

# The Stable Scheduling Study

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# Why target work schedules?

For employees, unpredictable and unstable work hours can make it difficult to:

- Arrange child care
- Attend classes and study
- Hold a second job
- Attend family events
- Earn an adequate living

As much as 40% of costs in hospitality are in payroll.

- Focus today is on controlling front-end labor costs (matching supply/demand)
- Achieving too tight a match can depress sales and fuel back-end costs (turnover, poor service)

# Goal: Improve multiple dimensions of work schedules

## Consistency

- Working same days, times, number of hours from week to week

## Predictability

- Being able to anticipate when you'll work

## Adequacy

- Getting enough hours to support yourself

## Input

- Having a say in when you work and when you don't

# Randomized controlled experiment

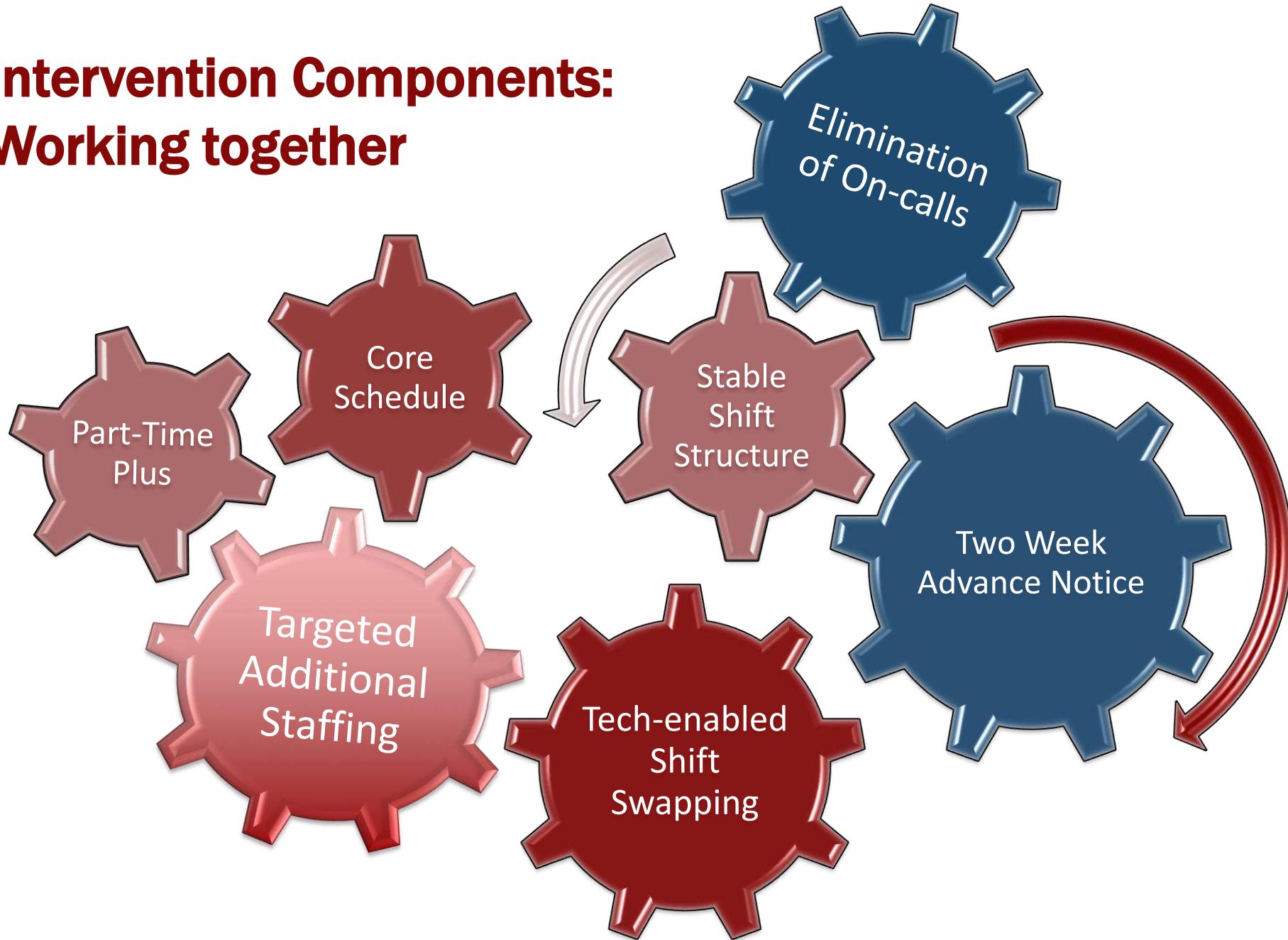
28 stores in San Francisco and Chicago

- Randomly assigned to control and treatment conditions
  - Control (2-weeks notice and no on-calls) (n=9)
  - Treatment (2-weeks notice, no on-calls, plus 5 other components) (n=19)

Experimental period: November 2015 – August 2016

- San Francisco - November 2015
- Chicago - February 2016

# Intervention Components: Working together



# Intervention components

## Elimination of on-call shifts

- Last-minute schedule changes can occur, but only with employee consent

*"We're better prepared for things versus just throwing in on-calls... We plan more for what could potentially go wrong. We've just started to implement the attendance policy better, and employees are more mindful themselves about what happens when someone doesn't show up." - Store 17, January 2016*

## 14-day advance notice

- Scheduling managers finalize and publish associate work-schedules at least 14 days in advance
- Associates make planned time off requests 2 weeks beforehand

*"We have a calendar for the year, (workload, flows), but no one ever looked ahead. I would look for the week, but now it forces me to look out even further than 2-3 weeks. I am more able to plan things. That is the norm now. Weird now to think I only looked out 1 week ahead before." - Store 30, May 2016*

# Early apprehension quickly dissipated

Some managers initially expressed apprehension about elimination of on-calls and advance notice

- Soon most managers did not miss either

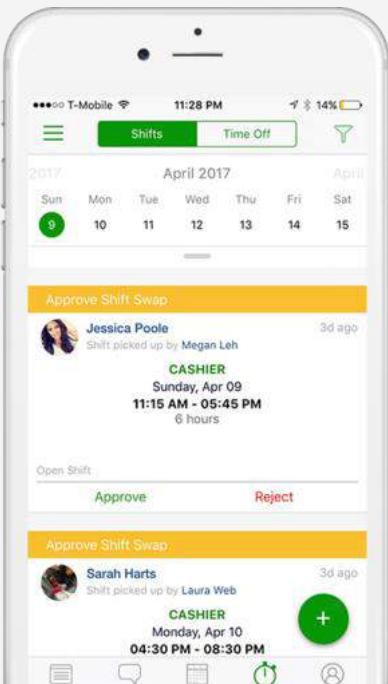
Apart from 3 outlier stores, nearly 90% of schedules were published at least two weeks in advance during the first three quarters of 2016.

Ultimately, Gap reduced the Advance Notice policy from two weeks to ten days at the study's conclusion (except in SF).

# Intervention components

## Tech-enabled shift swapping

- Shift Messenger eased the impact of elimination of on-calls & 14-day scheduling
- Many managers saw a dramatic decrease in # of hours spent on scheduling



*"Really starting to like it...It's becoming really popular and employees are using it successfully to swap shifts. They're even leveraging the chat room function to share information with employees; the team coordinated a holiday-adopt-a-family over the chat function!" - Store 31, December 2015*

*"Without Shift Messenger, I would probably wish we had the on-call shifts. Sometimes I do miss them, but I think we have Shift Messenger, so it kind of fills in that void."*

Other companies: Homebase, WhenIWork, Crew

# Intervention components

## Targeted additional staffing

- Algorithm identified key periods of understaffing
- Increase staffing on the floor during peak hours
- Analyze ROI

*“With the additional hours, we are focusing people’s energy more onto the sales floor [and] seeing a big return on that. If someone is more available to help people on the floor when they come in for a return, for example, they sell through the hours well.” - Store 90, March 2016*

## Stable shift structure

- Consistent shifts from day to day
- Consistent start-times and end-times for each shift
- Goal: consistency for majority of shifts (not all)

*“The stability went down quite a bit because it’s summer... so lots of people are traveling and we have to move things around. I really hope we go back soon to 50 – 75% stable shift structure, like we had before, because it makes my life so much easier.” - Store 40, June 2016*

# Intervention components

## Core schedule

- Identify employees who can consistently work specific shifts on specific days of the week
- Assign the same people to the same shifts for a majority of shifts
- Cut and paste schedule from week to week, making only minor edits

*"It has made things faster.... It gave me a place to build from. I had core opener, and core closer and I could build off that. When I was gone for two weeks one time, I had my schedule manager just use the core schedule and build from there.... "* - Store 21, August 2016

## Part-time plus

- Identify key staff members (usually high-performing individuals, with consistent availability)
- “Soft” guarantee of at least 20 hours/week

*"When you have a core group of people they really have a higher commitment to the store and they have more knowledge.... They know more about the business and they're able to speak to things. They know where product is too. They add an adaptability factor"* - Store 90, August 2016

# Are stable schedules even possible? Yes

Assumption: instability stems from fluctuations in customer demand

- *In fact, we found that only 30% does*

# Schedule consistency, predictability & input increased (but modestly)

## Consistency

- Increased consistency of time of day (morning, day, evening),
- Increased consistency of start and end times, and number of weekly hours

## Predictability and input

- Increased predictability
- Increased input into of timing of hours, especially ending times

## Adequacy

- Part-time Plus associates did see an increase in hours during the intervention, but not the average associate
- ~50% part-time associates reported wanting to work more hours

# Results: Improved sales and labor productivity

Stable scheduling sharply increased median sales, by 7%

- Dramatic increase in an industry in which companies work hard to achieve increases of 1-2%.
- Gap spent \$31,200 to fund TAS; intervention stores made \$2.9 million in increased revenues

Why did sales increase?

- *The intervention significantly increased labor productivity, by 5%.*
  - Treatment stores generated an additional \$6.20/labor hour
    - Due to improved retention of more experienced workers in treatment stores.

If it's more profitable, why  
aren't more companies  
doing it?

# Misaligned incentives

Finance's incentives are to "make its numbers"

- "Retailers can convince themselves that they can cut payroll by 5% in the last three weeks of a quarter to meet their profit promise to Wall Street and it really won't impact customer service, because there's probably people in the stores not doing anything anyway." – Marshall Fisher

Decreased sales effect is invisible

- Because this year's staffing starts from last year's, the fact that sales last year were artificially depressed due to unstable scheduling is an error that is passed through, and remains invisible, from year to year

# Store managers knew JIT decreased sales—but that information was discounted

Scheduling purveyors present their product as “scientific”

- “Our workforce scheduling solutions use data from your key business systems to create demand-based schedules avoiding any over or understaffing.”
- “Emotional feedback from the field must be vetted through sampling and analysis, and retailers must ~~guard against making knee-jerk~~

“Emotional scheduling”

# JIT looks good because businesses ignore its costs

## Poor execution

- More stable scheduling improved customer service, decreased “phantom stock-outs,” reduced theft, improved associates’ ability to arrive on time

## High turnover

- More stable scheduling improved retention among more experienced associates

## Time spent managing schedules

- Time spent in one large store decreased from 3 days to 4 hours

## Low-availability workforce

# Complex change management issue

Shifting to stable schedules is a complex change management process

- Marketing
  - “It’s just been a roller coaster with promo changes. This week alone the window changed three times.”
- Supply chain
  - “They give us a plan but then it changes. We plan but then I have to cross out the schedule because all of a sudden shipment is coming early, but then nothing arrives so we need to do it all over again.”
- Leadership visits
  - “We got four days’ notice [for this visit]. I had to add in 100–150 hours.”

# Take the leap!

Improving work schedules is a win-win for people and profits.

Variation in consumer demand is not the primary driver of instability in work hours.

Shifting to more stable schedules is a complex change management issue.