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OUT OF STOCK THIS HOLIDAY SEASON: STORE WORKERS

Retail job openings outpace hiring, leading to extra perks such as profit-sharing and paid time off

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The holiday shopping season is still two months away. But faced with record low unemployment and rising wages in other industries, U.S. retailers already are scrambling to find enough workers to staff their stores.

Retailers have begun their annual push for holiday workers earlier than ever, raising pay and offering perks such as profit-sharing and paid time off for part-time associates. They also are hosting recruiting marathons with the goal of hiring thousands of workers in a single day.

Some 757,000 retail job were open across the country in July, about 100,000 more than the same time a year ago. The number of openings of all types surpassed the number of hires from March through June for the first time in a decade, according to the Bureau of Labor Statistics. Some big cities, including New York, San Francisco and Seattle, face a shortage of workers with retail skills, according to data from LinkedIn.

James Chan of New York said he plans to apply for holiday retail work but is also looking at nonretail jobs, such as openings for administrative assistants. "I'd rather have a full-time job," said the 28-year-old.

Kohl's Corp. and J.C. Penney Co. started hiring seasonal workers in June—about three months earlier than usual. This year, as an added incentive, Penney's will give its part-time hourly workers one week of paid time off a year. Penney plans to hold a National Hiring Day on Oct. 16, similar to an event it held last year that helped it hire 22,000 workers.

Target Corp. said last week that it plans to hire 120,000 seasonal workers, 20 percent more than last year. The starting wage for those hired starting this week is \$12 an hour, \$1 more than for workers hired before Sunday. The increase is part of Target's plan to raise its minimum hourly wage to \$15 by 2020. In recent months, retailers from Walmart Inc. to CVS Health Corp. have been raising starting hourly pay.

Delivery companies are also going to be hiring in full force for this Christmas season as they continue to deliver more online orders. United Parcel Service Inc. said Monday it plans to hire about 100,000 full- and part-time workers from November through January, up from a goal of 95,000 a year earlier. FedEx Corp., meanwhile, is looking to add 55,000 workers for the holidays.

It isn't clear whether the new incentives will be enough to woo and retain staff.

Chris Alfors, who works in the men's suit department of a Macy's in Bridgewater, N.J., said he received an extra \$240 in pay as part of a new incentive plan that Macy's Inc. introduced earlier this year. All full and part-time workers are eligible to share in a bonus pool doled

out quarterly. For employees to receive the bonus their store must hit sales and online fulfillment goals.

"I'm thankful for whatever extra money comes my way, but I'm not sure it would keep me at Macy's," said the 58-year-old, who worked in finance for 33 years until he was laid off in 2010. "If someone offered me a job in finance again, I'd take it."

The moves to lure and keep workers are an about-face for retailers who in recent years have closed stores and trimmed staff to cut costs as sales and profits came under pressure from the shift to online shopping.

In recent months, as business has improved along with the overall economy, many chains have concluded they may have cut too far. Dick's Sporting Goods Inc. and Macy's are among the big retailers who have said they are looking to add staff to make the shopping experience in stores more enjoyable in the hopes of differentiating themselves from online-only retailers.

These stores are ramping up hiring as the economy picks up and the overall labor market tightens. While the labor shortage in the retail industry isn't as bad as it is in sectors such as manufacturing, it poses a particular problem for stores that depend on seasonal staff.

Sales representatives are among the hardest jobs to fill in the U.S., according to ManpowerGroup, a staffing company.

Stephen Frank, a Manpower managing director, said there also is a shortage of drivers that is so severe in some area's retailers are asking all employees to pitch in by delivering inventory to stores.

"There's going to be a war for retail talent," said Andrew Challenger, vice president of outplacement firm Challenger, Gray & Christmas Inc. "We might be getting to a point where there is a limit to how much companies can grow because it's hard to get labor." Some labor representatives say retailers created their own problems by not making the jobs appealing enough.

"A temporary, part-time job with an uncertain schedule, low pay and no benefits is not going to ramp up their hiring needs," said Stuart Appelbaum, president of the Retail, Wholesale and Department Store Union. "These are not jobs that enable people to build their lives and support their families."

Mr. Chan had previously worked at an Amazon.com Inc. warehouse in Carteret, NJ, but he was let go in August after he was unable to keep up with packing quotas that included placing 1,250 items into bins each day.

An Amazon spokeswoman said the company has performance expectations for every employee and offers coaching to help those who aren't performing up to expectations.

Some retail workers are looking to migrate to other fields as the improving economy offers more options.

Gizel Aponte has been working at an H&M store in Manhattan while she earns a degree in public health. Although the 23-year-old isn't expected to graduate until 2020, she is looking for a part-time job in health care while she finishes school, because H&M hasn't been giving her enough hours and her schedule is too erratic.

"One week I can work 23 hours, but the next week it could be five," said Ms. Aponte, who earns \$14.23 an hour. "A lot of people in my store have left because the compensation isn't good enough."