



Shyft Flex Scheduling: How to Build an Internal On-Demand Workforce

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Introduction

Times have changed for supply chain and manufacturing operations. In the last 24 months, global needs for ever evolving supply chain strategies have been magnified. A stable transition from in-store to on-demand customer buying patterns over a decade primed the world to prepare supply chains for behaviors that would quickly change during the global COVID-19 pandemic. First Omnichannel was important, then e-commerce and direct to consumer, and now real time on-demand is no longer fringe, but table stakes in the wallets of consumers.

Customer purchasing behavior has changed. Each generation has increased their skill set, proficiency, and expectations as it relates to purchasing digitally and in real time. In fact, a new digital generation has emerged. People who had been previously set in their non-digital purchasing preferences were required to adapt and change during the pandemic and re-educate themselves on modern digital purchasing experiences. Now there is no returning to our pre-digital purchasing ways.

Employee work expectations have changed. The rise of gig-economy self-employment options over a decade have created a new category of hourly worker. People now expect to work when they want, how they want, and when labor demand is at its highest value. A global shift to remote offices for information workers during the pandemic caused a paradigm shift in work/life balance for many families. These factors combined with changing preferences for Millennial and Gen Z workers have led to a renaissance in worker empowerment and opportunity.

Today, the traditional fixed shift full time model still applies to perhaps 80% of the hourly workforce. Meanwhile 20% of the hourly workforce now values flexibility as much as pay. Introducing Flex Labor programs into a supply chain labor model can help attract and retain today's hourly worker, and at the same time increase cost efficiency and capability to keep up with real time variable customer demand.

What is a Flex Scheduling Program?

Flex is a program in which hourly workers do not receive a set recurring shift. Associates sign up to work for a company, are trained on the appropriate systems, and then self-select shifts that are convenient for them on an ongoing basis. Shyft is an app that is used to broadcast shifts and implement a Flex program. Hourly workers will typically pick up 2 - 3 shifts per week and have a high level of productivity.

Flex enables a company to layer in an on-demand gig-economy style program, on top of a traditional fixed shift model. Companies can start slow, and turn up the dial from 2% to 4% or eventually 15% to 18% of all site hours worked through Flex. Flex can also help retain seasoned hourly workers who are on fixed shift schedules, by reducing mandatory overtime or converting team members to Flex if their life changes and they can no longer commit to a full-time fixed shift schedule.

Distribution centers, manufacturing plants, and other types of full-time fixed shift operations across North America who are struggling to fill the staffing needs of their organization, see Shyft as an opportunity to create a larger candidate pool. Specifically, offering opportunities to candidates who may not be in a position to take on a full-time job. This includes gig economy workers, stay at home parents, people who were already employed and interested in a part time job, college students, and in some cases, high school students.

Personnel and HR Policies

When creating a Flexible scheduling program, Shyft customers first work to find synergies in other proven gig economies. By asking questions, applying existing gig processes to their own business, and thinking outside of the box, a Flex program can be created.

Oftentimes, few HR policy adjustments are required to build the program.

- Employee recruitment, screening, hiring, and onboarding processes remain the same.
- Employees are hired as seasonal employees. After 6 months, if the employee continues to pick up shifts and achieve productivity targets, they may be converted into a permanent Flex employee.
- Participation in the program is voluntary and employees opt-in on their personal device.
- Shyft's web tools are made available on public computers or kiosks at the facility for those who preferred to not use their mobile device or did not have one.
- Customized training materials from Shyft are leveraged to onboard and support the employees.
- All existing attendance policies are applied.

Software and Hardware Technology Systems

The following is a list of the software and hardware components that are required to set up and support a Flex Scheduling program.

Software

- Shyft Mobile Application
 - All employees voluntarily register and join a designated location.
 - Each location in Shyft has customer approved configurations.
 - Employees are assigned to one or many groups in Shyft. Groups can be used to support skill sets, departments within the facility, shift times, etc.
 - Shifts are created and broadcasted out into Shyft.
 - Employees apply to cover and are approved to work the shifts.
- Workforce Management and Human Capital Management Systems
 - Used for HR management, time keeping, and employee hiring and onboarding.
 - Flex associates follow standard employee practices within these systems.
- Internal performance management systems
 - Used for tracking productivity.
 - Flex associates follow standard employee practices within these systems.
- Shyft Analytics and Data Dashboard
 - Used to monitor all usage of the Shyft application including employee registrations, shift posting and covering, communications, etc.
 - Automated daily or weekly reports are sent to facility supervisors as a means to keep them updated on the total number of Flex Employees working shifts on a given day.

Hardware

- Phones
 - Personal and company-assigned phones for Associates and Admins, respectively.
- Computers and Tablets
 - Computers, kiosks, and publicly accessible tablets used by Associates to access Shyft's Associate web app.

- Computers and tablets used by Admins for posting shifts and facilitating new employee onboarding.

Team Roles and Responsibilities

Change management takes time, and it also takes organizational alignment. The following is a list of roles and responsibilities required to introduce a successful Flex Scheduling program. The benefits and ROI of Flex must be examined and communicated to all stakeholders in order to create the organizational support required to keep up with today's changing hourly workforce labor market.

Executive Sponsors

- Chief Executive Officers, Chief Supply Chain Officers, Vice Presidents
 - Responsible for aligning the Flexible Scheduling program initiative and use of Shyft to organizational goals, directives, and other initiatives.

Strategic Stakeholders

- Directors, Managers
 - Provide direction to facility Supervisors and Managers for the Flexible Scheduling program. Identify the current use case for Shyft and how Flex can evolve within current organization practices.

Tactical

- Supervisors, Team Leads
 - Responsible for providing direction to their team and how Shyft supports them.

HR Team

- Provide employee and compliance support, ensuring that employees are receiving a fair onboarding and that equal resources are provided to the employees participating in the flexible scheduling program.

Facility Training Teams and Shyft Launch Team

- Guide employees through new employee onboarding and training. Includes training on how to use Shyft.

Facility Operations

- Help educate facility leadership on the benefits of the program and secure buy-in from leaders. If all Flex Employees report to the Operations Manager, this individual would take charge of educating peers across the campus - what the Flex program is, who participates in it, how it can provide more opportunities, and how it can save supervisors time.
- Support the first rounds of shift posting. The Operations team may ask facility leaders to identify days with high call outs. Shifts could then be posted on these days to Flex team members to support as much as 5% or 10% of overall hours. This can counterbalance days with naturally high fixed shift call out rates.

HR or Operations Leads

- Prior to deploying Shyft, it is critical to assign the responsibility of shift posting, shift approving, and management of shift activity to designated members of a team. Oftentimes, HR or Operations Leads are the owners of all shift activity. Creating a shift posting template helps capture estimated shift volume that is needed to be posted in Shyft on an ongoing basis.
- These team members support group management, posting communications in Shyft's community feeds, and removing employees from Shyft once they are no longer with the organization.

- In some organizations, Flex employees are hired as seasonal employees and are on a track to be converted to a Permanent Flex employee. If after 6 months, employees are picking up shifts and they are productive, they are converted to permanent Flex. In these scenarios, HR will work with employees who transition to Permanent Flex.
- In some cases, Flex employees have transitioned to a full-time role. In these scenarios, HR will work with employees who transition to full time.

Analyst Support

- Provides data analysis and evaluation support. Responsible for uncovering patterns in the data, trends, and employee preferences (e.g. what shifts are most popular).
- Ensures that minimum hours and productivity levels are being achieved.

Hiring Employees to Join the Flex Program

The primary benefit of a flexible scheduling program is the ability to pick one's own schedule. Some employees may already work in a nearby distribution center or manufacturing plant and want to maximize their work opportunities. They have 3 days off and sign up for the Flex Program to work 1 additional shift per week to earn more income. Similarly, parents may want to adjust their schedule to match their child's availability. They have the opportunity to work during the day while children are at school, they can also choose not to pick up shifts when there is a school play or sporting event.

Recruitment Techniques and Candidate Pool Sources

Many of the standard recruitment techniques and candidate sources apply to the hiring process for a Flex Program. This includes the following recruitment sources:

- Word of mouth
- Social Media and Community Magazines
- Television, Radio
- Billboards and other signage
- Geofencing
- Community partners
- Universities and other educational institutions

Additional tips to consider when recruiting for Flex:

- Most customers do not need to increase their recruitment budget or allocate any new funds when recruiting Flex employees.
- Word of mouth is often the strongest form of recruitment, especially within student communities (high school, university).
- Facilities report having the highest volume of inbound calls from prospective employees after implementing a Flexible Scheduling program.
- By offering a flexible scheduling program, it is very rare, if not impossible, for applicants to be turned away. When candidates apply, they fill out their availability. If an employee cannot commit to a permanent full time or part time schedule, the recruiter offers the Flex Program. As one HR leader said, "Everyone who applies will have a job."

Flex Employee Onboarding and Training

The Flex Employee onboarding processes generally follow the same onboarding process as a full-time employee.

A typical onboarding timeline includes the following milestones:

- Prospective employee expresses interest in the organization
 - They'll hear about the organization via word of mouth or an advertisement, and reach out to the organization.
 - An application is completed.
- Initial Screening
 - A brief interview is performed onsite if they walk into the facility.
 - If an online application is completed, an interview takes place within 3-5 business days.
- Hiring
 - The employee is hired into the Flexible Scheduling program.
- Onboarding
 - Employees are required to attend a bi-weekly onboarding class.
 - As part of the onboarding process, 30 to 40 minutes are dedicated to registering in Shyft. A live tutorial is provided, in addition to a review of training materials and frequently asked questions. Employees register in Shyft during this session.
 - At the end of the onboarding, the employee must sign up for an onsite training session.
- Training
 - Training for the Flex Employees is similar, fair, and equitable to the training provided to a full-time employee.
 - Training typically includes safety training, good operations practices, safety training specific to facility/role, known resources in the case of an emergency, where to walk in the facility, and an overview of the work environment.
- Covering shifts in Shyft
 - At the end of the training, employees have the ability to pick up shifts.

COVID-19 Customer Demand and Employee Communication

The Flexible Scheduling program has allowed Shyft customers to provide their own customers with a high quality and timely service. A diversified staffing strategy helped facilities stay staffed during the COVID pandemic when a higher volume of absences than what was typical was occurring. Cross training within the Flex Program proved to be a tool that provided operations teams the ability to pivot within any strategic direction needed.

An unintended, but very positive, side effect of using Shyft is that it supported employees during a pandemic. Shyft kept employees informed and helped create a sense of safety. Mask mandates were announced, social distancing measures were shared, cafeteria seating rules were reviewed, temperature reading systems were introduced, and other important policy reminders were provided in the communication tools.

Additionally, Admins were able to create custom groups in Shyft that were comprised of employees assigned to specific buildings and shift times. The elimination of cross-shift and cross-facility shifts helped employees feel safe. As COVID rules evolved, groups and shift opportunities opened up, Shyft Admins easily reverted back to previous grouping structures to fill shifts that they needed most.

Regional Program Expansion

Many customers using Shyft to support or build their Flex Programs start within one region, and then after demonstrating results, roll out the program within other regions. Rolling out to other facilities follows a common approach across customers.

- If there is a facility that is interested in launching a Flex Program, an internal consultation takes place.
- Data and results of the program are reviewed.
- HR business leaders or operation leaders demo the solution.
- Testimonials from operation directors, team leads, and employees are shared. These testimonials include actual experiences using Shyft and supporting a Flex Program.
- Best practices and learnings are also reviewed. For example, how grouping structures in Shyft supported organization changes during COVID and allowed for shift auto-approvals to be enabled.
- If colleagues from other campuses can share their personal experience, buy-in is stronger than when a mandate exists to use the solution.

Ongoing Education and Feedback

To manage the operational change that comes along with creating a Flexible Scheduling Program, sponsors of the program focus on increased exposure to Shyft and the benefits of a Flexible Scheduling program. Sponsors work to ensure that leaders understand why the program exists, work to increase comfortability with the program, and focus on building a strong and trusting relationship. This includes:

- Education about new features released in Shyft and the ways in which these features can further benefit the program.
- Ensuring that all supportive teams have the opportunity to learn about Shyft and Flexible Scheduling programs, including labor teams, engineering teams, and other facility stakeholders.
- Roundtable feedback sessions hosted by the product sponsors. Suggestions provided in these sessions were acted upon almost immediately.

Flex Program Best Practices

Evolution is the key to any successful program launch, and as such, customers have seen the program change and grow with their organization.

Shifts Best Suited for New Employees

Soon after the launch, Shyft Admins started posting for Picking and Packing shifts. These departments were identified since they provide a good introduction to the facility and the responsibilities of new employees, and they are often the most favored shifts.

Training Shifts

Once an employee selected their first shift in Shyft, they were then scheduled to come into the facility 1 day ahead of time for training. It was soon noticed, however, that not all employees showed up for training. After speaking with the employees, program leaders discovered the absenteeism was because the employees were being scheduled according to the facility's training schedule, not the employee's schedule. Program leaders modified the scheduling process and asked employees when the training would work best with their schedule. Attendance increased.

Shorter Duration Shifts

Within one organization, many of the shifts posted in Shyft were traditional 10 hour warehouse shifts. Employees were covering the shifts, but the coverage was not as high as they had hoped. Shyft Admins modified the length of the shifts and began posting shorter duration shifts. Employees started picking up more shifts.

It is also common to ask new Flex employees when they are available to work, and to adjust the shifts to meet these needs, if possible.

Cross-Location Shifts

Admins opened the shift opportunities to span multiple buildings on a campus, also known as cross location labor sharing, and employees were drawn to this variety. For cross location shifts, select Supervisors were assigned to a team of Flexible Schedule employees and visited each site to check in and maintain an open flow of feedback from the employees.

Regular Shift Posting

Many of Shyft's customers will post available work at a given time each day or at designated time each week. When the need arises for leaders to post shifts outside of the standard shift posting schedule, a notice is posted in Shyft's community tools so that employees are aware and know when to review the Shift Marketplace to find shifts.

Communication is Key

According to Shyft's customers, the best advice is to get to know your employees, listen to their feedback, and learn what works for them. By using Shyft's communication tools, Admins have found that informing Flex employees ahead of time to let them know when shifts will be posted has helped employees. Admins work hard to stick to this schedule, and have found very high coverage rates. Organizations have also adapted posting processes to the time of day. For example, posting shifts during the day is not helpful for high school employees since they are in school, while posting during the day works well for adults.

Ongoing Group Management Allows for Auto-Approval

After using Shyft for several months and refining and managing the group structure on a regular basis, Admins have been able to enable auto-approval. Shifts are broadcasted out to groups of employees qualified to cover the shifts, the employees cover the shifts, and they are automatically approved to work the shift.

Customer Success Outcomes and ROI

After initial success, the Flexible Scheduling programs often grow and have various impacts.

Substantial Growth and Increase in Hours Covered

Within one organization, several milestones were achieved after launching the Flexible Scheduling program. In addition to the milestones outlined below, a 188% year over year increase in activity in the app.

- In 2019, after 3 months of a live Flex program, there were over 1,000 covered shifts in Shyft.
- In 2020, the Shyft and the Flexible Scheduling program supported the facility during the pandemic. The facility was able to staff up to meet consumer demand, without placing a significant burden on existing full time and part time employees. For those members of the Flex program who felt comfortable coming into the facility, it provided an opportunity

to work. There were over 25,000 labor hours worked, which resulted in a growth of 168%.

- In 2021, the organization had 45,000 hours of labor worked as a result of the Shyft application, an 80% increase compared to the prior year.

Increasing Productivity

Initial reports after deploying a Flexible Scheduling program indicate an increase in productivity. After piloting Shyft and a Flexible Scheduling program, employees using Shyft to pick up their own shifts were 2% more productive after 4 weeks of employment compared to employees not using Shyft.

Employee Training Efficiency

The Flexible Scheduling program has also led to improvements in how facilities train all employees and increase productivity. Leaders began asking themselves how they could best train an employee who picks up 1 or 2 shifts a week. Asking these questions uncovered opportunities for improvements in all employee training.

Improved Attendance Rates

Flex program employees were more likely to attend shifts they voluntarily covered in Shyft. Depending on the time of year and location, Flex employee attendance rates are 4% - 10% higher than non-Flex employees.

As one Shyft Admin said, when employees “are choosing when they want to work and what they want to do at work, they are more likely to come in and work.” Moreover, one Shyft Admin said, “the Flexible labor program is there to be the plug to stop everything from draining out.” A goal of any Flex program is to assist with managing the day-to-day attrition and spikes in volume to help teams “cross the finish line.”

Full Time Employee (FTE) Equivalents

Hours worked by Flex employees can equate to a sizeable volume of full-time employees. At one campus, while piloting Shyft with a Flexible Scheduling group of about 900 employees, the peak hours worked were equivalent to 175 Full Time Employees (FTE). Following the pilot, the hours worked by the Flex program associates at this campus grew to 200-250 FTE.

Hours Worked By Flex Employees

Customers experience a range of hours worked per week within a Flex program. At some facilities, the average Flex Employee works 6 to 8 hours per week. In other facilities, the average Flex Employee works 14 hours per week. One facility reported that Flex employees worked up to 20 hours per week during the COVID-19 pandemic.

The total number of hours worked per week by the Flexible Scheduling program will vary, but is reliable. During the 2020 year, one organization’s Flex program was responsible for 12% of all hours worked. In 2021, the organization’s Flex program was responsible for 8% of all hours worked.

Percentage of Overall Headcount

Within one facility, 5% of the workforce is a member of the Flexible Scheduling Program. Since the metrics have been so strong, it is an area planned for expansion. Within one campus, 20% of the workforce is Flex.

Increased Recruitment Candidate Pool

The Flex Program allowed organizations to no longer turn away prospective employees. During the interview process, when candidates are unable to commit to a full time or part time fixed schedule, they are offered the Flex program as option. As a result, the organization turns away less candidates.

Using the Flex Program as a Retainment Tool

HR teams use Shyft and the Flex program as a resource to retain employees who may be voluntarily resigning. It is especially helpful for employees who have personal or family commitments that make it difficult to meet a full time, fixed schedule. In fact, parents have reported that Shyft allows them to keep up with their kids' schedule, while also finding enough work for any given week. In other instances, employees have asked if they could register on the Shyft app and work as a Flex employee until they find other employment. Full time employees have also enrolled in the Flex program after retiring.

Impacts on Employee Morale

The Flex programs have been found to positively impact morale. Calling on a Flexible Scheduling group during high or peak volumes reduces the need for mandatory and voluntary overtime. HR teams have reported anecdotally that many full-time employees have been retained because of the additional labor support.

Average Tenure of a Flex Employee

The average tenure of Flex employees range from 9.5 months to 2.5 years, depending on the organization using Shyft. Within some facilities, employees have participated in the program as a high school student and continued through college. One employee who started at age 16 in the Flex program is now a Supervisor.

Increased Team Communication

Direct associate communication improved. Most employees do not have a company assigned email. Shyft was leveraged as the method to keep Flex employees informed about weather events, COVID-19 updates and policy changes, and shift changes, amongst a variety of other operational updates.