

Dealing with a Labor Shortage – Grow Your Own

By Linda Leigh Francis

I cannot find qualified workers! I hear this lament all over the country. Many experts think this labor shortage will be with us for years to come. Some estimate the growing demand for skilled workers will exceed new people coming into the industry by two to one.



What can you do? Here are a few strategies for getting the workers you need. The core element in each strategy is excellent personnel practices clear and accurate job descriptions, competitive wages tied to skill levels, performance reviews, and an honest appreciation and acknowledgment for an employee's contribution to company success

1. Keep whom you have. Run a company that values its people and they know it. This company meets more than the financial needs of its employees. A company shares its mission and goals and shares the success and profitability of the business with the people who helped make it happen.

I work with a retailer who is not the highest paying employer in the area. However, she treats her people right and values their contributions. She shares the company plan and its profits. Although her people regularly get job offers from other retailers, they do not respond to these offers because of how their company treats them. If you are only keeping people with money, there will always be a higher bidder. Go beyond the dollar and meet the other needs of your employees.

2. Grow your own. Nordstrom's department store has a saying: Hire nice and train cash register. You can teach someone to use a cash register, but you cannot teach him or her to be nice. What attributes do you need in an employee? Intelligence? Good people skills? Mechanically inclined? Good work habits? Hire green with these characteristics in mind. You also have to offer people a career path within your organization, both in terms of new skills and increased wages.

A plumbing, heating, and cooling service company I work with uses the grow-your-own strategy. The owner is on the board of directors of a local apprenticeship training school and gets a shot at the cream of the crop. She has clear job descriptions tied to a salary schedule so that employees can see a future within her company.

She carefully places the apprentices with journeymen who use specific training criteria that lead to in-house certification. She has opened her books. Everyone in her company knows how much it costs to run the business, what the profits are, and each shares in the company's success. Lots of work? You bet! But, she has excellent employees and a very healthy business.

(Linda Francis teaches workshops and seminars on business management and is the author of Run Your Business So It Doesn't Run You. For more information, call 707-485-0162, or e-mail lfrancis@pacific.net.)

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Member Benefits Going and Coming

PHCC Coupon Book Program Discontinued

The Coupon Book will not be published in 2005. After several years of declining membership participation, the PHCC Board of Directors determined it was in the best interest of the entire association to discontinue this member service in its present form. It was evident that the resources used to maintain this program could be moved to areas that will provide greater good to more members. If you have any concerns about this action, please contact us at 800-533-7694.



PHCC Techline

Get immediate answers to your technical questions and avoid the cost and hassle of code violations. Unlimited access - available at no charge to members. Contact Bob Kordulak at (800) 813-7061.

PHCC members have tapped into Bob's expertise to help them resolve issues ranging from venting, low water cutoffs and indirect waste to overflow connections, redesign of an existing building and rainfall rates. This valuable member benefit can save you time and money by providing guidance on technical dilemmas and clarifying code requirements.



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National Update

Legislative

With the 2004 General Election fast approaching, it's particularly important to know where your state and federal legislators stand on issues that impact you, your family and your business. Visit PHCC's Web site to access a *scorecard* on how your legislators voted on key PHCC issues, what's new in Washington and voter registration information.

Be sure to take time to vote yourself and encourage your employees to exercise their right to vote. Help them see that the voting process is not complicated or inconvenient. Then give them the time on November 2 to make a difference and have a say in how they want to be governed.

What's a PAC?

PHCC's Political Action Committee (PAC) is an important component of the overall legislative representation PHCC provides its members. This special fund, created from the personal contributions of our members, helps us provide bi-partisan support to candidates who understand the unique concerns of the p-h-c industry. Specifically, PAC funds are used to support the election campaigns of candidates for federal office who will continue to work with us to enact legislation that is favorable to plumbing and HVACR contractors, such as access to affordable health insurance, tort reform, preventing unfair utility competition, and permanent repeal of the estate tax.

The Political Action Fundraising Committee, which oversees PAC activities, has developed stringent criteria for disbursements. To be considered for a PHCC PAC contribution, candidates seeking election or re-election must have either a 70 percent or better pro-PHCC vote score, sponsor a bill that positively impacts PHCC members, or have a lead role in supporting PHCC legislative issues.

Each year, the funds that PHCC's PAC contributes to legislators and candidates play a key role in protecting and furthering the interests of PHCC members. This proactive approach to representing member interests continues to increase our visibility on Capitol Hill and strengthen our relationships with legislators, ensuring that we are an integral part of the decision making process on issues affecting our industry.

Visit PHCC's website at www.phccweb.org for more information on the PHCC PAC and links to candidates and information, legislative alerts and updates, current legislation, key votes, and templates to write your member in congress.

Member Benefits

As the plumbing and HVACR industries continue to experience shortages within the labor pool, many contractors are looking for alternatives to maintain a competent workforce. In addition to instructor-based apprenticeship programs, PHCC offers home-study solutions that add convenience and flexibility to the training process. The following programs are available with substantial member discounts through the PHCC Toolbox catalog, online at www.phccweb.org, or by contacting the national office at 1-800-533-7694.

Home Study Plumbing Apprenticeship Program: This four-year program is based on the PHCC Plumbing Apprenticeship program. Apprentices enroll one year at a time. They receive the apprenticeship book, complete with tests and other appropriate support materials, and work at their own pace, reviewing text and taking tests when ready. PHCC staff administers the program, grading tests, tracking results, and keeping supervisors in the loop on the apprentice's progress.

Fast Trac Plumbing and Fast Trac HVAC Home Study: These 18-month programs focus on the residential service and repair segment of the industry. The technical content was adopted largely from the PHCC Apprenticeship programs. The program also includes a customer service component, to help technicians gain a better understanding of their role in company profitability. These programs are available with test grading for an additional fee, or they may be purchased and administered by the supervisor for a reduced fee.

Best Practices – Inspection – Roles, Rights and Responsibilities

The following information on contractor roles, rights and responsibilities in code inspection issues comes from PHCC's Technical Consultant Bob Kordulak. Bob is a former contractor with years of experience dealing with inspectors and code issues. He currently serves as code secretariat for the National Standard Plumbing Code (NSPC).

As a plumbing contractor, you are responsible to protect the health and safety of the public. You use a plumbing code that, when met, ensures the public's protection. The inspector is responsible for ensuring that code requirements have been met.

Sounds simple enough, right? But what do you do when your interpretation of the code does not match the inspector's? Section 1.6.5 is excerpted from the "administration section" of the National Standard Plumbing Code. Other model plumbing codes have similar requirements.

1.6.5 Authority to Condemn

When the Authority Having Jurisdiction determines that any plumbing system or portion thereof, which is regulated by this Code, has become in-sanitary or hazardous to life, health or property, it shall order in writing that such plumbing system or portion thereof be repaired, replaced or removed so as to be in code compliance. The written order shall fix a reasonable time limit for the work to be brought into code compliance, and no person shall use the condemned plumbing system until such work is complete and approved by the Authority Having Jurisdiction.

Generally speaking, when Codes are adopted they are usually adopted with rules and instructions on how the code will be applied and administered. Code regulations require that the enforcing agency make a written record of all inspections, including any discrepancies, as the above section would indicate. Codes also typically require that inspection stickers, both approved and not approved, be used by the enforcing agency.

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PHCC Installs Officers, Board of Directors

The Plumbing-Heating-Cooling Contractors-National Association (PHCC) and PHCC National Auxiliary installed new officers and members of the board of directors at the 122nd annual convention's closing banquet at the Sheraton Boston, Boston, Mass.

The new PHCC officers are:

President: Mary Garvelink, Commercial Design Engineering, Ltd., Colorado Springs, Colo.

President-elect: Jim Stack, Stack Plumbing, Inc., Kirkland, Wash.

Vice President: Jo Wagner, CTO, Inc., Harlingen, Texas

Secretary: Tom Moore, Climate Control, Inc., Leesburg, Ind.

The new members of the PHCC board of directors, who will serve three-year terms, are:

Zone 1: Joseph Schmitt, Joe Schmitt & Sons Plumbing & Heating, Englewood, Ohio, representing Ohio, Pennsylvania and West Virginia.

Zone 2: Steve Schaefer, Schaefer Mechanical Services, Inc., Westminster, Md., representing Delaware, District of Columbia, Maryland and Virginia.

Zone 3: Ron Newman, Lakes Plumbing, Heating & Cooling, Inc., representing Iowa, Minnesota, North Dakota, South Dakota and Wisconsin.

Zone 3: Kenny Calkins, Cloverdale Plumbing Company, Meridian, Idaho, representing Alaska, Idaho, Montana, Oregon, Washington, and Wyoming.

Zone 4: Malcolm Sweet, Condaire, Inc., St. Louis, Mo., representing Colorado, Missouri, Nebraska and Kansas

There are two new board representatives from the PHCC National Auxiliary and Association Executives Council:

* **Auxiliary President** Kathy Tindall, Tindall & Ranson Plumbing & Heating, Princeton, Robbinsville, NJ

* **AEC President** Rodney Jones, Egyptian PHCC, Illinois

Auxiliary officers and board members who were installed (not previously listed) were:

* President-elect Lynn Heidler, Annapolis, Md.

* Vice President Linda Bienvenu, Harahan, La.

* Treasurer Jorja Dickemann, Glen Carbon, Ill.

* Membership Secretary Pat Blank, Buffalo, N.Y.

* Recording Secretary Iris Maddalon, Hamilton, N.J.

The PHCC-National Association, formed in 1883, provides legislative advocacy, education and training to 4,000 plumbing, heating and cooling contractors. Members of PHCC have access to a wide variety of services designed to increase their professionalism, grow their business and improve profitability. For more information, go to www.phccweb.org

2004 "PLUMBING CONTRACTOR OF THE YEAR"

Industry Recognition of Plumbing Contractor & Plumbing Apprentice of the Year, Scholarships Awarded at 22nd Annual PHCC Convention

BOSTON, October 18, 2004 - At a ceremony Friday night at the Sheraton Boston Hotel, in conjunction with the 22nd Annual PHCC Convention, Delta Faucet Company and the Plumbing-Heating-Cooling Contractors - National Association (PHCC) announced the Plumbing Contractor and Plumbing Apprentice of the Year, prestigious awards recognizing excellence in the plumbing industry. At a related luncheon on October 13, scholarship recipients for six students in plumbing related studies were announced.

"We salute the recipients of this year's awards program for their hard work and dedication to the plumbing and heating industries. It is imperative that we attract, educate and train the next generation of talent so that our industry will be at the forefront of abilities and technology," said Ray A. Kennedy, senior vice president, sales & marketing for Delta Faucet Company. "Awards programs from Delta seek to recognize individuals who are championing the very best qualities in their careers, and to inspire up-and-comers."

Plumbing Contractor of the Year

Pat Ellingson and Tom Hills, owners of Ellingson Plumbing, Heating & AC in Alexandria, Minnesota were named Contractor of the Year. Nominated by the Minnesota Association of Plumbing-Heating-Cooling-Contractors for their dedication and service, Ellingson and Hills were named Minnesota PHCC Plumbing Contractor of the Year in February.

PHCC Members "Revolutionize Their Businesses"

Over 750 PHCC members and guests attended the Oct. 12-16 122nd annual Plumbing-Heating-Cooling Contractors-National Association (PHCC) convention and ISH North America trade show in Boston. Focusing on the theme "Revolutionize Your Business," futurist and economist Lowell Catlett opened the convention with an exciting keynote presentation on evolving technologies and their implications for plumbing and HVACR businesses. Highlights of the week were the PHCC vice presidential election, expanded educational seminars, an auction of political memorabilia and other items to support PHCC's political position, networking events and the ISH North America trade show.

Jo Wagner Elected Vice President

Jo Wagner of CTO, Inc., Harlingen, Texas, was elected PHCC's new vice president at the annual business meeting. Wagner has been a commercial mechanical contractor for 31 years. Jo has served on the PHCC national board of directors, as well as the Texas PHCC board. She also is very active in PHCC's legislative activities, having recently testified before Congress on tort reform.

PAC Auction Raises \$45,000

The PHCC Political Action Committee raised approximately \$45,000 at the PAC Auction on Wednesday night. Waterford crystal, golf memorabilia, a variety of getaway trips and unique jewelry were some of the featured items. Money raised at the auction will be used for PHCC's lobbying efforts.

Network '05

PHCC's 2005 convention, called "Network '05," will be held Sept. 7-10 at the Walt Disney World Swan and Dolphin Hotel in Orlando, Fla. The convention will be a joint effort of PHCC and the American Supply Association.

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Did you know About the Law in Nebraska? "New Hire Reporting"

- 1. What is the new hire law?** Nebraska Statute 48-2301 and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42 U.S.C. 653A, requires all employers to report newly hired and re-hired employees to a state directory within 20 days of their hire date.
- 2. Who must report?** All employers and/or labor organizations in the State of Nebraska.
- 3. Who must be reported?** Employers are required to report the following employees:
 - *New employees:* Employers must report all employees who reside or work in the State of Nebraska to whom the employer anticipates paying earnings. Employees should be reported even if they work only one day and are terminated (prior to the employer fulfilling the new hire reporting requirement).
 - *Re-hires or Re-called employees:* Employers must report rehires, or employees who return to work after being laid off, furloughed, separated, granted a leave without pay, or terminated from employment after 90 days. Employers must also report any employee who remains on the payroll during a break in service or gap in pay, and then returns to work after 90 days. This includes teachers, substitutes, seasonal workers, etc.
 - *Temporary employees:* Temporary agencies are responsible for reporting any employee who they hire to report for an assignment. Employees need to be reported only once; they do not need to be re-reported each time they report to a new client. They do need to be reported as a rehire if the worker has a break in service or gap in wages from your company.
- 4. Is anyone exempt from this law?** No one is exempt from this law.
- 5. Are labor unions and hiring halls required to report?** Labor unions and hiring halls must report their own employees; that is, individuals who work directly for the labor union or hiring hall. If the labor union or hiring hall simply refers individuals for employment, it does not need to file new hire reports for these actions. If a labor organization actually pays the individuals whom it refers (as opposed to having them paid by the person or entity to whom they have been referred), the labor organization would be considered the "employer" and subject to the new hire reporting requirements.

Contact the State of Nebraska at 888-256-0293 for more information!

Plumbing Apprentice Contest Winners Announced

After an intense, full-day competition, three top finishers were selected at the Plumbing-Heating-Cooling Contractors-National Association's (PHCC) 2004 International Plumbing Apprentice Contest at the Boston Convention and Exhibition Center. The contest was held in conjunction with the ISH North America trade show.

The 15 contestants were judged on their ability to rough in water supply and drain lines, as well as a variety of fixtures. The top finishers were as follows:

1st Place: Paul Vandeven - St. Louis, Mo. (\$1,000 check, along with prizes like power tools, hand tools, shirts, etc.)

2nd Place: Robert L. Schlueter, Jr. - Cincinnati, Ohio (\$750, plus prizes)

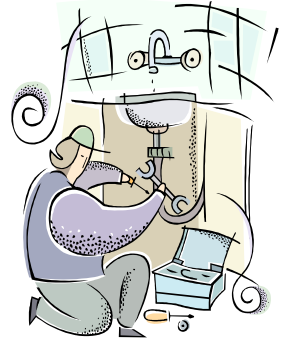
3rd Place: Wintley Bailey - Coconut Creek, Fla. (\$500, plus prizes)

The top three finishers were announced at PHCC's annual Awards banquet Oct. 15. In addition to the cash and prizes, they also received a plaque from PHCC and a trophy resembling copper pipe from the Copper Development Association.

All contestants received plaques commemorating their participation, as well as custom jackets, t-shirts, baseball caps, hand tools, and other promotional items donated by the industry's leading manufacturers.

The 2005 PHCC Apprentice Contest will be held during the "Network '05" PHCC convention Sept. 7-11, 2005, at the Walt Disney World Swan and Dolphin Hotels in Orlando, Fla.

For more information, call (800) 533-7694, or go to www.phccweb.org



Healthcare Costs Still Rising

If you've compared your medical costs to previous years, you've no doubt seen that they gone up. In fact, healthcare costs are still outpacing that cost of inflation, which means that people are paying more than ever to maintain their health. According to Hewitt Associates, from 2004 to 2005, the average cost per person for major companies will increase from \$6519 to \$7,269 for HMOs; \$6823 to \$7573 for PPOs; \$7192 to \$8019 for POS plans; and \$6793 to \$7506 for indemnity plans. However, the group also predicts that healthcare costs in 2005 will on average increase 11.3% for employers compared to 2004's 12.3% increase.



Continued Best Practices – Inspection – Roles, Rights and Responsibilities

When dealing with permit applicants and holders, jurisdictional authorities can violate the law by making improper oral or written statements. Three common wrongful acts committed by inspectors, whether knowingly or not, are malfeasance, misfeasance, and violation of civil rights.

Malfeasance is the act of doing something that should not be done at all, such as when an inspector who knows the code requires something not in the code. For example: "I don't care what the code says; when you're in my town you'll do what I want."

Misfeasance is the improper performance of an act that may otherwise be done lawfully. In other words, the inspector communicates his own personal interpretation of the code rather than checking the code requirement before providing an answer.

Violation of civil rights – The 14th amendment reads, in part: "No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws..." This means that the inspector must be unprejudiced when enforcing the code. It also provides for due process, ensuring contractors the right to appeal.

Familiarize yourself with the code enforcement provisions of your code. By knowing your rights and what you should reasonably expect of an inspector, you can minimize the costs of code disputes.
