



# Q4 INSIGHTS ON RECRUITING & RETENTION

## 6 TIPS FOR 2023

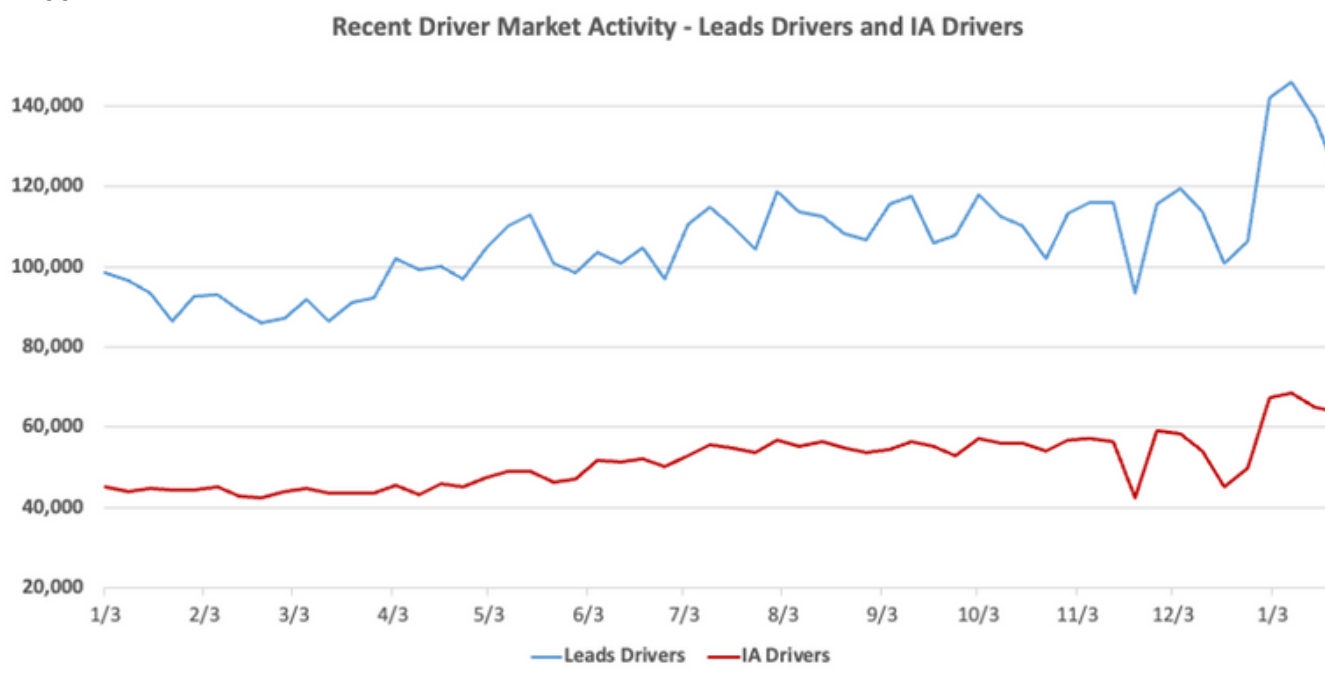
Each quarter, we monitor the collective activity of over 3.7 million drivers who are using our apps, as well as analyze the impact of recruiting and retention best practices from subsets of data from our 1600+ carrier customers. Based on this volume of data, we have the unique advantage of being able to measure critical macro trends on the part of drivers seeking new opportunities, as well as the trends around what is working to make recruiting and retention more successful.

As we entered 2023, the surge in driver post-holiday job-seeking was similar to years past, but our data revealed a few new and interesting twists. Read on for our **6 BIGGEST TAKEAWAYS** about what's been happening in the industry and how you can leverage these trends for success at your carrier.

# DRIVERS SHOWED STRONGER INTENT IN LOOKING FOR NEW JOBS

*Nearly half of job-seeking drivers using Intelliapps during the January surge continued to be active as the month ended.*

The **Recent Driver Market Activity** graphs below tell the overall story of driver applicant and application behavior for the past year, starting in January of 2022 and continuing to the beginning of January 2023. The **Leads Drivers and IA Drivers** chart depicts the number of drivers filling out lead forms (Leads Drivers) and the number of drivers submitting IntelliApps (IA Drivers) each week.



Veteran carriers will be unsurprised to see last quarter's predicted dip in drivers submitting leads and IntelliApps around Thanksgiving and Christmas, followed by an early January application explosion. The number of drivers submitting leads peaked at nearly 146,000 the week of January 9th, and the number of drivers submitting IntelliApps hit a high of almost 69,000 that same week.

The most interesting part of this graph to note is the behavior going into the end of January. This annual surge in interest in changing jobs is a noted phenomenon in the trucking world, but while we can start to see a drop-off in the number of leads submitted in the last week of January, the number of IntelliApps submitted has dropped by less than 5,000, indicating that drivers are staying focused on job changes even after the initial new year urge to shake up their lives has passed. Carriers may be seeing more committed applicants who are serious about making a jump to a new opportunity around now.

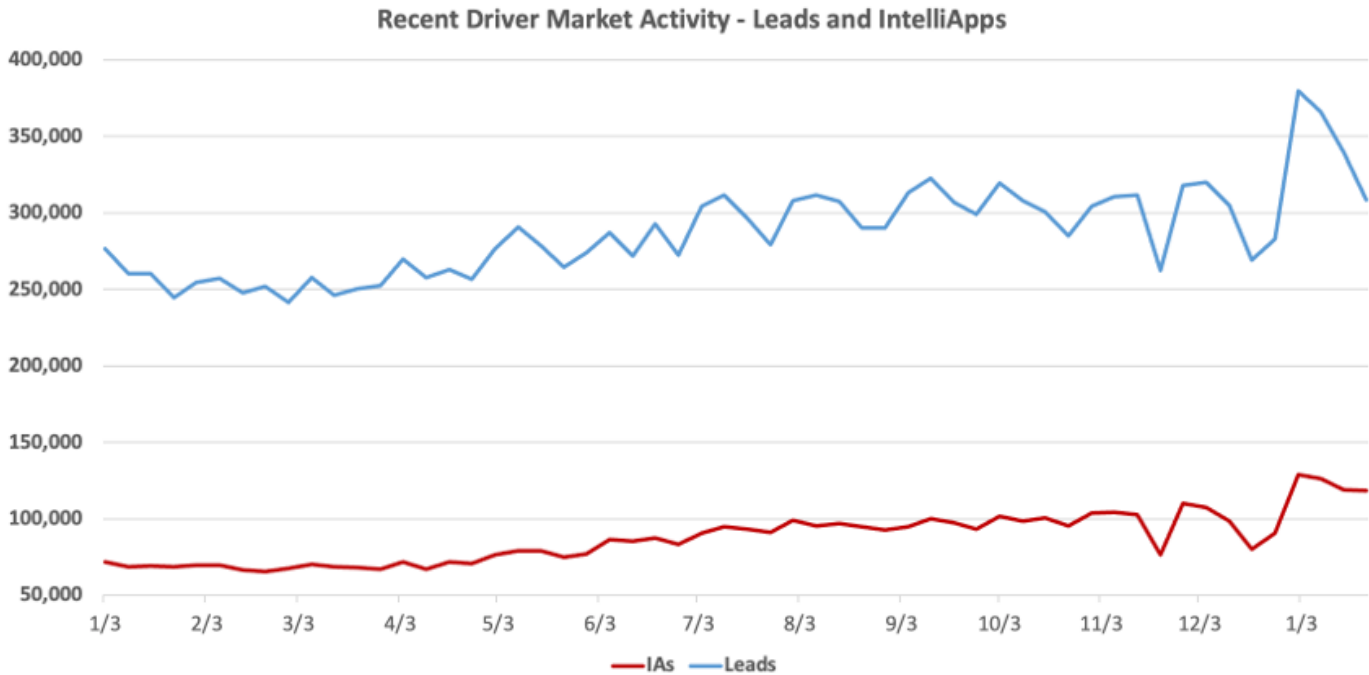
As the spring progresses, these application patterns will likely flatten out into standard trends similar to those we saw last fall, so if you're a carrier looking to make changes to your processes or strategies during a lull, March and April are the best times to focus on improvements.



# AND MORE DRIVERS THAN EVER WERE ON THE HUNT FOR A NEW JOB

*Lead submissions increased by over 100,000, or nearly 38%, in Jan 2023 over Jan 2022.*

The **Leads and IntelliApps** chart depicts the number of lead forms submitted (Leads) and the number of IntelliApps submitted (IAs) each week.



The trend lines on this chart follow a similar pattern to the **Leads Drivers and IA Drivers** chart, with troughs around the winter holidays and a huge uptick in driver activity at the start of January. However, this full year of data gives us a clear indication into driver behavior overall.

The overall number of leads and IntelliApps being submitted is far higher than it was a year ago - while leads in January of 2022 peaked in the first week at roughly 276,000 leads, that range became something of a summer baseline, with the same week of January 2023 boasting nearly 380,000 leads. This greater involvement in the job market by drivers could be a reflection of the altered state of the economy since 2022, with inflation and recession conditions squeezing drivers to find better pay.

The addition of 100,000 leads to the pool of early-year applicants - along with nearly 50,000 additional IntelliApps on average week-over-week - means two things for carriers.

1. If you're looking for drivers, you'll see a greater array of candidates both signaling interest through lead forms and through completed applications.
2. If you want to retain the drivers you have, you'll want to ensure your benefits are competitive in an industry where so many drivers are looking to move around.

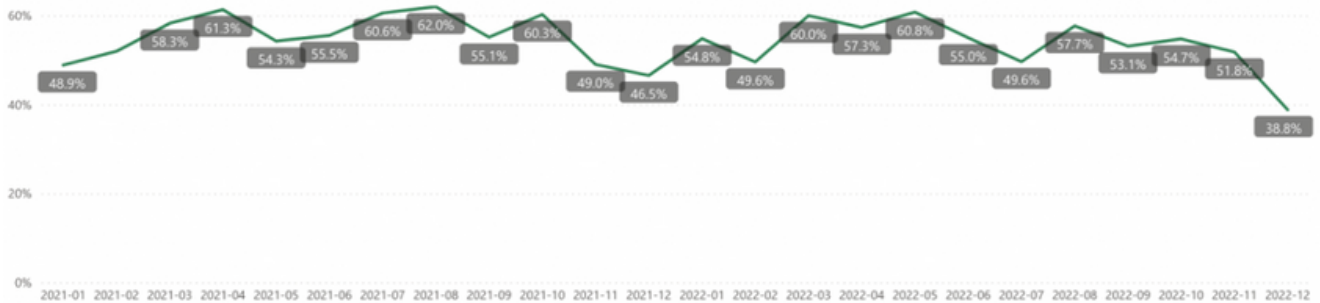


## BUT... THERE WERE STILL SIGNS OF RELUCTANCE TO MOVE

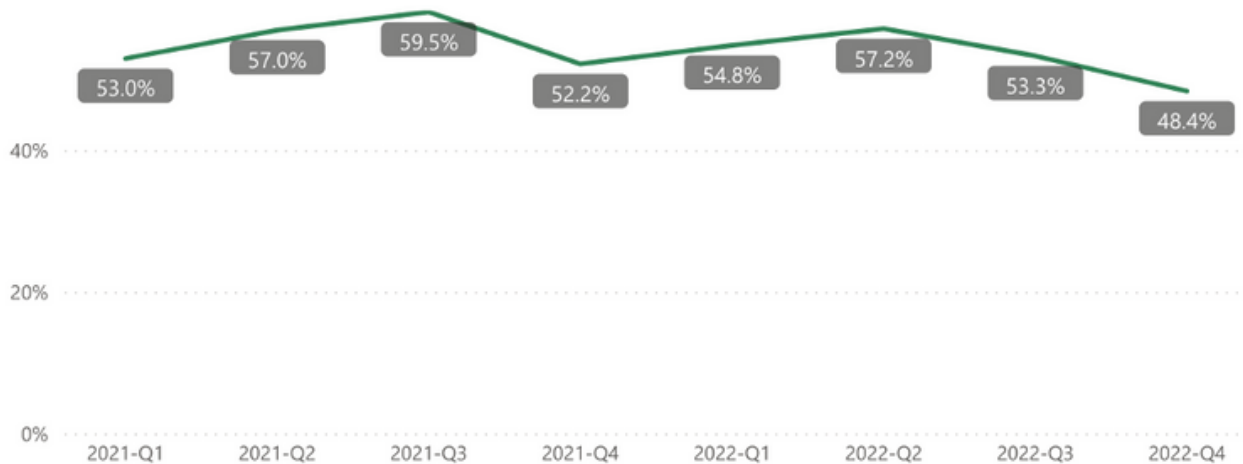
*The turnover rate in Q4 of 2022, at 48.4%, was the lowest seen in two years, and nearly 4% less than Q4 2021.*

Displayed below are our quarterly **Stay Days Table and Turnover** reports, which highlight the trends we've been seeing in driver retention behavior once a driver is hired at a carrier. The **Monthly & Quarterly Annualized Driver Turnover** charts provide detail into driver employment trends among carriers.

### MONTHLY ANNUALIZED DRIVER TURNOVER



### QUARTERLY ANNUALIZED DRIVER TURNOVER



This quarter's annualized turnover charts show two straight quarters of decreases with December '22 showing the lowest monthly turnover on our chart. When comparing 2022 to 2021, turnover trended upward from Q2 to Q3 in 2021 before taking a drop in Q4, which aligns with drivers not wanting to switch jobs around the holidays. However, in 2022, turnover went down from Q2 to Q3, and then continued to decline in Q4. When comparing the Q3-Q4 drops, the 2021 drop was steeper, with the turnover number decreasing by over 7 percentage points. For 2022, while the Q4 number itself is lower than '21, the Q3-Q4 drop was a little less than 5 percentage points.

With the economic signals now mixed regarding a recession, it's possible this points to drivers wanting to continue to stay with their current carriers.



# AND DECEMBER'S HIRES BROKE A RECORD FOR DRIVERS STAYING PUT.

December's 7-day retention number for newly hired drivers is the highest number ever shown on our report at 98.4%.

The **Stay Days Table** serves as a "survivor" chart tracking how long recently hired drivers are staying with their carriers.

| Date           | 7 Days | 30 Days | 45 Days | 60 Days | 90 Days | 120 Days | 180 Days | 270 Days | 365 Days | Average Days Stayed in First Year |
|----------------|--------|---------|---------|---------|---------|----------|----------|----------|----------|-----------------------------------|
| January 2021   | 95.1%  | 86.6%   | 79.6%   | 76.3%   | 68.5%   | 63.6%    | 49.7%    | 44.4%    | 38.0%    | 206                               |
| February 2021  | 95.7%  | 87.6%   | 85.7%   | 81.9%   | 77.8%   | 74.6%    | 63.4%    | 51.4%    | 43.7%    | 239                               |
| March 2021     | 93.4%  | 81.6%   | 76.2%   | 71.8%   | 68.9%   | 63.9%    | 54.5%    | 47.0%    | 41.8%    | 209                               |
| April 2021     | 97.5%  | 82.9%   | 78.4%   | 74.9%   | 68.2%   | 62.3%    | 55.4%    | 49.0%    | 42.0%    | 213                               |
| May 2021       | 94.3%  | 84.2%   | 81.1%   | 78.8%   | 72.4%   | 65.8%    | 55.1%    | 43.7%    | 36.3%    | 212                               |
| June 2021      | 93.1%  | 81.8%   | 77.9%   | 74.5%   | 69.8%   | 64.3%    | 55.9%    | 48.7%    | 40.8%    | 215                               |
| July 2021      | 93.4%  | 78.9%   | 73.9%   | 70.2%   | 65.2%   | 58.5%    | 51.3%    | 41.4%    | 35.7%    | 198                               |
| August 2021    | 94.7%  | 86.6%   | 81.4%   | 76.8%   | 69.3%   | 65.6%    | 60.8%    | 52.3%    | 48.4%    | 226                               |
| September 2021 | 93.8%  | 86.6%   | 81.2%   | 77.8%   | 68.8%   | 64.7%    | 56.5%    | 45.2%    | 39.5%    | 213                               |
| October 2021   | 95.6%  | 85.8%   | 82.4%   | 80.8%   | 76.2%   | 68.1%    | 59.6%    | 48.4%    | 42.5%    | 227                               |
| November 2021  | 93.4%  | 85.0%   | 75.6%   | 71.6%   | 62.9%   | 58.9%    | 51.6%    | 43.9%    | 38.9%    | 201                               |
| December 2021  | 91.9%  | 84.7%   | 81.4%   | 76.6%   | 69.0%   | 65.0%    | 58.9%    | 51.7%    | 44.7%    | 224                               |
| January 2022   | 94.7%  | 83.7%   | 79.1%   | 73.5%   | 67.2%   | 58.2%    | 50.2%    | 43.0%    |          |                                   |
| February 2022  | 95.2%  | 86.7%   | 81.2%   | 77.9%   | 69.8%   | 63.7%    | 55.3%    | 50.8%    |          |                                   |
| March 2022     | 96.9%  | 87.9%   | 83.1%   | 79.9%   | 70.3%   | 63.9%    | 57.5%    | 46.3%    |          |                                   |
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| November 2022  | 97.8%  | 88.1%   | 82.3%   |         |         |          |          |          |          |                                   |
| December 2022  | 98.4%  |         |         |         |         |          |          |          |          |                                   |

Our recently hired driver data insights align with our turnover findings. For the **Stay Days Table**, December's 7-day retention number for newly hired drivers is the highest number ever shown on our report at 98.4%, with the chart's last three months of 30-day and 45-day retention numbers remaining high as well. This shows that those drivers who just joined up with carriers are choosing to stick around and see how things go before testing the employment waters again.

**KNOWING WHAT'S HAPPENING IN THE INDUSTRY IS ONLY HALF THE BATTLE. READ ON TO LEARN HOW TO LEVERAGE THESE TRENDS TO MAKE MORE HIRES AND RETAIN THEM LONGER.**

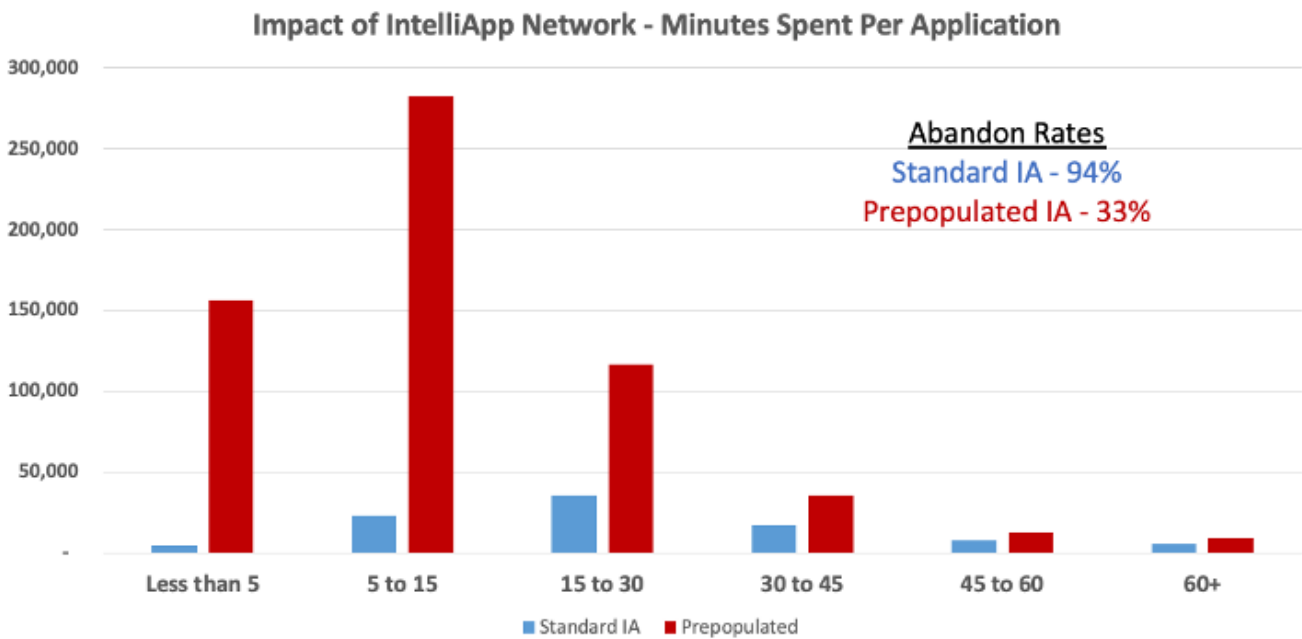


# 1. DON'T WASTE A DRIVER'S TIME.

*Application abandon rates decrease by 60% when applications are auto-completed.*

The kinds of recruiting processes and tools you're using can affect your hiring rates even before a driver submits a lead form or application. Having recruiting solutions that make the process fast and easy for drivers just means you'll hear from more drivers.

The **Impact of IntelliApp Network** chart below describes how long drivers spend completing two types of IntelliApps: those that do not contain their previously saved information, and those that pre-populate personal information once it's entered once into the system.



The data in this chart illustrates two key reasons why drivers ask for the IntelliApp by name when looking for new jobs. First, the majority of IntelliApps are completed in 5 to 15 minutes, with the vast majority of completions falling below 30 minutes. This makes a great deal of difference to drivers when they can submit an app in just a few minutes and get back to what they were doing before, or put in applications to 4 or 5 different carriers in the time it would normally take to manually fill out one full application.

The second reason the IntelliApp is a game-changer for carriers is because of how many completed apps it results in. The abandon rate on a standard IntelliApp (before it has the driver's information and can save them time by pre-populating) is 94%, meaning a mere 6% of applicants actually make it through the process and reach the carrier as candidates. But once an IntelliApp is filled out, the abandon rate drops to 33% - carriers are now seeing a full two-thirds of applicants who are initially interested, an exponentially larger pool of applicants to choose from.

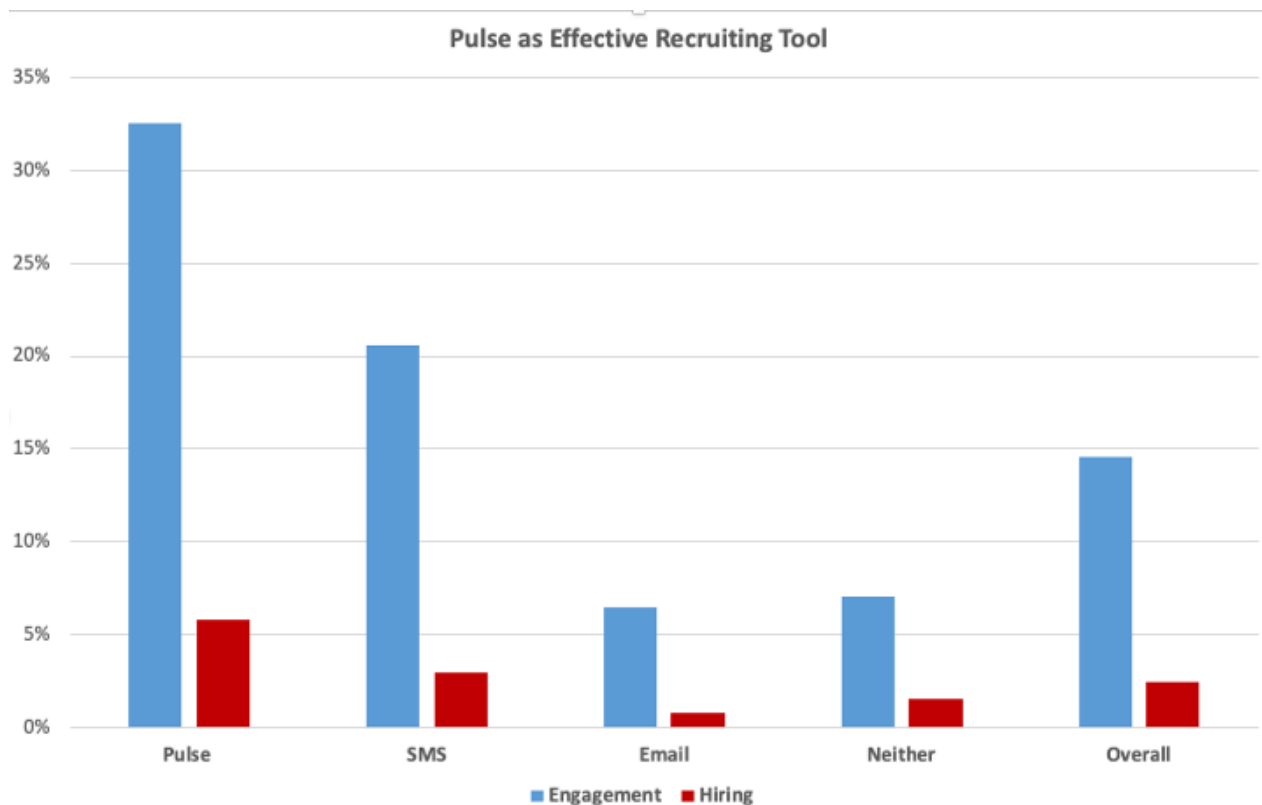


## 2. REACH DRIVERS WHERE THEY ALREADY LIVE.

*Engagement rates are over 20% higher in applications that are customized to driver needs.*

Drivers on the road are subject to countless distractions. Trying to text or email a driver means you're competing with their family members, friends, and spam to encourage them to take time to apply - which is why you need to get their attention when they're already thinking about jobs.

In the **Pulse as Effective Recruiting Tool** chart below, the left axis measures the effectiveness of each communication method in **engaging a candidate** and **resulting in a hire**.



The messaging feature built into the Driver Pulse app is a more successful tool for communicating with drivers than SMS texting or emailing. As the chart shows, reaching drivers through Pulse has a 33% success rate at engaging drivers, resulting in an overall hire rate of 5.8%. Compare this to the 3% hire rate on SMS texts and the 0.8% return on emailing and Pulse stands head and shoulders above as a way to handle driver questions, request documents, and more.

The reason Pulse messaging is so effective is because it happens inside the app where drivers are already filling out applications, uploading documents, and managing their careers. By interacting with them inside a place free of the personal distractions that texts and emails bring, your chance of keeping a driver engaged through the hiring process increases considerably.

These trends are also interesting to note as overall hiring rates have dropped since we last shared this chart in Q2 of 2022. As carriers feel more of a squeeze on hiring, every tool they can use to put themselves ahead of the competition can help.

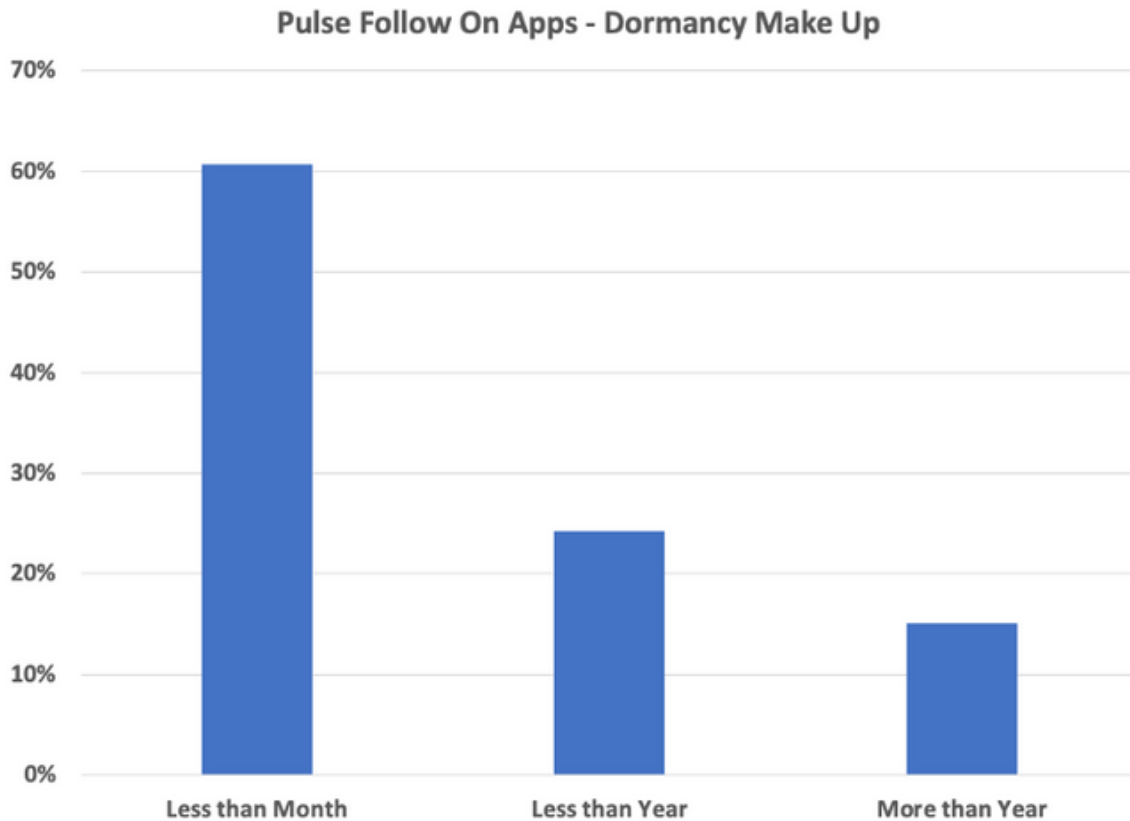


### 3. DON'T GIVE UP JUST BECAUSE YOU MISSED OUT ONCE.

*Even over a year's time period, 25% of drivers will apply again.*

As a carrier, you likely think about how much the industry changes and what you need to keep up with in the grand scheme of things. But for drivers, life is always changing too. You can never know when a driver who lost interest in you one month might want to work for you the next.

The **Pulse Follow On Apps** chart below details the likelihood of a driver reapplying to a carrier that they've sent a lead or a full application to previously through the Driver Pulse app. The percentage axis on the left indicates how often a driver resubmits an app less than a month later, less than a year later, and more than a year later.



This chart clearly indicates the importance of remaining accessible to drivers who have expressed initial interest. If a driver sends in a lead or full application, more than 60% of the time they will express a second round of interest by reapplying. Even within a year time span we're seeing drivers take this action almost 25% of the time, indicating that carriers who have gone to the trouble to market once should remain accessible and available to interested drivers who might reapply when something about their situation has changed.







## 4. RESPOND QUICKLY, HIRE MORE.

*Responding in under an hour is the key to beating the average hiring percentage (around 3.4% in Q3).*

Understanding driver motivations after an application is submitted makes a big difference in being able to harness the interest of your job candidates. Trends in hiring can be improved with changes to recruiter and hiring processes that carriers have control over.

The **Recruiter Responsiveness** chart below demonstrates the likelihood of a driver hire based on how long it takes a recruiter to respond to that driver's application. The red horizontal line represents the average hiring percentage per quarter overall for carriers (around 3.4% last quarter). The bar charts compare the percentage of hires per month based on response time.



Unsurprisingly, the more quickly a recruiter can make contact with a driver after an application is submitted, the more likely it is that the driver will finish the hiring process and end up working for that carrier.

Minutes truly matter when a driver submits a full application because the sooner you reach him, the more likely it is that he's still thinking about your company and considering what life could be like if he worked for you. Carriers are a full half-percentage point more likely to make the hire if they can get to the driver in under 5 minutes - give him 30 minutes and he's likely already putting in another application elsewhere. Give him a full 8 hours and your odds drop nearly 2 percentage points from where they could be if you'd managed to reach out immediately.



## 5. SPEED UP YOUR HIRING TIMELINE TO FILL MORE SEATS.

*A hiring cycle of less than 5 days can mean a greater than 10% increase in hiring rate*

A speedy response time helps hook a driver, but being able to bring that applicant onboard quickly matters too, as the **Days Matter** chart demonstrates below.



The left vertical axis of this chart shows the percentage of carriers that has a given hiring cycle length, from fewer than 5 days to more than 20 days. The right vertical axis and its corresponding Hiring Rate line show the percent likelihood of each carrier to complete a hire based on the duration of their hiring cycle.

As our other stats have shown, being able to speed up a process delivers measurable results for carriers. The findings here show that a carrier is more likely to hire a driver if they can formalize that hire quickly.

Even though the majority of carriers have a 10-15 day hiring cycle, they are far from having the highest hire rate, with less than 3% of these applicants ending up filling a seat. Carriers with a hiring cycle that's 5 days or fewer see hiring rates of more than 10% – a huge return on investment for applications netted. Even carriers who can manage to shave just a few days off their hiring cycle by taking it from 10-15 days to 7-10 days can see a 2 percentage point jump in rates, a measurable gain as processes get increasingly streamlined.

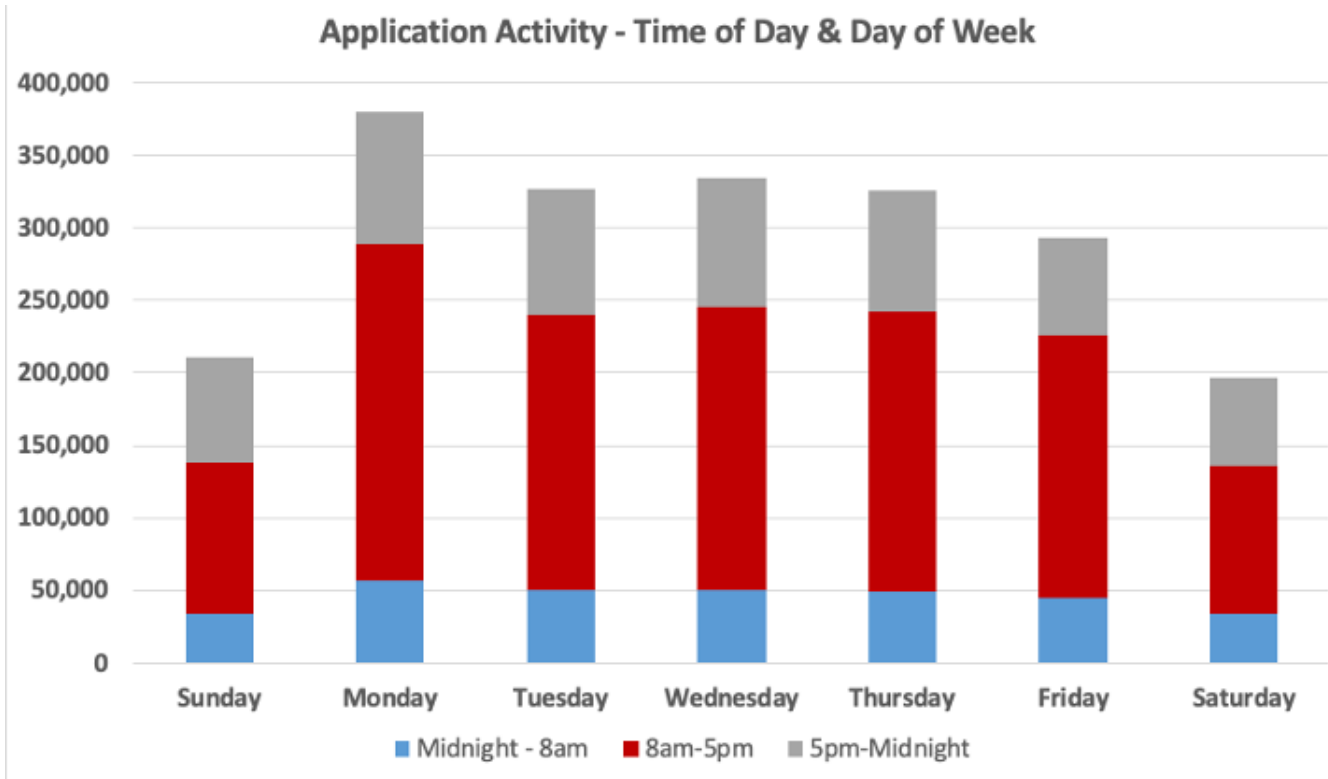
Knowing that the majority of carriers have a 2-week hiring cycle means that you can gain a major edge against the competition by completing background checks quickly, handling onboarding processes online, and managing forms and documents through digital means like the Driver Pulse app, all while giving drivers a simpler process when they're looking to change jobs.



## 6. THE BEST RECRUITERS ARE ALWAYS RECRUITING.

*Nearly 50% of drivers apply "after hours".*

Understanding when drivers apply can further compound the benefits you see from quick recruiter responses. The **Application Activity** chart below shows the times of day and days of the week that drivers submit applications.



While most driver applications come during the traditional 8am-5pm workday, in reality this time window only accounts for about 60% of driver applications on a given weekday – the other 40% come later at night (5pm-midnight) or early in the morning (midnight-8am).

And that's only keeping in mind weekday behaviors - drivers still submit plenty of applications on the weekend. If weekends are considered to be "after hours," the number of after-hours applications received over the course of a week rises to nearly 50%.

In short, if your recruiters are only working weekdays from 8am-5pm, they are missing out on the opportunity to reach drivers in minutes for as much as half of their application pool. Carriers can make themselves more competitive by creating coverage plans or automated responses for off-peak times so drivers stay engaged when they apply.



## KEY RECRUITING TAKEAWAYS FOR CARRIERS

Everything we've observed about driver behavior when they get the impulse to change jobs indicates one thing: time is of the essence. Drivers are busy, in-demand, and often considering many competing opportunities, so their attention is limited. Anything carriers can do to streamline their operations, whether that's using a more optimized application like the IntelliApp, following up more quickly, or remaining available to drivers even after they apply in case they get interested again can help you get more applications and make more hires.

## KEY RETENTION TAKEAWAYS FOR CARRIERS

If your retention rates are lower than the ones above, what can you do? FleetCheck can help carriers stay in-the-know with their fleet by providing simple two question surveys once a week. This way, you can easily monitor changes to your fleet's satisfaction level and take immediate action so drivers stay with you longer.



**Notes on Retention Data:** For this dataset, the Turnover and Stay Days table charts include data from 32 clients, based on their lengthy duration as clients and the quality of their data. For these retention charts, data were aggregated to the client level, then averaged across clients. Client results could differ from the industry.



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