

WHITE PAPER

DRIVING ENGAGEMENT IN LOGISTICS



In partnership with

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recruiting for logistics





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SPONSOR MESSAGE

Pertemps

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As the UK's largest provider of professional drivers within the driving and logistics industries; Pertemps Driving Division jumped at the opportunity to partner with Talent In Logistics and give drivers a real voice to help bring about positive change and improvements for their profession. The industry has faced real challenges for several years and these challenges became even greater during the recent pandemic. However, if Covid-19 has taught us anything, it is to value the key workers we have in this country.

There can be no doubts whatsoever that drivers are essential components to keep the country running at all times. It has therefore never been as important to listen to what they have to say to ensure we protect and recognise their valuable contribution to our economy - in the very near future, driving must become an aspirational career for other groups as we strive to tackle a growing driver shortage

Samantha Leleu,

GM for Pertemps Driving Division



INTRODUCTION

Talent in Logistics has joined forces with Pertemps Driving Division to investigate what drivers have to say about their experience of working in logistics. We surveyed more than 1,300 drivers to glean their perspectives on their engagement with employers, and on the profession as a whole. We have used this insight to identify the main challenges regarding people strategies within organisations. We have also analysed what we could do as businesses (and a sector) to provide the conditions these workers need to do their jobs effectively.

The 2019 FTA (Freight Transport Association) Skills Shortage report¹ estimates that the shortfall in drivers is at a high of 59,000, so we felt it was important to ask drivers for their thoughts on this. Many drivers agreed that this was a problem and provided us with their thoughts on the causes of this shortage. Not only that, they have made suggestions on what could be done to address it. A collective voice of more than 1,300 drivers who do the job on a day to day basis, could be one of the solutions to bring about real change.

Businesses are starting to feel the bite of special measures, and another crunch may be on its way. It isn't just Covid-19 posing a challenge to the industry right now. As Talent in Logistics has established in previous research, recruitment is suffering despite worsening labour shortages—a result of a poor public image. Add looming Brexit changes to the picture, and it is clear the pressure is on. With fewer than half of drivers feeling motivated to work hard for their employers, we are headed for testing times with morale at a critical low.



This report will:



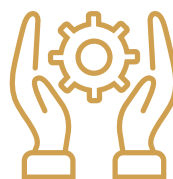
Clarify key employee engagement concepts



Analyse driver attitudes to core workplace topics



Present findings regarding driver engagement



Make practical recommendations for increasing engagement within logistics operations



Provide the sector with suggestions for improving the driver shortage



KEY WORKERS

Logistics workers are one of the nation's core resources, and that has never been more apparent. In the face of the coronavirus emergency, a new phrase to describe the frontline personnel who keep our country running has gained traction: 'key workers'. Much deserved recognition is being given to healthcare professionals who care for the rest of us, but recent events have also highlighted the critical role of staff in logistics. If the attention drawn to logistics workers improves the sector's public profile, that can only be a good thing. It is worth noting that this research was conducted earlier in 2020, before Covid-19 had started to impact the sector too heavily.

With the current spotlight on frontline logistics personnel, there has never been a better time to champion our key workers. We need to harness the full potential of our workforce, by providing the platform they need to activate their experience, expertise and insight. Their collective skills and experience will be fundamental to solving the issues we face right now, and long into the future.

With the sector fighting a battle on multiple fronts, making the most of your key workers is going to be vital to maintaining the health of your business in the 2020s. Yet, only 30% of drivers feel the leaders within their companies treat them a valuable asset. This paper explores the state of the sector and makes actionable suggestions for the future by tapping an essential but underused resource – the insight of the drivers who keep Britain running.



MEET THE DRIVERS

OUR SAMPLE

What sets the Talent in Logistics' research apart is the large sample size of **1,300 drivers**, representing a broad snapshot of the profession. 95% of the drivers we spoke to were male. Across the sector, that figure is **86.8% male** according to the 2019 FTA Logistics Skills Report. Nearly **three quarters** of the drivers we spoke to were **above the age of 40**, with fewer than **10% of drivers aged 30 and under**. This reflects the dearth of young people entering the profession. There is a limited awareness among young people of the varied opportunities in the sector and concerns about a lack of diversity factor into this shortage.

You can read more about this in Talent in Logistics' report

**Changing Perceptions:
Attracting Young Talent
into the Industry,**

ROUTES INTO THE PROFESSION

- More than 75% of our respondents had been in the profession for more than 6 years or more and nearly half for 20+ years.
- The largest proportion of our respondents (33%) said they got into the profession out of a love of driving; as one contributor put it, 'to realise a dream.'
- Other common routes into driving included recommendations from friends and family (14%). Careers in the military, having progressed from a similar role (e.g. van driving), and changing from a different career each accounted for 12%.



AGE



0.5%



9%



18%



24.5%



36%



12%



LOCATION

- Scotland – 9%
- North East – 5%
- North West – 8%
- Yorkshire and The Humber – 7%
- East Midlands – 15%
- West Midlands – 21%
- Wales – 4%
- East of England – 4.5%
- London – 5.5%
- South East – 10%
- South West – 11%



GENDER

- 95% Male
- 4% Female
- 1% Transgender/Gender Variant/Prefer not to say

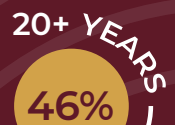


EMPLOYED/SELF EMPLOYED

- 70% Employed
- 30% Self – employed



DRIVER EXPERIENCE

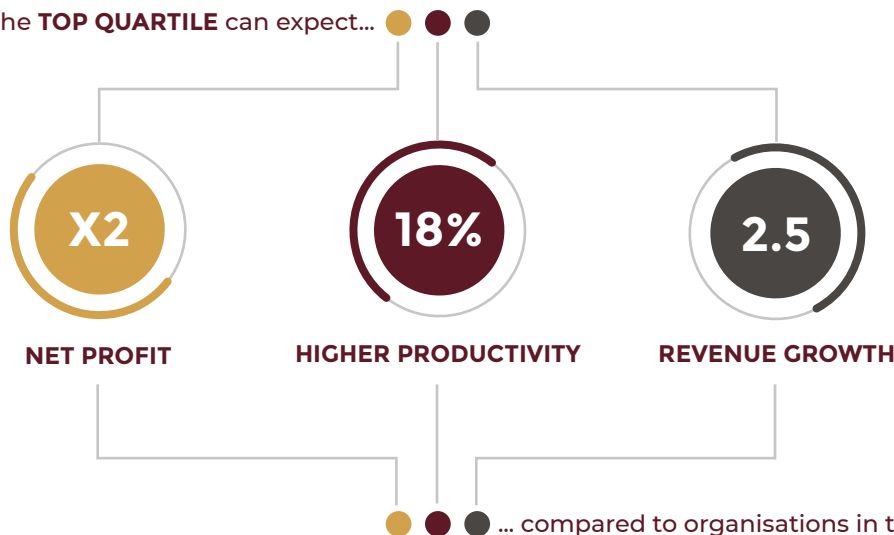


EMPLOYEE ENGAGEMENT

What is employee engagement?

The term 'employee engagement' was first formally defined in the 1990s, but the idea is much older. As far back as the 1920s, Mary Parker Follett was investigating the connections between job satisfaction and productivity. Put simply, employee engagement is the notion that we work harder and achieve more when we feel stimulated, empowered and valued at work.

Organisations in the **TOP QUARTILE** can expect...



What is the evidence?

Evidence for the importance of employee engagement is compelling, and comes from case studies and statistical analysis. Companies in the top quartile for employee engagement outperform those in the bottom quartile by a significant margin. What's more, the turnover rate is 40% lower at companies with high levels of engagement. Perhaps most significantly of all, organisations with low engagement report a shocking 42% more accidents than those where it is higher.

Employee engagement isn't just important for the individual business either. It is important for the whole sector. Engaged employees are less likely to abandon the sector. They also play an important role in helping to attract new blood. 14% of the drivers we spoke to cited a friend or family member's recommendation as the reason they entered the profession. Taking a broader view, word gets around.

Word of mouth plays a crucial role in determining public opinion of a company and an industry as a whole. This is relevant not just because it affects recruitment but because word of how a business treats employees gets back to customers. With the growth of ethical consumerism, it has become clear that younger people in particular are less likely to support a brand they feel does not reflect their values. In short, happy workers means good PR. The higher that levels of employee engagement in logistics rise, the better it is for the "brand" of the whole sector.

THE BIG PICTURE

Our research reveals problem areas undermining employee engagement in logistics. We'll present an overview of our findings over the following pages, along with an analysis of some of the possible knock on effects.

Our opening questions to the drivers were broad, big picture questions and the answers we received were telling. We showed the drivers positive statements about their company and the work they did in the sector, statements such as,

'I am proud to work for my company,'

and,

'I feel motivated to work hard for my company'

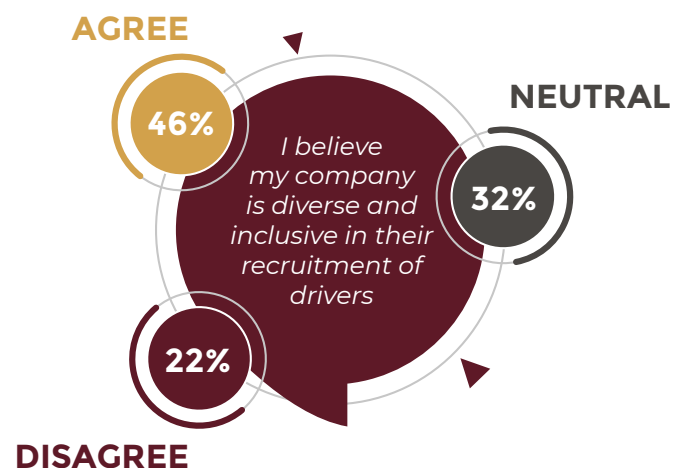
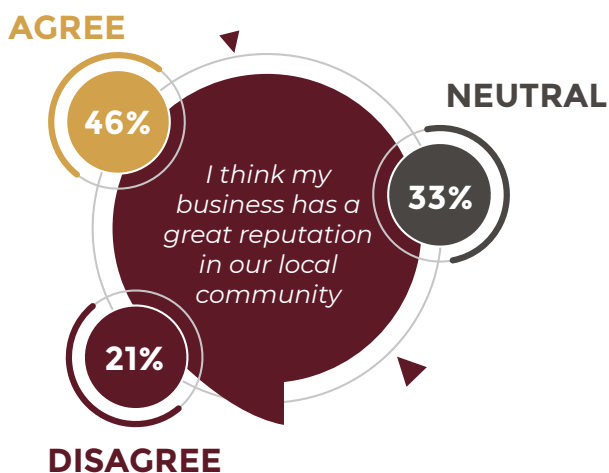
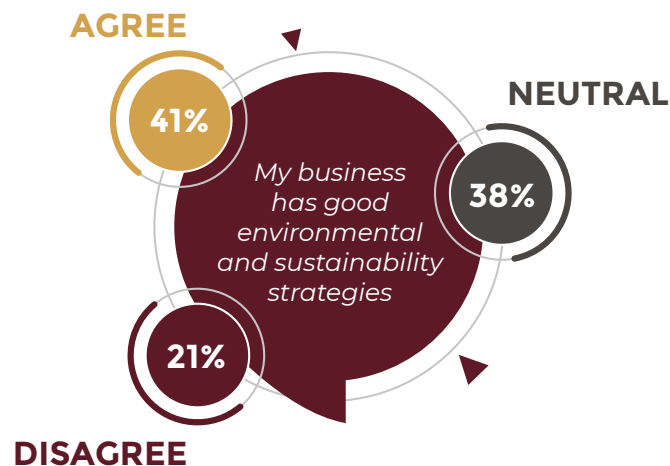
Then we asked drivers if they agreed, disagreed, or were neutral about the statement.



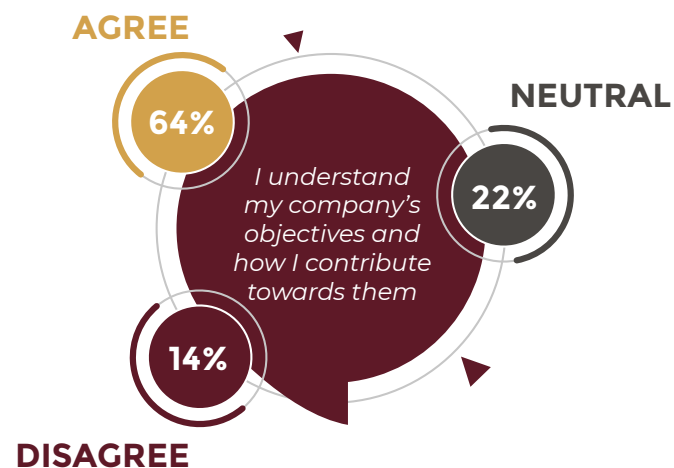
THE BIG PICTURE

In response to two core statements on the previous page, fewer than half of respondents said they agreed. Revealingly, nearly a third of respondents disagreed with the statement, 'I believe employee engagement is a top priority for my company.'

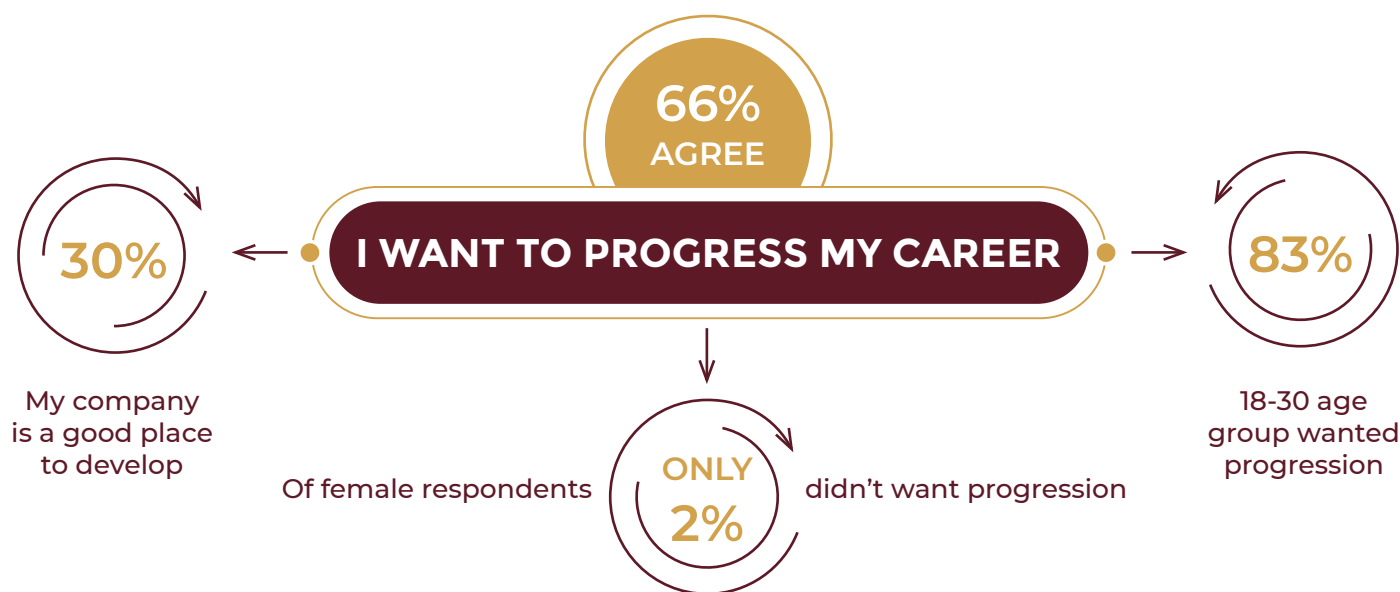
This is troubling when contrasted with the picture in other industries. We took the agreement rate across some of our key questions and averaged the result. This placed overall employee engagement around 48%.



To put that in context, in 2018, CIPD's (Chartered Institute of Personnel and Development) Annual Working Lives Survey³ showed around two thirds of UK workers were satisfied with their jobs, putting our drivers well below the national average. Clearly, this is a problem.



TRAINING AND DEVELOPMENT



The cost of improving engagement needs to be weighed against the cost of recruitment. One of the biggest advantages of high engagement is better retention. That is particularly relevant in an industry suffering a higher-than-average attrition rate of **26%**, according to a survey by XpertHR⁴. Especially considering Oxford Economics has estimated the average cost of replacing a UK worker to around **£30,614**⁵.

The news is clearly already out there. The 2018 FTA Logistics Report cites a range of measures taken by logistics firms to improve retentions, including investing in facilities, promoting the profession to young people, funding training and raising pay.

But are these measures going far enough?

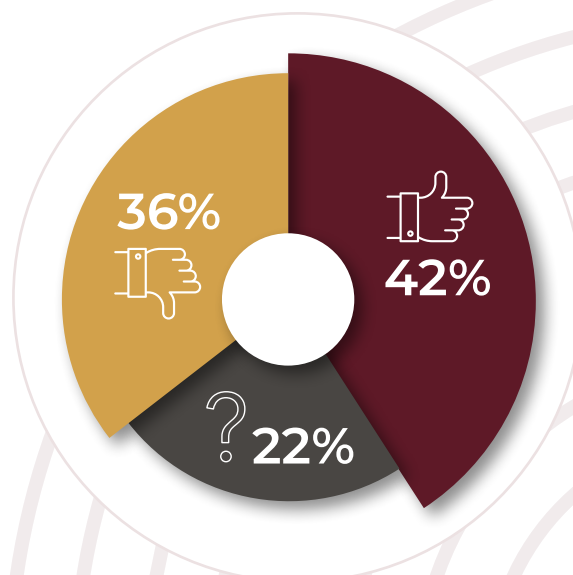
A Lack of Opportunities

If the responses we received are an indication, measures taken by companies to improve retention are making little impact. While more than half of drivers agreed that they were given the right training and tools to help them do their jobs, only 29% felt that career opportunities were clearly communicated.

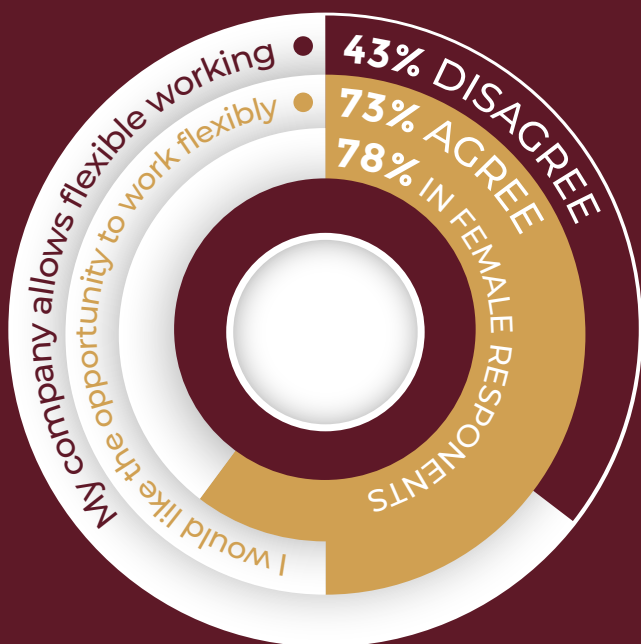
Logistics is a varied and dynamic industry, offering many roles and experiences for employees. The appetite for progression is out there, but the disparity between the number of drivers who saw progression as a goal and the number who saw it as a possibility demonstrates that many drivers feel trapped.

Retention and Attrition

'I can see myself working here in two years' time.'



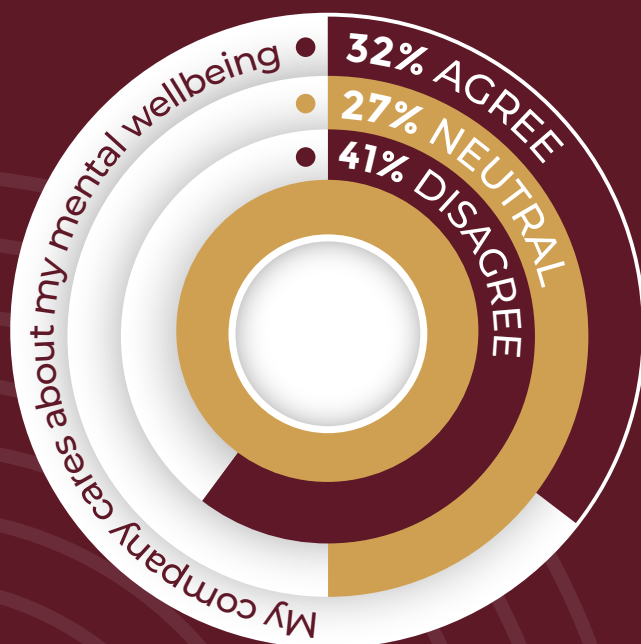
HEALTH AND WELLBEING



One of the thorniest issues to address in promoting employee engagement is work-life balance. Long working hours can have a detrimental effect on mental wellbeing, and the pressure to keep Britain running can lead to a heavy demand on drivers. The issue isn't just one of human costs. The Mental Health Foundation⁶ has published its perspective on the work-life balance issue.

IT ESTIMATES THAT WORK RELATED STRESS
'COSTS BRITAIN 10.4 MILLION WORKING DAYS PER YEAR.'

Talent in Logistics' research suggests shouldering the burden of this pressure may be costing drivers, with only a third saying their companies support balance between work and personal life, while more than half reporting they have been stressed about work over the last 12 months. **The extra pressure could also be fuelling a downturn in productivity: the Skills and Employment Survey 2017⁷, published by a team of academics from Cardiff University, Oxford and UCL, pointed to a correlation between increasing work intensity and falling discretionary work effort in the period 2012-2017**



Work-life Balance

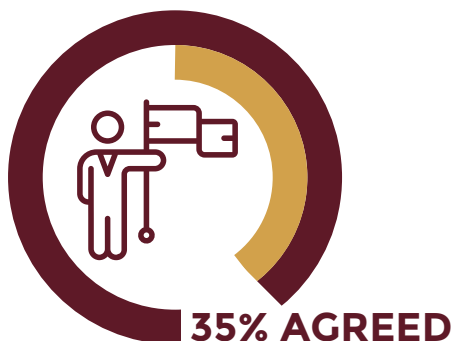
'The pressure of an increasingly demanding work culture in the UK is perhaps the biggest and most pressing challenge to the mental health of the general population.'

– Mental Health Foundation



LEADERSHIP

The leaders within my company are open and honest.



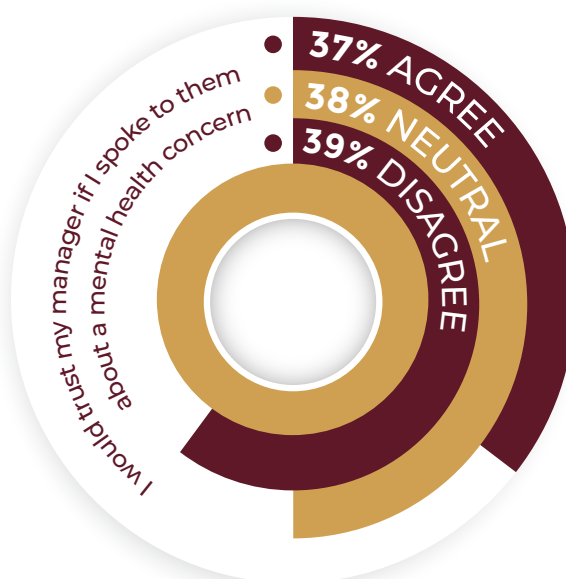
The Trust Recession

The picture our results paint of relations between drivers and management is particularly gloomy, and speaks to a lack of trust between drivers and employers. Revealingly, a greater proportion of drivers said they would rather have a trustworthy manager than a 5% pay rise, despite poor pay being perceived as the number one contributor to the driver shortage.

So, where is this trust deficit coming from? It is important to recognise that trust is built equally on management behaviours and clear, open lines of communication. Studies have suggested that a lack of trust can be related to control measures such as working time regulations, close monitoring by supervisors, and a lack of general autonomy⁸.

In high trust relationships, employees clearly understand the business and the challenges it faces, and they are involved in the decision-making process. The fact only 21% of drivers felt their opinion mattered when the company was looking to change and improve things makes this an obvious area for improvement.

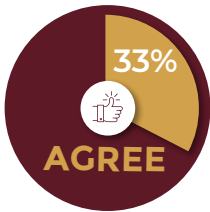
Feeling undervalued seemed to be a particular sticking point, and fewer than a third of respondents said they were treated as a valuable asset.



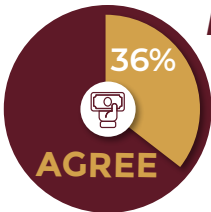
It can be hard for those in leadership positions to get a handle on issues like those we have identified, because employee perceptions don't necessarily correspond to the reality of managers' feelings about them. Employees who feel undervalued may simply not be aware of just how highly their leaders appreciate them⁹, while diminished trust can make them less likely to voice this concern. This has the potential to develop into a vicious circle, where mistrust and the resentment it causes feed and sustain each other, while a lack of feedback leaves leaders oblivious and unable to act.

RECOGNITION AND REWARD

Reward is a financial benefit in appreciation of an employees work, whether referring to their usual salary, or bonus payments. Recognition generally is used to refer to methods of support that show employees that their contributions are acknowledged and valued and is often used when employees go above and beyond or realise particular achievements. This recognition may not have a 'cash' value but could be priceless.



I feel like I am paid well for the job that I do



I feel like I am recognised by the company for the job that I do

The world or work, and the employees within it, has changed. Things that may have been considered perks in years gone by – like flexible working – are now an expectation of many workers, as is ongoing recognition. Employers doing what they have always done may not be enough and they may need to think differently about the initiatives that they have in place.

Would you rather have a comprehensive healthcare package or a 5% pay rise?



Would you rather have a better work/life balance or a 5% pay rise?



Would you rather have a trustworthy manager or a 5% pay rise?



Female respondents to this question voted:



MOVING FORWARD

Having analysed the causes and extent of the deficit in employee engagement, we can now make some practical suggestions on how you can redress the balance.

The opening move might be to establish a picture of the state of play in your own organisation, today.



Getting reliable feedback from drivers and other employees helps this task immensely. It is likely you use certain metrics to take the temperature on the ground floor already. Critically evaluate the metrics you are using: are they pulling their weight, or are they presenting a misleading impression? A factor in this will be the intended purpose of metrics and the way they are applied.

Metrics to measure engagement can factor into an executive team member's annual bonus¹⁰, and in some organisations they are used as a means to show customers or shareholders that 'we're doing a good job'.

This can turn metrics into carrot and stick measures, and a cottage industry for 'measures passing' can spring up in your business. Employee engagement measures may work better if organisations treat them as diagnostic tools intended to help evaluate overall health.

To find out more about creating an employee engagement survey for your business please [click here](#).

Finding problems is a good thing—it helps you come up with solutions, and that helps you react to employee feedback in a way employees can actually see. That's why measures need to be robust and valid, and preferably divorced from reward structures.

Feedback is a two way street, and the counterpoint to getting better feedback is giving better feedback to drivers. The Harvard Business review⁹ has suggested that the solution to employees underestimating how appreciated they are by management includes frequent, judicious positive feedback.

When they do a good job, tell them, and tell them often.



MOVING FORWARD

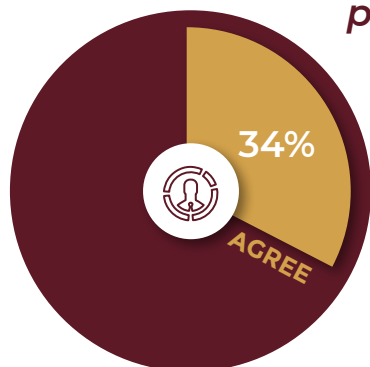
'Good feedback' also extends to reporting back to drivers on how the business is performing. In a 2012 report¹¹, ACAS suggests that sharing information which bears on the trajectory the organisation as a whole is pursuing can generate trust, and therefore engagement. Good communication goes a step further into action if employees are actively involved in the decision-making process, for instance through the use of employee representatives as advisors in the early phases of decision making.

Additional strategies include empowering (and therefore trusting) drivers to solve problems, make suggestions, and use initiative, and allowing them increased opportunity to work flexibly. Both require leaders to give up a measure of their own control in favour of giving drivers more autonomy. That can be uncomfortable, but it need not be painful. Public service providers Serco and RBS found that **higher levels of employee engagement led to higher customer loyalty and higher customer service scores respectively**¹².

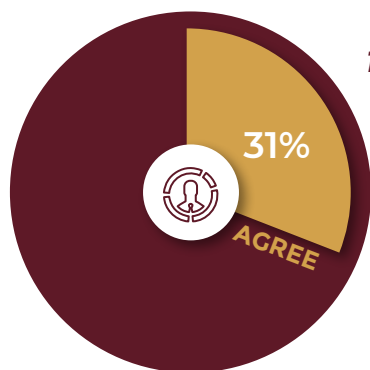


DRIVERS' PERSPECTIVES ON THE SECTOR

I believe my role is seen as a profession by the general public



I would recommend a driving career to my family members and friends



43% of 18-30 year olds would recommend - that's quite a big difference

The image of the American trucker, donning his baseball cap to explore the open road did a lot to popularise the profession in the 20th Century. But, since many entered the profession, the glamour surrounding HGV driving has faded. Our drivers know this.

As previously stated, The 2018 FTA Logistics Report¹³ cites investment in new vehicles and improved driver facilities as the primary step being taken to improve retention. Certainly, there are basic standards of hygiene and practicality that ought to be a bottom-line expectation for workers.

But with only **9%** of our drivers blaming the driver shortage on facilities, the effectiveness of such measures at combatting the talent drain is questionable.

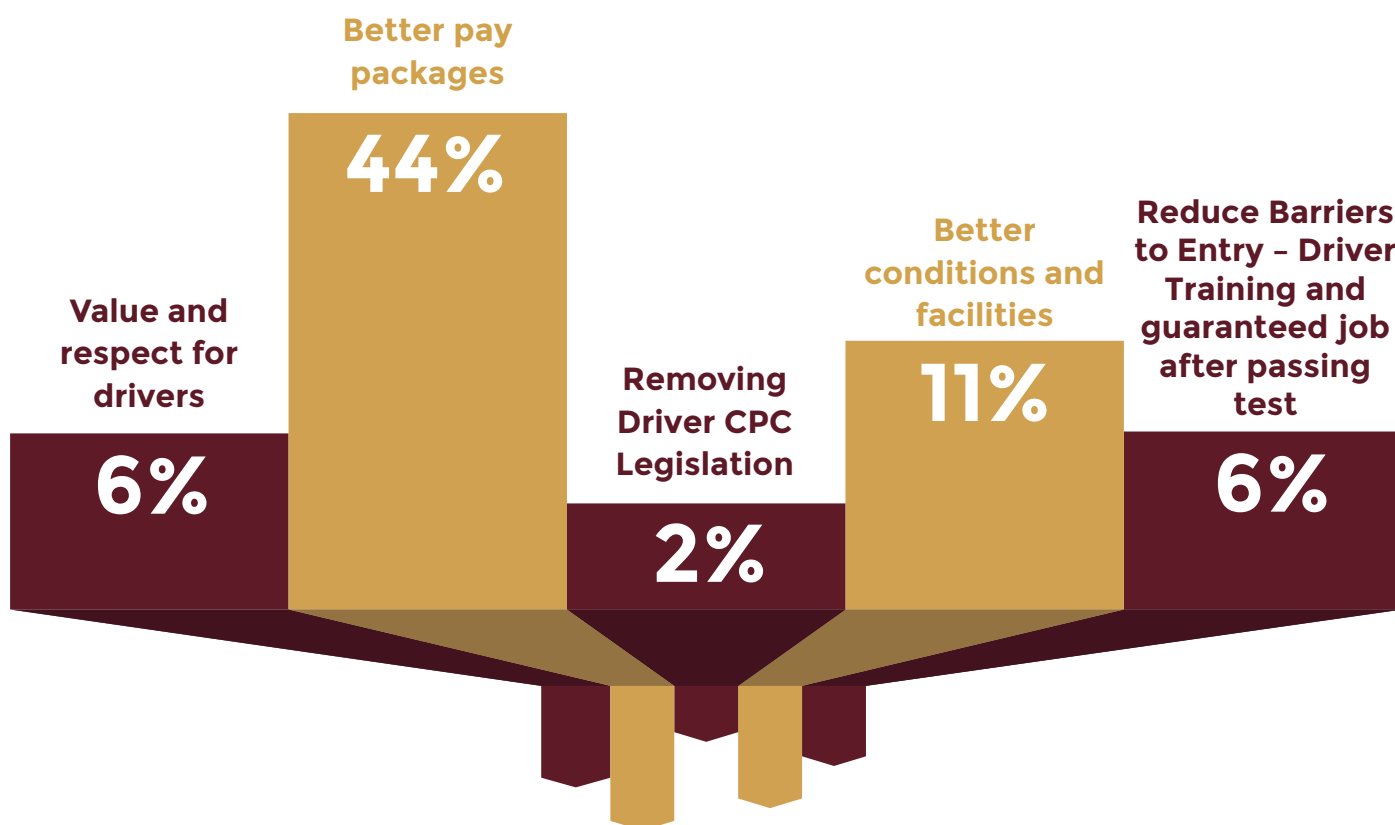
When asked what was causing the shortage poor pay (**34%**), poor working hours (**19%**) and a lack of respect for the role (**12%**) were the top polling explanations. When we asked what needed to change in order to attract more drivers, there were a range of answers, as the chart over the page shows. But there was one clear leader.

Improved pay

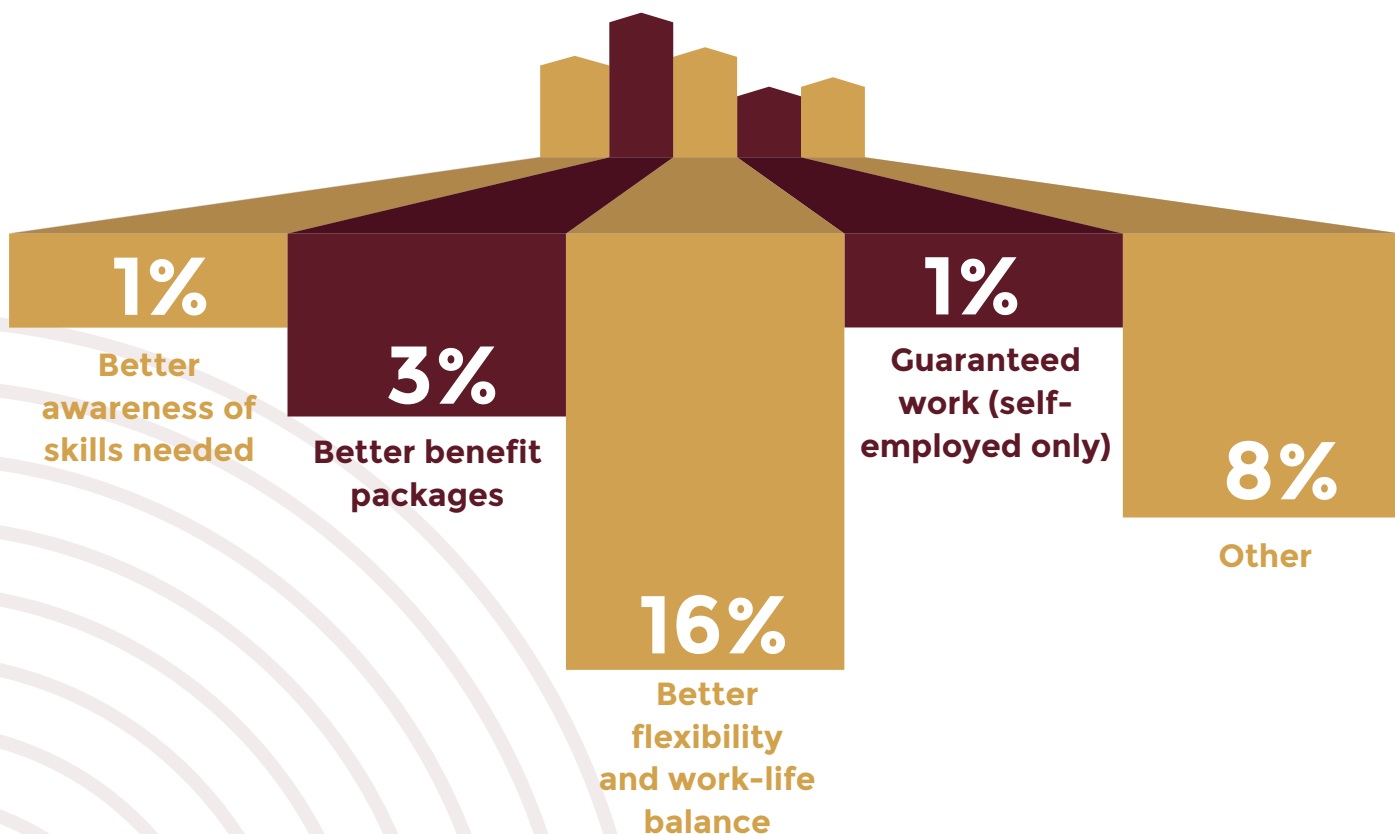
In the current situation calls are being made for a sector-wide change in how we look at driver earnings. Drivers are deemed low skilled workers, but is this an old-fashioned designation that fails to recognise their comparative worth? When hiring talent for skilled positions, companies don't just want competence, they want excellence, and the rewards are adjusted accordingly. When our business relies so heavily on the contributions of these drivers, perhaps a more competitive approach is needed if we want to attract the best.

To find out more about increasing employee salaries, [click here](#).

While remuneration is the chief suggestion, quality of life improvements may be a cost effective way to supplement any programme of changes. A robust examination of working hours that prioritises drivers' concerns might lead to more accommodating working models. Helping to affray costs of training might lift barriers to entry that would otherwise scare potential applicants away. Especially if schemes are promoted vigorously, and care is taken to ensure people are making use of the opportunity.



WHAT DO YOU THINK SHOULD BE DONE TO ATTRACT MORE DRIVERS?



SUNSHINE AT THE END OF THE TUNNEL

Being a driver can be a liberating, rewarding profession. A generation ago, it had a mystique all of its own. That can happen again. There will always be those who want to see a little more of the world. Meeting new people, independence and freedom, being your own boss and seeing the open road, were cited among our drivers' favourite aspects of their jobs.



The effort to improve driver engagement is already underway around the nation. Crucial to the fabric of contemporary life, the logistics industry has a bright future ahead. Let's celebrate our key workers, and work together with them to lay a solid foundation.

*With a motivated, stimulated workforce,
we'll be on route to success.*

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