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# TRUCK DRIVER TURNOVER: AN INTERNAL MARKETING PERSPECTIVE

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Carriers and industry analysts agree that driver turnover is the largest problem facing the industry today. Truck drivers regularly move from one trucking company to another or they change to careers out of the industry. Opinions for high driver turnover are diverse, such as long hours and extended time away from home, poor advancement opportunities, a lack of respect, and old/uncomfortable equipment. In this article the authors examine the truck driver turnover problem from an internal marketing perspective. Membership, socialization, identity, structural, interpersonal, and environmental issues are examined as primary influences on desired quality of truck driver employment. Suggestions are made concerning the implementation of an internal marketing strategy that in the long run might significantly enhance driver retention.

## INTRODUCTION

Environmental pressures have created havoc for the trucking industry during the last several years. For example, downward rate pressures in the motor carrier industry in the post deregulation decade forced cost reduction measures that resulted in a serious decline in profitability, which in turn negatively affected truck drivers' wages. This decline contributed to a shortage of drivers for unionized less-than-truckload (LTL) carriers and extremely high turnover rates for nonunion for-hire truckload (TL) carriers. Industry-wide focus on price setting and market coverage as the primary tools of marketing strategy resulted in the continuation of rate pressures in an increasingly competitive environment.

Consequently, raising truck driver wage levels was not seen as an option for some carriers.

The current situation has somewhat improved. Myron P. Shevell, CEO of New England Motor Freight and Chairman of the New Jersey Motor Truck Association reports that the LTL business is healthier now than it has been for five or six years ("Myron P. Shevell....." 1998). This comes as a result of the growing economy. Customers are requiring the shipment of more goods which translates into more business for the trucking industry. Early in 1997, many carriers announced they would be raising their general freight rates, some as much as 5.7 percent ("Carriers Announce....." 1997). Nine months later some shippers imposed a second price increase of 4.9 to 5.9 percent (Mullins

1997). Bill Zollars, President of Yellow Freight System, believes these increases are necessary if carriers are to continue delivering the level of service and enabling technology that customers have come to expect ("Carriers Announce...." 1997). Executives at Roadway Express communicate similar needs. They want to ensure their ability to invest in the equipment, information systems, personnel, and training needed to permit the carrier to provide the stable relationship and service level customers demand. Thus, it would appear that a healthy economy, strong consumer demand, and rock-bottom retail inventories are delivering carriers the heavy freight traffic they have long desired along with desired rate increases.

Even with these positive developments, the trucking industry is still facing an uphill battle. A major shortage of drivers and therefore, a shortage of available equipment, has turned what could be a boon into a bust for some carriers in the industry as they find themselves unable to move the additional traffic. In other words, even with the implementation of a much needed freight rate increase, the trucking industry is still faced with a severe problem -- driver turnover.

For years, carriers have been attempting to buy their way out of shortage/turnover problems. One common approach has been to out recruit the problem. Recruitment and training has played a significant role in providing fleets with drivers. Careful scrutiny reveals the pitfalls of relying exclusively on this aspect of human resource management. Thus, managers have begun to seek other solutions to the problem. John Smith, President and CEO of CRST International reports that "ten years ago, recruitment was a line item in our safety budget, now we spend more on recruiting than we do on marketing activities" (Richardson 1994). It costs approximately \$3,000 to \$6,000 to recruit and train each new

driver and to integrate him/her into the fleet (Leibowitz, Schlossberg, and Shore 1991; Stephenson 1996). These costs are sufficiently high to change a profitable operation into an unprofitable one suggesting that a purely recruiting based strategy--guarding the front door of the company, while leaving the back door unprotected--may be effective, but is much too costly. Thus, this tactic has not been effective in the long run.

Driver retention is possible provided the company treats each driver as a vital member of the company. This approach requires managers to think of drivers as a primary employee group. In other words, in much the same way that they think of customers. Thus, the opportunity exists for carriers to improve their competitive situation in the labor market by internally applying the ideas of marketing.

Traditionally, marketing has had an external emphasis-- focusing strictly on the customer. However, recent marketing research on services has highlighted the significance of internal marketing, by which the importance and contribution of the employee is acknowledged. Internal marketing seems to be an effective means to help control driver turnover and to limit the impact of driver shortages. The purpose of this article is to demonstrate the need for the development and implementation of internal marketing programs in the trucking industry.

## PREVIOUS FINDINGS

Authors have been examining driver shortages, turnover, retention/recruitment practices, and strategies since the late 1980s. Corsi and Fanaara (1988) explored the relationship between driver turnover rates and carrier accident rates. Motor carriers with higher turnover rates were found to have more accidents than carriers with lower turnover

rates suggesting a relationship between safety performance and turnover rates.

Changing demographics have contributed to and will continue to contribute to the driver shortage problem (LeMay and Taylor 1989). It has been suggested that current recruitment procedures are flawed because they appeal entirely to the traditional driver labor market (i.e., white, male, and 25-45 years old). Demographic projections suggest the need for the development of 'new' recruitment strategies for 'new' drivers (i.e., women, minorities, and older people). LeMay and Taylor (1989) examined sources of driver turnover/shortage and suggested possible solutions to the problem by examining demographic, industry, and firm specific factors. Driver shortage was viewed as a personnel problem which should be dealt with by taking relatively inexpensive, proactive steps in response to the problem. The authors suggested (1) developing help-wanted advertisements targeted at new groups identified by looking at changing demographics, (2) developing innovative programs for in-house driver training, and (3) revising managerial techniques.

According to U.S. Labor Department surveys, the U.S. is expected to see 20 million new jobs in the 1990s, yet the work force will grow by only 21 million between 1986 and 2000 – down from 31 million in the previous 15 years. Contributing to this troublesome situation is the fact that the number of 18-24 year-olds to fill these jobs has fallen (Fitz-enz 1990). By the end of this decade, the 18-24 age group will have 500,000 fewer members than in 1980. And, this will greatly increase the applicant gap. Additionally, the white male, which the trucking industry has traditionally relied on, is the slowest growing segment of the population (Friedman 1995). The past decade has seen this applicant gap filled with women and

minorities, but these segments of the population are not sufficient to fill the growing void. As a result, the trucking industry will be especially vulnerable through the end of this decade and into the 21st century. The American Trucking Association, Inc., estimates that approximately 400,000 new truck drivers will be needed each year until 2005 just to keep up with customer demand (Crawford 1997; Tompkins 1997; Bump 1998). However, the number of potentially qualified workers in the labor market has been steadily shrinking (Eddy 1988; LeMay and Taylor 1989).

Changes in federal licensing laws have also had a significant impact on the qualified driver applicant pool. These changes make it more difficult to obtain a commercial driver's license. It also tracks a driver's speeding tickets and his/her license can be revoked if too many are accumulated. Furthermore, the federal government recently passed legislation requiring that drivers be randomly drug tested. Thus, it is difficult to locate drug free applicants possessing the new commercial driver's license. Additionally, applicants must not have accumulated too many speeding tickets, have no criminal record or driving under the influence (DUI) incidents.

Circumstances such as these paint an ominous picture for the trucking industry—there are not enough qualified people to fill the number of expected jobs. Since many truckload carriers turn over their entire pool of drivers annually, and some carriers exceed 200 percent (Stephenson 1996) it is imperative that carriers develop effective strategies for retaining qualified drivers.

Recruitment and driver shortage issues continued to attract attention in 1989. Researchers observed that when trucking companies recruited, they focused on salary level and equipment condition rather than

other important employment issues (Rakowski, Southern, and Godwin 1989; Southern, Rakowski, and Godwin 1989). Truck driver wages continued to slip lower than stay-at-home construction and factory jobs. Earnings on average were \$27,500 yearly, not the \$40,000 to \$50,000 that conditions and responsibilities of the job implied (Richardson 1994). In 1997, Stephen L. Palmer, executive vice president for human resources and risk management with J. B. Hunt Transport Services, Inc. noted that driver pay had not kept up with inflation for two decades and yet carriers had made greater demands on their drivers such as longer trips away from home, better customer relations, and better use of technology (Maxon 1996). Thus, it has not been uncommon for drivers to leave one carrier for another or to leave the trucking industry altogether in a quest for improved financial status. In an attempt to lessen driver turnover problems, J. B. Hunt implemented wage increases in February 1997. They purportedly raised salaries for drivers an average of 33 percent, ranging from 48 percent for first-year drivers to 24 percent for drivers with 10 or more years' of experience (Waxler 1997). Other carriers also participated in similar wage increases. Early in 1998, Ron DeBoer, President and CEO of DeBoer Transportation Inc, noted that the perception that truck driving is a low-paying profession is outdated. He suggests that today truckers can make as much as \$42,000 annually plus bonuses after just one year of experience (Bump 1998). Others project that the national median income of truckers will be \$48,000 annually by 2000 (Tompkins 1997).

While carriers have concentrated on increasing wages, the question remains, how will they cover the cost of higher wages? Perhaps they intend to utilize the revenue earned from the increase in freight rates to cover the cost of higher salaries. This tactic has merit, but it has been suggested that freight rates would

have to increase approximately 30 percent to allow payment of the wages drivers deserve (Mele 1989). Current market conditions will not allow an increase of that magnitude since profit margins on truck freight remain slim due to severe price competition. Some carriers have closed their truck-driving schools and have cut back on advertising and recruiting (e.g., J. B. Hunt). Others plan to cut training staff but still provide training for new employees (e.g., Ronnie Dowdy, Inc.). And, while carriers hope that higher wages will attract older, more experienced drivers who do not require training, younger, less experienced and inadequately trained drivers will also be attracted by better wages, which in the long run could increase costs.

As mentioned earlier, studies have indicated that drivers' job satisfaction is affected by factors such as the newness and comfort of their trucks. In fact, a common driver complaint concerns the discomfort associated with operating cab-over-engine models which are noisier and less comfortable than other models. Some drivers have indicated their desire to have fast, modern trucks to drive on routes; truck that can go more than 60 miles per hour (Maxon 1996). Thus, the industry is finding it necessary to provide the best equipment and other amenities for drivers (Deierlein 1996).

Rodriguez and Griffin (1990) explored job satisfaction of professional drivers. Both drivers and management personnel were surveyed. The majority of drivers surveyed found their jobs rewarding or somewhat rewarding. They rated overall job satisfaction moderately high; however, advancement opportunities within their companies were considered to be poor. Both managers and drivers perceived that the professional driver's job suffers from an image problem.

Career stage, time spent on the road, and driver work-related attitudes have also been examined (McElroy et al. 1993). Negative attitudes were found to be more common in employees with greater tenure. Income was not found to be a major factor affecting attitudes over the stage of a driver's career. Equipment, benefits, perceived advancement opportunities, and driver perceptions of company's attitude toward employees were major factors. Richardson (1994) suggested that given the undesirable lifestyle of truck drivers, current salaries are not nearly high enough to retain drivers. The over-the-road lifestyle and generally disrespectful treatment of drivers has taken its toll. The American Trucking Association Foundation reports that spending too many days away from home and family is one of the biggest drawbacks to a truck driver's job and one of the prime reasons for a worsening shortage of qualified drivers ("Industry Seeks..... 1993).

In 1995, researchers investigated why truck drivers leave one carrier to go to another (Richard, LeMay, and Taylor 1995). Three factors were found to be statistically significant—driver attitude toward dispatchers, top management, human resource management of the firm, and other companies. The authors suggested carriers give drivers a realistic job preview establishing a driver's expectations on the job. Additionally, they proposed retention of drivers can be accomplished through open channels of communication.

In the most recent article on turnover/retention strategies, driver job and demographic characteristics, job objectives, and retention needs were investigated (Stephenson and Fox 1996). The authors found that driver pay is competitive with average levels in other trades but it is below average if one considers pay per hour, length of work week, and time spent

away from home. Interestingly, when drivers were asked to indicate the main factor in their decision to become a truck driver, earnings potential was by far the most frequently given reason, followed by independence, enjoyment of driving big rigs, job security, and desire to travel. Likewise, when retention needs were analyzed, the researchers found compensation to be the most important for remaining with a carrier. Self-esteem and pride, appreciation and treatment, and security and job tools were also considered important. Working conditions were deemed the least important reason for staying with a company.

## MARKETING AND THE TRUCKING INDUSTRY

The philosophy and tools of marketing can be of genuine value to the trucking industry as they begin to address the human resource management challenge, yet most carriers remain reluctant to engage in any type of marketing activity. Those trucking companies which have adopted marketing are primarily practicing "traditional marketing." Traditional marketing is associated with the idea that an exchange takes place between the customer and the organization. In other words, the focus has been on the external customers of trucking companies. This becomes obvious when one looks at the definition of the marketing concept that says that the organization must satisfy the wants and needs of the consumer. However, the marketing concept is also applicable to the exchange between employees and the organization. Marketing research has proposed that the marketing concept be broadened to apply to employees as well as customers. A majority of companies in the service sector have employed many of the marketing processes to external relationships and have found them of equal importance to internal relationships. It has been suggested that "employees are simply internal customers

rather than external customers . . . people do buy and quit jobs making it useful to think of jobs as 'products', and attempt to design them to encourage buying and performance and discourage quitting" (Berry 1984). In other words, the exchange that takes place between employees and employers is just as important as the exchange that takes place between consumers and companies.

There is nothing novel about the concept of internal marketing. In fact, organizations direct various marketing activities toward the various publics influencing their operation. One group of these publics is referred to as input publics. This group is composed of supporters, employees, and suppliers. Some authors suggest that employees precede other publics as the initial market of an organization (George and Wheeler 1986). Thus, traditional marketing can no longer succeed externally without considering its internal aspects, particularly in service industries.

### INTERNAL MARKETING

The subject of internal marketing has a growing literature base and numerous definitions exist. Internal marketing has been described as "the means of applying the philosophy and practices of marketing to people who serve the external customer so that (1) the best possible people can be employed and retained and (2) they will do the best possible work" (Berry 1984). The primary goal of internal marketing is to take a holistic view of the company's human resources and attempt to build an inspiring internal climate (Mattsson 1988). Thus, the importance of employee motivation and morale is emphasized, rather than focusing entirely on the customer. Others regard internal marketing as a firm's efforts to communicate with and motivate employees to share in the goal of improving customer satisfaction. Thus, a firm's employees play a

crucial role in delivering customer satisfaction especially in service businesses in which employees interact directly with customers.

Regardless of the definition chosen to describe internal marketing, the underlying theme seems to evolve around corporate culture and communication. "Internal marketing hinges on the assumption that employee satisfaction and customer satisfaction are inextricably linked," mandating the development of a strong corporate culture and effective communication system (Zeithaml and Bitner 1996). Because trucking companies historically have had poor communication systems and have given little thought to corporate culture, management may not understand what drivers seek in employment. Thus, incongruities may exist regarding managements' perceptions of quality employment and the tasks associated with delivery of quality employment to drivers.

### IMPORTANCE OF CORPORATE CULTURE

Corporate culture has been suggested for the design of internal marketing strategies (Wasmer and Bruner 1991). This suggestion is supported by the contingency theory of management that proposes that culture is manageable--thus, receptive to change. Corporate culture is based on the philosophy, attitudes, beliefs, and shared values upon which and around which the organization operates. All organizations have a culture that is either a positive or negative force in achieving effective performance. Culture is revealed in people's attitudes, feelings and the general chemistry that emanates from the work environment. Some researchers view corporate culture "as the internal equivalent of consumer lifestyles which marketers are accustomed to considering when formulating strategy" (Wasmer and Bruner 1991). Thus, marketers with well-developed methods of

measuring attitudes and values via psychographic profiles, are better equipped to study organizational culture and use these findings to develop internal marketing strategies.

If employees are expected to create a positive image of the company, then organizations must strive to create a quality employment experience for employees similar to the quality service experiences for consumers (Schneider 1988). To create the quality of employment desired, companies might begin by addressing six issues: membership issues, socialization issues, identity issues, structural issues, interpersonal issues, and environmental issues.

### **Membership Issues**

As mentioned previously, many trucking companies attempt to buy drivers by raiding other carriers (Crawford 1997). This strategy does not work in the long run. A better solution to the turnover problem is the development of a strategy for retaining people by investing in programs designed to keep them while paying wages that the company can afford. Organizations first need to understand what causes people to commit to being productive and loyal. Then they must design jobs, systems, and organizations that support productivity and loyalty. The company should communicate the values of the organization to its employees in order to increase their level of consent, participation, motivation, and moral involvement. In other words they must practice internal marketing.

Management must also be committed to quality employment. Many managers talk quality employment, but do not act on quality employment. Those committed to reducing the turnover problem will set goals that are designed to convince drivers that management

has a positive attitude and is committed to improving the quality of employment. However, management may be confronted with constraints that prevent them from delivering the quality of employment that drivers seek. For example, resource and market constraints make it impossible for management to continually give liberal increases in pay since this acts as an inflationary force that ultimately drives up the cost of shipping.

Schneider (1988) suggested that people and organizations generally make choices that are appropriate matches. In other words, different personality types seek out different types of employment because they are attracted to the culture and structure. However, occasionally both individuals and organizations make mistakes. As the pool of qualified drivers continues to dwindle, the likelihood increases that companies will hire inappropriate job candidates. It is imperative that trucking companies give prospective drivers a true picture of the organization, if they hope to match driver personality type with the climate and culture of the company. This technique is referred to as realistic job previews (RJPs) in which recruits are given a balanced picture of the truck driving job they are considering. Typically RJPs take the form of brochures, videos or personal presentations that inform recruits about both positive and negative aspects of the job. Developing RJPs is absolutely essential since many carriers report they lose approximately 50 percent of their drivers in the first three months of employment (Richardson 1994). In this way, recruits form an accurate and realistic picture of the job. Likewise, companies should attempt to get a realistic view of candidates' expectations and be honest if they cannot meet those expectations. Thus, it may be appropriate not to hire drivers on the first interview since a candidate's qualifications, personality, and attitudes are more likely to surface after



several interviews. Finally, carriers should consider permitting the candidate to talk to a number of carrier employees to get a first hand, hopefully accurate view of the job.

### **Socialization Issues**

While recruitment and selection may build a sufficient pool of drivers, new employees must be socialized in the organization's service perspective. This involves both informal and formal socialization. Informal socialization takes place in the natural order of things. This means that simply by accepting employment and observing the surroundings, new drivers draw conclusions about the organization and the organization's values. Formal socialization on the other hand, involves the training programs provided for new drivers. The magnitude of the driver turnover problem suggests that carriers should establish links with accredited driver-training schools and/or set up in-house training programs to prepare graduates for real driving conditions. Once the training process is completed, co-workers should extol the virtues of the training program and the new driver should be rewarded and supported. Drivers must feel that their work is important. When carriers discontinue training programs [e.g., J. B. Hunt, Inc.] it sends a negative message to drivers about the usefulness of training. To successfully implement training programs, the process should be ongoing and well supported. In fact, this element of the socialization process is considered to important that the Driver Training and Development Alliance has identified four areas of driver training needs: (1) driver candidate screening and selection; (2) entry level training; (3) finishing and ongoing training; and (4) driver-development techniques (Deierlein 1996). The alliance has suggested that thorough training can help recoup the large sums of money commonly spent to recruit.

### **Identity Issues**

An increased sense of identity is linked with improved job satisfaction, improved extra role performance, and lower turnover. Trucking companies need to aid drivers in identifying with the organization's goals and values. Again, as in the selection process, organizations should clearly state their purpose to find a proper fit between the goals and values of drivers and the company. If new drivers are not given an accurate picture of 'life on the road', retention rates will not improve. But giving candidates a glimpse of their future lifestyles is not enough. Much more is required. Without significantly changing the lifestyles of drivers, carriers will find it difficult to attract new people. As reported repeatedly one of the major problems associated with the drivers' job is the extensive amount of time spent away from home (2 to 3 weeks at a time). Some carriers have attempted to address this issue by combining a shorter-haul type of operation with an intermodal system for long-haul ("A Driver Shortage....." 1994). Other carriers are encouraging the formation of team drivers. Ninety percent of these teams are husband and wife combinations which reduces the burden of time away from home.

A serious problem confronting carriers is the lack of advancement opportunities truck driving offers people who would like to consider it a career. Some fleets offer drivers pay increases or other monetary rewards for longevity, but few offer drivers significant career advancement. Some companies have begun to promote from within so that city drivers can move to the road fleet, and people working on the dock can move to the city fleet. This type of program seems to be successful in helping drivers identify with the goals and

values of the organization and often has resulted in declining driver turnover. Carriers also need to concentrate on strengthening their image, as well as the image of the trucking industry. The professional driver's job has an image problem and until this issue is addressed, it will be difficult to attract and retain qualified drivers.

Although research studies have provided carriers with a number of reasons why drivers leave the trucking business, carriers should begin to utilize their own exit interviews to determine why drivers are leaving their company. In other words, every time a driver leaves the company, a structured exit interview should take place. This type of interactive approach permits the interviewer to capture the factors responsible for their resignation and their relative importance. This gives the firm important feedback related to other drivers and company policies and the information collected can be used to change policies and procedures to prevent or reduce the number of other drivers experiencing the same negative feelings.

### **Structural Issues**

Structural issues involve the organization's policies, practices, and procedures. Studies indicate that drivers believe management is not interested in their ideas. They give truckers little if any input into the operations of the company. It is not unusual for service employees to be unhappy with established rules and procedures. Management needs to be aware of this fact and recognize that rules and procedures can lead to dissatisfied and frustrated drivers who are likely to quit. Thus, management must give drivers more opportunity to influence management by giving them more input into the operations of the business. Some companies have begun to take a company wide customer focus program and

have found that many of their drivers could contribute but have not been asked to. As a result, drivers were given more responsibility and accountability. These drivers now feel as if they make a difference, their work influences others, and it influences how well the company does (Harrington 1995). Obviously, those drivers with a longer employee history should be given more input. For example, some carriers have permitted drivers to develop the companies' operations manual(s).

Another potential area for giving drivers more input is in the ordering of new equipment. Since drivers are the operators of the organization's equipment, they deserve to be consulted when specifications are being put together for the purchase of any new equipment. Driver's jobs are getting more difficult and providing the best equipment and other amenities for drivers is necessary for a successful driver retention program. More driver comfort and safety features need the input of drivers when updating models. As such, companies should consider permitting driver representatives to sit down with management and review specifications for equipment orders with suppliers of the organization. After the meeting, all of the carrier's drivers should be furnished a summary of the outcome of the meeting.

### **Interpersonal Issues**

Since interpersonal interaction is an important aspect of the trucking business, carriers must attract, select and retain interpersonally oriented people. But first, supervisors must work on their human relations skills if they hope to attract and retain interpersonally oriented drivers. These skills are extremely important because the quality of the service offered by the driver will ultimately depend upon the previous efforts of the organization to cultivate effective interpersonal relationships.

Drivers have reported that they are dissatisfied with the manner in which their supervisors, especially dispatchers, treat them. Since the dispatcher is the operational link between the driver and the company, it is imperative that they have strong interpersonal skills as well as technical expertise.

Dispatchers should be given basic training in supervisory skills and should be encouraged to treat drivers with the respect they deserve if carriers hope to attract and retain qualified drivers. In other words, treat drivers with the same level of respect that dispatchers would like to receive.

### **Environmental Issues**

An organization attempts to operate effectively within its environment. Effective communication enhances the organizations operation. Internal communications represent the flow of information from management to employees of the company. Internal communications can affect the desires and the perceptions of the driver regarding quality of employment (both positively and negatively). Organizations must make certain they do not promise more in communications to drivers than they plan to deliver. This can lead to an initial increase in desires or expectations, but will lower the perception of quality of employment when the promises are not fulfilled.

Internal communications can also influence drivers' quality of employment expectations by informing them of actions or plans to improve the quality of employment. Employees are often not aware of these actions or plans. Effective communications are those that are appropriately presented, framed, and sustained and they must be two-way. Effective communication can only be achieved through the matching of actions and communications.

Otherwise, employees view communications as merely 'hot air' and the communications fail to get their attention. Research has consistently shown that employees prefer to receive company related information from their immediate supervisor because it permits a two-way flow.

Companies should encourage innovation by soliciting the advice and input of its truck drivers, followed by responses to ideas, complaints or questions. This type of activity may result in more efficient and effective ways of accomplishing tasks since they have such intimate knowledge of the tasks to be performed. Many trucking companies are inflexible in this area. They believe that if a task was performed in a certain manner in the past, it should continue to be performed in the same way in the future. This type of neglect might result in drivers feeling ignored and/or unimportant. To overcome this potential problem area, carriers might schedule regular meetings with drivers to permit them to present and exchange ideas. It is conceivable that these sessions could expose potential problem areas before they have time to materialize and grow. This might also be accomplished by conducting employee surveys to keep a pulse on attitudes. Thus, management must be prepared to listen and respond to employee grievances. In fact, many positive suggestions may be generated in these sessions. Additionally, companies should consider using internal newsletters to help develop a sense of involvement and to inspire confidence by reporting significant new developments. This newsletter can be used to inform company employees about achievements of individual employees. Finally, management should monitor other carriers in the industry to make certain that their company is up-to-date in their offering of resources and support.

## CONCLUSIONS

The problem of driver shortage/turnover has plagued the trucking industry for years. It is clear that carriers with high rates of driver turnover will find themselves severely disadvantaged in the labor market of the late 1990s and the new millennium. How can carriers alleviate the driver shortage/turnover problem? While the most common solution for most carriers seems to be raising driver pay, this solution might result in survival problems for the carrier if they must pass along this additional cost through higher freight rates. And, higher pay might backfire if it results in keeping dissatisfied employees handcuffed to the job. Clearly, money is important, but it is not a long term motivator and is not sufficient to inspire loyalty. Money alone does not promote loyalty and seldom retains motivated people. Drivers may be motivated to leave a carrier because of pay, but pay alone does not necessarily translate into increased driver retention, if the drivers' quality of work life is traded for higher compensation. The changing values of the workforce suggest that employees want more interaction with management, more self-satisfaction on the job, more responsibility, and more control over the decisions affecting them. They are interested in elevating their quality of life. Drivers want their work to make a difference and want to be part of something that matters. Carriers must help drivers see a return on the investment they are making. Those companies failing to offer drivers career opportunities, room for advancement, and

enhancement of skills and knowledge may find it difficult to retain qualified drivers.

The answer to the driver turnover may lie in managements' ability to undertake a systematic approach to internal marketing. One important ingredient of any internal marketing plan is communication. Communication programs that open the lines between management and drivers seem a logical place to start. Channels of communication must remain open and consist of a two-way flow if the challenge is to be met. Through communication, companies can achieve a greater understanding of what drivers seek from the company--what makes their jobs more satisfying. Lack of communication and a failure to concentrate on improving the cultural climate of the organization may have contributed to driver turnover problems.

Trucking companies should investigate the possibility that significant gaps exist between managements' perception of what drivers desire in a job and the expectations of the drivers. If a gap exists, steps should be taken to narrow the gap and eventually eliminate it. Elimination of this gap may aid the industry in its attempt to retain qualified drivers as well as improve its ability to recruit newly qualified drivers. The course seems clear. The best managed companies in the 21st century will begin to close this gap by focusing on internal marketing.

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