

## CASE STUDY

# W. N. Morehouse Truck Line, Inc. Pay Fairness Through a Driver Shortage

## OVERVIEW

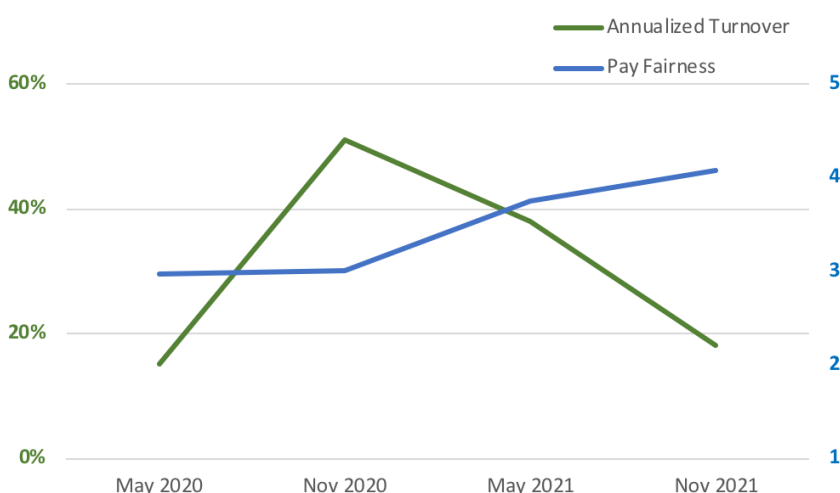
The current driver shortage has motivated many carriers to frequently evaluate their pay practices in order to attract and retain drivers. While evaluating the many particulars of pay practices, it can be easy to lose sight of a key component: driver's perceptions. Considering driver's perceptions of Pay Fairness can be key in ensuring that the investment in pay has the desired impact. The following is a case study of W. N. Morehouse Truck Line, Inc. which spotlights an innovative approach to pay that is sensitive to changes in driver opinions.

## APPROACH TO PAY

Morehouse has been monitoring and adjusted pay throughout the period of the COVID pandemic. In November of 2021, just prior to their bi-annual full fleet survey, Morehouse provided its drivers a considerable pay increase. While this was certainly a substantial investment in their drivers, they didn't stop there. They also worked to ensure their approach minimized their drivers' taxable income as much as possible. Their efforts resulted in their drivers' take-home income being much higher. In addition, they decided to shrink their fleet slightly, sell their oldest trucks, and purchase some new trucks. This allowed truckers to maximize their ability to stay on the road in order to access the increased pay. The data show that these efforts did not go unrecognized by the drivers.

## PAY FAIRNESS AND TURNOVER

The chart below shows Annualized Turnover and Pay Fairness for Morehouse over an 18-month period. Pay Fairness is derived from five items on a bi-annual full fleet survey. These items measure drivers' perceptions of pay fairness from different perspectives; for example, as compared to other carriers and in relation to their driving experience. Pay Fairness was at a low point in May and November of 2020. At the same time, Annualized Turnover spiked. The new approach to pay was implemented in November of 2021. May and November of 2021 showed a rising trend in Pay Fairness, while Turnover dropped to about May 2020 levels. While many things can impact driver turnover, it is reasonable to conclude from these data that their continual monitoring and adjusting of pay, and their new approach to pay, was a success.



## CLOSING REMARKS

Many carriers are implementing different approaches to pay to attract and retain drivers. Understanding driver's perceptions of pay fairness using a tool sensitive enough to capture the impact is key. Using the tool in an ongoing capacity to evaluate frequent changes to pay will keep carriers ahead of the pack.



W. N. Morehouse Truck Line, Inc. is a fourth generation, family owned, refrigerated truckload carrier based in Omaha Nebraska. Founded in 1932, Morehouse operates 85 trucks throughout the Midwest United States, providing excellent customer service by adopting technology normally seen only in larger fleets while maintaining the feel of a smaller company.

## AT A GLANCE

### Problem

- High turnover
- Driver shortage issues

### Solution

- Gathering driver perceptions through the use of an Ongoing Experience 'Suite' survey.
- Implementing a new approach to pay resulted in improved turnover



We realized the only number that mattered to drivers was the take home pay. While increasing mileage pay helped, we wanted to increase take home pay as much as we could - so we implemented a per diem to give drivers the most take home pay we could afford.

**Curt Morehouse**  
General Manager