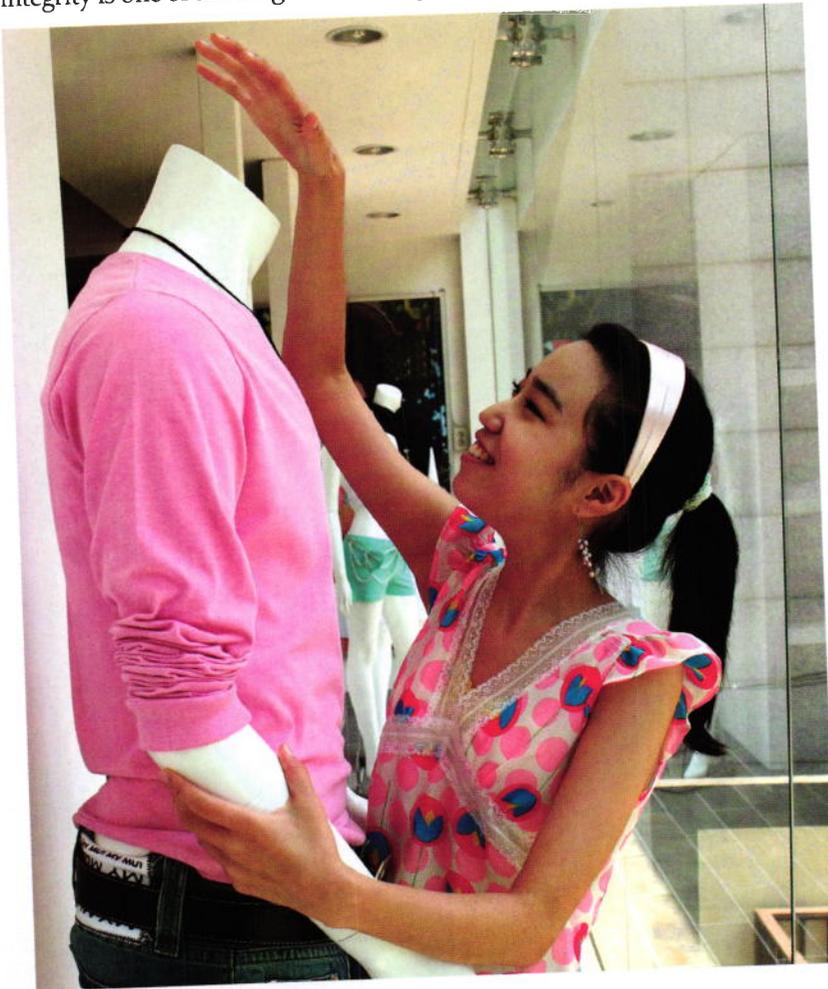


# Gearing Up for the Holidays

## *Managing Seasonal and Part-Time Workers*

BY SUSAN LANIER-GRAHAM

Most business owners watch sales fluctuate throughout the year, and those changes make consistent staffing levels difficult. One of the biggest challenges for retailers is the holiday season. Nearly all retailers see a rise in customer numbers—and spending—during the last quarter of each year, and hiring part-time workers is usually the best way to handle that surge. But managing those part-time, seasonal workers and maintaining the business's integrity is one of the toughest challenges facing retailers.



According to a 2007 survey conducted by Harris Interactive on behalf of CareerBuilder.com, 62 percent of retail employers hire seasonal workers, including sales people, cashiers, greeters and stockers. These employees must be able to represent the business and answer shoppers' questions in the same way as a full-time regular employee. A high level of customer service is necessary to thrive in today's tough retail market—and that means business owners must make a serious commitment to their seasonal staff.

### **Find Quality Workers**

Many of the smallest retailers, such as Saddlebags of Scottsdale, Ariz., never use seasonal employees. Saddlebags' founder, Bill Joseph, says they only use family members. But for those not lucky enough to have this ready reserve of employees, seasonal workers are a necessity.

The first big hurdle in hiring any employee is in actually finding the workers. Before retailers even start hiring, however, they must understand their own needs and be able to communicate those to potential hires.

Roberta Chinsky Matuson, president of Human Resources Solutions in Northampton, Mass., and founder of yourhrexpert.com, says that letting future employees know what the retailer wants is often the most challenging part of the process. "Let candidates know up front what your expectations are so you aren't wasting time interviewing people whose needs you cannot meet," she says.

Temporary placement agencies can often provide retailers with seasonal workers, but at a cost of about 20 percent more than directly hiring the workers. According to the American Staffing Association, companies look to temporary agencies for flexibility as well as access to a ready labor pool. In addition to having a stable of prescreened workers, this option allows business owners to "test out" employees. According to the 2007 Harris study, 41 percent of retailers hiring for the holiday season pay seasonal workers

at least \$10 per hour. It is up to the retailer to determine if it is worth paying the temporary agency \$12 to \$15 per hour to avoid those hiring costs.

Retailers can lower the traditionally high costs of hiring seasonal workers by looking at alternative ways to bring in employees. Students and retirees provide the biggest pool of seasonal workers. An ideal way to locate those workers is to place job-opening announcements and descriptions on job boards at schools, colleges, churches and senior centers. Another increasingly popular place to find employees is through online job boards such as jobs.com, career-builder.com or craigslist.com. Job openings should always appear on the retailer's website.

Perhaps the best way to find seasonal workers is through recommendations and referrals. Retailers can look to their own customers, friends, family and current employees for suggestions. Retaining the same seasonal workers over multiple years is ideal.

Matuson says her best piece of advice for retailers is to "keep in touch with seasonal employees throughout the year. If you do so, many will return year after year." The quality is usually higher as well. "Most people will only refer people who they believe would do a good job," says Matuson.

### Hire the Right Number of Employees

Retailers need to be wary of hiring too many—or not enough—seasonal workers. Finding that balance comes with experience. According to the National Retail Federation, larger retail stores increase staffing levels for the holiday season by an average of 12.5 percent. It can be half that number for smaller shops.

One of the best ways to determine the number of staff necessary during a given season is to evaluate the previous year's sales alongside current sales predictions. Discuss the previous season with full-time staff members. Was there too much downtime? Were customers standing in line too long? Was it a good balance?

The more difficult decision comes in looking at projections for the upcoming season. It's imperative for business owners to examine their current sales figures, evaluate the previous year's sales and analyze the state of the economy.

At the beginning of the 2007 retail season, Dan Russell, vice president of Aon Consulting, explained in an interview for CNN Money that many retailers are getting by with fewer employees than they have in the past. "There's a lot of overhead in bringing on a lot of temporary employees," says Russell. "Holiday hiring hasn't completely gone away. But what we're seeing is companies trying to stabilize their head count and not have as big a spike."

With the economy even more challenged this year, finding that balance will be crucial.

### Make the Seasonal Employees Part of the Team

Once an owner determines the need for hiring seasonal employees, it's vital to make those new people feel as if they are truly part of the team. Even though they only work for a short time, seasonal employees must accurately reflect the store's philosophy and image. Without that, the worker may be more of a liability than an asset.

To ensure that those workers mesh well with the existing staff, a business owner should establish a set plan for handling seasonal workers, training them and making them part of the team. One of the biggest challenges retailers face when dealing with seasonal employees is in creating a sense of ownership.

The solution? Give the worker enough support, training, encouragement and incentive as possible. It is essential to assign each seasonal worker to a mentor. Ensure there is a seasoned staff member available for questions, assistance and support.

Find out what needs the permanent staff sees. Often they are the ones on the "front lines" who can best help an owner determine how to satisfy customers. Retailers who listen to their managers and staff usually make the best, most informed decisions about seasonal hires.

Training is as important—if not more so—for seasonal workers as regular staff. The shop will be busy, and these employees will often be out front with customers during the busiest weeks of the year. Just how much training is necessary before the seasonal worker can step out on the sales floor varies by business and by position.

Returning workers require only a refresher course to bring them up to date on new policies, procedures and merchandise. Other common training practices include having the new hire shadow a mentor for a day, putting the seasonal worker on as a greeter or offering intense training sessions. Hickory Farms, which hires thousands of employees during the holiday season, gives anywhere from a four-hour to a three-day training course.

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For most small retailers, it will fall onto the full-time staff to offer on-the-job training. Human Resource Solutions' Matuson tells her clients to provide "as much training as it takes to ensure customers feel delighted when they shop in your store."

Compensation is just as important for seasonal workers as for regular employees. Pay a fair wage—which most often leads to repeat hires each season and reduces long-term costs. Shop owners should also offer some type of benefit, such as an in-store discount.

Letting the employee know that his or her opinion counts is also key. Seasonal workers who are new to a shop often have a fresh insight—a new way to look at the business that those on the inside might have missed.

Work hours can often be a source of conflict with seasonal workers. Communication not only can alleviate the problem, it can serve to make the part-time employee feel part of the team. "When setting schedules, be as flexible as you can be," says Matuson. "Make adjustments where possible." It is important to work with all employees when setting schedules, and retailers might want to keep longer lines and heavier traffic in mind when allowing for lunch breaks during the holiday season.

Finally, it is important to include the seasonal worker in company events. Invite seasonal workers to the company holiday party. When handing out holiday bonuses to other workers, offer at least some small token of appreciation to the seasonal workers.

If hired correctly, made to feel a part of the team and trained efficiently, seasonal workers often turn out to be the best performers during the busy holiday season. ❧

## Tips for Managing Seasonal Worker

- Find quality workers to accurately represent the business.
- Create a plan to determine the number of employees necessary during peak demand times.
- Make seasonal workers a part of the team.
- Provide enough training that the seasonal worker is comfortable doing the job.
- Listen to the staff.
- Treat the seasonal workers with respect and pay them a competitive wage.

—Center for Economic Development, University of Wisconsin Extension Service

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