



# Workplace Structure and its Impact on Hourly Workers and their Families

Jennifer E. Swanberg, PhD

May 29, 2008

Working for Change: A Conversation on Workplace Flexibility  
Research, Business Practice and Public Policy  
Georgetown Law

# Presentation Objectives

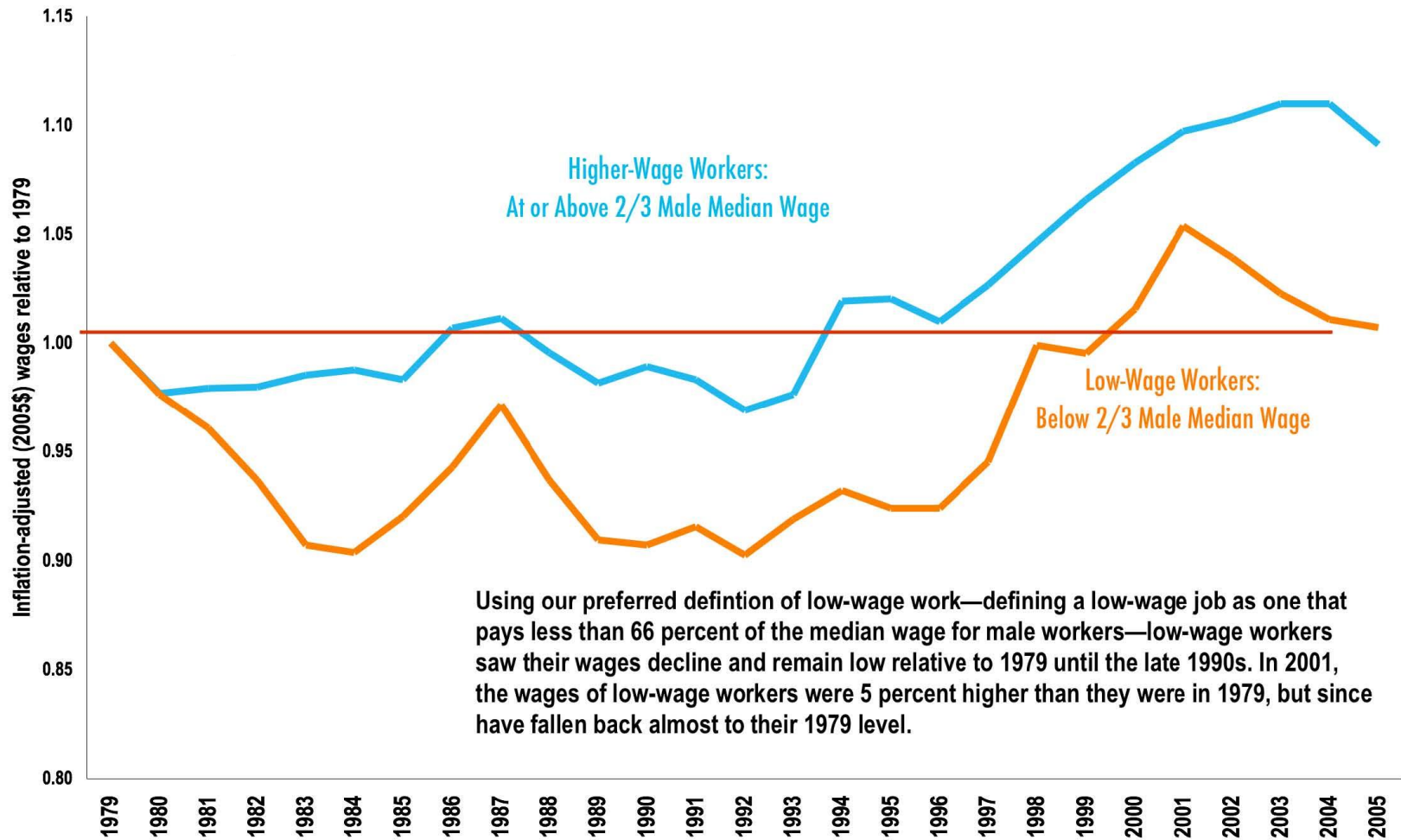
1. Define "low-wage job"
2. Examine the prevalence of workplace flexibility among workers in low-wage jobs
3. Provide examples of how workplace flexibility for low-wage workers is implemented
4. Discuss the business case for offering workplace flexibility to workers in low-wage, hourly jobs

# What is a low-wage job?

- **Basic Income Approach**
  - Uses U.S. poverty threshold
  - In 2006, 1 out of 4 workers held a low-wage job, \$9.83 or less/hour
  - 35 million workers
- **Social Inclusion Approach**
  - Uses comparison with other jobs to define low-wage
  - Low-wage job pays less than 2/3 of the median wage for men
  - In 2006, 1 out of 3 workers held a low-wage job, \$11.11 or less/hour
  - 44 million workers



# Low-wage Workers: Little Progress



Using our preferred definition of low-wage work—defining a low-wage job as one that pays less than 66 percent of the median wage for male workers—low-wage workers saw their wages decline and remain low relative to 1979 until the late 1990s. In 2001, the wages of low-wage workers were 5 percent higher than they were in 1979, but since have fallen back almost to their 1979 level.

Source: Analysis by Heather Boushey of the CEPR extracts from the Current Population Survey Outgoing Rotation Group Files.

# Methodology

## Sample

- 2002 *National Study of the Changing Workforce* (N=3504)
- Total waged and salaried (exempt & non-exempt) n=2810
- Total hourly (non-exempt) n=1683, 60% of total sample
- 43% of non-exempt jobs pay low-wages
- Low-wage=2/3 of the median wage for men
  - \$10.88 or less/hour in 2002

Review of literature on hourly workers  
& flexibility



# Low-Wage, Hourly Workers: Top 5 Industries & Wages

## Low-wage

	Industry	% of Workers	Mean Wage
1	Retail Trade	31 %	\$7.05
2	Manufacturing	11 %	\$7.54
3	Medical Services	10 %	\$7.53
4	Construction	7 %	\$7.88
5	Business/Service	7 %	\$7.82

## Other-wage

	Industry	% of Workers	Mean Wage
1	Manufacturing	18 %	\$19.56
2	Medical Services	14 %	\$32.47
3	Retail Trade	12 %	\$16.02
4	Transport/Utility/Communication	12 %	\$36.02
5	Construction	11 %	\$26.43

# Low-wage, Hourly Workers: Top 5 Occupations & Wages

## Low-wage

	Occupation	% of Workers	Mean Wage
1	Production/Operation/Repair	34%	\$7.68
2	Service	25%	\$7.10
3	Administration Support	18%	\$7.58
4	Sales	12%	\$7.31
5	Professionals	5%	\$7.39

## Other-wage

	Occupation	% of Workers	Mean Wage
1	Production/Operation/Repair	38%	\$24.74
2	Administration Support	16%	\$22.35
3	Professionals	15%	\$28.23
4	Service	7%	\$34.46
5	Executive/Admin/Managers	7%	\$25.46

# Low-wage, Hourly Workers: Demographic Profile

Demographic Characteristic	Most Prevalent Among Low-wage Workers	%
Age	< 30	41%
Gender	Female	55%
Race	Non-white	27%
Education	≤ High school	64%
Marital Status	Married/Cohabiting	57%
Parental Status	Live w/children < 18	37%
Parental Status	Single parents	20%

# Job Profile: Hourly Workers

Job Status***	Low-wage (n=735)	Other-wage (n=983)
Full-time	69%	89%
Part-time	31%	11%
Job Tenure ***	Low-wage (n=736)	Other-wage (n=983)
Mean Years	4 years	9 years
Median Years	2 years	6 years
Type of shift worked***	Low-wage (n=737)	Other-wage (n=983)
Daytime regular	62%	73%
Evening/Night regular	13%	11%
Rotating	14%	8%
Split shift, variable on-call & other schedule	11%	9%

\*\*\* ≤ .001, \*\* ≤ .001, \* ≤ .05

# Job Profile: Work Hours

Scheduled hours / week at main job	Low-wage*** (n=732)	Other-wage*** (n=977)
Full-time	39.45 hours	39.95 hours
Part-time	22.5 hours	21.59 hours
Additional hours worked at main job	Low-wage*** (n=735)	Other-wage* (n=983)
Full-time	4.46 hours	6.01 hours
Part-time	2.72 hours	4.4 hours
All hours worked at main job	Low-wage*** (n=734)	Other-wage*** (n=978)
Full-time	43.91 hours	45.98 hours
Part-time	25.26 hours	26.19 hours

\*\*\* ≤ .001, \*\* ≤ .001, \* ≤ .05



# One Job is not Enough!

Amount of work	Low-wage (n=736)	Other-wage (n=983)
Work more than one job	15%	18%
Among those that work more than one job***	Low-wage (n=110)	Other-wage (n=171)
Full-time	56%	83%
Part-time	45%	18%
Total hours worked in all jobs*** (mean)	Low-wage (n=734)	Other-wage (n=978)
Full-time	45.54 hours	47.94 hours
Part-time	27.81 hours	30.20 hours

\*\*\* ≤ .001, \*\* ≤ .001, \* ≤ .05



Photo by Tom Reed

# Workplace Flexibility & Low-wage Jobs: New Definitions are Needed

- Flexibility is a way to define how and when work gets done and how careers are organized.
- WF2010 defines workplace flexibility as having access to:
  - flexible work arrangements;
  - short term, episodic, & extended time off from work; and
  - options for career exit, maintenance, and reentry.



# Workplace Flexibility as Defined by WF2010

Flexible Work Arrangements (FWAs)	Time Off	Career Maintenance & Reentry
<p><b>For employees in jobs with traditionally long hours and fixed schedules:</b></p> <ul style="list-style-type: none"> <li>▪ flexibility in scheduling of hours</li> <li>▪ flexibility in the amount of hours worked</li> <li>▪ flexibility in the place of work</li> </ul> <p><b>For employees in jobs with traditionally less than full time hours and <i>unpredictable</i> scheduling:</b></p> <ul style="list-style-type: none"> <li>▪ arrangements that provide workers with <i>greater</i> predictability and control over their work hours</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Short-term:</b> time taken off in short increments for any life need (e.g. worker's health, health of family member, school events, house maintenance, legal needs)</li> <li>▪ <b>Episodic:</b> time taken off in short increments for any life need that can be expected to reoccur on a regular, but often unpredictable basis</li> <li>▪ <b>Extended:</b> time taken off in long increments (by weeks) for any life need. Usually somewhat predictable but can be unpredictable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Relates to individuals who, based on economic feasibility or ideological beliefs, exit the paid workforce for several years</li> <li>▪ Such individuals have been in the paid workforce prior to their exit and plan to reenter the paid workforce in the future</li> <li>▪ Includes various mechanisms for ensuring career maintenance during the exit time, means for reentry, and long-term economic security</li> </ul>

# Deconstructing FWAs for Hourly Workers: Alternative Meanings

- Predictability
  - Number of hours worked
  - When scheduled to work
  - Advance notification of work hours
- Control
- Schedule preference
- Dimensions of flexibility



# Workplace Flexibility Trends for Hourly Workers: Research Findings

- Flexible Work Arrangements
  - Scheduling of hours worked
  - Amount of hours worked
  - Place of work
  - Schedule control & predictability
- Time Off
  - Short-term
  - Episodic
  - Extended



# FWAs: Scheduling of Hours Worked

Scheduling of hours worked	Low-wage (n=730)	Other-wage (n=979)
Can choose own start/quit times	37%	39%
Among those who can choose start/quit times*	Low-wage (n=264)	Other-wage (n=375)
Can change start/quit times daily	42%	52%
Compressed Work Week	Low-wage (n=711)	Other-wage (n=691)
Allowed to compress work hours	42%	46%

\*\*\* ≤ .001, \*\* ≤ .001, \* ≤ .05

# FWAs: Amount of Hours Worked

Could switch to full-time or part-time in current position	Low-wage (n=705)	Other-wage (n=946)
Yes	52%	40%
Could arrange to work part year	Low-wage (n=705)	Other-wage (n=946)
Yes	32%	21%
Desire less work	Low-wage (n=736)	
Full-time workers → prefer to work part-time	21%	
Desire more work	Low-wage (n=736)	
Part-time workers → prefer to work full-time	36%	

# FWAs: Place of Work

Ever work regular hours at home**	Low-Wage (n= 726)	Other-Wage (n=975)
Yes	3%	6%
How often bring work home***	Low-Wage (n=724)	Other-Wage (n=973)
Never	81%	67%
Sometimes	13%	21%
Often	6%	12%

\*\*\* ≤ .001, \*\* ≤ .001, \* ≤ .05



# Schedule Control & Predictability

Have control in scheduling work hrs**	Low-wage (n=733)	Other-wage (n=983)
Complete/a lot	38%	31%
Can decide when to take breaks***	Low-wage (n=732)	Other-wage (n=979)
Agree	56%	69%
Occasional reduction of hours***	Low-wage (n=733)	Other-wage (n=980)
Layoff/reduction in hours when work is slow	33%	21%
Extra work/overtime w/o advance notice***	Low-wage (n=732)	Other-wage (n=981)
Often	29%	32%
Sometimes	46%	51%

\*\*\* ≤ .001, \*\* ≤ .001, \* ≤ .05

# Flexible Work Arrangements: Use & Consequences

Usage of flex scheduling options	Low-wage (n=735)	Other-wage (n=983)
A lot	16%	14%
Some/little	44%	47%
Not at all	26%	27%
Don't have that option	14%	13%
Less likely to advance if flex-options used**	Low-wage (n=723)	Other-wage (n=974)
Agree	42%	35%
Want more flex-time & would use if no negative consequences	Low-wage (n=206)	Other-wage (n=312)
Yes	80%	80%
Reason for not using flex-time **	Low-wage (n=508)	Other-wage (n=713)
Don't need them	61%	57%
Job responsibilities don't allow	23%	30%
Negative impact	14%	10%

\*\*\* ≤ .001, \*\* ≤ .001, \* ≤ .05

# Employer Examples of FWAs

Scheduling hours	Amount of hours	Place of work
<p><b>Schedule Preferences:</b> allowing employees to have some say in their work schedule</p> <p><b>Flex-time</b> in production and operations settings</p> <p><b>Pre-Planned Schedule Modifications:</b> giving employees the opportunity to request that they not be scheduled for a particular day or shift prior to the creation of the weekly schedule</p> <p><b>Alternative work schedule in manufacturing setting</b> provides three different schedule operations</p> <p><b>Just-In-Time Schedule Changes:</b> permitting employees to request a change to the existing schedule (shift swapping)</p>	<p><b>Reduced Work Hours:</b> Working fewer hours than one would normally be scheduled to work without losing seniority</p> <p><b>Phase-in after leave:</b> A schedule that permits an employee to return from a leave of absence on a reduced basis, with a defined schedule that works towards a complete return to normal hours</p>	<p><b>Flex-Place:</b> Permitting employees to work at more than one store location</p> <p><b>Telework</b> for administrative assistants, customer service</p>

# Time Off

<b>Allowed paid sick time<sup>***</sup></b>	<b>Low-wage (n=736)</b>
Full-time	58%
Part-time	36%
Service industry (n=556) <sup>***</sup>	53%
Goods-producing industry (n=152)	36%
<b>Have enough paid sick time</b>	<b>Low-wage (n=353)</b>
Full-time	80%
Part-time	76%
Service industry (n=288)	79%
Goods-producing industry (n=54)	82%
<b>Allowed days off for sick child w/o paid vacation loss</b>	<b>Low-wage (n=736)</b>
Full-time	34%
Part-time	25%
Service industry (n=198) <sup>*</sup>	35%
Goods-producing industry (n=67)	19%
<b>Enough paid time off to care for sick child</b>	<b>Low-wage (n=85)</b>
Full-time	89%
Part-time	11%
Service industry (n=66)	77%
Goods-producing industry (n=66) <sup>*</sup>	100%

\*\*\* ≤ .001, \*\* ≤ .01, \* ≤ .05

# Time Off (cont.)

Receive paid vacation days	Low-wage (n=726)
Full-time***	77%
Part-time***	36%
Service industry (n=569)	62%
Goods-producing industry (n=156)*	69%
Mean # of days of those with paid vacation	Low-wage (n=442)
Full-time***	9.90 days
Part-time***	6.24 days
Service industry (n=439)	9.19 days
Goods-producing industry (n=439)***	9.53 days
Of those with paid vacation, ability to use all paid days given	Low-wage (n=449)
Full-time	91%
Part-time	91%
Service industry (n=341)	91%
Goods-producing industry (n=105)***	91%

\*\*\* ≤ .001, \*\* ≤ .001, \* ≤ .05

# Employer Examples of Time Off

Short-term	Episodic	Extended
<p>Just-in-time time off: sick time and vacation time in hourly or part-day increments</p> <p>Shift-swap or shift trade: allows employees to swap shifts after schedule has been posted, allows for unexpected need to take time off</p>	<p>Just-in-time time off: sick time and vacation time in hourly or part-day increments</p> <p>MedBank: a sick leave program enables employees to use their personal time bank for their own medical appointments or illness. Full-time employees receive 40 hours of paid leave per year for illness for personal or family sick leave</p>	<p>Short-term leave: offering full-time employees job security if they plan to be off work for more than a week for purposes not stipulated by the Family Medical Leave Act &amp; without losing access to employee benefits</p>

# Flexible Work Arrangements for Hourly Workers: Is There a Business Case?

## Two competing arguments

1. **Employer-driven Flexibility:** consumer demand determines schedule variability, taking precedence over employee demand for flexibility.
2. **Employee-driven Flexibility:** Workplace flexibility is used as a tool to recruit & retain workers.

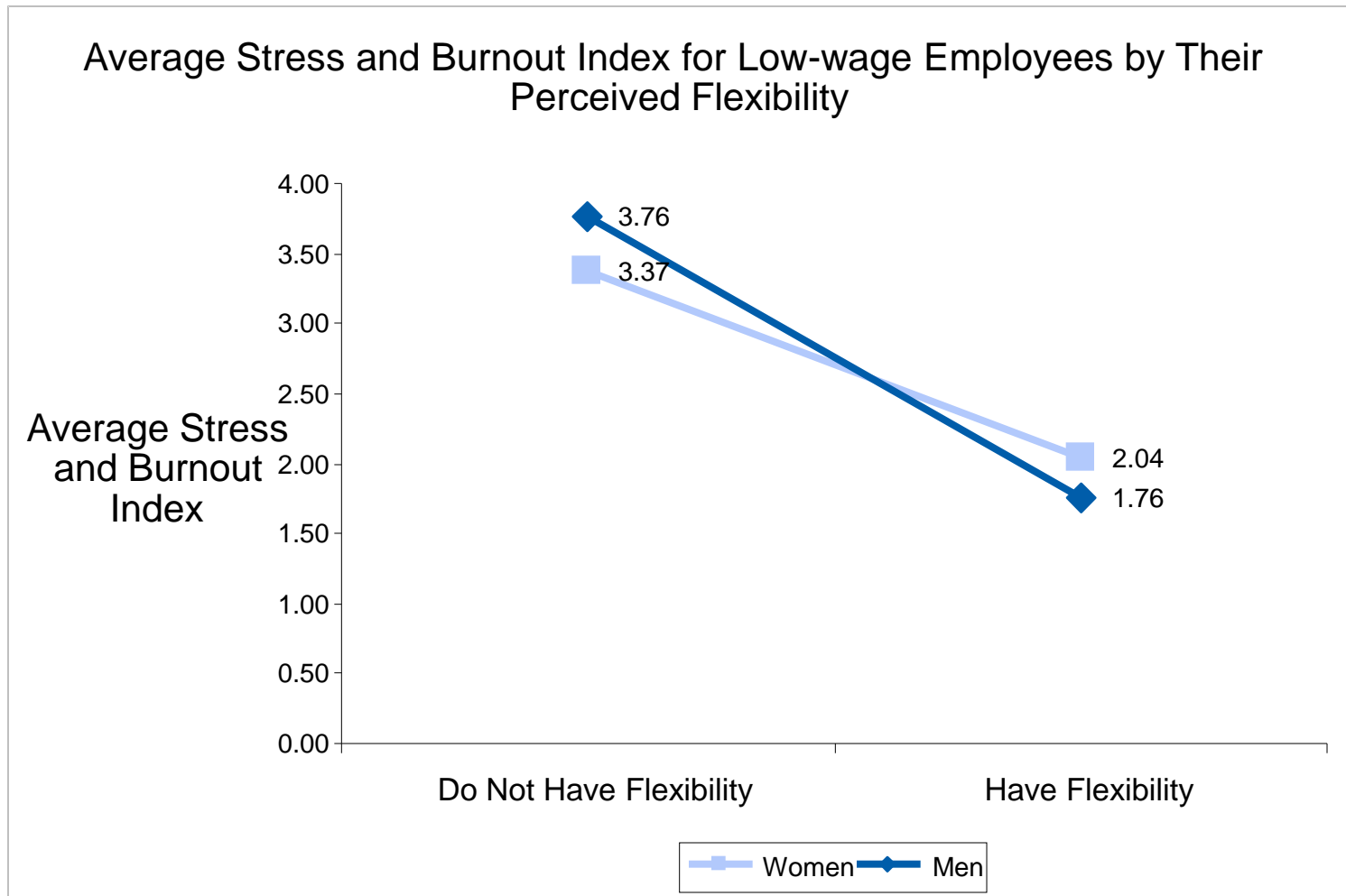


# Managers' Perspectives: Benefits & Challenges of FWAs

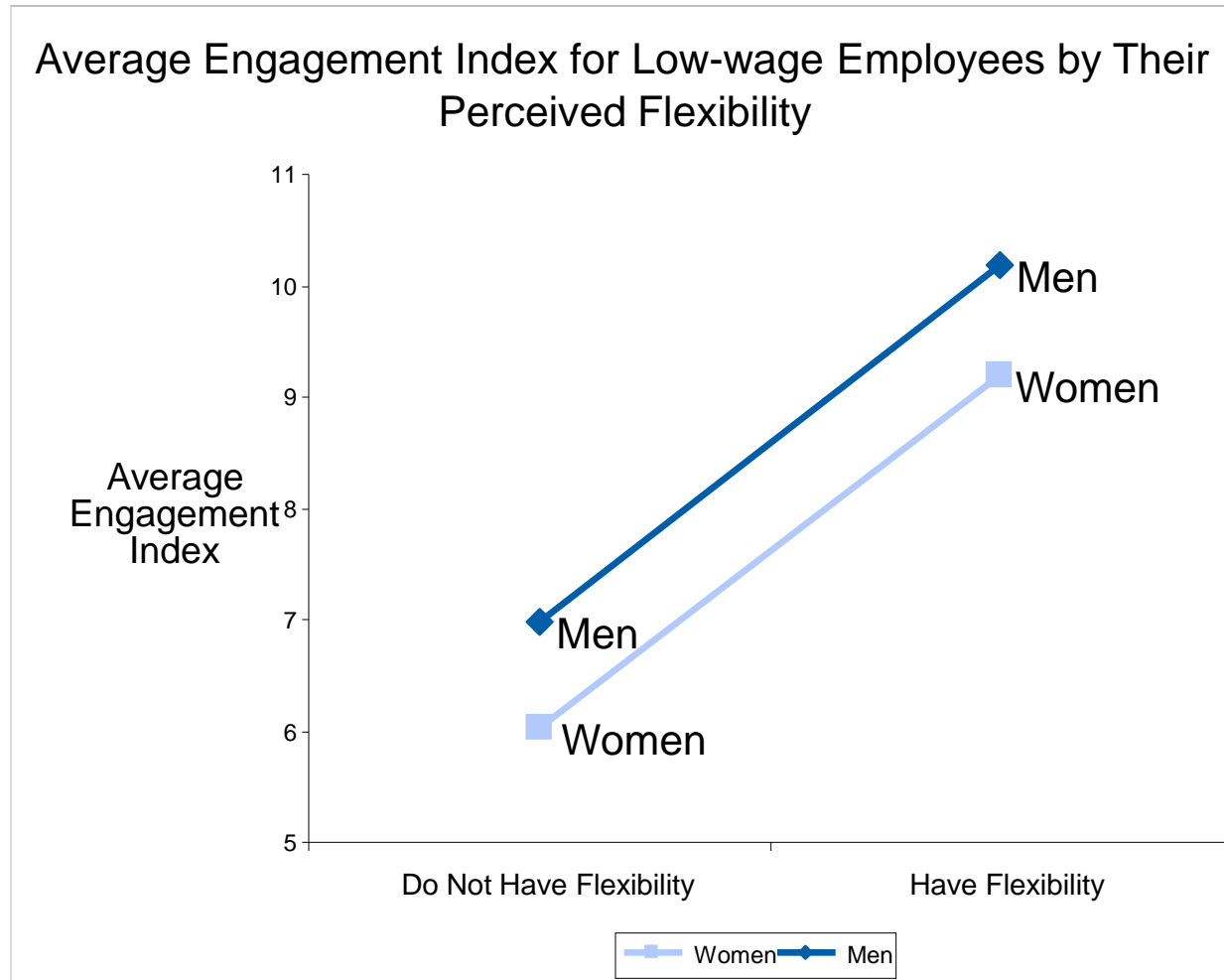
*"I think it [workplace flexibility] is a good recruiting tool, you know, when you're not stringent...we recognize that everyone does have a life. We recognize that some people cannot work from 8:00 to 4:00 or 2:00 to 10:00. We work with them."*

Benefits	Challenges
Recruitment	Inefficient use of time
Retention	Customer loyalty/continuity
Productivity	Ensuring fair and equitable practices
Employee Engagement	Balancing business & employee need
Costs Savings/Reduced Overtime	Managing poor performers
Customer Service	Shifting from seniority-based scheduling
Reduce Absenteeism	Staffing shortages

# Impact of Perceived Flexibility on Employee Stress

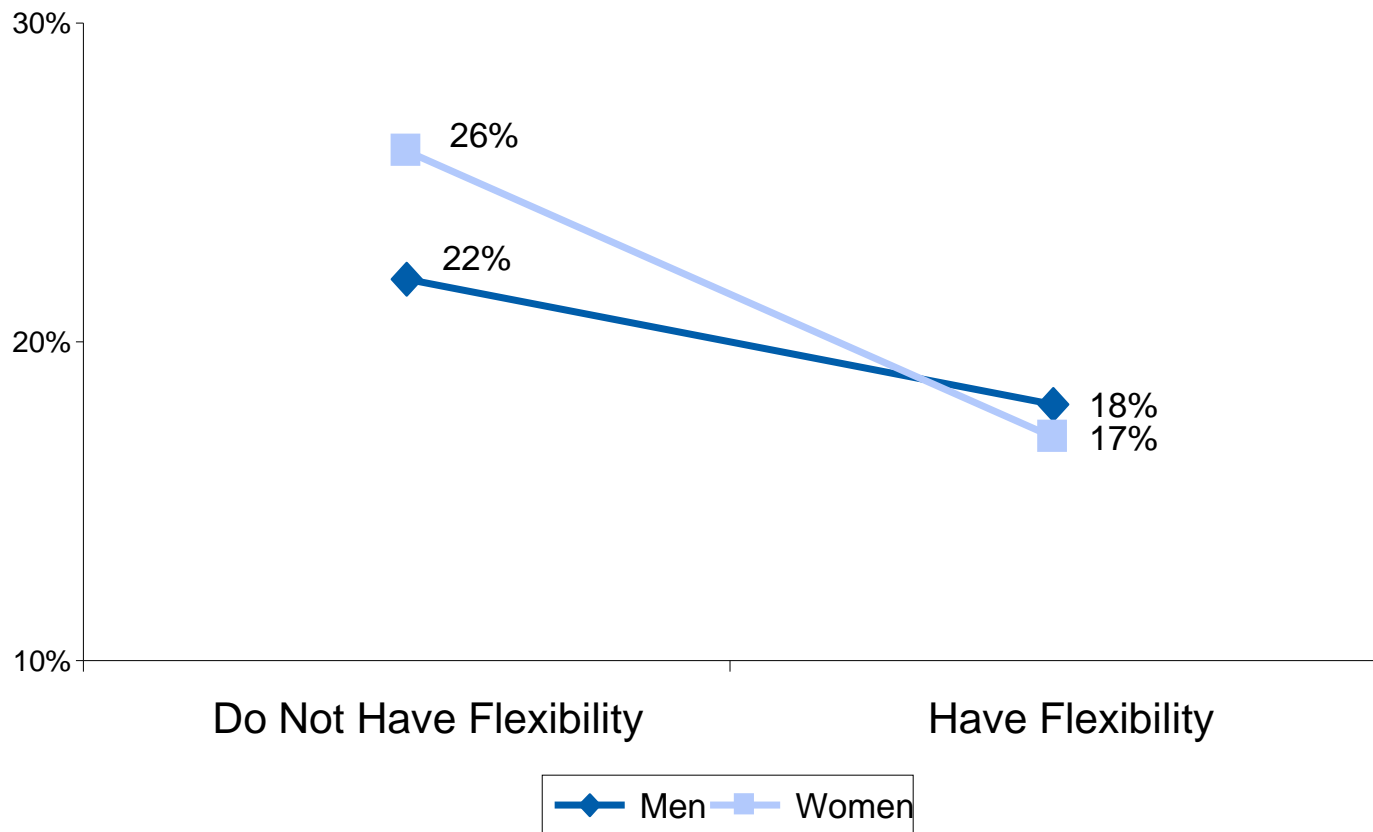


# Impact of Perceived Flexibility on Employee Engagement



# Impact of Perceived Flexibility on Turnover

Percent of Low-wage Employees Who Predict They Will Leave Within Two Years by Their Perceived Flexibility



# Workplace Flexibility: A Win-Win for Employers & Low-wage Workers

- Analyses of 2002 NSCW by Families and Work Institute:

## Flexibility is good for business:

- greater job satisfaction
- stronger job commitment/engagement
- less negative spillover from home to work
- higher retention

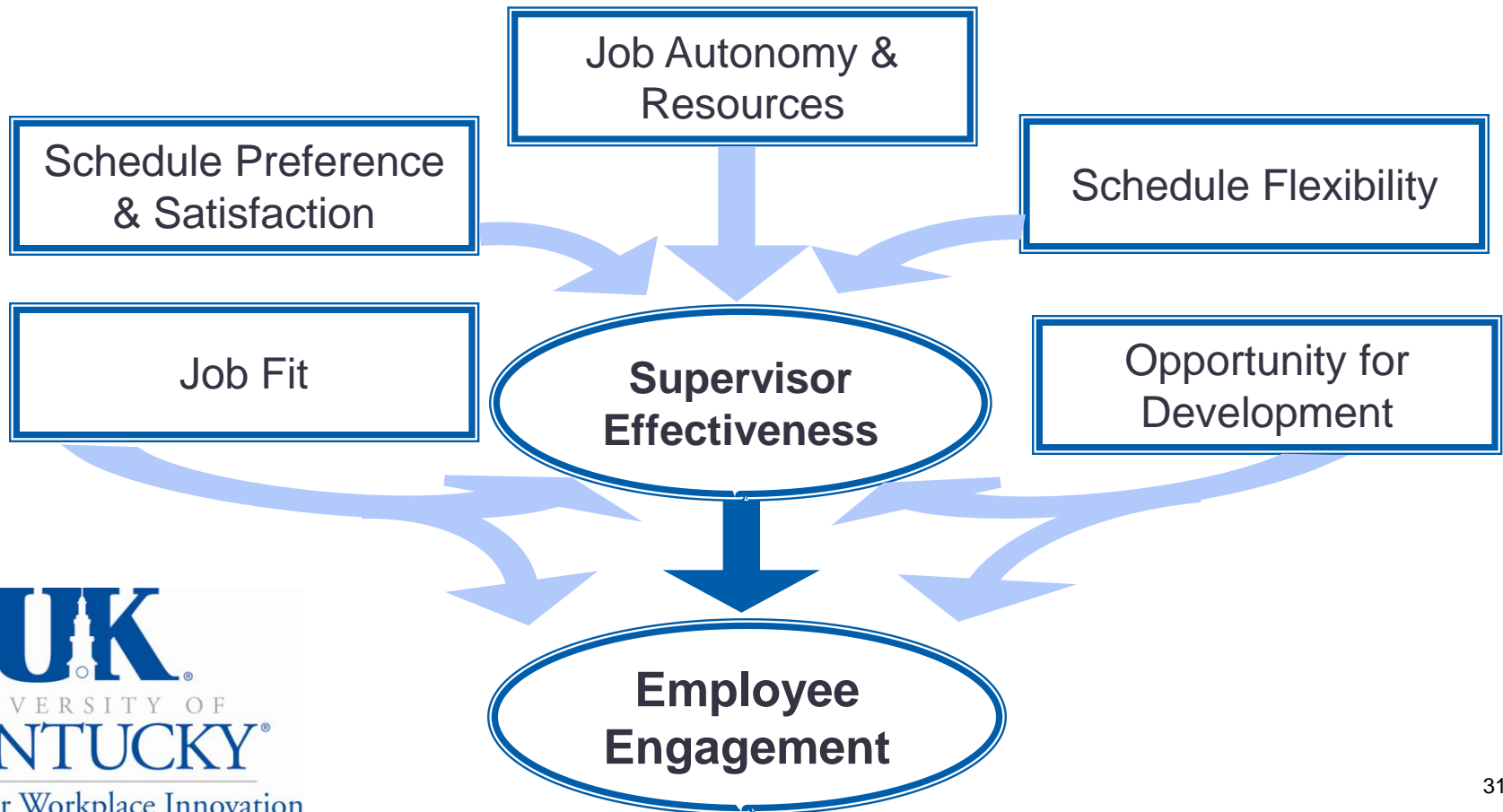
## Flexibility is good for employees:

- less negative spillover from work to home
- greater life satisfaction
- better mental health



# Business Outcomes

Dimensions of Job Quality that Drive Store-Level Employee Engagement



# Business Outcomes

## Dimensions of Job Quality that Drive Store-Level Customer Satisfaction



# Conclusion

