



Canadian Trucking
Human Resources Council
Conseil canadien des ressources
humaines en camionnage

Canadian Association of Movers'
2006 Annual Conference
The HR Challenge for the Moving Industry

"Closing the GAP"

Linda Gauthier
Executive Director, CTHRC
Toronto, September 18, 2006



*“Companies don’t make companies,
People make companies”*

We need the right people with the right
skills to make companies work.

Grant Trump, President & CEO, Eco Canada



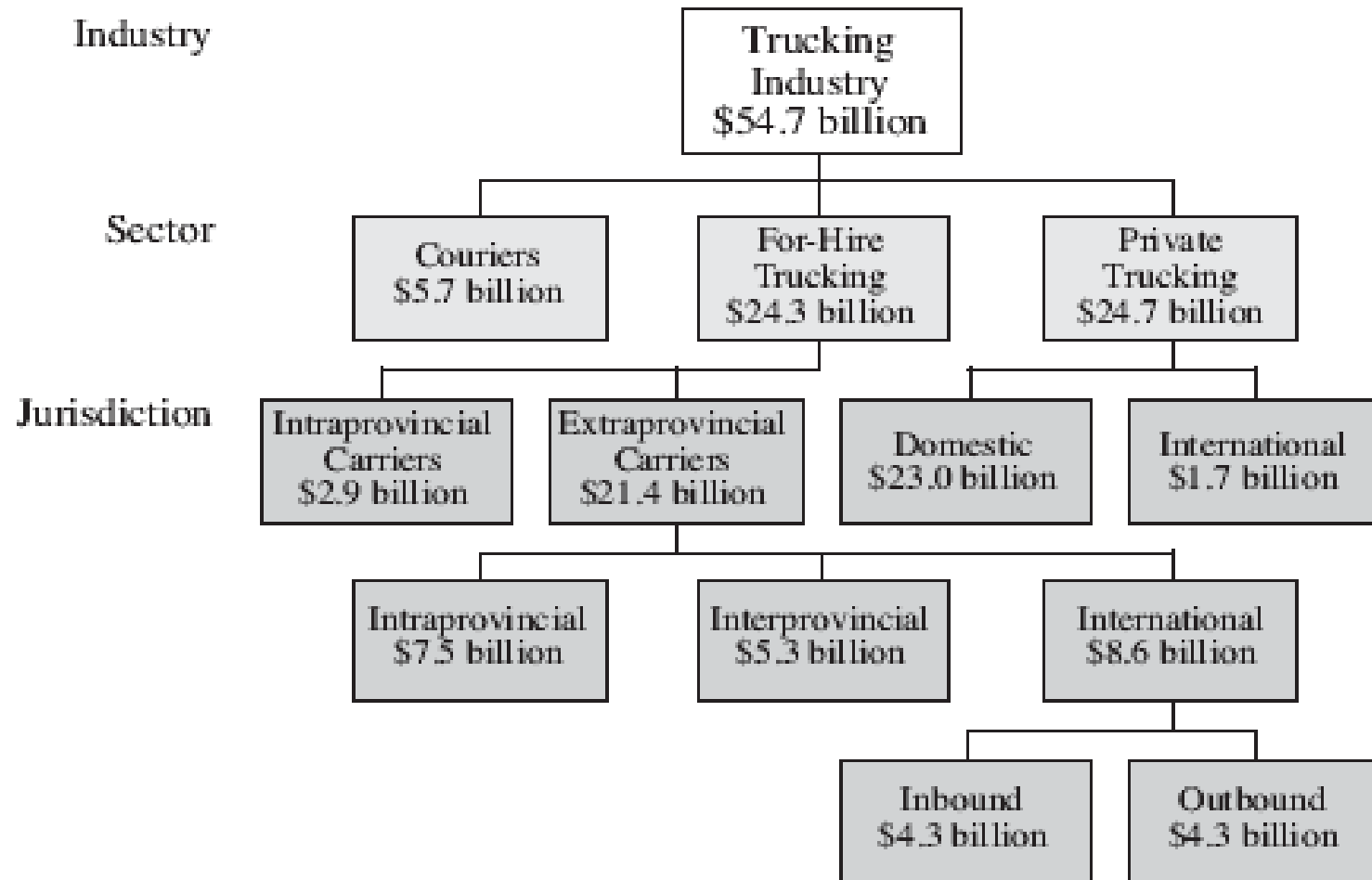
About the CTHRC

The Canadian Trucking Human Resources Council (CTHRC) is a modern non-profit organization with a board of directors representative of industry stakeholders.

Mission is *“ to assist the Canadian trucking industry to recruit, train and retain the human resources needed to meet current and long-term requirements”*.



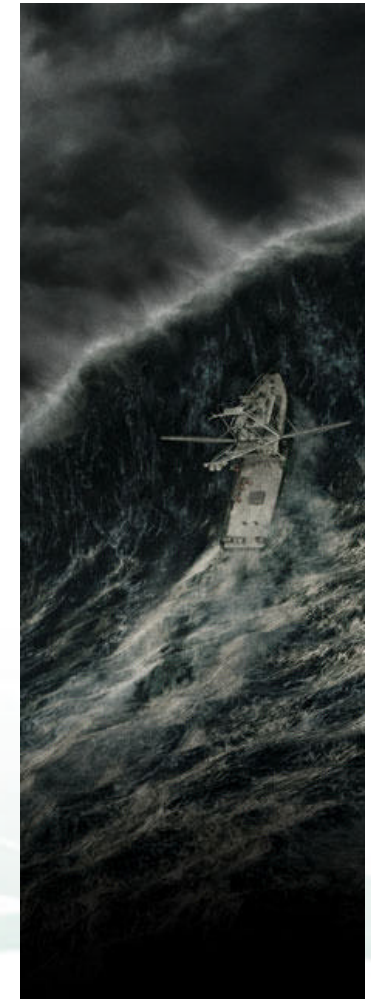
Trucking in Canada



Today's Challenges

Trucking Industry's Perfect Storm

- ✓ Operating costs continue to escalate
 - Labour, fuel, equipment, insurance
- ✓ Appreciation of C\$
 - Depreciation of US\$
- ✓ Border security
- ✓ Hours of service regulations
- ✓ Capacity Crunch



Labour Costs

- Largest component of operating cost
- Continued upward pressure on wages - especially drivers
- Over the road pay in US up 15% since 2003
- Wage competitiveness with other sectors (e.g., oil patch)
- Drivers demanding to be paid for all time
- High turnover costs in certain segments



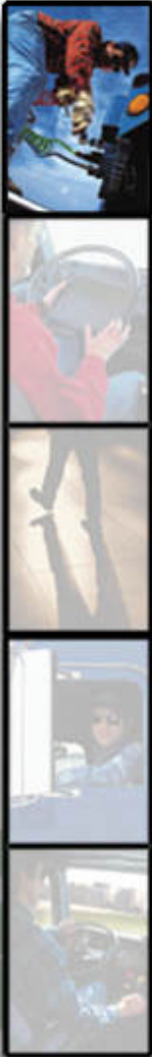
Human Resource Issues



- ❖ *Qualified driver shortage*
- ❖ Worker retention and turnover
- ❖ Lack of a learning culture
- ❖ Weak uptake of national standards
- ❖ Lack of training to standards
- ❖ Training funds not tied to national standards
- ❖ Aging workforce
- ❖ Perceived image and attractiveness
- ❖ Low level of literacy
- ❖ Lack of HR management practices (Labour Code Part 2 & 3)



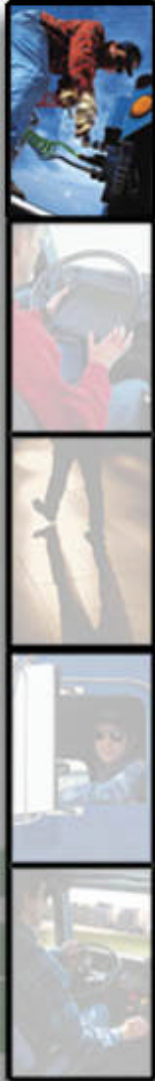
Issues in Trucking



So where's the need?

- 282,000 employed as commercial drivers in 2002
- 662,400 valid Class 1/A licence holders in 2001
- Many of these in other jobs (hydro workers, snow plow operators)
- Some retired workers maintain licences
- 40,000 new Class 1/A and 3/D licensees per year

Issues in Trucking



It's an issue of qualified drivers

- 2-3% experienced truckers retire every year
- 2-3 times that many leave for other industries
- Fleets and insurers want equivalent of 2 years experience
- 80% of surveyed fleet managers say existing licensees do not meet need
- Need for long-distance drivers is greatest

Issues in Trucking

Demand for Qualified Drivers

| Year | # Drivers | "New Drivers Required for Year Indicated" | | | |
|------|-----------|---|------------------------------|------------------|----------------------------|
| | | Industry Growth | Replacements | | Total New Drivers Required |
| | | | Drivers Changing Occupations | Drivers Retiring | |
| 2002 | 282,100 | -- | -- | -- | -- |
| 2003 | 287,800 | 5,700 | 17,000 | 5,800 | 28,500 |
| 2004 | 300,200 | 12,400 | 18,000 | 6,000 | 36,400 |
| 2005 | 318,300 | 18,100 | 19,000 | 6,400 | 43,500 |
| 2006 | 324,600 | 6,300 | 19,500 | 6,500 | 32,300 |
| 2007 | 334,800 | 10,200 | 20,000 | 6,700 | 36,900 |
| 2008 | 343,600 | 8,800 | 20,500 | 6,900 | 36,200 |

Issues in Trucking



Split between Class 1/A and Class 3/D

| Driver Category | Estimated Average Annual Total drivers Required (2003 to 2008) | Basis for Split Between Class 1/A and Class 3/D | Estimated Number of Class 1/A Drivers Required | Estimated Number of Class 3/D driver Required |
|---|--|---|--|---|
| Industry Growth | 10,200 | 41% Class 1/A and 59% Class 3/D based on national fleet mix <i>(Trucking Activity in Canada, Transport Canada)</i> | 4,200 | 6,000 |
| Replacement | 20,700 | 75% Class 1/A and 25% Class 3/D <i>(Profile of Unemployed driver, Canada's Driving Force)</i> | 15,500 | 5,200 |
| Retirement or leaving workforce for other reasons | 6,400 | 41% Class 1/A and 59% Class 3/D based on national fleet mix <i>(Trucking Activity in Canada, Transport Canada)</i> | 2,600 | 3,800 |
| Grand Total | 37,300 | — | 22,300 | 15,000 |

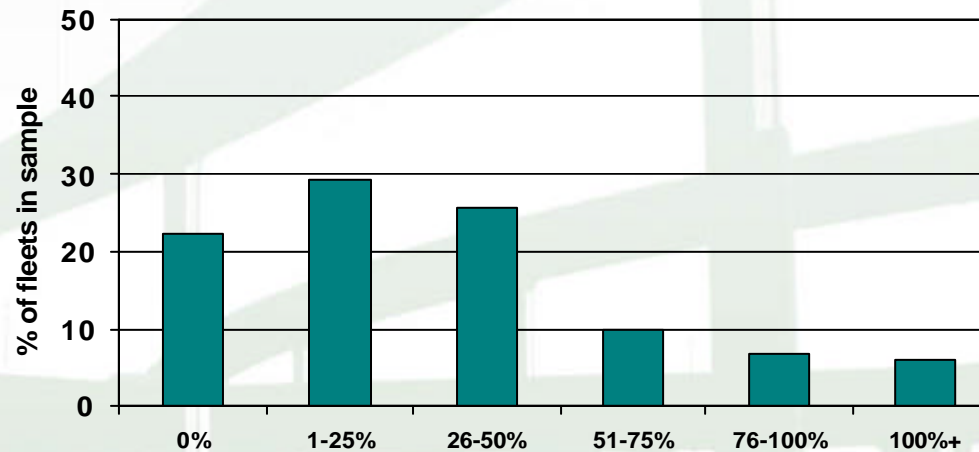
Issues in Trucking



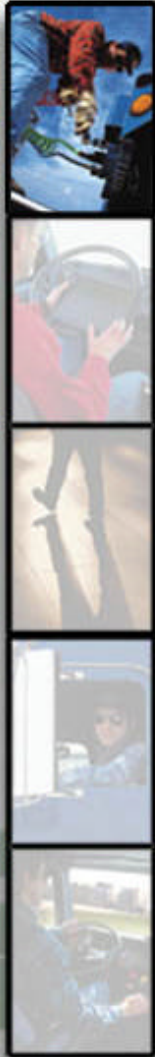
Driver turnover

- Trucking's average: 36% turnover
 - higher than most industries
- Matches construction, forestry and agriculture
- Most evident in long-haul

Overall Turnover Rates



Issues in Trucking



Most commonly cited reasons for drivers quitting, by turnover rate

| Reason for drivers quitting | <10% (n=195) | 10-49% (n=202) | 50%+ (n=168) |
|--|-----------------|-------------------|-----------------|
| Wanted better pay | 33.5% | 41.8% | 49.5% |
| Changed occupation- no longer a driver | 31.2% | 39.5% | 37.8% |
| Wanted shorter hours | 25.0% | 28.4% | 26.0% |
| Job did not meet driver's expectations | 21.1% | 29.6% | 27.2% |
| Wanted better benefits | 21.6% | 11.7% | 29.6% |
| Wanted fewer long-hauls | 9.9% | 16.9% | 8.7% |
| Border/security issues | 9.0% | 9.1% | 10.0% |
| Wanted different routes | 5.2% | 11.7% | 9.8% |
| Received poor treatment from shippers | 9.4% | 5.7% | 9.0% |

Source: CTHRC/ Canada's Driving Force
 Multiple responses possible.
 Total can add to more than 100%

Issues in Trucking

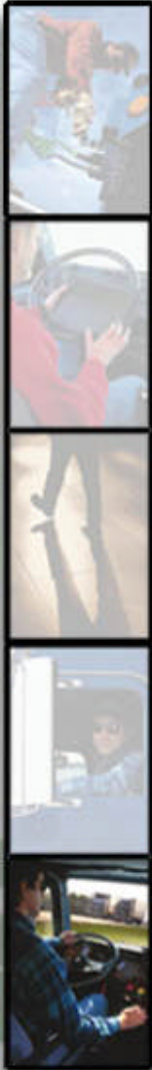


Perceived Driver Shortages - 2006*

Ranked Top 5 Reasons for Shortages by Fleet Type

| Reason | For Hire (%) | | Private (%) | | Average (%) | | 2004 Results |
|------------------------------------|--------------|---------|-------------|---------|-------------|---------|--------------|
| | Rank | % | Rank | % | Rank | % | |
| Working Conditions/Quality of Life | 1 | (45.4%) | 1 | (41.6%) | 1 | (43.5%) | 38.5% |
| Compensation | 2 | (39.2%) | 4 | (34.1%) | 2 | (38.5%) | 43.5% |
| Unattractive | 3 | (37.2%) | 2 | (36.9%) | 3 | (35.9%) | 25% |
| Aging Workforce | 4 | (35.7%) | 3 | (36.6%) | 3 | (39.5%) | 15% |
| Changes in Regulations | 5 | (25.6%) | 5 | (20.9%) | 4 | (24%) | 24% |
| Inadequate Training | 6 | (20.5%) | 6 | (16.3%) | 5 | (18.4%) | |

Issues in Trucking



Skills separating qualified from unqualified

- ✓ Driving experience -- 88.8%
- ✓ General driving skills -- 88.8%
- ✓ Familiarity and knowledge of industry -73.2%
- ✓ Truck maintenance skills -- 71.7%
- ✓ Communication skills -- 57.5%
- ✓ Literacy and numeric skills -- 46.1%
- ✓ Time management skills -- 39.4%

What is the Council doing to support industry?



Project Objectives

National initiative to engage governments (federal, provincial territorial) and industry stakeholders to

- ❖ Increase awareness of the common challenges facing industry and government
- ❖ Share best practices and initiatives
- ❖ Potentially, engage participants in considering options

Project Overview

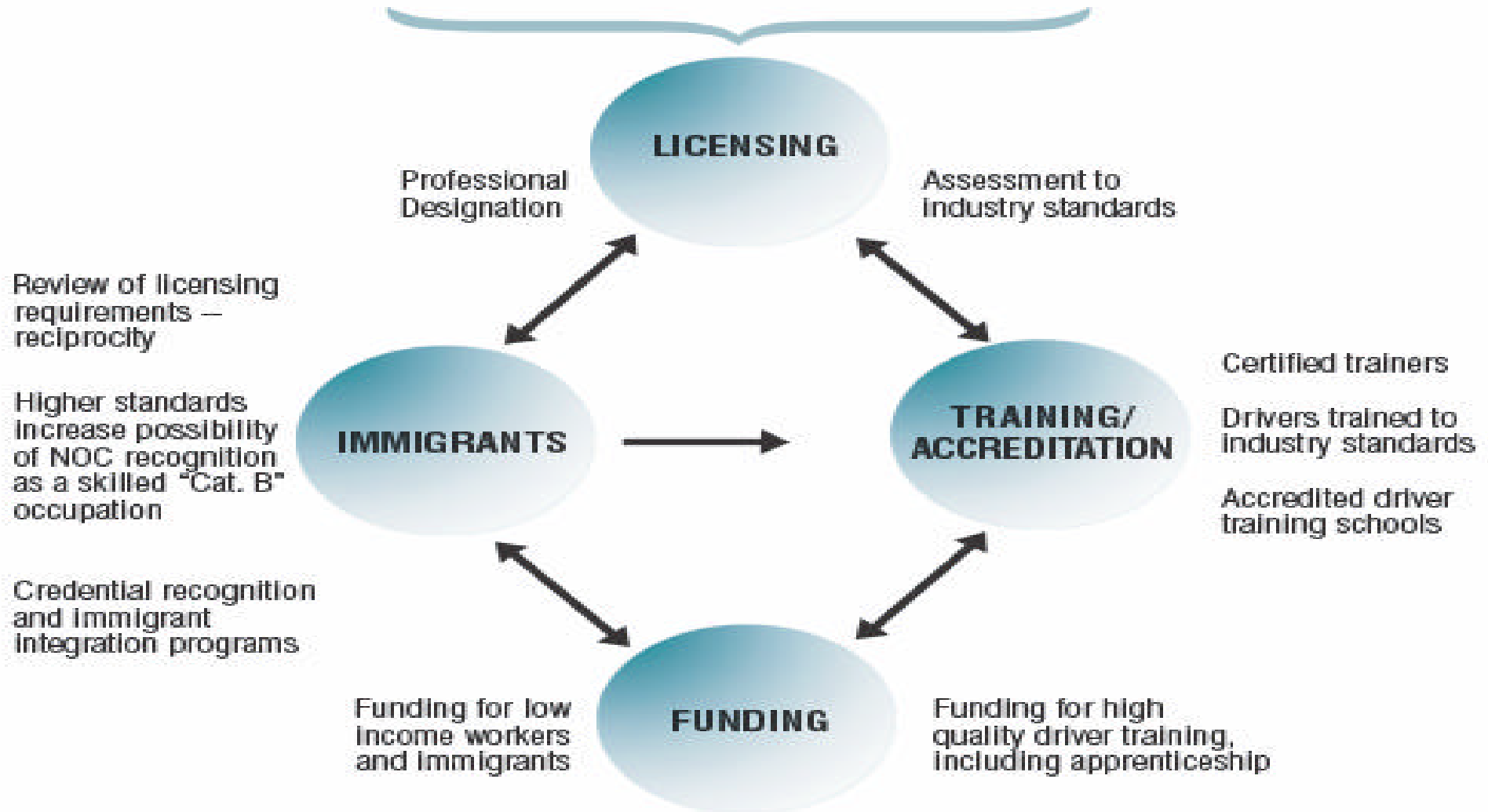
- Develop discussion papers (December '05)
- National meeting (February '06)
- Provincial/Territorial workshops (April-June '06)
- National meeting (Toronto, November 21 '06)



Issues

- Higher standards lead to:
- impetus for apprenticeship and internship programs
 - occupation of Professional Driver attracting new entrants

MORE LICENSED DRIVERS WHO ARE QUALIFIED AS PROFESSIONAL COMMERCIAL DRIVERS



Licensing Recommendations

1. Create national consensus on licensing standards and the testing process
2. Raise existing standards for licensing (including examiner's qualifications)
3. Separate, where possible, the licensing requirements for commercial professional drivers from other drivers (such as farmers); create a separate endorsement or post-license certification with re-evaluations after 6 months and several years was suggested.
4. Develop a transitional strategy to integrate younger people

Training Schools - Accreditation and Funding Recommendations

5. Carriers should partner with schools to develop (or find ways to meet) national standards
6. Link funding of training with minimum national standards
7. Fund an infrastructure to audit accredited training schools
8. Widen the access to funding beyond the unemployed
9. Create incentives to encourage investment and participation in accredited programs
10. Educate the carriers: re benefits of training toward a better quality of driver

Immigration Recommendations

11. Focus recruitment on a set of qualifications (national standards for competency), not credentials
12. Educate and increase awareness of processes available
13. Establish acceptable criteria and responsibilities for employers who participate in immigration programs
14. Review immigration practices and guidelines to address trucking industry needs (e.g. expand Provincial Nominee Program)
15. Enable temporary workers to stay in Canada if both they & their employers want
16. Promote recognition of driving as a skilled trade, and NOC reclassification

⇒ Next Steps

- ✓ Provincial/territorial initiatives (government and industry)
- ✓ Federal government initiatives
- ✓ Assessment of the impact of the initiatives on the issues



Occupational Standards



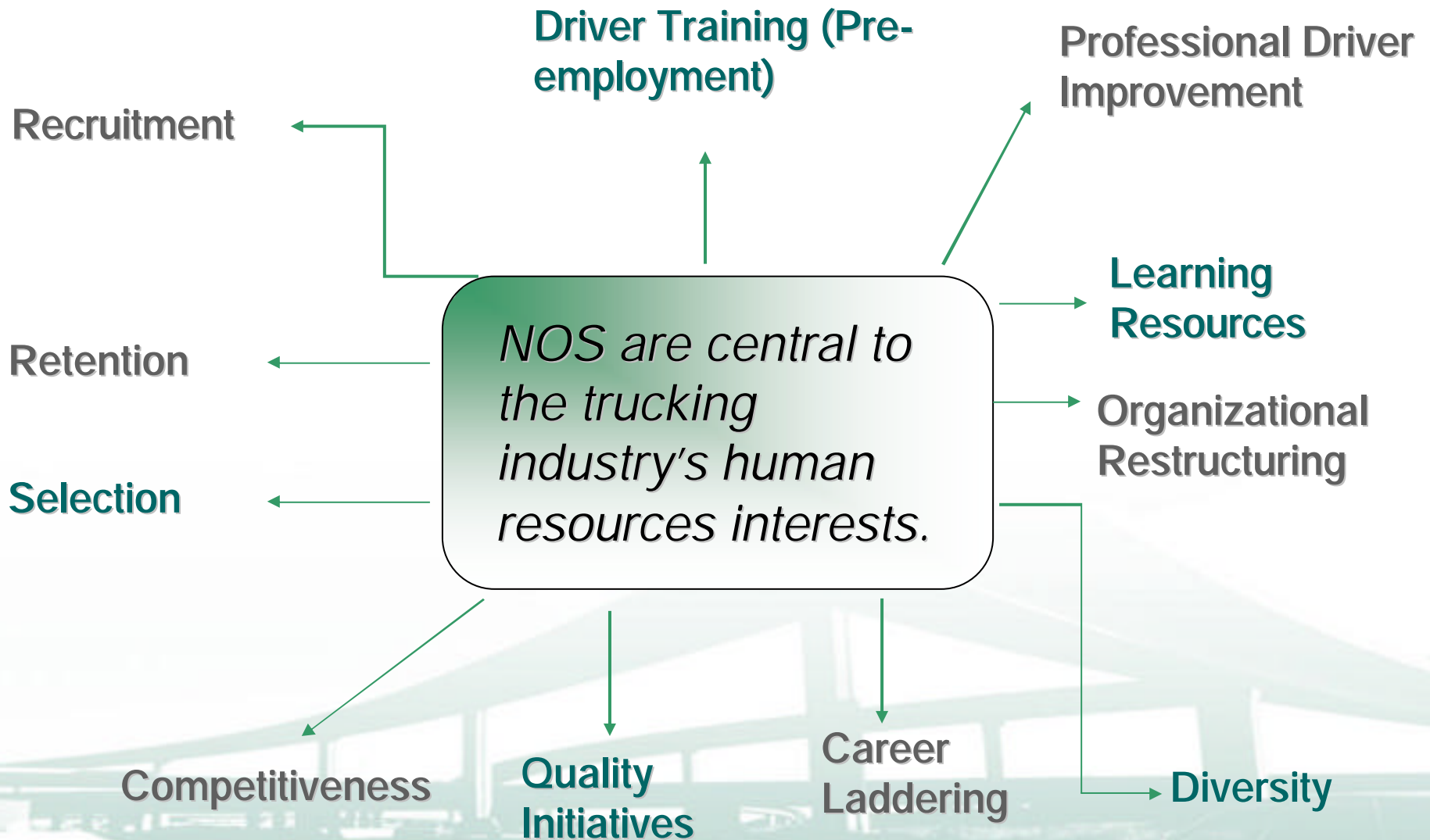
National Occupational Standards – Professional Driver

| Occupational Standard | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----|
| 1.1.1.1 | 1.1.1.2 | 1.1.1.3 | 1.1.1.4 | 1.1.1.5 | 1.1.1.6 | 1.1.1.7 | 1.1.1.8 | 1.1.1.9 | 1.1.1.10 | 1.1.1.11 | 1.1.1.12 | 1.1.1.13 | 1.1.1.14 | 1.1.1.15 | 1.1.1.16 | 1.1.1.17 | 1.1.1.18 | 1.1.1.19 | 1.1.1.20 | 1.1.1.21 | 1.1.1.22 | 1.1.1.23 | 1.1.1.24 | 1.1.1.25 | 1.1.1.26 | 1.1.1.27 | 1.1.1.28 | 1.1.1.29 | 1.1.1.30 | 1.1.1.31 | 1.1.1.32 | 1.1.1.33 | 1.1.1.34 | 1.1.1.35 | 1.1.1.36 | 1.1.1.37 | 1.1.1.38 | 1.1.1.39 | 1.1.1.40 | 1.1.1.41 | 1.1.1.42 | 1.1.1.43 | 1.1.1.44 | 1.1.1.45 | 1.1.1.46 | 1.1.1.47 | 1.1.1.48 | 1.1.1.49 | 1.1.1.50 | 1.1.1.51 | 1.1.1.52 | 1.1.1.53 | 1.1.1.54 | 1.1.1.55 | 1.1.1.56 | 1.1.1.57 | 1.1.1.58 | 1.1.1.59 | 1.1.1.60 | 1.1.1.61 | 1.1.1.62 | 1.1.1.63 | 1.1.1.64 | 1.1.1.65 | 1.1.1.66 | 1.1.1.67 | 1.1.1.68 | 1.1.1.69 | 1.1.1.70 | 1.1.1.71 | 1.1.1.72 | 1.1.1.73 | 1.1.1.74 | 1.1.1.75 | 1.1.1.76 | 1.1.1.77 | 1.1.1.78 | 1.1.1.79 | 1.1.1.80 | 1.1.1.81 | 1.1.1.82 | 1.1.1.83 | 1.1.1.84 | 1.1.1.85 | 1.1.1.86 | 1.1.1.87 | 1.1.1.88 | 1.1.1.89 | 1.1.1.90 | 1.1.1.91 | 1.1.1.92 | 1.1.1.93 | 1.1.1.94 | 1.1.1.95 | 1.1.1.96 | 1.1.1.97 | 1.1.1.98 | 1.1.1.99 | 1.1.1.100 | |

Scope of Occupation
Professional Drivers operate Class 1/A vehicles to transport goods over urban, interurban, provincial and international routes. They are employed by transportation companies, manufacturing and distribution companies, moving companies and employment service agencies. These National Occupational Standards also include competency requirements related to business skills for Owner-Operators (i.e., self-employed Professional Drivers).

More Information
Visit www.cthrc.com for more information on the CTHRC National Occupational Standards and related human resources products. Visit www.info-cthrc.ca/occupational for more information on Essential Skills.

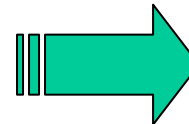
Occupational Standards



Essential Skills

Employability / Essential Skills

- ✓ Reading Text
- ✓ Document Use
- ✓ Numeracy

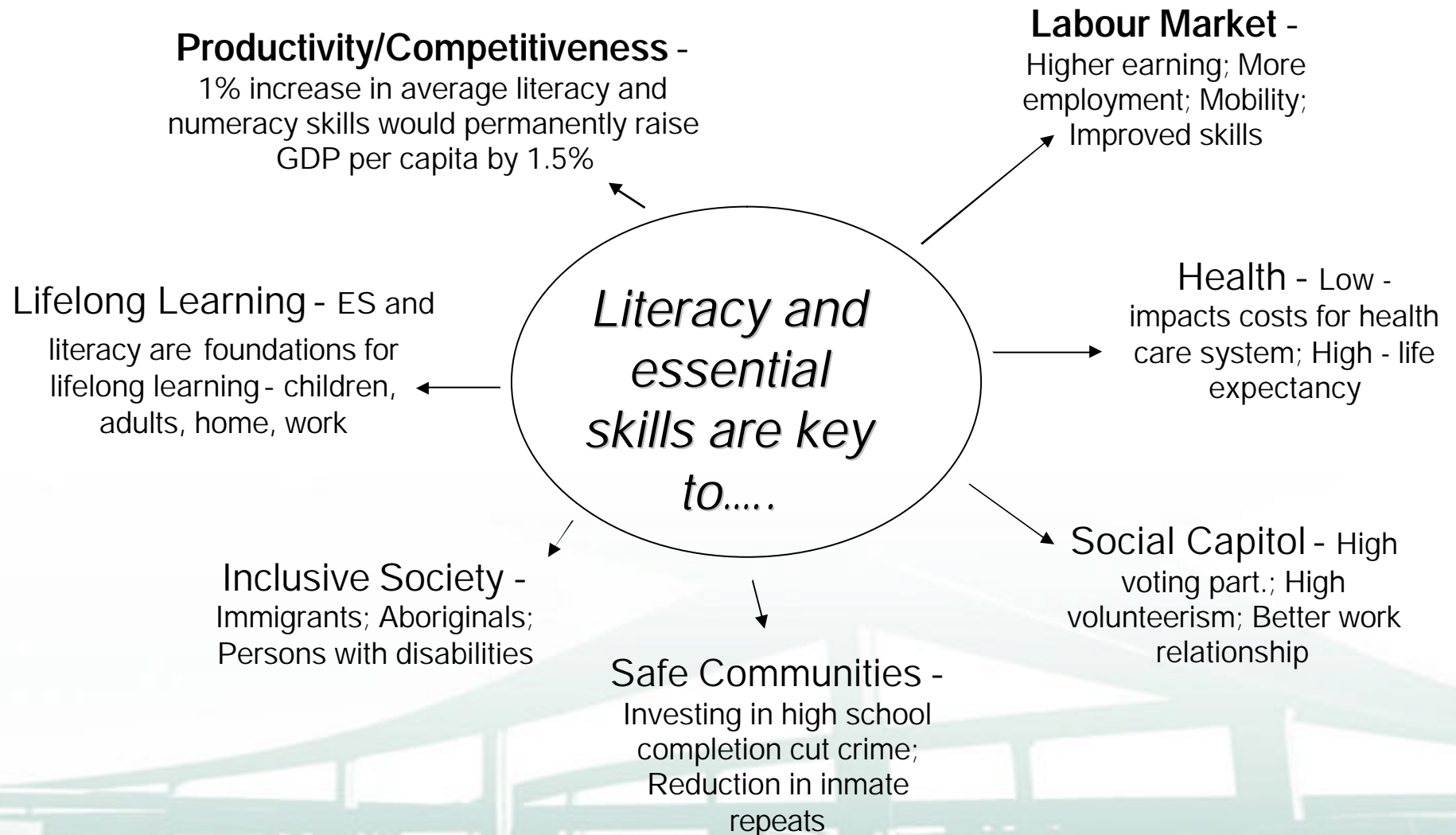


*Predictors of
Success*

- ❖ Writing
- ❖ Oral Communication
- ❖ Working with Others
- ❖ Computer Use
- ❖ Continuous Learning

- ❖ Thinking Skills
 - Problem Solving
 - Decision Making
 - Job Task Planning & Organizing
 - Significant Use of Memory
 - Finding Information

Essential Skills and Literacy



Essential Skills

International Adult Literacy Survey

*Nearly 9 million Canadians - more than
42% of working age Canadians have
low literacy skills*

*(OECD - adults performing below Level 3 - on a
5 point scale - may encounter barriers to full
participation in a knowledge-based economy
and society).*

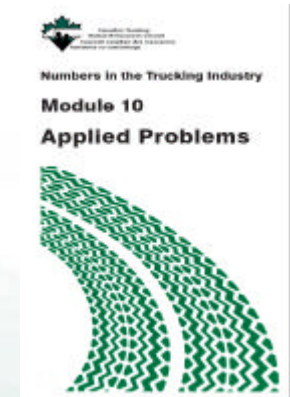
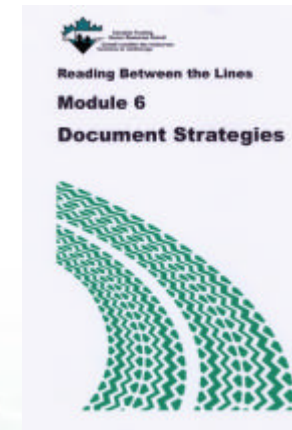
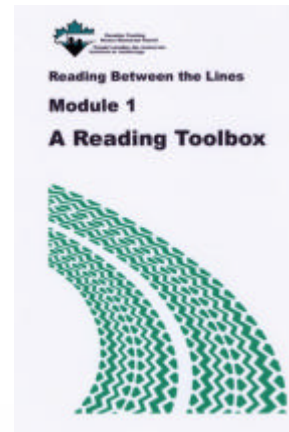
Essential Skills in the Workplace

Assessment

TOWES

- Pre-employment
- Professional Driver
- Dispatcher,
Professional Driver
Trainer and
Transportation
Safety Professional

Upgrading



Questions



Linda Gauthier
Executive Director
Canadian Trucking Human Resources Council
203 - 720 Belfast Road
Ottawa, Ontario K1G 0Z5
☎ 613.244.4800 📠 613.244.4535
www.cthrc.com
info@cthrc.com