The days when seasonal hiring meant adding a few retail associates are long gone. Driven by an improving economy and evolving consumer behaviors, businesses in a number of industries have begun hiring thousands of additional workers to meet the demands of holiday season spending.

“For many businesses, the holiday season is a make-or-break period,” said Lauren Griffin, Senior Vice President of Adecco’s North Central region. “It’s not uncommon for businesses — especially retail — to make most of their profit during that single quarter. That puts a lot of pressure on businesses, and getting the right amount — and the right kind — of seasonal staff can be the difference between a successful year and a disaster.”
The current state of seasonal hiring.

**Seasonal surges.**
The holidays aren’t the only period when seasonal labor comes into play, but the period from October to late December is undoubtedly the busiest. Retail sales spike, and the spike is getting bigger each year. In the 2014 holiday season, large chain stores reported $616 billion in total retail sales—a 4 percent increase over the previous year.

Much of that retail revenue came from sales on Black Friday—the busiest shopping day of the year, and a reliable barometer for upcoming holiday sales and overall consumer confidence. A study by the National Retail Federation reported that 133 million people went shopping during Black Friday weekend in 2014, spending a total of $50.9 billion both in stores and online.

But retail is only part of the story. According to analytics firm ComScore, online sales during the holiday season have been growing rapidly since 2008, topping $53 billion in 2014—a 15 percent increase from 2013. Even more staggering is the fact that much of those sales came on just 10 shopping days, each of which resulted in more than $1 billion in e-commerce revenue. Cyber Monday alone accounted for more than $2 billion, a 17 percent increase from the prior year.

As the economy continues to improve, e-commerce is expected to increase year-over-year. Over the course of 2015 (this includes the busy holiday season) e-commerce sales worldwide are projected to reach $2 trillion.

According to eMarketer.com, “Growth will come primarily from the rapidly expanding online and mobile user bases in emerging markets, increases in e-commerce sales, advancing shipping and payment options, and the push into new international markets by major brands.”

This is great news for retailers’ bottom lines, but only if they have the necessary staff to keep up. This is doubly true of the holiday season.
The need to add substantial staff to keep up with holiday surges isn’t limited to just storefront retail. As more shoppers turn to e-commerce for their holiday shopping, the need for seasonal staff is gradually shifting to warehouses, call centers, and individuals with specific technical expertise. These are some of the most common positions added during the holiday season:

**Retail**
Retail still dominates temporary hiring for the holiday season. Thousands of customer service associates, overnight stock associates, loss prevention officers, and in-store display decorators are added to employment rosters every holiday season.

**Manufacturing**
To keep up with holiday demand for products, manufacturers routinely add positions like product assemblers, loading dock associates, forklift operators, and general production workers. The need is particularly acute among manufacturers of complex or sensitive products like electronics.

**Warehousing**
Roughly six people are required to fulfill each e-commerce order. Keeping pace with booming e-commerce sales during the holiday season, warehouses commonly add positions like receivers/unloaders, order pickers and assemblers, packaging and shipping preparers, clerks, material handlers, and general labor.

**Shipping and Logistics**
In 2014, UPS shipped an estimated 585 million packages during the holiday season. FedEx shipped 290 million packages during the same period, and the two companies delivered 98 percent of express packages on time on December 24. It’s no wonder that seasonal drivers, driver helpers, package handlers, and order sorters are in high demand at shipping firms around the country.

**Call Centers**
Customer service calls peak during the holiday season. To keep customers happy and the wait times as short as possible, call centers add substantial numbers of customer service representatives to their rosters. Some also add quality control associates to monitor the calls and IT staff to make sure their equipment performs properly.
Small businesses in each of these sectors will certainly need to add staff for the holidays. But for large companies whose operations span from manufacturing to point-of-sale, the need for additional staff is critical at every point in their organization.

To appreciate the magnitude of this need, look no further than these statistics from 2014’s holiday season:

<table>
<thead>
<tr>
<th>Company</th>
<th>Seasonal Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPS</td>
<td>90,000</td>
</tr>
<tr>
<td>Macy’s</td>
<td>86,000</td>
</tr>
<tr>
<td>Amazon</td>
<td>80,000</td>
</tr>
<tr>
<td>Target</td>
<td>70,000</td>
</tr>
<tr>
<td>Kohl’s</td>
<td>67,000</td>
</tr>
<tr>
<td>FedEx</td>
<td>50,000</td>
</tr>
<tr>
<td>JC Penney</td>
<td>35,000</td>
</tr>
</tbody>
</table>

These companies are just a fraction of the total seasonal hiring landscape. The National Retail Federation estimated that retailers alone added 785,200 seasonal employees in 2014.
Challenges.

Supply and demand.
A healthy and improving economy is good news for businesses of all sizes — but it also makes seasonal hiring substantially more challenging.

“It’s not uncommon for businesses — especially those utilizing seasonal labor for the first time — to have a lot of misconceptions about the seasonal hiring process,” Griffin said. “Some think that because the economy is still recovering, they only need to advertise for seasonal labor and the applications will roll in immediately.”

The economy may still be recovering, but job growth has improved dramatically in recent years. As a result, many people who have been in the seasonal labor force have secured full-time employment.

“There’s so much demand for seasonal staff that businesses are in constant competition with each other,” Griffin said. “This is especially true for businesses in regions where the seasonal hiring pool is limited. Everyone’s going to be going after those seasonal workers.”

Like most large companies, employers in the manufacturing and warehousing industry use staffing firms to procure the workers their warehouses need for the holiday season, especially in regions where talent sourcing can be a challenge.

That being said, it’s a two-way street. To help their staffing partners attract the amount of seasonal employees they need, some organizations offer competing benefits and compensation packages. For example:

- UPS offered a semester’s tuition for college students
- Cafépress offered free catered lunches
- Best Buy edged out a competitor by upping its hourly wage by 50 cents

This intense competition for seasonal labor is common across the U.S., and there’s every reason to believe it’s here to stay.

A question of resources.
Attracting applicants is only a fraction of the seasonal hiring process. “You might have a lot of applicants, but are they the right applicants?” Griffin said. “Do they have experience doing the kinds of work you need them to do? Are they trustworthy? There a number of questions you have to ask for each applicant, and you can’t know the answers until you vet them.”

Evaluating applications, scheduling interviews, and processing the hiring paperwork for hundreds or even thousands of seasonal workers requires considerable time and resources. This means diverting employees and other resources away from your core business for weeks at a time.

And that’s not just limited to internal recruiters and the human resources team. Finance team members will have to cover taxation, budgeting, and compliance. Corporate counsel will be needed for documentation and liability issues. Subject matter experts will be needed for training. Each team member that gets diverted from his or her normal duties can cost the company substantial revenue.

For the finance and legal teams, those distractions can expose the business to significant financial or legal liability.

Many businesses turn to established staffing firms to manage the search, hiring, and payroll administration needs that come with seasonal hiring, allowing their employees to return to business as usual.
Getting an early start.
One of the most important steps to successful seasonal hiring is also one of the simplest: start early. With high stakes and intense competition, companies need to hit the ground running months in advance.

"Starting early is absolutely critical," Griffin said. "Most businesses need to start the seasonal hiring process in July or August."

In an interview with Inbound Logistics, Kunal Thakkar, Vice President of Operations at online retailer Newegg, said that the company begins planning for its holiday rush a full calendar quarter in advance.

"Recruiting and training additional labor presents a challenge during the holidays," Thakkar said. "Our order volume grows rapidly every day, spiking on Black Friday, Cyber Monday, and the week before Christmas. It's critical that we have the appropriate skilled labor in place to fulfill these orders."

But not all businesses are as forward-thinking as Newegg. "We've seen a lot of businesses that underestimate just how difficult and time-consuming the seasonal staffing process is," Griffin said.

Griffin noted that businesses that wait too late to get their searches underway risk coming up critically understaffed when the seasonal rush hits. This is particularly true of businesses that choose to run the seasonal hiring process internally.

Businesses that use contingent labor solutions, however, rarely fall into this trap. Their staffing partners will initiate the planning process well in advance, helping them develop and execute strategies for meeting their seasonal labor needs.
“Most internal HR and recruiting resources aren’t prepared or staffed for the seasonal hiring process,” said Griffin. “The search itself can be taxing — and expensive. But there’s also interviewing, hiring, training, and onboarding to consider.”

According to Griffin, when businesses underestimate the amount of time and resources needed to procure seasonal staff, the onboarding process can suffer most of all. It’s an area where corners can be cut and costs can be shaved, but these shortcuts come at a heavy price. Poorly trained seasonal employees can have a negative impact on product quality and production time, as well as causing a number of serious issues with shipping and logistics. For retail companies and call centers, customer service can suffer substantially.

All of these issues contribute to negative customer experiences that can have far-reaching consequences. Bad customer service costs U.S. businesses $84 billion annually, according to an infographic by salesforce.com. And it’s no secret that a single bad experience can turn into a social media disaster, leading to lower sales and a damaged reputation. And, with American call centers receiving 43 billion calls per year, 85 percent of consumers will retaliate against organizations when their customer service needs are not met, resulting in a major loss of business, according to a survey by Five9, a cloud contact center provider. These consequences can take years to overcome and will offset the money saved by a lax onboarding process many times over.

The stress that seasonal hiring puts on an organization’s internal resources is one of the primary reasons that leading businesses turn to contingent labor providers. These firms manage the search, hiring, and HR needs that come with seasonal staffing, reducing the impact on permanent staff.

Whether you decide to partner with a contingent labor firm or go it alone, preparing your staff for the demands of hiring and managing a seasonal workforce is critical. “They need to know that they’re going to have to be on call and available seven days a week — and that this period can last weeks or months, depending on the business,” Griffin said.
Know your audience.

As competition for seasonal employees intensifies, attracting applicants is more difficult than ever. Getting quality applicants starts with understanding the applicants themselves.

Seasonal workers come from all walks of life — their ages vary greatly, as do their skills and experience. Griffin noted that seasonal labor attracts a variety of people for a variety of reasons.

“Some seasonal employees are stay-at-home parents who are looking for some additional income,” she said. “Some are retirees who want to supplement their retirement income. Students are also common, since seasonal work allows them to earn money for college in a short period. It’s also common to see people who are out of work, usually due to layoffs or business closures.”

Attracting these applicants often means using creative incentives. Tuition may be an outlier, but other perks like lunch, flexible hours, and competitive wages can help your business win the war for seasonal talent. In addition, capable management, strong communication, and a safe environment help create loyalty among the workers who return to seasonal labor year after year.

Griffin also said that many people see seasonal work as a way to get their foot in the door with a company — a strategy that can lead to full-time employment after the holiday season ends. “There are a lot of reasons to hire a great seasonal employee full-time,” Griffin said. “They’re already familiar with the job, the company, and its policies. And they’ve already been vetted and trained, making the hiring process far easier than it would be when starting from scratch.”

“We’ve seen areas in which ad space in local newspapers and magazines has been completely bought up by employers seeking seasonal staff,” Griffin said. The same often holds true for billboards and other outdoor signage.

With so many employers vying for limited ad space, online job postings make more sense than ever. According to Griffin, digital job ads are an effective way to reach a large and diverse pool of seasonal job seekers. Social media is also playing an increasingly critical role in publicizing seasonal opportunities, allowing users to share job postings with interested parties quickly and easily. The massive amounts of applicants these campaigns can generate has become a crucial component of many companies’ seasonal recruitment strategies.

While these strategies may be effective, it’s not always feasible to start a new search from scratch every year. Staffing firms like Adecco have large databases of seasonal workers they can contact year after year, making the recruiting process simpler, cheaper, and much faster. But even with thousands of resumes on file, filling the growing demand for seasonal labor is still a challenge. Griffin noted that Adecco often goes to great lengths to attract seasonal workers, including buying radio ads, using yard signs, and using grassroots marketing efforts like churches, veterans groups, and community organizations to spread the word about job openings.
The takeaway.

With a growing economy and so much riding on a successful holiday season, the demand for seasonal employees is higher than ever and taking a proactive approach is critical.

Understand your hiring needs and internal capabilities, start early, and be prepared for serious competition. The success of your business depends on it.