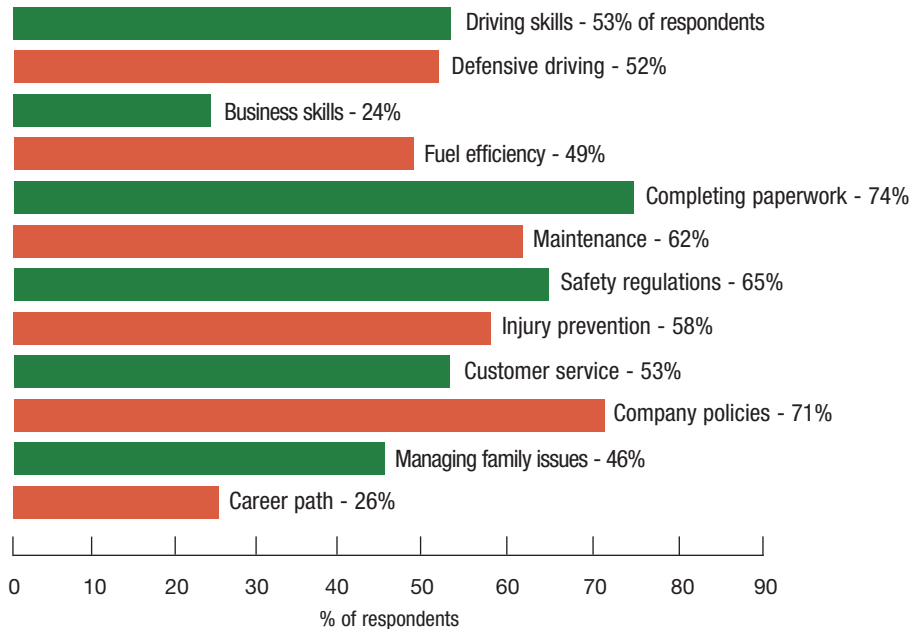


Figure 3

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

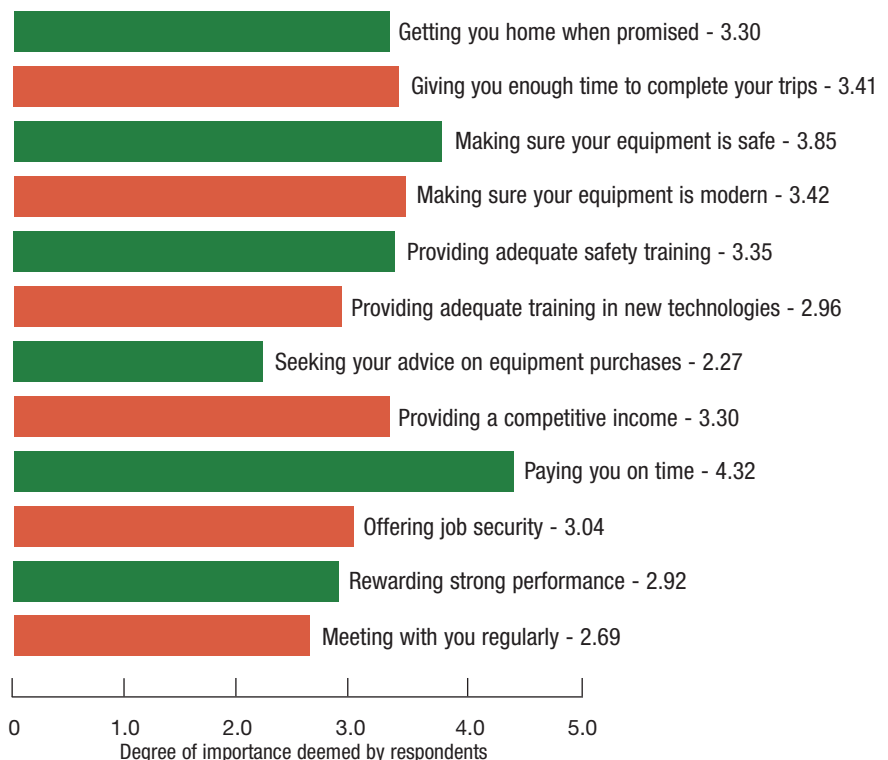


Figure 4

Items included in total compensation

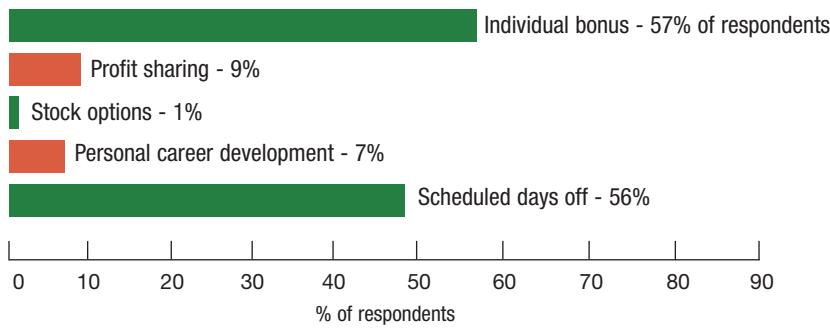


Figure 5

Rating of supervisor (on scale of 1 to 5)

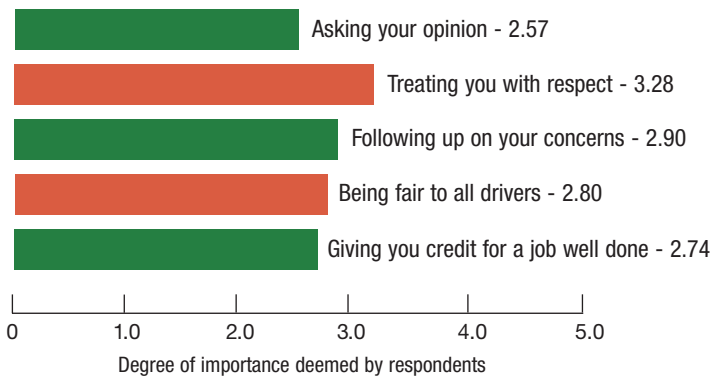


Figure 6

Job satisfaction (on scale of 1 to 5)

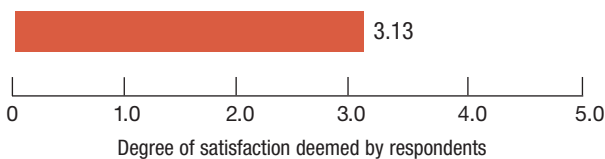


Figure 7

Top 5 reasons drivers would consider working for another carrier

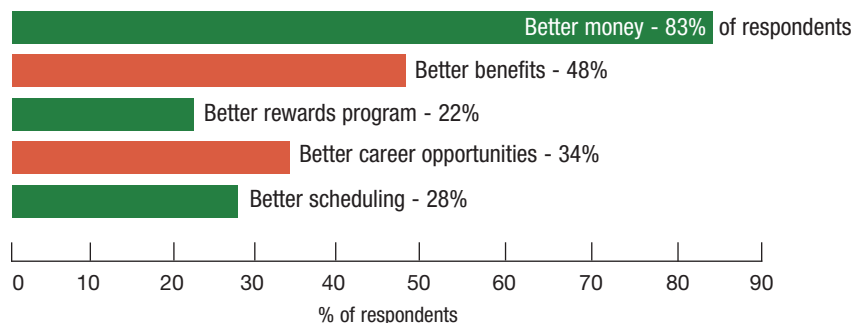


Figure 8

also remains important to drivers. Top among the areas they would like to receive rewards and recognition for their efforts include, accident free mileage, on-time delivery, customer service, and minimizing cargo damage.

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%). That last reason for losing drivers is sure to gain in importance as well. The average age of the drivers responding to our survey was 50; Retirement rates, according to the CTHRC research have increased three fold 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 paycheck do make them consider alternative employment. Better benefits (48%) and better career opportunities (34%) round out the top three reasons cited. But incentives such as better rewards (22%) and better scheduling (28%) also rank in the top five.

The longest, deepest recession trucking has experienced in decades has certainly masked one of our industry's greatest challenges: attracting and retaining qualified drivers. But a decent labor pool from which to draw from is a luxury that is certain to be short lived. As CTHRC research indicates, half the carriers it surveyed back in 2006 were struggling with a shortage of Class 1/A drivers and as a result almost three quarters of them had to refuse or delay the movement of goods because of that and almost 40% had to delay or cancel expansion plans.

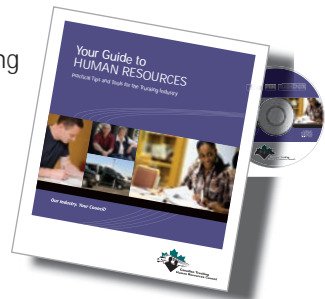
As many a trucking CEO will attest, in times of growth those who have the drivers win. We hope our survey data and analysis will help you in putting together a winning driver and recruitment strategy.



Discover how far good HR will take you



Is your trucking company being held back by staying with an overwhelming workload? Learn modern recruitment and retention strategies with ***Your Guide to Human Resources: Practical Tips and Tools for the Trucking Industry***. The CTHRC's guide teaches you how to find drivers who are the right fit for your fleet and then protect profit by reducing turnover. Application, orientation and evaluation templates are all available on the Toolbox CD, along with practical information to tune up your company and reach new horizons. To order ***Your Guide to Human Resources*** or to find an HR Essentials seminar nearest you visit www.cthrc.com.



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