

IS EARLY TURNOVER DAMAGING THE BUSINESS?

# How and What Can We Do to Stop It?

RESEARCH REPORT – JULY 2018

**AUTHORS:**

Timothy A. Judge, PhD

*Chief Science Officer — Stay Metrics*

Shu-Tsen Kuo, MA

*Research Associate*

**PREPARED FOR:**

Stay Metrics and Its Clients

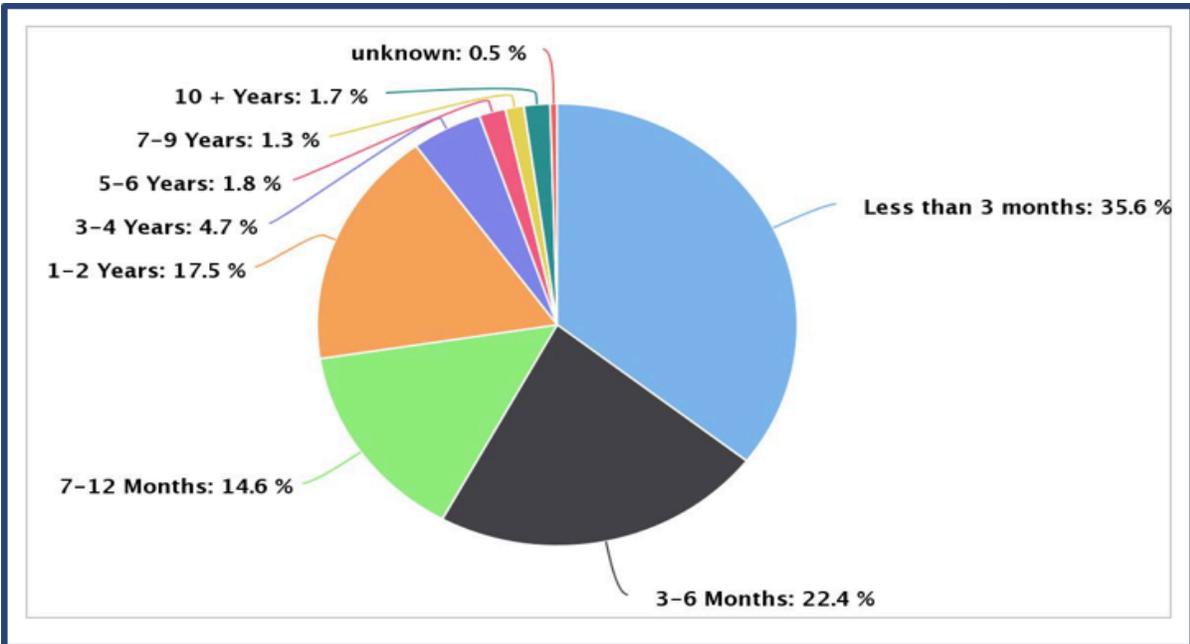
# Is Early Turnover Damaging the Business? How and What Can We Do to Stop It?

## What We Know

The war for talent in trucking industry is in full swing. How fierce is the war? According to the American Trucking Associations' statistics, large truckload driver turnover rate rose to a historic high at 95% in Q3 2017. Considering the costs of recruitment and retention, one may wonder, what do we know about the leavers and what can we do to stop them from leaving.

At Stay Metrics, we endeavor to solve human resources issues in the trucking industry with a research-informed approach to retention and recruiting problems. Over the past few years, Stay Metrics has worked with more than 104 trucking companies and collected data from more than 62,000 drivers. With this amount of data, we found that more than 70% of driver turnover happens in the first year of employment (see Figure 1). Moreover, 35% drivers leave within the first 3 months. Since over one third of driver turnover is constituted by turnover occurring during the first 3 months, Stay Metrics aims to identify and retain drivers at risk of early turnover.

**FIGURE 1:**  
**Leavers' Organizational Tenure**



(Data source: Stay Metrics All Time Database; Carrier N = 104, Leaver n = 63,169)

## What We Don't Know

Who are the early leavers? Is there a systematic way to foresee early turnover and proactively prevent it? We asked the following research questions:

1. Are there any shared demographic characteristics among early stage leavers? Is early turnover a sign of immaturity that happens more often in younger generations?
2. What are the differences between early leavers and more senior leavers? Can previous trucking experience make up for organizational seniority?
3. From a business perspective, is there an action plan to forecast and alleviate early stage turnover? How does it work?

In order to answer the questions proposed, we drew upon existing literature and empirical findings to build the theoretical model. We further examined and revised the model based on Stay Metrics' datasets. Before diving into details, here is a quick summary of the findings of our study:

## Preview of the Findings:

1. **No age difference:** Despite the prevalence of early turnover, there is no significant age difference among leavers.
2. **Leaving does not mean dislike:** Early stage leavers surprisingly hold more positive attitude toward exiting employer.
3. **Occupational experience is a double-edge sword:** Experienced drivers are more likely to be early stage leavers.
4. **Dissatisfaction is the origin:** Recruiter and dispatcher dissatisfactions signal a likelihood of early stage turnover.
5. **An effective communication channel (recruiter and dispatcher) is a fix, but not the cure:** High quality recruiter/dispatcher communication reduces early stage turnover.

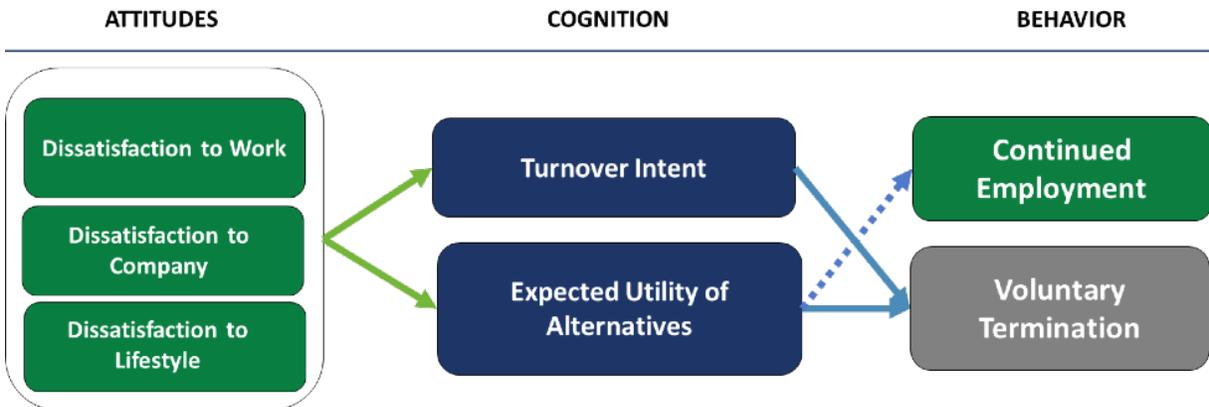
## Literature Review

Turnover researchers propose various reasons for turnover: an impulsive decision, an unexpectedly event (shock; Lee, Mitchell, Holtom & McDaniel, 1999), the completion of a short-term goal (Maertz & Campion, 2004), or a rational decision after comparing the utilities of different job alternatives (Hom & Griffeth, 1991).

**FIGURE 2:**

### Dissatisfaction-Turnover Intent- Turnover Behavior Procedural Model in Trucking Industry

*There are multiple aspects an employee can be dissatisfied with. According to Stay Metrics' investigations, work conditions (e.g., pay, quality of equipment and facilities), company and management (e.g., communication and respect shown to drivers), and lifestyle (e.g., numbers of nights at home) are three major sources of driver dissatisfactions in the trucking industry. Once dissatisfaction attitudes are formed, drivers start to think about quitting. If the thoughts of quitting are strong enough or the alternatives are good enough, drivers quit.*



(Source: Adapted from Hom & Kinicki, 2001)

Hom and Griffeth found that both withdrawal intention and job alternatives contribute to turnover during early stages of employment. When employees begin to be dissatisfied with their work, dissatisfactions trigger intent to quit in the first 4 months of employment. Once intent is formed, it catalyzes job searching and the comparing each alternative's utilities, leading to turnover. In sum, a Dissatisfaction-Turnover Intent-

Turnover Behavior procedure model is proposed; but compared to academic findings, Stay Metrics' data demonstrates an even more aggressive pattern. In the following analyses, we adopt Hom and Griffeth's panel approach but shorten the survey interval to model driver's early turnover.

## Methodology

We analyzed two of the surveys that we use with our clients: What we call an orientation survey, which assesses driver attitudes shortly after hire, and a longer annual attitude survey, which is given to drivers once per year.

These questions covered drivers' satisfaction with and perceptions of various areas of their work, including: communication with their recruiters, relations with their dispatchers, work schedule, pay and health benefits, stress, etc. All questions were answered with the following response format:

- 1 = Strongly disagree or very dissatisfied
- 2 = Disagree or dissatisfied
- 3 = Neutral
- 4 = Agree or satisfied
- 5 = Strongly agree or very satisfied

In order to capture the expected rapid emergence of dissatisfactions and turnover intent, the Orientation Survey was conducted twice: 7 days after entry and 45 days after entry. The same questionnaires were used in both waves. The first wave of survey assessed driver's first impressions of the company, work conditions, and life style as a professional driver; whereas, the second wave of survey measured the same perceptions and attitudes after the new driver has been socialized and/or undertaken on-boarding trainings.

In the following analyses, we employed and integrated different surveys to gain a complete picture of early turnover.

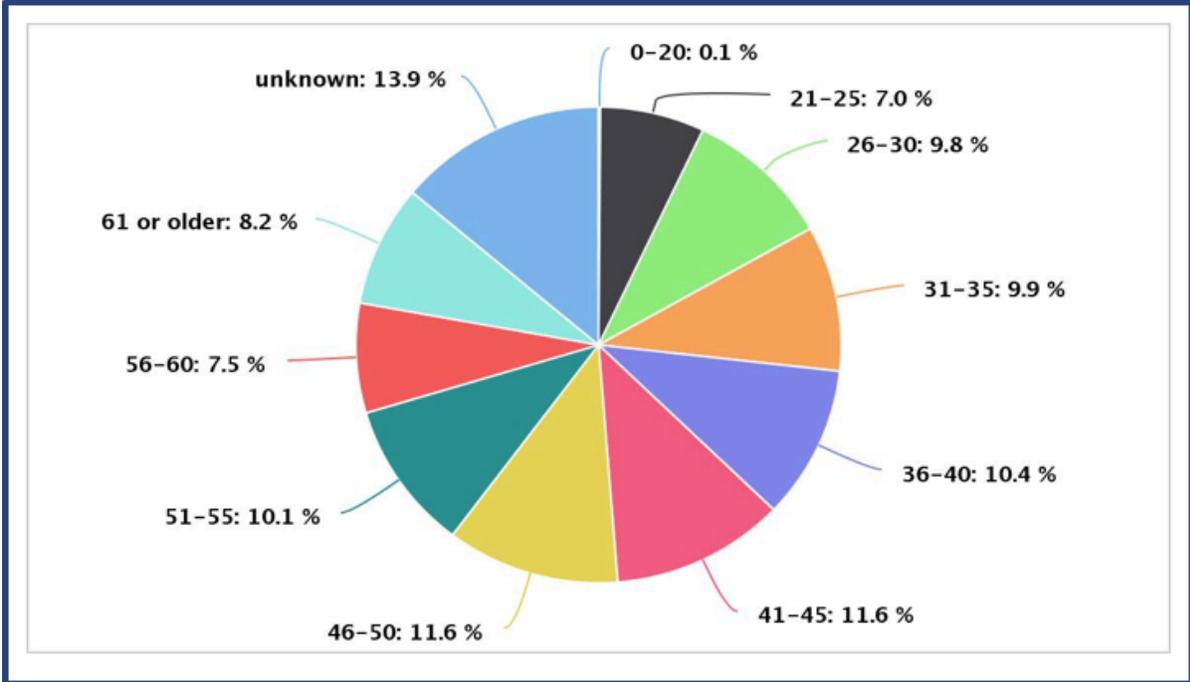
## Results

### Age does not matter as much as you would imagine.

We broke down leavers' ages to see if younger generations have a higher propensity to leave. The pie chart below (Figure 3) suggests that, if grouping leavers' age by every 5-years, each age group constitutes similar counts. That being said, there are as many young leavers as old leavers. Age or generation does not affect turnover behavior as heavily as popularly believed.

If age does not factor in turnover in the way we pictured, what does? Work experience, defined as professional experience or organizational tenure, although tends to correlate with age but does not equal to it, may tell us a story that age does not. We, thus, focus on how tenure affects turnover in the following analyses.

**FIGURE 3:**  
**Counts of Turnover Broken Down by Age**



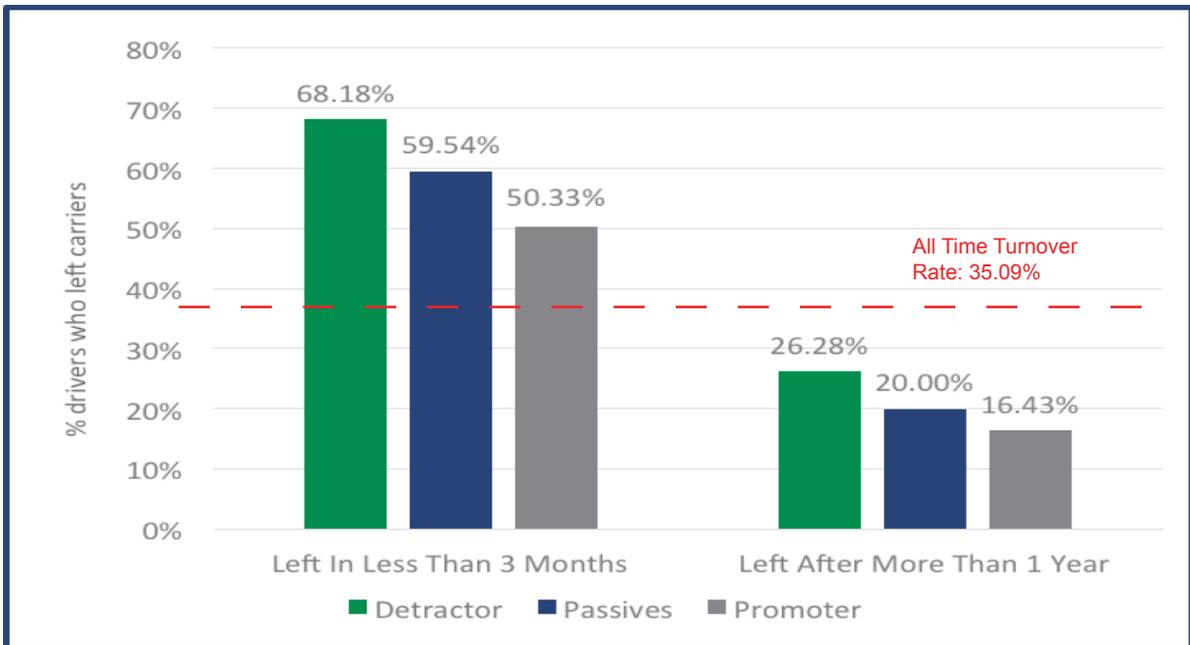
(Data source: Stay Metrics All Time Database; Carrier N = 104, Leaver n = 75,349)

**Detractors are more likely to quit regardless of tenure.**

Secondly, we examined whether early leavers, who left within the first 3 months of employment, differ from more senior leavers, who left after 1 year employment, in terms of their attitudes toward the carrier, especially the loyalty a driver establishes. NPS, a concept developed by Fred Reicheld, is a loyalty index based on the willingness to recommend a company to others. For this study we used the following item: “On a scale of 0-10 how likely are you to recommend the carrier you are currently working for to other drivers.” In the NPS System, drivers that answer 0-6 are classified as Detractors, those that respond 7-8 are described as Passives and drivers who answer 9 and 10 are the Promoters. Stay Metrics’ results show that, as expected, detractors are more likely to leave regardless of tenure. Meanwhile, senior drivers (more than 1-year organizational tenure) are less likely to leave.

**FIGURE 4:**  
**Turnover Rates Broken Down by Driver NPS**

*The turnover rate of detractors, regardless of driver’s tenure, is the highest compared to passives and promoters. Every 2 out of 3 newly hired drivers, who wouldn’t recommend the carrier to others, quit; whereas, more senior drivers (more than 1-year tenure) are less likely to quit (26.28%) even if they are dissatisfied. Note that these are turnover rates for each of these groups and not the percentage of drivers who are detractors, passives, or promoters.*



(Data Source: Stay Metrics Annual Attitudinal Survey; Carrier N = 104, Driver n = 10,752)

**Early leavers are surprisingly much more likely to promote their employer than senior leavers.**

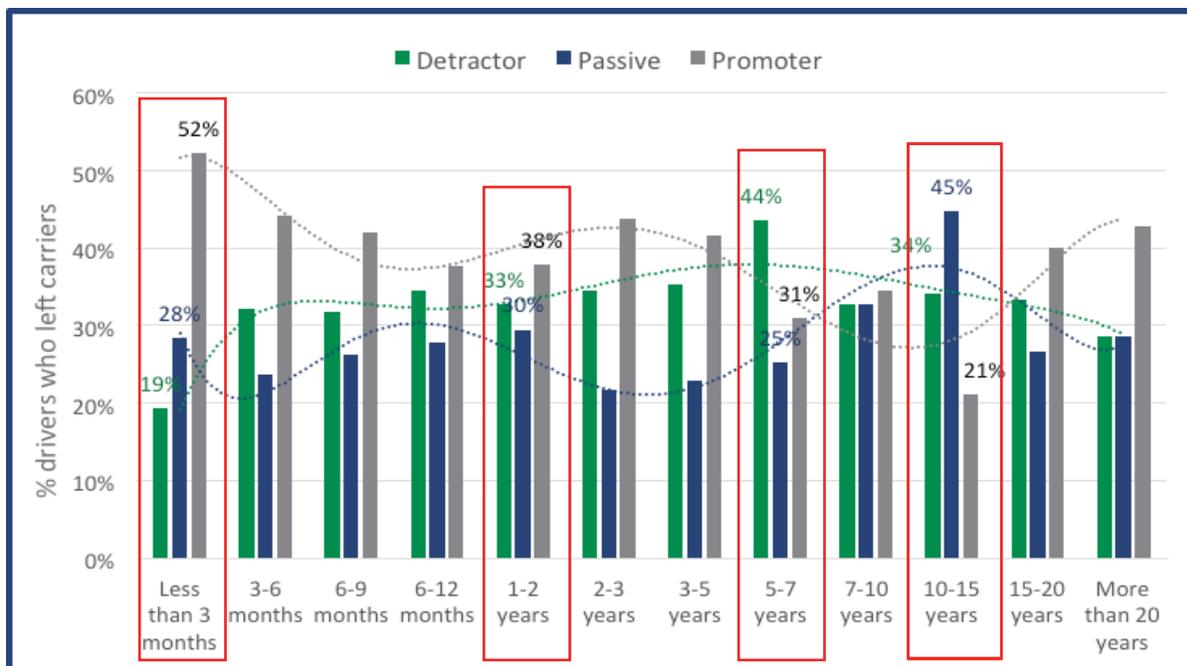
The reader may assume that leavers had terrible work experience and thus would not recommend the carrier to other drivers. This is partly true. Based on Stay Metrics all time data, promoters are less likely to leave. The turnover rate of promoter (29%) is significantly lower than passives (33%) and detractors (40%;  $F(2,10749)=47.491, p<.01$ ).

However, for leavers who left within the first three months of employment, half of them would still recommend the carrier to other drivers after turnover. (The leftmost red square in Figure 5). Moreover, the proportion of Promoter-Leavers decreased by organizational tenure (Gray trend line in Figure 5) but the proportion of Detractor-Leavers increased (Green trend line in Figure 5).

**FIGURE 5:**

**Proportion of Leaver’s Net Promotion Score Broken Down by Organizational Tenure**

*Surprisingly, there are more early stage leavers who are willing to recommend the carrier to other drivers (promoters). However, the ratio of promoters to passives and detractors decreases with tenure. Early stage leavers may have different psychological models of turnover than leavers in later stage of employment.*



(Data Source: Stay Metrics Annual Attitudinal Survey; Carrier N = 104, Leaver n = 3,059)

Comparing the ratio of promoter and detractor in each tenure group, there are 2.5 times more promoters than detractors in early stage employment (less than 3-months organizational tenure). The ratio of detractor, passive and promoter gradually reached 1 as the tenure grew. And the number of detractors exceeded the number of promoters in more senior leavers (5-7 years tenure). It means that, among the leavers, there are more satisfied drivers than dissatisfied ones in early stage employment, while there are more dissatisfied drivers than the satisfied in later stage employment. Our findings align with honeymoon-effect study of job change (Boswell, Boudreau, & Tichy, 2005) that, new hires hold positive impressions and have positive attitudes toward their new job.

---

*Because the proportion of Promoter-Leavers seems to be higher in most tenure groups, the reader may conclude that promoters are more likely to quit. Here are several logical fallacies. First of all, higher proportion of leavers does not mean higher turnover rate. The ratio of promoters and detractors in the overall sample is 2 to 1. As long as the ratio of Promoters-Leavers to Detractors-Leavers remains 2 to 1, the attrition is systematic and the causes of turnover equally affect all drivers.*

*However, the matter of early stage turnover is that the ratio exceeds 2, which indicates that there are more promoters than expected leaving in the early stage of employment. Promoters, who are seemingly satisfied with the carrier, should meanwhile be less likely to leave. The unexpected more Promoter-Leavers is counterintuitive.*

*Secondly, the other intriguing matter is that the ratio of each NPS group changes over time. This shift implies that the reasons leading to turnover vary at different stages of employment or that the same cause is affecting each NPS group in distinct ways at different stages of employment.*

---

However, our data indicates that drivers quit despite the positive attitudes, which challenges traditional Dissatisfaction-Turnover Intent-Turnover sequential model that turnover is followed by dissatisfaction. In short, Stay Metrics' data suggests that those who quit in early stage of employment think differently or want different things from drivers who left later.

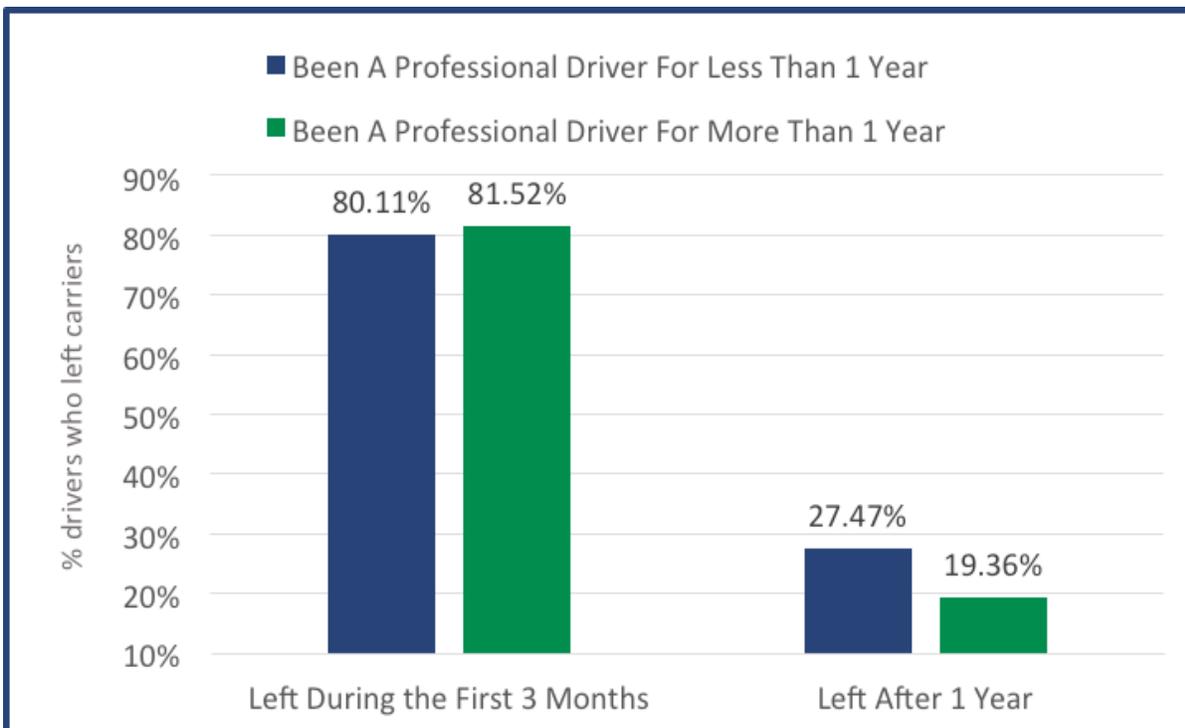
**More experienced drivers are instead more likely to be early leavers.**

Next, the reader may wonder whether early leavers are confused, inexperienced drivers who are still exploring the field and not treating the job seriously. We, therefore, broke out the length of driver’s experience as a professional driver (industry tenure) into two groups, and compared their propensity of early turnover. Figure 6 demonstrates that experienced drivers (defined as, “having been a professional driver for more than 1 year”) were slightly more likely to quit early in their employment than inexperienced drivers (the green bar is taller than the blue bar on the left-hand side of the chart). However, once the experienced drivers stayed longer than 1 year, they were more likely to retain. The results suggest that the psychological mechanism of turnover in the early stage varies by driver’s industry experience and organizational tenure.

**FIGURE 6:**

**Turnover Rate Varies by both Organizational Tenure & Occupational Tenure**

*Surprisingly, experienced truck driver (more than 1 year occupational tenure) is more likely to have left a carrier in the early stage of employment than an inexperienced driver. However, once the driver with more total industry experience stays for more than 1 year, he/she is less likely to leave.*



(Data Source: Stay Metrics Annual Attitudinal Survey Database; Carrier N = 104. Leaver n = 4,532)

**Dissatisfaction on Day 45 Orientation Survey is a warning sign for turnover, especially early turnover.**

What can a carrier do to prevent or reduce early turnover? Hom and Griffeth's findings suggest that dissatisfaction developed in the first 4 months of employment predicts future turnover. Our data reveals an even more severe progression of dissatisfaction turnover relationship: Drivers who were dissatisfied with their recruiters on Day-45 of employment were more likely to quit within the first 90 days of employment (Figure 7).

But why is the recruiter so crucial in early turnover? The recruiter is, in most cases, a driver's first contact at a carrier. Previous research shows that employees perceive and make inferences of the company through recruiters' behaviors (Goltz & Giannantonio, 1995; Turban, Forret, & Hendrickson, 1998). Hence in the early stage of employment, a recruiter is the icon of the company for the drivers and dissatisfactions with recruiters will clearly indicate a need for attention.

In contrast, satisfaction toward recruiters reduced turnover, especially early turnover (blue bar on the left in Figure 7). This seemingly similar but parallel result addresses the importance of being the best/top recruiter, but not simply being an average. We distinguish high recruiter satisfaction drivers with one standard deviation beyond mean. This group of drivers are in the top 18% satisfied with their recruiters and their turnover rate in the first 3 months is similar to the turnover rates after 1 year employment. Meanwhile, recruiter satisfaction seems to not be helping turnover rate in between 4 to 12 months of employment – the turnover rates at this stage (middle green and blue bars in Figure 7) are as high as low recruiter satisfaction in the first 3 months (green bar on the left in Figure 7). Results suggest that recruiter communication and drivers' satisfaction with recruiters on Day 45 effectively reduce driver's turnover in early stage of employment.

It illuminates one potential pathway to eliminate early stage turnover: enhance recruiters' skills to deliver clear work information and enrich their ability to identify high-risk leavers. Recruiters help detect potential early leavers for carriers to intervene. On the other hand, carriers can also closely monitor the relationship between driver and

recruiter to identify turnover intent in early stage employment. As a result, early turnover can be forecasted and alleviated as long as carriers and recruiters work together to assist drivers' adjustment.

**FIGURE 7:**

**Recruiter Satisfaction Reduces Early Turnover Rate**

High recruiter satisfaction in early stage of employment (First 3 Months) effectively decreases turnover rate (the blue bar in red square). Result suggests that quality experience with the recruiter early on helps or even determines driver's attitude to the carrier and the work. As an important communication channel, recruiter's ability to deliver clear and transparent work information is critical.



(Data Source: Stay Metrics Day 45 Orientation Surveys; Carrier N= 104, Driver n=4,531)

**Dispatchers can also reduce early turnover.**

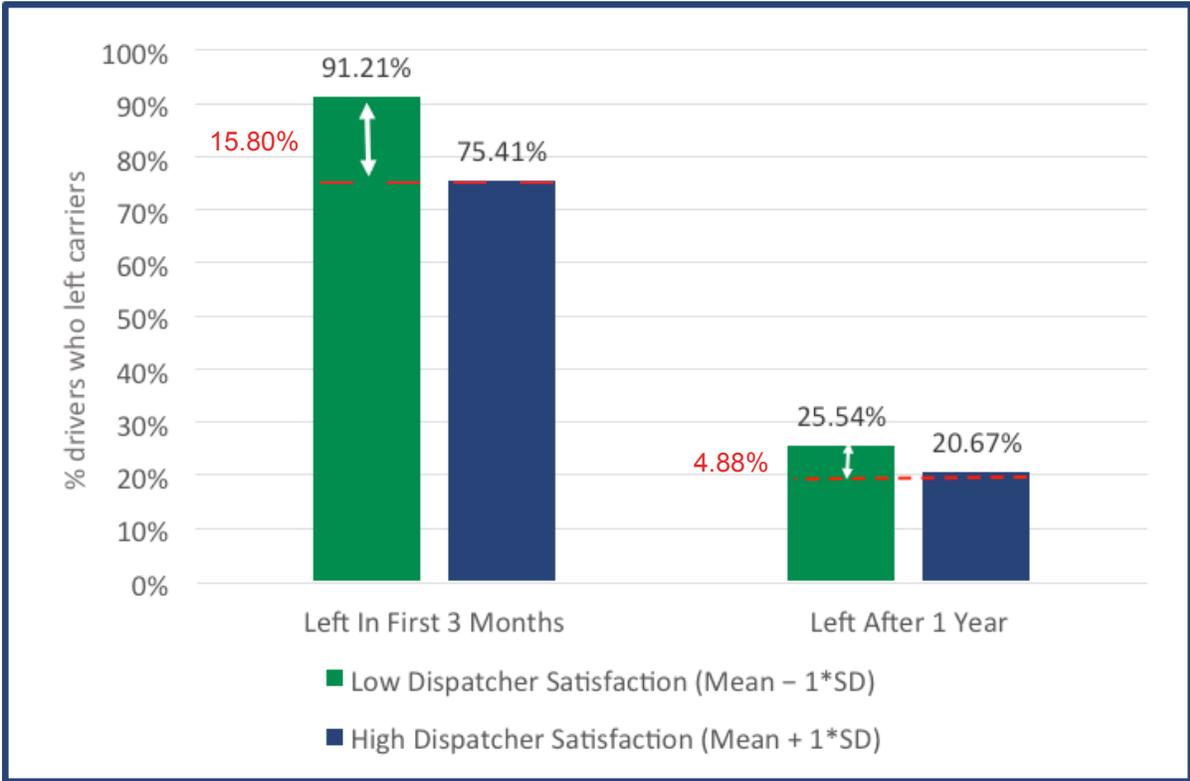
Dispatchers are another resource to bridge the demands of both parties – carrier and drivers. Our Annual Attitudinal Survey data further supports the Dissatisfaction-

Turnover Intent-Turnover Behavior model that dispatcher dissatisfaction led to higher turnover rate both in early and later stage of employment. Similarly, satisfaction with dispatchers reduces turnover rate. The level of decrease was greater for turnover in early stage employment (15.80% of decrease; whereas 4.88% decrease for more senior turnover; see Figure 8).

**FIGURE 8:**

**Dispatcher Satisfaction Attenuates Early Turnover**

*Even though the relationship between dispatcher and driver is important for the entire employment period, its effect manifests in early stage employment that high dispatcher satisfaction reduces turnover rate by 15.8% whereas there is only 4.88% drop in later stage of employment.*



(Data Source: Stay Metrics Annual Survey Database; Carrier N=104, Driver n=1,010)

## Conclusions

1. Despite the prevailing early turnover, there is no significant age difference among leavers, which suggests that turnover is not a result of irresponsible youth.
2. Early leavers surprisingly hold more positive attitudes toward exiting employer than later stage leavers.
3. Experienced drivers are more likely to be early leavers.
4. Recruiter dissatisfaction on Day 45 and dispatcher dissatisfaction signal a likelihood for early turnover.
5. High quality of recruiter and dispatcher communication reduces early stage turnover.

In sum, early stage turnover is complex, and its psychological mechanism may vary by occupational experience. Further investigations are strongly encouraged.

Stay Metrics offers carriers solutions for capturing recruiter and dispatcher satisfaction, including periodic reports rating the satisfaction of drivers with each.

## Reference

Boswell, W. R., Boudreau, J. W., & Tichy, J. (2005). The relationship between employee job change and job satisfaction: the honeymoon-hangover effect. *Journal of applied psychology*, 90(5), 882-892.

Cassidy, W. B. (2017, December 11). Amid tight labor market, US truckers struggle to add drivers. *JOC.com*. Retrieved from [https://www.joc.com/trucking-logistics/labor/amid-tight-labor-market-us-truckers-struggle-add-drivers\\_20171211.html](https://www.joc.com/trucking-logistics/labor/amid-tight-labor-market-us-truckers-struggle-add-drivers_20171211.html).

Goltz, S. M., & Giannantonio, C. M. (1995). Recruiter friendliness and attraction to the job: The mediating role of inferences about the organization. *Journal of Vocational Behavior*, 46(1), 109-118.

Hom, P. W., & Griffeth, R. W. (1991). Structural equations modeling test of a turnover theory: Cross-sectional and longitudinal analyses. *Journal of Applied Psychology*, 76(3), 350-366.

Lee, T. W., Mitchell, T. R., Holtom, B. C., McDaneil, L. S., & Hill, J. W. (1999). The unfolding model of voluntary turnover: A replication and extension. *Academy of Management journal*, 42(4), 450-462.

Maertz, C. P., & Campion, M. A. (2004). Profiles in quitting: Integrating process and content turnover theory. *Academy of Management Journal*, 47(4), 566-582.

Reichheld, F. F. (2003). The one number you need to grow. *Harvard Business Review*, 81(12), 46-55.

Turban, D. B., Forret, M. L., & Hendrickson, C. L. (1998). Applicant attraction to firms: Influences of organization reputation, job and organizational attributes, and recruiter behaviors. *Journal of Vocational Behavior*, 52(1), 24-44.

*Note: This article is copyrighted by Stay Metrics, LLC. For permission to quote or cite this article, and/or to connect with the authors, please e-mail [marketing@staymetrics.com](mailto:marketing@staymetrics.com).*

Experts in driver retention, **STAY METRICS** partners with trucking companies to research driver behaviors and attitudes that impact turnover. Carriers receive driver feedback through surveys, interviews and related research and Stay Metrics experts provide advanced data analysis, including predictive models. Stay Metrics evidence-based rewards program and driver engagement platform provides carriers with a custom-branded solution to recognize driver performance, monitor and reward participation in training and can serve as an information hub. The combination of addressing issues raised via interviews and surveys and rewarding driver loyalty results in improved driver retention. Learn more about how Stay Metrics can help you engage, reward and keep your best drivers by connecting with us today.



### CONNECT

[staymetrics.com](http://staymetrics.com)  
[facebook.com/staymetrics](https://facebook.com/staymetrics)  
[twitter.com/staymetrics](https://twitter.com/staymetrics)



### EMAIL

[marketing@staymetrics.com](mailto:marketing@staymetrics.com)



### PHONE

855-867-3533

