## Improving Work Schedules in Hourly Jobs

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## Involuntary Part-time 2001-2009 (BLS - Numbers in thousands)



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## Work Hour Preferences by Actual

Work Hours 2001 CPS data (Golden \& Gebreselassie, 2007)

| Men \& Women | Same Hrs | Fewer Hrs | More Hrs |
| :--- | :--- | :--- | :--- |
| $\mathbf{1 t o ~} \mathbf{1 4}$ hrs | $62.1 \%$ | $5.1 \%$ | $\mathbf{3 2 . 9 \%}$ |
| $\mathbf{1 5}$ to $\mathbf{2 9}$ hrs | 60.3 | 6.0 | $\mathbf{3 3 . 7}$ |
| $\mathbf{3 0}$ to $\mathbf{3 4}$ | 58.9 | 8.1 | $\mathbf{3 3 . 1}$ |
| $\mathbf{3 5}$ to $\mathbf{3 9}$ | 65.0 | 7.7 | 28.3 |
| $\mathbf{4 0}$ hrs | 69.8 | 5.6 | 24.5 |
| $\mathbf{4 1}$ to $\mathbf{4 8}$ | 66.6 | 8.1 | 25.3 |
| $\mathbf{4 9}$ to $\mathbf{5 9}$ | 69.7 | 9.6 | 20.6 |
| $\mathbf{6 0}$ or more | 66.1 | $\mathbf{1 3 . 3}$ | 20.7 |

What keeps hourly workers from working "enough" hours?

- The answer: Demand for labor flexibility on the part of employers.
- Labor flexibility is the ability of employers to readily adjust the number of employees and their work hours.
- Maintaining a close link between employees' work hours and variations in demand enables employers to contain, if not minimize, outlays for wages.

Goal today: Highlight scheduling practices that front-line managers use to contain labor costs in hourly jobs

- National women's apparel retailer
- Cluster-randomized experiment to evaluate the effects of improved scheduling practices on sales associates' well-being and work performance
- Practices are consistent with research on firms in several industries, i.e., hospitality, transportation, financial services, and retail


## Staffing practice: High headcounts

- US employers tend to keep headcount - the number of workers on the payroll - high, especially in part-time hourly jobs.
- Pool of workers whose hours can expand or contract depending on business needs and who can be slotted to work short shifts during peak business times.
- How can do this? Low-skilled, hourly workers come with few fixed costs.
- The more employees on the payroll, the fewer hours available, on average, for each employee.


## Scheduling practices: Fluctuating and unpredictable work hours

- Work schedules posted a few days before the workweek begins
- Last minute adjustments to posted schedules
- Real-time adjustments during the day
- Results in unpredictable as well as unstable work hours


## Maintain loose link between job status

 and number of work hours- Minimum number of hours in hourly jobs rarely guaranteed by employers
- Part-time jobs especially variable
- Full-time "flex"
- Variation in the number of hours worked has increased by $23 \%$ since the 1970s.


## Emphasis on "Open Availability"

- 94 percent agreed with the statement "I try to hire Sales Associates with maximum availability."
- 79 percent agreed with the statement: "I give more hours to associates who have greater availability."
- 89 percent disagreed with the statement "I give more hours to sales associates who seem to really need the money."


## Recap: Work schedules in hourly jobs

- Not "enough" hours (underemployment)
- Informal lay-offs; "no hour" jobs
- Fluctuating work hours
- Days of the week
- Time of day or shift
- Length of shift or time worked on a given day
- Unpredictable work hours (and income)

At risk of an earnings penalty when put constraints on availability for work

## Potential targets for intervention (can vary by firm and job)

- Stability
- Guarantee a minimum number of hours of work per week
- Provide a set schedule in which a proportion of work hours is guaranteed to be the same every week
- Guarantee work on certain days or shifts
- Predictability
- Provide work schedules to employees with greater advance notice
- Curb adjustments to posted schedules
- Flexibility (employee control)
- Allow workers input into their work schedule without reducing the number of hours they work
- Clarify and codify flexibility options so that all workers have equal access to a schedule that fits with their needs

