

Karen Telleen-Lawton: Dust Off the Ol' Résumé

Studies show the best places to work are those well stocked with well-trained employees



MIT professor Zeynep Ton examined four low-price retailers, including Trader Joe's, and found that despite having more full-time workers, more salespeople on the floor, investing more in training and paying employees more, they are more profitable than most of their competitors. (Wikipedia photo)

By Karen Telleen-Lawton, Noozhawk Columnist | [Published on 04.09.2012 8:33 p.m.](#)



Officially, the recession has been over for a couple of years, but high unemployment carried its bite long afterward. Now, after peaking as high as 10.4 percent in Santa Barbara County in January 2010, unemployment has tiptoed down, each successive peak lower than the last. This February's county

unemployment figure was 8.9 percent. But how to re-enter the labor force? Reading between the lines of recent business studies reveals where job seekers may land a position.

One study, authored by [MIT professor Zeynep Ton](#), zeros in on the importance of stores well stocked with well-trained employees. Ton examined four low-price retailers, including locals [Trader Joe's](#) and [Costco](#). Despite having more full-time workers, more salespeople on the floor, investing more in training and paying employees more, they are more profitable than most of their competitors. They are better places to work and generate more sales per employee and per square foot, according to the study.

Another analysis, by the [Wharton School's](#) Fisher, Krishnan and Netessine, analyzed two years of sales, staffing and customer service data from large retailers. Results were that each additional payroll dollar yielded an average of \$10 more in sales.

Fisher explains the results: “Staff takes care of customers, but staff also takes care of the store — restocking shelves, running the checkout counters, cleaning up.” Retailers who cut store staffing at the end of the quarter to satisfy Wall Street end up worse off in the long run, he believes.

Fisher cites Trader Joe's, Costco and [Nordstrom](#) as good examples.

“They have a different labor model,” he says. “Staff and customer service are not a cost; staff is an asset you invest in.”

It makes sense to me. I actually enjoy shopping at Trader Joe's. There are those enticing little snacks, and the hidden treasures for kids. I don't have young kids prowling the store, but I still think it's clever. The customer service counter generally has a couple of employees ready to indulge my latest suggestion about an item to stock.

Back in the 1990s, when I was in business school, there was a definite clash between the “customer is king” philosophy versus the cost-cutting, bottom line-is-the-only-line mantra that presaged big-box stores and outsourcing. Labor costs were evil — each employee was a vast unknown of misplaced ambitions, looming medical expenses and future employee lawsuits waiting to happen.

Nevertheless, we all know that employees are where the customer meets the product. I want good customer service, and I'd usually prefer going without than buying something when the shopping experience is lousy.

Maybe it's the TJ's Hawaiian shirts: It's hard to maintain a gloomy demeanor when wearing — or looking at — a Hawaiian shirt. But I think it's more likely that the "crew member" wearing that shirt is usually in the same aisle, where I can find him. And she knows where to find the item I'm looking for.

The translation for job seekers? Target the stores where you have been treated well as a customer. Hand them the studies, or this article, and throw them your winning smile. Once you find a job, your recession is over.

— Karen Telleen-Lawton's column is a mélange of observations spanning sustainability from the environment to finance, economics and justice issues. She is a fee-only financial advisor (www.DecisivePath.com) and a freelance writer (www.CanyonVoices.com).