

Corrective Measures

We have seen some of the problems that can occur when high levels of overtime continue for extended periods of time. To avoid these types of problems, you should regularly monitor overtime and absences. You also should understand the workload variations and take steps to improve the accuracy of your demand forecasts. Periodically, you should review your organization's overtime distribution policies to make sure they are working properly.

Overtime

It is important to keep track of both overall averages and individual overtime hours. If the average overtime at your facility exceeds 10 hours a week, you should determine whether it is expected to continue. If so, you may need to hire additional staff. In cases of very high overtime (more than 20 hours a week), you may want to consider tactics to reduce the overtime burden such as new shift schedules or temporary workers. Another consideration is the consistency of the overtime at your facility. Even with low to moderate amounts of overtime (less than 10 hours a week), it is possible to create an overtime dependent workforce with steady overtime. Ideally, overtime (other than that built into the work schedule) should drop to zero from time to time. Even when the overtime levels are reasonable, there can be wide variations among individual employees. It is not uncommon to find that 20% of the workers are doing 80% of the overtime. This is okay as long as the amounts are not excessive or long term. If a few people are working too much overtime, you may need to change the overtime distribution policies. Some companies put a ceiling on the hours employees can work in a week, month or year. Others have procedures that ensure a more even distribution of the overtime.

Absences

As with overtime, it is best to track both overall averages and individual absences. For company averages, the first thing you'll want to know is the reason for the absences. Are they a result of vacations, illness, disabilities, training, employee turnover, or something else? Second, look at the weekly variations. Are they spread out or do they exhibit cyclical patterns? If there is a substantial increase in absences during the summer months due to vacations, you may need a policy that limits the number of employees who can take vacation at the same time. Maybe your absence policies are encouraging employees to take vacation or sick time at the end of the year to avoid losing it. Monitoring individual absences is also important. Employees do not appreciate co-workers who abuse the absence policies. They want the company to crack down the few employees who are taking advantage of the system.

Workload

Does your organization's workload fluctuate from week to week? Does it follow a seasonal pattern? Is it linked to economic conditions, and rise or fall accordingly? Many organizations struggle with forecasting demand. They can't be certain whether the changes are temporary or permanent. Historical patterns may have little bearing on the future. Nevertheless, it is important to stay on top of the situation and the variables that are most influential. If you can anticipate peaks in the workload, you can switch to a different schedule with high overtime built into it rather than forcing overtime on employees at the last minute. Communication with employees is essential. They want to know as far in advance as possible about the need to work overtime. The more you can do to improve their understanding of the forecasting process and its limitations the better, since many employees are skeptical that management does this forecasting and work planning effectively.

Policies & Procedures

You may want to periodically review your overtime distribution policies and procedures to make sure they are fair and protect against problems such as excessive overtime for individual workers. Some of the areas you may want to examine are:

1. **Mandatory overtime.** Do you know how much of the overtime is voluntary versus how much is mandatory? A high proportion of forced overtime means employees can't plan their lives away from work, which can lead to poor morale. How much lead time do you give when notifying workers about mandatory overtime? Limited or no advance warning of overtime is one of the most frequent complaints we hear from shiftworkers.
2. **Selection criteria.** What criteria do you use when choosing who gets the overtime? Using seniority may seem fair, but it can cause resentment among junior personnel. Can other criteria be used, such as attendance, training, or performance? Would these be perceived as being more equitable to your employees?
3. **What goes around comes around.** Does your policy for covering absences inadvertently encourage employees to play games with their sick time and overtime? For example, one week an employee calls in sick so that another employee gets held over for coverage and receives overtime pay. Then they reverse roles the following week or month.
4. **Pension incentives.** Does your company's retirement plan encourage employees to increase their earnings in the last two or three years of employment? This may result in

senior employees who are approaching retirement taking all the overtime they can get to boost their pensions.

5. **Shift length.** The method for distributing overtime depends on the shift length. With 8-hour shifts, employees are held over and/or brought in early to cover an open shift. Splitting the open shift is preferable to holding someone over for the entire shift and making them work 16 hours straight. With 12-hour shifts, employees have to come into work on a day off. Sometimes (especially with long-break schedules) it can be hard to get employees to sacrifice a day off. If your organization has to meet federal standards on the number of days off (such as in nuclear power plants or certain chemical production facilities), you may not have much freedom to call people in as it would violate the standards. Considerations such as these may limit your ability to rely on overtime and may dictate the need to hire relief personnel.
6. **Cross-training.** Another tactic that can help with absences and temporary workload increases is cross-training. This expands the number of people available to support areas with temporary workload increases or absences. If there is a highly specialized position with only a few qualified employees, training additional staff to do these jobs can prevent slow-downs or help out on occasions when more output is needed.