

Chapter 10: Employee Retention and Recruitment Strategies

This chapter examines employee recruitment and retention issues for Bangor's regional transit system. It considers whether wages, benefits, work rules, and other labor conditions need to be changed to keep bus driver positions filled with experienced and well-qualified employees.

The analysis suggests that while the transit program would benefit from an expanded recruitment effort, major changes in operator wages, hours, benefits, or working conditions do not appear to be essential at this time.

The chapter includes five sections:

- Section 10.1 Background information
- Section 10.2 Current labor conditions
- Section 10.3 Assessment of the surrounding labor market
- Section 10.4 Cost projections for driver benefits
- Section 10.5 Recommendations

10.1 Background Information

Transit is a labor-intensive industry. Each bus trip requires a driver. Additional bus operators need to be on hand to ensure schedule compliance if the assigned driver is absent or late. Supervisors help to ensure on-time service and help address driver and passenger issues. Maintenance workers keep the buses operational.

Bangor's regional transit system is no exception to the general rule. The transit program employs 25 drivers, two of whom also have supervisory roles at the downtown Bangor hub.

Unlike many urban transit systems, Bangor does not employ standby bus drivers or bus cleaners. (Many small urban systems employ a bus cleaner who functions as a standby driver if an operator calls in sick at the last minute.) Bangor relies on phone calls to off-duty drivers for last minute substitutions. Buses are cleaned by ASPIRE and Workfare participants when available.

Bangor's highway maintenance department handles bus maintenance. These maintenance workers are not under the direct control of the bus manager.

The key labor concern for transit management is bus driver availability over the next few years. Consider the following:

- Eight of the current bus operators are over age 65. The oldest is 78.
- The bus operator job is part-time, without health benefits, and thus unattractive to many potential young applicants.
- The last job opening for a bus operator attracted few responses.
- Proposed service expansions could add several new operator positions.

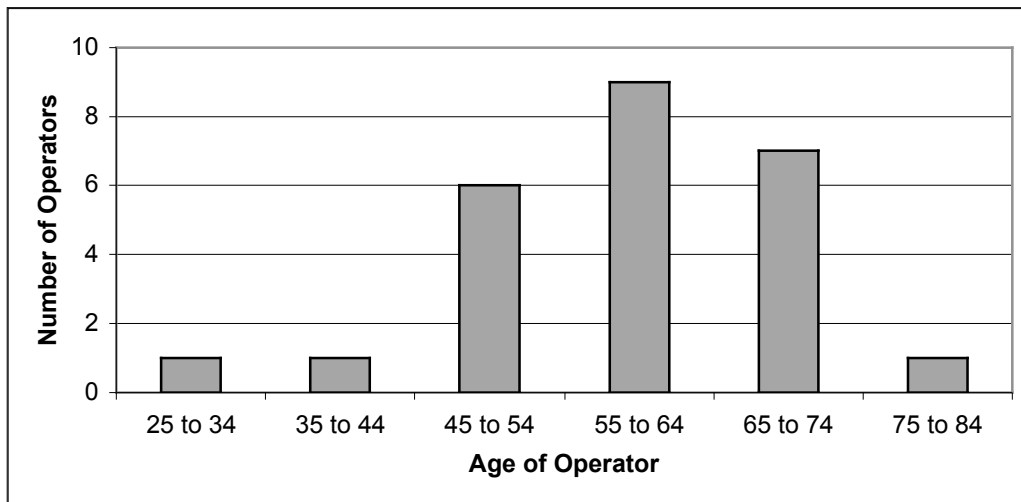
10.2 Current Labor Conditions

This section describes current labor conditions for Bangor’s transit operators. It analyzes the size and age distribution of current staff, along with wages, benefits, the existing work environment, and current hiring practices.

10.2.1 Staff size and age distribution

Of the 25 current bus operators, 20 have regular assigned routes and five provide fill-in service on the extra board. Figure 10.1 shows the age distribution of current operators. Most employees are over age 55 and many are retired from other jobs.

Figure 10.1: Age distribution of current BAT bus operators



10.2.2 Wages

The base wage for a new bus operator is \$10.13 per hour. Operators progress through an eleven-step wage ladder, and after six years on the job they reach the top pay scale: \$13.61 per hour.

The base wage is thus 74 percent of the top wage. Bus drivers receive an annual cost of living adjustment. There are no performance incentives or longevity bonuses, and there are no pay differentials for different run assignments.

10.2.3 Benefits

Operators are part-time and receive only limited benefits. The job comes without health insurance. Drivers can accrue paid time off up to ten days per year. Operators can use this time for vacation days, personal days, or sick leave. Employees can bank the unused days off up to 40 days, and they can cash out unused days at retirement. In addition to paying wages, the city contributes 8.5 percent of earnings to a pension fund. This pension fund contribution is in lieu of social security.

10.2.4 Work environment

Work conditions are favorable compared to those at other transit agencies. Buses are well-maintained with few breakdowns on the routes. Older buses are not air-conditioned, but this is not particularly a problem for operators or passengers given Bangor's climate.

Crime against bus operators has not been an issue, and problems with intoxicated or other difficult passengers are rare.

Schedule times are tight on some route, particularly when wheelchair passengers are involved. This can be stressful for bus drivers. The biggest problems involve the Center Street route and Mount Hope buses in the early morning. This study proposes strategies to correct both of these problems. Adjustments may also be needed for the Capehart route.

The conditions for new operators are different from more senior drivers. Operators bid for their bus routes based on seniority, and thus new operators get the least desirable choices. The result is that new operators typically get assigned to the extra board. These positions limit an operator's ability to have a fixed, regular schedule (and thus to take on some second part-time jobs).

Nonetheless, the extra board conditions at Bangor are still much better than they are at other, particularly larger transit agencies. Bangor service ends at 6:00 p.m. and thus there is no chance that an extra board driver could have a day job one week, and a night job the next. Moreover, extra board operators know their schedules one week in advance.

The agency guarantees that operators will get at least 24 hours of work per week. Most operators regularly work for 30 hours per week, and many drivers have opportunities to work even more.

Note that the quality of the work environment is also somewhat evident from the relative lack of bus operator absenteeism. Transit agencies typically have very high levels of absenteeism. A 1999 survey of 36 US transit agencies¹ asked the following question: “On a scale of 1 to 10, with 1 meaning there is no problem and 10 meaning there is a serious problem, how do you rate the level of absenteeism in your agency?” The average rating for the agencies was 6.97 and the most frequent rating given was 8. At Bangor, Joe McNeil says that absenteeism is “not an issue.” On the 1 to 10 scale, he gives it a 1.

10.2.5 Current hiring practices

When a vacancy arises, the bus agency follows City notification and outreach practices, which includes putting a notice in the Bangor Daily News. Notices inform potential bus drivers that applicants must have a commercial driver’s license (CDL). The ads also describe the hours and wages of the job. An opening in the past year generated responses from only a small number of potential employees.

10.3 Assessment of the Surrounding Labor Market

Several factors make the transit bus operator position in Bangor a relatively attractive job. The work is local and does not involve the travel of, for example, a long-distance truck driver. There is no night work. The hours are predictable for years at a time for the most senior operators, and even a new operator knows his or her work schedule a week in advance. The vehicles are in good shape, the riders and street conditions are reasonable, and relationships with management are positive.

The job is also not for everybody, even for those who have a CDL and would otherwise welcome the chance to be a transit bus driver. The lack of health insurance and the inability to move up to full-time work make the job unattractive for a person with a family to support or someone starting out in a career.

It is not surprising that most bus operators at the Bangor system have retired from other work—many already have a pension or receive social security, and many are old enough to receive Medicare. For many older drivers, part-time hours are an alternative to full-time work and full-time retirement.

A review of the surrounding labor market suggests that Bangor officials should not view the existing wage as an impediment to filling bus driver ranks. Consider how the wage compares with those of jobs in comparable industries in the Bangor area:

¹ Joel Volinski, “Practices in Assuring Employee Availability,” TCRP Synthesis 33, Transportation Research Board, 1999, page 4.

Figure 10.2 Wage Comparisons for Comparable Positions

<i>Employer</i>			<i>Comments</i>
City of Bangor: BAT Community Connector	Starting wage: \$10.13	Top wage: \$13.61	
Cyr Bus Lines (provides school bus service under contract to the City of Bangor, shuttle bus service under contract with the Eastern Maine Medical Center, plus regional charter and intercity bus service)	Starting wage: \$9.00	Top wage: \$10.25	Work is officially part-time, although many operators get 40 hours or more per week because of school sports schedules. School bus and shuttle drivers are not offered employee benefits.
Penquis CAP (operates the Lynx paratransit service)	Starting wage: \$9.19		The five full-time drivers get benefits, and any of the seven part-time drivers working over 24 hours per week get pro-rated benefits. Note that Lynx drivers do not need a CDL class B license because they drive smaller vehicles.
Bangor area light delivery service drivers	Median wage: \$9.93	Average wage: 11.64	These are the rates from a Maine bureau of labor statistics survey in the fall of 2000. The unionized employees at UPS in Brewer push up these rates.
Bangor area heavy tractor trailer drivers	Median wage: \$14.65	Average wage: \$16.03	From Maine bureau of labor statistics.

For both the light delivery services and the heavy tractor trailer drivers, the average wage exceeds the median wage. This suggests that a relatively small number of employees in each industry have high wages that skew the average well above what most people earn.

The comparison of wages in comparable industries shows that the rates paid by Bangor’s transit program are competitive. Craig Holland of the Maine Department of Labor in Bangor agrees. According to Holland, \$10.13 is a good wage for this area, and would be especially attractive for retirees who already have benefits or who qualify for Medicare. He also believes that the CDL requirement would be a minor impediment, as Bangor is a hub of trucking activity and generates many industry retirees. The transit program, says Holland, “should have no problem getting staff.”

Mike Dorr at the Bangor Career Center also supports the idea that the current bus driver wage should not be a problem. His office (a branch of the Department of Labor) caters to people over age 55. He reports that available jobs generally offer minimum wage. According to Dorr, the part-time bus operator positions at \$10.13 “would be very attractive” even with no benefits.

10.4 Cost Projections for Driver Benefits

While the transit system can compete in the labor market without offering full employee benefits, there is no doubt that more people would be interested in bus driver positions if the benefits package were expanded. This section considers the estimated cost of including health insurance, retirement, vacations, and paid sick leave for some full-time bus driver positions.

Current transit operations involve 10 buses operating on seven routes. This typically involves a total of roughly 725 driver hours per week. If one full-time position were established for each bus, this would result in 10 full-time positions with a weekly total of 400 full-time hours. Part-time employees would fill the remaining 325 hours per week.

The transit system is likely to expand from 10 regular-duty buses to 12, due to enhancements to Center Street and Brewer services. This could result in a combined total of 12 full-time positions, divided as follows among participating communities:

Bangor	7
Brewer	2
Hampden	1
<u>VOOT</u>	<u>2</u>
Total	12

Benefit costs for these full-time driver positions are estimated to total approximately \$128,605 per year, or \$10,717 per employee. These estimates are based a variety of assumptions about average wages, family size, length of employment, and average number of sick days used. Actual costs will vary depending, among other things, on driver seniority. The per-employee estimate of \$10,717 assumes the following:

Average wage	The estimate assumes an average hourly wage of \$11.87 per hour. This is half-way between the current starting and top driver wages.
Health insurance	Health insurance costs are different for individuals, single-parent families, and two-parent families. The estimate includes an average health insurance cost of \$6,368 per full-time employee.
Retirement	Retirement costs are calculated at 8% of gross full-time wages.
Vacations	Employees qualify for vacation days based on length of employment. The estimate uses 10 vacation days per full-time driver.
Sick days	Full-time employees qualify for up to 15 sick days per year. The benefit cost estimate includes 15 sick days per year for each full-time driver.

These assumptions result in the following cost estimates for full-time driver benefits:

Health insurance	76,415
Retirement	23,702
Vacations	11,395
Sick days	17,093
Total	128,605
Average per employee	10,717

This results in the following anticipated costs for the transit program’s partners. These figures include an additional bus and driver to fix the Center Street route and a second Brewer bus and driver.

Bangor	75,020
Brewer	21,434
Hampden	10,717
VOOT	21,434
<hr/>	
Total	128,605

Up to half of this amount could be covered with available Federal Transit Administration funding. It should be noted, however, that this will reduce the amount of FTA dollars available for proposed service expansions. The remaining \$64,303 would need to be contributed by local partners. Municipalities may be able to obtain full reimbursement for these added transit costs through MDOT’s new transit-related local roads assistance program.

10.5 Recommendations

It is possible that many of the older Bangor bus drivers will move to permanent retirement and quit the agency in the next few years. This is not a certain fate; the experience of one current operator shows that it is possible to still be on the job into the late seventies. In any case, service expansion will likely increase demands for new operators. Ensuring that the agency can hire the operators it needs is currently the main employee-related concern of transit management.

Review of the current wages and working conditions and an assessment of the surrounding labor market suggest that employee recruitment should not pose a serious problem for Bangor’s transit program. Major structural changes in bus operator wages, benefits, or working conditions do not appear to be essential at this time. Moreover, the current general reliance on retirees from other jobs appears to be appropriate.

The transit program's primary response should be focused on an expanded employee recruitment effort. In addition to advertising job openings in the Bangor Daily News, the agency should post job notices with the following agencies in Bangor:

- The Career Center of the Maine Department of Labor
- Eastern Maine Area Agency on Aging
- Senior Community Service Employment Project

Public workshops could also be scheduled to discuss opportunities for future employment with the transit system. These workshops could be advertised through press releases, public service radio announcements, and bulletin board flyers. These workshops could perhaps be organized jointly with one or more of the above agencies.

The agency could also offer a "finder's fee" for existing transit agency employees who recruit other operators. Several transit agencies have these bus operator referral programs; the reward might be one or two hundred dollars. Paying the fee only after the new operator has been on the job for a year also encourages some bus operator mentoring which can help to avoid high turnover among new employees.

Some larger transit agencies assist new employees in qualifying for a Commercial Drivers License as part of their employee training program. Various transit systems in Maine have discussed joining together to establish a CDL training program through the Maine Transit Association. While the Bangor system could perhaps benefit from participation in such a joint effort, it is worth remembering the importance of locating candidates with commercial driver experience. Drivers with extensive commercial experience are likely to be better qualified to operate large transit vehicles in Bangor's urban environment.