Gardens for All Supply Company: Older Workers as a Tactical Advantage for Business

Case

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Abstract

Gardens for All Supply Company (GASC) focuses on providing environmentally friendly supplies and basic tools needed to be a successful gardener. GASC started with four full-time employees and gradually grew to 57 full-time and 33 part-time employees. By the end of 2012, it had 90 employees, the average age of which was 47. GASC's hiring and training had been successfully accomplished informally by the four co-owners and through family and friends, all of whom had some knowledge of and commitment to gardening. Turnover was well below 10 percent. By the end of 2013, GASC had added 17 employees, including 14 in customer service and three in the warehouse. The company focuses its recruitment efforts at local colleges and career fairs. Thus, the average age of employees is 32. But with additional expansion planned for the coming year, the company needs to consider its staffing needs in light of multiple generations in the workplace, specifically considering how the company can gain advantage by leveraging older workers.

Case

Company Background

Gardens for All Supply Company (GASC) was founded in 2008 by four college roommates, two with degrees in biology and environmental sciences and two with degrees in business. Brian, Mattie, Tom and Sam met during their summer job at Williams Nursery, a local farm that grows and sells a variety of flowering plants, small decorative shrubs, trees and vegetables to the surrounding community. The Williams family had given up their traditional dairy farming business years ago and now has a well-established, profitable business with an excellent reputation and customer base.

Brian, the grandson of the owners, was interested in expanding the family business. He proposed the idea of GASC to his college roommates after graduation. GASC would focus on providing environmentally friendly supplies and basic tools needed to be a successful gardener. It would complement his grandparents' existing business, and his grandparents were eager for Brian to remain part of the family business and move it forward. The four partners made an arrangement with Brian's grandparents to "rent" space on their farm to start their own separate business to sell their supplies and tools.

The partners agreed that GASC's mission was to provide the necessary tools and supplies to create bountiful gardens backed by the assurance of 100 percent customer satisfaction. The new partners enjoyed the trust, loyalty and "100 percent customer satisfaction" guarantee already established by Brian's grandparents over the last 20 years. GASC grew rapidly with this proven reputation and customer base.

The business developed steadily for the next two years, and the partners added employees as needed, especially during the spring and summer months, when business was at its peak. They also created a website with an online catalog to expand their customer base and increase sales. By 2010, GASC employed 27 full-time and 33 part-time employees. Most of these employees were local relatives or friends who either had retired from full-time work or had a love for gardening. The partners had a personal connection with many of these employees and knew they were committed to their vision of 100 percent customer satisfaction. The partners held monthly meetings and activities for all employees to reinforce the company's vision, update them on the business and reward employees.

GASC enjoyed continued growth and success, and it became necessary to expand again to meet customers'
demand for additional products. The expansion included adding a new year-round retail location downtown and a small warehouse built on the farm's property. The retail store also housed GASC's customer service employees.

The Case

GASC, which started with four full-time employees, gradually grew to 57 full-time and 33 part-time employees, reaching 90 employees by the end of 2012. The average age of all employees was 47.

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<thead>
<tr>
<th>FTEs</th>
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<td>2012</td>
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<td>New internal processes</td>
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GASC's hiring and training had been successfully accomplished informally by the four owners and through family and friends, all of whom had some knowledge of and commitment to gardening. Turnover was well below 10 percent. By the end of 2013, GASC had added 17 employees, including 14 in customer service and three in the warehouse. The employee population was now 107 employees, and the average age was 32, which reflected the company's focusing its recruiting efforts at local colleges and career fairs. Although the partners had the overall authority and made the key management decisions for the company, they had allowed several of their more skilled employees to act as lead employees for each functional area—customer service, retail, purchasing and warehousing—without structured, assigned roles. This informal approach to the management structure had worked well in the past because the partners were able to stay in touch with all staff members each week while keeping their focus on the company vision. There were also informal monthly gatherings that kept the employees engaged and focused on the vision and goals of the company.

The partners eagerly planned for their 2014 expansion, which would require 12 additional staff members for customer service and the new retail location. This expansion would include new product lines and an overdue improvement to the company's inventory and shipping processes. The partners also estimated that at least two additional employees would be needed in the warehouse, expanding the staff to 121 employees.

Mattie informed her partners that several other local businesses were also in the process of growing their customer service departments and that GASC had lost several employees to these new companies. The partners were concerned this would affect their ability to recruit new and retain existing employees. They also acknowledged that finding employees with gardening knowledge might not be as easy as it had been in the past. During the last two months they had lost four of their long-term customer service employees, and they were unclear why these experienced employees had left. The partners recognized the critical need to fill staff...
openings to cover the additional customer service and retail hours. There had also been an increase in customer returns for incorrect items, indicating that the new employees needed more training, that there was a problem in the warehouse's shipping department or both.

The partners met to discuss what their strategy should be to expand effectively. They identified the following expansion goals:

- Establish a consistent training program focused on the commitment to the vision of the company's 100 percent customer satisfaction guarantee.
- Attract and retain employees with superior customer service skills and preferably with gardening experience.
- Identify and resolve the factors contributing to increased turnover and reduce the costs associated with this issue.
- Determine customers' primary complaints about GASC's service and products to explain the numerous returns and minimize possible future decreases in the company's profitability.

GASC Partner Profiles and Business Issues Related to the Expansion

Brian Williams, partner

Brian is responsible for GASC's general operations, including supervising the manager of sales and marketing. In the last four months he has focused his efforts on expanding the business. As a result, Brian has learned from his grandparents and several loyal customers that GASC is not upholding its 100 percent customer satisfaction guarantee. It is evident that the company needs to identify why its customer satisfaction is eroding and contributing to declining sales.

Brian trained all employees in the past, but with his focus on the expansion and not on training, coupled with the increased number of new hires in the last year, he decided he no longer had the time to devote to training. Brian assigned training to several of the recently hired, highly motivated and promising college graduates who reminded Brian of his partners and himself when they started the business. Brian did not provide a training plan but simply asked each of the employees to train the new hires on their daily work responsibilities in the customer service and retail departments. As a result, customer service employees were not consistently trained with the same understanding of and commitment to the company vision and performance expectations, especially the guarantee of 100 percent customer satisfaction. Brian had also dropped the company monthly social gatherings due to his shifting priorities.

Mattie Cromwell, partner

Mattie is responsible for operations and hiring in the customer service and retail departments. She is having difficulty finding new employees because several new start-up companies in the area are presumably offering more money and better benefits. She knows it is important to hire people with gardening knowledge for the customer service department but thinks she has exhausted all her resources. In the past five years, GASC has experienced low turnover at an acceptable rate of less than 10 percent. With several recent departures, however, not only is turnover more than 10 percent in the customer service and retail departments, but two employees with seniority left to work at larger companies, each with a more robust benefits package and better work schedule.

Mattie believes the company's wages are at market rate and is aware that the benefits package is lacking, but
she has no data to support this conclusion. To attract new employees in the last several months, Mattie has offered new hires a higher wage, equal to or more than what several current employees earn.

In addition, four of the company's older key customer service employees have notified her that they are considering retirement. Mattie further notices that four of the new hires are regularly late to work and have high absenteeism. She has also received several customer complaints concerning the behavior of these employees. Customers have complained that these employees were not patient with them when they placed their orders, and in several cases, the customer received an incorrect item. She suspects that the behavior of these newer employees is partially responsible for the erosion of what was once a positive and friendly work environment and is contributing to the higher rates of turnover. Most of the older, more experienced workers do not require much supervision, so Mattie is not sure what all the issues are in her area. She knows, though, that the volume of customer complaints has doubled in the last year, along with a higher return rate on orders.

Sam Summers, partner

Sam is in charge of inventory, purchasing and working with Mattie to establish the product lines for the GASC catalog. Sam is finding his time limited because of the increased work necessary to maintain two locations. This is further complicated by the growing problem of keeping an accurate inventory, especially with the increase in returned merchandise. In the past Sam could handle most of the inventory work with one full-time employee, but he recently added two new employees to help keep a handle on the inventory.

Tom Torrez, partner

Tom focuses on information technology, purchasing and finances for the company.

What's next?

The partners know they need to quickly identify and resolve the issues in the customer service and retail departments, including filling open positions, preferably with reliable employees who have gardening knowledge; reducing the rate of customer returns; and fixing any inventory issues. They also need to think about the company's organizational structure and create several leadership positions because it is no longer possible to focus all their time on the operations of the business.

More importantly, Brian, Mattie, Sam and Tom feel that the core issue is the lack of understanding and focus of the employees on the firm's commitment to 100 percent customer satisfaction.

Strategic Plan for Expansion

GASC will have a difficult time expanding unless the problem of declining sales is addressed. In addition to gathering external information about market trends and customer feedback, the partners need to create a strategic plan to address internal factors such as the recruitment and retention issues, customer service quality, inventory accuracy, and employee understanding of GASC's commitment to 100 percent customer satisfaction. They appoint three experienced employees from the business areas experiencing these challenges to meet and work with the partners to make specific recommendations to address the problems in the next four weeks. It is also possible that one or all these employees can potentially take on the new leadership roles.
needed in the company.

Key Team Members

Pam Santiago, customer service

Reports to Mattie Cromwell, partner

The partners wanted someone on the team who had been with the company in the start-up years, was a high-performing employee, had an understanding of the training, and held a valuable perspective of what was working well in the department and what needed improvement. Pam had worked part time for Brian's grandparents for 10 years before joining GASC and was an accomplished, avid gardener. The partners wanted Pam to work with them in their new business, and after six months, they convinced her to work full time for them.

Pam personally knew and serviced the company's top 100 customers from the beginning of her employment and was clearly an asset to the company. Unfortunately, Pam was one of the customer service employees who told Mattie that she planned on retiring at the end of the month. The partners knew they would need to find a way to improve the working environment and convince Pam to stay.

Pam and her co-worker Sara, the other excellent employee who told Mattie that she would retire at the end of the month, had noticed a distinct shift in employee commitment by employees hired in the past year, the lack of appropriate training for new employees and the change in company culture. This culture change became particularly evident after the partners stopped holding informal and formal gatherings to recognize and celebrate employees' contributions to the growing company. These meetings had also been used to introduce new staff and to educate all employees about the products recently added to the inventory. Now Brian's selected team delivered that training monthly. Pam felt that the monthly training was not timely enough to keep employees informed about the new products added to inventory weekly. Pam did not feel it was appropriate to comment on the training program, though, because she had heard that the partners thought the new training team was outstanding. The final concern that contributed to Pam and Sara's retirement announcements was that they learned that Mattie had hired several new employees “with experience” at higher wages than they and several of the other employees with seniority received for doing the same job.

The partners were unaware that eight additional top customer service and retail employees who had been with GASC since its inception also planned on retiring during the next year and had concerns similar to those of Pam and Sara. If they retired as planned, the company would lose 10 employees with more than 50 years of combined experience.

Mac Stone, warehouse

Reports to Sam Summers, partner

Mac was appointed to the team because of his experience successfully operating the warehouse when only Sam and he worked there. Mac is also the one to identify any serious issues with the operation. Sam is concerned that Mac has seemed somewhat disengaged in the business in the past four months and hopes this...
increased responsibility and recognition will reengage him.

Mac is actually Brian's grandparents' oldest friend and began working as a favor to Brian's grandparents when they started their nursery and gardening business more than 10 years ago. Mac does not say much, but he understands the warehousing business. Mac has been disappointed in the last year with the addition of two new employees who are younger and do not interact with him. They only listen to Sam, who, in the last four months, has not been in the warehouse often enough. Mac is aware that many of the original proven procedures are either being forgotten or ignored. Mac suspects that this is probably creating shipping errors and loss of accurate inventory tracking when an item is returned.

**Shelia Torrez, retail stores**

**Reports to Brian Williams, partner**

Shelia is Tom's aunt, and she successfully opened the retail store four years ago. Shelia has excellent instincts on what sells. The partners chose Shelia for the team because of her success in that role. They also know that she has been dropping hints that she may retire. Although they would prefer that she stay three more years to train a replacement, they want to capture her valuable knowledge of the retail operation.

Shelia had retired early from a previous position and did not really need to work, but her love for her nephew and for gardening—she is a certified master gardener— enticed her back into the working world. Lately, she has been questioning her decision to work full time, especially with the increased turnover. The lack of trained and committed employees has placed additional work on the remaining employees in the retail and customer service departments and has made her job much more difficult. The last four employees who were hired and trained by Brian's trainers were not aware of the company's 100 percent customer satisfaction guarantee and had little knowledge of gardening. In fact, these new employees seemed more interested in when they could take a break and go across the street to the local coffee shop.

Shelia has decided that she would work on this last project with the partners and then leave the company.

**Case Questions**

**Summary question:** GASC wants to expand its business, and the partners need to find the right kind of workers. They are having difficulty finding talent, and they are losing experienced, older workers in crucial customer relations positions. The partners overlook the contributions and underutilize their older employees. The partners decide to ask several of their older workers for recommendations and conclude that the loss of several of these individuals could potentially damage their business further. Do you agree that older workers can convey the company's values to new hires, serve as role models for workplace behavior, be mentors in knowledge transfer to younger employees and provide a ready resource for periodic workforce projects? How would you make this case?

1. Analyze how Pam, Mac and Shelia are reacting to changes at GASC. What are the issues for each?
2. What work schedule options should Mattie explore to retain her older, more experienced,
high-performing customer service employees who are considering retirement? Mattie needs to prepare a list of benefits options she can use in conversations with these customer service representatives to encourage them to continue working for GASC. What options should be included?

3. What could be added to the benefits package to attract and retain older employees?

4. What are the mentoring possibilities in this case study that would improve the quality of service from new employees and retain older workers? Why should mentoring be considered as an option?

5. How does the Equal Pay Act of 1963, the Age Discrimination in Employment Act of 1967 (ADEA) and the Lilly Ledbetter Fair Pay Act of 2009 fit into the compensation issues in this case study?

6. What new career options (advancement, role changes) could be created to retain and preserve the knowledge of the more experienced workers who are considering leaving?

7. How can the partners improve the gardening knowledge of new employees? Where should they look?

8. How could the company retain the knowledge of experienced employees?

9. What tax credits or training programs are available to the company?

10. What types of low-cost policies and activities could be added to engage older workers and to demonstrate that the company values them and encourages them to stay employed?

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