4 Strategies To Conquer Employee Challenges



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What keeps you up at night?

A 2015 *Turf* survey of landscape contractors showed that personnel issues ranked behind only "balancing work and personal life" and "getting paid" in the sleep deprivation department.

The challenge of finding, hiring and retaining good workers is a source of stress in any industry, but it's particularly real in the landscape industry where turnover tends to be high. And every time an employee leaves it means the hiring process has to start all over again. That means more sleepless nights.

And the situation seems to be getting worse. In *Turf*'s 2016 survey, personnel issues rose to become the No. 1 cause of lost sleep for landscape contractors—and by a landslide. When something becomes more worrisome than "getting paid on time," you know it's serious.

There are no silver bullets or guaranteed-to-be-a-winner solutions when it comes to personnel challenges. But we did find some experienced landscape contractors taking steps to make the process of hiring employees easier, while also boosting retention rates and minimizing the need to hire as often. Hopefully borrowing from some of their approaches will help you get a better night's sleep.



1. Finding the right foreman

According to <u>Payscale.com</u>, the average salary for a foreman in the landscape industry is more than 62 percent higher than the average salary for a laborer. There's a reason for this: foremen are the leaders out in the field

every day who need to solve problems, make good decisions, get the most out of the crew and make sure the company is being represented the right way.

"Having the wrong foreman can cost you thousands," says Ryan Parris, who operates <u>Parris Property Management</u>, a full-service landscape design and installation firm in Mount Juliet, Tennessee. For that reason, he places a special emphasis on the process of evaluating, hiring and retaining foremen for his company.

"I try to pay at least as much, or more, than the competition. And I offer paid holidays and vacation time; that seems to help a lot, because many landscaping and lawn care companies don't offer those," explains Parris. "That puts me in a better position to find and retain employees. It doesn't cost that much for the headache you save by not having to continuously find more people. If you can find someone good and retain them, it's a lot more beneficial than saving a dollar or two an hour."

Parris, who typically has five employees in the winter and 10 to 12 during the summer months, says he "absolutely" touts the perks he offers when posting job ads. This helps bring in not only more applications but also, hopefully, better applicants, he adds. Over the years, Parris says he has become better at being able to read people in job interviews to determine which candidates would be a good fit for the company and which would not.

He often places job listings on Craigslist and Facebook. "Craigslist is nice right now because they charge \$25 to place a help wanted ad, which weeds out the guy with just a truck and a trailer, who would never pay even that small fee. Because there's less competition, I get a bigger draw."

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The employees of Handy Andy Outdoors, a landscape maintenance and installation company in Chamblee, Georgia.

PHOTO: HANDY ANDY OUTDOORS

Parris says that finding and keeping good employees is hard work, but the effort pays off in several ways. For starters, there's good morale in the company. This often leads to word-of-mouth referrals as existing employees tell their friends and relatives that they should apply. And good people tend to want to work with other good people. "Once you build a good team and weed out all the negative people, then it makes it a lot easier to find good people," he emphasizes.

When possible, Parris tries to promote from within the company. That means that with every job opening he is looking for someone who can grow in the company. "Just because someone starts weedeating, that doesn't mean that I don't eventually want them to be a crew leader. And then a crew leader can move up to a manager and so on," he explains. "So I try to find the best people."

At the same time, he wants to find employees who can grow upward. He

reiterates that it's important to build the company from the top down by hiring good foremen who can disseminate knowledge and the culture of the company down to employees. Parris says finding good foremen allows the owner of the business to focus on big-picture issues. "I see guys spend a lot of time training—and I've done that, too—but you need other people in the company who know what is going on," he says.

Having good employees, especially foremen, does create at least one additional challenge: competitors are likely to notice this and try to "pick off" those good employees, says Parris. "But when those other companies don't offer the benefits that you do, employees usually say, 'No, I'll just stay here,'" he adds.

2. Sharing the wealth

Andy Batcheller, who operates <u>Handy Andy Outdoors</u>, a landscape maintenance and installation company in Chamblee, Georgia, says that he works hard to build professionalism among employees and "get them to buy into this as a career, and not just look at it as an hourly job."

He recently began exploring a way to up the ante in this regard by becoming an employee-owned company in which employees would have stock options. For employees, this would serve the function of a retirement plan. Employees would receive options every year based on their performance that would pay a dividend, which they could cash in. "I don't believe in giving someone a raise for their number of years on the job, but if they benefit the company then they should be rewarded for that," says Batcheller.

He says that two books, in particular, led him to investigate this new approach toward compensating employees: "The Great Game of Business" by Jack Stack and "Traction" by Gino Wickman. "I read them and totally bought in," says Batcheller. "I think people work much harder if they have skin in the game, and if they are being rewarded for that long-term. A lot of our labor force doesn't have a way to invest. What better way to invest than in yourself?"

Batcheller believes that such a plan would not only help with getting employees to buy into their jobs as careers, boosting professionalism, but also makes them more cognizant of how their actions impact the company's bottom line. He says employees begin to be invested even in little things, like not wasting trash bags, because that will add to their bottom line at the end of the day. "Instead of a retirement plan per-se, they are their retirement plan. When they retire, they're going to get something."

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The employee-owners of A Yard & a Half Landscaping.

PHOTO: JESSE EDSELL-VETTER

The downside of this approach, says Batcheller, is that it's complex to set up. "That's why I haven't been able to implement it yet," he explains. For starters, he would have to change the very structure of his company, which is

currently set up as an LLC. On a positive note, he says there are resources available—including consultants and peer mentoring groups—to help companies learn more about becoming employee-owned.

That's the complex, long-term plan for getting employees to buy-in. In the short term, Batcheller has created a profit sharing plan. Each month, he starts with a budgeted gross profit figure. When the company beats that figure for the month, a percentage of the growth is split among the company's employees. "Everyone gets a piece of the pie, so everyone has accountability," he explains, noting that companies can tailor this system as they wish: everyone can get an equal share or the pie can be broken into different percentages. Foremen, for example, might get a certain percentage and laborers another, etc. The motivation is the same for everyone though: to be rewarded for good work.

"You're going to be less likely to waste things or screw around if everyone else is watching you. At the end of the day, the better you do, the better everybody does, so everybody wins," says Batcheller. The idea is to incentivize employees every month to beat the budgeted number.

He says that programs like this—that reward performance rather than longevity, etc.—help to create a certain culture and attract a certain type of employee who is willing to work hard, knowing that it will pay off. "Someone who is coming in understands that hard work is going to be rewarded," Batcheller says. "You don't want the guy who wants a free hand; you want the guy who, if you give him your hand, he gives you his."

3. A cooperative effort

When the company's founder decided it was time to retire two years ago, employees at A Yard & a Half Landscaping, a full-service landscape company in the Boston area, decided to buy the company from her. Today, the word "cooperative" appears at the end of the company's name, signifying that it is group-owned, including everyone from management to employees working out in the field. (New employees are candidates for a period of three years, and then there is a buy-in amount to become an owner.)

That diversity has created challenges, says co-CEO Carolyn Edsell-Vedder. "The learning curve has been substantial for everybody, both in terms of learning how to be a business owner and how to do all the communication that you need to do in a democratic workplace," she explains. What's helped has been to make it clear that there is a distinction between the ownership of the company and the way it operates on a day-to-day basis. "Out in the field, we have a management hierarchy; if you're a laborer, you report to your crew leader and they report to the project manager and so on. But when we're in the boardroom and we're making decisions as a group of owners, we're all equal," states Edsell-Vedder. "We spent a lot of time early on clarifying what decisions are government—big picture decisions—and what's management or operational."

Landscaping (seen below at a training session) view their work as career-building rather than just performing jobs, says co-CEO Carolyn Edsell-Vedder.

PHOTO: CAROLYN EDSELL-VETTER

While there have been some bumps along the way, the employee-owned nature of A Yard & A Half has made a huge difference not only in how the company functions, but also in its ability to recruit new employees. "It's changed the way we think about hiring," says Edsell-Vedder. She recalls attending a presentation at a landscape conference once when someone said: "How do we hire? We put a mirror in front of someone's nose!" "I think that's really true in this industry, and we used to be guilty of it, too," Edsell-Vedder acknowledges. "But now we're really thinking when we're hiring, 'Is this person someone who, after they've been a candidate for three years, we're going to want to hire as a co-owner? Do I want this person to be my business partner? Do they have the attitude and the love of learning and the commitment to be a good business owner?' That really sets a higher bar in terms of hiring."

Fortunately, as the criteria for hiring has increased, so too has the number of applicants. In part, that's because the decision was made by the employee-owners to bump up pay in order to attract high-caliber applicants. But it's due mostly to existing employee-owners referring friends and relatives, and being able to personally speak about the benefits of working at a cooperative, she says. "Our employees are much more willing to tell their friends. This year we put on six new people, and all but one came from employee referrals," says Edsell-Vedder. "In the past, we had to beg. We'd tell them that we would give them money to help us find good, reliable people." She attributes the change to the increased pride that employees have in being part-owners of the company, and the fact that this ownership stake has helped employees come to see their work as careers and not just jobs.

Initially, many employees took part in the ownership buy-out mainly because they liked working at the company and saw it as the best way to keep their jobs, says Edsell-Vedder. "But two years out, everybody really says that this was such a great opportunity. It's a way that they can start to build up some savings for later in life. Even though it won't be in their pocket for a while, there's some real thought about the investment in their future and their family's future. And that's really powerful for people."

4. Year-round jobs

Winters are long in Iowa, and there's not a lot of lawn maintenance work to be done. David Jennett, co-owner of <u>Green Valley Pest Control and Lawn Care</u> in Creston, Iowa, says that one of the biggest problems for companies in colder climates is being able to pay wages to employees in the winter when business is slow. At the same time, it's no secret that keeping employees on the payroll year-round is extremely beneficial.

While Jennett says he hasn't found perfect solutions for doing so, there are

a couple of things that have helped. The first is diversification. Green Valley, for example, offers pest control in addition to its lawn and landscape services. "There's some of that work to be done 12 months a year, regardless of what the temperature is outside," he notes. "That has helped us bring in extra revenue in the wintertime." Green Valley also offers snow removal services, perhaps a more common diversified activity among lawn and landscape companies in northern climates.

Having this extra work allows Jennett to keep all of his employees (currently 12 total) with the company year-round. He says that being able to offer year-round jobs helps increase the number, and quality, of candidates applying when positions are available. "Based on the feedback I've gotten from current employees and from candidates for positions, it helps a lot," says Jennett. "Obviously, everyone is looking for a year-round job." Having more candidates to choose from allows him to be more selective in hiring, and that results in a higher-quality employee in the end, he feels.

Offering a diverse range of services, from lawn care to pest control to snow removal, helps Green Valley Pest Control and Lawn Care keep workers employed year-round. That means lower employee turnover and less expense to continually recruit, hire and train new employees, says co-owner David Jennett.

PHOTO: GREEN VALLEY PEST CONTROL AND LAWN CARE

"And I feel like we get a lot lower turnover," says Jennett. This means less time, money and energy is spent posting help-wanted ads, interviewing candidates and getting new employees trained and up to speed. "It's a huge savings because in our industry it takes a lot to train a new employee to the point where they know our system, how to do all the applications, how to operate the equipment. So anytime there's turnover, you've got to start all over and there's a lot of extra hours involved," he states. Another advantage to keeping workers year-round, according to Jennett: many employee trainings can be scheduled during the winter when things are slower rather than having to take time out when things are hectic during the growing seasons.

Even with diversified services, there's not always enough work to pay employees every single week of the year. But Jennett is so convinced of the value of keeping his employees with the company that he has found a solution in situations where, for example, there's little snow and not much plowing work. "All of our employees do draw unemployment through the winter, and then we have a bonus program in the spring where we pay them a bonus to bring them up to what a 40-hour work week would have been," Jennett explains.

For any employee who comes back in the spring, the company tallies what the employee was paid during the winter doing either pest control or snow removal, plus what they got paid in unemployment benefits, and then makes up the difference.

This, obviously, represents a big expenditure at a relatively slow time of the year, so it requires sound internal budgeting throughout the year. But the result is happy workers who tend to want to stick with the company. Not only do employees receive the equivalent of year-round pay, but this approach also provides them a chance to do something they enjoy doing during slow periods of the winter when they don't have to show up. As Jennett says, "They get to go hunting or ice-fishing—whatever they like to do."

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