



Chicago Tribune

After firings, Sears back hiring; Amid restructuring, headquarters jobs are posted on Web
Chicago Tribune
By Becky Yerak
11 August 2005

Four months after firing 850 workers, Sears Holdings Corp. is hiring again.

The retailer has about 90 help-wanted notices posted at online job site Monster.com. The jobs, which will be at the company's Hoffman Estates headquarters, range from women's apparel buyer to financial services vice president to senior counsel for securities and governance.

In April Sears laid off 850 workers--780 in Hoffman Estates and 70 at Kmart's home office in Troy, Mich.

Sears declined to comment Wednesday on its online outreach, but the personnel pitches don't surprise retail consultants or Sears' workers who lost their jobs in April. And some speculate that these jobs will be on a different pay structure than prior jobs--lowering base salaries to bring costs down.

Former information technology worker Sam Farler, laid off in April, says he has heard that Sears is trying to fill positions of employees who have left of their own accord in recent months.

Information technology listings currently on Monster.com include technical specialist and systems engineer as well as senior information technology auditor.

"I've been told by former colleagues that there are a steady stream of people leaving," he said. Those jumping ship apparently lack "a whole lot of faith in the future of Sears Holdings."

Meanwhile, job cuts are still playing out.

Sears Holdings had told about 1,400 additional Kmart workers that their jobs would be eliminated or relocated to Hoffman Estates or a Dallas processing center. Of those workers about 300 have accepted a relocation offer.

Sears is expected to provide an update on its corporate structure next month, when it releases second-quarter financial results.

Another former Sears IT worker who asked not to be named said he believes more Kmart workers declined to move to Hoffman Estates than Sears originally anticipated. Both retailers have been losing market share to other merchants.

"The underlying mood was that, 'We know the situation we're in now in Michigan, and if we move our families and things implode after that, we're in Illinois,'" he said.

Retail consultant Gary Ruffing surmised that some Kmart employees might be dragging their feet about moving to Illinois.

Or Sears workers "may have left thinking their positions in the company were in jeopardy and now they need to be filled," said Ruffing, of consulting firm BBK Ltd. and a former Kmart vice president.

Fitch Ratings analyst Philip Zahn guesses that Sears has had turnover above and beyond its layoffs, possibly due to poaching from other retailers.

In January J.C. Penney Co. ran advertisements in Chicago and Detroit newspapers positioning itself as a safe retail harbor.

Sears' current outreach on Monster.com is to be expected given both the magnitude of the merger with Kmart--which created the nation's third-biggest retailer--and the operational changes already being undertaken at the combined company, another retail consultant said.

Sears Holdings has begun converting hundreds of Kmart stores to Sears' nameplates. And former Kmart Holding Corp. Chairman Edward Lampert, who holds the same post at Sears Holdings, has wasted little time in cutting everything from payroll to advertising since the merger was consummated in March.

"They're going through a huge shedding of their skin," said Lawrence Adelman, principal of restructuring advisory firm AEG Partners.

"If you had been to Hoffman Estates pre-Lampert, it was like going into a government building, and it had similar costs and was an unbelievable bureaucracy.

"So maybe they're replacing 800 with 100 with a whole different package--maybe with less costly severance packages, vacation packages," he said.