



Farm System

Outsourcing **seasonal hiring** a gift for Hickory Farms

BY SANDY SMITH

Think you have staffing issues? Hickory Farms practically launches a new nationwide business each fall.

In a matter of weeks, some 600 stores open in malls across the United States and Canada. Staff is hired, managers are trained and shelves are stocked. In the past, those managers would spend three days in training, half of which was focused on human resources issues like recruiting workers and filling out pertinent paperwork.

Last year, however, Hickory Farms rolled out Headway Corporate Re-



sources' Adaptive Recruitment Process Outsourcing (RPO) to impressive results. Employees arrived pre-screened, managers could concentrate on sales of

sausage, sweets and cheese and corporate executives could shift their focus to margin growth, rather than filling 5,000 seasonal positions. And, while the 2008 holiday season was anything but jolly for most retailers, Hickory Farms was able to rack up impressive numbers in some areas.

"The most measurable result was that we were cost-neutral on a full company rollout," says Jim O'Neill, Hickory Farms' vice president of retail kiosk and wholesale operations. "We saw our

HR STATS

Who: 62,000 job candidates

What: 6,000 hires (sales associates and managers)

When: 2008

Where: 597 Hickory Farms locations in 47 states

How: Headway Corporate Resources

workers' comp premiums almost evaporate in year one [and] our administrative costs virtually disappear."

This disappearing act was due to Headway's on-boarding new hires to its own payroll, which meant Hickory Farms no longer had to provide for workers' compensation, something that had hit the retailer hard because premiums are set based on the number of hires, not the length of employment. Additional savings accrued

through reducing or eliminating the need to print job applications and ship checks to 600 locations, and the fact that Hickory Farms didn't need to ramp up its own payroll department to manage new hires.

The changes had a bonus for workers, too: weekly paychecks. "We were running our own human resources juggernaut to hire 5,000 people," O'Neill says. "When you do that many transactions a week with new paperwork, we couldn't pull off weekly payroll. When you talk to the

seasonal employee, there are not a lot of benefits you can offer, but weekly pay seems to hit the right buttons.”

Adaptive RPO is one element of Headway’s Business Process Outsourcing suite of services. RPO handles all facets of sourcing and screening, including recruiting active and passive candidates, background checks and on-boarding. Hickory Farms added payroll services, as well.

Transferring payroll functions to Raleigh, N.C.-based Headway was “seamless for me,” O’Neill says. “I would say we had a 97 to 98 percent effective rate; the 2 percent was probably stuff we caused by not getting paperwork in on time or having the wrong kiosk number on the paperwork.”

Outsourcing payroll functions was a nice add-on, but the real power came in the form of the recruiting process. Previously, Hickory Farms had relied on its full-time retail field management staff to recruit employees on a year-round basis using tools like websites, local newspapers, mall scouting and job fairs.

“Paying to advertise on job boards is an incredible cost if you’re not guaranteed results,” says Headway executive vice president Debbie Brown. “Many companies are paying upwards of \$350 for each job listing they advertise. With Adaptive RPO, the [client’s] costs associated with advertising open positions on job boards and newspapers is eliminated and absorbed by us.”

Headway’s National Recruitment Center is more aggressive in finding those right candidates. “We go to places where others do not,” Brown says. That means using web crawlers on social and professional networking sites like LinkedIn.com to find candidates who’ve worked in similar businesses, in addition to reaching specialized sites that connect with people who actually make careers out of seasonal jobs.

“We have over one million candidates in our database, and we’re constantly looking at which clients can benefit



from it,” she says. “It’s a very aggressive recruiting strategy.” Last fall, Headway “touched” more than 62,000 candidates and hired more than 6,000 sales associates and managers for 597 Hickory Farms locations in 47 states.

Location-based search

An added benefit is Headway’s Geographical Precise Sourcing (GPS) recruitment system technology, which locates candidates within a pre-determined distance from the retail location.

Once the right candidate has been identified, Headway handles the first and second screenings using a customized process developed in conjunction with the client. Headway then schedules interviews with a Hickory Farms hiring manager and manages the appointments, ensuring that the candidates know all the pertinent details of the job. Once they’ve determined that the candidates meet the qualifications they’re looking for, Hickory Farms’ managers make the hire. Headway then takes over again to handle the on-boarding.

Hickory Farms basically has an eight-week selling season; a wrong hire could significantly impact such a high-intensity retail location.

Previously, “it would take us three to five days to find a body, and we didn’t know if it was the right body,” O’Neill says. “In our business, as we get closer to Christmas, it really ramps up. For us to hire somebody and get them trained may take 10 days. Now, we have someone who’s already been screened and gone through all of the needed HR training; all we have to do is train them to sell.”

All Hickory Farms has to do is place a call and a replacement candidate is in the store, ready to go, within 48 hours: store management doesn’t need to place an ad in the newspaper, interview candidates or wait on background checks. This doubtless had an impact on Hickory Farms’ store leader turnover, which dropped from 35.7 percent in 2007 to 22.3 percent last year.

Quality candidates

Brown understands such dramatic one-year shifts. Store managers now can “focus on the core business versus trying to find the right candidate and bring that candidate on board. With recruitment outsourcing, retailers can select specific hiring activities that they might not have the depth, breadth or internal resources needed to accomplish as effectively as we can.”

The other great benefits to Hickory Farms are the quality of candidates Headway delivers and its ability to recruit on a national level. “Many retailers still rely on individual stores or districts to handle all the recruiting,” Brown says. “They may not have the recruitment power or tools to find the right candidates. We have new methods and resources that find better talent, faster and at an operational cost savings over their own efforts.”

O’Neill suggests that switching to a program like Headway’s requires buy-in from full-time employees. “They need to understand this is a new process and they have to let go of their old processes,” he says. “The biggest ‘bump’ we had was in going from a two-week pay cycle to a one-week cycle. You have to get the paperwork in quickly; there’s no room to be late with it.

“But managers who have done recruiting in the past need to understand that they’re no longer recruiting,” he says. “We have to play to our strengths and let our partners play to theirs.” **STORES**

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