



Commercial Trucking: Safety and the Driver Shortage

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Executive Summary

A perfect storm of economic, industry and regulatory events are contributing to an industry-wide shortage of qualified drivers, a challenge that could have lasting implications for the trucking industry. Improving both the safety and overall wellness of drivers are increasingly viewed as key factors that must be addressed as part of a long-term solution to the driver shortage issue.

Introduction

A driver of 21 years for a leading transportation company recently hit three million miles of safe driving. To put this into perspective, this is equivalent to driving six and a half round trips to the moon without ever being involved in an accident, damaging a truck or even receiving a traffic ticket. This is a remarkable feat and one that every trucking company wishes occurred more frequently.

From skill to attention to safety to even a bit of luck, a number of factors go into achieving such a milestone. The biggest factor, however, may be career longevity and simply being behind the wheel long enough to rack up such impressive mileage. Unfortunately, many in the industry believe that this factor is on the verge of extinction.

For starters, similar to the driver who hit the three million mile mark of safe driving at 69 years of age, many long-term truckers are entering retirement age. In the past, this fact would not necessarily be a problem since for generations before now, trucking was more widely viewed favorably as a profession – one that could provide a good living and support a family. The current generation however is not under the same mindset, citing low pay and long hours for not pursuing a career in trucking.

The lack of new recruits is only one of many factors contributing to the shortage of qualified drivers for the trucking industry. Also faced with an aging workforce, a high number of retirements and the introduction of new government-enforced safety initiatives and regulations, the industry is facing a perfect storm that could have severe and long lasting implications for both it and the economy. While there is no magic bullet for solving this brewing crisis, a focus on safety and the health and wellness of drivers are clearly part of the cure.

The Economy, the Trucking Industry and the Driver Shortage

Like many industries, the transportation industry took a significant hit during the recession due to a lack of consumer demand for many products. As the economy continues its slow but steady recovery, the transportation sector is also improving with demand for freight continuing to rise. This steady growth in demand requires more trucks on the road and more drivers traveling more miles.

According to the American Trucking Association the advanced seasonally adjusted For-Hire Truck Tonnage Index was up 4 percent in the first four months of 2013 compared with the same period in 2012. More tonnage means more miles driven which is a good sign for the industry and the economy, but requires motor carriers to either increase the number of trucks and drivers on the road or increase the amount of miles driven by their current fleet.

The Department of Transportation and the transportation industry have long made truck safety a priority, and for good reason. Over the years, this focus has resulted in increased scrutiny on both carrier and driver safety performance.

The latter has become significantly less likely thanks in large part to regulations such as the U.S. Government's Compliance, Safety and Accountability initiative and changes to the truck driver hours-of-service regulations. The new hours-of-service rules for example could potentially lower the productivity for some motor carriers by up to 3 percent according to the American Trucking Association. In order to keep up with demand, motor carriers would then have no choice but to either add trucks and additional drivers to their fleets or amend their business model to haul the same amount of freight.¹

The increased demand for drivers only adds to the increasing driver shortage the trucking industry is beginning to face. The market for good, quality drivers has been tightening for years and, according to the American Trucking Association, 90 percent of for-hire truckload carriers cannot find enough drivers who are able to comply with U.S. Department of Transportation requirements. According to the American Trucking Association estimates, the industry is currently facing a shortage of between 20,000 and 25,000 truck drivers and if this trend continues, the driver shortage could grow as high as 239,000 over the next decade.² The loss of drivers may have a ripple-effect throughout the economy as the costs of many consumer goods will likely rise as it becomes more costly to transport goods with a smaller workforce.³

Safety Regulations and the Driver Shortage

The Department of Transportation and the transportation industry have long made truck safety a priority, and for good reason. Over the years, this focus has resulted in increased scrutiny on both carrier and driver safety performance. Although the regulations have clearly made the nation's roads safer, many within the industry also believe they are a contributing factor to the current driver shortage.

Large truck-related crashes not only cause thousands of fatalities annually, but also have a sizeable economic impact (\$87 billion in 2011).⁴ Efforts to reduce large truck crashes have yielded consistently positive results. In August of 2012 the Department of Transportation published its Large Truck and Bus Crash Facts for 2010 which notes that from 2000 through 2010 the number of large trucks involved in fatal crashes declined by 30 percent.⁵

Much of the current improvement can be attributed to the creation of the Federal Motor Carrier Safety Administration. Established on January 1, 2000, the Federal Motor Carrier Safety Administration was created as a separate part of the Department of Transportation with a primary mission to reduce crashes, injuries and fatalities involving large trucks and buses.

In order to accomplish this mission, the Federal Motor Carrier Safety Administration:

- Develops, and enforces data-driven regulations and balances motor carrier (truck and bus companies) safety with efficiency;
- Harnesses safety information systems to focus on higher risk carriers in enforcing the safety regulations;
- Targets educational messages to carriers, commercial drivers and the public; and
- Partners with stakeholders including federal, state and local enforcement agencies, the motor carrier industry, safety groups and organized labor on effort to reduce bus and truck-related crashes.⁶

In its quest to reduce crashes, injuries and fatalities the Federal Motor Carrier Safety Administration develops, implements and enforces specific safety initiatives and regulations. Compliance, Safety and Accountability is one such initiative which went into effect in December 2010. Laurie Plowman, U.S. and Canada Transportation Industry Practice Leader, AIG explains: "Compliance, Safety and Accountability was initiated by the Federal Motor Carrier Safety Administration to help it, and its state partners identify, evaluate, intervene and potentially shut down carriers with unfit safety practices that would lead to higher accident frequency. In order to accomplish this, the Federal Motor Carrier Safety Administration ceased using SafeStat, and created the Safety Measurement System."

According to American Trucking Association estimates, about 7 percent of drivers cause a majority of the Compliance, Safety and Accountability scoring problems for motor carriers.

“One of the biggest differences between the Safety Measurement System and the previous system called SafeStat is that the Safety Measurement System utilizes seven specific behaviors while SafeStat had four evaluation areas,” explains Plowman. “SafeStat prioritized carriers based on out-of-service and specific moving violations, whereas all safety based inspection violations make up the Safety Measurement System scores. The Safety Measurement System uses risk-based violation weightings and SafeStat did not, SafeStat only assessed the motor carriers, not both carriers and drivers as does the Safety Measurement System.”

The seven Behavior Analysis and Safety Improvement Categories included in the Safety Measurement System are as follows:

- Unsafe Driving
- Fatigued Driving (Hours of Service)
- Driver Fitness
- Controlled Substances/Alcohol
- Vehicle Maintenance
- Cargo-Related
- Crash Indicator

The University of Michigan Transportation Research Institute produced a study that concluded the Compliance, Safety and Accountability “substantially improves enforcement and compliance with federal safety regulations.”⁷ Included in the seven categories mentioned above are more than 640 infractions that a driver and vehicle can be cited for. This increased scrutiny is projected to force thousands of drivers out of the industry. According to American Trucking Association estimates, about 7 percent of drivers cause a majority of the Compliance, Safety and Accountability scoring problems for motor carriers. The American Trucking Association believes that the Federal Motor Carrier Safety Administration’s pre-employment driver screening program will further contribute to the driver shortage that already exists.⁹

“You could also conclude that this would generate greater demand for the best drivers and less demand for others,” observes Craig O’Connell, Vice President, Lexington Insurance, AIG. “Compliance, Safety and Accountability’s goal of making the road safer would certainly be helped by making sure the best drivers are on the road, but it does make one think that a certain percentage of drivers will not be in high demand. There is a balance that needs to be maintained.”

Pay and Working Conditions and the Driver Shortage

In addition to increased regulatory scrutiny, low pay and less than optimal working conditions are also often cited as contributing to the current driver shortage. According to the Bureau of Labor Statistics, drivers are being paid an average starting salary of \$40,000 which many say is not enough to support a family.⁹

Good qualified drivers laid off during the recession have now chosen to pursue other careers such as construction and manufacturing. They feel these industries provide better working conditions and better pay, and do not require spending as much time away from their families.

Younger drivers are pursuing careers in other industries for many of the same reasons. Only 17 percent of truck drivers and owner operators are under 35, while 51 percent are 45 or older.¹⁰ This inability to recruit younger talent is coming at a time when carriers are faced with an aging driver population that is either retiring or leaving for health reasons. Fewer and fewer recruits are graduating from driver schools ready to step in and fill the void.

According to the Gallup Healthways Well-Being Index, transportation workers are the most obese of any industry at a rate of 36.4 percent.

“The fact of the matter is that this is a problem that is not getting any better within the industry which clearly needs to sharpen its focus on how to attract new and retain existing drivers,” notes Steve Yockel, President of Transportation for U.S. Casualty, AIG. “Potential solutions would involve establishing additional driver training schools, providing a more competitive salary and benefits package, or both as a good start.” Yockel further notes that “It is critical to address this matter now before the economy starts to improve and, as in the past, potential new drivers and even existing drivers flip over to an industry which historically pays more.”

What Can Motor Carriers Do?

The result of all of the above is an industry that is scrambling to find quality people to fill its labor shortages. The competition for top drivers is fierce as was evident in the recent American Trucking Association Trucking Activity Report, which noted that the large truck turnover for the fourth quarter of 2012 was at 90 percent.¹¹ This was a 14 point decline from the previous quarter, but still 9 points higher than the 2011 average of 81 percent.¹² The situation has become desperate for some as there have been reports of drivers being solicited at truck stops as well as being enticed by an array of different incentives such as increased pay (upwards of 10 cents per mile in some instances), regional pay, performance-based pay, length of haul-based pay schemes and signing bonuses to name a few.

“Most trucking companies understand that if they do not hire and retain good drivers, their business could grind to a halt,” said Yockel. “Beyond offering competitive salaries and incentives, successful trucking companies should go the extra mile in their hiring practices. Softening their approach to personnel is an effective strategy. For example, providing a terminal where drivers can eat, relax and share experiences with other drivers is important. Face-to-face engagement with senior management, and where possible offering a regional route to allow drivers to be home with families more often, are all ways to attract new drivers and stabilize or reduce driver turnover ratios.”

Health and Wellness

Driving a truck is a very sedentary job and sitting in a cab can take its toll on the body over time. For this reason, it should come as no surprise that the more than 3 million commercial truck drivers in the U.S. are not in the best of health. Truck stops are not known for their array of healthy food options, and with various compensation incentives based on miles driven and speed of delivery, exercise is not necessarily a priority for many.

According to the Gallup Healthways Well-Being Index, transportation workers are the most obese of any industry at a rate of 36.4 percent. A study by The Journal of Occupational and Environmental Medicine in 2009 found that 85 percent were overweight and 55 percent were obese.¹³ Truck drivers also tend to have higher blood pressure and smoke more than the general population, all of which contribute to a high rate of sleep apnea and other sleep disorders which can lead to drowsiness and delayed reactions at the wheel.¹⁴

While this may seem like a huge problem, especially since the Department of Transportation requires drivers to pass a medical exam every two years, relatively few in the industry had given it much attention until recently. High workers' compensation insurance rates, rising medical costs, greater control of insurance premiums and an improvement of safety records have placed a larger spotlight on all of these issues. Recognition also is growing that a focus on driver health can be a significant factor in attracting and retaining quality drivers.

While it is extremely important to find quality drivers to add to their staffs, many trucking companies are realizing it is equally as important to keep the ones that they already have. This is where implementing top-of-the-line safety and health and wellness programs can play a big role.

Yockel explains, "One of the biggest issues facing the transportation industry is the health and wellness of our drivers. Undoubtedly, trucking companies are realizing that healthier drivers can be more productive at their jobs which can serve to reduce a company's overall loss costs by reducing the number of collisions or accidents caused by fatigue. Additionally, a short-term investment in a health and wellness program will yield a long-term gain in the overall reduction of their workers' compensation, health and medical costs. For example, one of our trucking clients invested in an on-site medical clinic and it has paid enormous dividends to date."

While it is extremely important to find quality drivers to add to their staffs, many trucking companies are realizing it is equally as important to keep the ones that they already have. This is where implementing top-of-the-line safety and health and wellness programs can play a big role. Not only will they help to retain drivers that may have otherwise been weeded out by government safety initiatives such as Compliance, Safety and Accountability, they can help extend some drivers' careers. They also can provide incentives for current drivers to stay with the company and new drivers to come on board. A company that is perceived as caring about the health and well-being of its workers usually fares better in the competition for good employees.¹⁵

According to Plowman, "Some trucking companies are promoting wellness by providing weight loss programs. In support, truck stops are doing much better at trying to provide healthier food selections. Some are also providing gyms and developing walking paths. An industry initiative to help drivers get in shape includes a weight loss challenge among employees from various trucking companies sponsored by the Truckload Carriers Association. One insured even makes up its own safety posters picturing employees and highlighting those who have exceeded safety and/or wellness goals. This simple caring act is a positive reinforcement in reducing driver turnover."

Driver Safety Initiatives

Last but not least, providing a safe and healthy work environment can be enormously beneficial in the quest to attract and retain drivers. Driver safety goes beyond preventing injuries resulting from collisions. Truck drivers are exposed to an array of occupational hazards. Common injuries include back injuries due to compression from jarring in the cab, repetitive motion such as carpal tunnel syndrome and injuries associated with getting in and out of the cab, especially for those who are out of shape or overweight. Any of these can result in a driver being unable to perform his or her job and can lead to early retirement. The end result is a loss of a quality driver for the motor carrier, which is something all want to avoid. Improved driver safety not only means that more will remain behind the wheel, it also can be an incentive for recruiting and retaining quality drivers.

Engineering and technology are providing safer and healthier environments for truck drivers. Truck manufacturers now compete on the basis of interior environments that promote safety, ease service and provide a heightened level of comfort. Some experts have concluded that fleets that invest in superior equipment will have a strong competitive advantage in the battle to recruit and retain drivers.¹⁶

O'Connell explains, "A large contributor of driver fatigue and occupational injury is the constant vibration a driver experiences while behind the wheel. There are seating technologies available that limit this vibration to the arms and legs and greatly reduce the vibration to the drivers' core. By reducing this core vibration the driver feels fresher during and after a shift on the road and is less at risk of suffering from long-term disabilities from the constant jarring. One can conclude that more alert, healthier drivers will almost certainly not only reduce the frequency of accidents, but also reduce occupational injury costs over the long term."

Providing a safer and more comfortable work environment for drivers is important, but it does not replace the need for safety training. Companies typically provide training, but most probably do not view their training program as a tool for retaining drivers.

Conclusion

A shortage of drivers threatens the trucking industry at a time when an improving economy and tighter regulatory scrutiny means that yet more qualified drivers will be needed. There are no easy solutions to this dilemma, but it is clear that focusing on safety, driver benefits, health and wellness issues and more can improve the attractiveness of the profession to young job seekers, keep more drivers behind the wheel and lower driver turnover. A growing number of trucking companies now recognize that these initiatives can produce clear advantages in the battle to recruit and retain the best drivers, and increasingly will be differentiating factors separating the most successful companies from the also-rans.

NOTES:

¹ Copy of Tweet taken from ATA web-site Bob Costello, Chief Economist, American Trucking Association: July 23, 2013

² Sean McNally, ATA, "ATA Release Driver Shortage Analysis Paper," (November 5, 2012), <http://www.truckline.com/article.aspx?uid=e9b28bf0-604f-4416-9e6f-80b5e3480081>

³ Tiffany Wlaslowski, Logistics Quarterly Magazine, "Managing the Driver Shortage", <http://www.logisticsquarterly.com/issues/13-1/article6.html>

⁴ U.S. Department of Transportation, FMCSA, Commercial Motor Vehicle Facts – March 2013, <http://www.fmcsa.dot.gov/documents/facts-research/CMV-Facts.pdf>

⁵ U.S. Department of Transportation, "Large Truck and Bus Crash Facts 2010," (August, 2012), http://www.fmcsa.dot.gov/facts-research/research-technology/report/LTCC_Report_LargeTruckandBusCrashFacts2010.pdf

⁶ U.S. Department of Transportation, FMCSA, FMCSA's Strategy, <http://www.fmcsa.dot.gov/about/what-we-do/strategy/strategy.htm>

⁷ David Cullen, Fleet Owner, "UMTRI says CSA passes test," September 1, 2011,

⁸ Jeff Berman, Group News Editor, Logistics Management, "ATA whitepaper highlights ongoing pain points of the truck driver shortage," (November 07, 2012), http://www.logisticsmgmt.com/article/ata_whitepaper_highlights_ongoing_pain_points_of_the_truck_driver_shortage

⁹ U.S. Department of Labor, Bureau of Labor Statistics, "Occupational Employment Statistics", http://www.bls.gov/oes/current/oes_nat.htm#53-0000

¹⁰ FleetOwner, "Analyzing the Driver Shortage", (March 11, 2013), http://fleetowner.com/print/blog/analyzing-driver-shortage?group_id=25144

¹¹ Jeff Berman, Group News Editor, Logistics Management, "ATA data shows decline in driver turnover but problems remain in finding drivers," (March 13, 2013),

¹² Sean McNally, ATA, "Truckload and LTL Driver Turnover Rises in First Quarter of 2013," (July 11, 2013), <http://www.truckline.com/article.aspx?uid=d1fb6033-c5a3-420f-a63d-3f5ac7e836d2>

¹³ Larry Copeland, USA Today, "More truckers focus on getting healthier," (August 21, 2012), <http://usatoday30.usatoday.com/money/economy/story/2012-08-09/truckers-health/57194472/1>

¹⁴ Larry Copeland, USA Today, "More truckers focus on getting healthier," (August 21, 2012), <http://usatoday30.usatoday.com/money/economy/story/2012-08-09/truckers-health/57194472/1>

¹⁵ Synthesized from various reports and studies, such as <http://www.fmcsa.dot.gov/facts-research/research-technology/tech/driver-retention-safety.pdf>

¹⁶ Sean Kilcarr, Fleet Owner, "The new driver battleground: cab interiors," (Sep. 29, 2011), <http://fleetowner.com/equipment/news/new-driver-battleground-cab-interiors-0929>