

**Center for Law and Social Policy**  
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**12:30 p.m. EST**

OPERATOR: I would now like to turn the floor over to the Center for Law and Social Policy.

JODIE LEVIN EPSTEIN: Thank you and welcome, everybody. This is Jodie Levin-Epstein at CLASP. Our audio conference today is *Scheduling Hourly Workers in A Just in Time World: Can Employees and Employers Sync the Clock?*

Employers like the idea of having employees at work when they most need them and new scheduling software helps employers know more and more about when there is demand for workers. But for employees, if that scheduling capacity translates into unpredictable or unstable hours, it can have huge implications, not only for home life but for access to benefits too. Today, we'll explore how extensive these issues are for the workforce, their implications, and how one employer views the trade off.

My guests today are Susan Lambert, an Associate Professor at the University of Chicago. Hi, Susan.

SUSAN LAMBERT: Hello.

LEVIN EPSTEIN: And Mike Brosius, an Assistant Vice President of Human Resources at Costco. Hey Mike, how are you doing?

MIKE BROSIUS: I'm great. Thanks.

LEVIN EPSTEIN: Great. The format today is that I will interview both of our guests and then at the end of this audio conference call, I'll take a live question or two, and as well, I encourage you to e-mail me during this audio conference at [jodie@clasp.org](mailto:jodie@clasp.org) if a question comes to your mind for any of our guests. It would help me if your subject line captured the topic that you want to ask the question about and tells me who it is you'd like to ask the question of.

Let's start at the top. Susan, tell the audience with a good tagline about you and the kind of research you do.

LAMBERT: I study the changing nature of work and especially what we would call lower level hourly jobs, and specifically I look at the everyday practices that employers use to balance the needs of business with those of employees. Currently, my research is focused on scheduling practices in hourly jobs.

LEVIN EPSTEIN: Well then, I'm glad we really got you online here. And Mike, what's the mission for HR at Costco?

BROSIUS: We're basically a support group for our warehouses, and we're just an integral part of our open-door policy that we've got with our company.

LEVIN EPSTEIN: What do you mean open-door policy?

BROSIUS: We've got a policy with the company as far as any employee should be able to go to anybody that they want if there is a question or concern that they have, and we're obviously an integral part of that whole conversation between the employees and management and the executives with our company.

LEVIN EPSTEIN: Let's set the stage with some background metrics about workers. First, for Costco, Mike, what are the numbers on your employees, how many overall, roughly what percent are hourly? What percent are lower wage? And how do you define that term? Just a little bit of a snapshot.

BROSIUS: We've got about 113,000 employees across the U.S. and with about 90 percent of those employees being hourly, and obviously, the other 10 percent is our salaried employees. We really don't define any of our employees as

lower level. Our starting wages at Costco are \$11 or \$11.50 depending on the job. And then they move up the pay scale-- up to \$20 conceivably. So, I'm not sure any of those would be considered lower level.

LEVIN EPSTEIN: That's a huge decision in and of itself to be paying above minimum wage. As a corporate policy, why did you go that direction?

BROSIUS: We believe that we're going to get a lot better quality employee, the more we pay and they're going to stay with us. They're going to be happier. Our turnover is going to be greatly reduced which increases our productivity, and we just think we get the best people that way.

LEVIN EPSTEIN: Susan, for the U.S. as a whole, what's the percent of all workers who are hourly workers?

LAMBERT: Fifty eight percent of all wage and salaried workers are paid by the hour, that's 75.3 million Americans; 56 percent of men hold hourly jobs and 61 percent of women are paid by the hour.

LEVIN EPSTEIN: In low-pay jobs, what's the proportion who are hourly?

LAMBERT: That's not an easy kind of question to answer...

LEVIN EPSTEIN: It's an easy question to ask though.

LAMBERT: Yes. What we do know is that hourly jobs are concentrated in industries with the highest proportion of low-income workers, so in retail and hospitality and restaurants. Those workers are at greatest risk of low earnings, and certainly, of course, all minimum wage workers earn by the hour by definition and that's 2.2 million workers. But it is important, I think, to realize that not all workers with low earnings are paid by the hour. Some people are paid by a piece rate or in agriculture they might be paid by the day and some salaries are not enough to provide an adequate income as well.

LEVIN EPSTEIN: I think a lot of folks out there in the world, not particularly those on this call, may equate hourly workers with part-time workers. Can you fill us in on that?

LAMBERT: Yes. Certainly a greater proportion of workers who hold part-time jobs are paid by the hour than those who hold full-time jobs, but a good share of workers who work full time are also paid by the hour. So 72 percent of part-time workers are paid by the hour, but fully 47 percent of full-time workers are paid by the hour.

LEVIN EPSTEIN: Forty seven percent?

LAMBERT: Forty seven percent. In 2008, there were 56 million full-time hourly workers -- which is 41 percent of the total workforce.

LEVIN EPSTEIN: A key issue about hourly work is that employers can readily change the amount and/or the timing of those hours to best match demand -- and that helps contain cost. Yet, if the amount of hours are changed that means the worker's income fluctuates. That means income is unstable. If the timing, the schedule is changed, that means that work can become unstable unless a worker can make adjustments on things like transportation or childcare or school. Susan, how extensive is the practice of changing the amount of hours given to a worker?

LAMBERT: It's hard to get that data on this from the national data sources because what people are asked are questions like what is the typical number of hours that you work? It's very hard to get a good sense of how widespread hour fluctuations are, but what we see overall is that there's a growing precariousness in employment, which includes increasing fluctuations in earnings and hours. Between the 1970s and now, what we see is about a 23 percent increase in fluctuations in work hours among workers suggesting that their hours are being changed.

In terms of my research in which I go into firms and I look at actually what happens, things like posting schedules with a limited advance notice, scheduling workers for different days and different shifts week-to-week and last minute changes to posted schedules are absolutely common place, especially in a non-production industries where goods can't be inventory and there is much more of a just-in-time use of labor.

LEVIN EPSTEIN: Susan, I'm actually a little bit worried about asking you another national statistic question, because it seems to be that the answer is 'it's really not easy to get a handle'. But do you have any data on how extensive the practice is with regard to changing the timing of hours?

LAMBERT: We do not.

LEVIN EPSTEIN: All right.

LAMBERT: There are not national data sets that provide that kind of information, but there are questions that ask workers if they can change their start and end times. But there aren't questions that ask how often your schedule is changed by your employer.

LEVIN EPSTEIN: Does your research say something to you about this?

LAMBERT: Yes. I've studied jobs in retail and hospitality and transportation and in financial services. In some jobs, there are highly concentrated practices in which people are regularly sent home. Some workers are kept on call to wait by the phone to see if there is enough work for the day. So these -- you know posting schedules at the last time, making changes after they're posted, sending workers home during the day, calling workers in -- are common practice in a lot of industries today, especially in these kind of what we would call entry-level frontline hourly jobs.

LEVIN EPSTEIN: For those of you who joined us after the start, I'm speaking today with Susan Lambert, an Associate Professor at the University of Chicago and Mike Brosius, Assistant Vice President of Human Resources at Costco. You're all invited to send questions in for our speakers during this audio conference call. Just send them to me at [jodie@clasp.org](mailto:jodie@clasp.org).

Mike, what's Costco's practice around advance notice? Do you have any insights about some thorny issues or any trick you've learned regarding implementation of advance notice?

BROSIUS: Jodie, at Costco, we have a minimum of at least 50 percent of our employees who are full time and 50 percent part time. That's the minimum number of full timers that we've got. The full time schedules tend to be pretty consistent. We try to give them the same days off and the same shifts during the week.

On the part-time employees, our schedules go up a minimum of one week in advance. So they go up on Monday for the following week that starts on Monday and the part-time employees are guaranteed a minimum of 24 hours a week. Again, we try to maintain those to be as consistent as possible, but obviously as the business changes with the holidays and things like that they are subject to change but we give them at least again one week of notice before that.

LEVIN EPSTEIN: Susan, you've explored how workers who might expect employer benefits like health insurance and pay time off, that they lose out on those when they don't get enough scheduled hours. Mike was just saying there is an effort to provide a core 24 hours for part-time workers. Can you fill us in on what has been your observation with respect to this fluctuation in the amount of hours tied to this benefits question?

LAMBERT: Sure. First, let me say that it is rare and very laudable for Costco to provide minimum hours to part-time workers. That's a very rare practice. Second of all, to get to your benefits thing, I mean, most firms condition benefits on both job status whether you are in a full time or part time job, but also on the number of work hours. So a number of companies that we've studied will have wonderful benefits on the book, but then if you look at particular job categories, hardly anybody can access those benefits because they never work the minimum number of hours required for them, even if they're 24 or 26 hours. So they just don't get those.

Also when the hours fluctuate, even people in full-time employment we have found can have their benefits be at risk of cancellation or have them actually cancelled. So when hours drop below what the employer has established for a full-time job that then comes with benefits for more than one pay period, workers in hourly jobs can lose their eligibility for things like paid time off and health insurance, even though their employer continues to categorize their job as full time.

LEVIN EPSTEIN: Mike, you mentioned this 24 hour kind of core number for even part-time workers that you try and sustain as much as possible and you are indicating now that sometimes the holidays change things around and so forth. Is this something that has always been Costco's practice or did you have a learning curve where you were fluctuating more and didn't have a kind of core like this? Is this something that was there from the get-go or is this something you came to appreciate was a benefit to the company?

BROSIUS: No, we've always had a minimum number for part timers. It may have fluctuated slightly. I think it was 24, 25 hours at one time. We just believe that if we give them the amount of hours that they need to live on, they are going to be a lot better employee and they are going to stay with us. Again, part of this thing with the 24 hours, our average part time is actually about 30 to 31 hours is what they average a week. The 24 hours is just a minimum that we guarantee them, but again most of them are getting substantially more than that.

LEVIN EPSTEIN: You've mentioned lessened turnover as one of the benefits, have you been able to analyze that and have like really solid metrics on that?

BROSIUS: Yes. Our turnover has fluctuated, but it's gone – currently it's around 10 percent which in the retail industry is an extremely low number. We fluctuated probably from 15 to 10 percent, which again in retail is an extremely low number, and we believe that's a biggest part of our success.

LEVIN EPSTEIN: It does distinguish you so remarkably from other retailers in that regard and we will pick up more on this a bit later. But I want to ask, Susan, in terms of public benefits, the importance of the amount of hours. If you could get back to that again in terms of what you've been able to observe, for example, with respect to TANF, the cash assistance program, or other programs and what you would recommend by way of solution because we know you're all ready beginning to think about that.

LAMBERT: A lot of social benefits provided by the government are conditioned on the number of hours of work. So, for example, even taking a leave under the Family and Medical Leave Act, people have to have worked 1,250 hours during a year with the same employer, which is about 26 hours per week. In addition, TANF, as you note, has a work requirement to continue getting any kind of cash assistance. But other benefits are also conditioned on work hours. Unemployment insurance, child care subsidies, so we have a whole host of public benefits that are conditioned on work hours that assume, first of all, that workers have some kind of control over how many hours they work, and that there is some kind of stability to them. But we do know that an hourly job is often unstable and incomes therefore change week to week.

Conditioning access to social benefits and work hours puts workers almost in a double jeopardy. They're at risk of losing the important support like wage supplements, and even housing here in Chicago is conditioned on employment. If there is some kind of work requirement, they can lose those supports at the same time. They are not earning as much money as they used to on their job. One strategy I have suggested is, instead of they keep raising the minimum hour requirements for things like TANF, I think what we should consider is really lowering the minimum hour eligibility requirement so that they reflect the current realities of today's labor market.

In many jobs –if you are not working for Costco-- it's very hard to get 25 even hours per week as much in a full time job.

LEVIN EPSTEIN: Mike, still focusing in on the amount of time spent at work and still also addressing public benefits programs, around the country there are state legislators and others who are giving attention to what's called fondly the "cliff effects" of these public benefit programs. For example, someone earns overtime or just earns so much that they become ineligible for childcare subsidies. Let's say it's because of overtime for a period of time, but they really can't afford the childcare without the subsidy and that in turn makes it difficult for them to get to work.

Is Costco hearing from employees that they can't take overtime or hearing from employees after they've lost some public benefit. I know that your employees start at \$11, but depending upon the number of hours, some of them must be getting some public benefits.

BROSIUS: Jodie– we don't really hear that.

LEVIN EPSTEIN: OK.

BROSIUS: But I think part of it is our average wage as you said in the minimum hours. The other thing is that about 90 percent of our hourly employees have benefits and even more probably just as important as that is almost 98 percent of those people use our benefits, because they're that good. So I don't think we have anywhere near the issue that probably some other retailers might have out there because of our starting wage and the fact that again our part timers are averaging 30 hours a week. They're probably above most of those assistant levels, I am guessing.

LEVIN EPSTEIN: Susan, along the way, another public policy solution you suggested is to create what you're calling "longer accounting period" to smooth variation in hours worked. Tell us, is this in lieu of or in addition to your idea to have hourly work requirements in federal programs changed to reflect current market reality that we were just describing?

LAMBERT: It's in addition to that other suggestion. When workers aren't getting enough hours, they can lose benefits because they can't meet work-hour requirements. On the other hand, it's not as if hours always fluctuate down. Often hours fluctuate up, and so somebody may work more and thus exceed the income limits for certain benefits. But that wouldn't be a problem. That's kind of what we would like to have, for everybody, but often that additional income as you were pointing out is transitory. So they earn more in the short-term, but then they have the benefits cuts and so it really kind of lowers the overall household income over the long-term.

We just have such a misfit between public policies designed today and the realities of low wage, or not necessarily low wage, but hourly employment today. Those public policies do not recognize or help smooth variations in work hours and income that come with the shifting schedules, and for some workers rapid job loss. Longer accounting periods and longer points between redetermining people's benefits levels would allow that kind of smoothing out of fluctuations in hours and earnings.

LEVIN EPSTEIN: Susan, we had a question here and I'm going to ask it. It's of you, but it's from Margo Hilbrecht, who is with the Center for Families in Ontario, Canada. I wanted everyone to know that this is an international event!! Hello, Margo. The question that Margo has is with regard to national datasets in the U.S., not addressing how common it maybe for employers to change an employee schedule on short notice:

What if any research is being conducted on a smaller scale using either a quantitative or qualitative approach to address this issue? Do these studies address the issue of choice? That is, the right to refuse, as well as the perceived implications for job security and financial stability. That is Margo's question. Susan?

LAMBERT: I would say that's the kind of research that I do. A smaller...

LEVIN EPSTEIN: I would have too, but I wanted to let you say it.

LAMBERT: Right. That is going into companies. In Chicago, I've studied 22 firms and 88 lower level jobs and in almost all of them, these practices are common place, and I think the issue of choice is one that is complicated in some of these jobs, because most companies don't have these minimum hour guarantees. When people choose to say, I can't work Tuesday nights or I'm not available for those hours, employers often are more than happy to respect that, but it doesn't mean that they're going to schedule you for times when you can work. What we find is that workers who put limits on their availability for work, often incur what we call an earnings penalty. So they're likely to get fewer hours than somebody else who has greater availability. Often workers don't even recognize that they're really trading their flexibility for income.

LEVIN EPSTEIN: Susan, continuing, sticking with this minimum hours idea and you've called for legislation in this arena, is there any illustration of where that's already happening?

LAMBERT: There is, but first I want to clarify, I have raised the possibility of minimum hours legislation. I haven't called for it.

LEVIN EPSTEIN: OK. A distinction well drawn. I apologize.

LAMBERT: We find minimum hours in some union contracts and we find it at some employers like Costco and in certain industries, such as in hospitality and the restaurant industry to some extent, but less so. Certainly in the grocery industry, there will be some contracts that have minimum hours.

Also in Canada, there is what is called the three-hour rule where employers have to pay you for at least three hours if you've been scheduled for work and you have had to show up, so even if you come in and you're sent home, they still have to pay you for three hours. The advantage of that is that it provides an incentive for employers to use their labor wisely that you just can't keep a lot of people on the payroll and use them willy-nilly. There is actually some kind of cost and incentive to think about that pool as a resource to be used.

LEVIN EPSTEIN: Mike. I'm going to ask you to riff off this point about a minimum number of hour's legislation idea. It's just a personal question not a corporate policy question, because I know it's too provocative for that. But do you think that personally the concept of a minimum number of hours will someday make its way past the kinds of union contracts you mentioned or do you think it will stay the exception rather than the rule in the decades ahead?

BROSIUS: It's hard for me to say. I mean again, our philosophy, we are already doing it. We believe that it's a higher quality employee that's going to have better morale. It's going to be more productive for us. So you know, from that practical sense, it would certainly make sense to me that more employers would adopt something like that.

LEVIN EPSTEIN: And would it be OK if more employers adopted that idea?

BROSIUS: Absolutely.

LEVIN EPSTEIN: All right. Let's turn to the here and now, which is the great recession. This is a question for both of you. What do you say to the argument that in this great recession, with double-digit unemployment, caring about worker scheduling is a luxury and is better left to better economic times. Susan, your take?

LAMBERT: We all want a strong economy and healthy businesses. I think the recession has made that very clear. But the recession has also brought into focus the vulnerability of workers and communities to employer practices. In addition to record levels of unemployment, at least in my lifetime, involuntary part-time employment is at an all record high. As of last week 9.2 million workers are classified as wanting more hours.

Even back in 2001, a good third of U.S. workers said they wanted more hours. So to me scheduling issues are fundamental. It's a fundamental business issue. It's a fundamental issue for families and I'd argue as we think about this point, it's an opportunity to think about new ways and new visions for our economy and our society. We try to think of things that will strengthen both firms and families. To me scheduling is kind of where the rubber hits the road in terms of employer practices and family life. So I don't think of it as a luxury.

LEVIN EPSTEIN: Mike your take.

BROSIUS: Yes, I'd agree with Susan. We don't see it as a luxury either. We think it's just a fundamental core belief of our company that, if anything, now is probably a time when it's even more important to make sure that we are out there taking care of our employees because we know a number of men have lost, the spouses that lost jobs and things like that.

So we are doing everything we can to give our existing employees as many hours as possible. In some cases that's meant not hiring some people, so that our part-timers could continue to get the 30 and 35 hours a week. I would agree with Susan that's – now it's probably the time to take good look at it and it's become part of your fundamental belief.

LEVIN EPSTEIN: Let's turn to best practices and Susan, Mike has already articulated, why it is that Costco views hour stability and scheduling stability as a plus for the company. Can you riff off that and build on it to provide other data elements other research findings that from an employer perspective should argue for the benefits of stable and predictable hours?

LAMBERT: overall the organizational literature is filled with too many studies that you would never want to read of the links between well designed jobs and strong worker performance. One quality of a good job are scheduling practices and certainly scheduling workers for three hours right is not all that Costco does, well. What we see from the overall literature is that unstable hours and unstable jobs lead to an unstable workforce. It becomes a viscous circle that employers are kind of chasing.

In terms of turnover what we know about hourly workforce replacement is that between 30 and 50 percent of an hourly workers annual pay, that's how much it costs employers to replace and train a new employee. So there is both kind of a quality, performance outcomes that's related to this and also a real kind of bottom line outcome.

LEVIN EPSTEIN: Susan, if it's such a clear bottom line outcome and there's this true benefit to employers when jobs are stable and predictable and flexible for the employee, why isn't it that more employers practice this, what's the barrier in your mind?

LAMBERT: I think we should ask Mike that – I ask myself that question every day. One of the things that we've seen is an uptake of the labor flexibility practices on the part of employers to adopt business models in which they are pursuing profit much more through cost containment than your quality enhancement or what we call differentiation strategies. And so, last minute posting of work schedules, scheduling workers for very short shifts of work. Keeping that workforce flexible just really helps managers maintain a tight link between their labor cost and their outlays for wages in the short run. In the long-term it can create high levels of turnover and other kinds of problems that detract from the bottom line. So I would like to hear, what Mike thinks about the reasons for this.

LEVIN EPSTEIN: let me frame it this way, in the form of a confession, Mike.

BROSIUS: OK.

LEVIN EPSTEIN: I invited Costco to this program because I read a quote in Workforce Management. It was an article about the new software that enables employers to match employee schedules to demand, even down to micro shift. A Costco official was described in this article as "cautious about assigning shifts purely based on store demand" and the official actually said "We are dealing with people's lives when we schedule them, we got to be sensitive to that." So first I'd like to hear, how you all got to this best practice? Its sounds like it's just something you were born with? Then why you think other employers don't have the same gene in their system?

BROSIUS: I think as you've said Jodie, this is part of our culture. When we started, our CEO, Jim Sinegal always stressed the importance of people and he has always stressed the importance that if we pay them a good wage, we provide them a good benefit, we are going to have a better employee who is going to be our best marketer out on the street talking about our business. That's just part of what we do.

I don't know that we do it consciously. It just what we've always done and we think it's just the best practice for us, and it's resulted in the low turnover, the higher morale and a much better employee for us. For us it works. I can't say whether that's the right concept for everybody, but again it's worked very well for us in our 27 years.

LEVIN EPSTEIN: Let me ask you the question about scheduling in a flipped way. Your competitors for example may now be beginning to use some of this software more aggressively and doing just in time production and just in time scheduling. You clearly perceive, believe, feel and know about some of the advantages you are experiencing from not doing it that way. Are you at all worried that the rest of the business world – some of your competitors -- maybe shifting how they arrange these things and that may cause you to have this shift too?

BROSIUS: productivity is obviously the number one issue in our warehouses as well as everybody else in retail because it's – payroll is such a key factor in your profitability. So we look at it all the time as well, but I think as that comment or the quote that you had given, we don't do it at the expense of the employees.

We got minimum work hours that if we are going to schedule them, they are working a minimum of four hours shifts and we've got all the minimum setup for the weekly hours and things like that. So we think we can do both. If you look at our productivity in the retail business, we are by far the most productive retailer in the country.

LEVIN EPSTEIN: So if you were in a meeting with another firm and talking about the benefit to Costco stable, scheduling, core number of hours and another firm came along that says you know my firm does just fine without spending the energy to consider employees scheduling needs. Would you say to them that's a short-term perspective, or would you say, OK fine, or what argument would you make back to them?

BROSIUS: I think, I mean that you know we're not running their business.

LEVIN EPSTEIN: Right.

BROSIUS: They're running their business. You know my thing back to them would be, you know what is your total cost? That Susan had said, there's a cost to turnover, there's also a cost that's not really measurable to the morale of the people that you've got working for you.

If they're not – you want them to be your best ambassadors about your business -- and if you're not taking good care of them, they are certainly not going to be out there touting your business. So there's a cost to that and we feel that's a part of why we do what we do.

LEVIN EPSTEIN: You know one of the costs we haven't identified yet is the healthcare cost. Susan in some of her own research and other's research has noted that the stress of work life conflicts has negative health impacts and of course that stress then in turn could increase health-related costs. I understand that you all at Costco were genetically coded to have a sort of set of approaches to scheduling and work life balance for employees. But have you ever at least calculated reduced healthcare cost related to this stress variable? Is that something you've looked at?

BROSIUS: I don't know that we've looked at it from a stress variable, but healthcare you know it's no secret. It's a huge expense and it's growing for our company at roughly 15 percent a year and it's the number one expense we have after payroll. We're always looking at ways to try to reduce that. But conversely, again almost 90 percent of our employees are on healthcare and almost the 100 percent of them are using us. So we're going to continue to provide the best care we can. At the same time, we're going to try to encourage them to use those – that -- smartly.

LEVIN EPSTEIN: Susan, how do you recommend that some of these best practices be fostered at the same time as the software is really coming on to the market to do just in time scheduling of hourly workers?

LAMBERT: I think one point is that you know the scheduling software can be – to put it bluntly -- a tool for good and a tool for evil, right?

LEVIN EPSTEIN: That's blunt.

LAMBERT: Right. That – you know, it's not inherent in the software, how businesses use it. Scheduling software that's implemented by a company like Costco is going to have a very different outcome than what's implemented by other firms who are trying to keep that really tight link between traffic and labor supply.

So it's not in the software. I think what we need is consultants who are implementing these scheduling packages and we need people in industry and businesses to consider the different ways that the scheduling practices can be implemented. For other employers, a way that these new scheduling systems can actually do a great job of balancing the needs for business for cost containment could help; they can be implemented in a way that also supports workers.

LEVIN EPSTEIN: Susan in the places where you have done research and the employers are using this for good and not for evil -- the software packaging opportunity-- what is it do you think that led them to take that path? In other words, we're still – we're still trying to get back to, why aren't more employers doing this if it's in their own self interest?

LAMBERT: In my research I have not studied the implementation of these scheduling packages per se. And so I can't, you know I've studied scheduling overall some, a lot of firms still do it by hand.

LEVIN EPSTEIN: Oh, when you have 113,000 employees that would be pretty tough, right Mike?



BROSIUS: It would be a little more complicated than you like it to be.

LAMBERT: Right. But still some people do it on their spreadsheets. What often happens is that a department manager will get so many hours that they have to spread among their staff .

You would be surprised that how many firms that still happens at. But increasingly it is becoming computerized and the software is becoming much sophisticated in terms of being able to specify the number of workers, who if it's totally based on consumer demand, who should be on the floor, who should be on the line, who should be in the restaurant.

LEVIN EPSTEIN: I'm going to turn to the audience for a live question from Liz Watkins, who works at Workplace Flexibility 2010 here in D.C. Liz, how are you?

(LIZ WATKINS): Good, thanks. Thanks Jodie and thanks to both of our speakers. It's been really interesting. Susan, you explained in your remarks that promoting choice and scheduling is a really complicated thing and that if employees limit their availability, what often happens is that they incur an earnings penalty. So there's an unintended effect there.

My question for you is, what are some ways to encourage employers to provide employees with more choice or input into their work schedules without resulting in this unintended consequence of an earnings penalty? Thanks.

LAMBERT: I think to me the difference is whether you have that minimum hour guarantee. So that you know when you are making a choice in terms of the scheduling of when you work, you know that you are not going to have to trade your 20 hours of week, some of that, in order not to work Tuesday night for example. So it is just hard for you know given what I see in the frontlines.

It's very hard to think about how any kind of choice could not result in an earnings penalty without some kind of minimum hours. Now, that isn't to say that we shouldn't provide people with that choice, even in that context, because you know that some people would take fewer hours that allows them to better manage their other responsibilities, whatever they might be.

LEVIN EPSTEIN: Liz?

WATKINS: Thanks. In your scheduling intervention study that you have underway, the main focus is around moving the amount of notice that employers give to their employees in the retail store that you are studying, to posting schedules a month ahead of time. But is there also some component of trying to increase communication about choice and scheduling of hours between managers and employees, and if so, how has that intervention component worked?

LAMBERT: That was going to be a component of our intervention, but the firm that we are working with actually went ahead and improved that on their own which is great. They implemented a calendar system where people could write down when they want to gain our time off and when they wanted more hours, but because it isn't part of our experiment, we can't really judge whether the workers who use that are in fact working fewer hours than they would have based that I could work anytime at all.

LEVIN EPSTEIN: Liz, while we have got you on, would you like to toss the question to Mike?

WATKINS: Mike it's been a very, very interesting to hear about what Costco is doing and learning a little bit more, especially on the stability of hours. I know you are somewhat reluctant to tell other employers what to do, but the example that we've got from best practice employers like Costco is really something that rest of us would like to figure out, how to leverage in some way to encourage other firms to behave like you all do. Do you have any idea about how employers of choice like yourself can be brought in to market this concept to other employers in your industry more systemically?

BROSIUS: Wow, you know I think most of our information that we've talked about today is pretty public knowledge. And we go out there and talk about this all the time. I would like to think that the large retailers or other firms who look at our success and modeled their behaviors after what's working for us, but you know we're certainly available for anything.

LAMBERT: We're going to take you up on that, Mike.

BROSIUS: I should be careful, I'm sorry. But if there's something like that that we can help with, we're certainly willing to do so.

LEVIN EPSTEIN: That would be terrific. I'd like to close by giving each of my guests an opportunity to ask a question of the other. So, for example, Mike, you are sitting there, HR Division of Costco, you have a researcher who is steeped in a whole set of issues regarding work-life scheduling and so forth. Whether or not she has researched this question before, let's just kind of assume she can answer...

BROSIUS: OK.

LEVIN EPSTEIN: ...any question you might want to ask her. So you are up first.

LAMBERT: Yes, that's a good assumption.

BROSIUS: All right.

LEVIN EPSTEIN: What would be the kind of thing you'd want to ask a researcher that would help you in your work right now with regard to scheduling issues, workers work-life matters, that even if Susan herself hasn't done anything about, we can add to somebody's plate or to hers.

BROSIUS: I have two for Susan. One would be, have you seen the trend changing dramatically from where it was you know 10 or 15 years ago out there with part-time versus full-time in terms of productivity and things like that? I guess that that's more of a generic question.

Then secondly, are you seeing what's more important to employees today? Is it the hours and the pay or do they want some sort of a balance with time off and you know the ability to spend more time with family, things like that. I'm just wondering which of those is becoming more important.

LAMBERT: I can address both of those. Certainly, what we've seen in terms of the part-time versus full-time is that that you get the proportion of the workforce that states part-time fluctuates somewhat, but it doesn't fluctuate all that much. So it goes between like 14 percent to a peak like 17 percent at any one time.

And what we see is that that's about the same now. We've seen a huge peak in part-time during the recession as people salaries are reduced, but without that blip, that's kind of what we see. But that hides a great deal of variation in the economy. There are pockets of employment, one of them being retail, where there is just increasing growth in part-time employment.

So Costco maintains its 50 percent right to full-time, part-time. That is, from our research, incredibly unusual. In most stores that we see and in department stores and another big box, the ratio tends to be more of 70 percent part-time, 30 percent full-time at best and it's flipping toward 80 percent to 20 percent.

A lot of people think that the reason for that is so that employers can keep their benefit cost down. But really according to research by Susan Houseman of Upjohn Institute, that's not the major reason that employers are preferring a greater part-time staff. Only about 18 percent of part-time workers get health benefits, but even full-time ones only 56 percent of employers pay for their health insurance. So that's not the biggest factor.

The biggest factor is to allow for greater flexibility and scheduling. So that workers can be scheduled for short shifts of work. That's one of the reasons towards this part-time trend.

The other thing in terms of workers, is a big press toward flexibility. This flexibility is something that American workers and other workers around the world I think very much want. They are willing to some extent trade income for flexibility and so that is absolutely something that today's workforce want to have in terms of balancing their work and life responsibilities.

But I think one of the things we have to keep in mind is that we do have a growing kind of issue of underemployment in the country. And so, again, even in 2001, 30 percent of workers said that they would prefer to work more hours rather than fewer hours.

LEVIN EPSTEIN: Susan, it's your turn to ask Mike a question?

LAMBERT: I would be interested in hearing how the upper level corporate support for having these minimum hour – hours for workers...

LEVIN EPSTEIN: Is it 24 hours?

LAMBERT: How that's translated down to the supervisor? how that gets communicated and also the kind of accountability requirements that Costco places on frontline managers to help ensure that the 50 percent to full-time versus 50 percent of part-time in the warehouses and to help ensure that, that really you know day-to-day the majority of part-time workers get those 24 hours a week.

BROSIUS: good question. On the full-time/part-time, we have our group of our senior vice presidents that come up to Seattle once a month. In every single meeting, we put up their full-time/part-time percentages...

LAMBERT: Wow.

BROSIUS: ...in each of the regions. So there is no hiding.

LAMBERT: Wow.

BROSIUS: we put it up by warehouses, so – and it's just a month of mantra. So that does not deviate. As a matter of fact, we're much higher than 50 percent right now and even thinking of contemplating going higher than that as the minimal.

That's just the culture and I think that's kind of is the same thing with the supervisors. In our handbook, even in our agreement, we specify that the minimum number of hours work for part-time is 24. From a benefit eligibility, what have to happen is they have to average 20 hours or less over the course of six months to have a benefit change.

For the full-timers, they'd go from 40 and have to average under 34 for six months. So it's not a fluctuation of one month, do you happen to take a little bit more time off for whatever reason, it's a six month interval. Then they can – and – you know the following six months of the changes they've moved back and forth within the system from full-time to part-time. It's just part of the mantra, part of the culture

LEVIN EPSTEIN: Yes, but you're held accountable for it too.

BROSIUS: Yes, very much so.

LEVIN EPSTEIN: I want to thank you both for joining CLASP in this audio conference on scheduling hours for workers in a just-in-time world. I think this conversation has been very illuminating, very exciting and I thank Susan Lambert from the University of Chicago and Mike Brosius of Human Resources at Costco. Thank you very much for joining us.

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