

# TEEN Industry Partnership Research Summary Report

## Conclusions

Continuing to support the transportation and logistics industry cluster in Northwest and North Central Pennsylvania and working with employers in the industry to continue to meet their needs offers a significant opportunity to grow the sector's workforce in Pennsylvania. This opportunity exists with both Pennsylvania-headquartered businesses as well as with companies headquartered elsewhere but who do business within the state.

This research, undertaken with employers and drivers within the industry, offers insights into the needs of both groups, in order to continue to support the sector.

### Employer Survey

Overall, key conclusions from the employer research include:

- Recruitment assistance, incumbent worker training and technical training are seen as the most important areas of focused support for transportation and logistics companies in the next 2-3 years.
- The most critical issues facing the transportation industry, according to employers in the sector, are the hiring of the right drivers and finding high quality employees; retaining good drivers and funding for training mechanics were also considered priorities.
- Training entry-level drivers is and will continue to be the most critical training need for companies over the next 3 years. Recruitment and financing strategies for candidates who fit the lifestyle profile of a successful long haul driver will continue to be vital to increase retention rates.

Within specific aspects of the recruitment and retention process, findings include:

#### Attraction

- There is a need both in PA and nationally for workers throughout the transportation and logistics sector, particularly for drivers, but also for a number of other occupations that offer family sustaining wages for workers.
- The economic impact of the transportation and logistics sector in Pennsylvania is significant as are the opportunity costs of the lack of potential drivers.

#### Recruitment

- The most common recruiting methods employed by companies for both inexperienced and experienced drivers are word-of-mouth and referrals from other drivers.

#### Training

- The perception of the training currently offered by regional providers among companies surveyed varies – from Poor to Excellent – showing a potential inconsistency in quality among regional training providers.
- The length of orientation for both experienced and inexperienced drivers varies greatly across companies, further demonstrating the need for training standards to be put in place.

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## Retention

- Companies offer a range of benefits to their drivers – the most common being health insurance, life insurance and paid vacations.
- Defined home-time policies and offering dedicated runs are the primary retention strategies employed by transportation companies.

## Incumbent Worker Training

- Formal training exists for nearly every position that exists within transportation and logistics companies, though not all companies have formal training for all positions.
- There is a greater need for additional technical skill training among drivers than for other positions within the industry. Automation in the industry offers opportunities for increased efficiency, but also results in the need for increased technical competency among drivers.
- Additional training for incumbent workers beyond their orientation is also inconsistent across companies – anywhere from 1 day to 7 weeks – though this seems to depend more on the type of equipment used and materials moved at the company.

## Worker Survey

From the perspective of the drivers, the following conclusions are offered:

### Attraction

- Compensation in the transportation and logistics sector, particularly among drivers, provides significant opportunities for family sustaining wages. And the industry offers these opportunities without the necessity of a college degree. The majority of respondents earn incomes well above \$30,000 per year, with many earning above \$50,000.

### Recruitment

- The most common way drivers learned about the company they work for is through the school they attended.
- Advertisements, word-of-mouth and referrals from other drivers were also frequently the means by which drivers found their current employer – this echoes the findings from the employer survey regarding their recruitment tactics.

### Training

- An overwhelming majority of respondents (85.8%) rated the training offered by their current employer as good or excellent, and workers often became aware of their employers through their training schools/programs.

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## Retention

- When asked to rate the importance of various aspects of their job, respondents most often rated Well being of family members (4.81), Safety, quality and maintenance of the equipment used in the job (4.80), Safe working conditions and proper rest (4.77), Having a secure and stable job (4.76), Not wasting your time – waiting, etc. (4.73) as very important.
- While respondents rated the levels of importance of most aspects of their job as either *important* or *very important*, the only one that was considered by the majority only *somewhat important* was the ability to get a different/better job within the same company.
- When asked to rate their overall satisfaction level with the same factors, the top 5 areas respondents indicated that they are most satisfied included: Having a secure and stable job, Safety, quality and maintenance of the equipment used in the job, Support provided by the company (maintenance, safety, payroll, etc.), Well being of family members, The job itself (position).
- Conversely, respondents were least satisfied with Not wasting your time – waiting, etc., The ability to get a different/better job within the same company, The benefits received in this current job, Ability to improve income, and Time at home.
- Overall, when the importance scores are cross-referenced with the overall level of satisfaction, and the difference between the two are statistically significant, which means that there is a statistically significant difference between the importance and satisfaction ratings. With all but one of the factors, there was a significant difference between importance and satisfaction. However, those that have the largest difference, and are therefore the most important areas of focus for improving overall job satisfaction with this population include Not wasting your time – waiting, etc., Time at home, Ability to improve your income, The amount of money able to make in your current job, Safe working conditions and proper rest.

## Recommendations

There are a number of areas where continued emphasis on and support for the transportation and logistics sector can result in improved recruitment, retention and training that would benefit the sector and the economy of Pennsylvania. These include:

### Attraction

- It is important to communicate and stress the “lifestyle” aspects of a career in the transportation and logistics industry as well as the significant opportunities available through the career “lattice” in the industry. Efforts have begun through the TEEN partnership to advertise and communicate the salary and career advancement opportunities available in the transportation and logistics sector. It will be critical to continue to raise the image level of the industry to more of a professional destination or career than just a job. A key to retention in the industry hinges on entry-level workers being fully informed of the aspects of the job and intricacies of the lifestyle. These strategies will continue to be important as the workforce demographics continue to shift over the next few years, and should continue to be promoted in future attraction efforts.

### Recruitment

- Continuing to build referral networks within the industry and perhaps offering additional incentives to current workers for personal referrals offers an opportunity for increasing recruitment opportunities. Many drivers indicate that they hear about opportunities through word of mouth. Providing additional information to workers regarding both the job and career opportunities available is important.

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- Efforts have begun through the TEEN partnership to utilize the CareerLink system to increase awareness of the employment opportunities, salary, benefits and career advancement opportunities. Expanding these efforts through the youth programming currently underway in the local workforce regions can also help to expand the potential pool of applicants over time as youth can be educated to see this as a viable career option. Continuing to support these efforts is an important strategy to reach the potential labor pool.
- Increasing the financing resources available for training for entry-level workers could offer increased opportunities for recruitment within the industry. Although not quantified in this study, it was revealed through discussions with partner companies that many candidates (potentially as high as 60%) of the applicants for CDL training programs that otherwise meet the criteria for a successful long haul driver, cannot obtain financing for their training because they do not have adequate credit scores. Since many companies offer tuition reimbursement programs, quantifying this opportunity and securing financing partners within the TEEN partnership offer additional opportunities to increase the applicant pool and the number of available entry-level workers.

### **Training**

- Providing funding for the development of consistent and measurable training programs across companies, offers opportunities within the industry to improve the early turnover often faced in the industry and to increase driver satisfaction with the training offered within companies.

### **Retention**

- Identifying and formalizing best practices for retention across companies offers an opportunity for supporting the industry. Many of the individual companies offer interesting and unique ideas that support retention of workers. Sharing this information with each other and with the workers in the industry could possibly contribute to increased retention.
- Continue to offer opportunities for workers to learn about other jobs available within the company and within the industry can also increase worker retention.

### **Incumbent Worker Training**

- The partnership can continue to develop standards for training as well as for orientation and training and seek to procure and offer resources for incumbent worker training within partner companies to retain employees and offer them more opportunities to move through the career ladder and lattice.