

Informatics: Workers and Overtime

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One of the easiest pieces of data for a facility manager to gather are time records. That's because most employees are paid by the hour, and these records are considered important information for the business office and the employee's paycheck. But an employee's time records should not be gathered solely for the payroll department; it is important to think about employee time differently. This article focuses on overtime, when it occurs, and how to leverage typical time records to the advantage of the organization and customers.

Each employee will report time as requested to satisfy requirements to get paid. The payroll office may only need the information biweekly or weekly. The facility manager is better served to get the information daily, because employee recollection of what was done throughout the week may fade after a couple of days. Accurate information results in good decisions.

Overtime Trends

Overtime is an important consideration for any organization. Depending on labor rules, overtime may start after 8 hours have been worked in a day or only after 40 hours have been worked in a week. In the latter case, the supervisor may avoid overtime by recognizing an employee has worked overtime and dismiss the employee before 40 hours is exceeded. A more refined approach requires the facility manager to pay attention to overall trends.

Overtime can be hard on employees when it becomes a habit or extensive. Employees need time away from work to rest and recover; overtime reduces their rest and recovery time and can affect productivity and safety when they are tired. Overtime is also costly for the organization when it is a consistent weekly, monthly, or annual cost.

Most overtime costs 150% of an employee's normal pay. Work on a seventh day (usually Sunday) or on a holiday may cost much more. In a budget-constrained environment, spending more than what has been planned can lead to serious consequences. When overtime becomes an issue for a constrained budget or other reasons, there are several possible solutions to consider.

A frequent way of addressing high overtime costs is to shift hours worked from paid time to compensatory time. The immediate thought is that compensatory time costs the organization (budget) nothing because the employee does not earn 150% for the additional hours worked; instead the employee gets additional time off in the form of a nonworking (but paid) time. However, there is a clear cost to the organization in the form of fewer hours available from the employee to perform productive work; it is as if the employee is granted additional vacation time.

While it is nice for the employee to spend time with family, go fishing/hunting, or catch a ball game, it hurts the employer because work is not performed while the employee is away. This approach can have a "snowball effect," whereby important work is not done and additional overtime—from someone else—is required to get necessary work completed with fewer people reporting to work; alternatively, service suffers.

Overtime should be tracked by what was done on campus, including when and where. Knowing when and where the overtime was expended can provide the facility officer with several ways to control costs and implement creative solutions to reduce or eliminate overtime. One major area where overtime occurs can be in the residential facilities. Students may return to their residence after the normal employee workday and have an issue requiring immediate attention, or support staff may have problems with kitchen equipment or plumbing fixtures. When the problem occurs outside the normal workday, workers must return to campus to resolve the problem. Identifying when most of these instances occur can save resources.

Budgets and Overtime

Consider the problem of limited budgets for housing and residential life departments, units that are generally responsible for maintenance costs. The typical university workday is focused on addressing the needs of academic areas, needs that will begin in the morning and end by afternoon. Due to student habits, the workday for maintenance employees may not align well with the housing operation, where maintenance work may not start until afternoon and extend into the evening. Holding a workday focused on academic areas results in overtime for the housing area. Understanding typical work distribution throughout the day allows the facility manager to "tune" the staffing plan so all areas of the university are adequately staffed to provide maintenance services at a manageable cost. Good data will provide the facility manager with an understanding of when work is performed throughout the day in different campus areas. Deriving information from the data—such as the high, low, and average work demands by area—can reveal opportunities to move the workday for some employees to a different shift.

Details on how to staff the different shift may require additional analysis. Staffing to the average means there will be overtime costs for additional employees to address the peak workload. Staffing to the peak may result in lack of work and in wasted productivity or efficiency. It is important to ask what is tolerable and what other options may be available. For instance, if the

shift is staffed for the peak, can employees be assigned other tasks that may be done by the normal shift or late shift? There is always some maintenance work to do, so this seems like a logical solution to fill valleys in the workload.

Another consideration is the hourly cost. Employees may be due additional pay for working a different shift. Projection of the added cost for shift employees should be compared to the cost of overtime. When the shift differential cost is less than the overtime cost, it's an economical decision; otherwise it is a service decision.

Knowing what employees are doing throughout the work year—daily—can provide the facility manager with the tools necessary to control overtime costs while also improving maintenance service needs or expectations. The added cost to gather employee work activities is minor when compared to opportunities to save labor costs. In future articles, we will see how detailed records can provide for other improvement opportunities.

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