



**STRATEGIC**  
PROGRAMS, INC.

# *A Different Approach*

*How Nussbaum Transportation Takes a Different Approach to Employee Engagement*





## *A Different Approach*

When it comes to our employees, having a satisfied, engaged workforce can make the difference between success and failure. Engaged employees are willing to put in extra effort, go the additional mile, and serve customers with a fervor that is unmatched by their disengaged peers. The trucking industry, though it has its own unique challenges, is no different.

According to [an industry study](#) by the American Transportation Research Institute (ATRI), three of the top four challenges facing this group include the driver shortage, driver retention, and safety/compliance. These issues are widespread, but the impacts to all businesses within this industry are not. In fact, some organizations have had disproportionately positive results compared to the norm. Today we're going to take a holistic look at the challenges facing the trucking industry and at one company, in particular, Nussbaum Transportation Services, as a model for how others in this field can improve their results.



Nussbaum Transportation is a seventy year old family owned and operated trucking company with corporate headquarters in Hudson, IL. With three hundred trucks and over six hundred dry van trailers, Nussbaum provides time sensitive truckload service for manufacturers and distributors of automotive, food, heavy construction and agricultural products in the continental forty eight states. Nussbaum attributes its success to a simple belief that if we hire people with good character and treat them well, they will take care of our customers, and success will take care of itself.

To survey the engagement of the workforce, Nussbaum brought in Strategic Programs, Inc., a leader of workforce intelligence solutions in the trucking industry. Jay Green, VP of Business Development at Strategic Programs, Inc., had this to say, “We knew they ran a good company based on their reputation, turnover percentage, and operating ratio. The survey results we saw were some of the best of any company of any kind and head and shoulders above the rest of the trucking industry. Both drivers and non-drivers are highly engaged at Nussbaum and their business results back this up year over year.”

“In an industry plagued by turnover rates hovering around 90%, the company has averaged between 30% and 40% for the past six years.”

What kind of results? Well, in an industry plagued by turnover rates hovering

around 90%, the company has averaged between 30% and 40% for the past six years. This is significant, and the employee feedback results below help to demonstrate just how Nussbaum is able to accomplish this feat.

### *Facing Reality*

Time has shown us that businesses willing to gather data and use it to drive future decisions are more successful. One particular area this is true is with employee survey feedback. Gathering that information and then leveraging it to solve problems is a powerful way to demonstrate loyalty and support of what matters most for employees.

Nussbaum knows that the future of the company depends on its ability to hire and keep the right talent. In order to understand what workers need, they surveyed their workforce and came away with some insightful data.

However, before the actual

responses were even analyzed, there was an immediate result that stood out.

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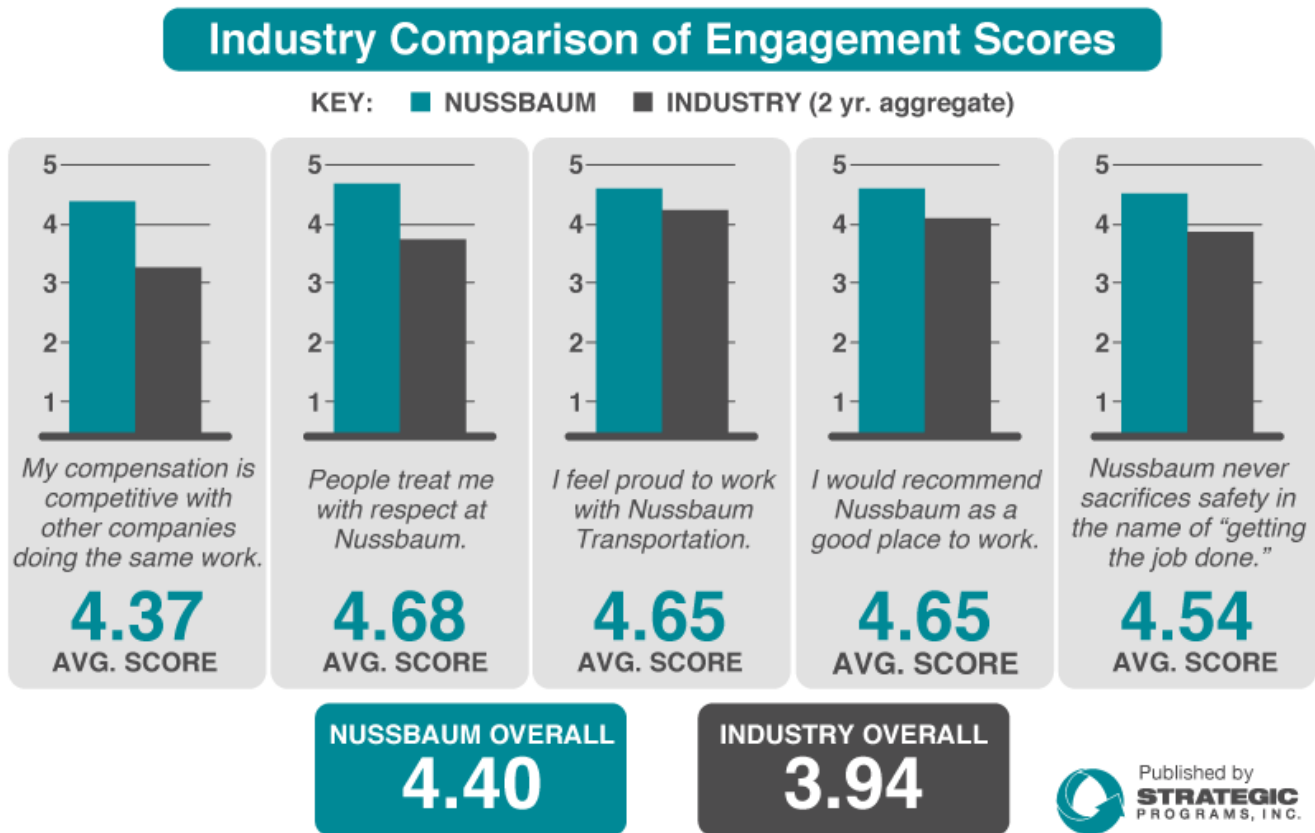
When a company’s employees take a survey, it’s common for some of the workforce to opt out of participating for a variety of reasons. Ironically, the more people that respond, the better the picture the company can have for resolving issues and serving its employees.

Rim Yurkus, CEO of Strategic Programs Inc., said that participation is still fairly high for a first time survey due to its survey collection methods, “Typically we get a response rate of 75% for a population that size in a first time engagement survey.”

But when Nussbaum’s workforce took its first survey, the results were markedly higher. The company achieved 90% participation in less than 4 weeks of data collection.

“I was floored when I saw the participation rate from our survey. I thought having Strategic Programs support us would lead to better participation, but I certainly didn’t expect it to be so high,” said CEO Brent Nussbaum.

When surveyed, these are the five areas that employees ranked most favorably:



When we cross reference this with the list of challenges facing the industry as a whole, it appears that Nussbaum is making strides at impacting each of the three challenges listed: the driver shortage, driver retention, and safety/compliance. Employees who are happy are more likely to stay at the organization, and feelings of pride, friendship, and respect all go a long way toward making that a reality. In addition, the focus on safety specifically targets the third most important challenge facing the trucking industry today.



## *Keeping Up With Staffing Requirements*

As we mentioned previously, two key issues facing this industry are driver shortages and driver retention. Both of these issues are closely linked because they deeply impact the quality and quantity of talent organizations can leverage; however, they are also distinct and have implications worth considering separately.



In the ATRI report, 24% of companies said that driver shortages were the largest problem they faced. A [study](#) conducted by the American Trucking Associations (ATA) indicated that there was already an industry-wide shortage in 2014 and it is only getting worse as time progresses. If the trend does not reverse, the industry could be facing a shortage in the neighborhood a quarter of a million drivers by 2022. That sort of problem, even if addressed, will not be corrected overnight.

The other critical issue is retention. For those companies that can find the talent they need, they are still faced with the task of maintaining the staffing levels necessary for operating their fleets. And the data says that just isn't happening on a consistent basis. 27% of the companies surveyed by ATRI said that driver retention was one of the top three issues facing them today. In the first quarter of 2014, the ATA [reported](#) turnover for large truckload carriers rose to 92%, keeping the number above 90% for more than two years running.

Despite this trend and the complicating factors, Nussbaum has been able to keep its turnover at an industry-leading level of 30-40% for more than five years. Its survey results demonstrate this well: when asked about intent to stay, a key employee retention metric, only 3.9% of staff responded that they were likely to leave the organization.



Another [industry report](#) published by ATRI in December 2014 sheds light on this far-reaching issue from a demographic perspective. As drivers reach retirement age and leave the workforce, we would expect to see some sort of drop in employment. But there are two complicating factors: the larger-than-usual number of workers nearing retirement and a lack of younger workers entering the profession to fill the gap. That combination is directly feeding the shortage.

By contrast, 38% of Nussbaum survey respondents are classified as Baby Boomers, and based on the data this demographic group is supportive of the organization. In fact, job satisfaction was the second-highest rating point in the survey results for those employees. This directly reflects Nussbaum's ability to retain a population of senior drivers and their collective expertise better than

the competition. On the other end of the spectrum, Millennial respondents had the highest overall scores in virtually every area covered by the survey. In other words, the company's approach is appealing to workers of all ages.

If we attempt to analyze the various data points from the Nussbaum surveys and look at a common theme, it comes down to an intense level of trust between the employees and the organization.

### *Employee Trust*

In a [report](#) from UNC Kenan-Flagler Business School, high-trust organizations shared several common elements, including employees seeing leaders as credible, companies offering employees a measure of respect, and employees being treated fairly, regardless of position or title. Any employee would quickly say they would like to work for a company offering these types of support, but how many organizations can honestly say they are actually meeting the needs of their workforce in this manner?

Considering the results in the table above, we can safely say that this is a reality at Nussbaum. What is interesting is that even areas with lower scores (relative to the high marks demonstrated here) can still highlight a silver lining in how the company operates. For instance, driver settlement statements are a record of expenses and reimbursements, but they can be confusing to track and understand for the truckers. In some organizations, this leads to a mentality that the company is working against the employees.

"Many drivers don't trust that the company cares about them. People feel like their voices are being lost and their concerns aren't acknowledged," said Yurkus, "Nussbaum demonstrates a different approach to this engagement and communication, which shows results across the board."

This sentiment was common in other comments.

"For many companies, feedback on settlement statements invariably comes with robust verbatim comments accusing the company of cheating drivers. This was not the case with Nussbaum. While many drivers did not understand



everything on their paycheck, no one thought the company did this deliberately to hide anything,” said Green.

Trust is an important factor that the Nussbaum team has cultivated with its workforce, but the focus wasn’t accidental or an overnight success--it took attention and effort on the part of the organization’s leadership.

“We put lots of effort into treating people right, keeping open doors, and being an abnormal company in terms of how well we treat people. We expected to see the strengths that the feedback revealed, and it was gratifying to know that our efforts had paid off.”

Jeremy Stickling, Nussbaum’s Director of Human Resources and Safety, said, “We put lots of effort into treating people right, keeping open doors, and being an abnormal company in terms of how well we treat people. We expected to see the strengths that the feedback revealed, and it was gratifying to know that our efforts are paying off.”

Brent Nussbaum, the CEO echoed, “When I looked at the report, I was thrilled to see high marks for the company in areas like character, trust, and integrity. We also make a point to hire based on character, and this was confirmation of what we are trying to accomplish.”

### *What the Future Holds*

While the looming challenges with regard to driver shortages and retention are still a reality, there is a sense of optimism from the Nussbaum team. Other trucking companies across the nation are experiencing stagnation or shrinking market share, but their company is still holding its own, despite the challenging times in recent years. And while they still face the same challenges as the rest of the industry, they have learned how to mitigate the overall risk.

Brent Nussbaum cited the company's focus as a reason for this. "We take care of our drivers, our drivers take care of the customers, and the customers take care of us. For us, the customer is our second priority, and we tell them that openly. Without a focus on supporting our drivers, we ultimately can't serve our customers well."

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But the team was quick to point out that this takes work, and it doesn't stop with a measure of success. Nussbaum's Stickling said, "We're now going after things that in the past we might have avoided by simply saying 'we're in trucking and can't do that.' We're trying to use our data and internal resources to focus on our driver pain points and resolve them where we can. We want to take care of them before they come to us asking for help."

These may seem like unconventional management practices, but the results speak for themselves. Other companies looking to follow in their footsteps should consider some of the key takeaways, including hiring for character, offering respect, and making employees feel valued.