



Achieving Carrier Success In A Slow Economy

February 2024



Survey conducted by Worldwide Business Research & sponsored by  tenstreet

An independently-conducted survey of 200 carriers reveals how trucking companies optimize their spending to stay in business during no-growth periods and position themselves for long-term success when market conditions change.

ACHIEVING CARRIER SUCCESS IN A SLOW ECONOMY

The Carrier Challenge: Keeping Trucks on the Road During a Flat Economy

During no-growth stretches in the trucking industry, one understandable reaction from carriers is to cut expenses wherever possible. **But is that really the right answer for recruiting and retaining drivers?**

To investigate this topic with an unbiased view, Tenstreet hired Worldwide Business Research ([WBR Insights](#)), an independent research firm, to survey 200 anonymous carriers. The questions were designed to gain a clearer understanding of the impact of costs spent on driver recruiting and retention from the carrier perspective, to explore what approaches carriers find most successful, and to learn what their primary concerns are during no-growth stretches.

Survey Methodology

The WBR Insights research team used a phone-based interview format to survey 200 senior leaders in ownership, executive, operations, and HR roles at both for-hire and private truck shipping carriers to produce these survey results. The survey effort was conducted from September 8, 2023, to October 16, 2023.

CARRIERS SURVEYED

To equally represent carriers of all sizes, the survey population was divided over carriers in four size groups with approximately 50 respondents each:

1-150 trucks
151-500 trucks
501-1000 trucks
Over 1000 trucks

For more survey demographics, please see appendix.



EXECUTIVE SUMMARY

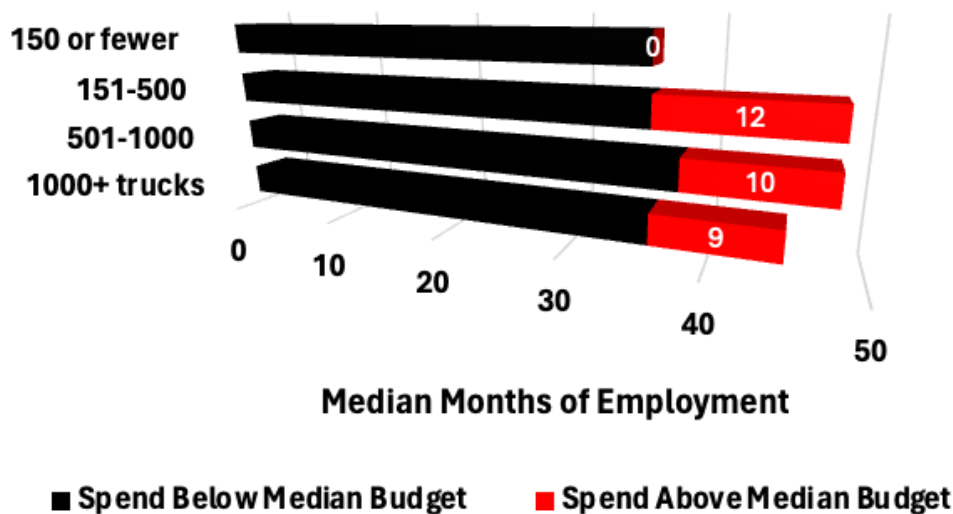
Turnover is costly, but investment in retention is paying off

Overall, the survey respondents, no matter the fleet size, were still experiencing significant costs from driver turnover.

Driver churn costs most carriers
a minimum of **\$34,000/year.**

Conservatively speaking, the data implies that a majority of carriers lose at least \$12,000/year in revenue from idle trucks and 88.5% reported spending at least \$1,000 to recruit a replacement driver with respondents averaging 22 replacement drivers recruited per year, or \$22,000, for a total of \$34,000/year.

The Impact of a Retention Budget can be **Significant.**



Fortunately, **spending more on retention programs appears to be reducing churn.** For carriers with more than 150 trucks, the median duration of driver employment was 9 to 12 months longer for carriers with retention budgets greater than the median in their size category.

In this report, we'll share the survey questions and responses as well as the insights they suggest.

DRIVER RECRUITING FOR TURNOVER

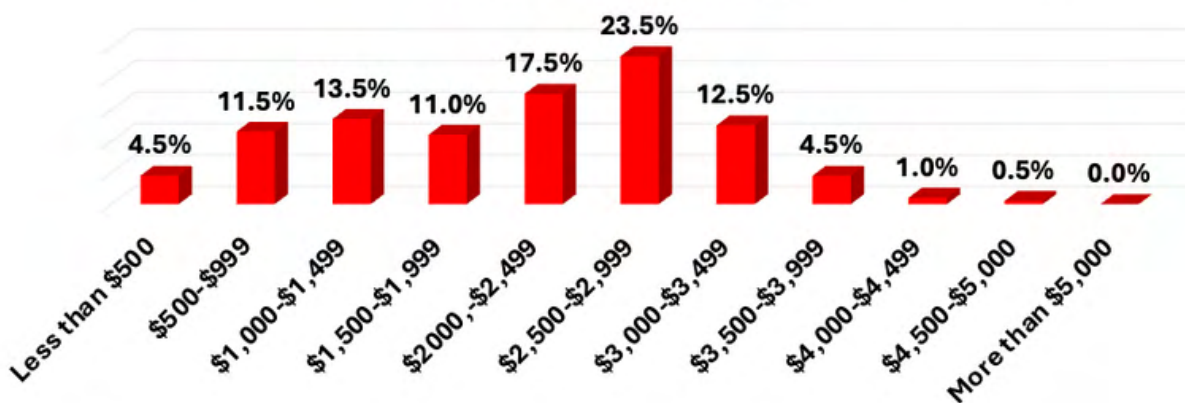
Higher driver turnover and more frequent driver hiring is costly for carriers

The cost of an empty truck...

A lack of available drivers can significantly reduce profits over time. Over half of carriers in this survey (59.5%) report an average revenue per truck of at least \$2,000/day.

What is your average revenue per truck per day?

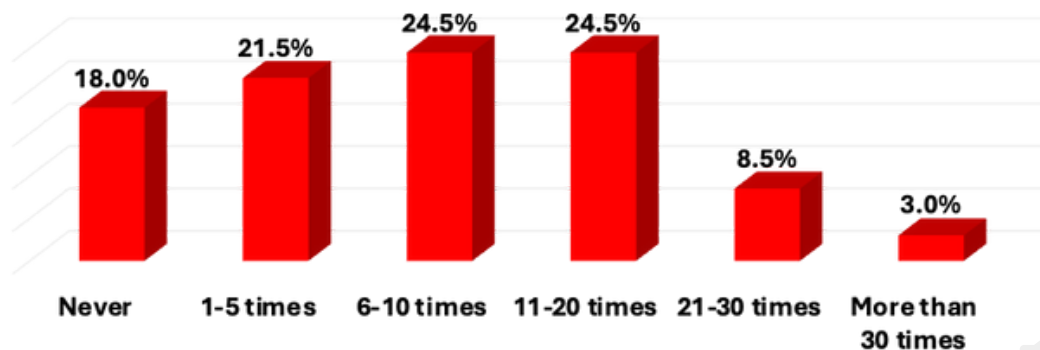
Choose the best option.



Additionally, 60.5% of carriers have experienced a shipping delay due to the lack of a driver at least 6 times over the past year.

Over the past year, how many times have you experienced a shipping delay due to the lack of a driver?

Choose the best option.



Even taking a conservative view, the data implies that a majority of carriers are losing at least \$12,000/year of revenue to idle trucks.

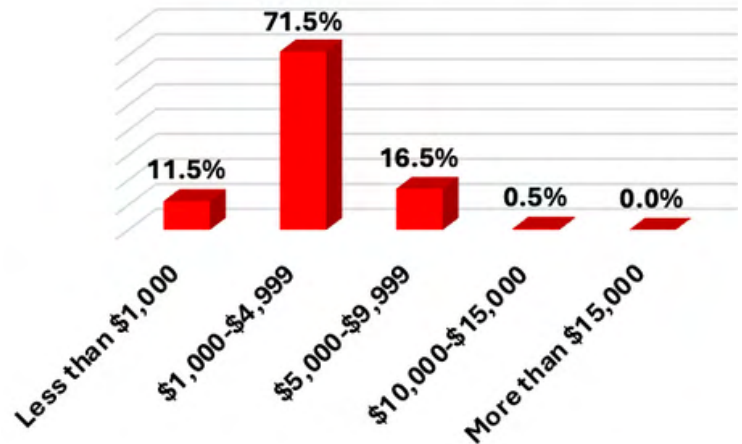
...plus the cost of replacing that lost driver

Not only is revenue lost each day a truck sits idle, but expenses also accrue from recruiting replacement drivers.

88.5% of respondents reported a per-driver cost of recruiting and hiring of at least \$1,000.

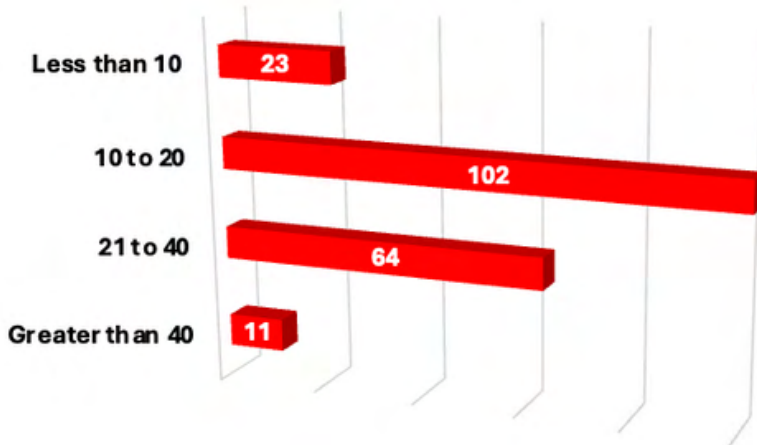
What is your average cost to recruit per driver?

Choose the best option.



Replacement Drivers Recruited Over One (1) Year

Average = 22; Median = 20



Furthermore, over the course of the past year, the average number of drivers recruited - only for replacements in existing trucks - was 22.

The Takeaway - Driver Churn is Costly!

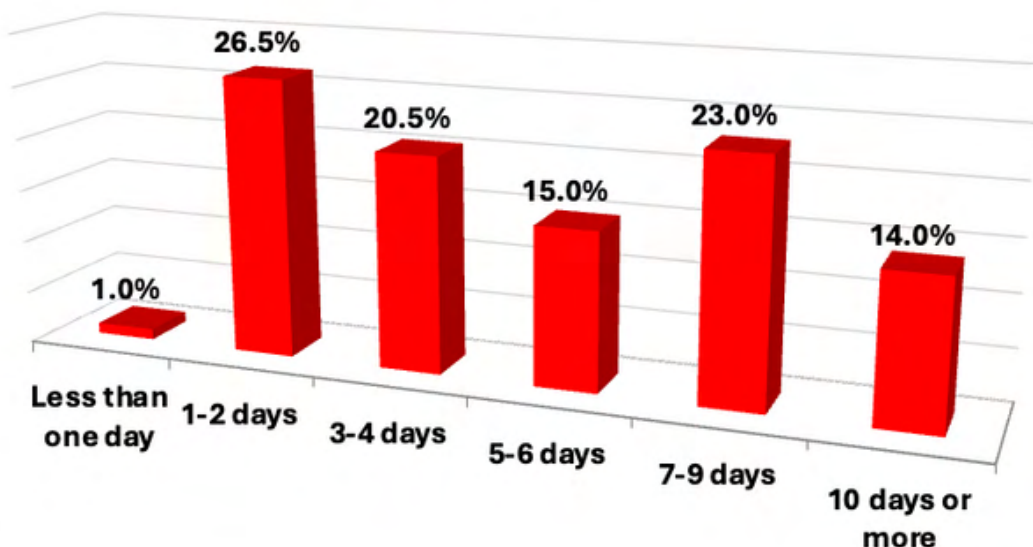
Using the most conservative average estimates, driver churn costs most carriers a minimum of \$12,000/year (for lost revenue) + \$22,000 (for recruiting replacements) for a total of \$34,000. For 36% of the respondents, with at least 11 shipping delays due to an idle truck, this cost would be closer to \$44,000 annually.

The impact of lost productivity and staffing uncertainty

Slightly over half of survey respondents (52%) reported that their recruiting departments took at least 5 days to find a replacement driver. At an average of 22 replacements per year, that would result in at least 110 days per year spent on recruiting activities just to keep up with turnover.

On average, how long does it take to find and hire a replacement driver?

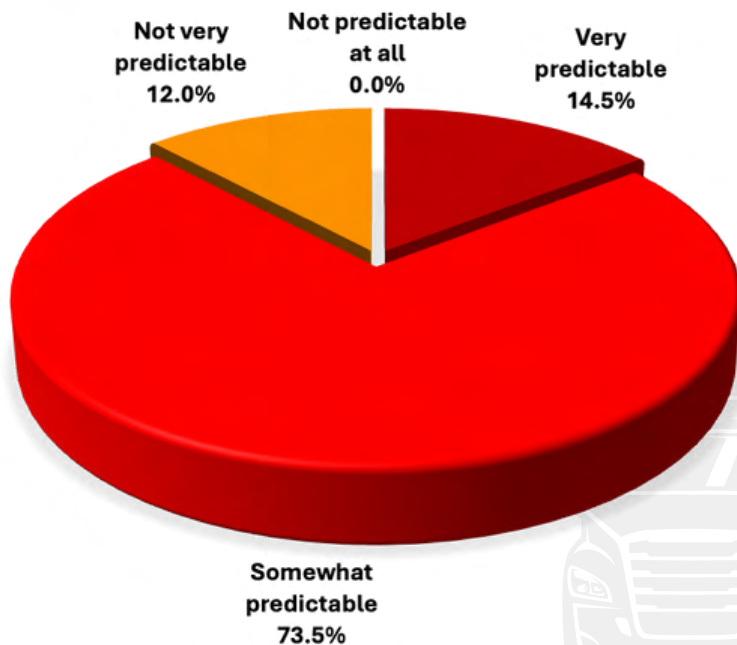
Choose the best option.



The inconvenience of this lost time is compounded by how rarely a company can predict when they'll lose a driver. Only 14.5% of carriers felt that driver turnover was very predictable, where 85.5% felt that driver departures were only somewhat predictable or not very predictable.

How predictable is your driver turnover?

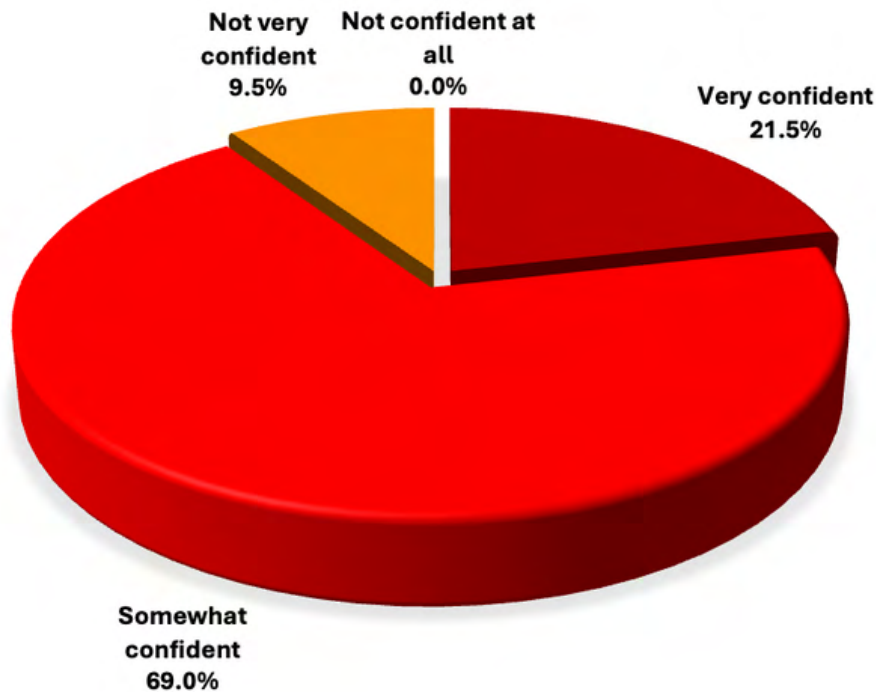
Choose the best option.



Similarly, 78.5% of carriers felt they were only somewhat confident or not very confident about their ability to react quickly to a driver's departure.

How do you feel about your ability to react quickly to replace a driver's sudden departure or resignation?

Choose the best option.



“Adopting a technology-driven approach will enable teams to bring more effectiveness to their recruitment processes.”

- Survey Respondent

Emerging new and proactive solutions

Both of these results, highlighting the destabilizing effect of losing a driver, help explain why carriers are experimenting with fresh solutions to reduce driver turnover and lessen the cost and time required to maintain their driver base.

Of the survey respondents, 80% are leveraging social media and 72.5% are using employee referral networks to attract drivers - as opposed to only 46% who are still relying on generic job boards.

How do you recruit drivers today?

Select all that apply.



The Takeaway - New strategies are needed to save money and restore stability

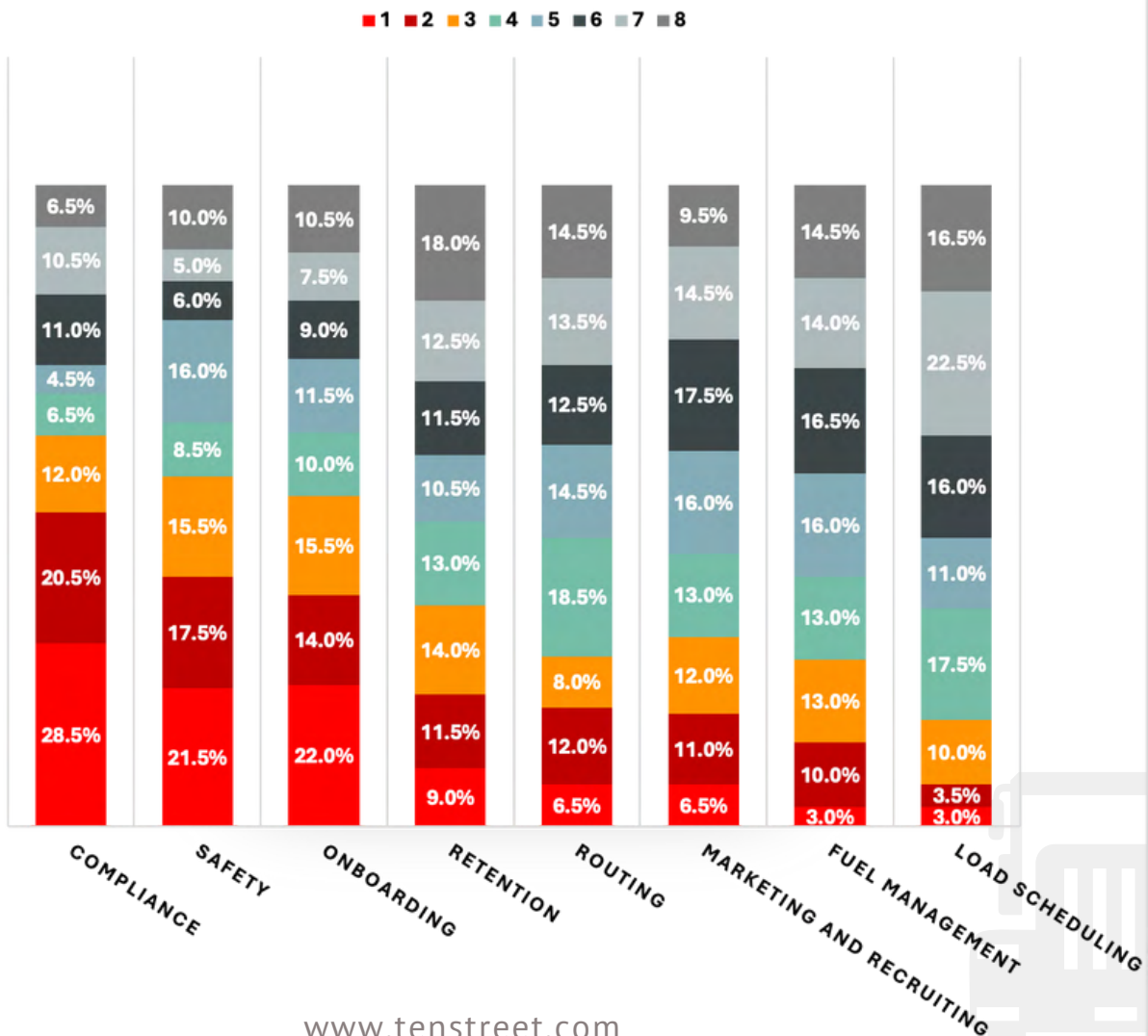
To be prepared when drivers leave, carriers need to find new strategies to tap into the driver community in an effective and positive way.

The leading concerns for carriers

Despite turnover and recruiting challenges, Compliance, Onboarding and Safety are the top concerns for carriers.

When asked to prioritize their concerns related to drivers across 8 areas – Marketing and Recruiting, Onboarding, Safety, Compliance, Retention, Routing, Fuel Management, Load Scheduling – it was Compliance, Onboarding and Safety that stood out across the industry as most pressing. Each category garnered a nearly equal percentage of 1st place votes, at 28.5%, 22% and 21.5% respectively. Compliance also received the most votes for second place (20.5%) followed by Safety (17.5%), and Safety and Onboarding tied for most votes for third place at 15.5%.

WHAT DO YOU CONSIDER YOUR MOST PRESSING BUSINESS PROBLEMS ASSOCIATED WITH DRIVERS?
 RANK THE FOLLOWING FROM 1 TO 8, 1 BEING "MOST PRESSING" AND 8 BEING "LEAST PRESSING."





“We focus more on quality over quantity, so we take our time to complete the processes but ensure the onboarding experience is good for the new recruits.”

- Survey Respondent

In the minds of carriers, the challenge of maintaining a driver base does not stop at hiring. Concerns about how well those drivers are contributing to the carrier’s compliance and safety record, after the hire is made, reflect the awareness that safety and compliance violations can be equally costly and time-consuming.

The Takeaway - For carriers, hiring is only the beginning of the journey

Solutions that can manage the entire lifecycle of driver employment - from hiring to onboarding to ongoing incentives for safety and more – and that heighten visibility on post-hire driver activity could be worth consideration on the part of carrier executive management.

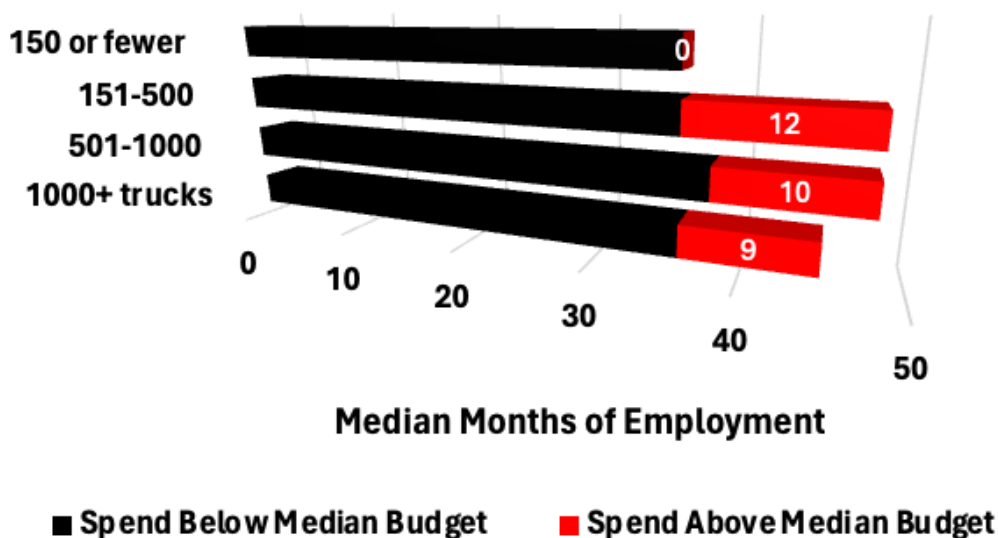
DRIVER RETENTION

Do post-hire retention programs make a difference?

Our survey included questions about the investment carriers made in retention programs to better clarify how these programs can manage safety and compliance exposure and reduce recruiting costs related to churn.

The median retention budget ranged from \$25,000/year for fleets with 151-500 trucks to \$45,000 for 501-1,000 and \$90,000 for over 1,000 trucks. For these three fleet size groups, the carriers who reported budgeting more than their size group's median budget enjoyed longer median driver employment durations of 12, 10, and 9 months respectively. The carriers with 1-150 trucks (\$30,000/year median retention budget) saw no noticeable difference in median driver duration with a larger-than-the-median retention budget.

Impact of Retention Budget on Driver Employment Duration



The Takeaway - Retention programs can pay off

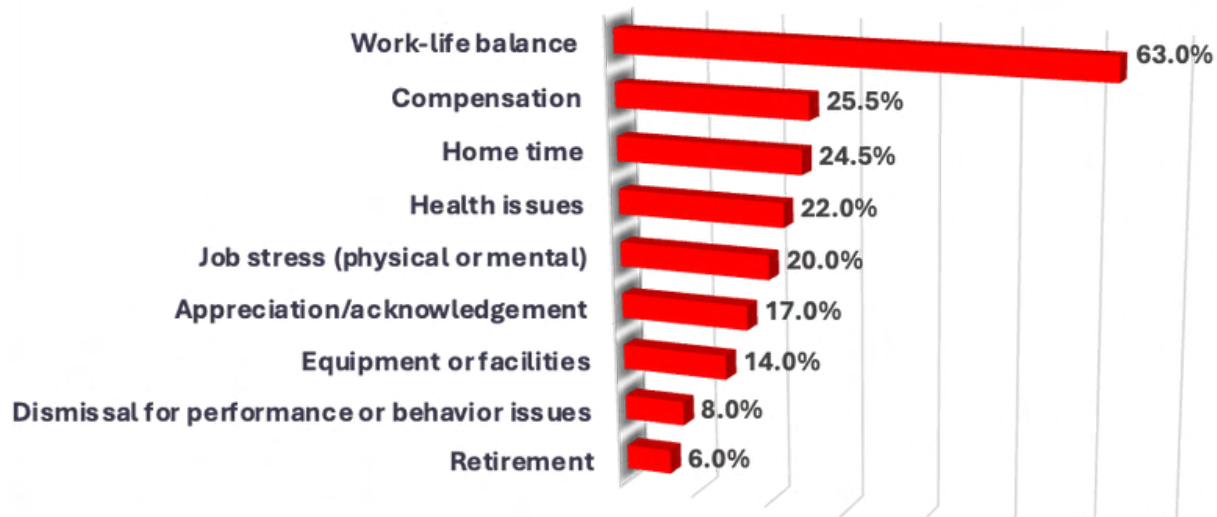
For carriers with more than 150 trucks, investing in retention can lead to significant long-term savings in the form of longer driver tenures.

Aiming programs at critical driver concerns

Digging deeper into the reasons for driver turnover, work-life balance (63%) was the most referenced reason for driver departures.

What are the two most common reasons for driver departures at your organization?

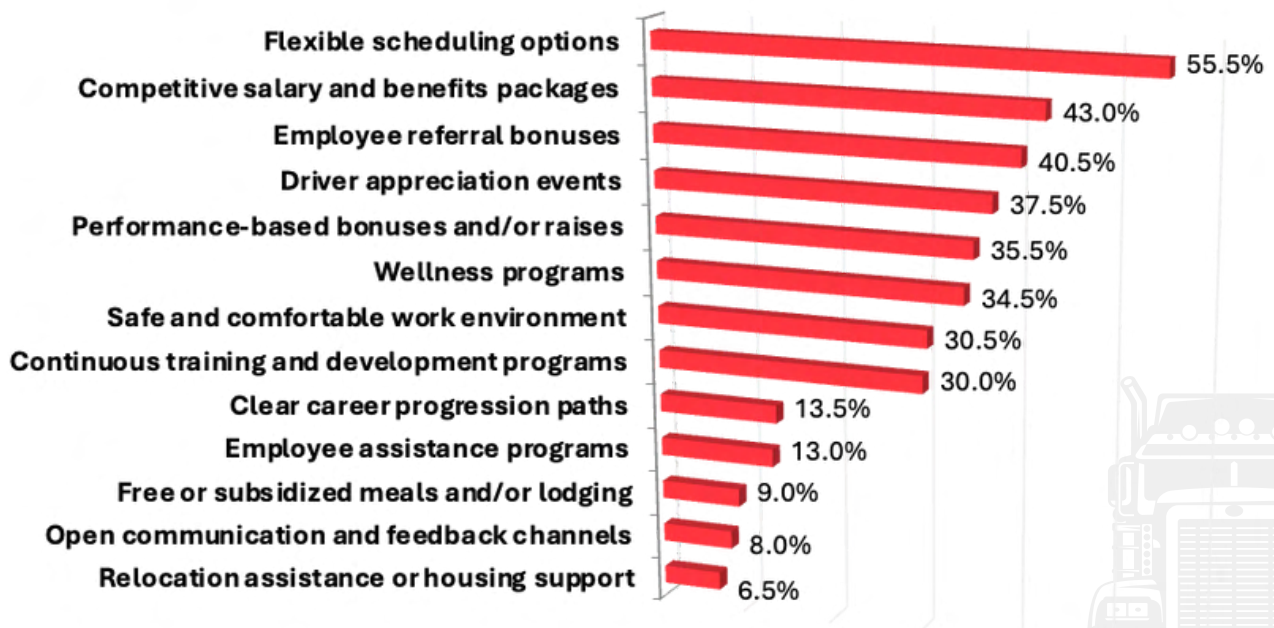
Choose the best two options.



Relatedly, over 55% of carriers have flexible scheduling options as part of their programs for drivers.

Which of the following programs do you have in place to encourage drivers to stay?

Select all that apply.



“Our existing drivers should be the best source for referring new drivers from their network.”

- *Survey Respondent*

However, compensation and incentives also play a big part in driver satisfaction, with the second largest vote (25.5% of carriers) indicating compensation is a key reason behind driver departures.

While 43% of respondents offered competitive salary and benefits packages as part of their programs to encourage their drivers to stay, a significant number of carriers with fewer than 500 trucks also invested in driver appreciation events (40%)*, and many for-hire carriers (41%)* leaned toward performance-based bonuses and incentives.

The Takeaway - Performance-based incentives are gaining steam

These results indicate the need for more ways to increase the connection between the performance-based measures of critical interest to carriers - like safety and fuel management - with visible rewards and compensation-related incentives for the driver.

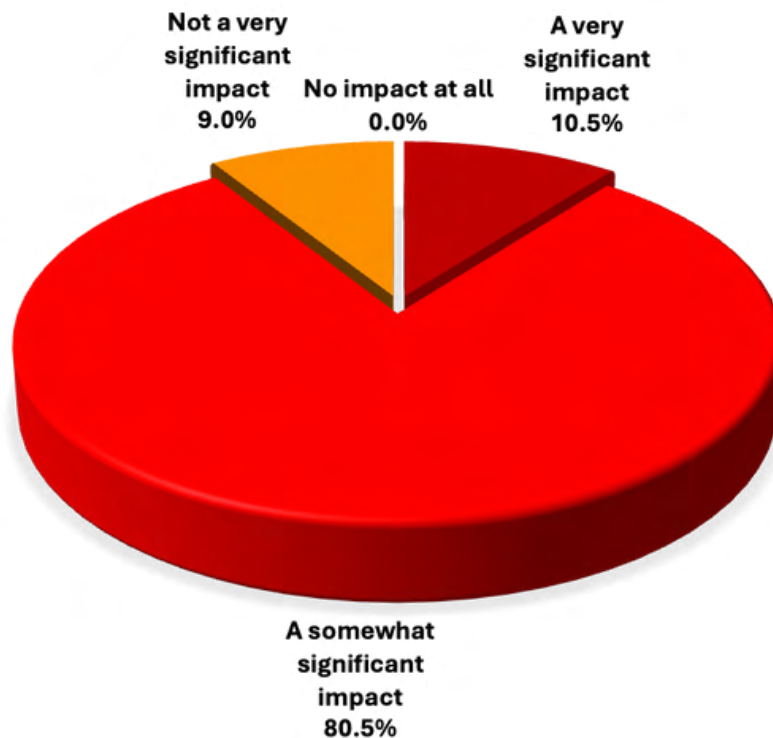
**Segmented survey results are available upon request.*

The prevailing attitude of carriers

Carriers have not given up on the task of reducing drivers' top challenges through their attention to retention programs, and more than 90% believe they can have a somewhat or very significant impact on reducing driver turnover.

How significant of an impact do you feel you can have on reducing driver turnover?

Choose the best option.



“Effective communication and relationships with driver communities can help accelerate driver recruitment.”

- Survey Respondent

IN SUMMARY

From these results, it is clear that carriers are aware of the impact of retention programs on mitigating churn and are tackling the challenge of balancing their budget spend across recruiting and retention to have the most positive effect overall.

Carriers need solutions that increasingly appeal to drivers while helping mitigate costs and exposures. If the tools to do so are easy to use, save time, and drive a common ground between carriers and their drivers, the result will upend a long-standing challenge for the industry.

Survey sponsored by  tenstreet

Tenstreet's platform connects carriers and drivers, making it easier to fill trucks while staying compliant. We help thousands of motor carriers and private fleets to market, recruit, onboard, manage, and retain drivers. Since 2006, millions of drivers have used Tenstreet's platform to quickly and securely apply for their next job.

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APPENDIX

Additional Survey Respondent Demographics

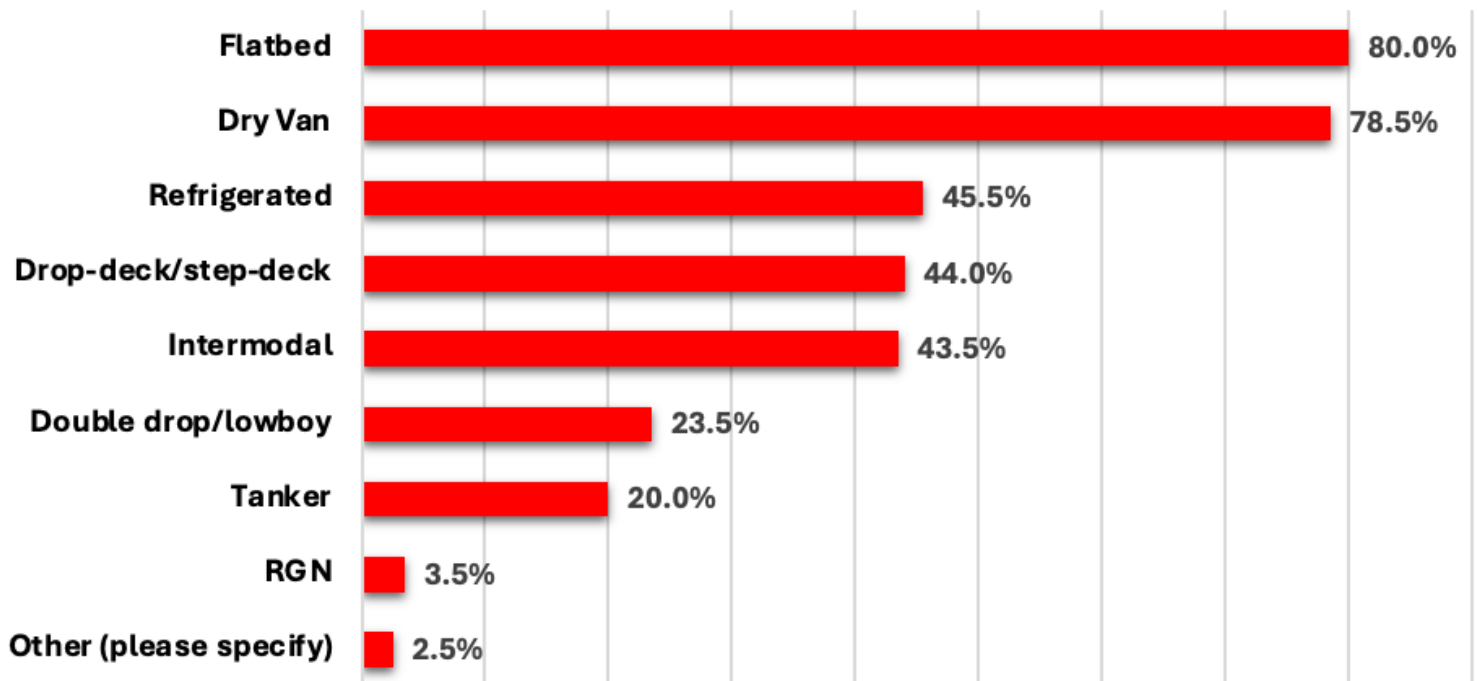
What is the number of trucks in your fleet?

Choose the best option.

150 or fewer trucks	49
151 to 500 trucks	51
501 to 1,000 trucks	49
1,001 or more trucks	51
Total	200 respondents

What is your trailer type?

Select all that apply.



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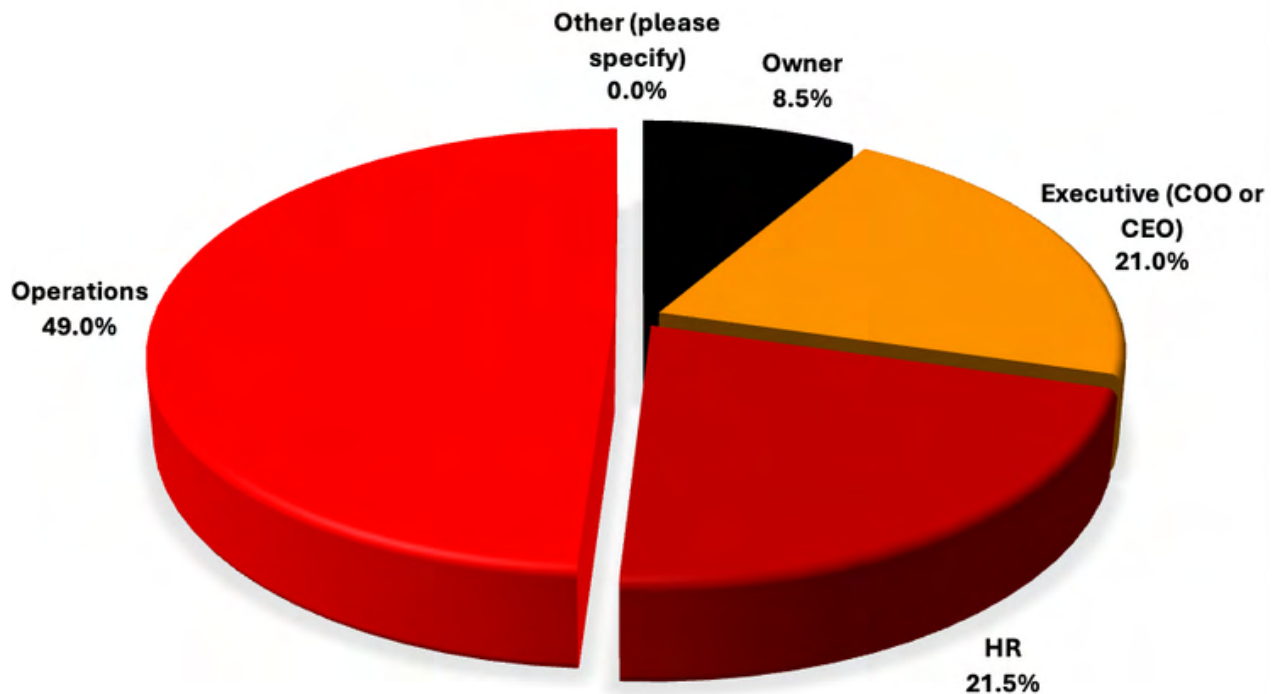
IS YOUR COMPANY A FOR-HIRE OR PRIVATE CARRIER?

CHOOSE THE BEST OPTION.



WHAT IS YOUR ROLE?

CHOOSE THE BEST OPTION.

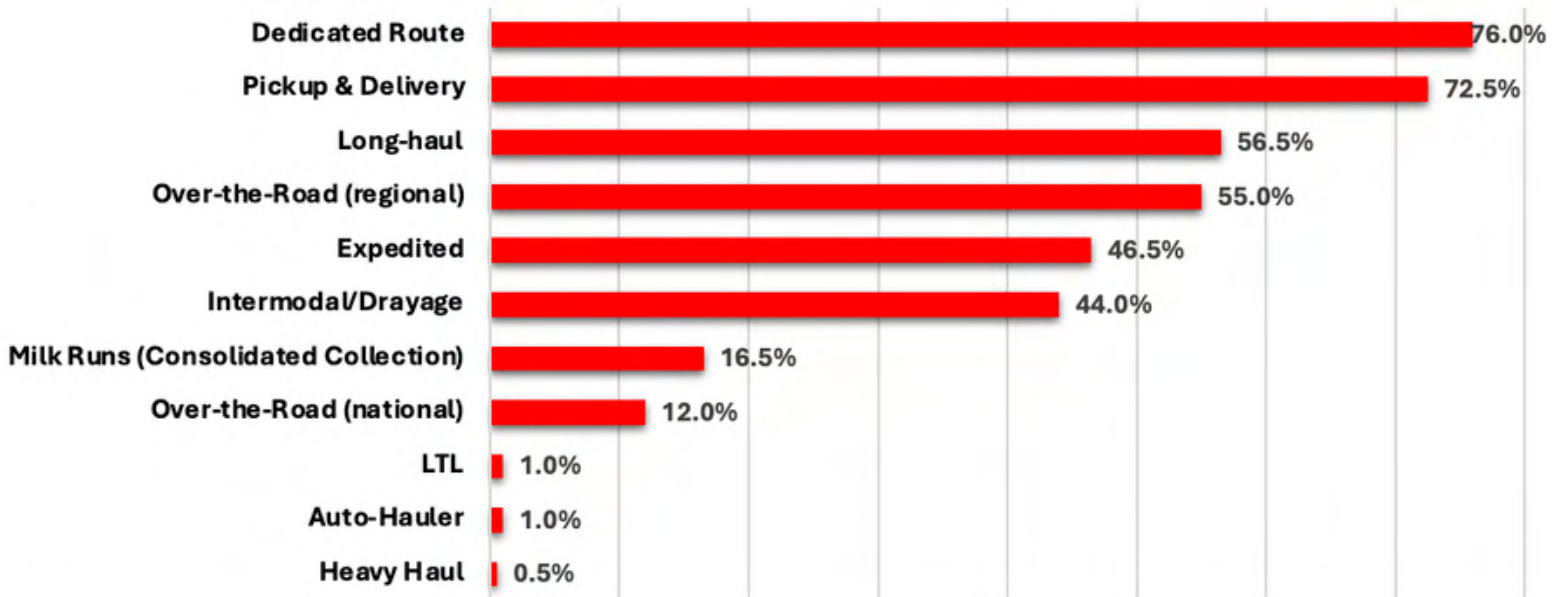


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Additional Survey Respondent Demographics

What is your run type?

Select all that apply.



What is your employment arrangement with your drivers?

Select all that apply.

