

Overtime Problems

We have seen how overtime can help employers. But there are limits to the amount of overtime that is beneficial. High overtime, especially when it continues for an extended time period, has several potential drawbacks: (1) an overtime-dependent workforce, (2) safety and quality issues, (3) absenteeism, and (4) lower productivity.

Overtime Dependency

When overtime levels are constantly high, employees may become dependent on it as a source of their regular pay. They might buy another car, a boat, or a house and rely on the overtime to make the payments. Consistently high overtime levels also may attract a disproportionate share of new employees who are overtime “hogs,” people whose financial situation makes them completely dependent on it. Once the workforce acquires an appetite for high overtime, the company must continue to feed that hunger or risk rebellion. Breaking an overtime addiction can be a painful process. We have seen this many times with companies that change from 5-day operations (with weekend overtime) to 7-day operations. This change requires the company to hire additional staff (a fourth crew). The existing staff will see both their hours and pay reduced. Despite being tired of all the overtime, many will resist the change and some will seek positions elsewhere.

Safety and Quality

Research on the relationship between long hours of work and employee safety or quality is inconclusive. Some researchers have concluded that long work weeks increase the risk of occupational injury and errors. Other researchers have found that a person’s underlying health, demographics (e.g., gender), and compensation type (hourly versus salaried) is more important than the hours of work in predicting an adverse outcome. Despite these mixed conclusions, there is no question that long hours of work result in less sleep and poor quality sleep. Our surveys of shiftworkers show that, on average, they sleep 21% less on days they work than their days off. When employees work lots of overtime, they don’t get time off to recover or catch up on their sleep. This, in turn, can lead to fatigue and reduced alertness. Managers simply cannot ignore the possibility of increased safety and quality incidents under these conditions.

Absenteeism

Reduced sleep from prolonged high overtime levels eventually will have an adverse effect on employee health. Numerous research studies have found long work hours to be associated with variety of health problems, particularly among older workers. Long work hours also appear to be

linked to changes in lifestyle behaviors such as smoking, coffee and alcohol consumption, unhealthy diet, and lack of exercise. Ultimately this will be reflected in the organization's absence rates. Overtime also can increase absence rates for non-health-related reasons. Since overtime gives employees more money, they can afford to take more time off, including time-off without pay. If employees are working so much they never get any time off, they may have to call in sick or take a day off without pay to do things they would normally accomplish on their days off.

Productivity

A number of studies have attempted to define the relationship between hours of work and productivity. Many of these studies have found that when high levels of overtime begin, marginal productivity slows. In other words, the total output increases, but the hourly productivity is lower than it was during the first 40 hours. After a few months of high overtime, however, total output may be little more than that attainable in a 40-hour week. This is believed to be caused by a combination of fatigue, poor morale, increased absences, work pace inertia, and re-work due to mistakes and defects. The key point here is the duration of the overtime. High levels of overtime may be tolerable in the short term, but they can become detrimental if they continue too long.