



What drives the drivers? Predicting turnover intentions in the Belgian bus and coach industry



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ABSTRACT

The bus industry is characterized by demanding jobs and high turnover rates. In this study we gather essential insights that can help companies and industry-level policy makers increase the attractiveness of the profession and design effective retention policies. We compare the factors that induce Belgian drivers to leave their current organization with those inducing them to leave the industry. Key factors increasing the likelihood to consider quitting the company are a negative work-life balance, a lack of social support and a temporary contract. Dominant factors to consider quitting the bus driver profession are a lack of fulfillment, a demanding job environment and a negative work-life balance.

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1. Introduction

For economists, the phenomenon of voluntary job turnover is important for a variety of reasons. From a macro perspective, a lot of interest has been expressed in the role of voluntary separations for the efficient allocation of workers and jobs, triggering research into the relationship between the business cycle and job turnover among other things (Lazear and Spletzer, 2012). From a managerial perspective, employee replacements involve high costs for the organization. These entail not only expenses for recruitment and selection, but also training and (temporary) reduction in productivity. For instance, cost of replacing drivers for American truckload carriers are estimated to be between \$2200 and \$21000 pro capita (Suzuki et al., 2009). Finally, from a micro-economic point of view, voluntary job turnover implies that workers believe the current balance between job-related rewards and job-related efforts to be suboptimal. After all, the utility maximization theory of quitting behavior predicts that workers will only leave their job when the balance of expected efforts and rewards in their current job is less appealing than the one in the alternative job, taking the costs of changing into account (Lévy-Garboua et al., 2007).

Hence, voluntary job turnover is a subject that has received massive research attention. In the next section we link our data to the existing, mainly empirical, research on the topic. Attempts have been made to integrate the existing knowledge into more unified theoretical frameworks (for instance Maertz and Campion, 2004 and Holtom and Interrieden, 2006). These efforts are of great importance and indeed indispensable when scientific progress has to be made. However, the dynamics of the job change decision process are enormously multifaceted and depend on the specific characteristics of the sector,

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organization and the job. In order to help (HR-) practitioners develop successful retention policies, these general models need to be supplemented by industry specific and even job-specific insights (Holtom et al., 2008).

Bus driving is internationally known to be a very demanding profession (Jones et al., 2013) and labor turnover in the industry is reported to be rather high (Hlotova et al., 2014). In Belgium, the sector has been confronted with a growing scarcity of drivers caused by expanding activities and high turnover rates. Because of the high average age of the population of bus drivers, it is expected that the need to replace retired personnel will further intensify that scarcity (Dewit, 2013, VDAB, 2015). As a consequence, increasing the attractiveness of the profession and developing retention policies can be considered a necessity for the industry. The purpose of this study is to provide the necessary insights for designing such policies. More specifically, we investigate which variables researched in the literature are of greater and lesser importance for the turnover intentions of Belgian bus and coach drivers. We distinguish between variables inducing drivers to leave their current organization in order to be a professional bus driver in another organization and variables inducing them to leave the industry altogether. Most of the literature on voluntary job turnover does not distinguish between the intention to leave an employer and the intention to change professions. However, as Delfgaauw (2007) argues, the motivations behind these two decisions can be rather different. Employees who are dissatisfied with job domains that are rather organization specific are more inclined to change employers. On the other hand, workers dissatisfied with job domains that are function-specific will be more inclined to leave the industry.

The Belgian private bus and coach industry counts about 450 different companies, most of which are small to medium sized. In total, about 12,000 drivers are working in the sector, which comes down to about 10,000 full time equivalents. These are distributed over three subsectors, i.e. public transport (subcontracts from the regional public transport companies), special regular services (mostly school and staff transport) and occasional services (national and international tourism). Collective bargaining is strongly vested in the industry, making rewards and benefits very similar across firms, although they do differ between different subsectors. Public transport in Belgium is a legally enforced monopoly of the regional transport companies that are entirely controlled by their respective regional government. In Flanders, about half and in Wallonia about a third of the lines are subcontracted out to private companies. Despite reforms in the sector, this situation is not about to change in the near future since in both regions the public companies have been appointed internal operators in the context of legislation 1370/2007. In Wallonia subcontracting so far has been based on direct concessions and in Flanders on competitive tendering.¹ The companies operating these lines are mostly large or medium-sized companies. So far competition between the subcontractors has been very weak, preventing pressure on working conditions in this sector. In both regions regulations on pay and working conditions mimic the ones from the public sector to a very large extent, making them the best paid drivers of the sector. For practical reasons, drivers working directly for the private companies are not included in our sample. However, because working conditions are so similar, our conclusions should also be of value for drivers of the public companies. Of course, we are unable to answer the question whether working in a private or a public company as such is a factor influencing turnover intentions. This is a limitation of our research, but it doesn't affect the value of our other conclusions.

In the subsector of special regular services contracts are also awarded through tendering. Both large and small companies are competing on this market that is characterized by a lack of quality requirement and very strong price competition. Returns are under pressure resulting in less attractive pay and working conditions. Wages are lower, drivers often have temporary contracts and work part-time jobs (which may or may not be voluntary).

Coach drivers (occasional services) have very specific working conditions. The job itself is more diverse: whereas in other sectors drivers almost always do the same circuit, these drivers have very different assignments every day. Often they work longer hours but earn relatively high wages – partly because they frequently get tipped on the job.

The remainder of this paper is organized as follows. We start by explaining our data and econometrics and link our possible determinants of turnover to the available literature. Subsequently, we present an elaborate discussion of our estimation results. We conclude with discussing the consequences of our findings for retention policies in the private bus and coach industry.

2. Data and model

2.1. Sample and survey

The European Union Working Conditions Survey (EWCS) covers almost every ground of the concept of job quality and would therefore constitute the ideal data source for our purpose (Muñoz de Bustillo et al., 2009, 2011). However, its sample size in Belgium is limited to about a 1000 respondents, making a sector specific analysis of job quality impossible. We therefore decided to collect our own data using a questionnaire that was to a large extent based on the one used for the EWCS. The survey was administered to a random sample of 2915 workers drawn at random from the database of the sectoral social fund. This fund is an administrative body controlled by a joint committee of workers and employers representatives and charged with several duties such as the organization of the sectoral pension plan. The database of the fund contains every worker that has been paid as a bus driver in the Belgian private sector, which makes it an almost perfect reflection of the sector and thus an unbiased data frame for our sample selection.

¹ In 2020, also in Wallonia subcontracting will be based on competitive tendering.

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