Gartner for Supply Chain

Solving the Driver Crisis

Two transformative actions that supply chain logistics leaders must take
Introduction

Companies are experiencing an unprecedented driver shortage due to both global and local forces.

- COVID-19 has significantly stalled driver testing both in the U.S. and U.K. What’s more, Brexit has resulted in up to 15,000 nondomestic laborers to leave the country, further widening the gap between available talent and demand.

- Unsafe and poor working conditions are prohibiting potential talent from entering the industry, particularly female drivers. Younger drivers are also difficult to acquire because of minimum-age thresholds and high insurance premiums.

Supply chain logistics leaders are aggressively working to acquire and retain drivers through financial means (e.g., offering signing and annual bonuses to attract new drivers; increasing financial remuneration of the incumbent driver pool). But such a short-term and reactive approach to the shortfall in supply versus demand does not address the fundamental deficit of driving talent and resources.

A sustainable solution to the driver crisis must involve:

1. Retooling the employee value proposition for drivers
2. Collaborating across stakeholder groups
Strategy 1

Retooling the employee value proposition for drivers

The employee demographic within the road freight sector has changed. In 2000, there was a relatively even 50/50 split between drivers under the age of 45 and those over the age of 45. Fast-forward to 2021 and the split has shifted to 62% in the age group over 45, according to the Office for National Statistics (ONS).

Changing demographics necessitate an evolution in talent management practices. According to the 2021 Gartner Supply Chain Talent Imperative Survey, the most-valued feature by logistics talent is not more pay, but rather more flexibility in relation to working hours or the working week (see Figure 1). Other highly valued features to incorporate into an updated employee value proposition for drivers over the age of 45 include pension benefits and healthcare programs.

To attract and retain drivers under the age of 45, an emerging strategy involves paying for the training and testing required to obtain a commercial driver’s license, which is increasingly cost-prohibitive for an individual.

Figure 1. Features and Benefits That Are Most Valued by Logistics Talent

<table>
<thead>
<tr>
<th>Feature</th>
<th>Sum of Top 3 ranks</th>
<th>Rank 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellness Benefits</td>
<td></td>
<td>52%</td>
</tr>
<tr>
<td>Flexible Hours or Flexible Work Week</td>
<td></td>
<td>48%</td>
</tr>
<tr>
<td>Health Insurance</td>
<td></td>
<td>45%</td>
</tr>
<tr>
<td>Retirement Benefits</td>
<td></td>
<td>44%</td>
</tr>
<tr>
<td>Bonus or Incentive Pay</td>
<td></td>
<td>42%</td>
</tr>
<tr>
<td>Education or tuition reimbursement</td>
<td></td>
<td>32%</td>
</tr>
<tr>
<td>Paid Parental Leave</td>
<td></td>
<td>31%</td>
</tr>
<tr>
<td>We do not offer any benefits</td>
<td></td>
<td>0%</td>
</tr>
</tbody>
</table>

n = 99 Respondents with logistics as primary function
Q: Of the benefits and perks offered within your logistics function, select top 3 that you believe value your staff value.
Source: Gartner 2021 Supply Chain Talent Imperative Survey
Strategy 2

Collaborating across stakeholder groups

The longer-term solution to the driver crisis will not be provided by advancing employee value propositions alone: It is also critical that employees, employers, insurance agents, industry associations and government bodies collaborate to solve for deep-rooted challenges related to the driving sector’s brand.

- Industry associations need to overhaul the image of the driver role to showcase how technology and sustainability are bringing the role of drivers into a new and exciting era.
- Industry associations and insurance agents need to work together to develop and test safe driving practices that can lower insurance premiums for younger drivers.
- Government bodies have begun to improve facilities for drivers, but further improvements will need to be swiftly deployed to encourage potential drivers from both traditional talent and more diverse talent pools.
- Government bodies can alleviate the pressure of the driver shortage through legislation and infrastructure changes such as including the driver role on the shortage occupations list and expediting the importation of non-national drivers. Such actions may require significant lobbying from industry associations.
Actionable, objective insight

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