

Kronos survey reveals retail hiring slow-down this Christmas

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24 November 2008: The Kronos Christmas Scheduling survey retail downturn christmas trading (<http://www.kronos.co.uk>) of retail store managers, surveying stores from the UK's top 50 retailers, reveals that 80% of respondents believe their stores are often understaffed for the volume of work required, with staff sickness and busy trading in the evening listed as the two main reasons for staff shortages. Yet, despite recent news from Deloitte that consumer spending this Christmas will be the same as last year, 37% of retailers are planning to hire fewer staff than in 2007, with only 5% of retailers planning to hire more staff than last year. A further 26% of retailers plan to offer overtime to cover busy periods.

Retailers are understandably cautious about Christmas trading. However, if consumer spending remains the same as last year, a hiring freeze could result in understaffing which will have a detrimental effect on customer service, with longer queues, fewer staff on the shop floor to help customers and a greater likelihood of abandoned sales. The recent Kronos Retail Shopping Frustrations Survey highlighted that 7 out of 10 shoppers would leave a store without making a purchase where queues were too long.

The Christmas Scheduling survey also highlights that 70% of retailers are still using labour intensive paper-based systems and spreadsheets to draw up and manage staff working schedules. Creating employee schedules takes over six hours per week for 45% of the stores who responded, and the work involved in creating schedules is done by the store manager alone in 40% of organisations. In some larger grocery stores, between 20 and 30 hours per week are spent creating schedules.

Around 42% of retailers do plan to recruit at the same level as 2007 and expect that the additional scheduling workload will take up to five hours per week.

The survey also looked at how many retail staff are multi-skilled and able to work in more than one area of the store. Approximately 85% of employees are multi-skilled according to respondents.

Kronos works with some of the UK's largest retailers to optimise staff schedules to match the unique trading patterns of each store. Retailers benefit from lower admin levels, lower overtime costs and higher levels of customer satisfaction.

Simon Macpherson, Operations Director, Kronos comments, "A hiring freeze is unlikely to save money if retailers are paying overtime to cover busy periods. Retailers need to find a way to automate and optimise employee schedules in order to make the very best use of all available employees and reduce the need to either pay overtime or hire in extra staff. It's a tough trading environment and retailers must be able to differentiate on customer service. A freeze on hiring may save costs, but is likely to have a negative impact on sales."

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About Kronos:

Kronos Incorporated empowers organisations around the world to effectively manage their workforce. At

Kronos, we are experts who are solely focused on delivering software and services that enable organisations to reduce costs, increase productivity, improve employee satisfaction, and ultimately enhance the level of service they provide. Kronos serves customers in more than 50 countries through its network of offices, subsidiaries, and distributors. Widely recognised as a market and thought leader in managing the workforce, Kronos has unrivalled reach with more than 30 million people using a Kronos solution every day. Learn more about Kronos at www.kronos.com/uk

For more information contact:

Caroline Powell

J D Marketing

020 8297 5388

carolinep@jdmarketing.co.uk