

# IT'S TIME YOU GIVE A SHIFT ABOUT SCHEDULES

A, B, C, D. First, second, third. Yellow, red, blue, rainbow. Blended. Rotating. Swing. The list of possible names and days and hours and expectations for shifts is, quite literally, infinite in number. We know production hours are unique to every facility and immensely important to running a lean, successful business; and, our most recent Applicant Sentiment Index™ results—data from our survey of over 40,000 job seekers this year—tell us shift times are the second most important factor a job seeker considers when job hunting. So, it's no surprise that shifts cause everyone a little heartburn. After all, choosing the wrong one can hurt a business or a career.

## THE BEST STRATEGY IS HAVING A STRATEGY

Employers with successful retention programs across shifts aren't just lucky; they're strategic. Like most employment-related decisions, one of two things reign king: flexibility or money. Neither strategy is inherently better than the other.

**The flexible approach.** The percent of Americans who are working or looking for work has fallen to its lowest point in 50 years, and the unemployment rate has taken a similar stumble. Combined, this means fewer people are in the workforce, and a higher percentage of those are already employed. On the surface, it's a seemingly terrible combination for any employer. But, those numbers obscure the small pockets of the population that have trouble finding suitable employment for a host of reasons: childcare, transportation, other jobs, parental care, medical reasons, lifestyle, and more. For companies willing to flex their scheduling muscles—but not their budgets—this presents great opportunity to attract workers who can't work the "traditional" shift schedules offered elsewhere but who can reliably work other hours.

**The green approach.** When flexibility isn't possible, companies sweeten the pot with financial incentives. Some shifts are inherently more attractive than others, which is why shift differentials are extremely common in light industrial environments. The Society for Human Resource Management reports 83% of manufacturing employers offer them, and year after year, we find a similar offering through our annual employer survey. But just because a practice is common doesn't mean it's effective—or does it? We decided to find out.

We identified manufacturing and distribution clients that have more than one shift, divided the group into two units (those who pay differentials and those who do not), and then calculated turnover in the first two quarters of 2018. Among this group, *overall turnover* and *voluntary turnover* were lower at facilities that pay differentials. (See Figure 1.)

We dug further and identified companies with multiple locations and different pay strategies. The locations that offer differentials had lower turnover than their sister locations without. (See Figure 2.)

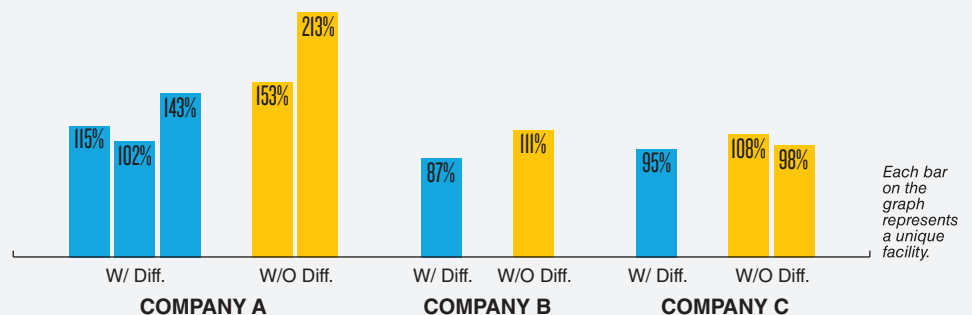
## THE CHOICE IS YOURS

In our experience and in our data set, flexibility and shift differentials have a profound impact on attraction and retention in light industrial facilities. We always like to check the facts before advising anyone to jump on a bandwagon, and in this case, both strategies prove to be a smart bet. The lesson here is that *it's not always the shift that's important, it's what you do with it that counts.*

Figure 1. EFFECT OF DIFFERENTIAL PAY ON TURNOVER, BY SECTOR

|                      | MANUFACTURING SECTOR |           | DISTRIBUTION SECTOR |           | CROSS SECTOR |           |
|----------------------|----------------------|-----------|---------------------|-----------|--------------|-----------|
|                      | W/ DIFF.             | W/O DIFF. | W/ DIFF.            | W/O DIFF. | W/ DIFF.     | W/O DIFF. |
| Overall Turnover %   | 86%                  | 98%       | 100%                | 107%      | 93%          | 100%      |
| Voluntary Turnover % | 47%                  | 57%       | 55%                 | 66%       | 52%          | 60%       |

Figure 2. EFFECT OF DIFFERENTIAL PAY ON TURNOVER AT COMPANIES WITH MULTIPLE FACILITIES



# IT'S TIME YOU GIVE A *SHIFT* ABOUT SCHEDULES

Consider these scheduling strategies and shift options. Which works best for you?

## FLEXIBILITY

These are the scheduling options well-suited for flexible employers:



### School hours.

This shift starts 30 minutes after the school day begins and ends 30 minutes prior to school dismissal. No overtime and no weekend work.



### School calendar.

This shift mimics the school hour shift, but it has the added flexibility of allowing unpaid time off for any day school is not in session.



### Seasonal or short term.

This shift could fall during any hours you need help, and it's designed to attract workers who can fill space immediately but can't make a long-term commitment to the shift.



### Four tens.

They're long hours, but they're followed by a long weekend. For many, a ten-hour workday isn't uncommon—but a three-day weekend is hard to come by.



### Part time or job sharing.

These shifts are best for routine, repetitive work that can easily be stopped by one person and started by another with little need for interaction. They are ideal for workers who can't meet the demands of a full-time position. Job sharing affords a little more flexibility to both workers, because the workers can swap on a daily, weekly, or seasonal basis.



### Shift swap or self-scheduling.

The two biggest (but easy!) obstacles to overcome are making sure the schedule is filled and making sure any overtime work is preapproved. You will also have to adjust to having a different group of workers on every shift; but, hey, that's how many industries typically operate!

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## MONEY

These are the scheduling options that typically require differential pay:



**Seven-day work week.** As the name implies, workers never have a day off. The phrase “time is money” comes into play here; when time off isn’t an option, extra money is the next best form of payment.



**Rotating.** The hours of this shift are always changing. It can interrupt household dynamics and takes extreme physical tolls on the worker who is always switching sleep cycles. It makes a second job impossible and often prevents a secondary earner from seeking employment.



**Second and third.** These shifts often start and end during school hours, always taking place during evenings, nights, and early mornings when childcare is largely unavailable. These shifts can overlap with other “first shift” opportunities, making a second job challenging.



**Weekend warrior.** Despite the popularity of 24/7 production schedules, people still consider Saturday and Sunday to be personal time. You don’t need to offer a huge differential for a weekend shift though, because this shift is often one of the easiest ways for workers to hold two jobs so, by nature, it’s already attractive to some workers.



**Overtime.** Paying a differential is the law for overtime hours that exceed the guidelines set forth by the Fair Labor Standards Act or state legislation, so you’re on the hook for this one. But, many employers that require extensive or no-notice overtime work go a step further and sweeten the pot by offering more money than legally required.

FOR MORE INFORMATION ON SHIFT DIFFERENTIAL OFFERINGS, CHECK OUT OUR WAGE & BENEFIT GUIDE AT [WWW.ELWOODSTAFFING.COM/BRC](http://WWW.ELWOODSTAFFING.COM/BRC)

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