Job Schedules that Work for Businesses

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Employers rely on their employees to keep their businesses running. That's why they work to recruit and retain the best possible staff—workers who will fulfill their duties and lift the business to the next level. However, workers can only do that when they have quality jobs, which include (among other features) stable, predictable, and flexible schedules.

Too often, lower-wage workers receive their weekly schedules just days before their shifts, have erratic schedules that change from week to week, get sent home from work early without compensation, or receive too few hours. These types of scheduling practices wreak havoc on workers' lives; they disrupt child care arrangements, make budgeting impossible, and prevent workers from securing much-needed second jobs or taking classes to improve their employment prospects. And volatile scheduling is not just bad for workers; it's bad for business, too. Employers who adopt fair scheduling practices find they have lower turnover, higher morale, and healthier, more productive workers. They also find that improved scheduling practices are easy to implement and generate cost savings.

EMPLOYER VOICE

"Although Bi-Rite is not large enough to be subject to San Francisco's recently enacted scheduling ordinance, we are enthusiastically implementing its provisions. Why take on labor standards that we aren't required to comply with? Because we know that fair scheduling makes sense for our workers and for our businesses. Unless our staff is happy and engaged, we would not successfully achieve our mission of creating community through food, and wouldn't be able to provide the genuine service that our guests have come to appreciate. This is key to our success and to differentiating us in the marketplace as an employer. We strongly support the Schedules that Work Act and encourage you to do so as well, so your staff can benefit from the rights our teams already enjoy."

– Sam Mogannam, Founder, Bi-Rite Family of Businesses, San Francisco, CA

Fair scheduling practices are good for the bottom line

- **When hourly workers have workplace flexibility, productivity increases and absenteeism decreases.** In a survey of lower-wage, hourly workers with access to workplace flexibility and their managers, 80 percent of workers and 79 percent of managers reported increased team productivity and effectiveness. Additionally, 64 percent of workers and 74 percent of managers reported reduced absenteeism.[i]
- **Accommodating employees' scheduling needs significantly reduces turnover.** One study of retail employers found that when managers took employees' scheduling needs into consideration, stores had 22.9 percent lower turnover and 6.6 percent greater retention.[ii] A review of numerous studies on the impact of turnover found that for workers earning less than $50,000 annually, the cost of turnover is 20 percent of salary.[iii]
- **Flexibility promotes employee engagement and reduces operation costs.** In a study of one large retailer, managers reported that hourly workers with schedule flexibility were more engaged on the job, leading to lower turnover and reduced operating costs.[iv]

Stable, predictable schedules have unexpected benefits for businesses

Productivity, retention, and reduced costs are important metrics for all businesses. While some benefits of fair scheduling practices (such as manager wellbeing, employee health, and retaining workers in whom a business has invested training) don't immediately show up in a traditional business case, they ultimately boost the bottom line.

- **Reduced turnover is a jumping-off point for other employer best practices.** Employers know that training is important, but training a constantly changing workforce is expensive and ineffective. With lower turnover, employers can reap the benefits of their investment: employees that are more productive and less error prone.[v] Turnover is a major problem, especially in lower-wage industries; for example, median turnover rates for part-time workers in the retail industry reached nearly 75 percent in 2013.[vi]
- **Fair scheduling practices are good for managers, too.** Managers facing pressure to "stay within hours" (allocate shifts within a set limit of total hours in order to save on labor costs) must grapple with very complex schedules, which can lead to management overload and burnout.[vii]
- **Better schedules result in healthier workers; healthier workers are best for business**. The negative health effects of unstable, unpredictable, inflexible, and nonstandard schedules are well documented, ranging from obesity to cognitive declines to sleep problems.[viii] When workers have better schedules, their health improves, allowing them to put their best foot forward at work.

EMPLOYER VOICE

"Having happy employees is critical for the success of our business. Fair and flexible scheduling is one way we accomplish this. Public policies to create fair scheduling standards in D.C. would extend the types of practices Bright Start employees already benefit from to all workers in the District.

Nearly all of our staff members are parents. We work hard to accommodate staff requests for flexibility so that they can care for their own kids. We also give our employees two weeks' notice of their job schedules so they can plan the rest of their lives. Our employees work four 10-hour shifts, followed by one day off. This arrangement provides stable care throughout the day for the children at the center while also allowing our workers more time with their families."

– Marcia St. Hilaire-Finn, RNC, Owner, Bright Start Childcare & Preschool, Washington, D.C.

EMPLOYER VOICE

"At Equal Exchange, we believe in making our workers a central part of decision-making processes—this belief applies not only to business decisions but also to job scheduling. Two-thirds of our workforce is salaried. These workers enjoy consistent schedules and have wide latitude to request flexibility to accommodate other aspects of their lives. Our cafe managers work with baristas, who are hourly employees, to schedule shifts around their other obligations, allowing for considerable employee input into the scheduling process. On the production side of our business, employees work very consistent schedules from week to week and we never send anyone home early, unless they request it. If a machine breaks down, we simply assign workers to another task.

All workers deserve to be treated with respect by their employers—something that far too often is lacking in lower-wage jobs. We support the Schedules that Work Act because we believe fair scheduling is an important facet of responsible business practices."

-Rob Everts, Co-Executive Director, Equal Exchange (West Bridgewater, MA)

Fair Scheduling Practices are Feasible for Businesses

- **Staffing needs are much more stable than many assume.** While some employers claim that fluctuating demand makes constant schedule changes necessary, one study found that 80 percent of store hours remain stable week after week. With that much consistency in staffing needs, managers should easily be able to provide stable, predictable schedules to workers.[ix]
- **Cross training is an effective strategy for enabling scheduling stability.** When business slows in some establishments, managers send their workers home for the day—often without pay. But many companies find that training their employees in a variety of areas allows them to keep their workers busy and productive during slow times at their usual posts. This also allows workers to finish their shifts and collect the pay on which they rely.[x]
- **Successful employers offer advance notice of schedules and access to minimum hours without sacrificing profitability.** Retail giant Costco gives workers three weeks' advance notice of their work schedules while still exceeding expectations for profitability. Cooperative Homecare Associates, a homecare staffing agency, guarantees many workers access to at least 30 hours of work per week without hurting business.[xi]

Public policy solutions are needed

While some-high road employers are already implementing fair scheduling practices, many workers still face volatile schedules that hurt them and their families. And with less money in workers' pockets and businesses hampered by high turnover and low morale, volatile schedules are also bad for the economy. That is why it's critical to craft public policies that set minimum standards for scheduling practices. States and localities around the country are considering fair scheduling legislation. San Francisco has set a strong example for them. The city's recently enacted "Retail Workers Bill of Rights" guarantees retail employees of large chain employers a comprehensive set of protections to ensure more stable, predictable, and fair schedules. At the federal level, the Schedules that Work Act has been introduced in Congress. If passed, these laws would go a long way toward addressing workers' struggles and incentivizing fair practices that also help employers.

The Schedules that Work Act

For workers in all companies with 15 or more employees, the bill would:

- **Enable workers to request schedule changes without fear of retaliation.** Employers must accommodate certain workers (those who have caregiving responsibilities or serious illnesses, are enrolled in school or job training, or hold a second part-time job) unless they have bona fide business reasons for not doing so.

For workers in the retail, restaurant, and janitorial sectors, the bill would:

- **Enable workers to have more predictable schedules.** The bill requires employers to provide workers with at least two weeks' notice of their schedules. Employers must provide workers with their expected schedule and minimum number of hours of work per month on or before their first day on the job.
- **Inform workers in writing of their expected minimum hours and job schedule.** The bill requires employers to inform employees on or before their first day of work of their expected schedule and hours. If the schedule and minimum hours will change, the employer is required to notify the employee at least two weeks before the new schedule takes effect.
- **Compensate workers when they are sent home from work early.** The bill requires employers to provide workers with "reporting pay"—regular rate of pay for four hours or the total length of the workers' shift if the shift is less than four hours—if they are sent home from work early.
- **Compensate workers for schedule changes, on-call shifts, and split shifts.** The bill requires employers to provide workers with one hour of "predictability pay" at their usual rate when the employer changes the schedule less than 24 hours prior to a scheduled shift; when the worker is scheduled for an "on-call" or "call-in" shift but is not called in; and when the worker is scheduled for a split shift (a shift interrupted by a non-working period that is not a meal break).
- **Empowers the U.S. Secretary of Labor to extend the protections described above to employees in additional occupations** by certifying that those occupation are characterized by volatile scheduling practices (as indicated by specific set of criteria laid out in the legislation).

EMPLOYER GROUP VOICE

"The Schedules that Work Act is in line with SVN's mission to support a triple bottom line of people, planet, and profit. Our business leaders, social entrepreneurs, and impact investors appreciate that companies benefit when they are responsive to employees and flexible with work schedules."

- Deb Nelson, Executive Director, Social Venture Network

For a more extensive description of the bill, please see CLASP's fact sheet.

Endnotes:

[i] Amy Richman, Diane Burrus, Lisa Buxbaum et al. *Innovative Workplace Flexibility Options for Hourly Workers,* WFD Consulting http://www.wfd.com/PDFS/Innovative_Workplace_Flexibility_Options_for_Hourly_Workers.pdf.

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[iii] Heather Boushey and Sarah Jane Glynn, *The Are Significant Business Costs to Replacing Employees*, Center for American Progress, November 2012, https://www.americanprogress.org/issues/labor/report/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/.

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[vi] Krystina Gustafson, "Retail's turnover a plus for economy but challenge for stores," CNBC, September 23, 2014, http://www.cnbc.com/id/102021496#.

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[ix] Susan J. Lambert and Julia R. Henly, *Work Scheduling Study: Mangers' Strategies for Balancing Business Requirements with Employee Needs, Manager Survey Results*, University of Chicago School of Social Service Administration, May 2010, http://ssascholars.uchicago.edu/work-scheduling-study/files/univ_of_chicago_work_scheduling_manager_report_6_25.pdf.

[x] Susan Lambert, Anna Haley-Lock, and Julia Henly, *Work Schedule Flexibility in Hourly Jobs: Unanticipated Consequence and Promising Directions*, University of Chicago, June 2010, https://ssascholars.uchicago.edu/work-scheduling-study/files/lambert_haley-lock_henly_unanticipated_consequences_of_flexibility_in_hourly_jobs.pdf; Anna Haley-Lock and Stephanie Ewert, "Waiting for the Minimum: US State Wage Laws, Firm Strategy, and Chain-Restaurant Job Quality," *Journal of Industrial Relations*, 53.1, 2011.

[xi] Center for Law and Social Policy, Retail Action Project, and Women Employed, *Tackling Unstable and Unpredictable Work Schedules*, 2014, http://www.clasp.org/resources-and-publications/publication-1/Tackling-Unstable-and-Unpredictable-Work-Schedules-3-7-2014-FINAL-1.pdf.