

'Tis the Season to Be Training

Investment in seasonal employees can pay off big.

By Jennifer J. Salopek

In 2005, retailers hired an additional 629,000 workers during the holiday season—an increase of 20 percent over 2004. However, employers seem to view the training of these workers as a headache and a necessary evil.

A May survey by retail-technology vendor StorePerform found that 54 percent of retailers identify extensive training time as the top concern when hiring additional sales associates. Given the high rate of store labor turnover—50 to 150 percent annually—retailers hiring seasonal employees run the risk of mak-

ing significant training investments, only to have these new employees leave when the season ends. The training they do provide is conducted mainly on the job (46 percent use this method) or by providing a manual (15 percent).

“Retailers find training seasonal employees to be a headache because those employees are usually temporary. Training requires time and effort and conducting it is usually up to the store manager, who is already very busy,” says Bernie Slome, vice president of business development for ICC Decision Services

According to the National Retail Federation, American consumers will spend \$800 each on holiday purchases this year, and total holiday retail sales are expected to increase 5 percent in 2006, to \$457.4 billion.

in Wayne, New Jersey. “However, if more training were provided, there’s no question that it would benefit retailers.”

How so? “More people enter stores during the holidays than any other time,” Slome continues. “Many may be entering a store for the first time. This is the retailer’s opportunity to make a positive first impression.”



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Ben Ball, senior vice president at consulting firm Dechert Hampe, agrees: “Customers neither know nor care whether an employee is seasonal. The customer only knows that the employee represents your business at that moment.”

Unfortunately, many shoppers share the experience of a shopper who posted a comment on Retailwire.com: “As a customer, I’ve often been appalled at the amateurishness of seasonal workers.”

Other industries also depend on seasonal workers. Staff Management of Chicago specializes in recruiting, screening, and hiring temporary and permanent employees for manufacturers, warehouses, and distribution centers. Amazon.com is one of the company’s major clients.

“The challenge of identifying, processing, and training new temporary hires for specific job functions is very time-consuming, expensive, and taxing,” says Jerry Wimer, senior director of operations for Staff Management.

Room for innovation

The training of seasonal employees could be made less taxing and more effective with the infusion of some creative approaches.

Prescreening. Lisa Brown, director of operations at Staff Management, is responsible for recruiting, screening, and hiring 2,000 seasonal workers for Amazon.com’s distribution center in Coffeyville, Kansas.

She notes that effective prescreening—including a written test and a timed, hands-on product picking test—measures reading comprehension and reduces training time later.

Orientation and welcoming. Oodonna Matthews, former consumer adviser to the supermarket chain Giant Food and now a consultant in Silver Spring, Maryland, says that getting off to a good start could help companies turn temporary workers into loyal, experienced seasonal employees.

“Because there is a need for seasonal employees throughout the year, investing in training early can lead to employees who come back again and again, or who might possibly enter a career in retail eventually,” Matthews says.

Some of the specific techniques she suggests include telling an employee’s parents that the company is delighted to have their son or daughter as a new associate and posting pictures of new staffers in the break room.

Matthews also notes that “I’m new” nametags or cash register signs can go a long way toward increasing customers’ patience with an employee in training.

“A little extra engagement makes such a difference to customers,” she says.

Standardization. Ball suggests standardizing the roles of seasonal help, then training all workers together and uniformly in a one- or two-day centralized training session. “This would provide a consistent, expected role for both seasonal workers and their full-time counterparts,” he says.

Mentoring and shadowing. Matthews emphasizes that having existing staffers serve as mentors to new associates can create meaningful relationships and camaraderie, and provide the new employee with someone to go to with questions.

Consortium approach. Ball also suggests that retailers could leverage

strength in numbers by adopting a consortium approach: “They could set up a third-party training provider that would certify prospective seasonal retail workers. This could be a short (one week or less) course offered in central locations or maybe even on college campuses that would teach seasonal workers ‘Retail 101,’” he explains.

There’s a precedent for the consortium approach, says Ball, whose firm works with many over-the-counter drug manufacturers. These companies have seen the advantage of teaming up to create, for example, seasonal cough-and-cold remedy displays. “The idea is very transferable,” Ball notes.

Some technical schools offer programs for retail employees. For example, the Center for Employment Training in El Centro, California, offers an 18-week retail clerk training course that covers such topics as how to operate a cash register, how to set up displays, how to conduct inventory, how to stock shelves, and how to appropriately deal with customers.

Systemized worker support. Retailers can reduce the amount of training required for seasonal employees through job redesign and the implementation of support systems that guide workers through their duties, says Mary Van Scheltema, director of marketing at StorePerform. The company’s flagship product, Workbench, is a web-based store enterprise management system that streamlines projects, policies, requirements, and feedback between the corporate headquarters and individual stores.

“Previously, various directives poured into stores by email, fax, and phone,” she says. “Workers would

commonly wonder, 'Is this for me?'" Through Workbench, each directive comes through as an organized, prioritized task list, and sometimes instructions are even accompanied by pictures or links to additional training information.

As a result, instead of telling an employee to create a seasonal display of greeting cards, Workbench provides step-by-step instructions and leaves much less to employee discretion and misunderstanding. As the worker completes the tasks, he checks them off on the system and progress is reported to the home office in real time.

Don't wait until November. Race Cowgill, principal of Zenith Management Consulting, says that a lot of employee training is ineffective because there's a basic disconnect between the training and what he calls an organization's "master system"—the fundamental information processes that determine how an organization does everything.

"We have seen customer service training actually have negative outcomes because the master system completely contradicted the training," Cowgill says. He encourages retailers to take stock in January, both literally and figuratively, after the holiday rush is over. "They should examine patterns, assess the difficulties they have with seasonal employees within the larger organizational context, and address those problems during their slower sales periods."

Despite the fact that employers call it a headache, the StorePerform survey did find that most retailers spend 20 hours or more training their seasonal employees. It's time well spent, says Slome.

"My contention is that, because there are so many new shoppers entering stores during the holiday season, retailers are missing the Holy Grail of customer loyalty if they skip out on training seasonal employees," Slome says.

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