



EXECUTIVE SUMMARY

2017 Mixer Driver Recruitment and Retention Survey

September 2017

Tim Kauzlick, CEMEX
NRMCA Operations, Environmental & Safety Committee
Chairman

Chip Wildman, Concrete Supply Company
NRMCA Operations, Environmental & Safety Committee
Human Resources Task Group, Chairman

Gary Mullings, NRMCA
Executive Vice President, Operations and Compliance
Liaison to the Operations, Environmental & Safety Committee

David Williams
NRMCA Operations, Environmental & Safety Committee
Vice Chairman

Vickie Tyminski, Carroll Concrete
NRMCA Operations, Environmental & Safety Committee
Human Resources Task Group, Vice Chairman

Eileen Dickson, NRMCA
Vice President, Education
Liaison to the Operations, Environmental & Safety Committee,
Human Resources Task Group

National Ready Mixed Concrete Association
900 Spring Street
Silver Spring, MD 20910
301-587-1400
www.nrmca.org

2017 Mixer Driver Recruitment and Retention Synopsis

The National Ready Mixed Concrete Association's *2017 Mixer Driver Recruitment and Retention Survey* found a brighter picture than the previous two years' results. While 36% of respondents turned down business due to a lack of drivers in 2016, it was lower than the 51% reported in 2015. The driver vacancy rate steadily dropped about two percentage a year for the past three years, to 4.6% as of December 31, 2016. Nevertheless, 92% reported they would hire mixer drivers in 2017, up from the 72% who planned on hiring drivers in 2016. The most successful and frequently used recruiting tools were internal employee referral, posting jobs on the company's website, and social media.

The mixer driver pool was about 75,000 in both 2015 and 2016, up 5,000 drivers from 2014. The turnover rate dropped to 28% from 32% in 2015. In 2016, that equates to about 18,600 drivers nationally (quit and released). In 2015, the turnover equated to 23,075 drivers. Of the drivers who were hired, then left the same year, 4,800 did so in 2016, lower by more than 50% from the previous year. Of note, 8% of producers provided a mentor program to new hires in 2016, whereas 49% did in 2015.

In the survey's three-year history, respondents overwhelmingly noted their biggest hiring challenge was finding drivers with ready mixed concrete experience. 76% of producers will only hire experienced drivers, that is, they do not hire new commercially licensed drivers or drivers under the age of 25. Nevertheless, the industry managed to hire between 20,000-22,000 drivers each year between 2014 and 2016.

Mixer drivers' average age is 47, the same as the U.S. Department of Transportation's and U.S. Bureau of Labor Statistics' (US BLS) 2016 estimated age of heavy equipment commercial drivers. While mixer driver national tenure dropped to 9.6 years from 10 years the previous two years, the US BLS reports only 29% of American workers have a 10+ year tenure with their companies.

NRMCA's annual *Mixer Driver Recruitment and Retention Survey* examines the state of mixer driver employment pool between January 1 and December 31 each year. This year's response rate reflects 30% of NRMCA's estimated 2016-75,000 drivers. NRMCA also estimates the total ready mixed concrete industry employment population at approximately 135,000 employees; mixer drivers are 56% of that total. The survey's response rate per question averaged 92%.

Recruitment

Internal Job Mobility Analysis

Moving a mixer driver to another full-time position creates a job opening, a driver vacancy. That is, the employee no longer drove a mixer truck but performed another job, such as batchman, dispatcher, yardman, QC technician, fleet mechanic, materials hauling or sales. The Society of Human Resource Management (SHRM), Manpower Group, and Monster.com all report that in a tight labor market, this is a common practice. Therefore, this survey asked about such moves.

With a 94% response rate, 60% of producers moved mixer drivers internally to another full-time job. The national average of companies in all industries following this practice was 48%. (*Manpower Group, "2106/2017 Talent Shortage Survey"*) The average producer moved three drivers. Internal mixer driver job change equated to 2% of the total driver population, approximately 1,400 drivers. In the past three years, there was a wide variance within different sectors as to how many companies followed the practice, yet nationally, the actual number of drivers moved was a steady 2%.

Percent of companies who moved drivers to another full time job			
National	2016	2015	2014
% of Companies	60%	63%	54%
% Total Driving Pool	1.8%	1.9%	2.0%

Vacancy Rate

SHRM states an organization's *vacancy rate* is the result of employee turnover as well as the creation of new positions. It relays the unmet labor demand. It is calculated by the number of vacancies divided by the number of positions on the closing date, in this survey, December 31, 2016. Respondents had 3,423 vacancies. They were divided by the 75,000 estimated mixer drivers, as of December 31, 2016.

The industry reported a 4.6% vacancy rate, dramatically dropping from 2014, yet higher than the national average of 3.7%, as reported by the US BLS on December 31, 2016.

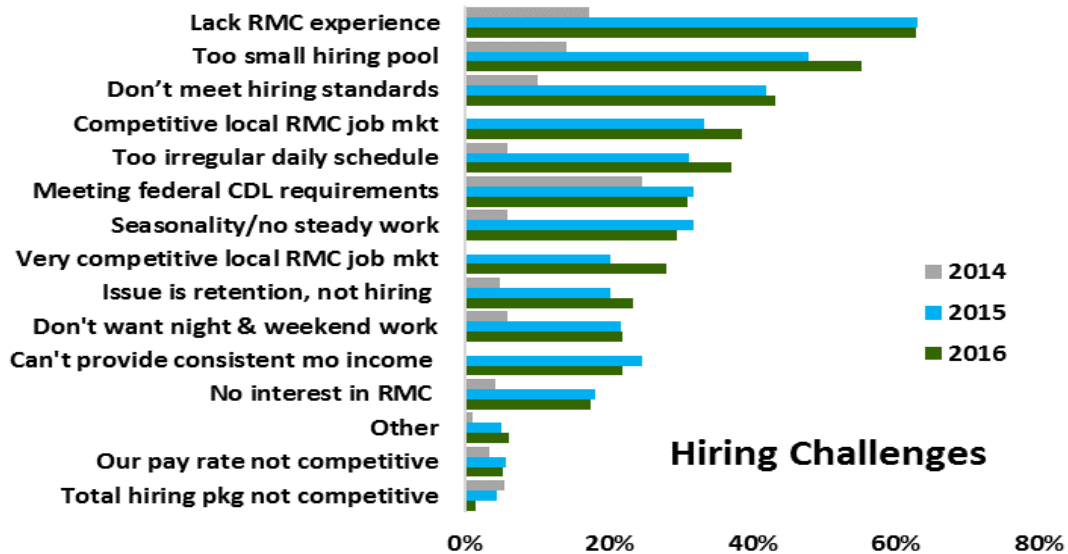
How many vacant full-time mixer driver jobs did you have open on December 31?							
National	Total Vacant	% Total US Driver Pool	Vacancy Rate	Average	Median	High	Low
2014 driver population 70,000	6,090	8.7%	8.7%	11	5	140	0
2015 driver population 75,000	5,049	6.7%	6.7%	11	5	80	0
2016 driver population 75,000	3,423	4.6%	4.6%	8	4	70	0

The US BLS states the US is at “full employment” when the unemployment rate hits a low of 5%. Throughout 2016, the rate stayed in the mid-4% range. As a result, job openings are the highest they have been since 2001. In August 2017, the US BLS JOLTS report (Job Openings and Labor Turnover) stated, job openings increased to 6.2 million jobs, with the third largest growth in the construction sector. Transportation job openings were also up. Manufacturing-of-durable-goods’ (where the ready mixed concrete industry is calculated) job openings declined. Nevertheless, many unemployed workers are not able to find jobs.

A CNN.Money report wrote these job openings/unfulfilled job numbers illustrate a key problem that has plagued the U.S. labor market in recent years. Many job seekers lack the skills in-demand but do not want to be re-trained in demand areas nor are they willing to move to where jobs are available. Additionally, employers became spoiled by the job market in their favor during the Great Recession in regards to remuneration and a work/lifestyle balance. Times have changed – it is a “skilled-workers/buyer’s” market.

Industry Hiring Challenges

NRMCA asked the survey respondents what were their biggest challenges were when hiring mixer drivers. The response rate was 96%. A three-year comparison follows:



Furthermore, as in the previous two years' surveys, there was a broad relationship between recruitment and retention challenges. If we compare a "lack of experience" (hiring) and "poor performance" (firing) as iterations of one another, they are both at the top.

BIGGEST HIRING CHALLENGES		WHY DRIVERS ARE RELEASED	RANK
Lack RMC experience	63%	Performance-driving	75%
Too small hiring pool	55%	Performance-work ethic/attitude	73%
Do not meet company hiring standards	43%	Performance-technical	34%
Very competitive local CDL mkt	39%	CDL issues	24%
Too irregular daily work schedule	37%	Not listed	18%
Not meet federal CDL requirements	31%	Company policy change	17%
Seasonality/not 12 months steady work	30%	Illness or injury	13%
Very competitive local RMC job mkt	28%	Only drive a truck/no other work	8%
Issue is retention, not hiring	23%	Business slow down	5%
Can't provide consistent mo income	22%	Death	2%
Do not want to work nights & weekends	22%		
No interest in RMC	17%		
Other	6%		
Our pay rate not competitive	5%		
Total hiring pkg not competitive	2%		

The survey then charted a comparison between what producers see as hiring challenges versus why their drivers quit. As in 2015's and 2016's annual surveys, this year's survey reported drivers quit for better remuneration and a work life balance. Those factors are not as high on the producers' list of their perceived hiring challenges as illustrated in the chart below.

BIGGEST HIRING CHALLENGES		%	WHY MIXER DRIVERS QUIT	%
1	Lack RMC experience	63%	Inconsistent daily schedule	60%
2	Too small hiring pool	55%	Lack steady 12 mo income	49%
3	Do not meet company hiring standards	43%	Better pay	42%
4	Very competitive local CDL mkt	39%	Not listed	33%
5	Too irregular daily work schedule	37%	Don't want weekend work	33%
6	Not meet federal CDL requirements	31%	Retired	32%
7	Seasonality/not 12 months steady work	30%	Quit before issue solved	30%
8	Very competitive local RMC job mkt	28%	Total employment package	29%
9	Issue is retention, not hiring	23%	Company policies	27%
10	Can't provide consistent mo income	22%	Seasonality/lack 12 mo work	26%
11	Do not want to work nights & weekends	22%	Don't want night work	25%
12	No interest in RMC	17%	Job stress	24%
13	Other	6%	Moved	21%
14	Our pay rate not competitive	5%	CDL issues	21%
15	Total hiring pkg not competitive	2%	Only want to drive a truck	16%
16			Lack of advancement	15%
17			Supervisor issues	13%
18			Don't track reasons	9%
19			Lack of training	7%
20			Felt unsafe	7%

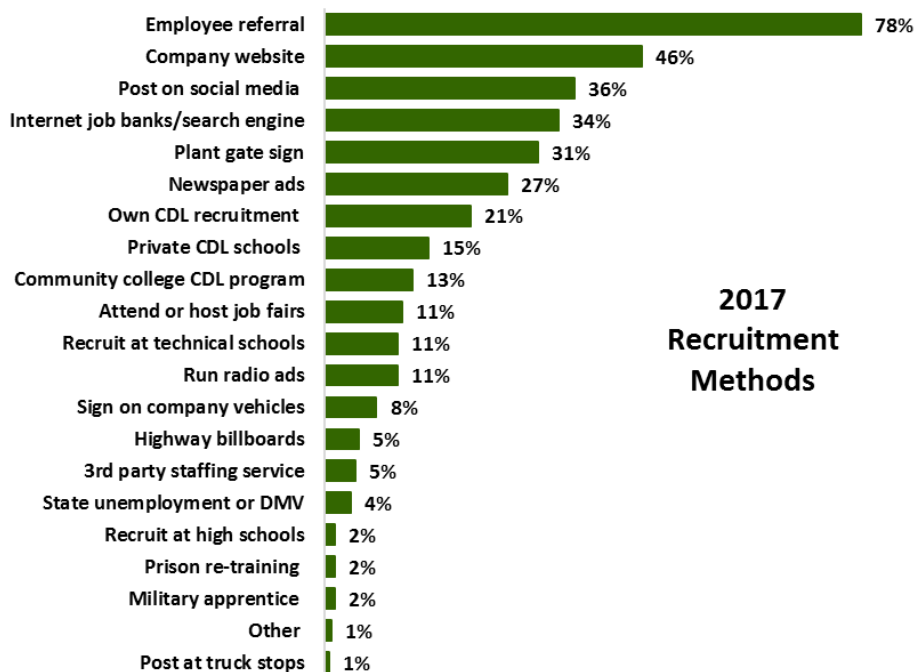
The colors in the right column, "Why Drivers Quit," is denoted with **RED** ranked **first**, **BLUE** ranked **second**, and **GREEN**, ranked **third**. Their comparable selection under the left column, "Biggest Hiring Challenges," is highlighted in the same color. In that left column, the colors do NOT designate 1, 2 or 3 ranking – they just illustrate a comparison with the right column.

Industry Recruitment Methods

After understanding the challenges, the survey then sought to see how producers addressed them when recruiting. This survey listed 23 recruitment methods. They were adapted from those commonly used by human resource professionals across all industries, as reported by SHRM. Respondents were asked to check one or more of their most successful methods.

The average respondent used 3.6 methods. The median was three. 26% of respondents used more than five methods. 11% used just one method. "Employee referral" was the clear front runner with respondents at 78%. Second was social media, at 42%. Last year social media ranked #8 at 19%. SHRM also listed these as #1 and #2. Nationally, 84% of employers use social media.

The question had a 100% response rate.



HireRight's "2017 Transportation Spotlight" report found the trucking industry is moving away from advertising for drivers in trade publications and on traditional internet job boards to a focus on social media as a recruitment tool.

While the top two trucking recruitment tactics are also the top two for the ready mixed concrete industry, the RMC industry lags behind the trucking industry's aggressive increase of social media. Beyond the standard applications, like Facebook and Twitter, they are developing more visual presentations to attract the young. Examples includes photos of company events and beautiful sunrises as seen from the truck's cab.

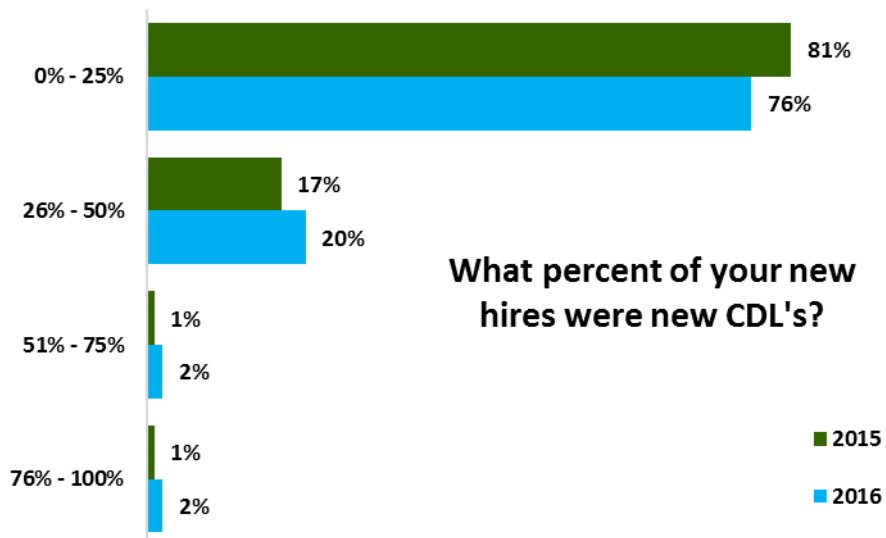
Hiring Analysis

To start, the survey looked at new hires as a percent of a producer's total mixer driver pool fluctuated somewhat over the past three years.

How many full time mixer drivers did you hire between January 1 and December 31?

National	% Total US Driver Pool	Total Hired	Average Hired	Median Hired	High Hired	Low Hired
2014 driver population 70,000	31.0%	21,693	27	10	300	0
2015 driver population 75,000	29.2%	21,935	45	15	305	0
2016 driver population 75,000	27.1%	20,297	47	18	608	0

The overwhelming number of newly hired mixer drivers were NOT newly licensed CDLs. This backs up the 63% of survey respondents reporting their biggest hiring challenge is hiring experienced drivers.

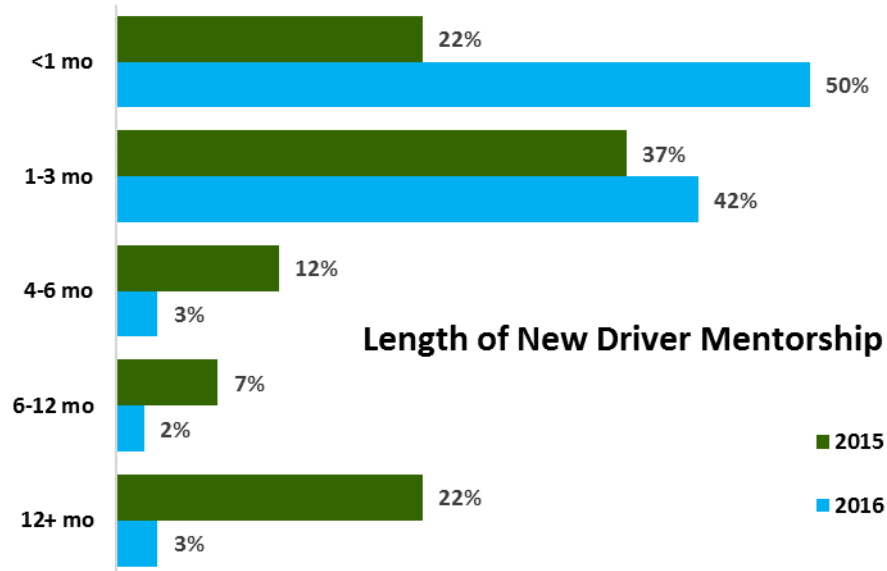


Between 2015 and 2016, there was a very big increase in the number of producers who provided a peer mentorship program beyond the initial onboard training with a supervisor.

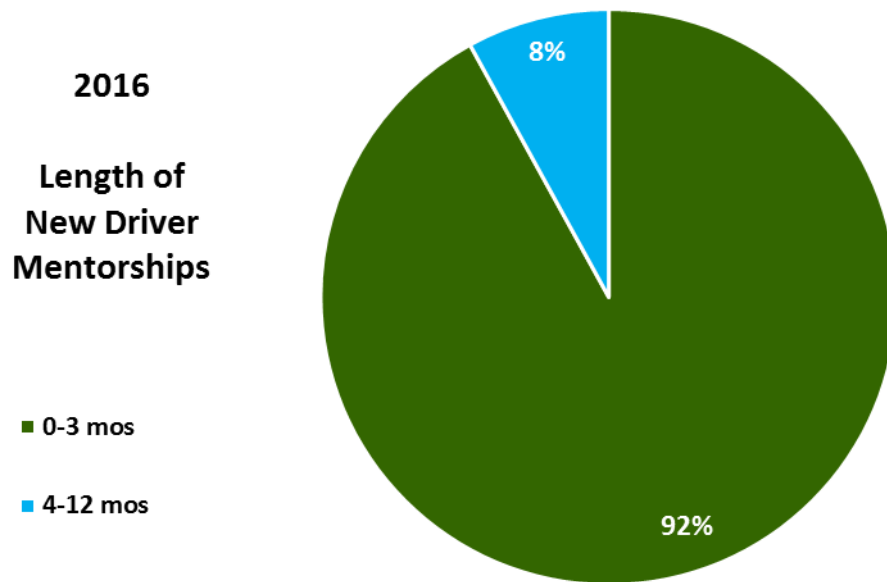
Do you provide new hire mentoring or buddy programs?

National	2016 Yes	Average length	2015 Yes	Average Length
	85.0%	< 1 mo	49.0%	1-3 mo

Nevertheless, the length of time for company mentorship programs was inconsistent between 2015 and 2016. Future years' surveys might be able to ascertain if there is any consistency.

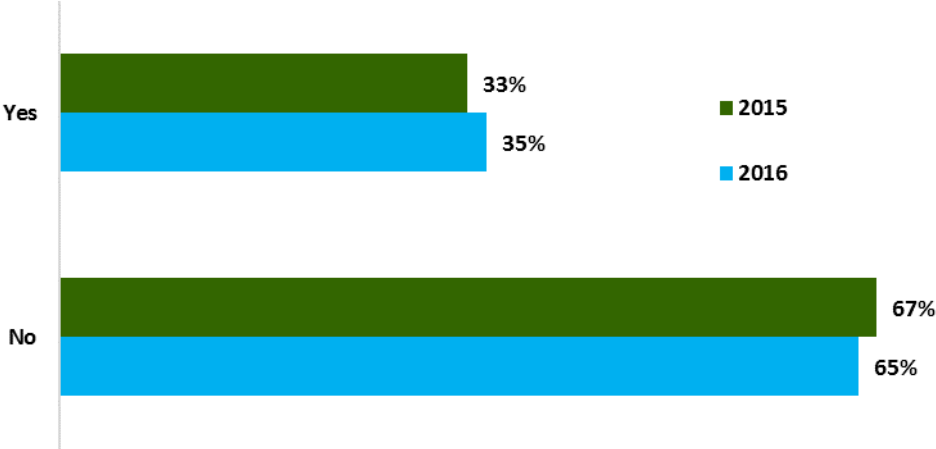


A clear majority of producers' mentorships ran between 0-3 months.

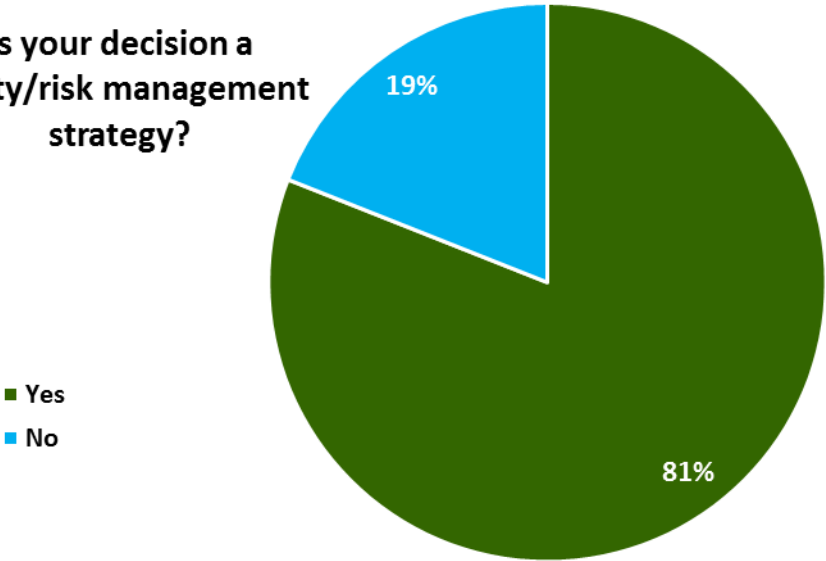


The number of producers who hired 18-21-year-old drivers slightly increased between 2015 and 2016. About one-third do so.

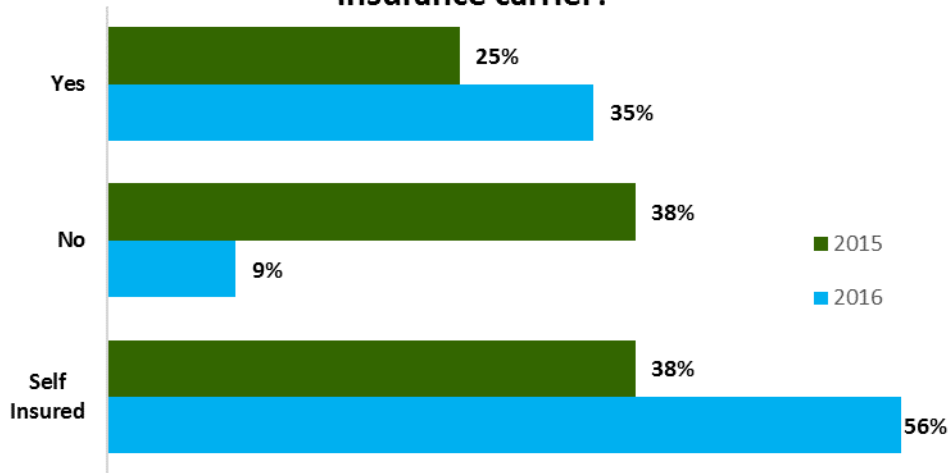
Do you hire 18-21 year old mixer drivers?



Is your decision a safety/risk management strategy?



If yes, do you do so without impunity from your insurance carrier?



With a 92% response rate, findings showed producers' projected hired for the current year, 2017. According to the US BLS, typically there is a large spread between a company's projected hiring estimate for the year and then what actually happens. The projected hire is typically a calculation based on the job opening on a specific date whereas hiring is a year-long endeavor and includes the impact of turnover. The ready mixed concrete industry follows this trend of reporting a smaller projected hire to the actual hire.

How many full time mixer drivers do you plan to hire in 2017?

National	Actual hired 2016	Projected hire 2017	2017				
			Projected Hire as a % Total US Driver Pool	Average 2017 Projected Hire	Median 2017 Projected Hire	High 2017 Projected Hire	Low 2017 Projected Hire
<i>2014 driver population 70,000</i>	<i>21,684</i>	<i>14,317</i>	<i>20%</i>	<i>27</i>	<i>10</i>	<i>300</i>	<i>0</i>
<i>2015 driver population 75,000</i>	<i>21,935</i>	<i>15,924</i>	<i>21%</i>	<i>35</i>	<i>12</i>	<i>320</i>	<i>0</i>
<i>2016 driver population 75,000</i>	<i>20,297</i>	<i>12,851</i>	<i>17%</i>	<i>31</i>	<i>10</i>	<i>300</i>	<i>0</i>

Retention

Staffing Level

To ascertain the stability of a driver pool, the survey first looked at staffing levels. Over the three-year period, the survey's driver pool increased 17.5%.

Question	Average	Median	High	Low
# Full time drivers on 1.1.14	123	44	1,339	1
# Full time drivers on 12.31.14	132	50	1,536	4
Question	Average	Median	High	Low
# Full time drivers on 1.1.15	141	60	1,041	4
# Full time drivers on 12.31.15	153	64	1,164	4
Question	Average	Median	High	Low
# Full time drivers on 1.1.16	151	68	1,343	0
# Full time drivers on 12.31.16	163	66	1,604	0

Staffing Demographics

Age

Age by Year	2016	2015	2014
	Average	Average	Average
<i>National</i>	46.9	45.7	44.7

US BLS found, in 2016,

- The median age of an employed male was 41.8 years.
- The average age of a construction worker was 42.0 years.
- The average age of a driver of heavy equipment (CDL) was 47.2 years.

The American Transportation Research Institute's (ATRI) latest report on the age of long haul drivers was 49. The largest group of long-haul drivers is between 45-54 years old. ATRI also reported 17% of long-haul commercial drivers were over 55. Finally, in the near future, 45% of new hire long haul drivers will be the replacement for retiring drivers. And while millennials have taken over as the largest labor force, their participation in the long-haul trucking industry has dropped 50% from earlier years.

Tenure

In 2016, the US BLS calculated the median tenure of the American workforce was 4.2 years; for males it was 4.3 years. Among men, 29% had ten years or more tenure with their current employer.

The US BLS also reports tenure by job sectors. Ready mixed concrete is calculated under the manufacturing of durable goods sector. That category's tenure rate is 5.3 years. The transportation sector was 4.6 years, construction at 4.0 years.

This survey found the ready mixed concrete industry's tenure was double the national average. Additionally, 78% of mixer drivers' average tenure was over the US male average of 4.3 years and 42% were over the average age of 46.9 years as well as had tenure over ten years.

Tenure by year	2016	2015	2014
	Average	Average	Average
<i>National</i>	9.6	9.6	10.0

Rate of Retention

Retention is the effort made by an organization to keep its employees to maintain an effective business. The retention rate, sometimes referred to as the "stability index," measures the retention of a specific group of employees over a specified period.

To ascertain the success of that endeavor, SHRM set a protocol, called the *rate of retention*. It is calculated by taking the number of "stayers" at the end of the calculation period divided by the number of employees at the beginning of the calculation period. It is reported as a percentage. In this case, the survey's 22,352 drivers on December 31 were divided by 20,721, the reported drivers on January 1. The total increase of the survey pool's mixer drivers between January 1 and December 31 was 7.9%, or a retention rate of 107.9%.

Full time drivers pool change between January 1 - December 31	2016 RETENTION RATE	2015 RETENTION RATE	2014 RETENTION RATE
<i>National</i>	107.9%	108.5%	106.2%

Turnover Rate

To fully understand a company's staff stability (retention), one must also analyze its separations, or turnover. While retention calculates the "stayers," turnover is the inverse, or calculates the "leavers" in that same period. Turnover tells an employer how many times a single position was occupied by a different employee throughout the designated period.

SHRM found every industry has its own turnover rate. With only three years of data, there is no evident trend for the ready mixed concrete industry.

How many full time mixer drivers left your company between January 1 and December 31?

National	Total left	% Total US Driver Pool	Turnover Rate	Average	Median	High	Low
<i>2014 driver population 70,000</i>	<i>13,508</i>	<i>19.3%</i>	<i>15.4%</i>	<i>25</i>	<i>10</i>	<i>432</i>	<i>0</i>
<i>2015 driver population 75,000</i>	<i>23,075</i>	<i>30.8%</i>	<i>32.0%</i>	<i>47</i>	<i>12</i>	<i>720</i>	<i>0</i>
<i>2016 driver population 75,000</i>	<i>18,676</i>	<i>24.9%</i>	<i>25.8%</i>	<i>41</i>	<i>15</i>	<i>494</i>	<i>0</i>

Voluntary (Quits) Turnover Rate

How many full time mixer drivers quit between January 1 and December 31?

National	Total left	% Total US Driver Pool	Voluntary Turnover Rate	Average	Median	High	Low
<i>2014 driver population 70,000</i>	<i>7,738</i>	<i>11.1%</i>	<i>9.0%</i>	<i>15</i>	<i>5</i>	<i>280</i>	<i>0</i>
<i>2015 driver population 75,000</i>	<i>14,365</i>	<i>19.2%</i>	<i>19.9%</i>	<i>30</i>	<i>9</i>	<i>720</i>	<i>0</i>
<i>2016 driver population 75,000</i>	<i>10,667</i>	<i>14.2%</i>	<i>14.8%</i>	<i>24</i>	<i>8</i>	<i>330</i>	<i>0</i>

In 2016, the US BLS reported that private industry's quits rate was 27.9%, considerably higher than the ready mixed concrete industry's quits rate.

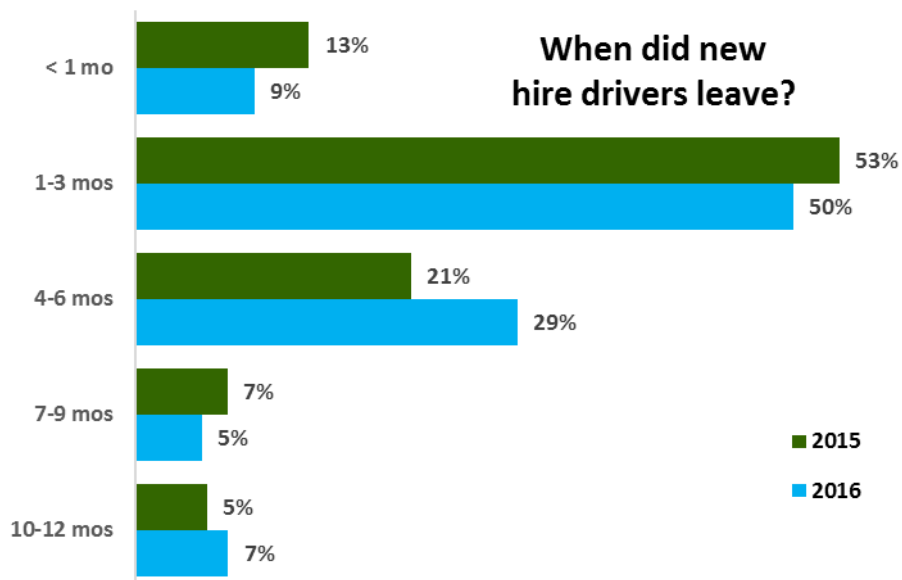
New Hire Voluntary (Quits) Rate

Even though two years of data does not show a trend, it is notable that the number of mixer drivers who were hired and then quit the same year dramatically improved in 2016.

How many full-time mixer drivers quit the same year they were hired?

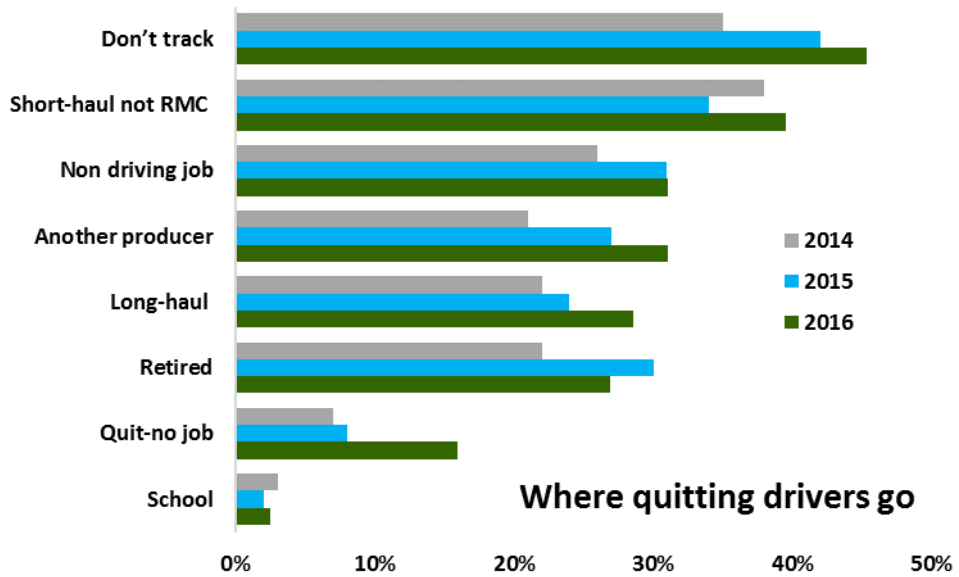
National	Total left	Hired/Quit Turnover Rate	% Total US Driver Pool	Average	Median	High	Low
2015 driver population 75,000	10,836	49.4%	14%	23	4	610	1
2016 driver population 75,000	4,818	24.0%	6%	11	4	183	0

In both 2015 and 2016, responses showed the first six months are critical for retention. Only 12% of first year drivers left after they were employed six months or longer.



There is a general consistency where mixers drivers go after they quit.

Additionally, over the past three years, there was an decrease in the numbers of producers who track the job sectors that compete for their drivers' employment.



Why Mixer Drivers Quit

Generally, analysis shows drivers quit due to compensation/income as well as inconsistency in their daily work schedules. Respondents were asked to rank their top five reasons.

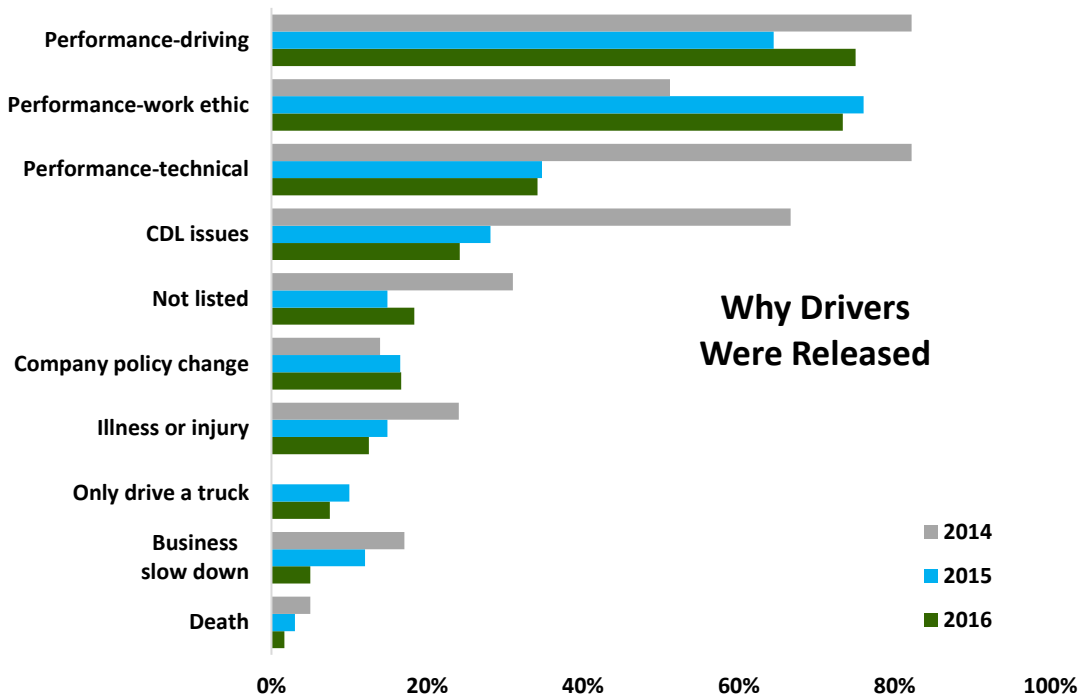
NATIONAL	2016		2015		2014	
	Rank	%	Rank	%	Rank	%
Inconsistent daily schedule	1	60%	3	46%	XX	XX
Lack steady 12 mo income	2	49%	4	43%	3	36%
Better pay	3	42%	1	53%	1	55%
Not listed	4	33%	5	28%	5	24%
Don't want weekend work	5	33%	6	26%	6	20%
Retired	6	32%	8	24%	7	18%
Quit before issue solved	7	30%	10	22%	2	39%
Total employment package	8	29%	6	26%	XX	XX
Company policies	9	27%	13	17%	8	16%
Seasonality/lack 12 mo work	10	26%	2	48%	11	10%
Don't want night work	11	25%	15	13%	10	11%
Job stress	12	24%	9	42%	9	12%
Moved	13	21%	12	19%	XX	XX
CDL issues	14	21%	11	21%	4	32%
Only want to drive a truck	15	16%	14	16%	XX	XX
Lack of advancement	16	15%	17	7%	14	5%
Supervisor issues	17	13%	16	9%	12	8%
Don't track reasons	18	9%	18	3%	15	4%
Lack of training	19	7%	20	0%	16	2%
Felt unsafe	20	7%	19	1%	13	6%

Involuntary Turnover

The number and rate of drivers released was inconsistent in the survey's three years of data.

National	Total left	% Total US Driver Pool	Involuntary Turnover Rate	Average	Median	High	Low
2014 driver population 70,000	4,960	7.1%	6.0%	9	3	170	0
2015 driver population 75,000	8,446	11.3%	9.0%	18	4	377	0
2016 driver population 75,000	6,144	8.2%	8.5%	14	6	121	0

Why they were permanently released was consistent. Additionally, the top three reasons support producers desire to hire experienced mixer drivers.



Involuntary Turnover Rate

How many full time mixer drivers were temporarily laid off between January 1 and December 31?

National	Total left	% Total US Driver Pool	Involuntary Temporary Turnover Rate	% Producers laid off drivers	Average	Median	High	Low
<i>2014 driver population 70,000</i>	<i>2,752</i>	<i>3.9%</i>	<i>6%</i>	<i>27.7%</i>	<i>6</i>	<i>0</i>	<i>171</i>	<i>0</i>
<i>2015 driver population 75,000</i>	<i>2,315</i>	<i>3.0%</i>	<i>3%</i>	<i>23.4%</i>	<i>5</i>	<i>0</i>	<i>156</i>	<i>0</i>
<i>2016 driver population 75,000</i>	<i>554</i>	<i>0.7%</i>	<i>0.8%</i>	<i>13.1%</i>	<i>1</i>	<i>0</i>	<i>41</i>	<i>0</i>

In conclusion, the survey is conducted under the auspices of NRMCA's Operations, Environmental and Safety Committee's Human Resource Task Group. Data is collected in May and June; the report is released in September. Participation is open to the entire industry.