



Labour Market Information (LMI) National Report Release

The Road Ahead: Addressing Canada's Trucking and Logistics Industry Labour Shortage March 11, 2020

Overview

Difficulties attracting and retaining qualified workers are among the key challenges facing trucking and logistics businesses in Canada today. To quantify the problem, Trucking HR Canada launched an extensive Labour Market Information (LMI) Project in the summer of 2018.

Working with various leading research firms, industry stakeholders, and other subject matter experts, this work represents the first of its kind in the trucking and logistics industry. There are multiple components to our series of research releases, as follows:

Our [*Millennials Have Drive 2*](#) report (July, 2019) highlights our youth research that probed the perceptual barriers and how young people view our industry, while also identifying where we can realistically target recruitment efforts.

Our newest research report release (March 11, 2020), developed in partnership with The Conference Board of Canada, is presented in [*The Road Ahead: Addressing Canada's Trucking and Logistics Industry Labour Shortage*](#). It provides the most informed analysis to date, including an extensive employer survey, to help us understand and quantify Canada's critical driver shortage.

Emerging key themes include the urgent need to increase the number of long-haul drivers, increase women's participation, develop approaches to effectively reach millennials, and identify best practices that specifically support better recruitment and integration of more diverse labour talent.

The impacts of Canada's critical driver shortage are felt beyond the trucking industry. The trucking sector:

- Carries an estimated \$550 billion worth of goods purchased by Canadians and more than \$300 billion worth of Canadian goods destined to export markets.
- Generates well-paying middle-class jobs, employing more than 650,000 workers.
- Connects consumers, businesses and international markets that are vital to our economy's stability and performance.
- Is integral to Canada's nine other critical infrastructure sectors: energy and utilities, information and communication technology, finance, health, food, water, safety, government, and manufacturing.
- Is a key element in our nation's intermodal transportation network that links trucking, rail and shipping, and provides an essential contingency during disruptions in other transportation modes (i.e. rail).

Quantifying the Shortage and Impact

The Road Ahead: Addressing Canada's Trucking and Logistics Industry Labour Shortage reveals that:

- In recent years, the trucking and logistics sector employed 3.6% of Canada's workforce, which translates into over 650,000 workers.
- Truck transportation industry average job vacancy was 6.8% in 2019; double the Canadian average of 3.3%, and highest among all industries (outside of crop production). Of particular concern - long-haul drivers had an exorbitant 9.4% average job vacancy rate.
- While truck drivers represent 46% of the industry, they account for 63% of its job vacancies.
- The total number of truck driver vacancies in Canada has increased over 138% between 2016 and the first three quarters of 2019 – escalating from 8,600 to 20,500 during this timeframe.
- Without meaningful action, vacancies are expected to soar to 25,000 by 2023, an increase of over 25% from 2019.

Another key finding from the report is the fact that hiring took longer than anticipated by HR professionals. Surveys indicate that HR professionals are being bogged down with increased recruitment pressures and frustrations, topped off with more complex compliance issues. These challenges are now impacting the ability to keep good recruiters on staff. Plus there is an increased focus on innovative retention approaches. These dedicated efforts mean less time to focus on expansion and current operations.

Canada is at a pivotal decision and action point – inaction will see a dramatic adverse effect on both the sector and Canada's entire economy. For example, the driver shortage has directly led to delayed planned expansions by trucking operators, and resulted in lost sales in the truck transportation industry by an estimated 4.7% in 2018, equivalent to roughly \$3.1 billion in lost revenues.

The Causes and Key Issues

Key factors behind the current labour shortage issues include: an aging workforce, misperceptions among women and youth, and a high rate of voluntary turnover.

While 63% of prospective new hires have a high school degree or less, many are not entering the trucking industry due to the perception that training costs and time are prohibitive. And, we are losing these young people to other occupations (e.g. construction), as they perceive the ability to start in other industries immediately.

Attracting Millennials to Trucking: Opportunities and Challenges

Our millennial research illustrates that 12% of millennials (approximately 1.1 million Canadians aged 18 to 36) would consider a career in long-haul trucking. But only 50% of trucking industry employers have formal plans to recruit millennials. Of these 1.1 million young people, indigenous millennials represent 187,000 (or 17% of "warm lead" respondents) who would consider long haul trucking, while women generally are not considering driving as a career choice.

There are many industry misperceptions which make many millennials discount trucking as an occupation, including: training costs, perceived time to obtain pre-employment credentials, and poor image of the industry. The good news is that there is a vast pool of millennials that would consider long-haul trucking if approached in the right way.

Driving Forward: Recommendations

The trucking and logistics industry needs to establish formal recruitment plans to target millennials, by correcting outdated myths and misperceptions. It needs to shift perception of an “old, boring” industry, to more accurately portray the dynamic version of itself.

This includes a focus on the industry’s positive actions, including:

- Providing better work-life balance.
- Being welcoming to women.
- Engaging millennials, where they’re most comfortable – on social media.
- Implementing technologically advanced and green-friendly initiatives.
- Offering good salaries and competitive compensation packages, along with opportunities for specialized training.

The trucking and logistics sector is continuing to advance substantial progress to address the key issues that are central to the shortage, however there is much work to do and we must move quickly.

What is an immediate action? Opening minds to recognize that trucking today is different.

On March 11, Trucking HR Canada will host its Workforce Knowledge Exchange event with industry stakeholders to take a deeper dive into the research findings and provide input into additional solutions as we move forward.

March 12 marks Trucking HR Canada’s annual [Women with Drive Leadership Summit](#) – presenting and exchanging best practices to recruit and retain women. This national event follows a series of regional [Women with Drive](#) events engaging local industry members to examine regional challenges and opportunities.

This fall, the industry will launch a national campaign to recruit young workers and address out-dated misperceptions.

An industry call-to-action with government is assistance with training costs for young workers and workers transitioning into trucking.

We will continue to come together as an industry, working with government to resolve industry challenges to ensure a stable, reliable trucking transportation network for the road ahead.

Stay tuned for our next labour market information releases, with more practical recommendations to keep this vital industry driving forward.

