

Comments on Washington D.C.'s *Hours and Scheduling Stability Act*

Submitted by Lonnie Golden, PhD, Pennsylvania State University; Julia Henly, PhD, University of Chicago; Susan Lambert, PhD, University of Chicago; Jeremy Reynolds, PhD, University of Georgia;

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Instability of employment, income and work hours is a pervasive problem in today's labor market, especially for workers paid by the hour and those in low-wage jobs.¹ Employer practices around hiring and scheduling can mitigate this instability, especially when these practices provide employees predictable work schedules and opportunities for additional work hours. Three provisions in Washington DC's *Hours and Scheduling Stability Act* – advance schedule notice, predictability pay, and hour access – support scheduling practices that research suggests are feasible for employers to implement and would achieve greater predictability in work schedules, with potential to reduce job turnover, economic hardship, and improve the well-being of low-earning workers and their families.

Employer practices such as posting work schedules with short notice, frequently changing work schedules without notice or pay, and maintaining a large pool of part-time staff on payroll all contribute to unpredictable schedules and fluctuating work hours. These practices make it difficult for workers to know when and how much they will work, increase employee stress, and may jeopardize their ability to provide essential caregiving to children, elderly, or disabled family members, regularly attend educational activities to improve their human capital, or fulfill the employment responsibilities of a second job.² When hours fluctuate from week to week, so does take-home pay and economic security, thereby compromising employees' ability to responsibly plan for budgeting and saving, and heightening the likelihood of experiencing (time-related) underemployment.³ Finally, fluctuating work hours also interfere with workers' eligibility for the social programs designed to mitigate economic insecurity such as Temporary Assistance for Needy Families (TANF), Child Care Assistance, the Family and Medical Leave Act, and Unemployment Insurance.⁴

Below we summarize some relevant research related to scheduling practices that may be useful in considering the Washington D.C. legislation.

- ✓ **Problematic work schedules are prevalent in today's economy. The majority of hourly workers in food service and retail have unpredictable and variable work schedules.**⁵
 - National data show that 90% of food service workers and 87% of retail workers have hours that fluctuate from week to week. In the course of a month, work hours vary an average of more than 8 hours, or the equivalent of a full day's work.
 - One-half of retail workers and almost two-thirds (64%) of food service workers report receiving one week or less advance notice of their work schedule.
 - Two in five workers (39% food service; 44% retail) report that their employer determines their work schedules, without their input.
 - Overall, compared to white workers, African American and Hispanic workers experience even less advance schedule notice and less control over their work schedules.

- ✓ **The best available evidence suggests that it is feasible to provide workers at least two weeks advance schedule notice and to minimize adjustments to schedules once posted.**

- Several firms already provide advance notice to their employees. The Gap, Victoria's Secret, and Starbucks have all publically committed to policies that require schedules be posted at least 10 to 17 days in advance. Sears, J.C. Penney, TJ Maxx, Williams-Sonoma, and Target report not using on-call shifts.⁶
 - In one randomized experiment with a national retailer, managers of several retail clothing stores demonstrated that they were able to increase the schedule notice they provided hourly employees. On average, stores participating in the intervention posted more than three weeks of schedules at a time (mean = 3.24 weeks) compared to a group of randomly selected control stores that posted schedules less than two weeks (mean = 1.68 weeks) in advance.⁷
- ✓ **Predictability pay is a practice that would promote cost sharing (instead of full cost shifting.) It incentivizes employers to utilize forecasting tools to optimize schedule adjustments, allowing more accurate initial schedules and limiting subsequent schedule changes, which makes good business sense.**
- A predictability pay provision recognizes that some last minute changes to work schedules are driven by unpredictable business necessity. However, it also acknowledges that schedule changes create costs for workers by disrupting childcare arrangements, school and training schedules, and transportation arrangements. The establishment of a predictability pay provision ensures that the monetary cost of schedule adjustments is shared between business and employees. Just as an overtime premium compensates hourly employees for working beyond what is conventionally viewed as a reasonable workweek, a predictability premium compensates employees for the sacrifices they make when accommodating employer requests for flexibility.
 - There is mounting evidence that there is more stability and predictability in firms' labor requirements than is reflected in workers' actual schedules. Scheduling technology that is used in many industries, like retail, has become very sophisticated and provides managers with tools that allow more accuracy in monitoring sales demand and forecasting labor demand than ever before. For example, forecasting studies by operations researchers at the University of North Carolina demonstrate that it is feasible for employers to predict labor demands with up to 90% accuracy with the use of scheduling software systems such as Kronos and Workplace Systems. As a result, schedules can be posted with further lead time and fewer adjustments to schedules are necessary.
- ✓ **Retail and food service jobs typically have low-wage rates and part time hours. Many retail and food service workers are the primary breadwinners for their household who seek additional hours of work when hours become available. A provision that offers additional hours to existing employees before hiring additional part time and temporary (contract) workers would help ensure that retail and food service workers are able to take advantage of the recent minimum wage increase in Washington D.C. to increase their earnings and economic security.**
- Earnings are a function of wages and hours, and the number of hours one works is intimately tied to the ability to escape poverty. Forty-six percent of single-parent households who work part time are in poverty; that number is 55% for African American and 58% for Hispanic single headed families who hold part-time jobs.⁸ The recent increase in the minimum wage to \$15/hour in Washington D.C. is one important piece of the equation; the access to hours provision that is currently under consideration addresses the second half of the earnings equation, making more hours available to workers who want and need them.
 - Research shows that employees with variable work schedules disproportionately report wanting more hours, in one study of retail workers, over 50% wanted more hours.⁹ Indeed, about one-third

of all workers nationally, and half of all part time workers, desire to work more hours if they were available.¹⁰

- Hiring and training new employees takes valuable resources in terms of processing and training time. Investing additional hours in employees already on payroll who welcome those hours and are already trained makes good business sense by enhancing employee performance and retention.¹¹ In fact, research shows that staffing practices that encourage hiring large pools of workers to accommodate employer flexibility needs contribute to staff turnover. In one study of a national retail chain, researchers found that managers who concentrated allotted hours on their existing trained workforce had 19% lower turnover rates than managers who did not.¹²

¹Kalleberg, A. L. (2011). *Good jobs, bad jobs: The rise of polarized and precarious employment systems in the United States, 1970s to 2000s*. New York: Russell Sage Foundation; Lambert, Susan J. (2008). Passing the buck: Labor flexibility practices that transfer risk onto hourly workers. *Human Relations* 61(9):1203-27.

² Henly, J. R., & Lambert, S. (2014). Unpredictable work timing in retail jobs: Implications for employee work-life outcomes. *Industrial and Labor Relations Review*, 67(3), 986–1016; McCrate, E. (2016). Unstable scheduling, precarious employment, and gender. A working paper of the EINet Measurement Group. University of Chicago.

³ Shin(2012)Survey of Household Economic Dynamics, 2015

⁴ McCrate, 2016; Ben-Ishai, L (2015). Volatile job schedules and access to public benefits (September, 2015). Center for Law and Social Policy. <http://www.clasp.org/resources-and-publications/publication-1/2015.09.16-Scheduling-Volatility-and-Benefits-FINAL.pdf>; Lambert, S.J. & Henly, J. R. (2013). Double jeopardy: The misfit between welfare-to-work requirements and job realities. In Evelyn Brodtkin and Gregory Marston, eds., *Work and the Welfare State: The Politics and Management of Policy Change*, pps. 69 – 84. Washington, DC: Georgetown University Press.

⁵ Lambert, S.J., Fugiel, P.J. & Henly, J.R. (2014). *Schedule Unpredictability among Early Career Adults in the US Labor Market: A National Snapshot*. Research brief issued by EINet (Employment Instability, Family Well-being, and Social Policy Network) at the University of Chicago: <http://ssascholars.uchicago.edu/einet>.

⁶ Ben-Achour, S. (2015). Will last-minute work soon be history. Marketplace. <http://www.marketplace.org/2015/08/07/business/will-last-minute-work-soon-be-history>

⁷ Data available by request from authors: Susan Lambert & Julia Henly, University of Chicago.

⁸ Data from Current Population Survey (2013). Bureau of Labor Statistics, United States Department of Labor. <http://www.bls.gov/cps/>

⁹ Lambert, S.J., Haley-Lock, A., & Henly, J.R. (2012). Schedule flexibility in hourly jobs: unanticipated consequences and promising directions. *Community, Work & Family*, 15(3), 293-315; McCrate, E., Lambert, S.J., & Henly, J.R. (2015). *Schedule instability, hours of work, and underemployment among hourly workers in Canada*. Working paper, University of Vermont.

¹⁰ Glosser, S. and Golden, L. 2016. Underemployment and Involuntary Part-time Work in the US: Persistence, Causes and Consequences – Blemish in the Economic Recovery? Draft presented to Midwest Economic Association conference, Chicago IL, April 2016; Golden Lonnie. 2015. FLSA Working Hours Reform: Worker Well-Being Effects in an Economic Framework, *Industrial Relations*, Volume 54, Issue 4, 717–749, October 2015. DOI: 10.1111/irel.12111; Lambert, Susan J., Anna Haley-Lock, and Julia R. Henly. 2012. “Schedule Flexibility in Hourly Jobs: Unanticipated Consequences and Promising Directions.” *Community, Work & Family*, vol. 15, no. 3, 293–315.

¹¹ McKee-Ryan, Frances M., and Jaron Harvey. ““I have a job, but...”: A review of underemployment.” *Journal of Management* 37.4 (2011): 962-996; Maynard, Douglas C. and Daniel C. Feldman (Editors), *Underemployment: Psychological, Economic, and Social Challenges*, New York: Springer, 2011; Wang Jing , Hours Underemployment and Employee Turnover: The Moderating Role of Human Resource Practices *Academy of Management Proceedings*, January 2014.

¹² Lambert, S.J & Henly, J.R. (2012). Frontline managers matter: Labour flexibility practices and sustained employment in hourly retail jobs in the U.S. In Chris Warhurst, Francoise Carré, Patricia Findlay, and Chris Tilly, eds., *Are Bad Jobs Inevitable? Trends, Determinants and Responses to Job Quality in the Twenty-First Century*. England: Palgrave Macmillan, pp. 143-159.