

Woodward, Oklahoma, is experiencing an oil boom, and as residents flock to high-paying jobs in the drilling fields, c-stores and other service industry businesses struggle to find workers.

HELP WANTED!

BY JERRY SOVERINSKY

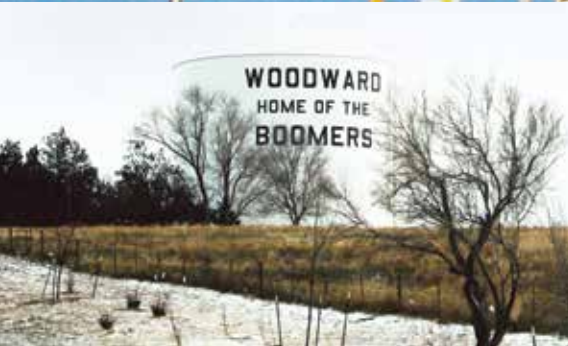


Did you hear the one about the c-store owner who complained frequently about high employee turnover rates and the difficulty of finding good workers? Then an oil boom came to town, luring residents with \$15-, \$18- and even \$25-an-hour jobs...

This is the story of Woodward, Oklahoma, a burgeoning community of 15,000 residents in the northwest part of the state. With a colorful history of cattle drives, land rushes and Indian wars, the town has known its share of hustle and bustle.

According to the 2000 census, fewer than 12,000 residents lived in town, which by Oklahoma standards is sizable (only two cities exceed 100,000 in population). Woodward is the principal commercial hub for the region, and you'd have to travel 85 miles to find a town with a comparable infrastructure.







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oil jobs easily pay \$75,000 a year.”

Area residents have scrambled to land those lucrative jobs, a steady siphoning of labor that has left the city’s unemployment rate at a miniscule 2.6%. “If you don’t have a job right now in Woodward, you can’t pass a drug test,” said Ward 3 Commissioner Bill Fanning, who served six terms as the city’s mayor.

“I saw eight ‘Help Wanted’ signs on Main Street [heading to work today],” he said. Making matters worse for those small businesses is the steep financial incentives the oil companies are offering workers — truckers especially.

“In the oil fields, they have signing bonuses. If you’re a commercial driver, you could make \$6,000 in bonuses,” Fanning said. “It’s not uncommon for people in their late 20s or 30s to make more than \$90,000 a year. It doesn’t require an education, you just have to be a hard worker.”

Creative Hiring

With eligible workers flocking to the oil fields, Hutchinson and other owners of service industry businesses have had to become creative about hiring, especially because a sizable percentage of the city’s historical workforce — married women — is no longer working.

“With c-stores, you’re always accepting applications and looking to hire good people, but with the oil activity, it’s taken a lot of the women out of the job market because their husbands make so much money they don’t have to work. That’s put a burden on the labor market,” Hutchinson said.

“We’ve paid referral bonuses to current employees, up to \$500, and part of that is paid up front and the rest after a certain number of days,” he added. “We’ve also paid signing bonuses, mainly for management.”

Owner Kenny Vasser has taken a sim-

In 2008, with natural gas prices spiking, the oil craze struck Woodward — again. There had been a deliberate focus on the region for decades, with several years of generous yields. But historically, those frenetic booms would be followed by busts every bit as powerful.

“Oil has been cyclical over the years, so everyone stays a little cautious,” explained David Hutchinson, president of Elk City, Oklahoma-based Hutchinson Oil Co. Inc., which owns 13 Hutch’s convenience stores, including three in Woodward. “The last boom, in the late 70s and early 80s, crashed pretty hard in 1982,” he said. “A lot of people remember that and are fairly cautious about getting overextended.”

For the three Hutch’s stores in

Woodward, the recent oil boom has brought sustained growth, with one exceptionally busy store bordering the drilling fields. “Sales at [our Woodward stores] have increased in the range of 20% each of the past four years,” he said.

Easy Money

Commensurate with the boom came a flood of oil drilling companies offering generous salaries and financial incentives to residents, compensation that doubled and even tripled what was available from convenience store jobs.

“Oil company jobs for \$18 to \$20 an hour are easily had, and that skews things for the service industry,” said C.J. Montgomery, president of Woodward’s Chamber of Commerce. “Some

ilar route at his Dairy Queen, a strategy that has helped reduce turnover. “We advertise a \$200 sign-on bonus for employees. They must work 90 days before they collect it, then we pay it out on a weekly basis of \$25 per paycheck,” Vasser said. “That’s helped keep people for at least five months. We’ve retained five good workers doing this.”

Even with a bonus, though, Vasser has found it difficult to keep his store fully staffed. “I’ve been short-handed at least a year,” he said. “We worked last summer with 18 people, and we needed 36.” As a result, Vasser has had to trim his store hours, closing at 9 pm during the school year instead of 11 pm, because most of his staff is comprised of school kids.

For Hutchinson, while the staffing crunch hasn’t forced him to change his stores’ operating hours, it has delayed his expansion plans. “Not all of our stores operate 24 hours, but this has put on hold the thought of [converting] them,” he said.

As for Hutch’s workforce, Hutchinson said that oil field workers typically must be at least 18 years old, so he focuses his attention on high school students. Additionally, while many married women have chosen to forego a second full-time salary as their husbands’ incomes have increased, he said many have sought a part-time schedule, something he’s accommodated.

“We’ve had to relax some of our rules; we’re strongly encouraging part-time workers now,” he said. “Some stay-at-home moms still want to get out and work a day or two or three, and they make great employees.”

Fierce Recruiting

To recruit talent, Hutchinson posts signage on his stores’ pumps and doors, but has stayed away from paid advertising, as it fails to produce results. “As far as help wanted ads in papers, that’s

a waste because there are so many in there,” he said.

Such a supply-side imbalance has forced Hutch’s to increase its wages well beyond the minimum wage (\$7.25 in Oklahoma). “Previously, we paid maybe \$1 above minimum wage,” he said, “but now we’re starting people out at \$9 or \$10 an hour. Of course, that’s felt through the entire organization.”

Money isn’t the only selling point for landing employees, though. Manager Steve Earp’s customer-centric approach at a local Domino’s Express has helped stabilize the staff. “Regardless of where you’re at, you’ll have a certain amount of turnover. My strategy is simply one thing: Treating employees fairly. All I do is treat everyone right; employees respect that,” Earp said. “I expect them to do their job, to do what they’re paid for, but I’ll give them days off when they need it. They appreciate that.”

The recruiting process in Woodward for service industry jobs is ongoing, and with such high demand for workers, the competition has created some unwelcome conflicts.

“It can get kind of bad,” Hutchinson said. “People are stealing people from each other back and forth, and that’s created tensions in town.” But residents understand, he added. “When you go to Walmart, they have 20 checkout lanes but only one of them is open,” he said. “I can’t complain because I know what they’re going through.”

No Lodging

With all of the available jobs, one would think workers would flock to Woodward. They have, of course, but they often don’t stay long because of a dire housing shortage. “We’re trying to encourage people to come and build,” Fanning said. “We have the infrastructure



It’s tough to keep a store fully staffed in Woodward; “We worked last summer with 18 people, and we needed 36,” said one retailer.



Skyrocketing Sales

While the oil boom has brought about hiring challenges, it has boosted Woodward's economy considerably. "Our retail sales tax numbers are setting records every month," Fanning said. "A few years ago, [Woodward] would get \$400,000 a month. Now we're at \$1 million or more every month. We're growing 12% to 20% every month."

— water and sewers — we just need the houses."

According to Montgomery at the Chamber of Commerce, the region's 766 hotel rooms (an estimated 300 in Woodward) are nearly always full, with other visitors taking extreme measures to find boarding.

"Our RV parks and campgrounds are packed," Fanning said. "Some people rent garages for \$350 a month. I know at least one person who earns \$5,200 a month and lives in his car." To help out, the oil companies have erected a 300-person "man camp" in town, a trailer-like complex with a mobile cafeteria, laundry area and recreation room.

While out-of-town firms are looking to build houses in town, the problem for them is a common one: finding enough workers. According to Fanning, skilled workers are at a premium throughout the region. "If you want to replace carpeting in your house or need a plumber, they're booked for three or

four months," he said.

Hutchinson, like other small business owners, is hopeful the shortage will be sorted out soon. "I've recruited two managers who are living at the Hampton Inn. I'm paying for that until they find housing," he said.

Mixed Blessing

In the meantime, with the influx of oil industry personnel who have de-

scended on the area, sales at Domino's Express, Hutch's and other area stores have grown rapidly these past few years, a strong counterweight to the anxieties bred from a critical employee shortage.

"Certainly with the oil [boom], it's a blessing and a curse," Earp said, interrupting our chat for several minutes while he tended to customers — "I'm a little short-handed at the moment," he mentioned apologetically.

"It's a blessing for the economy, but it's a curse because you can't compete with higher paying jobs, so it can be difficult to get help. But definitely, I prefer the boom."

Despite the challenges for Hutch's, Hutchinson stresses his approach has never been one of desperation — a strategy that's broadly instructive for all c-store operators who struggle to find and retain good workers.

"I think the natural tendency at first is to lower your standards," Hutchinson said. "We try to avoid that because it just compounds the problem. If you lower your standards and start hiring people you normally wouldn't hire, it just snowballs on you and creates more problems and people you don't end up keeping."

Earp remains unruffled at the staffing challenge, confident that his congenial approach and the harshness of oil field work will make opportunities at his store appealing for the right person.

"A lot of people in the oil fields don't have the physical ability to do what it takes, nor the constitution for the hours, so this is the better choice," he said. "And once here, if they have a good working environment, if they don't have the stress and pressure [of working in the oil fields], they're going to stay with you." **NACS**

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Local Dairy Queen owner Kenny Vassar implemented a sign-on bonus to help reduce turnover and retain good workers.