THE UNIVERSITY OF CHICAGO

SCHOOL OF SOCIAL SERVICE ADMINISTRATION

WORK SCHEDULING STUDY

Managers' Strategies for Balancing Business Requirements with Employee Needs

MANAGER SURVEY RESULTS

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I. INTRODUCTION: THE UNIVERSITY OF CHICAGO WORK SCHEDULING STUDY

Work schedules are important both to employees and employers. Scheduling practices can affect employees' ability to balance work and personal responsibilities and employers' ability to achieve business goals. The University of Chicago *Work Scheduling Study* is designed to further knowledge on scheduling practices in the retail sector by identifying ways to improve scheduling practices to benefit both families and firms.

As part of the *Work Scheduling Study,* University of Chicago researchers have partnered with a national women's apparel retailer to gather information on the strategies that store managers adopt in striving to balance the needs of business with those of employees and the challenges managers face in doing so.

This report summarizes the results of a telephone survey conducted during 2007 and 2008 with the managers of 139 stores located in midwestern and eastern states. Stores are located in urban or suburban retail malls, including small strip malls, discount outlets, and shopping centers anchored by one or more large retailer. The managers of 151 stores were invited to participate in the survey.[1] Of these, 139 chose to participate (92 percent response rate).[2]

In addition to manager survey results, this report includes information from corporate administrative records on the composition, turnover, and retention of staff in the stores managed by the survey respondents. These corporate administrative data include information on the 1,272 hourly workers (393 full-time; 879 part-time) employed in the 139 stores.[3]

Major topics addressed in this summary report include:

- The diverse characteristics of the workforce as well as the wide array of employees' personal and family responsibilities that can influence scheduling needs and availability;
- The stability of the workforce as viewed through two lenses: the cumulative turnover rate and the retention rate—both assessed during 2007 and 2008;
- Factors that managers identify as important to retaining employees;
- Managers' approaches to hiring and staffing in order to meet key business goals and balance employee scheduling preferences;
- The relationship between managers' staffing strategies and store turnover and retention;
- Managers' assessment of the company's overall responsiveness to work-life concerns.

[1] Telephone interviews were conducted by *Work Scheduling Study* research staff during managers' nonwork time. Researchers followed procedures approved by the University of Chicago's Institutional Review Board to ensure that managers felt free to decline or accept participation in the study and to protect respondents' confidentiality. Managers received a $25 gift card from the *Work Scheduling Study* upon completing the survey.

[2] The sample ranges in size between 139 and 136 store managers due to missing data on survey items.

[3] In the reported analyses of annual turnover and retention, the sample size is the number of hourly employees employed in the 139 stores as of January 2007 (*N* = 1,198; 373 full-time; 825 part-time) and in 138 stores as of January 2008 (*N* = 1,179; 347 full-time; 832 part-time). One sampled store closed in 2008.

II. MANAGING A DIVERSE WORKFORCE

This section provides an overview of the characteristics of hourly sales staff in the 139 stores at the time the survey was conducted with the store manager. Hourly sales staff includes assistant managers, sales associates, and stockroom assistants. The size of staff in each store ranges from 5 to 17 employees, with an average workforce of 9 employees (10 if the store manager is included). As the report details below, the staff of each store is small and predominately female but diverse in terms of age, race/ethnicity, and seniority. Diversity is also evident in employees' personal and family circumstances, which include caregiving responsibilities, personal health challenges, second jobs, and school commitments. This workforce diversity raises important staffing and scheduling challenges for managers, which are explored throughout the remainder of the report.

II.A. Diversity: Race/Ethnicity, Age, and Seniority of Hourly Workforce

Sex. Women make up the vast majority (98.6 percent) of sales staff in the stores of this national apparel retailer. Across the 139 stores, the proportion of female sales staff ranges from 80 to 100 percent; only 6.5 percent of stores have a workforce less than 90 percent female, and 88.5 percent have workforces that are entirely female.

Race/Ethnicity and Age. The hourly workforce is diverse in terms of racial and ethnic composition as well as age. Almost 60 percent of the sales staff in surveyed stores are non-Hispanic White, 26.8 percent are African American, and 9.3 percent are Hispanic. Less than 3 percent are Asian, American Indian, Hawaiian Pacific, or multiracial. The average age of staff across the 139 surveyed stores is 42 years. Over one-third (37.2 percent) are 50 years of age or older, and one-fifth (19.4 percent) are between the ages of 18 and 24.

Of course, stores vary in the extent to which this overall diversity is reflected in their particular hourly workforce. For example, in 41 percent of stores, the hourly staff is 75 percent or more non-Hispanic White; 14.4 percent of stores have a workforce that is entirely non-Hispanic White. However, the majority of stores are considerably more racially and ethnically diverse; in 25 percent of the stores, the sales staff is 50 percent or more African American, and 10 percent of stores have a sales staff that is 25 percent or more Hispanic.

A few stores have a particularly young staff (in 3.6 percent of stores, over 50 percent of the hourly staff is between the ages of 18 and 24), and almost one-fifth (18.7 percent) of the stores have a majority of employees between 50 and 64 years of age. Fully 46 percent of stores have at least one employee who is 65 or older, and the majority of stores have employees who represent the full range in age from 18 to over 65. This diversity in the age, and thus personal and life needs, of the sales staff likely poses challenges for managers who seek to balance business requirements with employees' preferences.

Seniority. The workforce also varies in terms of its seniority. The average tenure of hourly staff across the 139 stores is close to 3 years (34 months), and close to one-third (30.9 percent) has been with the company for 3 or more years. More than half of this latter group (or 18.9 percent of the entire hourly workforce) has been with the company for over 5 years. Still, at the time of the survey, a substantial proportion of hourly store employees (43.6 percent) had been with the company less than 1 year.

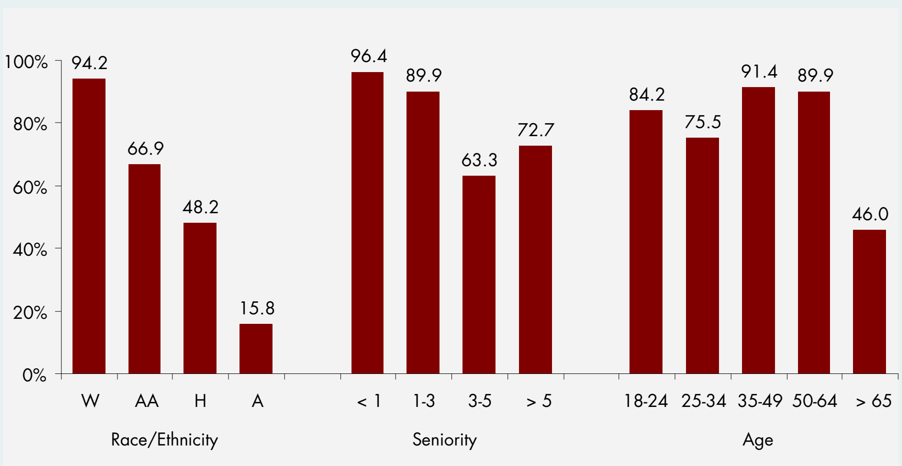
As with the race/ethnicity and age composition of the workforce, the seniority of the workforce varies across stores. In 43.9 percent of stores, the majority (over 50 percent) of the workforce has less than 1 year of seniority, but the majority in approximately 8 percent of the stores has 3 years or more. This diversity in tenure is important to consider, as stores with a relatively "greener" staff are likely to require different types of supervision and support than stores with a more seasoned workforce.

Summary: Diversity of Workforce—Race/Ethnicity, Age, and Seniority

Store managers are supervising workforces that are diverse in terms of race/ethnicity, age, and tenure with the company. The particular composition of hourly sales staff varies across the stores.

Reflecting this diversity, Figure 1 illustrates the percentage of stores with at least one worker who has one of the measured characteristics. As the figure shows, fully two-thirds (66.9 percent) of stores have at least one African American employee, 48.2 percent have at least one Hispanic employee, and 15.8 percent have at least one employee of Asian descent. The overwhelming majority of stores have at least one member of the sales staff in every seniority category and almost all age categories (18–24 years, 25–34 years, 35–49, 50–64, and 65 or older).

FIGURE 1: DIVERSITY ACROSS STORES



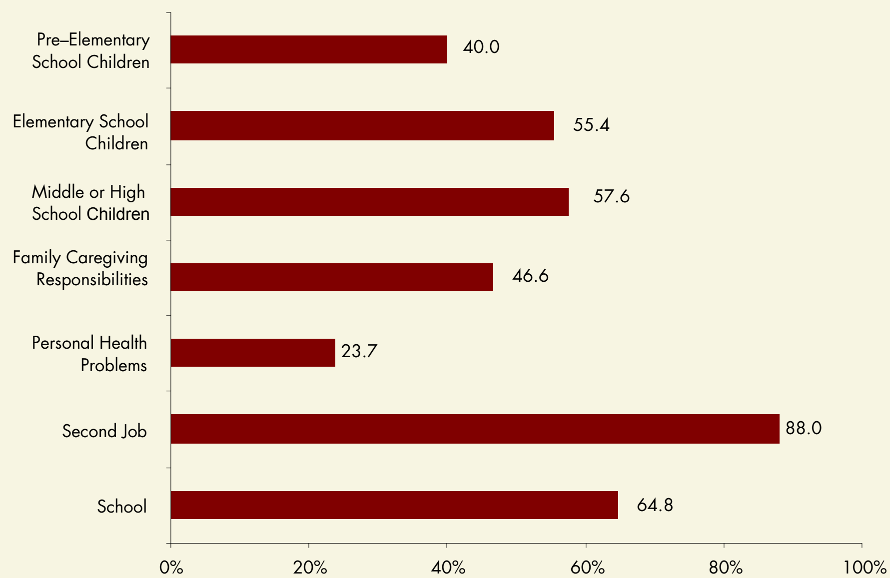
Source: *Work Scheduling Study* (WSS) analysis of corporate administrative data. Note: *N* = 139 stores; 1,272 hourly employees. W = White (non-Hispanic); AA = African American; H = Hispanic; A = Asian; Age and seniority ranges are in years. Results in each category indicate the percentage of stores with at least one sales associate in that category.

II.B. Diversity: Personal and Family Circumstances of Hourly Workforce

In light of the diversity reflected above, it is not surprising that sales staff are reported to have a wide variety of personal circumstances and responsibilities, such as parenting and other caregiving obligations, personal health challenges, second jobs, and school commitments. Such circumstances shape workers' availability for work and their scheduling needs. (See Figure 2)

Parenting. A majority of managers report that their employees are parenting children who live with them. Over half (55.4 percent) of the managers report that at least one of their employees lives with a child of elementary school age, and 57.6 percent of the managers report having one or more employees who live with at least one child in middle school or high school. Forty percent of managers report that they have at least one employee with a young child who is not yet in elementary school.

FIGURE 2: PERSONAL AND FAMILY CIRCUMSTANCES OF HOURLY WORKFORCE



Source: WSS manager survey. Note: *N* = 139 store managers. Results for each category indicate the percentage of store managers who report that they have at least one sales associate in that category.

Family Caregiving. Almost half of managers (46.6 percent) report that they have one or more employees who are caring for family members (e.g., a parent or spouse) other than their own children.

Personal Health Problems. Almost a quarter (23.7 percent) of store managers report having one or more employees who are managing health concerns that may affect their ability to do their job.

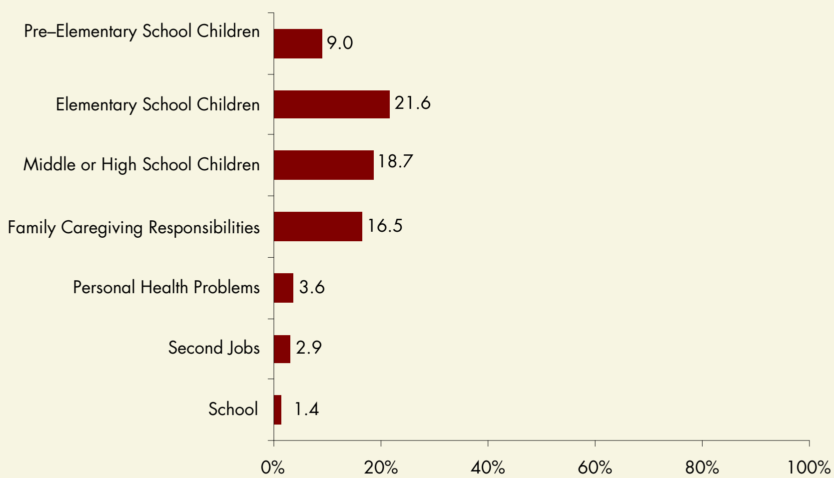
Second Job and School. Approximately 88 percent of all managers report they have at least one employee who holds a second job, and more than half of store managers (64.8 percent) are managing employees who are currently enrolled in school.

II.C. Workforce Diversity: Managers' Personal Characteristics and Family Circumstances

The 139 surveyed managers are also a diverse group in terms of race/ethnicity, age, and seniority. Fully 65.8 percent are non-Hispanic White, 21.6 percent are African American, 8 percent are Hispanic, and about 5 percent are Asian, American Indian, Hawaiian Pacific, or multiracial. The average seniority of managers is 8.2 years. Managers range in age from 24 to 69 years, but the majority (68 percent) are between ages 35 and 54. Thus, although the average age of managers (45 years) is only slightly older than the average age of other store staff (42 years), most managers are in their middle-adult years. ¬

Managers' reports of their own work-life commitments reflect this life stage (Figure 3 below). About one-fifth (21.6 percent) of managers report that they have children living with them who are elementary school age, and a slightly smaller percentage (18.7 percent) report that they are parenting children who are of middle or high school age. About 9 percent are parenting a child who is not yet in elementary school (i.e., under the age of 6). Some managers have caregiving responsibilities for other family members, such as a spouse or parent (16.5 percent), and a small proportion (3.6 percent) is managing personal health problems of their own. Given the demands of their jobs, it is not surprising that only two managers report being enrolled in school and only four report holding a second job.

FIGURE 3: FAMILY AND PERSONAL CIRCUMSTANCES OF MANAGERS



Source: WSS manager survey. Note: *N* = 139 store managers. Results for each category indicate the percentage of managers who report the measured characteristic.

III. STORE TURNOVER AND RETENTION

III.A. Annual Cumulative Turnover

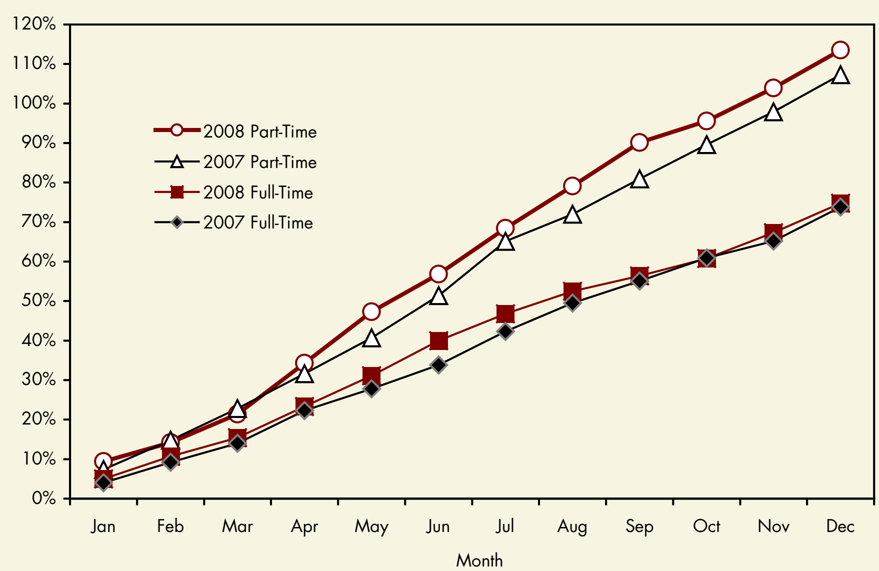
Retaining good employees and minimizing excessive employee turnover are key management challenges facing any business. Some turnover is natural, but high turnover rates can make it difficult to have adequate staffing available to meet customers' needs and can damage employee morale. Moreover, recruiting and training new employees in the face of high turnover imposes a significant cost for the company and can be time-consuming for the manager as well as for other store personnel.

This section first reports employee turnover and retention rates for employees during the 2007 and 2008 calendar years. The sample includes all hourly employees working in the 139 stores at the beginning (January) of each calendar year: 1,198 hourly employees (373 full-time; 825 part-time) in January 2007 and 1,179 hourly employees (347 full-time; 832 part-time) in January 2008. Then, the key factors that managers identify as important for employee retention are considered along with the factors managers see as important to employee turnover. The turnover and retention rates are calculated from company administrative data. Data on factors associated with employee retention and turnover come from the manager survey.

A common method for calculating annual turnover is to add up turnover from month to month across a year. Monthly turnover is calculated by dividing the number of workers who leave a job in the store in a particular month by the number of jobs in that store. For example, if a store has ten employees and two of them leave during the month, then the monthly turnover rate is 20 percent (2/10). Adding up monthly turnover across a year provides a measure of *annual cumulative turnover.*

Figure 4 shows the average cumulative turnover rates in 2007 and 2008 for part-time and full-time hourly employees in the 139 stores managed by survey respondents. This figure demonstrates that a substantial share of both part-time and full-time positions turn over during the course of a year. It also shows that the cumulative turnover rate for part-time employees is substantially higher than that for full-time employees. In 2007, 4 percent of full-time hourly employees left by the end of January. The departure of another 5.2 percent in February raised the cumulative turnover rate to 9.2 percent. By December 2007, the cumulative turnover rate among full-time employees in the 139 stores was 73.8 percent.

FIGURE 4: CUMULATIVE TURNOVER, 2007 AND 2008



Source: WSS analysis of corporate administrative data. Note: 2007 *N* = 1,198 hourly employees (139 stores); 2008 N = 1,179 hourly employees (138 stores; one store closed in 2008).

In comparison, 7.4 percent of part-time employees left by the end of January and 7.2 percent departed in the next month (for a cumulative turnover rate of 14.8 percent by the end of February). By December 2007, the cumulative turnover rate among part-time sales staff was 107.3 percent, 33.5 percent higher than that for full-time employees.

Despite the dramatic changes in the national economy during 2008, the pattern of turnover in the stores was remarkably similar to that seen in 2007. As Figure 4 illustrates, the annual cumulative turnover among full-time employees was only 1 percent higher in 2008 (up to 74.8 percent) than in 2007. The annual cumulative turnover rate among part-time employees rose 6.2 percent in 2008 (up to 113.5 percent).

III.B. Annual Retention

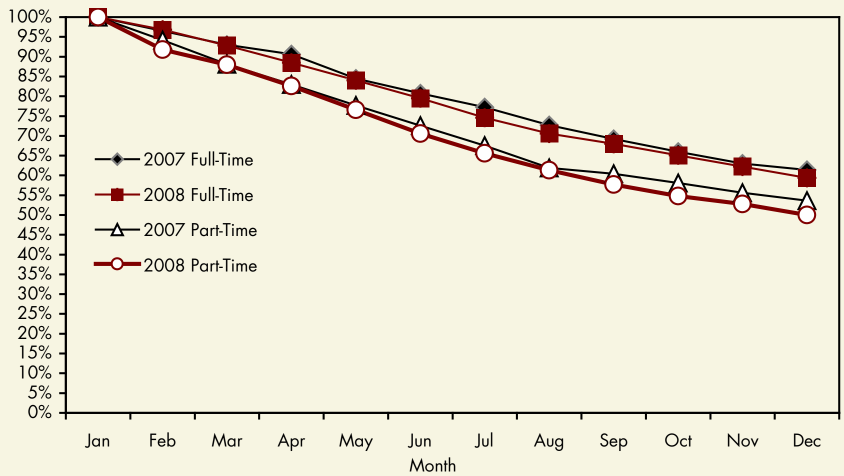
The cumulative turnover analyses presented above suggest a great deal of instability in the workforce. This is especially so among part-time employees, for whom the annual turnover rate exceeds 100 percent. And yet, data on the seniority of the workforce (see Section II above) suggest that there is more stability in employment. In particular, a snapshot of the stores at the time of the manager survey indicates that employees had almost 3 years (34 months) of seniority on average.

Employee retention rates help to reconcile these disparate statistics. *Employee retention* is calculated from the monthly corporate administrative data that were used to calculate cumulative turnover rates. Employee retention is the proportion of hourly workers that remain employed from month to month. Retention analyses reveal that the majority of the workforce stays the same month-in and month-out. A minority of employees turns over rapidly, however, and this results in a high cumulative turnover rate as jobs are restaffed throughout the year.

Figure 5 shows the results of the retention analyses for part-time and full-time employees during the 2007 and 2008 calendar years. It illustrates the percentage of employees who remain employed from month to month over the course of the year. For example, of the full-time workers employed in the stores as of January 2007, 96.5 percent were still there at the end of February 2007, and 77.2 percent were there in July 2007, 6 months later. By the close of the year (December 2007), 61.4 percent of those full-time workers employed at the start of the year were still employed in the stores. The comparable retention numbers are lower for part-time workers: 94.2 percent for February 2007, 67.5 percent for July 2007, and 53.6 percent for December 2007. Overall, these data demonstrate that a core group of both part-time and full-time employees stay the same from month to month, while other employees turn over rapidly.

As with cumulative turnover, retention rates for 2008 are comparable to those in 2007, despite the 2008 economic downturn. Figure 5 shows that, among those employed in selected stores in January 2008, 59.4 percent of full-time employees and 50 percent of part-time employees were still employed in those stores at the end of the year (December 2008). This represents a 2 percent decrease in full-time employee retention from 2007 to 2008 and a 3.6 percent decrease in part-time employee retention for the same period.

FIGURE 5: RETENTION RATES, 2007 AND 2008



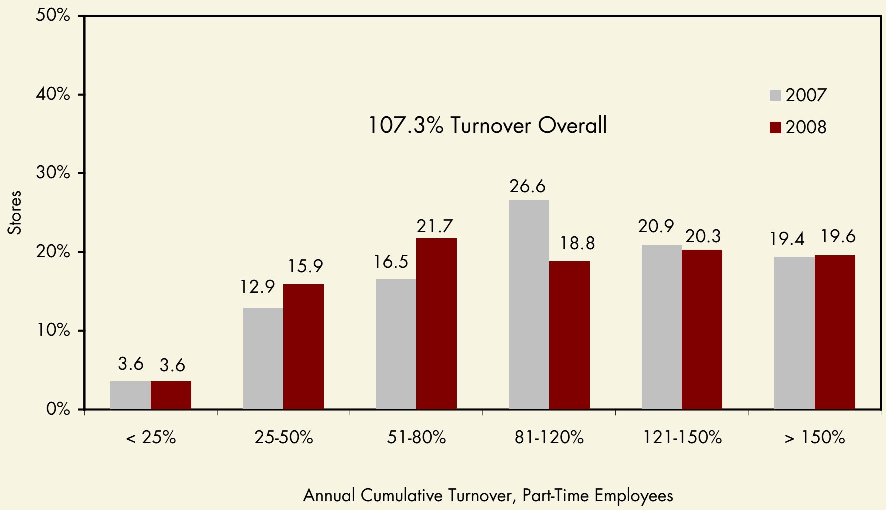
Source: WSS analysis of corporate administrative data. Note: 2007 *N* = 1,198 hourly employees (139 stores); 2008 N = 1,179 hourly employees (138 stores; one store closed in 2008).

III.C. Variation in Turnover and Retention across Stores

The presented results for annual cumulative turnover and retention reflect averages across the 139 stores, but both turnover and retention vary from store to store. As can be seen in Figure 6, a small proportion of stores in both years had below-average annual cumulative turnover rates for part-time employees. In 2007, 16.5 percent of stores had annual turnover rates of 50 percent or less among part-time employees, and 3.6 percent of stores had rates under 25 percent for these employees. The corresponding figures are similar for 2008: 19.5 percent of stores had an annual cumulative turnover rate of 50 percent or less among part-time employees, and 3.6 percent of stores had turnover rates under 25 percent for these employees.

The majority of stores, however, experienced much higher levels of turnover, and the patterns are again strikingly similar across the 2 years. Approximately 40 percent of the surveyed stores in each year had cumulative turnover rates among part-time employees that are higher than 120 percent, and nearly one-fifth (19.4 and 19.6 percent, respectively) had rates above 150 percent in 2007 and 2008.

FIGURE 6: VARIATION IN ANNUAL CUMULATIVE TURNOVER ACROSS STORES AMONG *PART-TIME EMPLOYEES ONLY*

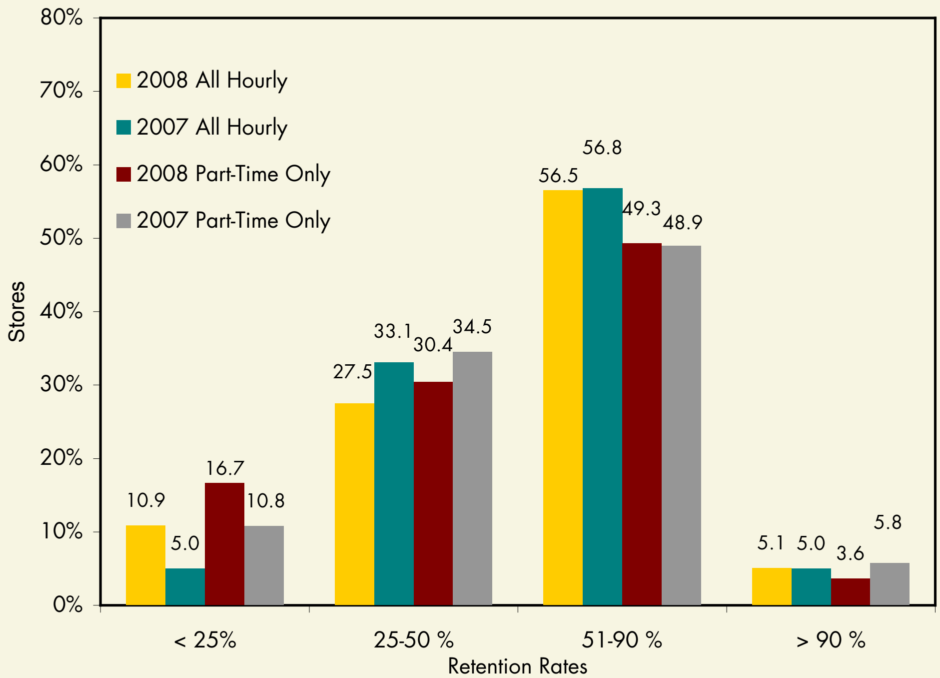


Source: WSS analysis of corporate administrative data. Note: 825 part-time employees in 2007 (139 stores); 347 part-time employees in 2008 (138 stores).

Rates of retention also vary among the stores. As Figure 7 shows, the retention rate for part-time employees was less than 25 percent in 10.8 percent of stores in 2007 and 16.7 percent of stores in 2008. That is, fewer than 25 percent of part-time employees employed in these stores in January were still employed in these stores the following December. However, a small number of stores had unusually high retention rates among part-time employees; 5.8 percent of stores reported 90 percent retention in 2007, and 3.6 percent of stores reported 90 percent retention in 2008.

These extremes, however, represent the minority of stores. As is evident in Figure 7, the vast majority of stores retained at least 25 percent of their employees, both full and part-time, in each year, and over half of stores in both years had retention rates above 50 percent.

FIGURE 7: VARIATION IN RETENTION RATES ACROSS STORES



Source: WSS analysis of corporate administrative data. Note: 2007 *N* = 1,198 hourly employees (139 stores); 2008 *N* = 1,179 hourly employees (138 stores; one store closed in 2008).

Summary: Cumulative Turnover and Retention, 2007 and 2008

Cumulative turnover and retention rates provide strikingly different pictures of the stability of the hourly workforce in this retail apparel firm. On the face of it, the high turnover rates in part-time jobs—107.3 percent in 2007 and 113.5 percent in 2008—suggest that few, if any, part-time employees remain in the stores for a full year. This would be true if turnover were equally distributed among part-time employees. Rates of retention suggest otherwise. Of the part-time employees employed at the beginning of each year, about half (53.6 percent in 2007 and 50 percent in 2008) were still working in the stores at the end of the year. This indicates that turnover was concentrated within a subset of employees who turned over rapidly during each year.[4]

The majority of the workforce remains the same month-in and month-out. A minority of employees, however, turns over rapidly. This results in a high cumulative turnover rate as jobs are restaffed throughout the year.

[4] We calculated retention rates using different "start" months (e.g., June rather than January). Regardless of the start month, a minimum of 50 percent of part-time employees working in that month were still working in the stores 1 year later.

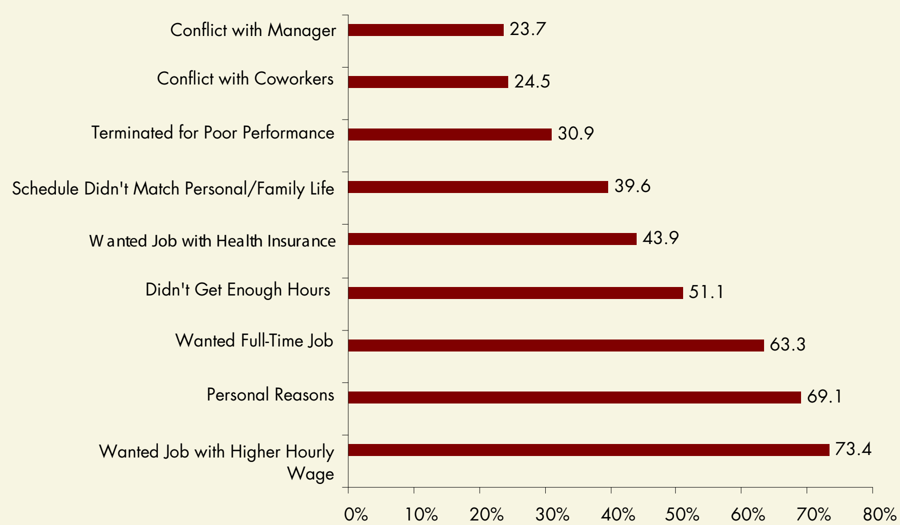
III.D. Understanding Turnover and Retention: Why Do Employees Leave? What Contributes to Longer Retention?

Given the turnover and retention statistics reported above, it is important to consider the reasons employees leave as well as the factors that contribute to their retention. The telephone survey of store managers provides information on both of these issues. The survey items on turnover asked managers to indicate whether or not, during their tenure as store manager, at least one sales associate had left the store for each of several specific reasons (see Figure 8). The most frequent reason given by managers was a desire by associates for a higher hourly wage (73.4 percent). As one manager commented, *"They* [the company] *need to offer their part-timers more money and it would be easier to keep them on staff. They are living on their own, trying to go to school, and minimum wage doesn't cut it."*

A desire for a job that provides higher earnings is also reflected in managers' responses regarding work hours. Almost two-thirds (63.3 percent) of managers report that at least one associate left because she wanted a full-time position, and more than half (51.1 percent) report that at least one sales associate left because the associate had not been scheduled for enough work hours. As one manager noted, *"A couple of my associates have told me they are looking for another job because they aren't getting enough hours.... As soon as I post the schedule, everyone starts complaining about the number of hours. I tell them I have so many hours to work within and try to divide them up fairly. I don't blame them for being upset."* In addition to higher wages and more hours, managers (43.9%) report that they have lost at least one employee because she wanted a job that provides health insurance.

Personal reasons and relationships also play a role in employee turnover. Fully 69.1 percent of managers report that at least one employee left for 'personal reasons,' and about a quarter report that an employee left due to interpersonal conflicts with coworkers (24.5 percent) or with a manager (23.7 percent). About a third (30.9 percent) of the managers report that they have terminated at least one employee for poor performance.

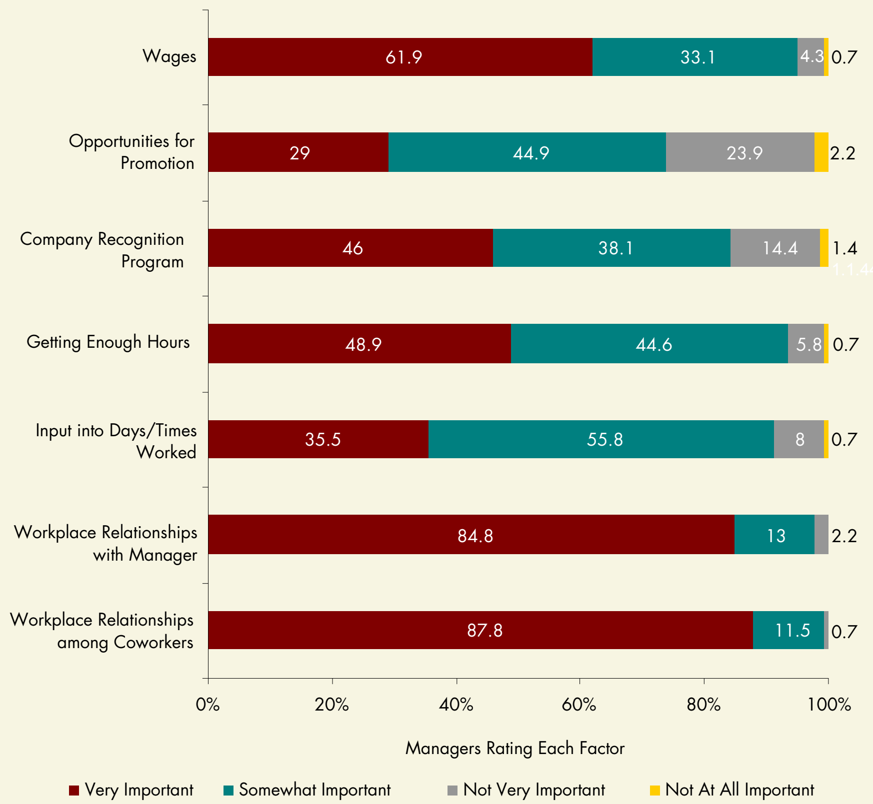
FIGURE 8: REASONS ASSOCIATES LEAVE STORE



Source: WSS manager survey. Note: N = 139 store managers. Results for each category reflect the percentage of managers who report that at least one associate left for the reason specified in that category.

Managers were also asked to rate on a 4-point scale the importance of several factors to retaining sales associates (1 is very important; 4 is not at all important). The factors include the importance of the company's human resource practices (wages, recognition program, and promotions), scheduling factors (number of hours and input), and relationships in the workplace (with manager and coworkers). (See Figure 9.)

FIGURE 9: FACTORS IMPORTANT TO ASSOCIATE RETENTION



Source: WSS manager survey. Note: *N* = 139 store managers.

Human Resource Practices. Store managers indicate that hourly wage is key to retention. Fully 95 percent of store managers say that wages are either very (61.9 percent) or somewhat (33.1 percent) important to retaining associates. They also indicate that opportunities for promotion (29 percent very important; 44.9 percent somewhat important) and the company's recognition programs (46 percent very important; 38.1 percent somewhat important) are important to retention but less so than wages.

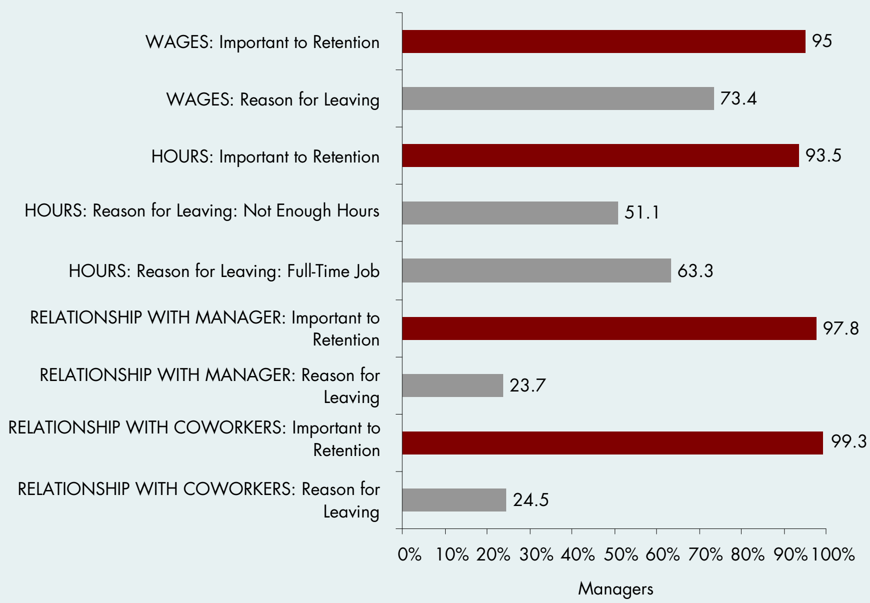
Personal Relationships. Responses from surveyed managers suggest that personal relationships—both their own relationships with associates and relationships among coworkers—are critical to retention. Approximately 98 percent of managers report that having a good relationship with their employees is very (84.8 percent) or somewhat (13 percent) important to retention, and almost all managers (99.3 percent) think that having good relationships among associates is very (87.8 percent) or somewhat (11.5 percent) important for retention.

Scheduling Practices. Store managers report that scheduling practices are also central to employee retention. Specifically, the majority of managers indicate that giving associates "enough hours" is either very (48.9 percent) or somewhat (44.6 percent) important to their retention. Allowing associates to have input into the timing of work hours and days is at least somewhat important to retention (35.5 percent rate it very important, 55.8 percent rate it somewhat important).

Summary: Managers' Views on Retention and Turnover

Although most managers indicate that interpersonal relationships are very important for retention, a minority of managers report that an associate had actually left their store because of interpersonal conflicts (Figure 8). In contrast, most managers rate wages and work hours as important to retention and also report that at least one associate left their store because of these factors (Figure 10). Thus, although personal and interpersonal relationships may play important roles in explaining employee retention and turnover, the surveyed managers clearly recognize that wage rate and hours worked—the two key factors determining the earnings potential of hourly jobs—are critical to employee retention in their stores.

FIGURE 10: MANAGER PERSPECTIVES ON FACTORS IMPORTANT TO RETENTION AND REASONS FOR SALES ASSOCIATE TURNOVER



Source: WSS manager survey. Note: *N* = 139 store managers.

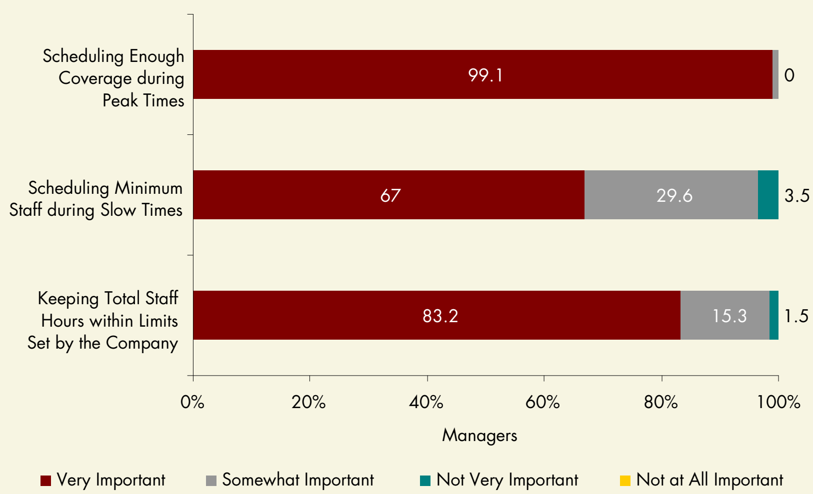
IV. MEETING DIVERSE BUSINESS OBJECTIVES

Retail-sector sales targets play a critical role in surveyed managers' scheduling decisions, and those targets may be unattainable if there are not enough sales associates on the floor to meet customers' needs. However, managers are also held accountable for containing labor costs. Many retail firms establish a desired ratio of actual or projected sales to the number of hours for which employees are paid. In the retail firm studied here, the company gives each store manager an initial allocation of staffing hours for each week in a month. That allocation is calculated from projected and ongoing sales. Store managers develop their weekly schedule based on this initial allocation and are held accountable for "staying within hours;" that is, for maintaining the company's desired ratio between actual sales and staffing hours. The need to stay within hours may require store managers to make ongoing adjustments to posted work schedules, depending on whether sales exceed or fall short of expectations.

IV.A. Scheduling Priorities: Business Needs

The significance of these business objectives in shaping scheduling practices comes through clearly in managers' ratings of the importance of different factors they consider in scheduling workers in their stores (Figure 11). Scheduling sufficient numbers of sales associates to cover peak business hours is given the highest priority—99 percent of managers rate this as "very important" in their scheduling decisions for the store. Managers also report that it is important for them to keep a close eye on labor costs by not over-scheduling staff during slower periods (67 percent rate this as very important) and by staying within the number of staffing hours assigned their store by the corporation—83.2 percent of managers rate "staying within hours" as "very important" in their scheduling for the store.

FIGURE 11: MANAGER PRIORITIES WHEN MAKING SCHEDULES: BUSINESS REQUIREMENTS

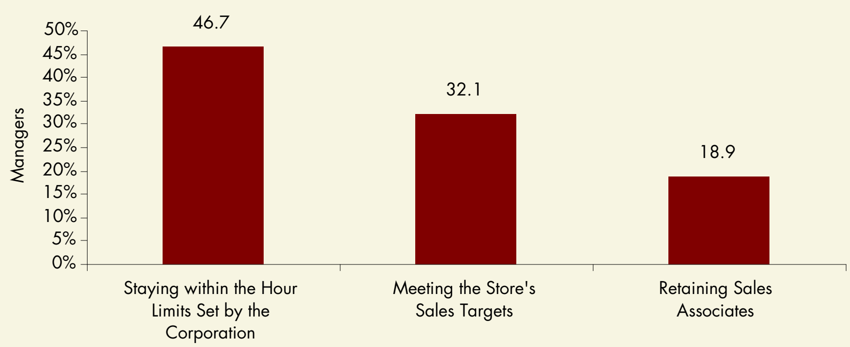


Source: WSS manager survey. Note: *N* = 139 store managers. Results for each category indicate the importance surveyed managers assign to the issue in that category.

IV.B. Challenges of Staffing Hours and Sales Goals

Managers were asked how challenging they find key business objectives. Specifically, they were asked to rate the difficulty of staffing within the number of hours assigned by the corporation and the difficulty of meeting the store's sales targets (Figure 12). Managers rate difficulty on a scale of 1 to 10, with 1 indicating that it is not at all challenging and 10 indicating that it is extremely challenging. On average, managers rate "staying within hours" as 6.47, and fully 46.7 percent rate this as 8, 9, or 10 (extremely challenging). The average rating assigned to meeting the store's sales targets is 6.29, and about one-third of managers rate it in the highest categories (8, 9, or 10). Managers report that retaining associates is relatively less challenging than these other business challenges; on average, managers rate retention as 5 on the 10-point scale.

FIGURE 12: MEETING MANAGEMENT CHALLENGES: PROPORTION OF MANAGERS RATING CHALLENGE AS HIGHLY DIFFICULT



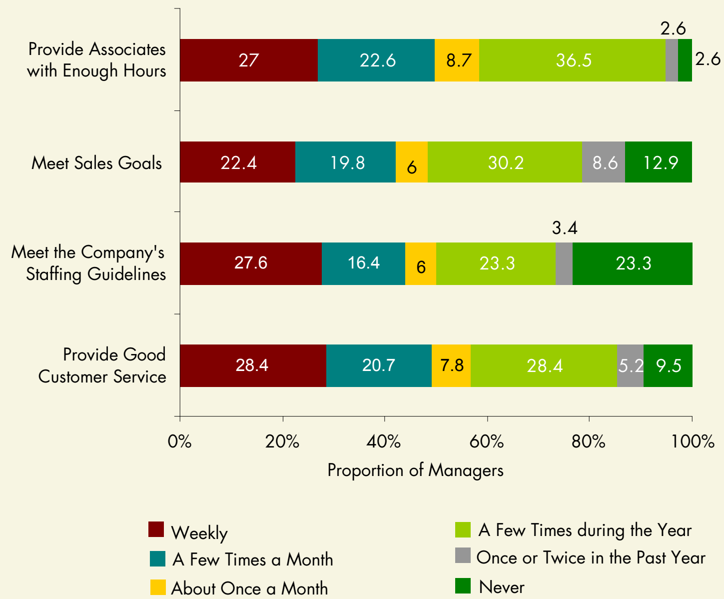
Source: WSS manager survey. Note: *N* = 139 store managers. Results for each category indicate the percentage of managers who rate that challenge as 8, 9, or 10 on the 10-point scale that measures the difficulty of the task.

IV.C. Meeting Business Goals while "Staying within Hours"

The data suggest that "staying within hours" is challenging for managers because doing so complicates their ability to achieve other business objectives (Figure 13). Managers say that hour limits make it difficult to meet sales goals either weekly (22.4 percent) or a few times a month (19.8 percent). Moreover, approximately half of the managers report that the hour limits regularly make it difficult to provide good customer service (28.4 percent weekly; 20.7% a few times a month). As one store manager observed, *"Our company believes strongly in good customer service and you can't offer good service when there is not enough coverage."*

In addition, managers report that hour limits regularly make it hard for them to provide sales associates with enough hours (27 percent weekly; 22.6 percent a few times a month) and to comply with the company's guidelines for minimum store staffing levels (27.6% weekly; 16.4% a few times a month). As discussed earlier, managers view "getting enough hours" as an important factor in staff retention and report that some of their associates have left because they were not scheduled for enough hours. Thus, hour limits can make staff retention challenging.

FIGURE 13: HOUR LIMITS AND DIFFICULTIES MEETING MANAGEMENT PRIORITIES



Source: WSS manager survey. Note: *N* = 139 store managers. Results indicate managers' ratings of the frequency with which hours limits complicate their efforts to meet a given management priority.

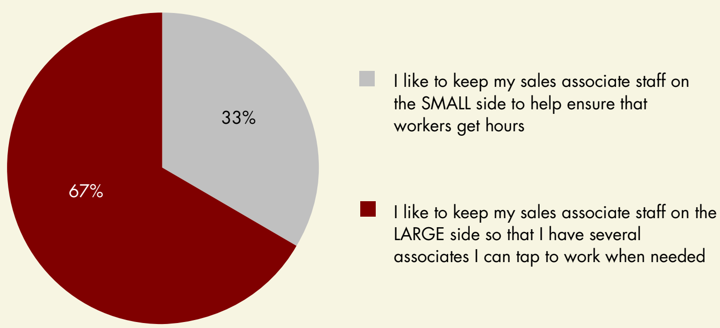
Summary: Challenges of "Staying Within Hours" and Meeting Other Business Objectives

Managers are responsible for achieving a variety of business goals, including meeting sales targets, containing labor costs, and retaining a productive staff. Sometimes these goals conflict with one another. Notably, managers report that staying within hour limits can interfere with their ability to meet sales targets, to provide good customer service, and to schedule full-time and part-time employees for enough hours. About a quarter of the managers report that they face these challenges weekly, and almost half say they face them at least a few times a month. How managers staff and schedule their store within corporate guidelines has, then, important implications for the ability of managers to achieve business objectives and for the ability of sales associates to balance work responsibilities with personal ones. As one store manager put it, *"They [upper management] are expecting quality, and it's not as high when we get low hours. It's a problem throughout retail. I understand the perspective, but my employees want hours and the work has to get done."*

V. STAFFING AND SCHEDULING STRATEGIES TO MEET BUSINESS NEEDS

This section presents data on the staffing and scheduling strategies that managers use to meet business objectives, especially "staying within hours" and meeting sales targets. Store managers report that providing workers with enough hours is central to retaining staff, an important business goal. However, they also report that they do not want the hours assigned their staff to exceed customer demand because they then may be unable to "stay within hours." Managers were asked to choose between staffing strategies that give priority to providing workers with enough hours and those intended to maintain a highly flexible staff (Figure 14).

FIGURE 14: MANAGERS' GENERAL STAFFING STRATEGIES



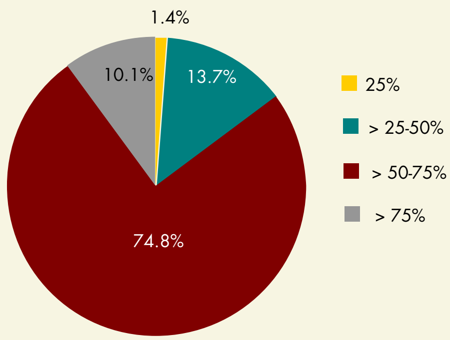
Source: WSS manager survey. Note: *N* = 139 store managers.

Approximately two-thirds of the managers chose the statement, "I like to keep my sales associate staff on the LARGE side so that I have several associates I can tap to work when needed." One-third chose the statement, "I like to keep my sales associate staff on the SMALL side to help ensure that workers get hours." Store managers' responses suggest that the majority give priority to maintaining flexibility in staffing rather than providing workers with hours.

V.A. Use of Part-Time Staff

Pursuing a strategy of hiring a large, flexible staff is consistent with a reliance on part-time staff. On average, 62 percent of the workforce is part-time. The proportion of part-time employees is significantly ($p < .05$) though not strikingly related to managers' general staffing strategy. On average, part-time workers comprise 64 percent of the staff in stores with managers who report a preference for keeping their sales staff large. By contrast, 59 percent of the staff is part-time in the stores of managers who report that they prefer to keep their sales associate staff on the small side. Although stores vary somewhat in the proportion of employees who work part-time (Figure 15), the majority of stores (74.8 percent) has a sales staff that is heavily (50 percent to 75 percent) part-time.

FIGURE 15: PROPORTION OF STORES WITH HOURLY STAFF CLASSIFIED AS PART-TIME



Source: WSS manager survey. Note: *N* = 139 store managers. Part-time employees include assistant managers, sales associates, and stockroom assistants.

V.B. Staffing Challenges

Because store managers must schedule within a certain number of staffing hours, pursuing a strategy of hiring a large, primarily part-time staff may make it difficult to provide associates with "enough" hours from week to week. The strategy also may impede efforts to find associates with the right availability. A substantial proportion of managers report these challenges (Figure 16). Approximately one-third of managers rate both "hiring sales associates who can work the hours needed" and "providing associates with enough hours" as extremely challenging (8, 9, or 10 on the 10-point scale). An even greater proportion (51.1 percent) report, however, that it is extremely difficult to hire associates with needed skills.

FIGURE 16: STAFFING CHALLENGES: PROPORTION OF MANAGERS RATING CHALLENGE AS HIGHLY DIFFICULT

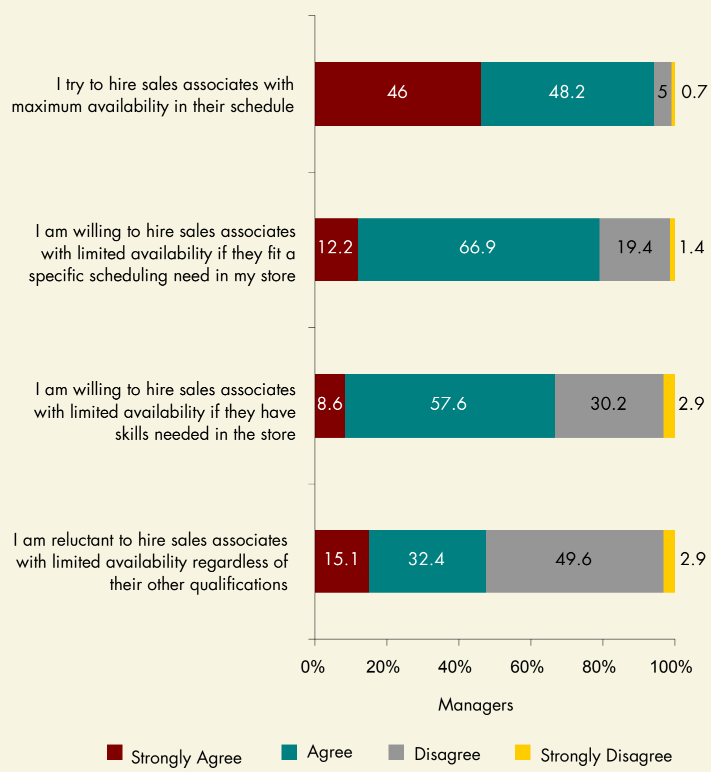
Source: WSS manager survey. Note: *N* = 139 store managers. Results in each category indicate the percentage of managers who give that challenge a rating of 8, 9, or 10 on a 10-point scale that measures perceived difficulty (10=extremely difficult).

V.C. Preference for Wide Availability

Managers' preference for a flexible staff is reflected in the high value they place on hiring sales associates who are available to work a variety of days and hours (see Figure 17). Over 94 percent of managers either strongly agree (46.0 percent) or agree (48.2 percent) that they try to hire sales associates with maximum availability in their schedule. As one store manager put it, *"The sales associates have to be flexible. They signed on for 'whatever'—they agreed to this when they were hired."* Still, the majority of store managers agree (8.6 percent strongly agree; 57.6 percent agree) that they are willing to hire associates with limited availability if they have a particular skill that is needed in the store. Moreover, the majority of managers report a willingness to hire associates with limited availability if the associate fits a specific scheduling need (12.2 percent strongly agree; 66.9 percent agree). This hiring strategy works to the extent the employee's availability remains constant. As one manager explained, *"There is no way I can accommodate them if their availability changes … because my store is so small, I don't have a lot of staff. I have to give them the hours I have to give them, and they have to work what we agreed upon."*

Not surprisingly then, almost half (47.5 percent) of managers either agree (32.4 percent) or strongly agree (15.1 percent) that they are reluctant to hire an associate who has limited availability, regardless of her other qualifications. This reluctance is especially striking because a greater proportion of managers report that it is extremely challenging to hire associates with needed skills than with needed availability (see Figure 16 above). Managers' hesitation to hire associates with restricted availability thus underscores the priority many managers give to hiring associates who can work a variety of days and shifts.

FIGURE 17: PREFERENCE FOR MAXIMUM AVAILABILITY



Source: WSS manager survey. Note: N = 139 store managers.

V.D. Relationship Between Managers' Staffing Strategy and Store-level Turnover and Retention

Does a manager's approach to staffing her store matter for employee turnover and retention? The results suggest the answer is 'yes.' Turnover among hourly employees in the 12 months following the date the manager completed the survey is, on average, 19 percent higher in stores in which managers chose the statement 'I like to keep my sales associate staff on the large side so that I have several associates to tap when needed' (average turnover= 105%) than in stores in which managers chose the statement 'I like to keep my sales associate staff on the small side to help ensure workers get hours' (average turnover = 86%; p<.05). Twelve-month retention is 5 percent lower, on average, in 'large staff' vs. 'small staff' (average retention = 52 percent vs. 57 percent) strategy stores, although this difference is not statistically significant. Of course, a manager's decision to pursue a 'large' vs. 'small' staffing strategy may be related to different aspects of the store she is assigned, including the composition of its workforce and the number of hours the store is allocated. These factors may themselves be related to turnover and retention. Thus, in order to estimate the contribution that managers' staffing approach per se makes to rates of turnover and retention, analyses must take these additional factors into account.

FIGURE 18: RELATIONSHIP BETWEEN GENERAL STAFFING STRATEGY AND TURNOVER AND RETENTION RATES

	TURNOVER			**RETENTION**		
	b	**s.e.**	***B***	**b**	**s.e.**	***B***
Prefers large staff	22.18*	9.03	0.21	-9.50*	3.88	-0.20
Mean age	-2.57**	0.65	-0.34	1.09**	0.28	0.32
Pct. African American	0.01	0.15	0.01	0.03	0.07	0.04
Pct. Hispanic	-0.04	0.31	-0.01	-0.01	0.13	-0.01
Max staffing hours	0.04	0.13	0.04	0.16**	0.06	0.40
Min staffing hours	-0.04	0.21	-0.03	-0.08	0.09	-0.12
Mgr full 12 months	-19.75*	8.45	-0.19	9.38*	3.63	0.20
Mgr 6 months prior	-2.33	8.9	-0.02	1.23	3.82	0.03
Adjusted R2 (F, sig)	14.9%	3.99, p<.01		21.6%	5.73, p<.01	

b = unstandardized betas; s.e. = standard errors; B = standardized betas; * = significant at p<.05; ** = significant at p<.01

Figure 18 presents the results of regression analyses that examine the relationship between managers' staffing strategy and store-level rates of turnover and retention. These regressions control for the composition of stores' workforces in terms of age and race (both are correlated with turnover and retention). Specifically, the analyses control for the percentage of employees who are African American or Hispanic (with Whites as the comparison group) and for the mean age of employees in the store. The maximum and minimum number of hours that managers have to work within over the course of the year is also controlled (as reported by the manager) are also included in the analyses. (Managers choosing a 'large staff' strategy had, on average, more hours to work with than managers who chose a 'small staff' strategy, not shown on Figure 18.) Controlling for number of staffing hours helps to rule out the possibility that differences in the number of hours available to managers is what explains turnover and retention, rather than managers' preferences for how they use those hours. Finally, the number of months managers were working in the store in the six months prior to the survey and the full year following the survey are also included in order to control for 'exposure' of the staff to the managers' particular orientation toward staffing.

Figure 18 shows that after controlling for the above factors, managers' staffing strategy is significantly related to store-level rates of both turnover and retention. Simply put, stores in which managers report that they prefer to keep their staff on the large side in order to provide themselves with greater flexibility have higher rates of turnover and lower rates of retention than stores in which managers say they try to limit headcount in order to provide their sales associates with hours

Summary: Scheduling and Staffing Strategies and Challenges

Although the majority (67%) of store managers surveyed report that they strive to keep their staff on the 'large side' so that they have a pool of associates to draw on as needed, a third (33%) report that they try to keep their staff small 'to help ensure that workers get hours.' As discussed in Section III: Store Turnover and Retention, managers report that providing workers with 'enough' hours is important to employee retention. Results of multivariate analyses are consistent with their assessment. After controlling for the composition of the workforce, number of staffing hours, and managers' time in the store, stores in which managers report that they try to limit headcount so that store employees get hours have lower rates of turnover and higher rates of retention than stores in which managers say they prefer to keep their staff on the large side. These findings suggest that even when faced with the same accountability pressures, managers may pursue different staffing strategies that can reduce turnover in stores and increase employees' prospects of sustained employment. Importantly, regardless of differences in their orientation toward staff size, store managers adopted many similar staffing practices, such as hiring a primarily part-time staff and giving priority in hiring to applicants who are available to work a variety of days and times throughout the week.

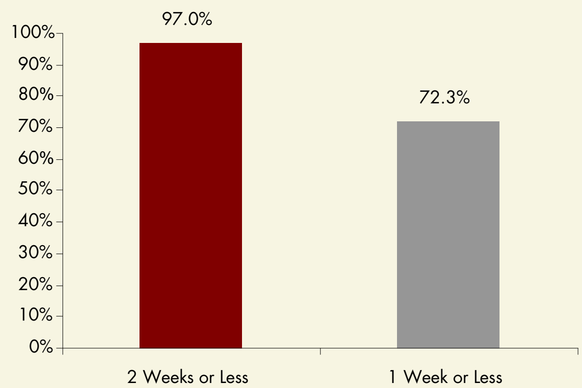
VI. STAFFING HOURS

The number of staffing hours that the company allots to stores has important implications for the ability of managers to achieve such business goals as containing labor costs while also being responsive to the employees' needs for hours of work. This section takes a closer look at the process by which stores are assigned hours. It also examines variations in the number of staffing hours assigned to stores across the year and estimates the number of hours managers have available for their part-time staff.

VI.A. When Managers Receive Hours

According to company policy, store managers typically receive notice of their staffing hour allotments for a full month at a time, and these allotments are broken out for each week. As Figure 19 illustrates, about 70 percent of managers indicate that they receive staffing hours information one week or less before the beginning of the month. Almost all managers (97 percent) report receiving their hours two weeks or less before the start of the month.

FIGURE 19: STAFFING HOURS: TIMING OF ALLOTMENT TO STORES



Source: WSS manager survey. Note: *N* = 139 store managers.

VI.B. Variation in Number of Staffing Hours

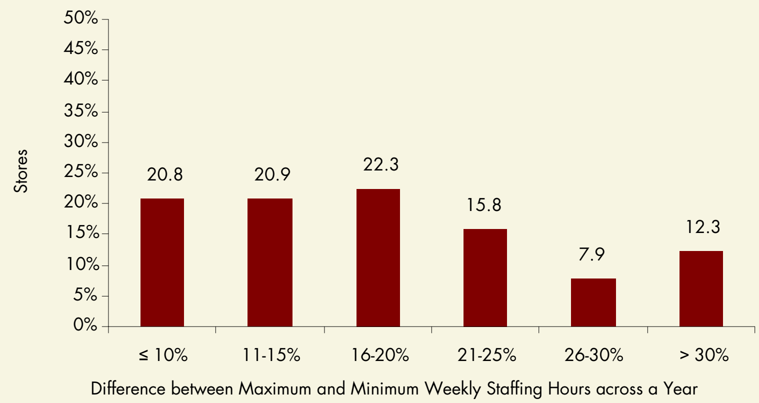
Seasonal variations in consumer demand are a hallmark of the retail sector. When strong sales are predicted, stores are allotted a greater number of hours to distribute among employees than when demand is predicted to be weak. By definition, variation in store staffing hours results in fluctuating work hours for at least some store employees.

Store managers were asked to report the maximum and minimum number of weekly staffing hours allotted to their store over the past year. They report that, on average, the minimum number of allotted hours is 194 per week per store; the maximum is 240. Thus, managers report that, on average, a store's allotted hours are 19 percent fewer during periods of slow consumer demand than during periods of peak demand.

The extent to which assigned hours dip across the year varies among stores (Figure 20). Fully 36 percent of store managers report that their store experiences greater than average hour reductions across the year (average is 19 percent). Most of these managers report hour reductions of less than 30 percent; only 12.3 percent (17 out of 139) of managers report that their store experiences hour reductions greater than 30 percent. At the other extreme, about a fifth (20.8 percent) of store managers report small (less than 10 percent) variations in assigned hours across the year.

For the majority (64 percent) of stores, a minimum of 80 percent of hours stay the same week in and week out. This suggests that there is more predictability in staffing requirements than may be typically recognized, with most variation in hours occurring at the margins.

FIGURE 20: VARIATION IN WEEKLY STAFFING HOURS ACROSS A YEAR



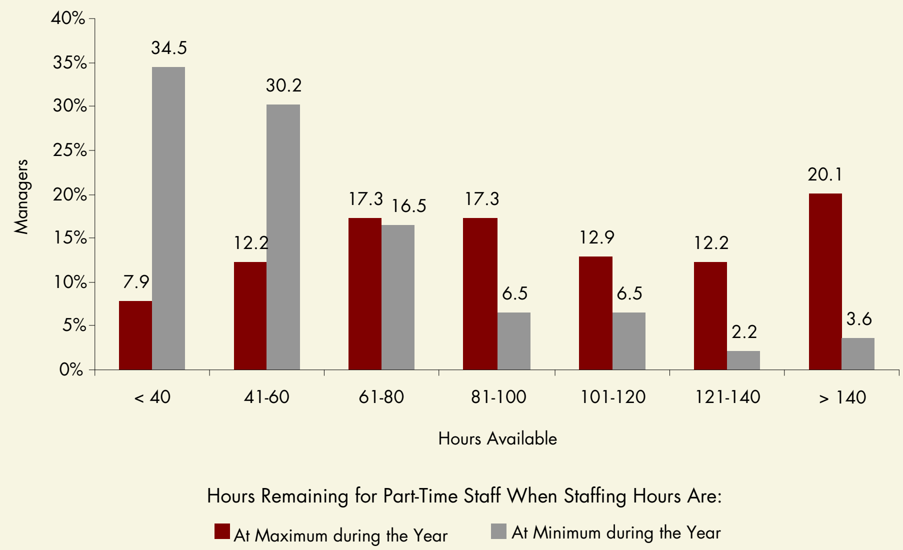
Source: WSS manager survey. Note: *N* = 139 store managers.

VI.C. Hours for Part-Time Employees

Managers were asked to report the number of staff they employ in different jobs (assistant managers, sales associates, stock assistants) and whether each employee works full- or part-time. This information was combined with managers' reports of "typical" work hours to calculate the number of hours typically worked by full-time staff in the store. The total number of hours for full-time employees was then subtracted from managers' reports of the minimum and maximum number of hours allotted to their store. We used this information to derive an estimate of how many hours managers have to spread among their part-time staff during peak and slower business times.

During peak times (maximum staffing hours), managers have, on average, a total of 102 hours per week to spread among their part-time staff. During slow times (minimum staffing hours), the average is 56 hours. This average, of course, masks significant variability across stores in the number of hours available for part-time staff (Figure 21). When staffing hours are at their maximum, 45.2 percent of stores have 120 or more hours to distribute among part-time staff. When staffing hours are at their minimum, the majority of stores (64.7 percent) have 60 or fewer hours to distribute among their part-time staff.

FIGURE 21: TOTAL POOL OF HOURS AVAILABLE FOR PART-TIME STAFF

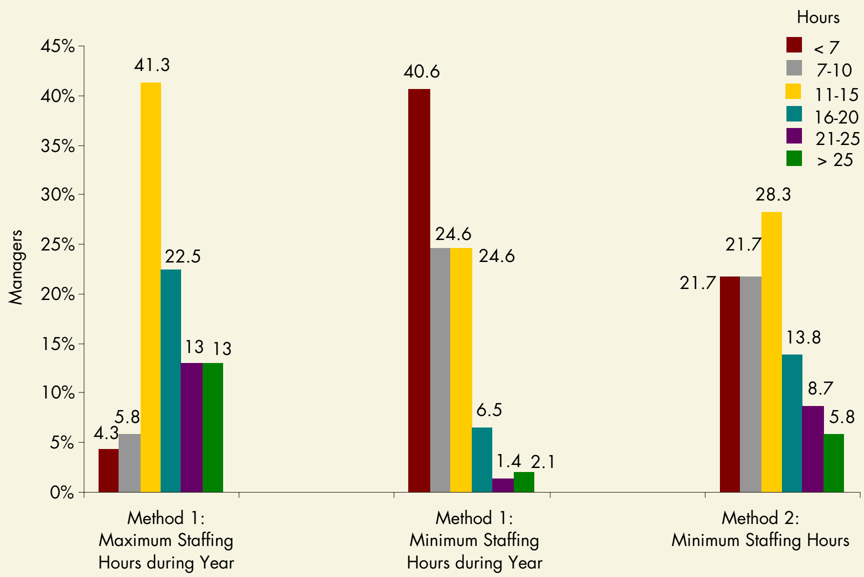


Source: WSS manager survey. Note: N = 139 store managers. Across stores, 102 hours are available on average when staffing hours are at maximum; 56 are available when staffing hours are at minimum.

The pool of hours available for distribution among part-time staff is most meaningful in relation to the number of part-time employees in a store. How many hours, then, are available on average for each part-time employee in the store? The answer to this question is estimated in two ways (Figure 22). First, the total number of hours available for part-time staff per store (see Figure 21) is divided by the total number of part-time employees in the store as reported by managers at the time of the survey. This is calculated both when store hours are at their maximum (maximum number of hours available for part-time staff/number of part-time employees in store) and when store hours are at their minimum (minimum number of hours available for part-time staff/number of part-time employees in store). These estimates do not take into account the fact that the number of employees in the stores during months when store hours are at their maximum may not be the same as the number of employees when hours are at their minimum. For the second estimate, the minimum number of hours available for part-time staff is divided by the number of part-time employees in the store during the month when the overall store staff was its smallest during the year; in this case, the number of staff comes from the corporate administrative data rather than from the manager survey. By using the month in which hours for part-time employees are at their minimum and by using the month when store staff size is at its smallest, this formula may provide a more reasonable estimate of the hours available for part-time employees, given seasonal variations in hiring and retention. It is of course important to note that, in both cases, these are only estimates and do not reflect the actual number of hours and/or employees working in any particular month, nor do they take into account the fact that not all employees want the same number of hours. Thus, during a particularly slow month, some employees may welcome reduced hours but others may find hour reductions difficult.

Figure 22 shows the results of these two estimation procedures. If the first estimation procedure is used for maximum hours, almost half of stores (48.5 percent) are found to have 16 or more hours available, on average, for each of the part-time employees working in the stores at the time of the survey.

FIGURE 22: AVERAGE NUMBER OF WEEKLY HOURS AVAILABLE PER PART-TIME EMPLOYEE



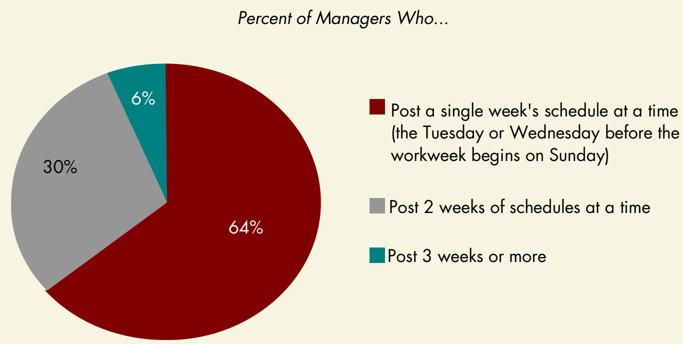
Source: WSS manager survey. Note: N = 139 store managers.

If the same estimation technique is used when staffing hours are at their minimum for the year, the results show that the majority of stores (65.2 percent) have only 10 or fewer hours available, on average, for the part-time employees working in the stores at the time of the survey. The second estimation technique demonstrates that if staff size is smallest when staffing hours are at their minimum, the number of weekly work hours available per part-time employee is estimated to be larger than was calculated using the first technique for minimum hours. Even then, however, the majority of stores (71.7 percent) have, on average, 15 or fewer hours available for each part-time worker.

VI.D. Posting the Schedule Once Hours Are Received

Although managers receive hours for a full month and variation in number of hours allotted their store is limited for most, the majority of managers (64 percent) report that they typically post a single week's schedule at a time; specifically, the schedule is posted on the Tuesday or Wednesday before the workweek begins on Sunday (Figure 23). The short lead time gives managers flexibility in making adjustments to changing sales levels and to employee requests, although this means managers have to spend time preparing new schedules every week. A distinct disadvantage of posting only 1 week at a time is that employees have limited advance notice as to when they are expected to work. This can create difficulties in planning child care, school, and other job schedules. It can also impede employees' efforts to coordinate schedules with spouses or other family members. The fact that almost one-third of managers (30 percent) report that they post 2 weeks of schedules at a time and an additional 6 percent post 3 weeks or more, indicates that some managers find it feasible to provide employees with more than 1 week of advance notice while still meeting business targets. One manager who posts 2 weeks of schedules at a time refers to the importance of advance schedule notice in her comment, *"You have to realize that people have lives."*

FIGURE 23: POSTING SCHEDULE ONCE HOURS ARE RECEIVED



Source: WSS manager survey. Note: *N* = 139 store managers.

Summary: Staffing Hours

Overall, relatively limited advance notice is given—both to store managers and to employees—about work hours. The overwhelming majority of store managers receive their monthly allotted weekly staffing hours 2 or fewer weeks before the start of the next month. In fact, the majority of managers report receiving monthly hours merely 1 week before the start of the month. Most managers, in turn, post weekly work schedules less than 1 week before the start of the work week. It is important to note, however, that more than one-third of managers report posting 2 or more weeks of schedules at a time, thereby providing employees with greater advance notice of their work schedule.

Given the short time frame in which most managers receive hours and post schedules, managers report surprising stability in the number of store hours they have to work with from week to week. On average, managers report that weekly store hours fluctuate 19 percent (from their maximum to their minimum) over the course of the year. Some stores see greater fluctuations than this (12 percent report over 30 percent fluctuation), whereas fully one-fifth of stores experience much less fluctuation (10 percent or less). Overall, 80 percent of store hours remain stable throughout the course of the year in the majority of stores.

Despite this stability in hours, even minor fluctuations from week to week have potentially serious implications for the number of hours available for store managers to distribute among their part-time employees. It is estimated that during weeks in which hours are at their minimum, the majority of store managers have, on average, 10 to 15 hours to distribute per part-time employee.

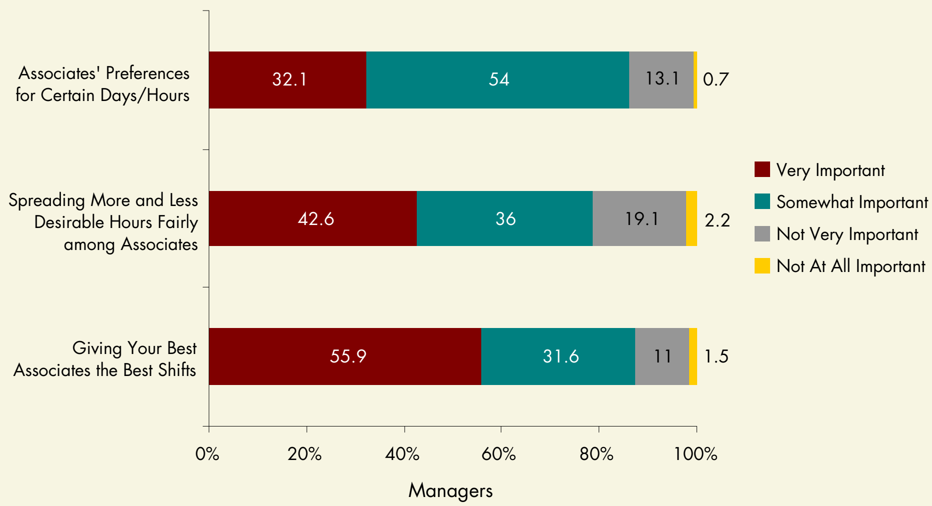
VII. FACTORS THAT MANAGERS CONSIDER IN SCHEDULING SALES STAFF

This section presents information on the ways that managers balance business requirements with employees' scheduling preferences and needs.

VII.A. Scheduling Priorities: Employees' Needs

As reported in Section IV.A., the majority of managers report that it is "very important" to schedule associates so that coverage during peak business hours is sufficient to meet customers' needs while simultaneously meeting the corporation's guidelines for "staying within hours." Although it is clear that managers give priority to these business objectives when scheduling their store, the majority of managers also report that they take the personal qualities and needs of their associates into account when scheduling (Figure 24).

FIGURE 24: MANAGER PRIORITIES WHEN MAKING SCHEDULES: EMPLOYEE NEEDS



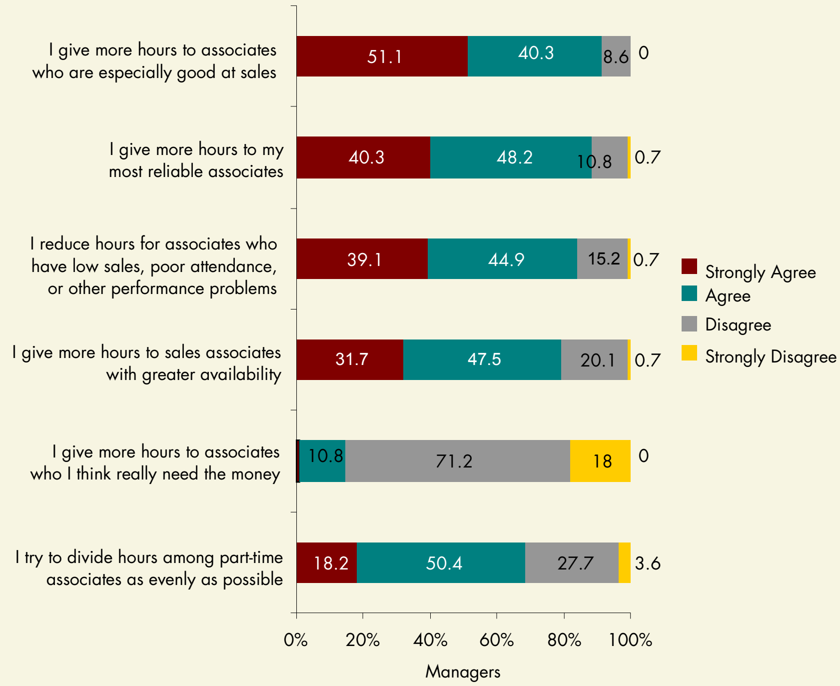
Source: WSS manager survey. Note: *N* = 139 store managers.

Fully 86.1 percent of the managers say that associate preferences are important (32.1 percent very important; 54 percent important) in scheduling staff. Moreover, the majority of managers take fairness issues into account when writing up the store's schedule; 78.6 percent report that it is either very important (42.6 percent) or somewhat important (36.0 percent) for them to distribute more- and less-desirable hours fairly among their sales staff. Yet, when deciding which workers should get the best shifts, managers give priority to associates' performance; 55.9 percent say giving their best associates the best shifts is "very important" and 31.6 percent say this is "somewhat important" in their scheduling decisions. The finding that managers take work performance into account is consistent with other findings, reported below, that look more closely at the employee qualities that managers consider when making schedules for their store.

VII.B. Who Gets Hours?

Managers were asked about the employee qualities they consider when divvying up hours among their sales staff. Given the priority that managers place on business needs in scheduling the store, it is not surprising that associate performance and availability both play key roles in managers' decisions about who is assigned hours in their store (Figure 25).

FIGURE 25: FACTORS MANAGERS CONSIDER WHEN DISTRIBUTING HOURS AMONG ASSOCIATES



Source: WSS manager survey. Note: *N* = 139 store managers.

The overwhelming majority of managers report that they give more hours to associates who are good at sales (51.1 percent strongly agree; 40.3 percent agree), who are reliable (40.3 percent strongly agree; 48.2 percent agree) and who are available to work a variety of times and days (31.7 percent strongly agree; 47.5 percent agree). The importance of employee performance to managers' scheduling decisions is indicated by the fact that the majority of managers report that they reduce hours for associates with such performance problems as low sales or poor attendance (39.1 percent strongly agree; 44.9 percent agree). As one manager observed, *"If they [sales associates] aren't doing what they are supposed to do—making sales—why would I give them the hours?"* Another commented that *"There is not a minimum hour guarantee [for sales associates]. They have to earn their hours."*

Managers report that they do not typically take employees' personal financial need into consideration when making scheduling decisions—only 10.8 percent agree that they give more hours to associates who seem to "really need the money." Nevertheless, a majority of managers indicate that they try to distribute hours as evenly as possible among part-time associates (18.2 percent strongly agree; 50.4 percent agree), even if this is not their top priority.

Summary: Managers' Views on Factors Affecting their Scheduling Decisions

Overall, managers consider a host of factors and try to balance a variety of goals when creating schedules. The sales performance of both the store and individual employees remains the top priority. Wide availability to work different days and shifts benefits employees in terms of hours and take-home pay. Managers consider fairness when creating schedules but also see scheduling as a tool they can use to reward associates for good performance.

VIII. MANAGER RESPONSIVENESS TO ASSOCIATES' SCHEDULING REQUESTS

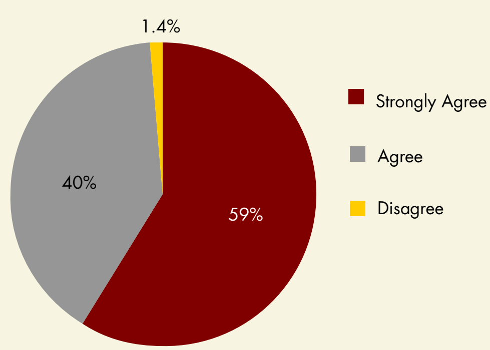
This section provides additional information on the responsiveness of managers to employees' scheduling requests and preferences, as seen through the eyes of store managers. It includes information on the extent to which managers consider the personal qualities and circumstances of store employees when deciding whether and how to incorporate employee requests into weekly schedules.

VIII.A. Timing of Associates' Requests

Last-minute requests can make it difficult for managers to incorporate associates' scheduling preferences and needs into the weekly schedule. The majority of managers (83.4 percent) report that most (75 percent or more) of the scheduling requests they receive from employees are submitted before the schedule is posted. In fact, 48.9 percent of managers report that the majority (50 percent or more) of the scheduling requests they receive from employees are submitted a month or more in advance. Thus, last-minute requests do not seem to explain the practice of posting schedules with limited lead time. In fact, managers appear quite satisfied with the amount of advance notice their employees give them when submitting scheduling requests (Figure 26). Virtually all managers either strongly agree (59 percent) or agree (40 percent) with the statement, "In my store, associates are good about submitting scheduling requests in advance."

FIGURE 26: SATISFACTION WITH TIMING OF SCHEDULING REQUESTS

Managers' reactions to the statement, "In my store, associates are good about submitting scheduling requests in advance."

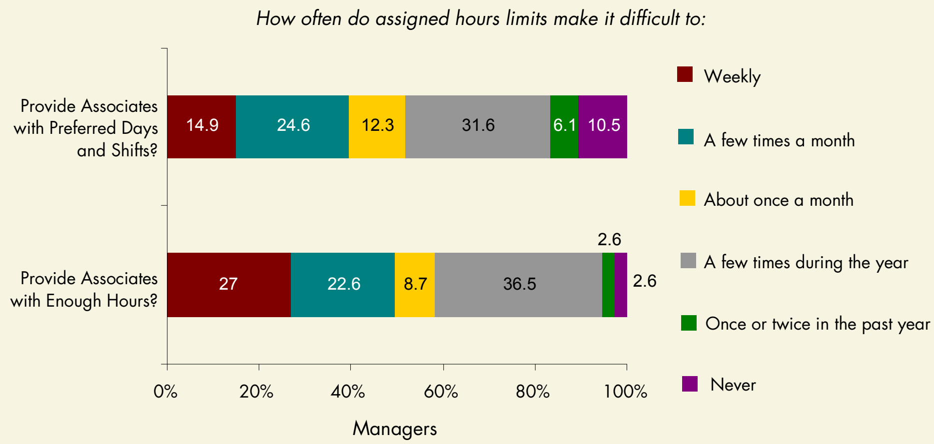


Source: WSS manager survey. Note: *N* = 139 store managers; no managers responded Strongly Disagree.

VIII.B. Factors That Affect Manager Responsiveness to Associates' Scheduling Requests

Staffing Hours. Hour limits can challenge managers seeking to balance business objectives with associates' scheduling preferences (Figure 27). About 40 percent of managers report that the assigned hour limits regularly make it difficult to provide associates with preferred days and shifts (14.9 percent say that this occurs weekly; 24.6 percent say it occurs a few times a month). Managers report that they have even more difficulty providing associates with enough hours of work. About half of the mangers (49.6 percent) indicate that limits on staffing hours regularly make it difficult to provide associates with enough hours (27 percent say this occurs weekly; 22.6 percent say it occurs a few times a month; see Figure 27), a finding also reported in an earlier section on management challenges.

FIGURE 27: DIFFICULTIES RESPONDING TO ASSOCIATE HOURS PREFERENCES

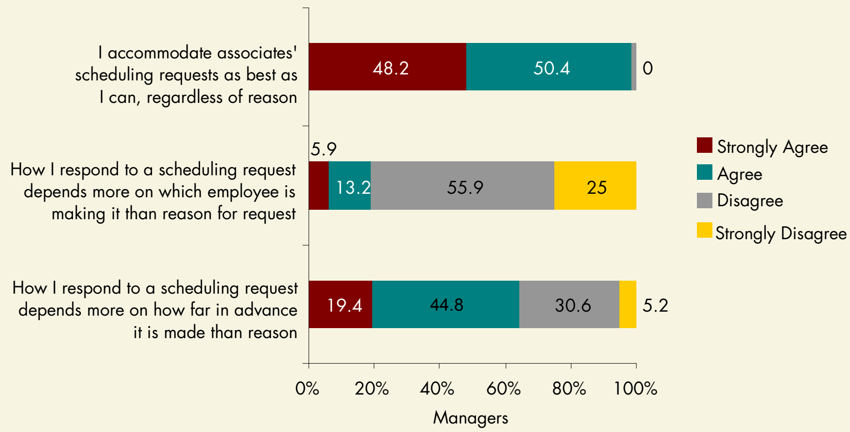


Source: WSS Manager Survey. Note: *N* = 139 store managers.

Person v. needs. Managers report that they try hard to accommodate associates' scheduling requests, regardless of the reason or the person (Figure 28). Fully 98.6 percent of managers say they either strongly agree (48.2 percent) or agree (50.4 percent) that they do their best to accommodate associates' scheduling requests, regardless of the reason. And the overwhelming majority either strongly disagree (25 percent) or disagree (55.9 percent) with the notion that they give priority to requests from certain employees. The extent of advance notice makes a difference, though, in the ability of managers to respond positively to associates' scheduling requests. Still, more than one-third of managers strongly disagree (30.6 percent) or disagree (5.2 percent) with the idea that the extent of advance notice influences their response.

One way managers try to be responsive to the personal responsibilities of their sales staff is by allowing employees to vary their start or end times. Approximately 44 percent of managers state that at a least one employee in their store has a "customized" start or end time that was set up to accommodate the worker's unique personal circumstances. Among managers who report that they have at least one employee with a customized work schedule, the most often cited reasons for these special arrangements are accommodating an employee's child-care needs (51 percent) and work hours at a second job (45 percent). A smaller percentage (12 percent) indicates that they customize the schedule around at least one employee's school schedule.

FIGURE 28: MANAGER RESPONSIVENESS TO ASSOCIATE SCHEDULING REQUESTS



Source: WSS manager survey. Note: N = 139 store managers.

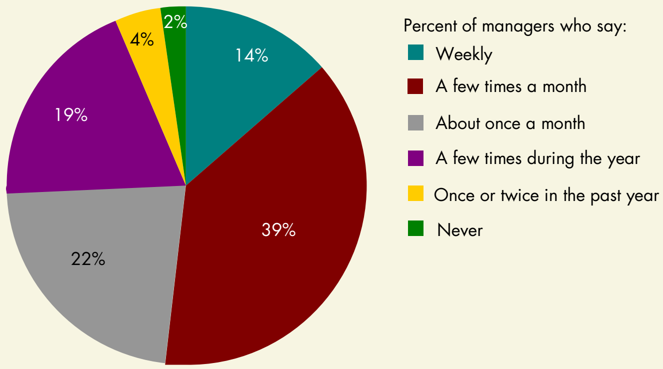
Summary: Managers' Responsiveness to Scheduling Requests

Managers indicate that although they are willing to incorporate requests regardless of the reason or the person submitting them, two factors can limit their ability to do so: how far in advance associates submit their requests and the guidelines that managers must follow in staffing their store. Managers report that, within these constraints, they do their best to incorporate associates' scheduling preferences and requests into the weekly schedule. Moreover, few managers use a cookie-cutter approach; they instead allow customized start and end times to accommodate employees' specific child-care needs, second jobs, or education. Such actions may be especially valuable given the diversity of the workforce in this retail firm.

IX. CHANGING POSTED SCHEDULES

This section focuses on changes made to work schedules after they have been posted for employees to view. Adjustments may need to be made because of changing business needs, such as an uptick in sales, or changing employee circumstances, such as illness. Managers were asked to report on the frequency of adjustments to the posted schedule, the reasons for adjustments, and the practices used to implement adjustments. The majority (53 percent) of managers reports that changes to posted schedules are common (Figure 29), with changes made weekly (14 percent) or at least a few times a month (39 percent).

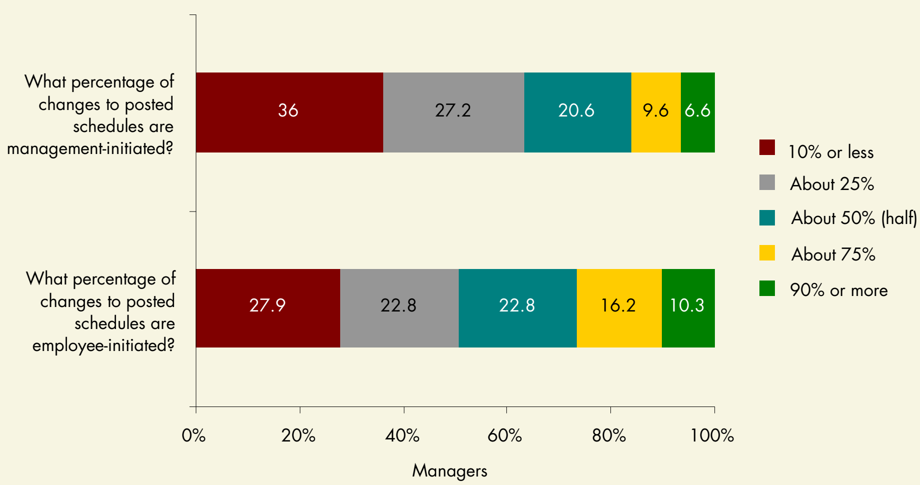
FIGURE 29: FREQUENCY OF CHANGES TO SCHEDULES AFTER POSTING



Source: WSS manager survey. Note: *N* = 139 store managers.

Managers report that the proportion of employee-initiated changes to posted schedules is greater than that of management-initiated changes (Figure 30). Specifically, 36.8 percent of the managers state that 50 percent or more of changes to the posted schedule are initiated by management, whereas 49.3 percent report that half or more changes are initiated by employees.[5]

FIGURE 30: MANAGEMENT-INITIATED AND EMPLOYEE-INITIATED CHANGES TO POSTED SCHEDULES



Source: WSS manager survey. Note: *N* = 139 store managers.

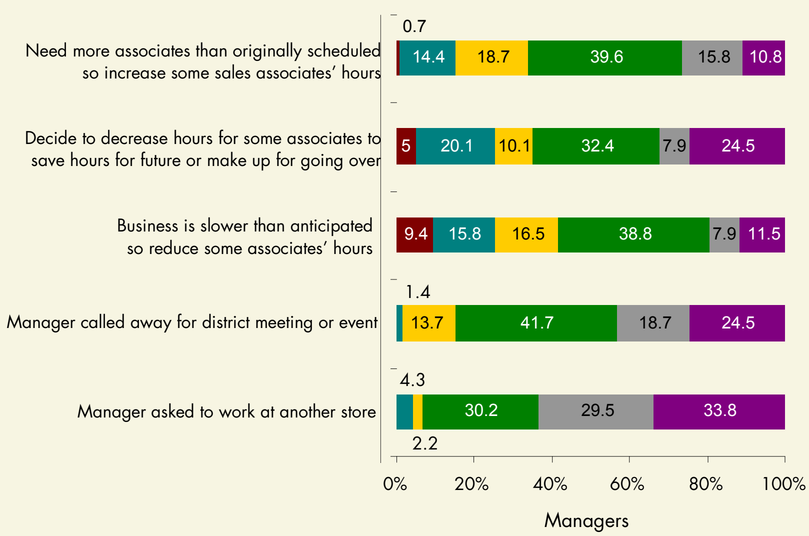
[5] In the manager survey, questions about management-driven changes to posted schedules were posed separately from questions about employee-initiated changes. Thus, percentages for managers' responses do not sum to 100.

IX.A. Management-Initiated Changes to Posted Schedules

Many of the management-initiated changes that managers make to posted schedules are due to changing business circumstances. The adjustment that managers make most frequently is to decrease sales associates' hours (Figure 31). About a quarter of the managers report that they regularly reduce hours when business is slower than anticipated (9.4 percent say they do this weekly; 15.8 percent report doing so a few times a month). Managers also reduce hours in order to save them for busier periods or to make up for previously exceeding the number of hours allotted to the store (5 percent report doing so weekly; 20.1 percent say they do it a few times a month). Managers report that they occasionally need to adjust the schedule because they are called away from the store for a meeting or event (41.7 percent say this happens a few times a year; 18.7 percent say it occurred once or twice in past year). Some report changing a schedule to allow them to cover for a manager in another location (30.2 percent say this happens a few times a year; 29.5 percent report that it occurred once or twice in past year). Increasing work hours for associates occurs less frequently than decreasing hours—only 15 percent of managers report that they increase employees' hours weekly or a few times per month.

FIGURE 31: FREQUENCY AND TYPE OF MANAGEMENT-DRIVEN SCHEDULE CHANGES AFTER POSTING

Once posted, how often do you change the posted schedule for the following reasons?

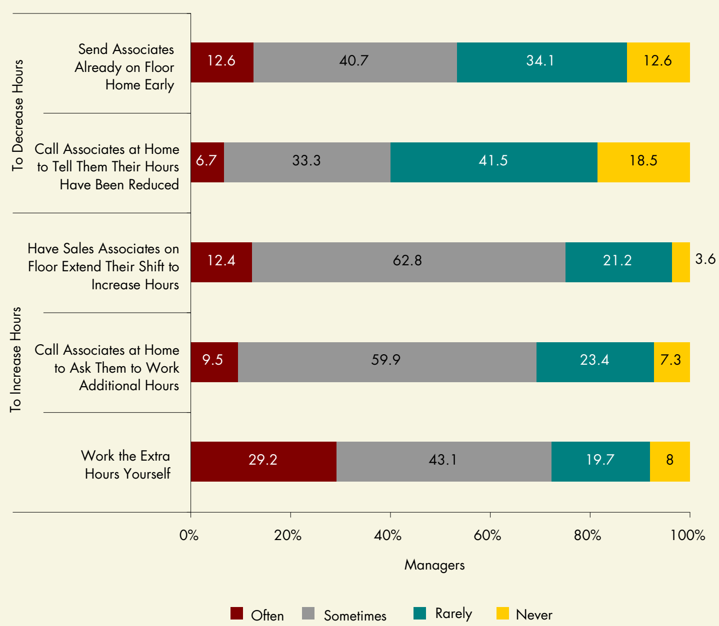


Weekly | A few times a month | About once a month | A few times during the year | Once or twice in the past year | Never

Source: WSS manager survey. Note: *N* = 139 store managers.

When managers need to decrease hours for business reasons (Figure 32), they may send associates home early (12.6 percent report doing this often; 40.7 percent report doing this sometimes) or call associates to let them know their schedule has changed (6.7 percent say they do this often; 33.3 percent report doing it sometimes). Managers use similar strategies when business demands require additional hours. That is, managers ask associates to extend their shift (12.4 percent say they do this often; 62.8 percent report doing it sometimes) or call associates to ask them to work additional hours (9.5 percent indicate that they do this often; 59.9 percent say it occurs sometimes). Notably, however, almost three-quarters of managers report that they often (29.2 percent) or sometimes (43.1 percent) work the additional hours themselves. Several managers told us that they are the ones who work extra hours when needed because doing so helps them stay within hours. For example, one manager explained, *"I'm working the extra hours because I'm salary and it doesn't go against the store hours."* Another said, *"I put in more hours than I should… I don't go over hour limits because it's me doing the extra hours."*

FIGURE 32: HOW MANAGERS MAKE MANAGEMENT-INITIATED ADJUSTMENTS TO POSTED SCHEDULES



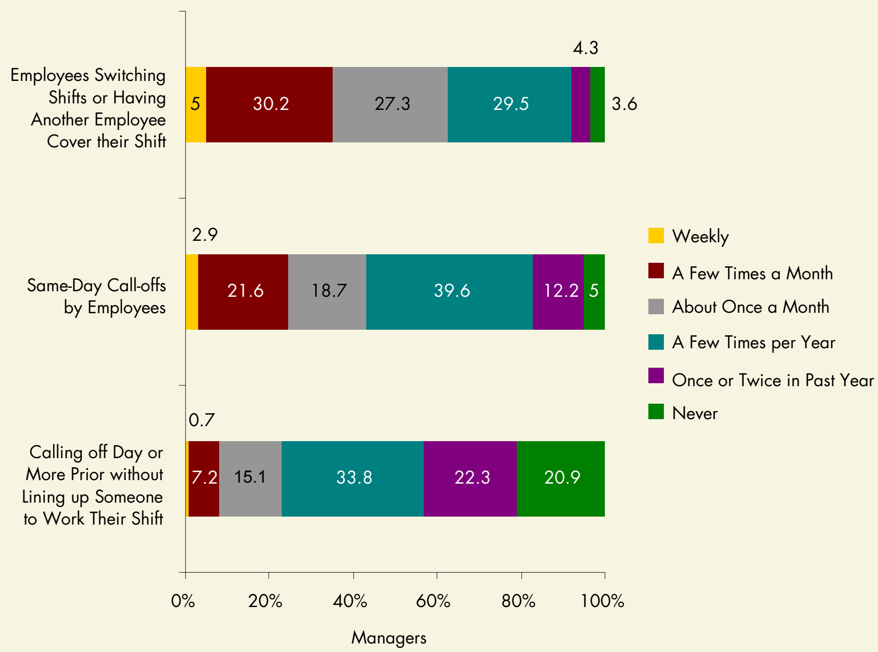
Source: WSS manager survey. Note: *N* = 139 store managers.

IX.B. Employee-Initiated Changes to Posted Schedules

As noted earlier, the overwhelming majority of managers (99 percent) agree that their "associates are good about submitting scheduling requests in advance" (see Figure 26). Advance notice can reduce the need to make adjustments to posted schedules. Nonetheless, not every life circumstance can be anticipated. Last-minute call-offs can disrupt both managers' efforts to achieve business goals and the schedules of other associates who may be asked to expand or change their work hours unexpectedly. One manager reported that she explained to her staff during a meeting that *"calls-off couldn't happen. There are consequences when they occur. The store suffers. It's inconsiderate and unacceptable."*

In fact, managers report that last-minute call-offs are not the most frequent reason for employee-initiated changes to posted schedules (Figure 33). Instead, managers report that coworkers switching shifts or covering for one another is the most frequent reason behind employee-initiated changes to the posted schedule (62.5 percent say this happens once a month or more; 5 percent say it happens weekly). Same-day call-offs by employees are less frequent (43.2 percent say it occurs once a month or more; 2.9 percent report that it occurs weekly). Moreover, the majority of managers report that associates seldom (33.8 percent say it happens a few times a year; 22.3 say it happens once or twice a year) or never (20.9 percent) call off a day or more in advance without finding another employee who can fill in for them. Overall, managers' responses suggest that sales associates are responsible about submitting scheduling requests in advance and that they arrange for coverage when unable to work the posted schedule.

FIGURE 33: FREQUENCY AND TYPE OF EMPLOYEE-INITIATED SCHEDULING CHANGES AFTER POSTING



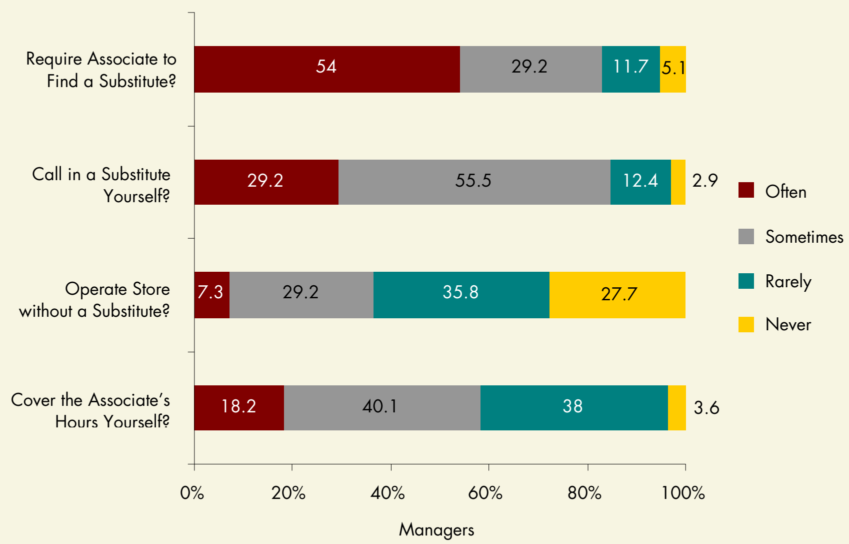
Source: WSS manager survey. Note: N = 139 store managers.

The initiative employees take in finding someone to cover their hours is encouraged, if not required, by managers. The overwhelming majority of managers strongly agree (46.4 percent) or agree (50.7 percent) with the statement that they "do not mind if associates switch shifts as long as they consult with management." Indeed, when asked whether they require associates to find a substitute when requesting a change to a posted schedule, the majority (86.1 percent) say they do ask employees to find substitutes; 64.1 percent report that they require associates to find a replacement even when calling off work the same day. The managers were split on whether they perceive this requirement to be a matter of official corporate policy (50.8 percent) or a rule that they created for their store (49.2 percent).

Whether the policy is perceived as a matter of corporate or store policy, managers report that they require associates to find someone to cover a shift more often (54 percent report requiring this often; 29.2 percent say they do this sometimes) than they arrange for store coverage themselves (29.2 percent report arranging coverage often; 55.5 percent say they do so sometimes; see Figure 34). Occasionally, managers use employee call-offs as an opportunity to reduce the number of staffing hours used that day, if business allows. A little more than one-third of managers report that they either often (7.3 percent) or sometimes (29.2 percent) operate the store without a replacement when an employee calls off work. Managers report that they often (18.2 percent) or sometimes (40.1 percent) change their own work hours to cover employee-initiated adjustments to the posted schedule.

FIGURE 34: HOW MANAGERS MAKE EMPLOYEE-INITIATED ADJUSTMENTS TO POSTED SCHEDULES

When sales associates request changes to the posted schedule, how often do you…



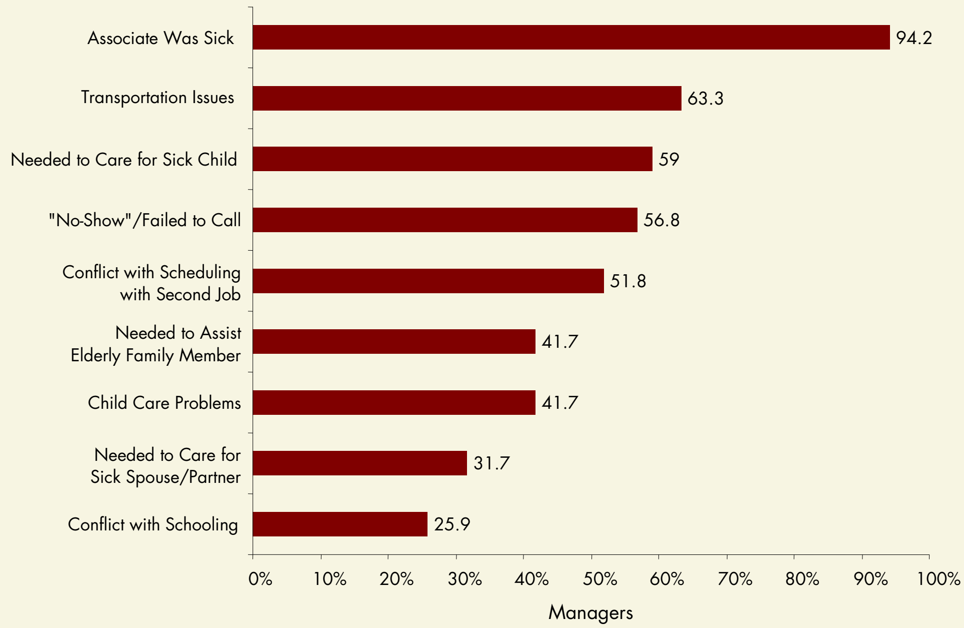
Source: WSS manager survey. Note: *N* = 139 store managers.

IX.C. Last-Minute Call-Offs

Even though the majority of managers report that same-day call-offs from an employee occur once a month or less, some managers still find call-offs problematic. Managers were asked to rate on a 10-point scale the extent to which last-minute call-offs by sales associates are a problem for them. Possible responses range from "no problem at all" (1) to "a big problem" (10). On average, managers rate last-minute call-offs as a 6. About one-third (31.6 percent) of managers rate last-minute call-offs as extremely problematic (a rating of 8 or higher).

Managers were given a list of reasons why employees might call off and asked to indicate whether, during their tenure at the store, an employee had called off work for each reason (Figure 35). Not surprisingly, managers report that illness, either the associate's or her child's, is the most common reason for last-minute call-offs—94 percent and 59 percent of managers report these events respectively.

FIGURE 35: REASONS FOR LAST-MINUTE CALL-OFFS



Source: WSS Manager Survey, *N* = 139.

Employees' problems with transportation (64 percent) and conflicts with scheduling a second job (52 percent) are also reported by managers as a reason for call-offs. Other reasons for last-minute call-offs include the need to care for a sick partner or spouse (31.7 percent) and to assist an elderly family member (41.7 percent). A smaller proportion of managers report that conflict with school requirements (25.9 percent) is the cause of last-minute call-offs. Although the majority of store managers report that most associates are good about notifying them of scheduling requests and finding someone who can fill in, a little more than half (56.8 percent) have experienced a no show/no call occurrence during their tenure.

Summary: Changes to Posted Schedules

Managers report that changes to the posted schedule result from both changing business conditions and changing employee availability. The most frequently occurring management-initiated adjustments are reductions in hours when consumer demand is less than anticipated and those made to save hours for future weeks or to recapture additional hours used on a prior day. About a quarter of managers report that they decrease hours weekly or a few times a month.

The most frequent employee-initiated adjustment to posted schedules occurs when employees switch or cover hours for one another. A little more than a third of managers report that associates switch or find substitutes on a weekly basis or a few times a month. Although a majority of managers report that last-minute call-offs are not a frequent occurrence, these scheduling changes can be challenging because, by definition, there is little advance notice. Overall, managers try to be equitable in their responses to scheduling requests and to accommodate associates' scheduling concerns within the context of larger business goals. At times, they do so by taking on more responsibility themselves.

X. MANAGERS' VIEWS OF COMPANY'S ORIENTATION TOWARD WORK-LIFE BALANCE

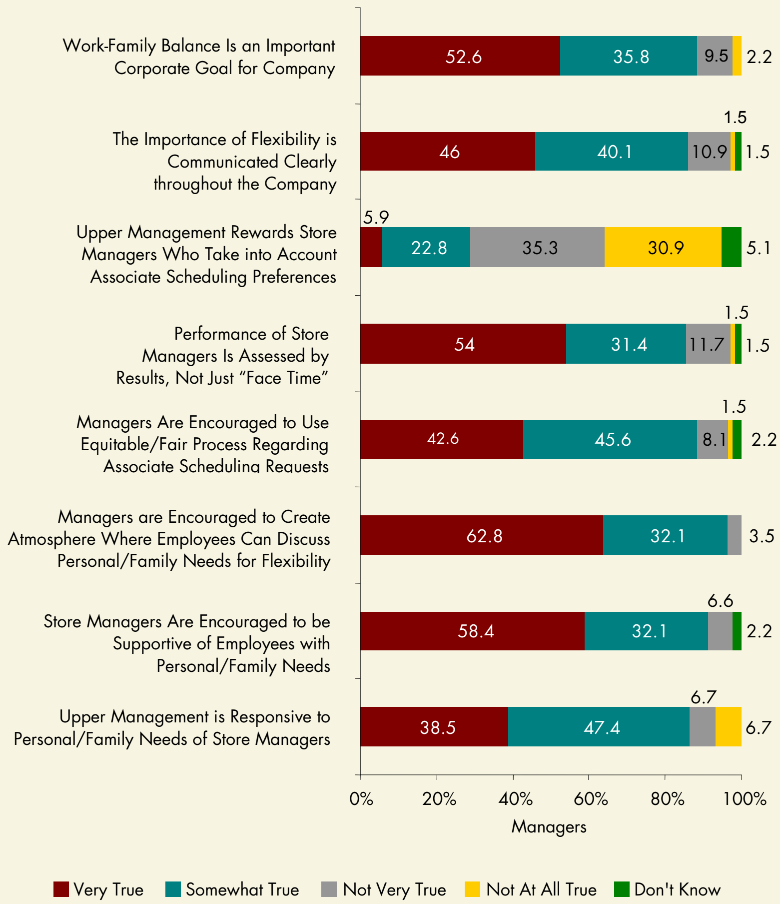
A company's support for work-life issues shapes the ability and willingness of frontline managers to accommodate employees' scheduling needs and preferences. This section provides data on how managers in this retail firm view the company's support for work-life issues. As part of this analysis, data are presented on the extent to which managers themselves feel supported by upper-management in the firm.

X.A. Managers' Views of the Company's Support for Work-Life Balance

Managers were given a set of statements describing different aspects of work-life responsiveness and asked to rate those statements in terms of how true they think each is for the company (Figure 36). Overall, managers believe that work-life balance is an important corporate goal for the company (52.6 percent say this is very true; 35.8 percent say it is somewhat true). The majority of managers also think that the company does a good job of clearly communicating the value of flexibility (46 percent say this is very true; 40.1 percent say it is somewhat true) and that the company places a priority on creating an environment in which employees can express needs for a schedule that fits with personal and family responsibilities (62.8 percent say this is very true; 32.1 percent say it is somewhat true). Moreover, the majority of managers report that the company encourages them to be supportive of their employees' personal and family responsibilities (58.4 percent say this is very true; 32.1 percent say it is somewhat true). They also report that they are encouraged to respond fairly to associates' scheduling requests (42.6 percent say this is very true; 45.6 percent say it is somewhat true). One manager observed, *"[The company] has come a long way in realizing how important it is to accommodate lifestyles of employees with second jobs and complex family arrangements. They have been making a point to stress it at meetings. At the same time, they stress that this is a business and so managers are asked to find a middle point for these two things."* Managers' responses suggest that although they are encouraged to be responsive to employees' needs, the majority do not feel as though the company rewards them for these efforts; 66.2 percent of managers report little confidence that upper-management rewards managers who take associates' scheduling preferences into account (35.3 percent say this is not very true; 30.9 percent say it is not at all true).

One marker of a supportive workplace is when employees are judged on the basis of results rather than "face time," that is, working long hours mostly for show. The majority of managers report that they are indeed held accountable for results rather than for the time they spend in the store (54 percent say this is very true; 31.4 percent say it is somewhat true). However, managers' ratings suggest that they are less positive about upper-management's responsiveness to their own work-family needs than they are about the company's overall supportiveness. For example, whereas 58.4 percent of store managers say that it is very true that store managers are encouraged to be supportive of employees with personal/family needs, only 38.5 percent say it is very true that upper-management is responsive to the personal/family needs of store managers.

FIGURE 36: MANAGERS' VIEWS OF COMPANY'S ORIENTATION TO WORK-LIFE BALANCE AND COMPANY'S RESPONSIVENESS



Source: WSS Manager Survey, *N* = 139 store managers
Items adapted from Families & Work Institute's *Company Responsiveness* Index.

Summary: Managers' Views of Company's Orientation toward Work-Life Balance

Managers give the company high marks for creating a work environment that values flexibility and encourages them to be supportive of the work-life needs of their employees. They readily acknowledge that work-life balance is an important goal for the company and report that they are encouraged to be both fair and flexible when scheduling their sales staff. Yet the majority of managers also report that the company does not readily reward them for being responsive to employees' scheduling preferences. Instead, the data suggest that managers often end up being responsive on their own time. As discussed earlier in this report, managers often take on additional tasks and hours themselves in response to employees and to changing business conditions. The "extra" work they do to be responsive is not about putting in face time but rather is necessary work if they are to meet the requirements of their job. Perhaps not surprisingly, then, managers feel somewhat less positive about the support they themselves receive from the company than about the company's support for employees overall.

XI. CONCLUSION

Store managers are central to the operation of all retail enterprises and are the critical point of interface between corporate management and sales staff. This report has the goal of furthering knowledge about the staffing and scheduling practices, responsibilities, and challenges of a sample of store managers in one retail apparel firm. The report summarizes results of a 2007–2008 telephone survey of 139 store managers in this firm, and also draws from corporate administrative records on over 1,200 part- and full-time hourly workers employed in the 139 stores represented in the survey. The report highlights several key findings related to workforce diversity, turnover and retention, staffing and scheduling, and work-life balance. Primary among these findings are:

Workforce diversity:

- Store managers must address a broad set of issues when crafting schedules that are responsive to both employee and business needs. Employees in the 139 stores are demographically diverse, and many are combining their job at this employer with another job, with school, and/or with caregiving responsibilities.

Turnover and retention:

- Annual cumulative turnover and retention rates provide strikingly different pictures of the stability of the hourly workforce. Notably, the high turnover in part-time jobs (over 100 percent) suggest that few, if any, part-time employees remain in the stores for a full year. Yet, annual retention rates exceed 50 percent. A minority of employees turns over rapidly resulting in high cumulative turnover as jobs are restaffed throughout the year.

- Management practices make a difference for employee turnover and retention. Stores in which managers pursue a strategy of keeping headcount high have higher turnover and lower retention rates than stores in which managers say they try to keep their staff small to help ensure that workers get hours.

Staffing and scheduling:

- Managers take seriously the company's accountability requirements when staffing and scheduling their stores. Store managers emphasize the importance of staying within staffing hours and producing sales results that align with business goals. However, store managers' vigilance about containing costs often comes into conflict with other business goals, such as providing good customer service and meeting sales goals.

- Store managers seek a flexible workforce comprised primarily of part-time employees who have both wide scheduling availability and the right skills for the job. Store managers report that this combination is hard to find and that the focus on containing labor costs in order to stay within hours makes it difficult to provide employees with sufficient hours, thus undermining retention.

- Schedules are posted with limited advanced notice. Store managers report typically receiving their monthly staffing hours 1 week prior to the start of the next month, and most managers, in turn, post weekly schedules with less than 1 week's notice.

- Store managers do their best to incorporate employee preferences into the scheduling process, regardless of the person or the reason. Managers report they try to be equitable in their responses to scheduling requests and indicate that their employees are usually quite responsible about submitting requests with sufficient lead time. Last-minute call-offs are rare but very challenging for managers when the do occur.

- There may be more stability in labor demand than is commonly assumed in the retail sector. For most stores, over 80 percent of staffing hours assigned to stores stay the same from month to month, suggesting a great deal of predictability in hours that could be capitalized on to improve schedule stability for employees.

Work-life balance:

- Managers give the company high marks for creating a work environment that values flexibility and supportiveness of employees' work-life needs. Managers express concerns, however, about the company's support for their efforts to achieve work-life balance for employees and for their own work-life responsibilities.