

Overtime Management: A Balanced Solution



Manage fair, even-handed allocations of overtime



Companies that operate on a 24/7 basis often need employees and contract workers to put in overtime hours. Situations requiring overtime range from day-to-day operations to fluctuations in productivity levels; turnarounds, shutdowns, and outages, scheduled and unscheduled; and employee and worker absenteeism, scheduled and unscheduled.



Most companies find that there are benefits to using overtime, but excessive use can create problems. The good news is that these problems can be solved by designing and implementing a fair, sensible, and data-driven policy that includes overtime equalization.



To optimize workload coverage with the most suitable workers—those with relevant skills and who are sufficiently rested and fit for duty—requires gathering and tracking pertinent data. Developing practices that provide satisfactory work-personal life balance for workers will help meet company productivity needs, control costs, and increase customer satisfaction.

Problems of Overtime

Lack of overtime data almost always causes problems. Since managing overtime needs is usually an immediate issue, timely data is essential. And timely data and information is what WorkTech Time is all about!

WorkTech Time can meet that requirement and become a major part of the solution.

Another main cause of problems is using overtime continually and excessively to cover scheduled workload needs and absences and fluctuating production needs.

Typical problems are:

- Allocation of overtime assignments can be perceived as unfair, causing morale to plummet.
- Workers often become fatigued, resulting in poor performance, reduced productivity, and inefficiency.
- Risk of increased errors and incidents develops—injury to workers, damage to company assets, and deterioration of the environment.
- Non-scheduled absenteeism is likely to increase due to exhaustion, sickness, or injury.
- High turnover often occurs, resulting in increased costs for recruiting and training replacement workers.
- Workmen’s Compensation costs increase dramatically.
- Liability risk increases for management.



Costs of Overtime Problems

The employee-related costs of extended hours’ operations are shown in the following table.

Problem	Cost	Percent
Absenteeism	\$50.4 Billion/Year	24%
Lost Productivity	\$79.4 Billion/Year	39%
Turnover	\$39.1 Billion/Year	19%
Accidents & Workers’ Comp	\$8.5 Billion/Year	4%
Healthcare	\$26.2 Billion/Year	14%
Total	\$203.6 Billion/Year	100%



Source: Sirois, Biocompatible Shift Scheduling, 2012, Circadian Information, LP



Are You Overusing Overtime?

To answer that question, your company needs timely, accurate data to prepare an analysis of overtime use. Collecting data for such an analysis is a large order, but WorkTech Time can facilitate this effort.

Data about the company's use of overtime:

- Situations and conditions where overtime is used
- Reasons for employing overtime hours
- Frequency of use by department and patterns over time

Data about each worker that includes factors recognized as essential for a fair overtime policy and for sensible work schedules¹:

- Hours worked during a shift
- Number of shifts worked consecutively
- Patterns of worked versus recovery time: regular or irregular
- Maximum number of hours worked per week and month
- Fixed versus rotated shifts
- Frequency of rotation
- Periods of extended time off—at least three days
- Type of work performed

WorkTech Time to the Rescue

WorkTech Time is the single, standardized system you need for gathering, tracking, and reporting the data relevant to creating a sound overtime management and equalization policy. And its Overtime Equalization module provides procedures for managing overtime assignments. It ensures that each worker has an equal opportunity to work overtime.

The Overtime Equalization module enables you to identify the most suitable workers to cover the current open or non-scheduled shifts.

An important concept is work rank. The rank score is the sum of the total number of overtime hours worked and the total number of overtime hours refused, without an accepted reason.

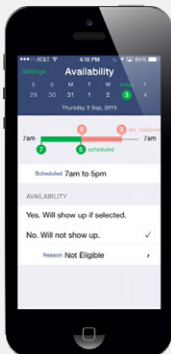
On the Overtime Availability screen in the Overtime Equalization module of WorkTech Time, you can see each worker's rank. The workers with the lowest number, that is, those with the fewest overtime hours worked and fewest over-time hours refused are at the top of the list.

WorkTech's Overtime Equalization module in has three components:

- **Availability Recording:** Here, you identify needed workers by craft and rank.
- **Off-schedule Jobs:** Here you provide the job description, date needed, overtime type, and hours required.
- **Overtime Ranking:** When the job is completed, you republish the ranking for the group of specified workers.

Benefits of WorkTech's Overtime Equalization

- Manages fair, even-handed allocation of overtime
- Provides electronic notification of holdovers and callouts, and logs worker acceptance
- Ensures compliance with union, company & government rules
- Identifies excessive overtime & alerts management
- Compares overtime needs against staffing availability
- Provides unique overtime usage data to develop optimal overtime strategies



NOW AVAILABLE! MOBILE DATA ENTRY

(for iOS and Android platforms)

- Overtime Availability
- Time entry
- Time Approvals
- Geolocation

Contact us to discuss your requirements for employee time recording, contractor cost tracking, overtime management, and leave and fatigue management.