

Getting and keeping the very best employees... without going broke

by Tom Langer, Jr.

■ Attracting and keeping the very best employees is harder than ever, especially if you hire part-time, seasonal and temporary employees.

A continued national labor shortage doesn't help. Statistics also tell us that the aging of the American workforce will result in a smaller group of people available to work in golf and landscaping. So employers—yourself and your competitors—are looking for the little extras, like employee benefits, that ease the problem without breaking the bank.

Teen labor—For many businesses, high schoolers make up a big share of summer help. They are generally covered by a parent's health care plan and, as such, don't really require health coverage.

Numerous interviews with teens have shown that the number one benefit is flexibility, not money. The ability to leave for social activities is paramount.

The second benefit that attracts teens is the ability to socialize with other teens. Schedule a few minutes before and after work with some sodas and snacks to attract and keep the best high schoolers.

When you hire a teen, you hire his or her family. The more flexible you can be regarding rides, hours and locations, the better.

Collegians—College students, like teens, are often covered by their parent's health insurance. But they, unlike teens, seem to have one primary motivator: money, because they often must pay for a large share of their schooling.

One company pays a 'tuition bonus' if the student stays on all summer.

Some college students think in terms of more dollars per hour, but a little creativity will minimize your expense. One of our clients pays a fair wage, based on the area's average, or a little less. But, assuming a

GROUP	#1 CONCERN
TEENS	flexibility
COLLEGIANS	money
ADULTS	retirement

student stays all summer, the company pays a "tuition bonus." This amount is higher for each summer they return. Using this method, the company keeps people year after year at a manageable cost.

Adults—With adults who are able to assume a high level of responsibility, benefits take on a new importance. Many will come to you in need of health care coverage. You have several options.

You may purchase a group policy; most types are available to groups as small as two. Depending on your state laws, most policies can be written to assume your full-time permanent employees. Part-time, seasonal and temporary employees will generally be exempt.

To hold down expense, consider using a health plan that involves some type of provider network. These providers offer the insurer discounts which translate into lower premiums or better benefits for you.

Many businesses expect employees to pay a portion of their health care cost. Be sure to talk to your insurance professional about a *Section 125, Premium-Only Plan* (any premiums paid by the employee are considered pre-tax, and thus save taxes for both you and the employee).

Or, compensate your key employees so that they can purchase their own coverage. A number of good insurers offer comprehensive, individual policies. One key advantage to you is that the employee owns the policy, and takes it upon leaving the company. There are no continuation issues or paperwork for you, and, since the coverage is written for the individual, there are no minimum participation requirements.

This option is particularly attractive if you or a large percentage of your group is covered under a spouse's plan. Again, many of these plans mimic group plans.

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Some offer prescription drug coverage, life insurance and other benefits.

Retirement concerns—According to pollsters, the second benefit prized by most employees is a retirement plan. Today, with plans like 401(k)s and IRAs, most employees fund a large portion (if not all) of their own retirement.

As an employer, funding retirement plans is optional, yet studies show these plans increase employee retention.

If company finances prohibit plopping a large amount of money into a retirement plan, consider using a list-bill, IRA-type arrangement in which each employee owns his or her IRA with little or no cost to your company. Employee contributions are deducted from payroll and a single check is submitted by the employer. Because of the payroll deduction, many who haven't saved for retirement may appreciate the discipline.

Disability coverage—Another benefit that frequently costs little but has a huge perceived value is long term disability coverage. This is an especially big concern for younger workers or those who don't earn a great deal of money, since they have likely not had an opportunity to save money themselves.

Long term disability can be arranged with a variety of benefits and benefit periods. Costs can be one percent of payroll or less. While your company out-of-pocket expense is minimal, employees recognize the benefit of having their income protected in case of injury or illness.

Owners often recognize that a key
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employee may be a potential buyer when retirement time comes. One of the greatest benefits you can bestow upon this individual is to recognize their key status within your business and work together to plan for the eventual sale of the business to that person.

The most successful benefit programs are designed to "benefit" the needs of everyone. However, before undertaking any change in your benefits structure, be sure to consult a broker or agent who is familiar with the industry. Moreover, bring in your tax and legal professionals as required to be

certain you are complying with the appropriate federal and state regulations.

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Learning from natural disasters

Disaster factoids

- **Dollar value of weather-related damages, 1993:**
\$13.8 billion
- **Deaths directly attributed to weather events, 1993:**
350
- **No.1 weather killer:**
flash floods, 140 deaths annually over last 20 years
- **Number of deaths from lightning on golf courses, 1993:** 1
- **Number of U.S. states with more than \$1 billion weather-related damage, 1993:**
4 - Iowa \$5.9B,
Illinois \$2.7B,
California \$1.1B,
Missouri \$1.0B
- **Number of U.S. states with no weather-related damage, 1993:**
3 - Delaware, Maine,
Rhode Island
- **State with fewest tornados, 1961-1990:** Hawaii (0)
- **State with most tornados, 1961-1990:** Texas (137)
- **Average annual number of tornado-related deaths, 1961-1990:** 82

Source: National Weather Service



by John B. Calsin, Jr.

■ Drastic or immediate changes in the weather, beyond normal climatic conditions, can mean lost work, lost wages, a poor bottom line, even bankruptcy to the golf course or landscape company. Or, it could mean a bonanza.

In eastern Pennsylvania last summer, a late-evening tornado moving in a north-easterly direction took several lives and devastated numerous properties. The tornado meant lots of work for tree companies and landscapers with tree divisions. Bids for tree removal often ranged in the multiple thousands of dollars.

But there is a downside for golf courses and there can be one for landscapers: biting off more work than employees are able to cope with. In the rush to clean up, at least one landscape company reacting to the Pennsylvania tornado underbid. As the work progressed, it became evident that there were too many trees for the company's manpower and equipment to handle cost-effectively.

The work lagged and the property owner felt the need to resort to an attorney.

Here are some points to keep in mind when dealing with a situation that might bring windfall profits:

1) If it is a natural disaster, be sensitive to the needs and feelings of the customer, especially if the customer is the owner and has suffered a major or devastating loss. Your understanding and genuine sympathy could lead to future referrals after the disaster.

2) Is insurance money involved? What restrictions, if any, might the insurance company require? Is it really possible for your company to meet those stipulations?

3) In spite of the potential financial dividends, is your company really able to handle the job? Do you have enough men and equipment? Can additional equipment be rented cost-effectively? Is it, indeed, available for rent? Is the work such that additional personnel could be hired through a temporary placement agency such as Manpower Inc.? (It may be beneficial to investigate temporary employment agencies before you need one, as applications must be filled out and your credit may have to be checked.)

4) If you have to rent extra equipment or hire temporary help, will you make enough profit to justify the extras?

5) Do you really want these jobs? Will your regular customers' service suffer in exchange for what turn out to be only a

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