



Highlight of the Month: Attracting and Retaining Good People

By hiring, developing, managing and rewarding employees in the appropriate manner, the wine community can create a sustainable competitive advantage that will build productivity and profitability.

Honig Vineyard and Winery's Extended Family

Honig Vineyard and Winery in Rutherford is more than a family business—they consider themselves an extended family of 25 employees and 10-15 part-time staff. For President Michael Honig, valuing his people and treating them with respect and courtesy is essential for the sustainability of his 40,000-case winery. He says good practices in human resources are as important as the environmentally sound methods he uses in the winery and vineyard to produce Honig wines.

“Our business is only as good as our team,” says Honig. “The wine business is not an individual sport. It’s a team sport, so we want to create a workplace where everyone can be successful.”

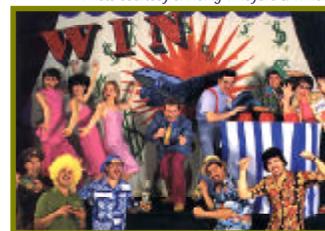
For starters, Honig makes sure the staff receives the proper tools to get the job done, from palm pilots, cars or cell phones to the latest

vineyard technology. When there’s a decision as to who gets the best equipment or the new

Photo courtesy of Honig Vineyard & Winery



Photo courtesy of Honig Vineyard & Winery



Above: Honig postcards reflect the spirit of collaboration of the staff.

At left: Honig Winery employees enjoy horseback riding at one of their company picnics.

computer or car, family members and nonfamily employees are treated equally. Honig sees this as a fairness issue that can affect the staff morale.

The winery also has a bonus program to provide economic incentives to motivate employees and give them a vested interest in the business. Bonuses

are based both on the winery’s financial performance and the individual’s achievement of personal goals. Honig also awards spot bonuses of \$100 or gift certificates to recognize people who perform

areas and keep staff constantly informed. Classes have been held to study English as a second language and math. Managers continue their professional development with training on sustainable

over and above the normal course of their job.

A wide variety of educational opportunities are available to staff members, including tuition for continuing education. New employees are trained with a mentoring system, and everyone goes through safety training. Managers are visible in the work

practices, which they in turn pass on to staff members throughout the winery.

Honig also keeps employees by making the winery a fun place to work. Every quarter, he takes the staff out to lunch, such as the time they rented 20 horses for a picnic lunch.

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Please share this newsletter with your entire staff. It is also available online in pdf format on Wine Institute’s web site at: www.wineinstitute.org/communications/highlight/goodpeople.pdf

Potential Benefits of Good Human Resource Practices:

- ◆ Builds worker satisfaction and strengthens productivity
- ◆ Improves retention, thereby reducing time and expense lost to find and train replacement staff
- ◆ Maintains continuity, "company memory" and business momentum
- ◆ Contributes to employee loyalty to help assure the availability of a good work force for the long term
- ◆ Improves profitability and competitiveness through more efficient and innovative operations

Potential Trade-Offs:

- Takes time to build productive relationships
- Requires an investment in time and/or money to develop a recruitment and retention plan
- Could cost more for competitive compensation and does not guarantee employee retention

There is a harvest party, and turkeys are given to everyone for the holidays.

And what has been the result of these teambuilding efforts? Most of the staff are long-time employees or

return each year for the seasonal work.

"People who have been with us a while have insights and job knowledge that you often can't get with a new hire. You can

always replace a piece of equipment such as a truck or a pump, but you can't always replace people," says Honig. "To me, it's more valuable to invest in retaining good staff."

Family Housing Retains Experienced Staff at Roederer Estate

The Anderson Valley in Mendocino County is a beautiful coastal wine region known for its scenic vistas and excellent wines, but like many areas of California, it faces a housing shortage, and what is there is expensive. Roederer Estate has helped resolve the housing issue for its 30 vineyard staff members by providing rent-control homes for an astounding 80 percent of its employees.

"As a family owned company, we share the same values as our workers and recognize their family and housing needs," says Gregory Balogh, president of the 85,000-case Roederer Estate. "We need to take care of our people so that they aren't compelled to move to urban areas. Our owner Jean Claude Rouzaud of Champagne Louis Roederer understands agricultural issues and responds to them. Other vintners in the area are doing the same."

Roederer's living accommodations are desirable, good quality homes that fit in well with the community and environment. They consist of single apartments, mobile homes and eight

two-bedroom family apartments, located throughout the winery's 400 acres of estate vineyards. The two-bedroom apartments were opened up last July and have 620 square feet per unit, with all appliances and dedicated parking spaces. Some of the vineyards were taken out to build the living quarters, but the homes have nice views and a serene environment where workers can live comfortably with their families. All the homes have very modest rents that only increase as much as a percentage of the workers' pay increase.

To make certain that there is a reliable and experienced workforce for the production of Roederer's sparkling wines, another winery practice is employing most of its vineyard workers at least 1500-2000 hours annually per person. These employees have full benefits, including 401K, a pension plan and health insurance.

Roederer also emphasizes training on preventive safety measures and a best

equipment policy. For instance, they replaced all their tractors with new ones that have air-conditioned, air-tight cabins—a large investment to assure safe and comfortable working conditions, which ultimately boosts productivity.

"We simply try to take care of our people," say Balogh. "We employ a base of people who have been with us for quite a long time, many for more than 15 years, with an average tenure of eight or nine years for the entire staff. We seem to keep our employees."

Photos courtesy of Roederer Estate



Roederer responded to the housing shortage by providing rent-control homes for 80 percent of its vineyard staff.



Vineyard employees live with their families in new two-bedroom duplexes on the Roederer Estate property.

Using Education to Keep Staff at Ironstone Vineyards

Ironstone Vineyards is a major destination of the Sierra Nevada mountain wine region. The seven-story winery and entertainment complex includes a “Gold Rush” Heritage Museum, art gallery, jewelry shop, culinary programs, meeting and banquet rooms, 20 acres of gardens, an amphitheater for concerts and movies and, of course, wine tasting. Many of the 130 employees remain with the winery because they enjoy working in the different businesses and fields at the center.

“The education here is a big reason why our staff people stay,” says Ironstone Vineyards President Stephen Kautz. “We train our workforce extensively, encourage crossover between winery departments and promote from within. Many are working in two different departments. Our staff has unique opportunities to continually learn and be challenged.”

Kautz explains that they recruit many people from the small population in Calaveras County, which has a good cross section of older retired people who are intelligent and extremely reliable. They and other staff alike enjoy the winery’s educational emphasis and its offer of tuition reimbursement to further their education in a particular field.

“We have tasting room personnel working in the



Ironstone sales and marketing staff work the tasting room during the spring daffodil festival at the winery.

barrel room during slow times. There are presentations on marketing, direct shipping and vineyard production. The banquet wait staff can’t do a ‘slop and plop’ method of service, so they learn about white tablecloth service, wine and food pairing, and how wine is made. Everyone receives training because they are ambassadors of the winery and an extension of the sales staff,” says Kautz.

In addition to the winery training, Ironstone Vineyards conducts voluntary lunch-time presentations related to the personal needs of employees. Sessions have been held on back care and child car seat safety, with future classes planned on home budgeting and financial planning. Department lunches with Stephen Kautz himself also allow staff to have informative question and answer discussions about the

winery and its 400,000-case sales to all 50 states and 42 international markets.

Other perks include an Employee of the Month program and appreciation cards awarding lunch or wine. Many staff members enjoy volunteering for concert work in exchange for the event’s meal and attendance. Of course, full-time employees receive health insurance and 401K plans.

Working at Ironstone Vineyards is more than receiving wages. Perhaps the psychic income also comes from just being part of the 20 or so hospitality events each year at the winery, from murder mystery theater and vintage car exhibits to Cal-Asian cooking seminars and Daffodil Society shows. The social and cultural events that attract visitors to the winery are some of the same reasons that draw good staff to Ironstone Vineyards.

Resources:

- **HR Best Practices in the Wine Community.** A short report outlining publicly available data on HR issues. www.winevision.org. Go to “Communication Center,” “Sustainability Task Force Resources.”
- **www.hr-guide.com.** Provides free, web-based computer programs, guides, links and other information for human resource professionals.
- **Healthy Families Program.** Low-cost health care coverage for children. www.healthyfamilies.ca.gov. 1-800/880-5305.
- **Free HR forms for employee relations issues.** www.onestophr.com.
- **Farm Employers Labor Service.** Assists with labor law compliance and personnel relations programs. Online information on labor/safety. www.fels.org.
- **Occupational Health and Safety Administration.** Safety training. www.osha.gov.
- **Information on avoiding discrimination in interviewing and hiring practices.** www.eeoc.gov, www.uniformguidelines.com, www.careercenter.uab.edu/gethired/interview/illegalquest.htm.
- **Salary Surveys.** www.practicalwinery.com. www.winebusiness.com.
- **Schoepp-Hartman.** Executive recruitment and consulting services. 925/906-9931.
- **Benchmark Consulting.** Consultants for human resources management and executive recruitment. www.benchmarkhr.com/hr_services.html. 707/933-1500.



THE CODE OF SUSTAINABLE WINEGROWING PRACTICES



In early 2001, leadership and funding from Wine Institute and the California Association of Winegrape Growers (CAWG) led to the formation of a committee to develop a “Code of Sustainable Winegrowing Practices.” This proposed voluntary program, establishing statewide guidelines for sustainable farming and winemaking, is now complete and was introduced to the wine community this fall beginning with an October 29, 2002 conference.

Purpose: The purpose of the project is to enhance the California wine industry’s leadership role in responding to pressures resulting from population growth, public and legislative attitudes, environmental decisions from regulatory and governmental bodies, and other growth-related issues. The new Code, and its implementation, can greatly augment the industry’s collective and unified ability to accommodate these pressures, while assuring that future generations can produce the finest world-class wines. The goal of the Code is to “promote farming and winemaking practices that are sensitive to the environment, responsive to the needs and interests of society-at-large, and economically feasible in practice.” In a recent address to Wine Institute’s Board of Directors John De Luca characterized the proposed Code as “most likely the greatest legacy we can create for the wine community, our larger society, and future generations.”

Project Summary: More than 50 Wine Institute and CAWG members, as well as outside stakeholders such as representatives from Cal/EPA and independent farm advisors, were on the committee spearheading the project. Committee Chair Michael Honig led work on this first-ever statewide initiative, which includes a system to measure the voluntary industry input from vineyards and wineries. The data collected from the project will be used to benchmark the wine community’s progress on sustainability and target educational campaigns where needed. The winegrowing portion of the guide book builds upon the successful programs of the Lodi-Woodbridge Winegrape Commission and the Central Coast Vineyard Team. Outside comment from regional grower and vintner associations and a wide range of university educators, environmental and social equity groups, and wine industry experts played an important role in the Code development. Dr. Jeff Dlott of RealToolbox, a sustainable agriculture and resource conservation consulting firm, was contracted to help oversee the project and measurement system.

Next Steps: At Wine Institute’s June 2002 Annual Meeting of Members, the Institute Board of Directors provided comment and approved a complete 490-page draft of guidelines for the Code of Sustainable Winegrowing Practices. CAWG’s Board of Directors also approved the draft Code guidelines.

To attract implementation funds for this project, the Wine Institute Board established a 501(c)3 nonprofit, non-lobbying foundation in conjunction with CAWG. This was necessary as many philanthropic organizations donate solely to 501(c)3 groups. Named the California Sustainable Winegrowing Alliance, this entity will help advance the adoption of sustainable viticulture and winemaking practices through research and education. Bylaws have been approved and a board of trustees has been appointed by both Wine Institute and CAWG.

Since the establishment of the California Sustainable Winegrowing Alliance, the California Department of Food and Agriculture awarded a \$280,000 grant to the foundation in October, 2002. The funds are being used for educational workshops to implement the Code in the coming year. For a schedule of the workshop dates or for more information on the project, go online to www.wineinstitute.org/communications/SustainablePractices/vision.htm or call the Communications Department at 415/356-7520.

Topics for “Highlight of the Month” publications are as follows and can be viewed in their entirety online at www.wineinstitute.org/communications/highlight/cover.htm

- Cover Crops ● Reduce, Reuse, Recycle ● Deficit Irrigation ● Canopy Management ● Wildlife Corridors and Habitat ● Communicating with Neighbors ● Pest Management ● Assessing and Reducing Energy Needs ● Composting ● Controlling Erosion ● Preserving Air and Water Quality

The practices of attracting and retaining good people in this issue pertain to the Code of Sustainable Winegrowing Practices in all areas of the winery and vineyard. Excellent employees help achieve tangible environmental results, high wine quality, and other sustainable business practices that affect not only productivity and profitability, but relations with local communities.

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