



Retain Better Drivers

How a Behavior-Based Driver Safety Program Can Be A Key Component of Your Driver Retention Strategies

“Every day, I make a promise to my employees that I will send them home at least as healthy as when they came in. I hold myself accountable for this. DriveCam helps me do that.”

Jim Shaw

Director of Human Resources and Security

Time Warner Cable

Fleet turnover is increasing. And, no one industry is immune.

- From trucking – where the American Trucking Association (ATA) reported annualized turnover rates for truckload line-haul drivers were at 127 percent for the first quarter of 2007. (This is the highest the turnover rate has been for this group since it peaked at 136 percent during the fourth quarter of 2005.)
- To transit -- where annual driver turnover is often 30% to 60% and personnel costs account for nearly 75% of a transit operator’s total costs. High driver turnover is a chronic problem for all transit operators; employing fewer drivers means that each driver works more hours and fatigue causes higher accident rates.

To other industries that use transportation to move people or products, such as distribution, concrete, waste, construction, energy and others.

Compared to an employee turnover rate in the U.S. of only 3.3%¹, these figures are astonishing. And the problem is only going to get worst. For trucking, alone, the federal Bureau of Labor Statistics projects an 18% increased demand for more drivers by 2010, with the need for drivers growing by approximately 600,000 new drivers, while needing to retain the 3.2 million drivers now on the road.

Who’s Affected?

Everyone.

Transportation companies: With the cost of driver turnover having been estimated as high as \$3 billion annually, it’s no wonder that most transportation companies are looking for new and improved ways to retain their best drivers. Using a base of 500 drivers, and an estimated cost to replace a driver of \$5,000, a company could expect to incur additional expenses of \$2.5 million each year – just in driver replacement costs in advertising, staff labor, testing, recruitment, orientation, training and referral/sign-on bonuses. This does not include fixed asset costs due to idle equipment (monthly cost of interest, depreciation and insurance), profit lost due to idle equipment and other costs (safety, insurance, legal and equipment maintenance) and production loss due to new drivers.

Shipping Companies: Shippers are also affected by this problem. Not only are shippers affected by higher transportation costs arising from excessive driver turnover, but they also experience poor service when carriers are unable to meet pick-up or delivery schedules due to equipment sitting idle for lack of workers. Driver turnover not only impacts trucking companies, but entire logistics systems, as well.

¹ U.S. Department of Labor, Bureau of Labor Statistics

Tips to Help Retain Better Drivers

10 Ways to Reduce Driver Turnover

- On-going Training Program
- Enhanced Recruiting Tools
- Well-Planned Orientation
- Be Predictable and Consistent
- Visible and Attainable Career Paths
- Train More Drivers
- Formal and Informal Recognition Programs
- Assign Responsibility
- Regular, Consistent Communication
- Corporate Safety and Driver Risk Management Program

Mr. and Mrs. Consumer: As transportation and shipping costs rise, so do the costs of delivering goods to the world's consumers. Likewise, additional costs to transport consumers are passed along through increased fares, higher taxes or reduced services. To add insult to injury, the people most affected by these increased costs are usually those who can least afford it.

It's in everyone's best interest to find ways to reduce turnover. According to the FMCSA, the high rates of turnover account for as much as 80% of the demand for commercial operators experienced by some carriers at any given time. Compare this figure to one released in the mid-1980's by the University of Illinois, which concluded that 35% was an optimal turnover rate for fleet trucking to be cost-effective and profitable. Imagine the savings to carriers – and everyone else – if driver turnover could be reduced to this level today.

Understanding the Problem

To fully comprehend turnover, one must understand the type of turnover and number of jobs a driver has had and how both of these affect the transportation industry. A study sponsored by the ATA identified the problem not as drivers leaving the industry, but rather, one of "churning" -- where drivers move from one company to another within the same segment of the industry. The study goes on to show that most drivers leave one company for another that offers basically the same pay and working conditions. So, although many concepts to improve driver retention are being tested, the most popular – compensation and incentives – may not be the answer.

Another area to study is the number of jobs a driver has had. It's been found that drivers with two or more different jobs had a higher risk of being crash-involved than a driver with less than two different jobs or a more stable employment history. And the more jobs a driver has had, the higher the odds of being involved in a crash-involved incident. In this area, vetting new employees will help determine who is more likely to stay based upon their employment history.

That's why retention is paramount. It's also why transportation companies need to look beyond pay when creating a driver retention program. By reviewing such methods as selection and hiring, training procedures, dispatch operations, working conditions and safety-related awards and incentives, transportation companies become more aware of other opportunities to improve driver retention. In addition, a training program that offers drivers advancement potential, while also addressing technical and safety requirements, communicates to the driver that the company cares about them, their future and their safety.

Look Beyond the Drivers

In addition to the factors listed above, there are other factors that influence a driver's willingness to stay in a job.

One of the most important factors affecting driver retention is the ability of companies to provide more personable relationships with their drivers by opening more effective communication lines. Drivers have the most interaction with their dispatch or fleet manager. By finding and assigning loads and routes to drivers and providing the logistics to coordinate loads from origin to destination for their assigned fleets, dispatchers are in regular contact with their drivers. However, the alarmingly high rate of turnover among dispatchers does not allow for relationship building or long-term communication. A dispatcher is responsible for scheduling a driver's day and must be responsive to the needs of his/her drivers. The degree of action taken by a dispatcher to follow through and resolve driver issues – and the speed in which it is done -- is key to reducing driver turnover.

Protect Your Drivers

A driver risk management program shows a commitment to driver safety by protecting your drivers from:

- False claims
- Service problems and delays
- Unnecessary turnover

Incentive Your Drivers

A driver risk management program gives you the opportunity to reward drivers for:

- Fewer accidents
- Less damage
- More on-time deliveries
- Good driving

Identify & Correct Your Drivers' Habits

A driver risk management program provides drivers with:

- Regular coaching and training to help them learn to drive better
- Better communication between the driver and management
- Positive encouragement and potential incentive

One of the best ways to open the lines of communication – and maintain them -- is to use safety and the employee's driving habits as the basis of communication. It's something that affects both the driver and the company and is the one factor that differentiates one driver from another. It also allows for frequent and systematic communication so that the communication doesn't rely only on annual or semi-annual performance reviews.

By regularly communicating the company's commitment to safety, the driver learns that the company cares about him/her. In fact, it's been shown that the incidence of insurance claims, workers' compensation claims and crashes were reduced by 65% once a safety incentive program was initiated. These can take the form of safety bonuses for accident-free miles, a crash-free year, or simply public recognition through an internal newsletter.

Open Communication is Key

Regular observation of an employee's driving allows for regular opportunities to coach and train drivers to drive more safely. With safety being a high priority within a transportation company, drivers readily understand that the company cares about them, their personal safety and finding ways to help them prevent incidents that can result in accidents, vehicle damage and bodily injury.

With a large fleet of trucks, buses or any other type of carrier, it is nearly impossible for managers to accompany every driver on his/her route on a regular basis. Yet, the need to know how employees are behaving on the road – and regularly communicating with the driver about their behavior -- is paramount to the company's risk reduction and driver retention. It also provides an opportunity to remind the driver of the company's clearly established safety rules and regulations, along with the standards of conduct expected from each employee. (Not to mention the time saved by not sending managers out on the road.)

With the advent of technology, a Driver Risk Management (DRM) program, is a safe way to consistently and conscientiously monitor driver habits, reduce risky driving and regularly communicate with drivers to encourage and reinforce better driving. Although the program uses a video event recorder to capture incidents, the key to a successful DRM program is the coaching and training that occurs by someone with whom they have open communication as a result of watching the captured incidents of risky behavior. Not only is the coaching session an opportunity to provide drivers with positive coaching in a manner that will reduce at-risk behavior and increase good driving behaviors, it also provides an opportunity to provide positive encouragement (and potential incentive) when good driving behaviors are observed.

Drivers do want and need regular, consistent feedback and a DRM program is one of the best ways to provide this feedback. Not only does it provide a sense of well-being and comfort, it also helps drivers learn how to improve their driving so they cause fewer accidents and prolong their safe-driving career. Enhancing that sense of security and well-being is the learning drivers gain by knowing their good driving habits do not trigger the event recorder over an extended period of time.

Taking control of their personal driving habits is paramount to drivers' sense of professionalism and personal accountability. In addition to being empowered by their good driving habits and non-triggered events, drivers understand that a video event recorder can also protect them from false statements. By allowing them to record issues (such as traffic problems causing service delays), a service problem (such as a locked gate that prevents access to a property) or a traffic collision that did not involve their vehicle, drivers capture events that could affect their driver's license and, ultimately, their career.

What is Driver Risk Management?

- Driver Risk Management is a behavior-based risk mitigation solution that predicts and prevents actual risky driving behaviors likely to result in collisions.
- Driver behavior directly impacts a fleet's risk factors, safety record and operating costs.
- Companies have little visibility into their driver behavior on the road.
- Driver Risk Management dramatically improves a fleet's bottom line by mitigating risk and reducing the costs associated with unsafe driving behaviors.

To ensure a successful DRM program – and to maximize driver retention -- it's important to communicate the purpose of the program, explain the logistics of how the program works and begin regular, consistent coaching and training. Without this, drivers will not understand the program, feel intimidated by the monitoring and, ultimately, leave a company sooner than they originally planned. It's important that drivers understand that a DRM program is not designed to be punitive – nor does it create new policies. Drivers will appreciate that their employer is providing them with a tool to improve their driver safety and ensure compliance with existing company policies.

Research has proven that drivers appreciate the regular feedback that a DRM program provides. They are inspired by their own continually improving driving record. And, ultimately, they remain with a company longer and are happier because of the increased communication. In the end, a Driver Risk Management program is one of the key components to attracting and retaining the best drivers available, while also being a key component of a corporate safety and training program.

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About DriveCam

DriveCam is a global Driver Risk Management company that reduces claims costs and saves lives by improving the way people drive. By combining sight and sound, expert analysis and driver coaching, DriveCam has reduced vehicle damages, workers' compensation and personal injury costs by 30 to 90 percent in more than 70,000 commercial and government vehicles. DriveCam has the world's largest repository of events reflecting actual risky driving behavior.