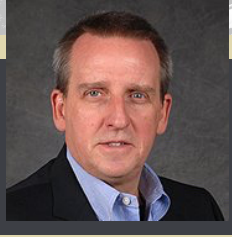




## Developing and retaining outstanding

# DRIVERS

## FROM RECRUITING TO REWARDING



**Dave Edwards**

SVP of Driver Development

Any business that relies on trucks to transport their products **knows the quality of their drivers has a major impact on their company's success.** Without motivated and committed drivers, customer service, safety, and transportation costs all suffer, harming a company's reputation and profitability. Now the demand for good drivers is exceeding the supply, and retaining good drivers is becoming more challenging. According to an American Trucking Associations report, the industry has about 48,000 fewer drivers than available driver jobs. At this pace, the shortage could grow to more than 175,000 by 2024. Annual turnover at large trucking firms now exceeds 100 percent.

With more than 4,000 drivers serving our customers across the U.S., Cardinal knows that attracting and keeping qualified drivers is a big job. Our customers rely on us to find, hire, train, develop, and retain the best drivers in the industry to handle their products and deliver great service to their end customers. Through intensive study of the best drivers, surveys of those exiting Cardinal's driver pool, and a keen appreciation for emerging digital-based recruiting tools, Cardinal is redefining how to pursue, retain, and reward drivers. Dave Edwards, Cardinal SVP of Driver Development, discusses what Cardinal is doing in these areas to ensure excellent service delivery for customers.

### How has the recruiting approach changed over the years?

**Edwards:** The recruiting process has completely changed. When drivers were plentiful and we lived in an "analog" world, we would place ads in the paper, attend job fairs, and maintained a centralized recruiting office. But, in recent years with a shortage of quality drivers, changing demographics, and emerging technologies, we've had to be more creative, use multiple strategies and embrace the digital world.

Now, the process is almost 100 percent digital, and we use tools like Facebook and other online recruiting sites. We've organized around regional recruiting teams who know the geography as well as the needs of specific accounts we're staffing. With this structure, we can better match driver to opportunity and achieve a higher success rate. We manage a database of past drivers - those who left voluntarily or who we had wanted to hire but for some reason it didn't work out. We've created drip marketing campaigns to proactively reach out and keep in touch with them to bring drivers back into our network or hiring process for the right opportunity. This is a great tool for us. We've found that nearly 70 percent of drivers who leave Cardinal would consider coming back. We also like to hire from within, recruiting through our internal Driver Referral Program. Referred drivers are typically highly skilled and stay longer, and we bonus our referring employees so they have a vested interest in making sure it's a good fit for everyone. This multi-channel approach yields good results. On a typical day, we may see 250 or more applications, with up to 100 coming from Cardinal's Facebook page alone, allowing us to choose only the best.

### After the candidate has made it through screening and is hired, what type of orientation does the driver receive?

**Edwards:** Candidates go through rigorous screening that includes work and criminal background checks, drug screening, and a road test. Once hired, the new driver receives a one- to two-day orientation at the customer site with our operations manager. The driver is introduced to Cardinal's policies and procedures and immediately engages with our customer's on-site staff. The driver completes industry training and becomes familiar with the site, equipment, freight handling requirements, and technology for that customer. We've found this to be an invaluable step so that expectations can be set up front with all parties, and the new hire quickly feels like part of the on-site team.



## Once the driver is on board with Cardinal, what type of training programs are available?

**Edwards:** During the first 60 days on the job, the new hire is required to complete online training programs for core job skills centered on driving speed, space management, distracted driving, and any location or customer-specific requirements.

Online refreshers or other skills-based training modules are required including seasonal topics like winter driving, animal awareness, and more. In addition to our formalized training program, we also take coaching very seriously to ensure we are proactive in correcting behavior or filling skill gaps so our drivers have opportunities for growth and professional enrichment and can safely operate our fleet. Since more than 40 percent of safety incidents occur within the first year of hiring, staying in front of our drivers during this period is essential.

## Cardinal's turnover rate is about 38 percent, one of the lowest in the industry. How are you achieving this?

**Edwards:** We are proud of this statistic, but our work is not done here – we constantly strive to lower turnover. Retention is one of the most critical aspects of our business. We can be the best at recruiting drivers, but we also must be good at keeping them. About 41 percent of turnover happens within the first six months, and if we can retain a driver for a year, the probability of them leaving us in any future year drops below 16 percent which is significant. Retention is very important.

We see five pillars to successfully retaining drivers – advancement, compensation, quality of life, recognition, and community.

Providing opportunities for advancement is something that cannot be found everywhere, but Cardinal places emphasis in this area. Opportunities exist to advance between accounts as well as into other areas of the Cardinal organization like management or training.

Our compensation program is performance-based rather than paid on miles, so drivers, like our customers, benefit from their increased productivity. We believe this is a better compensation structure to align driver and customer goals, and it rewards drivers' focus on safety and delivering quality service to our customers.

We focus on innovative network designs using loop routes and equipment handoffs that achieve life balance for our drivers. In fact, 70 percent of our drivers return home daily and another 25 percent return home every other night, which is considered a significant benefit of driving for Cardinal.

We see tenure as an achievement and like to recognize it on an annual basis. At milestone years, we also include a compensation increase to show our appreciation and reward those who are doing a great job.

We also regularly recognize drivers for safety and customer service achievements.

Our Redbird's Nest portal connects our community of drivers to show a view into our culture, builds comradery among drivers, and provides a forum to get advice and answers to questions. We are also launching a formalized peer-to-peer mentoring program, linking experienced drivers with new hires to share their wisdom, answer questions, provide advice and guidance, and smooth the learning curve. We believe this program will create more satisfied drivers and also improve retention, safety, customer service, absenteeism, productivity, and morale.



## Is this comprehensive recruiting-to-retention program unique to Cardinal?

**Edwards:** Businesses that rely on drivers all offer some aspects of what we do. However, our extensive program requires organizational commitment and significant financial investment that many companies cannot devote. We design a thorough media plan for each of our accounts to ensure we are recruiting the right types of drivers to meet our customers' needs. We are constantly building, evaluating, and adjusting our programs, shaping them based on driver feedback and analytics from our database. Although the commitment and investment are significant, we believe it is worth it, and we cannot afford not to invest in our drivers.

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