

Workforce in the transportation and distribution industry

Transcript

00:04:55:08 - 00:05:09:04

ERIC GONZAGA:

When we think about some of the future solutions to meet the demand, what are some of these final solutions and strategies that the trucking industry can take?

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RANDOLPH SMITH:

The American Trucking Research Institute has released studies that show what the drivers' 10 biggest concerns are and what the carriers' 10 largest concerns are. And driver pay is, as you can imagine, highest from a driver standpoint. But it does remain on the list that the carriers continue to focus on pay. One other issue that has had a dramatic impact is there's been a lack of parking for these drivers. Lots of states have shut down their rest areas for various reasons. And so that creates a real critical issue. Drivers sometimes spend a couple of hours a day looking for parking and they can only drive 14 hours, excuse me, 11 hours total out of 14 hours a day. So it's a really tough situation.

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ERIC GONZAGA:

From my perspective, certainly compensation and benefits, that's table stakes at this point. And the numbers are going up higher than they have historically. And like other industries, the trucking industry just needs to match the market to the extent that they can. However, what has become, and this is somewhat industry agnostic, when we think about the second phase after folks have enhanced their compensation and benefits, there are some very wonderful

strategies that Randolph was talking about that certainly are helpful, like driving schools. There's some relationship there to health systems, opening up nursing schools to help with the nursing shortage. And that's been used to great effect. But ultimately the biggest change in all industries is taking care of the employee, emphasizing culture -- number one. And number two, enhancing appearance and transparency and communication with the team. And that would relate back to the truckers as well to get them to tie into the culture of the organization, because studies have found that compensation benefits are very important. However, is it going to be if you're paid fairly, competitively with the rest of the market, is that what's going to keep employees? And the answer is no. It really comes down to all things being equal, enhancing the culture. And so that includes things like training and education, but it also expands to the broader array of how you recognize, reward and motivate your employees. So I think from that perspective, it really comes down to culture and enhancing culture. Just to kind of show your competitive differentiation really is about your employees as opposed to just simply the differentiation in pay.

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RANDOLPH SMITH:

Eric, I'm curious, you've worked with many different industries. How might the transportation and logistics and distribution industries learn from things that others have done that have been successful?

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ERIC GONZAGA:

Ultimately, just in reference to organizational culture, successful companies -- and actually in the trucking industry we've seen that as well -- is in taking proactive action in terms of managing culture, perceptions by the employees and really taking feedback very seriously from employees, in terms of whether it's work-life balance or just simply the wants and needs of truckers themselves. When you think about the greatest source of data nowadays, I mean, often times, whether it's Glassdoor or other online reviews, these are even taking into account within the context of the trucking industry, which historically hasn't been the case. So it's a good sign recognizing that this industry, which has struggled with drivers before COVID, and certainly it's more pronounced at this point -- it's just that trucking companies are beginning to get in tune -- not beginning -- they are emphasizing the need to stay in tune or get in tune with their truckers. No different than any other in this industry, recognizing that they're producers for the organization.

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RANDOLPH SMITH:

So thank you for joining us today. I hope the information we shared with you all was helpful. Also, I want to thank Eric for participating. Feel free to contact us with questions. Thank you.



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