

Employee Shift Work Schedules

An Introduction for HR Generalists

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According to the Bureau of Labor Statistics, 14.5 million full-time wage and salary workers, 14.5% of the total, were working a shift other than a daytime schedule in 2001. These “shift workers” are often stereotyped as blue-collar manufacturing, mining or transportation employees. In fact, shift workers can now also be found in around-the-clock customer service call centers, retail establishments, information technology monitoring and support centers, hospitals, utilities, hotels, casinos, emergency response services, and 24-hour news operations.

As the need for extended operating hours grows, more and more organizations are adopting work schedules that require longer and/or multiple shifts. HR Generalists are often asked to participate in efforts to develop and implement the new work schedules. This is the perfect opportunity for them to take on a leadership role, and ensure that the schedule satisfies both the business requirements and preferences of the workforce. However, if they are new to the job or unfamiliar with shift schedules, this can be quite a challenge. This paper will introduce HR Generalists to five fundamental components of shift work schedules:

- Shift length
- Schedule format
- On-off work pattern
- Overtime
- Scheduling policies

Shift Length

Most shift workers want to work shifts longer than 8 hours in order to get more days off. The benefits can be substantial. For example, on a 24/7 shift schedule with level coverage (the same number of employees working on every shift), 8-hour shifts will provide 91 days off per year, 10-hour shifts will provide 146 days off per year, and 12-hour shifts will provide 182 days off per year.

Ten-hour shifts are preferred by many employees because they are viewed as more tolerable than 12-hour shifts. Unfortunately, 10-hour shifts are unsuitable for most 24-hour operations. They take more personnel because they require 30 hours of work per day instead of 24 hours ($3 * 10 \text{ hour shifts/day} = 30 \text{ hours/day}$). They also result in 6 hours of double coverage when the shifts overlap ($30 \text{ hours} - 24 \text{ hours} = 6 \text{ hours}$). If the workload is constant throughout the day (as it is in most continuous operations), these overlaps increase the coverage and the staffing requirements unnecessarily.

However, 10-hour shifts can be a good fit in organizations where the workload fluctuates, especially if there is a busy period that occurs around the same time every day. Good

examples are law enforcement and communications/dispatch centers that can use extra help every evening during the rush hours. The key is to align the shift overlaps with the periods of high activity, so the coverage is matched with the workload. This will improve service levels and boost the morale of the people who have to work during these busy periods.

In organizations with constant workloads, 12-hour shifts are the best alternative to 8-hour shifts. Few employees seem to like the long days, but they love the extra days off. Some companies are reluctant to adopt 12-hour shifts out of fear they will cause health or safety problems. Research on the subject contains mixed results, but this is largely because the studies failed to take account of differences in the types of work schedules examined, such as starting times, fixed vs. rotating schedules, the speed and direction of rotation, hours worked per week, the number of days worked in a row, and the number of days off. In our experience, 12-hour shifts are a good option for many 24-hour operations. But several considerations are in order:

- **Can the employees really work 12 hours without any adverse impact on productivity, quality and safety?** As long as total hours remain the same, most jobs can be performed equally well on short and long shifts. There are some tasks (such as tedious detail inspections) that are best kept to shorter shifts. Longer shifts can be used under such conditions but the employees will need to rotate to other positions periodically to keep themselves fresh.
- **Environmental conditions must be considered.** Exposure to extreme heat, loud noises, toxins and heavy physical labor may simply be too much to endure for more than 8-hours. However, if the longer shifts come with more days off, this is usually not a problem.
- **What does the workforce want?** While longer shifts are certainly popular nationwide, they are not the unanimous preference of all shiftworkers. For employees to make the right choice on shift length, they should be given a clear understanding of what they are getting into and what patterns are available.
- **Does it make good "business sense" to go to longer shifts?** In most cases, a company can be neutral on this issue. A careful business analysis can help you understand your alternatives. The details of this analysis are beyond the scope of this paper.

Schedule Format (Fixed or Rotating Shifts)

Fixed shift schedules mean that employees always work the same shift (e.g., day shift). They may work different days each week, but always on the same shift. Rotating shift schedules mean that employees will regularly switch to a different shift (e.g., days to afternoons to nights).

Rotating shifts have the following advantages:

- **Skills are balanced on every shift.** Since all crews take equal turns at covering the undesirable shifts (weekends and nights), there is no incentive for all of the senior, more skilled workers to pool together on a single crew.
- **All workers are given equal exposure to day shift.** As crews rotate through their turn on day shift, they are exposed to managers, engineers, vendors and company support personnel.
- **Training assets can be consolidated.** Since all employees rotate through day shifts, there is no need to duplicate training efforts on the other shifts.
- **Product uniformity goes up.** As a result of equal training, equal exposure to support and management, and equal skills, all crews will perform in a much more uniform manner.

Fixed shifts have the following advantages:

- **Employees prefer fixed shifts.** Senior people want to get (and stay) on day shift. Junior employees like the idea of eventually being able to move to their favorite shift. And most people simply want the stability of always knowing when they have to be at work -- allowing them to better plan their family and social lives.
- **Unbalanced workloads can be more easily matched.** If the workload is lighter on the night shift or if it requires different skills, it is simple to change the size or composition of the crew to match the specific conditions.

On-Off Work Pattern

The on-off work pattern describes the number of consecutive days worked and the number of days not worked. Most office workers have a pattern of five days of work (Monday to Friday) followed by two days off (Saturday and Sunday). Shift workers, of course, have many more possibilities. At one extreme is a series of short work periods separated by short breaks. A simple example is a work schedule consisting of two days of work followed by one or two days off. At the other extreme is a pattern consisting of long stretches of work days followed by long breaks. An example is a work schedule consisting of seven days of work followed by one to four days off.

Considerations in choosing an on-off work pattern include:

- **Weekends off.** Employees prefer to have weekends off. They want to spend this time with their family and friends. After pay, it is usually the first thing they look at when evaluating the attractiveness of a schedule.
- **Consecutive days off.** This is the next priority. Employees prefer long breaks, whether it's to catch up on their sleep or to take mini-vacations. Long breaks can create communication problems, since a lot of things can change while employees are off. When they come back to work, it may take several hours to get up to speed on the current situation.
- **Consecutive days worked.** Working long stretches can be tiring. Even with long breaks, this may not be tolerable for some employees. On the other hand, working more days in a row is the only way to increase the length of the breaks.

Overtime

Overtime enables companies to effectively manage variable workloads without increasing staffing levels. It also provides employees with a source of supplemental income without having to spread their loyalty to other employers. When used properly, overtime can be a very powerful tool for meeting increased workload demands while minimizing costs and maximizing employee compensation and satisfaction. However, overtime that is out of control can lead to higher costs, lower quality, low employee morale and increased employee turnover.

The benefits of using overtime include the following:

- Overtime can be increased and decreased to match the labor resources with the workload demands.
- Personnel working on overtime do not require additional training.
- Staffing levels do not need to change to use overtime.
- Overtime coverage is available on short notice.
- Most employees want to work some overtime to supplement their income.

The problems with using overtime include the following:

- High overtime levels can result in lower morale and decreased productivity. If excessive, it can result in greater absenteeism, increased accidents, and higher employee turnover.
- Prolonged, high overtime levels can result in the workforce becoming dependent on the overtime to make ends meet. Reducing overtime in this situation can be financially devastating for the workforce and lead to deteriorating employee relations.
- Cost. In a stable work environment, overtime should average between 5% and 15% of the straight-time (non-overtime) hours worked. Less than 5% overtime indicates you are over-staffed. More than 15% overtime indicates you are under-staffed.

Scheduling Policies

There are two sets of scheduling policies that may need to be revised when you adopt a new shift schedule. The first set covers the assignment of employees to the different shifts or crews. The second deals with the pay policies, especially paid time-off. Of course there are many other scheduling practices, but these two groups include the procedures most likely to be perceived as unfair by employees, and they are a common source of grievances and poor labor relations.

Shift assignment. When employees are assigned to a specific (fixed) shift, the primary goal is to balance the skill levels. As mentioned in the Schedule Format section of this paper, the common practice of using seniority as the final determinant of shift assignments will result in employees with the most seniority (and presumably the most skills) on the day shift. To avoid this, some companies base the shift assignment on

multiple criteria, such as skill ratings and seniority. They may require each crew to have an equal number of personnel from each skill level or a minimum number of skill points. Seniority then becomes more of a tie-breaker than the primary consideration in who goes to each shift.

Pay policies. What works for traditional eight-hour work schedules may not be appropriate for a multi-shift operation. If the pay policies are not matched with the schedule, they may:

- Increase labor costs.
- Be illogical, and therefore difficult to understand.
- Appear to be unfair to different work groups, thereby lowering morale.
- Create situations that take pay away from employees, and give them extra pay in others, usually resulting in even lower morale.

Common pay policy problems in 24-hour operations include:

- **Unbalanced workweeks.** This results in overtime in some weeks, and less than 40 hours of work in others. The cost to the company can be tremendous. Hours that could have been paid at straight time with the right policies, are paid at overtime rates. It can often be corrected by changing the start of the workweek.
- **Vacations.** Traditional vacation systems often track vacation time in days or weeks. This no longer works when a shift is not eight hours long, or a work week is not five days. In most cases, this can be fixed by changing the vacation into hours available each year.
- **Holidays.** How do you handle holiday pay if an employee is not scheduled to work on that holiday? Should they be paid for eight hours, or the number of hours they are scheduled to work? How do you keep paychecks whole without significantly increasing holiday benefits (and costs)? Each situation is unique, so careful consideration is warranted.
- **Absences.** How do you cover an absence if you are working 12-hour shifts? Some organizations ask employees to work on a scheduled day off. Others will split the shift so that someone working the previous shift works 6 hours longer than scheduled and someone from the following shift comes in 6 hours early.

When collective bargaining agreements are involved, it is important to involve the Union representatives at the same time you begin discussing the schedule changes. Schedule alternatives and accompanying work/pay policies need to be considered as a package rather than as separate, independent issues. If the new policies (and schedules) are acceptable to the Union, they can be adopted through a letter of agreement to avoid a complete renegotiation of the collective bargaining agreement.

Summary

We have discussed five major components of shift work schedules: shift length, schedule format (fixed or rotating shifts), on-off work patterns, overtime, and scheduling policies.

Obviously, many aspects of schedules were not covered, including shift start times, start of the work week, the speed and direction of rotating shift schedules, breaks and meal periods, shift pay differentials, level vs. variable coverage requirements, nap policies, and many more.

Keep in mind that you can't tell whether a schedule is good or bad just by looking at these five characteristics. As long as your schedule satisfies your business requirements, only your employees can tell you whether the schedule is good. The same schedule at two different sites (even in the same industry) can be perceived differently. Employee demographics will differ. Experience with various types of schedules also will differ. And the previous schedules used at each location may not have been the same.

The key is to recognize that the employees determine what they like and don't like. They are the ones to say what constitutes quality in their lives. If you want to know their opinion about a shift schedule, you have to ask them. But don't be surprised when the information you get back shows a broad range of opinions with no clear consensus. We are all a little bit different. And isn't that exactly what HR is trying to promote?