

# COMPENSATION BENCHMARKING REPORT



MAY 2018



# ? About Trucking HR Canada

Trucking HR Canada is an industry leader, spearheading collaboration among the stakeholders in the Canadian trucking and logistics industry to:

- Identify Human Resource issues, trends, opportunities and challenges
- Support the industry in recruiting and retaining the Human Resources needed to meet industry demand
- Partner on initiatives impacting Human Resources for the industry
- Provide a national forum for gathering and exchanging knowledge on HR issues, and sharing best practices
- Promote the trucking and logistics industry's careers

As a national partnership-based organization, we promote the provision of safe, secure, efficient, and professional trucking services in Canada. The organization is a neutral forum for gathering and exchanging ideas, information and knowledge on Human Resources and best practices in training. Our focus is on trucking and logistics needs within the freight transportation network.

## DYK ?



Trucking HR Canada offers practical **toolkits and reports** on a variety of HR issues facing the Canadian trucking and logistics industry.

Our **weekly e-newsletter** is free. Subscribe today to stay on top of the latest Trucking HR trends and learn practical tips.



We recognize employers with sound HR policies and practices through **The Top Fleet Employers** program with the goal of raising the bar in HR within the trucking and logistics industry.



We offer a wide range of trucking and logistics specific **HR focused webinars**.

Our **Women with Drive Leadership Summit** is the go-to event for anyone in the trucking and logistics industry looking to learn more about women in the industry.




Visit [www.truckinghr.com](http://www.truckinghr.com) to learn more.

# contents

- Introduction ..... 4
- Why it matters..... 5
- Methodology ..... 6
  - Response..... 6
- Respondents Profile ..... 8
  - Regional Distribution..... 8
  - Type of Operation..... 8
  - Company Size (Based on Employment)..... 9
- Company Drivers ..... 10
- Owner Operators..... 11
- Other Occupations ..... 11
- Best Practices in Total Compensation..... 12
  - Formal Compensation Structure..... 12
  - Flexible Work Arrangements ..... 13
  - Formal Leave Policy..... 13
- Conclusion..... 14

---

104-720 Belfast Road  
Ottawa, ON, K1G 0Z5  
Phone: 613-244-4800  
Email: [theteam@truckingHR.com](mailto:theteam@truckingHR.com)  
 @truckingHR

# COMPENSATION BENCHMARKING REPORT

## Introduction

The Canadian trucking and logistics industry is one of the country's largest economic sectors, employing in excess of 400,000 people. Fleets of various sizes and with different business models recruit individuals from a diverse set of backgrounds to fill an ever-growing number of positions, from transport truck drivers to mechanics, technicians, material handlers and senior managers.

Yet, the industry is facing significant shortages of skilled labour in many occupations and the competition for qualified talent is fierce. The transport truck driver occupation in particular is facing significant challenges, with a forecasted shortage of more than 30,000 drivers by 2020<sup>1</sup>. Employers are becoming more and more creative in their attempts to not only recruit new employees, but to retain them as well. Among the measures implemented by successful fleets in the country, many have been looking at a holistic approach which includes diversifying their recruitment methods, implementing health and wellness programs, flexible work arrangements and revisiting their total compensation packages.

And, while total compensation packages include a variety of elements ranging from the employee's ability to take time off, program offerings, performance bonuses and more, one perennial item remains: wages and salaries.

It is in this context, and responding to several industry requests, that in 2017, Trucking HR Canada conducted its first-ever compensation benchmarking study to provide trucking and logistics employers benchmarking data in setting their wages and salary structures.



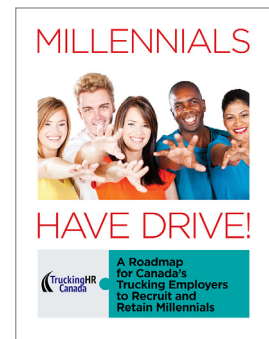
**From April 18 to  
July 14, 2017,  
Trucking HR Canada  
conducted its first-ever  
compensation benchmarking  
study to provide trucking  
and logistics employers  
benchmarking data in  
setting their wages and  
salary structures.**



# Why it matters

Compensation is an ever-evolving topic, but one that constantly remains at the forefront of the industry's concerns, in part due to the intricate nature of the transport truck driver occupation. Different types of loads, driver specialties, cross-border transportation and several other factors play a key role in complexifying the implementation of a structured compensation strategy for any trucking and logistics company in the country. Yet, employees from one generation to another keep citing compensation as a main retention factor when making their decision to go work for another employer, retire early or change careers altogether. Trucking HR Canada's *Millennials Have Drive* report, published in 2017, indicates that 75% of millennial transport truck drivers (between 22 and 38 years old) and 46% of drivers from other generations are planning on leaving the industry within the next five years. One of the top reasons cited in this study by those looking to leave the industry was wages. In fact, 66% of drivers from the millennial generation and 65% of drivers from other generations indicated that wages were one of the top three challenges they faced in the industry. As trucking and logistics employers compete with like-minded sectors – be it mining, oil and gas, energy or construction – for qualified employees, taking a close look at your company's compensation structure can only be beneficial.

And, while the compensation data gathered through Trucking HR Canada's first benchmarking survey may be limited due to the number of employers who participated, assessing your own company's practices against it is a step in the right direction to ensure that you remain competitive and are in a better position to implement innovative human resources practices.



**Trucking HR Canada's *Millennials Have Drive* report, published in 2017, indicates that 75% of millennial transport truck drivers (between 22 and 38 years old) and 46% of drivers from other generations are planning on leaving the industry within the next five years.**

# Methodology

The compensation study comprised two formats: short and long forms. The two surveys were designed with input from HR professionals in the Canadian trucking and logistics industry and based on Trucking HR Canada's years of research and development in the area of HR best practices for the industry. Employers were provided with the opportunity to select one of the two options.

For the purpose of this benchmarking report, transport truck drivers categorized under "company drivers" exclude owner operators. While the transport truck driver occupation is the backbone of the trucking and logistics industry, Trucking HR Canada's compensation survey also attempted to address other key occupations in the industry:

- Dispatchers
- Technicians/Mechanics
- Safety and Loss Prevention Specialists
- Freight Claims Specialists
- Safety Managers
- Fleet Managers
- HR Professionals

For each occupation, the benchmarking report provides highlights of the findings on base pay and average annual income (gross). The survey also covered basic information such as types of business, number of employees, turnover rates, etc. and general policies and practices.

## Response

In total, 53 employers of varying sizes and business focus took part in the long and short form surveys, representing a total of 23,414 employees and 4,164 owner operators. The respondents identified as follows:

- **Types of Carrier:** 5.7% identified as Private Carriers and 15.1% identified as Fleet Services. The remaining 79.2% of respondents were identified as For Hire Carriers.<sup>2</sup>
- **Regulatory Jurisdiction:** By definition fleet services and private carriers are provincially-regulated, while for hire carriers can be either provincially or federally-regulated depending on their operations. Of the For Hire carriers, 11.9% were identified as Provincially-Regulated carriers (i.e. domestic) while 88.1% were identified as Federally-Regulated (i.e. cross-border).
- **Regional Distribution:** While a significant proportion of participating employers have operations in Ontario, survey responses indicate a fair representation of operations across all provinces and territories.

- **Size of Carrier:** Trucking HR Canada defines the size of participating trucking and logistics employers based on their respective number of employees, excluding owner operators and/or independent contractors. Survey results indicate a relatively balanced distribution between small, medium and large companies.
- **Types of Hauling:** A variety of hauling types were found among participating employers. 71% had long haul transportation in their business model and 68% had local transportation with overlap between the two categories. While there was diversity in the types of hauling as it relates to specialties, none of the participating employers identified livestock and LTL as part of their business model.
- **Other Occupations:** While transport truck drivers were the common denominator across all participating employers, other occupations, as listed in the methodology, varied based on the types of employers and whether or not these occupations were found within their company. Specific numbers for each of these occupations are indicated throughout the report, where appropriate.

As with any statistical analysis of complex compensation data, a degree of caution must be exercised in interpreting and benchmarking off the survey results. However, as previously indicated, using the information provided in this report is a good step to take in order to assess your own compensation structure. This provides you with preliminary industry-specific information in assessing your current compensation practices and highlights the gaps, if any, in your current offering.



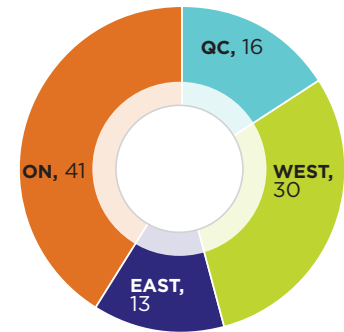
**This provides you with preliminary industry-specific information in assessing your current compensation practices and highlights the gaps, if any, in your current offering.**



# Respondents Profile

## Regional Distribution

**FIGURE 1** shows the regional distribution of the respondents. Responses are divided between broad regional lines to avoid singling out any particular participant from provinces with lower participation rates. As such, and for the purpose of this report, East includes the provinces of New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador. West includes Manitoba, Saskatchewan, Alberta and British Columbia. Despite the limitations of broad regional lines, the regional responses generally track the regional distribution of trucking activity in Canada



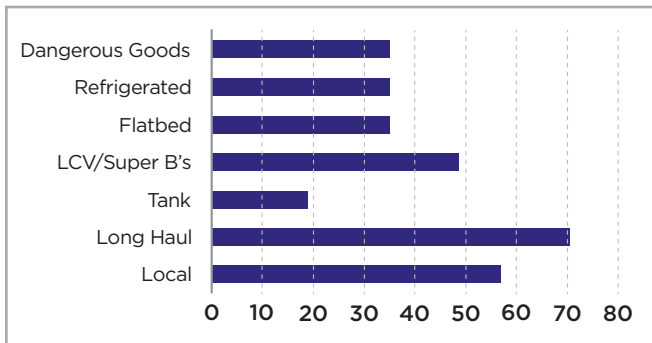
**FIG. 1**  
**REGIONAL RESPONSES**  
For Hire Carriers

## Type of Operation

The respondents identified as participating in the following types of operations (**FIGURE 2**):

- Local: 56.8%
- Long Haul: 70.3%
- Tank: 18.9%
- LCV/Super B's: 48.6%
- Flatbed: 35.1%
- Refrigerated: 35.1%
- Dangerous Goods: 35.1%

Respondents were able to select as many types of operations as they are involved in. It is interesting that no carriers chose to describe themselves as truckload (TL) or less than truckload (LTL) carriers, although it would appear based on the types of operations listed that most are TL carriers.



**FIG. 2**  
**TYPE OF OPERATION (%)**



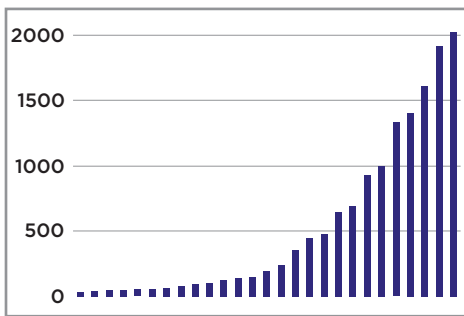
## Company Size (Based on Employment)

Total employment figures provided by survey respondents indicate that they account for a total of 23,414 employees and 4,164 owner operators.

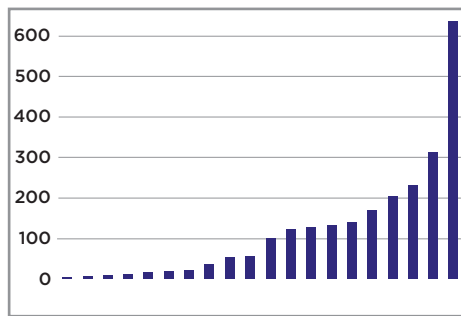
**FIGURE 3** shows the percentage of respondents based on company size – small, medium and large – where a small fleet is defined as having less than 100 employees (excluding owner operators); a medium fleet has 100-499 employees; and, a large fleet has 500 or more employees. As it can be seen, the distribution is relatively equal with small carriers accounting for 30% of respondents and medium and large-sized carriers accounting for 37% and 33%, respectively.

**FIGURE 4** shows the average number of employees by fleet size category. Small fleets (0-99 employees) had an average of 56 employees; medium-sized fleets (100 to 499 employees) had an average of 236; while the large fleets (500+ employees) had an average of 1,195 employees.

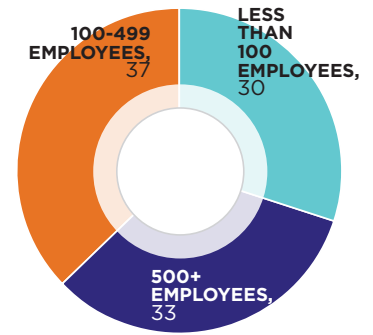
**FIGURE 5** shows the distribution of respondents by the number of employees for each company, while **FIGURE 6** shows the distribution based on the number of owner operators for each respondent.



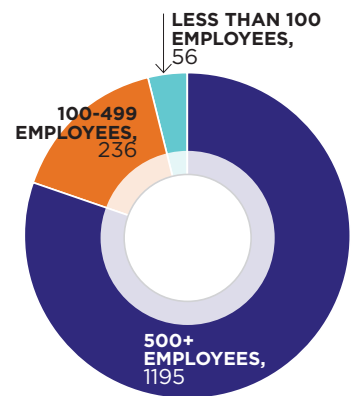
**FIG. 5**  
DISTRIBUTION OF RESPONDENTS  
BY NUMBER OF EMPLOYEES



**FIG. 6**  
DISTRIBUTION OF RESPONDENTS  
BY NUMBER OF OWNERS-  
OPERATORS



**FIG. 3**  
DISTRIBUTION BY SIZE OF  
PARTICIPATING EMPLOYEES



**FIG. 4**  
AVERAGE # EMPLOYEES BY  
EMPLOYER SIZE CATEGORY

# Company Drivers

**TABLE 1** summarizes the responses received on the average, minimum, maximum and median base pay (on an hourly and per kilometer basis) and average annual gross income for full-time and team Class 1/AZ drivers on a national and regional basis. The national median hourly wage for drivers (\$20.00/hour) is slightly below the April 2017 average median wage for all occupations in all provinces (\$21.23/hour) published by Employment and Social Development Canada for the Temporary Foreign Worker Program. However, Trucking HR Canada’s survey found an average annual gross income for full-time Class 1/AZ drivers of \$59,741, which is significantly higher than the November 2017 annualized rate for the average weekly earnings of all workers published by Statistics Canada (Latest Statistics Summary Table) of \$51,404.

**TABLE 1  
COMPENSATION FOR CLASS 1/AZ COMPANY DRIVERS**

	Base Pay		Avg Ann Gross Income (\$)	
	\$/hr	\$/km	Full-Time	Team
<b>Average</b>				
National	20.02	0.40	59,741	70,569
East	20.41	0.38	58,663	NA
QC	19.93	0.43	58,702	NA
ON	19.49	0.42	59,499	70,273
West	20.95	0.39	60,698	68,303
<b>Minimum</b>				
National	17.25	0.26	42,248	60,000
East	19.98	0.28	50,000	NA
QC	18.00	0.35	42,248	NA
ON	17.25	0.28	44,506	60,000
West	17.98	0.26	47,700	62,249
<b>Maximum</b>				
National	25.00	0.62	85,000	95,000
East	21.00	0.52	79,000	NA
QC	20.12	0.58	70,500	NA
ON	21.45	0.62	83,531	95,000
West	25.00	0.71	85,000	71,760
<b>Median</b>				
National	20.00	0.39	59,954	69,820
East	20.34	0.37	53,000	NA
QC	19.58	0.39	62,455	NA
ON	20.00	0.39	58,963	67,320
West	20.21	0.39	61,778	70,900



**Trucking HR Canada’s survey found an average annual gross income for full-time Class 1/AZ drivers of \$59,741**



# Owner Operators

**TABLE 2** summarizes the responses received on the average rate per kilometer, average annual income (gross) and fuel surcharge (2016) for owner operators.

**TABLE 2  
OWNER OPERATORS INCOME**

<b>Owner operators</b>	\$
<b>Average rate per kilometer</b>	\$1.16/Km
<b>Average annual income (gross)</b>	\$164,784.02/year
<b>Fuel surcharge paid to owner operators in 2016 (average)</b>	\$0.37/Km

# Other Occupations

**TABLE 3** summarizes the responses received on the average annual income (gross) of full-time employees in other occupations at the national level. To supplement the information provided by employers who participated in Trucking HR Canada's compensation survey, the average annual income (gross) is compared in the table with data provided for the same year - in aggregate - by Top Fleet Employers.<sup>5</sup>

**TABLE 3  
AVERAGE ANNUAL INCOME (GROSS) BY OCCUPATION**

<b>Occupations<sup>6</sup></b>	<b>\$/year (gross) Respondents</b>	<b>\$/year (gross) Top Fleet Employers 2017</b>
<b>Dispatchers</b>	\$50,536.30	\$52,259.00
<b>Technicians/Mechanics (full-time)</b>	\$60,862.69	\$59,747.00 <sup>7</sup>
<b>Technicians/Mechanics (Apprentices)</b>	\$40,583.83	N/A
<b>Dock Workers/Material Handlers</b>	\$40,298.99	\$41,135.00
<b>Safety and Loss Prevention Specialists</b>	\$65,901.29	N/A
<b>Freight Claims Specialists</b>	\$43,835.71	N/A
<b>Safety Managers</b>	\$66,386.05	\$75,369.86
<b>Fleet Managers</b>	\$66,417.00	\$73,609.75
<b>Human Resources Professionals</b>	\$62,722.06	N/A

\*The question asked to survey participants for both the compensation survey and the Top Fleet Employers program read as follows: "Please indicate the average annual income (gross) of your employees for this occupation."

# Best Practices in Total Compensation

While increasing wages and salaries may not always be possible, other components of your total compensation package may prove useful in recruiting and retaining qualified talent in all occupations. Trucking HR Canada's compensation survey and Top Fleet Employers program provided valuable data in identifying best practices in this area. Key features in ensuring that your total compensation package is well communicated include:

- Having clear policies and practices that are consistently applied and well communicated to all your employees on a regular basis.
- Providing your employees with a Total Rewards Statement. Total Rewards Statements include base pay, but also any other programs and services offered to your employees that may not be captured on their pay stub (e.g. time off, additional vacation days, professional development/training opportunities, etc.).

## Formal Compensation Structure

Having a formal compensation structure is a key element in recruiting and retaining qualified talent in all occupations. Your compensation structure indicates to your current employees and new hires what they can expect from a compensation perspective, including base pay, bonuses (if applicable) and benefits (health and dental, RRSP contributions or pension plan, life insurance, long-term and short-term insurance, etc.).

A formal compensation structure can also help your truck drivers better understand how they will be paid and how much they can expect to make annually as your compensation structure may vary depending on the load they haul, wait time at shippers' facilities or borders, safe driving bonuses, etc. For instance, 84% of the 2017 Top Fleet Employers have formal wait time policies in their compensation structures, clearly indicating to their drivers the flat rate they will receive if they have to wait at a shipper's facility and after how long the wait time pay occurs. 67% of 2017 Top Fleet Employers also have a clear raises and promotions policies embedded in their compensation structure, helping employees better understand how they can move up within the company and contributing to better retention rates. In fact, these fleets are reaping the benefits with an average turnover rate for truck drivers below 22%.

**73%**  
of 2017  
**Top Fleet Employers**  
**have a formal**  
**compensation structure**  
**shared with**  
**all employees**

### **Flexible Work Arrangements**

Flexible work arrangements can cover a wide range of options available to both truck drivers and other employees. These can include, for example, load sharing, route scheduling, part-time work arrangements or working from home (where feasible). Based on Trucking HR Canada's 2017 *Youth with Drive* survey results, the vast majority of both millennials and non-millennials in the industry are seeking employers who offer these types of arrangements. Successful fleets across the country have already implemented formal and informal initiatives that offer flexible work opportunities to their employees in driving and non-driving occupations alike. Additionally, data demonstrates that this is supporting fleets recruit and retain from the younger generation, with the majority (77%) of 2017 Top Fleet Employers reporting more than 20% of employees under the age of 35 within their workforce.

### **Formal Leave Policy**

While the opportunity to take sick leave, personal leave or family leave is often assumed, it constitutes a significant benefit to employees – especially if the leave options go beyond what is mandated by *Employment Standards* or the *Canada Labour Code*. Having a formal leave policy, that clearly indicates the leave options available to your employees in all occupations is therefore important from both a recruitment and retention perspective. Having a clear leave policy, communicated frequently to your employees and applied consistently across the board plays a key role in retaining your employees and ensuring that everyone is aware of what is being offered to them. Successful fleets, such as the 2017 Top Fleet Employers, see the benefit in adding this policy in their compensation structure. In fact, 85% of them have implemented a formal leave policy for all occupations within their company, and the vast majority of them offer leave options that go beyond compliance, with more generous leave options for their employees.

**94%**

of 2017

**Top Fleet Employers offer flexible work opportunities to their employees**

**85%**

of 2017

**Top Fleet Employers have implemented a formal leave policy**

# Conclusion

As shortages in key occupations intensify, employers are becoming more and more creative in their attempts to recruit and retain new employees. In order to remain competitive, fleets have expanded their compensation packages to include more than base pay. The data included in this report shows that employers of all sizes and business types are increasingly aware of the need to assess their current compensation practices in order to remain competitive.

Assessing your own company's practices against the data found in this report is a good first step in the right direction to ensure that you too can remain competitive and are in a better position to implement innovative solutions that meet the needs of your business and your employees.

---

<sup>1</sup> Canadian Trucking Alliance, Understanding the truck driver supply and demand gap, accessed: <http://www.drivershortage.ca/report/understanding-the-truck-driver-supply-and-demand-gap-and-its-implications-for-the-canadian-economy/#.WuNBOjwa70>

<sup>2</sup> To improve the data, in some cases where carriers were clearly or appeared to be misclassified (e.g. private carriers that are for hire carriers or for hire carriers classified as provincially-regulated that are in reality federally-regulated since they have cross-border operations) were re-classified.

<sup>3</sup> The sample size of the survey responses for the fleet services and private carriers are not sufficient to be useful in the aggregate. Similarly, the number of provincially-regulated responses is too low to be used for benchmarking purposes. As such, for the purpose of the report, analysis is only conducted on the responses from federally-regulated for hire carriers (N=37).

<sup>4</sup> Caution should be exercised. Driver pay can be impacted by many factors. In addition, the broad range of responses received regarding \$/Km base pay rates – particularly those at the higher range – may indicate respondents may be replacing \$/Km with \$/mile – a way by which some companies in Canada still calculate driver pay.

<sup>5</sup> The data is compared where occupational titles and functions are comparable as part of Trucking HR Canada's Top Fleet Employers program. The Top Fleet Employers program recognizes fleets who meet or exceed Trucking HR Canada's standards of excellence in human resources through a rigorous analysis of their HR policies and practices, as well as employee surveys. The number of responses included in the 2017 Top Fleet Employers program is 48.

<sup>6</sup> The average number of responses provided for other occupations was N=43.

<sup>7</sup> Data provided in the Top Fleet Employers program for the Technicians/Mechanics occupation includes both full-time technicians/mechanics and apprentices.