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Case Study:

An Investigation of the Determinants of Turnover Intention among Truck Drivers in the USA

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Abstract

Drivers’ turnover remains a major challenge in the trucking industry in the US. It is harshly affecting companies’ performance and the American economy. This situation is worsened by the continuous shortage in the drivers’ market and the lack of effective coping strategies. While academic research in this area is beginning, consulting firms seem to be the most engaged in exploring this issue. Our study explores some determinants of turnover intention. It proposes a model hypothesizing the existence of relationships between fairness and recognition and job satisfaction. The latter along with commitment are perceived in this model as negatively related to the intent to quit.

Keywords: Turnover intention, recognition, fairness, commitment, job satisfaction.

Introduction

Drivers’ retention seems to be a major challenge in USA for the trucking industry. Companies spend billions of dollars in turnover costs. According to the American Trucking Association, turnover per employee costs each company $3,000-$5,000.¹⁶ The annual turnover in 2004 reached 121%,² harshly affecting the profitability. In fact, the latter could be raised by 50-83% in a large truckload carrier if a 100% annual turnover could be curtailed to 20%.¹⁶ Moreover, the drivers’ market suffers from a terrible shortage estimated at 20,000 drivers in 2004 and will reach 111,000 by 2014.²² This shortage, the worst in 20 years, creates a big imbalance between the demand and supply in the drivers market. In fact, the capacity in the trucking industry will be kept tight and the companies’ operations will be restricted.⁴⁶

Turnover is not only affecting the performance of the trucking industry alone, but it has a tremendous negative effect on drivers. “Each time a driver or owner-operator changes jobs, he suffers a financial loss of several thousand dollars”.¹⁶ What makes drivers unhappy enough to develop the intention to quit the company they join or do they work for?

There are, unfortunately, few studies exploring this phenomenon and identifying the real reasons behind drivers’ low commitment and high turnover. Among these studies, fewer are the ones focusing on the drivers’ perspective. The scant research available was more concerned with the opinions of HR directors and senior managers rather than the drivers themselves.⁴⁷ Another drawback of most literature available is the belief that higher pay is the magical remedy to the problem of retention. Although pay may be considered as a prominent factor in attracting workers to this profession, the current tightness of the drivers job market and the opportunities always available to them orient our analysis toward the soft practices of HRM.⁵⁴ These non monetary factors include among others recognition and fair treatment.

The purpose of this empirical study is to present a model that hypothesises the existence of relationships between some soft HR practices (fairness and recognition) and the intent to quit. Job satisfaction and commitment are also perceived in this model as negatively related to the intent to quit. The hypothesized model is a contribution to the application of HRM in the specific area of the trucking industry. Therefore, it attempts to reflect the reality of drivers’ attitudes and suggests solutions that surpass simple quick fixes.

A Model of Turnover Intention among Drivers

Prior to proposing our model, we define the constructs used.

Intent to Quit: There is a difference between the desire to leave and the intent to quit.²⁷ Fishbein⁵⁰ used the phrase “attitude toward the act” to mean the desire to leave which reflects the employee’s feelings toward the act of quitting. According to Mowday et al⁵², an employee intent to leave can influence the turnover decision in two ways. It may directly lead to it even when other job opportunities are not available. Also, it may influence actual turnover indirectly by leading the employee to search for new job alternatives, thus resulting in the likelihood of termination. In the case of drivers, job offers are always available; therefore, the probability of turnover is much augmented.³⁸

Commitment: This construct is defined as “the relative strength of an individual’s identification with and involvement in a particular organization”.⁵¹ It has 3 characteristics: (1) a strong belief in and acceptance of the organization’s goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a strong desire to maintain membership in the organization.⁴¹ This definition suggests that employees’ commitment does...
not depend only on perceptions and attitudes but it should be reflected in actions and translated into effective contributions to the organization. Commitment is different than job satisfaction defined below. It pertains to the attachment to the organization as a whole; it develops progressively and is more stable over time. It leads to shaping one’s identity, attitudes and goals to fit the organization’s expectations. Conversely, job satisfaction fosters tasks and duties related to the job; it is transitory and less stable over time and it leads to direct reactions regarding aspects of work such as pay, supervision, conditions of work, promotion.

**Job Satisfaction:** “Is a multidimensional concept involving satisfaction with job facets ranging from pay to supervision to satisfaction with the nature of the work itself.” These facets can be intrinsic or extrinsic. Intrinsic aspects include autonomy, achievement, challenge and feelings of recognition. Extrinsic sources stem from the environment of the person and may include pay, working conditions, job security etc. Richard et al mention three reasons why there should be a focus on extrinsic satisfaction. First, organizations do not control what creates the intrinsic satisfaction. Second, it emanates from different sources according to employees preferences, ethos and styles. Third, managers need to control the overall termination rate of the firm rather than the one of each individual.

**Recognition:** Recognition in the workplace refers to acknowledging employees efforts and their accomplishments through praise, respect, thanks and providing new opportunities for learning and advancement. It is about demonstrating how much the organization values its people and is proud of their achievements. A small gesture or a mere verbal acknowledgement might have an incredible effect on employees’ wellbeing and their job satisfaction. In this study, we focused on praise and recognizing the good work by both the supervisor and the rest of employees.

**Fairness:** Workplace fairness implies perception of employees of the “rightness” of outcomes, procedures and interactions in the organization. In this study, we focused on procedural fairness which is concerned with the methods, mechanisms and processes used to determine outcomes. Employees feel the need to be involved in judging if the processes and the procedures are fair. Leventhal has offered a list of criteria to assess the fairness of a process. These are: (1) consistency, (2) impartiality and absence of bias, (3) accuracy, (4) possibility of correcting in case of errors (correctability), (5) representativity of all interests, (6) congruence with personal standards of ethics and morality. Research has demonstrated that unjust processes generate negative consequences in the workplace like low job satisfaction, turnover, theft, low commitment and organizational citizenship behavior.

**Hypotheses**

**Relationship between Fairness and Job Satisfaction:** Fairness perceptions influence the way employees evaluate a “just” decision regarding compensation, promotion and distribution of tasks and the application of standards in the workplace. Fair processes and procedures and their fair implementation will result in job satisfaction. A study by Bettencourt and Brown on contact employees found a positive significant relationship between fairness and job satisfaction. In addition, Dittrich and Carrell in their study on organizational fairness demonstrated that the latter is a good predictor of job satisfaction, absence and turnover. Other studies have also shown that employees who feel they are treated fairly adopt positive attitudes towards the organization while unfairness has been found to yield employee feeling of betrayal and low commitment. In the absence of rigorous empirical studies on the impact of fairness on drivers in the workplace, there are still statements by subject matter experts that insist on fair treatment of drivers by managers and dispatchers.

According to Richard et al., it is not sufficient to have a fairness policy toward drivers, but managers have to translate it into regular behaviors. In fact, truckers need to feel that they are well respected and “will even take less pay if the company treats them right”. Midwest Specialized Transportation in Minnesota, with less than 30% turnover rate, stated that the main reason of a low turnover is the fair treatment of drivers.

**H1:** Fairness is positively related to drivers’ job satisfaction.

**Relationship between Recognition and Job Satisfaction:** Recognition was found as a significant determinant of job satisfaction. “It is far less expensive and sometimes just as
effective, to give a driver a pat on the back for a job well done as opposed to a pay raise”. In fact, drivers like to be praised by their supervisors or dispatchers and want to know when they have correctly done their job.

Although pay is recognized as one of the most important factors, lack of recognition may lead to low job satisfaction especially that the job market for drivers is tight and there are enough available alternatives for dissatisfied workers. Furthermore, as the turnover is already high in the trucking industry, new drivers can be easily dissatisfied if their expectations are not met by the organization. The theory of unmet expectations suggests that expectations that are not met will result in a low satisfaction and that latter will lead to turnover. Today, recognition is a major expectation of employees as it contributes to their sense of accomplishment and wellbeing.

Unlike the traditional mindset based on the principle of “If you don’t hear anything, assume you’re doing a good job,” today’s workforce relies heavily on praise and recognition in all its forms (positive and negative). A big survey (covered more than 80,000 managers) conducted by Gallup Organization on the factors contributing to the quality of workplace has found that recognition is a critical source of employee satisfaction and retention.

In fact, recognition and praise ranked fourth among 12 dimensions used in this survey. Recognition in this case did not include pay and benefits and correlated with employee retention, higher customer satisfaction, higher productivity and higher profits. Further, the same research by Gallup indicated that managers who praise their employees and use recognition very often have a great impact on their workgroups. This impact is manifested in a more positive mood, enhanced job satisfaction, greater engagement and improved performance.

H2: Recognition is positively related to drivers’ job satisfaction.

Relationship between Job Satisfaction and Commitment: Organizational commitment and job satisfaction are well researched in the HR and the applied psychology literature. Nonetheless, the relation between them is still controversial. Some researchers have found correlational relationships between these two variables while others suggested that these relations are nonexistent. However, a great deal of theoretical and empirical research indicates that job satisfaction is an antecedent to organizational commitment. In this study, we hypothesize the existence of a correlation between job satisfaction and organizational commitment.

H3: Job satisfaction is positively related to organizational commitment.

Relationship between Job satisfaction and the Intent to Quit: According to Fishbein, our affective reactions to the job can lead to intentions that govern behaviour. Therefore reduced levels of job satisfaction and organizational commitment result in a higher desire to quit the organization. There is a direct relationship between the supply and the demand of workers in any occupational system and the consideration of non-economic factors in job movement. The more the demand increases, the more employees become more concerned about their families, spouses career expectations, community activity, fairness, etc. This applies to the drivers’ case where there is a manifest imbalance between demand and supply.

Another study by Mobley et al suggested that low job satisfaction causes thoughts of quitting and leads to search for alternative jobs which causes the formation of an intention to stay or to leave. Further, findings of multiple studies have shown a strong negative relationship between job satisfaction and turnover intentions. In a myriad of occupations, Stayers have always scored higher in job satisfaction as compared with leavers. After attempting to increase the degree of satisfaction, turnover intentions dropped significantly. Other studies suggested that job satisfaction affects organizational outcomes such as turnover intentions, absenteeism and work performance.

H4: Job satisfaction is negatively related to drivers’ turnover intentions.

Relationship between Commitment and Intent to Quit

Commitment has been proven to be negatively related to employee retention. Several studies have shown the link between commitment and employees’ intent to quit. In this study, the turnover intention was considered as a dependent variable rather than the turnover behavior because it gives more insights on the withdrawal process.

Jaros et al in their extensive research on commitment have also recognized the relationship between all types of commitment (Affective, Moral and continuance) and the intent to quit. Organizational commitment was also identified as a mediator between job satisfaction and turnover intentions. Therefore, Employees with high level of organizational commitment are less likely to intend to quit than employees who are relatively uncommitted. Therefore, hypothesis 5 predicts that organizational commitment has a negative effect on turnover intentions.

H5: Organizational commitment is negatively related to the drivers’ intent to quit.

Methods

Participants: Our sample was composed of 484 drivers working for one of the largest tank-truck carriers in one of the West South Central states of the U.S. This company has more
than 73 years of expertise in its field and has 1,300 employees in total.

Measures: All constructs were measured on 6-point Likert scale with point anchors ranging from (1) strongly disagree to (6) strongly agree. Items were adapted from established scales widely used in the literature. The α coefficients for the five constructs ranged from 0.90 to 0.78 suggesting high internal consistency.\(^4\) The total number of items used was 21.

Commitment: To measure commitment a short version of the OCQ (organizational commitment questionnaire) developed by Mowday, Steers and Porter\(^4\) was used. The OCQ is composed of 15 items in total, but it is advised to use a short form in situations where the questionnaire length is a consideration. Compared with other measures, it enjoys a strong reliability and has moderately acceptable levels of convergent, discriminant and predictive validity.\(^4\) In order to assess the internal consistency of the retained items we used Cronbach Alpha\(^1\) which was very high in this case (α = 0.90).

Job Satisfaction: We measured job satisfaction using items from the 20-item Minnesota Satisfaction Questionnaire (MSQ). The questions were focused on general and extrinsic satisfaction and respondents are asked to indicate the extent to which they agree with each statement. The reliability of the items was very high (α = 0.84).

Intent to quit: We used a 4-item scale to assess turnover intentions. Respondents indicated the extent of agreement on a 6-point scale ranging from strongly disagree (1) to strongly agree (1) (table 1). The scale's reliability was high (α = 0.90).

Fairness: The Organizational Fairness Questionnaire\(^1\), contains 42 items organized in five factors: Pay rules and internal equity, Pay Administration, Work Standards, Pay Level /External Equity and Job Supervision. In this study, we were concerned with procedural justice only. Thus, we took items from two categories: work standards and equity and job supervision. The scale reliability remained high (α = 0.78). Employees were asked about favouritism/ clientelism in the organization and whether there was a fair distribution of loads among drivers.

Recognition: Three items were used to measure recognition of drivers (see table 1). The internal consistency among items was good (α = 0.80).

Results
Prior to testing our hypotheses, we conducted a maximum likelihood factor analysis with oblique rotation on all the items of our scale using SPSS. We used pair-wise deletion for missing data. Few items did not load on any of the factors and were dropped as mentioned above. All measures achieved a good level of reliability and coefficient alpha ranged from 0.90 to 0.78.\(^4\) Loadings were all high resulting in convergent validity. Table 1 provides all the constructs, items, factor loadings and alphas.

A structural equation model (SEM) was used to test the model presented in figure 1. SEM was chosen because it is a multivariate statistical method that allows the analysis of multiple relationships simultaneously. Testing for assumptions (Linearity, multivariate normality, random sampling and independent observations) was taken into account although it is difficult to fit all of them. It is hard in social and behavioural science for example to satisfy the multivariate normality.\(^4\) Estimation of the model was performed through LISREL 8.50\(^2\) using maximum likelihood.

Missing data were handled through pair-wise deletion and a covariance matrix was obtained. All the constructs (Recognition, Fairness, job satisfaction, commitment and intent to quit) were included along with the structural paths hypothesized in the conceptual model (Figure 1). The goodness of fit statistics obtained suggests a good fit of the model to the data, as χ\(^2\) (210) = 515, CFI = 0.95, NNFI = 0.95 and RMSEA = 0.063. The structural coefficients reflecting the strength of the relationships hypothesized remain acceptable. In effect, hypothesis 1 that predicts a relationship between recognition and commitment has a coefficient of 0.30. Hypothesis 2 that proposes a relationship between fairness and job satisfaction has a coefficient of 0.24, while commitment has emerged as a strong predictor of turnover intention with a coefficient of -0.76 (Hypothesis 5).

Discussion
This study contributes to the research and practice on the drivers’ turnover intention in many ways: First, it was concerned with drivers’ attitudes rather than their managers’ perceptions. It does not assume that managers know the expectations and preferences of the drivers. Second, it embraces a critical HRM perspective. The latter does not privilege the interests of the organization over those of individual employees, especially if they are “blue-collar” or low in the organizational hierarchy. This study sought the attitudes of drivers themselves and how these impact their job satisfaction and commitment and lead or not to developing an intention of turnover. HRM has been imprisoned for a long time in the cage of two dominant paradigms the hard and the soft HRM.

Hard HRM fosters the rational and optimal use of employees to achieve the goals of the organization\(^2\) and emphasizes a quantitative calculative approach to business strategic aspects based on economic factors.\(^8\) On the other hand, soft HRM aims at fulfilling employees’ needs and favours the use of HRM practices that lead to commitment and increased performance.\(^4\) These practices may include communication, motivation, recognition etc. The critical perspective of HRM...
insists on giving a voice to employees and cultivates a deep sense of organizational and societal justice. This approach is aware of the hidden agendas of managers and their furious race towards profit maximisation. In this case, drivers in the American trucking industry have been reflecting their dissatisfaction through a high turnover for more than 20 years.

Research has therefore to focus more on drivers’ attitudes, needs and personal characteristics and how they all interact with specific HRM practices in the trucking industry. Although, “there is no simple, fast solution to the human resources battle the motor carriers have been fighting for more than a decade”, it is essential to avoid the prevailing myths and misconceptions that managers believe in. They think that higher pay and more time home should solve the retention problem while the findings in the literature concerning the intention to quit and turnover are mixed. An analysis of exit interview data for one company showed that only 73 out of 2,050 drivers considered pay as a reason for leaving the company.

Conclusion

Our study has shown that both recognition and fairness affect job satisfaction and the latter is negatively related to commitment and leads to the turnover intention. Yet, it is very hard to contend that only one or two factors lead to turnover intentions. Determinants of this phenomenon seem to be multidimensional and complex to capture in one study.

Besides the implications of this study on research, there are also some managerial implications. Managers need to identify what drivers could be recognized for and what ways of recognition they would prefer. Also, a special interest should be given to procedural justice by ensuring that all the processes and procedures are fair and that drivers are all treated right. Further, managers in the trucking industry have to explore the expectations of drivers during the hiring process. A realistic job interview should be organized to provide drivers with an exact picture of both the expectations of the company and what drivers will get in return. This may bridge the gap in the psychological contract between both drivers and their employers later on.

Similarly, education and training will upgrade the competencies of drivers and will help them express better their needs and be more aware of their own interests and those of the organization. Moreover, continuous communication with and involvement of drivers in decision making will have a tremendous positive impact on their self-image and contributions to the company. Our study focuses on two antecedents of job satisfaction and the impact of the latter as well as organizational commitment on drivers’ intention to quit.

There are multiple other dimensions that were not taken into account to simplify the test of our model. These include drivers’ personal characteristics (age, gender, educational level, career stage, seniority etc.), compensation and benefits, time home, training, leadership styles, trust etc. In front of the dearth of academic research on this topic, future studies can combine several factors and assess their impact on both the intent to quit and turnover.

References

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### Table 1
Factor loadings and reliabilities

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Factor Loadings</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition</td>
<td>You typically only get recognized when you make a mistake</td>
<td>0.732</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>I am extremely glad that I chose xxxxtodrive for other trucking companies</td>
<td>0.762</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The people I work with let me know when I have done a good job</td>
<td>0.755</td>
<td></td>
</tr>
<tr>
<td></td>
<td>XXX really inspires me to drive to the best of my ability</td>
<td>0.786</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My Dispatcher praises people who do good work</td>
<td>0.691</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loads are dispatched fairly to drivers</td>
<td>0.661</td>
<td></td>
</tr>
<tr>
<td>Fairness</td>
<td>There is a great deal of favoritism at xxxxtt</td>
<td>0.659</td>
<td>0.78</td>
</tr>
<tr>
<td></td>
<td>&quot;Who you know&quot; is more important than &quot;What you know&quot; at xxxxtt</td>
<td>0.642</td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>I talk up (brag about) xxxxt to my friends as a great company to drive for</td>
<td>0.761</td>
<td>0.90</td>
</tr>
<tr>
<td></td>
<td>I find that my values and xxxxt's are very similar</td>
<td>0.622</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am proud to tell people that I drive for xxxxt</td>
<td>0.786</td>
<td></td>
</tr>
<tr>
<td></td>
<td>XXX really inspires me to drive to the best of my ability</td>
<td>0.811</td>
<td></td>
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<tr>
<td></td>
<td>I am extremely glad that I chose xxxxtodrive for other trucking companies</td>
<td>0.707</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For me, this is the best trucking company to drive for</td>
<td>0.680</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>I like driving for xxxxt</td>
<td>0.822</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td>xxxxt's commitment to employee safety is one of the reasons why I stay here</td>
<td>0.630</td>
<td></td>
</tr>
<tr>
<td>Intent to Quit</td>
<td>I am going to quit driving for xxxxt real soon</td>
<td>0.741</td>
<td>0.90</td>
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<tr>
<td></td>
<td>I see myself driving for xxxxt for a long time</td>
<td>0.616</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I do not plan to drive here much longer</td>
<td>0.859</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I have started to consider my job options outside of xxxxt</td>
<td>0.583</td>
<td></td>
</tr>
</tbody>
</table>


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