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EMPLOYEE RECRUITMENT AND RETENTION: AN OVERVIEW FROM A NATIONAL PERSPECTIVE¹

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Abstract. Commercial arborists rank recruitment and retention collectively as the third largest problem they face. There is every indication that as the labor market tightens over the next 5-10 years, the problem of finding and keeping good help will only become more serious unless action is taken. There are a variety of techniques the business manager can employ to alleviate the problem; however, each technique is not suitable to all situations. Doing nothing will, at best, only perpetuate the problem. Recruiting and retention must become ongoing functions of business management.

Résumé. Les arboriculteurs commerciaux placent collectivement le recrutement et le maintien du personnel comme le troisième plus grand problème auquel ils ont à faire face. Il y a toutes les indications que comme le marché du travail se resserre pour les 5 à 10 prochaines années, le problème de trouver et garder de bons employés deviendra toujours plus sérieux, à moins que des mesures soient prises. Il y a une variété de techniques que le dirigeant d'entreprise peut utiliser pour diminuer le problème; cependant, chaque technique n'est pas propice à toutes les situations. Ne rien faire, perpétuera, au mieux, le problème. Recruter et conserver son personnel doivent devenir des fonctions continues du directeur d'entreprise.

Competition for labor in the 18 to 24 age bracket is on the increase and the pool itself is rapidly shrinking. In 1980, there were 30 million young people in that group, of which 12 million went to college. In 1990, there will be only 24 million, and more than 12 million will go to college. That represents a 30% reduction in the pool of available labor. Some researchers say that the decline in the availability of skilled workers will abate until the year 2000.

Forecasts of the shrinkage and growth of the skilled labor pool vary. However, it is safe to say that through 1995, the resource for potential employees in the tree care industry will shrink by

about 500,000 per year. After 1995, the pendulum will begin to swing the other way as young people born during the mini baby boom of the late 70's begin to join the work force. Coupled with this is the fact that colleges and universities, with few exceptions, are suffering declining enrollment in their horticulture-related curricula. The lure of easy money elsewhere is seemingly drawing students away from the green industry. If you were to formulate a five-year plan for your business today, you would be remiss not to allow for an ever-tightening labor market. Long-range planning should include provisions for increased *employee recruitment and retention activities*.

The National Arborist Association conducted a random informal survey of some 30 private tree care companies across the United States. Company owner's thoughts on the recruitment and retention problem gave us an idea of the size and scope of the problem. When asked, "Is the problem of recruitment and retention among the top five problems that you face?", the answer was an emphatic "Yes!". Most respondents ranked it as third on their lists.

As the title of this article implies, there are two sides to this problem; *recruitment—finding good help in the existing labor pool, and retention—holding onto them once you have found them*.

Recruitment

The tree care industry has several major handicaps that must be overcome in order for us to

1. Presented at the annual conference of the International Society of Arboriculture in St. Charles, Illinois in August 1989.

have an opportunity in the labor market and these handicaps are not going to take care of themselves.

The industry has an identity problem. The majority of people in the socio-economic strata from which we hire don't know who we are, what we do or why we do it. In 1986, the NAA produced a public awareness program called "Careers in Arboriculture". Some of you have seen the video, the four color brochure, the poster and the how to use it folder. The NAA spent \$25,000 creating the program with seed money from the NAA's Paul Tilford Foundation, support from several of our member companies and several ISA Chapters. At the time of the program's creation, we said, "If the NAA ever did anything that directly impacts a major industry problem, this is it." Word has spread about our forward thinking approach to this problem, and now the nursery industry has a video and others are following suit.

Ultimately the solution to the image problem must be found at the local level. It isn't a question of NAA or ISA advertising in the media to make people aware of tree care in the hope that some young person will seek a career in arboriculture. For the most part, the potential employees that we need to reach aren't exposed to the media in that sense. We need to reach these young people at their level: while they are in school, when they are beginning to think about careers, when they are most impressionable.

This, the likeliest of all solutions to the problem of attracting young people into this field, requires a grass roots effort. The "Careers" program is designed to be taken into the high school in conjunction with career day activity. The accompanying "how-to" explains how the employer must establish contact with high school counselors or teachers and arrange the presentation.

Determining whether the program has been successful depends largely on how one attempts to measure success. Some companies make the necessary effort, and it is paying off. Still, the program is vastly under-utilized. Records show only 56 loans and 8 purchases of the video in 1987, 30 loans and 4 purchases in 1988, and only 13 loans and one purchase thus far in 1989. These numbers represent a tiny fraction of the arborist community.

The very seasonality of the business and the boom and bust mentality hurts employee development. Employees and their families who become accustomed to a 60 hour work week and a \$30,000 a year income level during peak season do not plan sufficiently to endure the 20 hour work week and \$10,000 a year income level during the winter. The company must assume the responsibility for providing steady work or financial counseling or both if it hopes to keep this employee content. Some companies are doing it.

An NAA member firm in Philadelphia realized years ago that his people wanted, needed and deserved year-round work, and that it was the responsibility of his management and sales personnel to provide it. Sales people wanted their work completed by the end of the year so they could get their commissions. The company initiated a policy that stipulated all sales people sell a certain amount of winter work. The company sold its most important clients on the benefits of winter work. Consequently, they are booked up with winter work and their employees enjoy job security.

Third, the industry has never kept pace with its wage scales. There has been an improvement in recent years. The national median wage rate for a crew leader has increased 5% annually since 1985, just keeping pace with the rate of real inflation. Wage rates for climbers and ground personnel have fared slightly better, increasing about 6.5% annually. The national median hourly wage rate for a crew leader in 1989 is \$12.00. For a climber, it is \$11.00. For a ground person, an entry level employee, the rate is \$7.25. The last few years has seen significant improvement in the wage rate picture. Still, there needs to be more improvement, and arborists will probably have to charge more for their services to provide it.

Employers sometimes try to impress the employee with what it costs to provide training, worker's compensation and pay federal and state withholding taxes. Employees could care less. After all, it's management's cross to bear! These are the costs of doing business that any legitimate company pays. From the employee's point of view, these costs should have no bearing on his bottom line.

Conversely, some employers develop the cash

mindset, thinking that a high wage is the solution to everything. They are doing themselves a disservice. The employee who is attracted by high wages and short-term gain usually leaves the company for the same reason. Somewhere between these extremes is the company offering a decent living wage and solid benefits. Benefits such as paid medical and dental insurance, holidays, vacation, sick time and compensatory time are meaningful to the employee. To the broad-minded employee, especially the employee with a young family, paid benefits have a definite value equivalent to wage dollars.

To give an example, the NAA Administrative Assistant, an entry level person, received a comfortable, entry-level salary. That person's health insurance premiums cost the NAA \$1140 a year. More important is how much money that employee was able to save. The employee had allergies that required a weekly visit to the doctor for shots, amounting to roughly \$40 per week. Insurance covered treatment that would have cost the employee \$1664 a year with *after-tax* dollars. Even if his salary were increased by the amount of his insurance premium, he would have netted over \$600 less for the year.

Once the employer has dealt with the issue of providing a decent living wage and benefits, he has cleared the biggest hurdles that stand in the way of attracting quality employees. Then the question becomes keeping them.

In some areas, NAA members have begun hiring the handicapped, and a few are providing transportation. Beginning in 1987, as part of its employee development efforts, NAA staff began working with a group known as the National Council for Therapy and Rehabilitation Through Horticulture. Working through a national network of 60 referral agencies serving persons with disabilities, NCTRH assisted NAA member firms by locating, recruiting, and pre-screening qualified job applicants. Now known as Horticulture Hiring the Disabled, this private enterprise continues its efforts. The collaboration could not be called successful in terms of the number of positions it helped to fill; nevertheless, a door was opened that was previously closed.

Each year, almost 500,000 immigrants enter the United States. These folks are filling the

minimum wage jobs in the restaurant and hotel industries. Most do not read or write English, and few can speak it fluently. Nonetheless, this is a resource that many of our members are using in increasing numbers. In fact, plans are in place to translate several of NAA's training programs into Spanish to facilitate training of recent immigrants.

An increasing number of our members are hiring women to work in the field, which is commendable and long overdue. The image of the tree man of yesterday is slowly being replaced with that of today's tree care professional. The faster we can change that image, the faster we can begin attracting professionally oriented, young men and women to arboriculture.

Retention

A survey of the entire membership done over two years ago indicates a turnover rate of 1.8. A small survey conducted just recently indicates a turnover of 1.86. That means that, in the course of a year, the average tree company is hiring almost two people for each position in its field force. One would have to conclude that there is a fairly sizable "leak" in the labor "pool"! Without belittling the problem of finding good people, it is scary to think that the industry is losing people, especially when one considers the considerable investment of time and money that a company makes at the outset of employment.

Why do employees quit? That was a question the NAA asked of its membership recently. Members ranked the reasons they thought employees quit in order of importance.

1. **The work is physically too demanding.** The physical aspect of tree care can be alleviated somewhat by the use of labor saving, modern equipment. We see more of it every day. Even in the best of situations, tree work is and will always be physically demanding. The best we can do is to make sure that employees are duly compensated and appreciated for their efforts.

2. **They don't enjoy the work.** One handicap that we used to have that has vastly improved is management's interest in providing a work situation that offers job satisfaction and self-improvement. Once the employee's basic needs have been met with respect to compensation, then the prime motivating factor driving that

employee's performance becomes job satisfaction. Many factors contribute to job satisfaction.

A. *The Employee's Immediate Superior.* This person should be someone who is impartial, someone who shows strong leadership but who is also sensitive to the employees' needs.

B. *The Feeling of Accomplishment.* There is intrinsic satisfaction in our profession. But when the days get long, the weather gets hot, and the work gets repetitive, that satisfaction may not be enough. Employees need an occasional pat on the back, and a little positive feedback on their recent accomplishments.

C. *The Work Environment.* Employees are motivated to perform best when they are placed in an environment where professional attitudes and practices, prevail. The company shapes its work environment largely with its philosophy. This may be manifested in several ways, but commonly it is spelled out in company policy. A written company policy manual is a good place to start. In 1985, a poll of members showed that only about 20% had a written company policy. Last year, NAA produced a sample company policy manual to help its members with that aspect of their business.

D. *Self-Improvement.* I attribute a great deal of that change to the programs that NAA has developed from the Home Study program to the Treeworker newsletter. It used to be that only the large companies could afford to offer self-improvement programs. Now, with the multitude of NAA programs, all employers can. Today, we see a resurgence of company sponsored employee education. I say a resurgence, because one should not forget the significant efforts that have been made in the past, efforts such as Davey Institute of Tree Sciences and others.

3. **Personal reasons unrelated to job.** More effective screening would pick up many of these potential problems. Hiring techniques is a subject unto itself.

4. **Lack of advancement opportunities.** What does the future hold in store for the young person just starting work at your place of business today? In five years, will that individual be a manager, or will he have moved on to another company that offers more opportunity for advancement?

Employees need a Success Plan. Ideally, at the time they are hired, the employer and the employee should identify the employee's short and long term career objectives. Then, they should work out a list of short and long range performance goals that will enable the employee to fulfill his or her career objectives.

Most companies who fail in this effort do so because they cannot or will not expand their operations to accommodate employees moving out of field operations and into management. Companies limited by their size and structure must learn to accept turnover as the norm, or learn to recruit a different type of worker.

Even growing companies fail at employee retention. They fail to spell out their expectations and long-range plans to the employee clearly. The Success Plan must be presented at the time of hiring and reviewed at regular intervals to assess the employee's progress. Also managers fail to delegate authority. Having never been given authority, the employee cannot learn to handle responsibility. Occasionally the employee is given responsibility that he or she has not been taught how to handle. Regular review can uncover the employee's shortcomings, and training can help to overcome them. Remember that competency and excellence in a manual task doesn't automatically guarantee success with a management task. The two require different skills.

There are many different techniques that the arborist firm can use to help alleviate high employee turnover. Each manager must assess the particular situation of his company and employees to determine which techniques he should try. The only conclusion that can be drawn with any degree of certainty is that doing nothing will guarantee the perpetuation of the problem. Recruiting and retention must be an ongoing function of business management.

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