

Temporary Staffing: Seasonal Hiring Trends for Small Business

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Small businesses with seasonal labor needs are hiring more judiciously than ever in 2011, keeping an especially close eye on quality and cost, given the slow economic recovery.

Seasonal Hiring Trends Upward

In industries ranging from tourism to tax preparation and accounting, entrepreneurial enterprises are taking a "just in time" approach to [seasonal hiring](#), tapping an unusually large crop of available workers; they're also keeping open the possibility of hiring select employees after they prove themselves in peak season.

"Hospitality businesses are forecasting growth for 2011," says Rob Wilson, president of human resources outsourcing firm Employco in Westmont, Ill. "But in talking to most clients, they're projecting growth of only 2 to 10 percent, so seasonal hiring plans are very conservative."

Small businesses are also closely controlling the costs of sourcing and hiring temporary staff, [recruiting via social media](#), relying on word of mouth or sometimes [hiring family and friends](#). "They're taking more of a guerilla approach to recruiting this year," says Wilson.

Timing Is Critical to Temporary Staffing Needs

Many small businesses build on the experience of their seasonal workforce from previous years. This allows them to bring on term-limited workers just in time to train them fully -- without wasting pay on days when business isn't at its peak.

"We start on seasonal hiring right after Thanksgiving, looking to get people in here for training the first or second week in December," says Karla Dennis, CEO of Cohesive Tax, an accounting firm in Cypress, Calif. To complement her full-time staff of 16, Dennis typically hires four part-time workers for the January-April tax preparation season.

Sourcing Seasonal Help

"We've found that grass-roots referrals are valuable for seasonal recruiting," says Jessica Barrera, human resources manager for Blue Plate Catering in Chicago. Blue Plate hires dozens of seasonal workers, from food servers to supervisors, for its high season, which runs approximately from April to October.

"We recruit via job boards and [social media](#)," says Brian Keenan, president of the consulting and staffing division of Core Education and Consulting Solutions of Atlanta. Core Education provides administrators and staff to primary and secondary schools and colleges for 9- or 10-month academic calendar positions. The education segment of the seasonal staffing industry has gotten a boost from financially strapped school districts and private colleges that are pursuing every possible means of labor-cost containment.

Seasonal Tryouts for Permanent Jobs

Millions of jobless workers and underemployed recent college graduates are flooding the [emerging workforce](#); many small businesses are aggressively pursuing a strategy of taking on seasonal workers who can be converted to well-qualified permanent employees -- if the economy continues upward.

"We have two interns, college juniors or seniors majoring in accounting, plus two professionals who were laid off elsewhere," says Dennis. The best of the interns will be given ongoing part-time work after tax season; the top seasonal accountants with experience may eventually be offered permanent full-time positions. Hiring from within helps absorb the costs of [seasonal hiring](#).

Value is more important than ever to small-business owners who are wary of overextending themselves in a tenuous recovery. "You can train college interns to process tax returns, and pay them \$10 an hour," says Alan Fiske, managing director of Fiske & Co., a Plantation, Fla., consulting and accounting firm.

Training is Key, Even for Returning Seasonal Workers

Small businesses determined to maintain quality service through tough times are not cutting corners when it comes to training seasonal workers, as well as providing college hires with meaningful [internship programs](#). "Businesses want their supervisors to be well-trained; they want their image and brand to be conveyed by employees, regardless of whether they're full-time or seasonal," says Wilson of Employco.

Even returning seasonal employees, always a boon with their experience and proven performance, may require annual training to keep their skills sharp and their product knowledge up to date.

Increasing Unemployment Benefits, Rising Taxes

Multiple extensions to unemployment benefits have distorted the labor market for many small-business owners. "Some of our clients have had challenges recruiting because their jobs are relatively low-paid and workers can collect unemployment for up to 2 years," says Wilson.

The current state of unemployment compensation has also motivated many entrepreneurs to think twice before hiring substantial numbers of seasonal workers, only to have them collect unemployment benefits through the entire off season, often at additional expense to the employer.

"If you lay off workers, depending on the state, it can cause your unemployment tax rate to rise," says William Even, a labor economist and professor at the Farmer School of Business at Miami University in Oxford, Ohio. In some situations it's better to keep those employees on and increase and decrease hours with the season, Even advises.

Dennis of Cohesive Tax has a clever strategy for holding down unemployment costs and helping her workers and customers at the same time. "If we don't have the workload to keep a good seasonal worker, I'll try to get them another position, maybe with a client's company," she says.