COVER STORY: LABOR ISSUES PART 2

Develop your own Areer track

These companies took care of their employees, only to watch them grow into competent managers and supervisors. Can you do the same with your people?

BY GEORGE WITTERSCHEIN

t's hard enough just finding good people to hire but what about developing those who have more responsibility? How do you determine the laborer who has what it takes to be a foreman or the foreman who

could grow into a middle manager?

How do you even hold onto people long enough to develop them? The good ones often leave to start their own businesses.

We visited with three companies who have answers to these questions:

Environmental Industries Inc.

Environmental Industries Inc., of Calabasas, CA, is the largest privately owned landscape contracting company in the United States. One of the areas in which they are known to excel is developing people from within into supervisors and then into managers. *LM* asked Bill Arman, EII's vice president for human resources, to explain that success:

LM: Developing people from within into supervisors and middle managers is something the industry traditionally does not do well. How do you do it?

Arman: The first step is to start with the end in mind. We try to visualize what types of businesses we are going to be in, what customers we are going to be relating with and what skill sets and technologies we will need.

Then we make our future thinking clear to the organization. We teach our people what the skill sets are that we will need for the future. We also have a process in place to analyze what they've learned so that the learning is stronger than just taking a oneday class and a two-day seminar.

LM: What kinds of things do you teach people as you develop them from within in this process?

Arman: We look at three main areas. The first area is the customer: how to look at the work from the customers' perspectives.

Second, how to deliver customers' concerns effectively and efficiently.

We look at production: How do we obtain it? We want to be well organized and to execute fundamentals (what we call Best Practices.)

Third, there is the culture. We try to create the culture in our organization that has people transferring this knowledge to others as they work. We create that culture by financial means, by recognition of people, by offering varied experiences and cool assignments.

LM: Do you have success developing people from within?

Arman: That's primarily what we do develop from within. You measure success by retaining qualified people who are doing their jobs. You can't look at your overall retention because keeping people who are not doing their job is not a good thing either. You have to reward the good performers, give the others a chance to improve, and take those who don't improve and give them a chance to succeed elsewhere.

LM: And do you also learn from other industries?



Bill Arman

Arman: Yes. We have "tours" where we visit other operations that are not related to our business; for example, UPS, Federal Express, Home Depot and large organizations that are successful with lots of people development. And we observe, watch, ask lots of questions, meet with their

human resources people and learn everything we can.

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TruGreen-LandCare

Rex Gore is the south Texas regional manager for TruGreen-LandCare. Until last year, he was president of Clean Cut Inc., an Austin-based landscaping company that is now part of TGLC. Clean Cut grew at an average rate of 30% a year over a 13year period, meaning their hiring and retention needs were staggering.

LM: So you had to retain the good people

5 ways to develop people

Landscape Management talked to Dave St. John, GreenSearch, an Atlanta-based consulting firm that does both management personnel searches and HR consulting. He shared some of his observations about developing productive supervisors and managers.

What do the successful companies do differently from the rest of the green industry? Several things, St. John says:

Owner visibility and concern. "The successful ones, where we've seen long-



Dave St. John

tenured people, are owners who personally stay involved. They're instrumental in hiring the people, they watch their progress and they look for the things in their behavior that indicate they can shoulder a heavier load."

People instinct. "The successful owners we've seen also have an instinct about people. They know when someone is ready to move on to accept greater challenges. They can differentiate between technical challenges and the broader, more conceptual things which give a sense of supervisory ability." Leadership observers. "They watch for informal leaders

who other people naturally start to follow."

Clear communication. "Good owners have the ability to state what they want from people and not how the people are to do it. That gives the emerging supervisor a platform from which to be creative and show what he or she can do.

"There isn't a particular route for supervisory development, especially for companies that don't have well developed recruiting processes. The basic element is very good people judgment on the part of the owners and senior decision makers."

New responsibilities. "As for growing people into middle management, it's like the NBA draft. The further up you go on the totem pole, the fewer people from which to choose. To bridge someone from supervisor to manager, start giving the candidates more diverse things to do — things that are new and different. You might have them run two different segments of the business, lead three different kinds of crews or deal with new customers."

"Diversity of task really tests their scope. The difference is that a manager now has to manage results, not activities. Management's a different game. A supervisor is a team player; a manager is the team coach. There's a big difference!"

- George Witterschein

you had, hire new people and develop and promote people from within — in a way that sustained 30% growth year after year.

Gore: That growth rate means we retained most of the good people we had, and hired a bunch more.

LM: And you clearly succeeded.

Gore: I believe so. When we sold to TruGreen, we had become a \$22million/year business with 400 people. By the way, the business is still growing under TruGreen, and we're doing things much the same way, with some modifications to suit our corporate style.

LM: Do you hire supervisors and managers from outside or develop from within?

Gore: As far as managers, we have some people who came up through the ranks from crew positions. But more typically, mid- to upper-management comes from recruiting at colleges, especially more recently. In almost all cases, supervisors and foremen were hired as laborers within our companies. By displaying capabilities, and with some reasonably decent training, these are people who have developed into competent supervisory personnel.

LM: You must have had success retaining them long enough to develop them into supervisors?

Gore: Yes. As I'm looking through the list of foremen (reads names aloud), about half of these are people who started as laborers six to eight or 10 to 12 years ago.

LM: Why do you think they stayed with you long enough to develop into foremen?

Gore: It's not brain surgery. It's trying to hire pretty good people, then screening them rigorously. That means when you find people who don't show good attitudes or capabilities, you need to make that cut reasonably quickly at the laborer level. From there, there's always some people in any group that have leadership capabilities, *continued on page 61*

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and it's a matter of finding them and recognizing them.

Keeping people is a function of several things: You've got to pay competitively, give them opportunities, treat them fairly, demonstrate concern for their welfare and appreciate they are human beings with needs.

LM: How do you show concern for their human welfare?

Gore: Anyone who has had success developing good people has been in situations where they're helping them out in a time of need. When they're struggling with an illness, you have to be tolerant. You should strive for perfection in this, I suppose, but even if you're only pretty good at it, you'll get good results.

LM: Because so many other companies are so bad it?

Gore (laughs): That's probably the case. There are a lot of things in life that aren't extremely urgent today but must get done or they will make life difficult in the future. Getting a job sold, getting a job done or collecting the money from that job — all those are urgent. Hiring someone who might be a good laborer and ultimately a good supervisor is important, but it's not urgent. You have to remind yourself that it's important. At some point, it becomes urgent if you don't make it important.

LM: Still, it has to be hard to keep up with that yearly growth rate.

Gore: It takes a lot of work, but it also makes it possible to keep good people and develop them from within. That's because growth provides opportunities for people with leadership capabilities and motivation.

Robertson Lawn Care

Robertson Lawn Care, Springfield, IL, does mostly lawn care for an upscale clientele

One company's experience

Keesen Enterprises Inc. in Englewood, CO, is a landscape contracting business with 140 employees and \$4 million in revenue. Landscape maintenance is its main business, along with irrigation, landscape construction, spraying, fertilization and snow removal. President Duane Keesen, a third-generation Colorado landscaper, speaks about the H2B program from experience.



"We were having an exceptionally difficult time hiring over the last couple of years," Keesen says. "Several years ago, we initiated an H2B program here and got off to a slow start. Eventually we went to Scott Evans, and we brought in 60 people last summer and 18 people in the winter.

"It was a wise thing for us to enter the program. What it cost us we probably tripled in profit. One of the reasons is that we bring in the people as a group and there is only one training period, which our bilingual supervisors do in-house. We find that jobs are getting done much faster than before. In the past, if somebody could walk, we would hire him.

Duane Keesen

It doesn't work in other industries

"I've gotten calls from other industries — drywall, roofers, concrete, construction — wanting to know how to get into this program. They would love to, but can't. We in the landscape industry are spoiled. We can get into it, but so many don't because of lack of understanding, or fear, or inability to provide the cash up front.

"To those who say they can't afford H2B, I say this program is the way to go because it's the right thing to do. The Bible tells us that if you build your house upon a rock it's going to stand, but if you build it on sand it's going to wash away. If you build your business on illegal people, you're building it on sand. You cannot promote within and before you turn around, you'll have huge fines.

"The only other possibility is to pay wages that compete with the roofing, sheet rock and general contracting markets. I'd love to do it, but it isn't there. If the construction industry cannot get good workers, we certainly can't at a lesser rate."

Each of his new employees has a sponsor, a company employee who makes the newcomer feel welcome. "Last year, when everybody first came up, it snowed. They had someone who could tell them what kind of boots to get. This works very well. We've only had to send two people back to Mexico. One had health problems and the other went to work for someone else, which is illegal."

Keesen and a lawyer have begun a campaign to persuade Congress to change the law to allow H2B workers to apply for a green card after a few years working here. The employer would then get back the prized H2B slot (remember, there are only 66,000 of them a year) once the green card is in place.

"My guess is that half or more of them would stay with us once they had green cards. But if they didn't stay with us, at least they would become available to the landscaping industry in general." (Keesen Enterprises, Inc., Englewood, Colorado; 303-761-0444.)

but is a small company and a growth company at the same time. Jack Robertson is president.

LM: What's your operation's size? Robertson: At peak we have eight employees. Since starting our business in 1977, we've grown our customer base every single year.

LM: You've been able to achieve that

U.S. unemployed

Seasonally adjusted, in thousands Nov. 1998 through Nov. 1999 Average: 5,915



growth record with the same size workforce. How?

Robertson: By being efficient. Our people's knowledge and experience is a huge part.

LM: Much of that

knowledge and experience belongs to your two senior service managers,

Brian Cox (in his 20th year with the company) and Mike Harris (in his 19th). How did you manage to hold onto two good people for 20 years?

Robertson (laughs): If I knew the answer I'd bottle it!

LM: Perhaps it's not such a mystery.

Your formula for success boils down to something like this: Hire people whose values resemble yours and give them what they need to feel comfortable and satisfied with their jobs.

Robertson: We share bonuses yearly and throughout the year with our people, but the benefits package is minimal. We've been lucky in that Mike and Brian both have wives with good medical coverage.

LM: What does your company do right?

Robertson: No matter what business you're in, if you work that closely with people for that period of time, you become like family. And we're certainly like family here. For example, we like to do outdoor *continued on page 64*



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BEYOND THE EXPECTED

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activities such as hunting together. There are other things that are just as important to us all. For example, we have kids that are not yet grown. It is important for

everybody to give the kids attention, and that means time. We're extremely flexible about things like letting people off to go to the track meet or the music recital. I also want them to feel free to tell me

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that they're going to take the time. That has worked well for us.

LM: So it's a matter of shared values. Robertson: People and family come continued on page 66

Why the labor crunch?

• "Unskilled native-born people, if they're going to work for \$7 or \$8 an hour, are going to do it indoors in a



where it's air conditioned in the summer and heated in the winter." - Bob Wingfield, Amigos Labor Solutions, Dallas • "1976 was the

lowest birth year

McDonald's

Scott Evans

in the United States in the last 50 years. So the demographic pool of 24-yearolds — a typical landscape worker's age - is very small to start with." -Scott Evans, C. Scott Inc., Bay City, TX "Do Latin American laborers harm America? No! These H2B people don't take jobs from people — they fill an incredible need. And the belief that Mexicans coming here to work in our industry are abusing the system couldn't be further from the truth. These people make a real contribution to our society. Americans often don't realize what would happen if (they) weren't here. Except for maybe South Dakota, the whole country would shut down! Under H2B, only 66,000 people are allowed in a year. That's less than one for every community in the U.S."

- Bob Wingfield

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first. It's easier to say that sometimes than to actually do it, especially when you're chief bottle washer for the business. But it's worth it.

I think Mike and Brian enjoy coming to work because they feel we have the same

values. They also enjoy their work because we do everything only one way, and that is the very best way that we can.

We do things a lot differently around here. I've been to a lot of lawn care offices. and while some are very nice, some aren't. But we designed a new one six years ago so

Working with a labor consultant

One response to the scarcity of labor is to look elsewhere, yet who has the stamina or resources to take on government regulations involved in importing workers from Latin America?

Specialists have sprung up to assist you and here's a sample of what some of them told Landscape Management:

Bob Wingfield is president of Amigos Labor Solutions, Inc. in Dallas, which last year brought in 1,100 nongreen-carded workers from Mexico for over 100 landscapers in 28 states.

"We've found out that the quality of the people you get under H2B exceeds anything you can get here in the United States anymore. The current source of green card workers from Mexico is dried up and those who do have green cards may be too old to go out and do green industry jobs, and they've become Americanized. The H2B program allows younger people to come in, with more of a work ethic.

* "We offer our clients a simple turnkey deal, starting at \$650 per worker and varying with the quantity. The client must also pay for a legally required newspaper notice. In exchange for that, we do everything, with no surprises and no hidden fees.

* "Another thing we offer is continuity. We find out the H2B workers who our clients liked from previous experiences, and we try to hire them

back again the next year. Out of the 1,100 workers we brought in last year, over 95% stayed." (Amigos Labor Solutions Inc., Dallas, TX; 214-634-0500; www.amigos-inc.com)

Angelo Miño is personnel director of Signature Landscape in Olathe, KS, and also has his own consulting company, Summit, in nearby Lenexa. Summit's mission is aimed at human resource directors.

"I teach them how to solve the problems of the different immigration regulations and laws," Miño says. "And I do a lot of consulting about how to work with Hispanics and use



ground of their labor force as a big plus. * "Many industry people

believe that

there is only the

but in fact there

H2B program,

the multicul-

tural back-

Angelo Miño

are about 18 permanent programs. Usually every year, there is a temporary program, often as a disaster relief effort, of which most people know nothing. We had a program for workers from Honduras after their hurricane. Right now, the INS is preparing a temporary program for workers from

that it would be fun to walk in the door every day. And when you visit our office, you feel that.

In a sense, we've designed the whole company that way!

 The author is a contributing editor for Landscape Management

Colombia and Peru.

* "We also offer an emergency line for clients who have sudden problems - like a surprise visit from the INS. And I have a subscription service where companies receive regular news - for example, those temporary programs." (Summit, Lenexa, KS; 913-438-3364; mariu48@excite.com)

Scott Evans was a landscape contractor in Bay City, TX. Today, he's president of C. Scott Inc., an H2B resource firm.

"I got tired of my guys coming from Mexico all cut up from barbed wire. Every document they showed us looked perfect. But I began to ask myself: Why are these guys cut up if everything is perfect? I looked for an alternative, and I stumbled on the H2B program. I've been doing it for three years for other people. In 1999, we brought in around 1,800 to 1,900 people for 42 clients, most of them in the Green Industry."

* Evans' staff of four bilingual people charges a set consulting fee per client, regardless of the number of workers the client wants to bring in. "The paperwork is substantial, but it's much the same for one person or for 5,000," he says. The initial retainer is \$3,500, followed by another \$2,100 at completion. After that, the charge is \$1,200/year for the required recertification. (C. Scott Inc., Bay City, TX; 409-245-7577; www.silc-h2b.com)