

E Work & Money

Help still wanted

Stores turn to temp agencies for extra workers, despite fears of slowdown

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Even with sales predicted to slow this year, the nation's retailers are conducting their annual hunt for more than half a million temporary workers.

Seasonal employees -- most of whom only work a month or two -- get retailers through their busiest time of the year. And many companies use the hiring period as an opportunity to audition people for full-time gigs.

However, thinner budgets this year are leading more companies to turn to professional staffing firms to streamline the hiring process. Doing so can help companies reduce the estimated \$2,100 to \$3,600 it costs to recruit, train and outfit each new worker.

It's also a crucial time for lots of families and businesses. Many workers rely on the extra hours to pay for gifts, amass cash or simply receive an employee discount at their favorite store. And for retailers, restaurants, shipping companies, caterers, travel agencies and other employers, it's the season when good help is critical in boosting bottom lines.

There's no denying it's a hectic period, particularly for those in retail management. Many are delighted to hand the hiring process over to an outside firm.

Lesley Herring, manager of Petco in Knightdale, worked with Target for 11 years. She's a holiday hiring veteran.

During past seasons, she screened and interviewed 200 to 300 applicants, often dropping what she was doing to conduct an on-the-spot interview with someone who walked in looking for a job.

"It could easily be 25 to 30 people per day," she said. "We would utilize the whole management staff."

Recruiters get revenue

Using a hiring firm helps retailers cut costs, important this year as energy costs soar and a volatile stock market erodes consumers' confidence.

And for staffing firms, the work is a source of new revenue.

Staffing company Headway Corporate Resources, which is based in Raleigh, has done trials with companies such as Hickory Farms and Halloween Express, CEO Jean-Pierre Sakey said. Right

now the work is a small percentage of Headway's business, but Sakey anticipates it accounting for as much as 20 percent by next year.

"The idea hit us two years ago," he said. "All these companies, what they're doing is their own hiring, their own sourcing and their own recruiting. Imagine if someone could aggregate the personnel process for them."

In addition to freeing store management to run their stores, farming out the hiring means that company isn't responsible for liability, payroll, tax paperwork, firing and other responsibilities.

"If you come work for me and you have a problem with one of our customers, and it causes me a liability [lawsuit]... I'm, to some degree, protected because you didn't work for me," said Gene Norton, manager of the Raleigh office of the N.C. Employment Security Commission, which helps retailers find seasonal employees.

"And if they work for a staffing agency, you can tell the staffing company, 'Get them out and get me somebody else,'" he said. "If they're your employee, there's a little bit more to it than that."

The staffing agencies are paid for their services, unlike ESC, which does not charge a fee.

Companies such as Manpower and Headway charge a multiplier, or a fee per salary dollar they handle. Headway and Manpower declined to say how much they charge, but Michael Doyle, a spokesman for Manpower said some companies negotiate for better rates. "They're looking to make it cost-efficient so their customers don't have to pay," he said.

Employees can still get the store discount, if there is one, and compensation would be the same as if they had been hired directly by the company. Pay and benefits are handled through the staffing firm.

"We charge the company a fee for finding that person, but we don't take anything from the employees," Doyle said. "Generally, everyone's on equal footing."

More demand

Use of staffing agency for seasonal hiring may be especially hot in the Triangle, where relatively low unemployment rates can make workers hard to find.

"It's challenging to fill those positions," said Rob Gooding, spokesman for Accentuate Staffing of Raleigh, which this year found 227 temporary workers to assemble gifts in Wake Forest for The Body Shop.

"I bet we probably have interviewed and taken applications from about 500 people to fill 200 positions," he said. "Some of them are just not qualified; some people don't show up."

As the service industry expands in North Carolina, supply only gets tighter, the ESC's Norton said.

"This is a guess, but services are a big part of the economy in this state. It's very seldom that we don't walk in here and see a large number of vacancies in the retail sector," he said.

The no-shows and paperwork is simply more easily handled by hiring professionals, Headway's Sakey said.

"That's all we do," he said. "We can do a fairly high volume. We can find people faster who are better qualified."

Despite the benefits of working with an employment agency, there are many businesses that aren't inclined to use them.

Manpower works with retailers throughout the year, but seasonal employment is still a very small portion of its business.

"I think we've had a marginal increase in business year-over-year," Doyle said. "This is not what makes or breaks our year."



Staff Photo by Takaaki Iwabu

Sandy Jennekens helps a customer at the Hickory Farms stand in Crabtree Valley Mall in Raleigh. This is her second year working as a Hickory Farms seasonal employee.



Staff Photo by Corey Lowenstein

Chris Downey of Durham and Evelyn McDaniel of Cary place a chair on a high shelf at Pier 1 in the Brier Creek shopping center. Both were recently hired and have other full-time jobs. Stores hire thousands of seasonal workers this time of year.