A MACRO VIEW OF BUS DRIVER STAFFING CHALLENGES

Why this shortage is different -- and what to do about it

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TRANSPAR
GROUP OF COMPANIES

WHAT DOES 'DRIVER SHORTAGE' ACTUALLY MEAN?

PUBLIC DISCUSSION ABOUT THE DRIVER SHORTAGE IS AT BEST INCOMPLETE

- The driver shortage manifests itself as route demands that are not covered as a result of a lack of available drivers
  - » How do we define "**demand**"?
    - Based on our existing complement of routes
    - How do we know that existing complement is "correct"?
    - How do we reduce the demand to mitigate the issue of supply?
  - » Where does the "**lack**" come from?
    - Do we not recruit enough?
    - Do we lose a lot of applicants before they become trainees?
    - Do we have a lot of trainees fail out?
    - Do we have enough people, but they don't show up for work?
    - Do we have a hard time keeping people once they are employed?

TRILEMMA OR OPPORTUNITY?

THE INDUSTRY HAS 3 CHOICES

- **Resignation**: The easy way out > Accept the reality and hope for a recession

- **Mitigation**: Focus only on recruitment and retention > This ignores the entire cycle of the problem and will result only in marginal improvement

- **Remediation**
  - » We need to challenge the orthodoxy of existing conditions and expectations
  - » We need to identify how we have constrained ourselves and what tools we are using to encourage success
  - » We need to broaden our thinking as to what is a solution

THINKING OUTSIDE THE BOX

Figure 7. For the long term, what steps is your company/school district taking to mitigate the school bus driver shortage?	%
Publishing advertisements in the media	48%
Publishing ads in social media	41%
Recruiting from among other staff to become drivers	38%
Increasing wages for drivers	32%
Posting signs along roadways	29%
Contracting out transportation to alleviate shortage	24%
Increasing hours for drivers	22%
Looking to share drivers	21%
Having buses outfitted with signs	19%
Recruiting from PTA or other groups	18%
Screening for drugs and alcohol	18%
Combining job titles in the district	14%
Offering rewards program	12%
Having "drive a bus" days to promote the job	12%
Increasing benefits for drivers	8%
Sourcing drivers through a regional bank or BOCES	2%
Offering training/free training/paid training	1%
Other	10%

[Note: Percentages add up to more than 100 because respondents could select more than one answer]

SHOULD WE BE CONSIDERING:

- **Reducing routes**
- **Reviewing bell times**
- **Ridership**
- **Transportation hubs**
- **Alternate transportation vendors**
- **Changing vehicle types**

Source: Yellow Buses, Red Flags: New York's School Bus Driver Shortage; New York Association for Pupil Transportation

A RECESSION WON'T FIX
THIS PROBLEM

- Traditional solutions no longer fit due to their limited scope
- Significant increase in options to create or earn a similar income makes this problem different than before
- This is an **Income Problem vs Compensation Problem**
  - » People are earning money differently via multiple streams > the **Gig Economy Effect**
  - » "**Uberfication**" of transportation > Drivers have other choices with more flexibility
- Power to the people
  - » This is also a demographic problem > Fewer working age individuals are available to fill more jobs than ever

A VICIOUS OR VIRTUOUS CYCLE
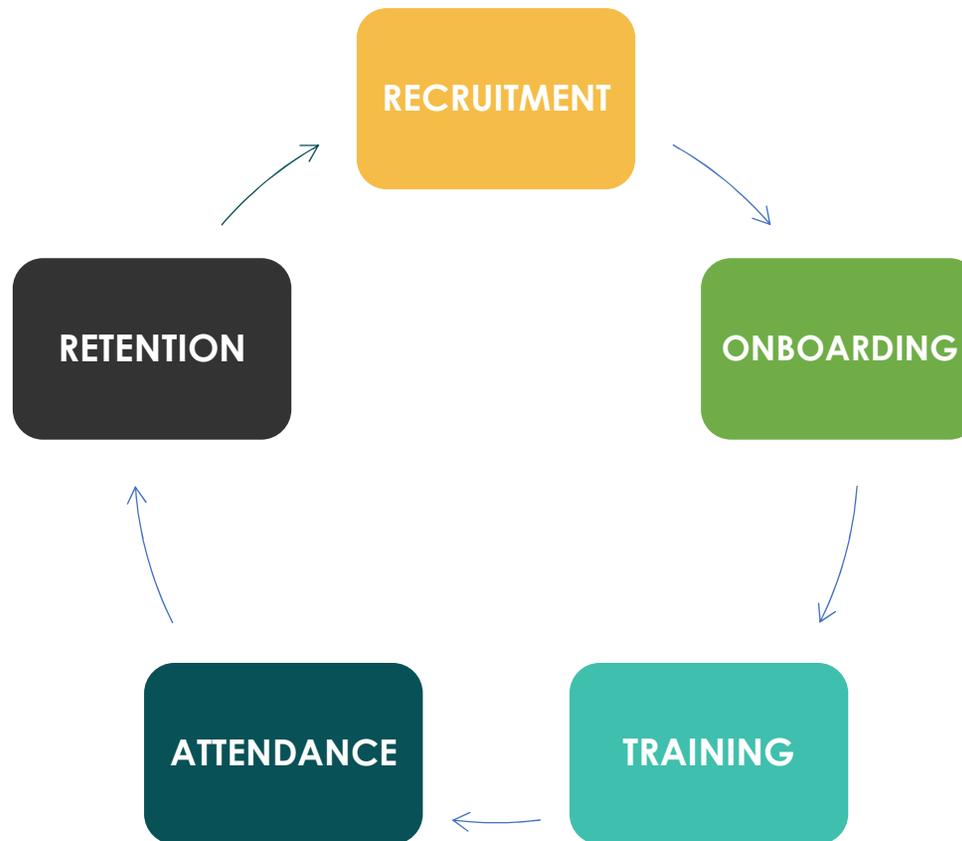
RECRUITMENT

OBSTACLES

- **Getting applicants into the funnel**
  - » Who manages your recruiting?
  - » Where are you going to get people?
- **Applicants have need and choices**
  - » What is your first impression?
  - » How do you manage income vs. compensation?
  - » What is complementary or supplementary about your job?
- **Jobs versus a career**
  - » Is demographics destiny?
  - » What is the ladder?
  - » What is your answer to the "compared to what" question?

SOLUTIONS

- **"This is my job"**
  - » Recruiting is not a part time or passive activity
  - » Strategy, tactics, execution – the order matters
  - » Consider the costs as part of the target pool
  - » Consider the application environment and process
    - » What kind of a place am I walking into?
    - » How do I get an application?
    - » How do I fill it out?
    - » How do I get questions answered?
    - » Does someone "show me around"?
    - » How quickly does someone get back to me?

ONBOARDING

OBSTACLES

- **How do you interest people in this job?**
  - » How can we provide an anchor to increase applicant engagement in the onboarding process?
  - » How do we manage employment costs?
    - » Are employment costs greater or less than the cost of not having enough driver availability?

- **How do you keep people interested in this job?**
  - » What is your follow up process?
  - » When can you afford to bring people in?

SOLUTIONS

- **Can't wait to be employed**
  - » Measure loss rates
  - » Net cost of employment costs versus additional costs
  - » Assess the applicant process vs. the application process
  - » Create an engagement strategy and approach

TRAINING

OBSTACLES

- **How costly is the training process?**
  - » What can you do about direct costs?
    - » What are your cost of applicants who have dropped or failed?
    - » What are your causes of applicants who have dropped or failed?
  - » What can you do about indirect costs?
    - » What are the costs of covering routes?
    - » What are the costs of not having dedicated staff?
  - » Have you evaluated the costs that are coming?
    - » How will MAP-21 make the issue more complicated?
    - » How will MAP-21 effect the cost of training and employment?

SOLUTIONS

- **"This is my job" Part Deux**
  - » "Collateral duty trainers" may be less effective than professional training
  - » Shared services opportunities
- **Income matters**
  - » Bonuses are fine if they incentivize the right things
  - » Transitional wages
  - » Support and learning and development duties
- **Material support**
  - » Training materials have evolved; has the training process
    - » LMS
    - » Simulation
  - » Process efficiency, process consistency, process effectiveness

ATTENDANCE

OBSTACLES

- **Is there anybody out there?**
  - » Have we manufactured this driver availability issue?
  - » Have we designed a system that fails to balance needs and expectations?
  - » Have we measured what's important and made important what's measured?
  - » Have we created incentives for the right things and disincentivizes for the things that make this work more difficult?

SOLUTIONS

- **Policy matters**
  - » Make attendance the expected norm and define absence as an abnormal
  - » Earn your days
  - » No carryover
- **Procedure matters**
  - » Trip eligibility
  - » Holiday pay eligibility
  - » Assignment eligibility
  - » HR structure
- **Behavior matters**
  - » Celebrate attendance
  - » Incentives work (bonuses for attendance) but so do disincentives (lack of benefit)
    - » Loss aversion research: A loss is felt 2X as much as a gain > disincentives likely to be more effective than incentives

RETENTION

OBSTACLES

- **Do you have a retention strategy and system?**
  - » When does our retention strategy start?
  - » Is retention just about keeping people?
  - » How do we measure retention? Annually vs over a horizon?
  - » Do we know why people leave? Why they don't?
- **How do we prepare for retention before the end of year cookout?**
  - » To what degree is administrative support a retention and staffing issue as much as a behavioral one?
  - » Have we traded management discretion for incomplete ideas about retention?
  - » Is summer work an incentive?

SOLUTIONS

- **Start at the starting point**
  - » Retention is a first impression issue.
  - » Removing a negative is more important than adding a positive.
- **Strong through the middle**
  - » Poorly structured organizations do not retain good people.
    - » Dispatch
    - » Trip assignments
    - » Behavior/complaint management
    - » Equipment availability and assignments
- **Finish at the finish line**
  - » Exit interview – people are often more honest when they are leaving
  - » Year end is your first step in the recruiting process

NOW WHAT?

- **Know YOUR problem**
  - » This is an industry issue but a local problem; make sure you separate the two
  - » Not enough applicants vs. can't keep applicants vs. can't get employees to show up vs. can't keep employees

- **Control YOUR problem**
  - » Reducing demand helps mitigate the amount of supply required
  - » Inefficiency in process will find its way to being higher costs, poorer services, and a much more difficult job

- **Solve YOUR problem**
  - » Causes and impacts are very localized; measure and communicate them
  - » Norms and behaviors are very localized; design your solutions to that
  - » Think beyond yourself; find partners and alternatives that address key aspects of the cycle

THANK YOU

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