Improving Work Schedules in Hourly Jobs

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Flexible Work Arrangements and Low-Wage Work,
Acknowledgements

- Julia R. Henly, co-Principal Investigator

- Funders of the *Scheduling Intervention Study*
  - The Ford Foundation, Russell Sage Foundation, and the Annie E. Casey Foundation

- Research assistants
  - Amanda Bogdanski, Tianna Cervantes, Ellen Frank, Lauren Gaudino, Eric Hedberg, Jessica Manvell, Patricia Molloy, Yanajaha Moragne, Amanda Naar, Leah Raffanti, Osiris Rojas
Involuntary Part-time
2001-2009 (BLS – Numbers in thousands)
Involuntary Part-time
1980-2009 (BLS – Numbers in thousands)
## Work Hour Preferences by Actual Work Hours

2001 CPS data (Golden & Gebreselassie, 2007)

<table>
<thead>
<tr>
<th>Men &amp; Women</th>
<th>Same Hrs</th>
<th>Fewer Hrs</th>
<th>More Hrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 14 hrs</td>
<td>62.1%</td>
<td>5.1%</td>
<td>32.9%</td>
</tr>
<tr>
<td>15 to 29 hrs</td>
<td>60.3</td>
<td>6.0</td>
<td>33.7</td>
</tr>
<tr>
<td>30 to 34</td>
<td>58.9</td>
<td>8.1</td>
<td>33.1</td>
</tr>
<tr>
<td>35 to 39</td>
<td>65.0</td>
<td>7.7</td>
<td>28.3</td>
</tr>
<tr>
<td>40 hrs</td>
<td>69.8</td>
<td>5.6</td>
<td>24.5</td>
</tr>
<tr>
<td>41 to 48</td>
<td>66.6</td>
<td>8.1</td>
<td>25.3</td>
</tr>
<tr>
<td>49 to 59</td>
<td>69.7</td>
<td>9.6</td>
<td>20.6</td>
</tr>
<tr>
<td>60 or more</td>
<td>66.1</td>
<td>13.3</td>
<td>20.7</td>
</tr>
</tbody>
</table>
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