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## Sizing up the driver shortage

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Fleets seem to be of two minds when it comes to dealing with the continuing shortage of truck drivers. On the one hand, they are offering higher pay and benefits, plus more innovative arrangements to increase home time, in hopes of recruiting and retaining more drivers. On the other hand, many fleets believe there isn't so much a driver shortage as there is a shortage of the kind of high-quality drivers they'd like to hire.

"There is no shortage of drivers. However, there is a shortage of safe, reliable drivers with stable employment histories," Mitch Bookbinder, manager of retention and recruiting for L.J. Kennedy Trucking, tells FLEET OWNER. "Trucking companies are focused on attracting and retaining these top-caliber drivers, without exception. Yet while pay rates and benefits have improved markedly in the past two years, it will take more time before these advances in compensation draw considerable numbers of new drivers into the trucking industry."

"The driver shortage that has plagued the truckload industry for close to two decades is not going to be solved in a short time frame," says Kirk Thompson, president & CEO of Lowell, AR-based J.B. Hunt Transportation Services.

"Due to demographic realities and structural barriers, such as low industry-wide pay scales, the qualified driver pool will continue to struggle" he adds. "Until qualified truck drivers become more plentiful — a scenario we certainly cannot envision any time soon — capacity will remain tight for the traditional truckload market and growth will remain subdued across the industry."

A recent study by the American Trucking Associations (ATA) found that the shortage of truck drivers nationwide stands at 20,000. The study reports that if current demographic trends stay their course, and if the overall labor force continues to grow at a slower pace, this number could jump to 111,000 by 2014.

"Unfortunately, there is no single silver-bullet approach that will solve the problem," says Bill Graves, ATA's president & CEO. "Recruiting, training and retaining qualified truck drivers is as daunting a task now as it was several years ago. In fact, it's probably a bigger task now given not only the continued publication of new, more stringent safety rules, but also because of security requirements."

According to ATA, of the 3.4-million commercial drivers on the road, 1.3-million are longhaul truckers. And that's the segment that needs drivers the most.

"The crunch for drivers has been rough since March this year and is getting rougher," says Dale Lawless, president of Little Rock, AR-based driver recruiting firm LPS Inc. "You don't see quality drivers out there looking for jobs. They are staying put now because companies have finally realized they must pay their drivers more and get them home more often.

But that effort is costing fleets. "Driver pay was up almost 6¢/mile, or 16%, versus the second quarter of 2004, and about 2.5¢/mile versus the first quarter of 2005," points out David Parker, chairman, president & CEO of Chattanooga, TN-based Covenant Transport. "We believe such driver pay increases are necessary from the industry as a whole to enhance the prospect of attracting additional drivers."

The only drivers job-hopping now, says LPS' Lawless, are those with poor work histories and driving records, as well as owner-operators who aren't getting the level of pay and fuel surcharge reimbursements they expect.

"The good thing for owner-operators is that the money is out there now," Lawless says. "The ones changing jobs are the ones not getting the full fuel surcharge. They want the whole thing, not a percent of it, and companies that don't give them the whole thing or are behind on paying it are going to lose them."

### BETTER BENEFITS

Bookbinder tells Fleet Owner that Kearny, NJ-based L.J. Kennedy reacted to the growing shortage by raising pay, keeping payroll deductions for family medical benefits low, getting drivers home every weekend, and making sure more than 82% of its shipments are pre-loaded and pre-tarped.

"Yet the potential pool of driving applicants is narrow and our standards are considerably above industry average," Bookbinder says. "This makes recruitment especially challenging. Regardless, we would rather spend more money on recruitment advertising so we can attract more drivers to L.J. Kennedy, instead of compromising our standards to draw 'below desirable' drivers and then spending more money on insurance premiums and legal

costs as a consequence.”

Bookbinder notes that top performers already tend to stay put, and average performers are being treated better, which means their job-hopping will decrease. “This leaves the churners, many of whom seem to be perpetually seeking the job of their dreams,” he explains. “If anyone can determine methods to make churners with good safety records settle down, they should be able to make a fortune. Unfortunately, history tends to repeat itself and churners just keep churning.”

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