Scheduling Overtime Hours – the Factors Affecting Employers and Workers – an Industrial Experience

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ABSTRACT

In a competitive business environment to achieve competitive advantage an employer expects positive productive returns. When there is a shot fall in the production an employer tries to achieve through overtime hours worked. An attempt is made in this paper whether ‘working – overtime’ is appealing to the work force and the related issues in managing ‘working – overtime’ by Indian organizations.

The objective is to identify and document various types of disruptions caused when overtime is scheduled and to find suitable alternatives to manage the disruptions. Work - weeks shorter than six days are usually considered by the employers as less-productive weeks. The number of work days per week plays a crucial role in achieving production. Whenever a work-week falls short of six days, the employers try to manage the production by means of overtime hours. During mandatory declaration of holidays in a week, Sunday is preferred by an employer for working overtime hours.

This paper provides a review of issues associated with overtime scheduled on specific day particularly on a Sunday. The particular Sunday is scheduled for performing overtime as there will be intervening holiday/holidays in the succeeding week (six days). Findings are summarized as per the original research conducted in a Government Factory, and the study methods are described. For this paper, overtime is defined as more than 48 hours per week and performed on Sundays subject to the condition that there will be (i) intervening holiday/holidays in the succeeding week (six days) and (ii) Overtime hours are restricted within the legally permissible limits.

KEYWORDS: OVERTIME, DISRUPTION, MANDATORY

Introduction

Working overtime is an international work practice. “If overtime is driven by workload and intelligently balanced, planned and documented, it can be a very effective tool,” says Drummmond Kahn, director of audit services for Portland, Oregon. If it’s not used appropriately, he adds, “it can lead to paying more than needed to get the work done.” Working overtime is regulated by the Law of the respective State/Nation. Overtime is performed as an extended working hours in a shift. Extended work shifts are defined as shifts longer than 8 hours. The second way is to perform overtime hours on a particular day which is called “OT day” when the permitted hours of overtime as per Law have not been exceeded. There is always a conflict of interest “organisations want to match their business needs with the way their employees work and the individuals want to achieve better balance between work and home life.”

Why Overtime?

Production units are run by adhering production schedules. Non-availability of raw materials, unexpected power shut downs, workers’ unrest, down time of machinery, breaks down of machinery, etc., contribute the pressure in Just-in-time production. To meet the time schedule of finished goods, employers prefer working on overtime.

In the words of Anna Assad, Demand Media “Overtime -- hours scheduled over what an employee normally works -- is used for various reasons, such as meeting increased product demand or project goals.” The social compliance auditors who have reviewed the coca-cola company and have identified the following factors as the key drivers of Overtime:

- Lack of sufficient machinery, trucks, or other equipment needed to cover peak demand periods.
- Equipment availability issues – due to maintenance problems, etc.
- Lack of balance in the production process – i.e. a process step forming a bottleneck that creates a systemic need for excess hours for that process or in downstream processes.
- Improper scheduling practices causing uneven demands, lack of available materials, or production of wrong products.
- Employee interest in earning extra income.
- Poor record keeping practices due to lack of management awareness.
- Necessity concerning hours of work requirements.
- Lack of regular management oversight and approval for the overtime that is being worked.

Staffing based on convenience rather than need.

Poor sales forecasting by customers and in planned promotions to drive sales by Bottlers These factors are invariably applicable to other industries.

Employer’s point of view

It is necessary to understand whether employers are successful in managing working hours on overtime.

The experience of employers in the city Knoxville in the U.S. state of Tennessee is that the entire workforce shares the inconvenience of pulling extra hours:“Aside from a few people, we have a horrific time getting employees to work overtime. We have to practically beg for volunteers. We're considering a rotating schedule of mandatory on-call weeks in which the entire workforce shares the inconvenience of pulling extra hours. Would this work? What else could we try? — Frazzled in HR, software/systems, Knoxville, Tennessee (2012)”

Infosys Chairman Narayan Murthy (2008) said “Being in the office long hours, over long periods of time, makes way for potential errors. My colleagues who are in the office long hours frequently make mistakes caused by fatigue. Correcting these mistakes requires their time as well as the time and energy of others. I have seen people work Tuesday through Friday to correct mistakes made after 5 PM on Monday.” The similar kind of expression is also made by few respondents in this study that they find it difficult to balance the commitments till the next weekend when they attend scheduled overtime work in the weekend.

Employee’s point of view

Eighty-one percent of Indian employees believe that their employers had at some point violated overtime rules, according to a Kronos survey (2012). According to a survey of 2,000 people for Direct Line insurance, six hours and 59 minutes is the perfect amount of free time in a day – something we haven't had since 1995. Instead, 80% of workers surveyed said their leisure time was eroded by the constant need to be connected to work through emails and smart-phones – with our free time shrinking to, on average, just two hours and 45 minutes a day.

Can an Employer Require an Employee to Work Overtime?

Employers can be required to work overtime hours by their employers subject to the limitations imposed by the Law of the country. Overtime wages in Indian Factories are regulated by the Factories Act 1948.

As per section 51 of Factories Act 1948 the Weekly working hours is...
“No adult worker shall be required or allowed to work in a factory for more than forty-eight hours in any week.”

As per section 54 of Factories Act 1948 Daily working hours is “Subject to the provisions of section 51, no adult worker shall be required or allowed to work in a factory for more than nine hours in any day”

As per section 55 of Factories Act 1948 intervals for rest means: “The periods of work of adult workers in a factory each day shall be so fixed that no period shall exceed five hours and that no worker shall work for more than five hours before he has had an interval for rest of at least half an hour.”

Cost of overtime:

Any work taken for a period in excess of the maximum permissible under the statute would undisputably attract the statutory rate of overtime of wages. Section 59 of the Factories Act does not provide for overtime wages for work done in excess of the normal working hours and upto 48 hours. Working overtime involve extra cost to the employer as the employer has to pay double wages. Thus one has to understand that the following are the rate of wages to be paid: “In case of more than 9 hours of work in any day or 48 hours in any week, the worker shall be entitled to overtime wages at the rate of twice his ordinary rate of wages. At least half-an-hour break after every 5 hours of continuous work”

Is working on weekly –off days/holidays are permitted by Law?

As per section 52 of Factories Act 1948,

An adult worker shall be required or allowed to work in a factory on the weekly holiday if, he/she has or will have a holiday for a whole day on one of the three days immediately before weekly holiday.

An adult worker shall not be required to work for more than ten days consecutively without a holiday for a whole day.

Exemption:

The factory taken for case study is an exempted establishment under Tamil Nadu Factories Rules 1950. Section 64(2) (k) of Factories Act 1948 stipulates that the State Government may make rules in respect of adult workers engaged in any work which is notified by the state government in the official gazette as a work of national importance for exemption from the provisions of sections 51,52, 54,55, and 56. Accordingly rules were framed by the State Government and rule 84 of Tamil Nadu factories rules, 1950, provides for such exemption for these factories prescribing the limits to work inclusive of overtime as in sub-section (4) of section 61 section 61(1) states that (i) the total number of hours of work in any day shall not exceed ten (ii) spread over, inclusive of interval for rest, shall not exceed twelve hours in any one day (iii) the total number of hours of work in a week including overtime shall not exceed sixty and (iv) the total number of hours of overtime shall not exceed fifty for any one quarter.

An industrial Experience / Case study Design

A critical study on the issues of managing ‘working – overtime’ in a Government Factory

Profile of the Factory

The study was undertaken in Ordnance Clothing Factory, Avadi, Chennai, was established on 10.11.1961 and is a Government Organisation under Ministry of Defence. The organisation is under Ordnance Equipment Group of Factories and the Head Quarters is situated at Kanpur (U.P). It is about 23 Kms from Chennai City P. Ventaramana(2007)14 remarks as: “OCF Avadi presents the picture of an ideal industrial unit that too functioning under ministry of defence , a vital organ of the government of India „with a personal touch towards meeting the aspirations of the serving employees.”

Major products, cost of production and value of issue

Audit report of Performance of Ordnance Equipment Group of Factories (Report No. 24 of 2013) reveals the product profile of the factory as follows:

(Rs in crore)

<table>
<thead>
<tr>
<th>Major products</th>
<th>Year</th>
<th>Cost of production</th>
<th>Value of issue</th>
<th>Profit (+)/ Loss (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trouser, Jacket, Shirt, Parachute, Shorts, Overall, Coat, Cap</td>
<td>2008-09</td>
<td>103.93</td>
<td>88.26</td>
<td>(-)14.21</td>
</tr>
<tr>
<td></td>
<td>2009-10</td>
<td>115.18</td>
<td>107.26</td>
<td>(-)7.76</td>
</tr>
<tr>
<td></td>
<td>2010-11</td>
<td>127.69</td>
<td>122.45</td>
<td>(-)5.15</td>
</tr>
<tr>
<td></td>
<td>2011-12</td>
<td>165.07</td>
<td>157.27</td>
<td>(-)7.89</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>511.87</td>
<td>475.24</td>
<td>(-)35.01</td>
</tr>
</tbody>
</table>

It has been replied to Indian parliament in an unstarred question about the target and achievement of the factory as detailed below:

VALUE OF ISSUE (VOI) FOR THE LAST 3 YEARS FOR ORDNANCE FACTORIES UNDER OFB (in Rs. Crore)

<table>
<thead>
<tr>
<th>Year</th>
<th>Achievement</th>
<th>Target</th>
<th>Achievement</th>
<th>Target</th>
<th>Achievement</th>
<th>Target</th>
<th>Achievement</th>
<th>Target</th>
<th>Achievement</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>122</td>
<td>122.08</td>
<td>127.69</td>
<td>157.04</td>
<td>145.32</td>
<td>165.89</td>
<td>217.03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>122</td>
<td>127.06</td>
<td>150.94</td>
<td>145.32</td>
<td>165.89</td>
<td>217.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>122</td>
<td>150.94</td>
<td>145.32</td>
<td>165.89</td>
<td>217.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2013-14</td>
<td>122</td>
<td>145.32</td>
<td>165.89</td>
<td>217.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Manpower:

The details of Manpower of the employees of the factory for the period of study conducted are given below:

<table>
<thead>
<tr>
<th>Category</th>
<th>August 2013</th>
<th>September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Gazetted officers</td>
<td>107</td>
<td>106</td>
</tr>
<tr>
<td>2 Non-Gazetted officers</td>
<td>161</td>
<td>161</td>
</tr>
<tr>
<td>3 Non-industrial Employees</td>
<td>185</td>
<td>184</td>
</tr>
<tr>
<td>4 Industrial Employees</td>
<td>1907</td>
<td>1906</td>
</tr>
<tr>
<td>5 Trade Apprentices</td>
<td>114</td>
<td>114</td>
</tr>
</tbody>
</table>

Non-industrial Employees are indirectly involved in production and the Industrial Employees are directly involved in production. Thus the persons necessarily to attend scheduled overtime are Industrial Employees and Non-industrial Employees. Their absence may lead to decline in production. The general absenteeism of employees is arrived on the basis of following heads: sickness, Accident, Maternity/Paternity, social and religious, and other reasons.

Reasons behind the study

As seen from the above, the target of the factory for achievement of production for the year 2013-1014 is 217.03 crores. Management could see that there is a short fall of production proportionate to the months of work. It was also observed in general by the management that there is a demand by the recognised trade unions to provide OT. But, there is high percentage of absenteeism when overtime hours are scheduled on Sundays. It has become necessary to identify the issues related to this absenteeism on those days. Thus the following objectives were set:

Objectives:

To gain an understanding on the various social, emotional and personal problems faced by the work force in not attending overtime work

To identify various strategies to motivate the work force to attend overtime work

To implement healthy managerial practices

Limitations of the study:

This study does not address the issue of what motivates OT? When a large majority of people attended OT hours, the population was untouched to know the motivating factors.
Secondly, this study does not address whether the decline in attending overtime hours has been utilised by an increase in hours spent on the problems spelled out by the employees.

**Data collected:**
The period of study pertains to months of August and September 2013. The employees who absented for the above months for the overtime scheduled were subjected to the study.

Primarily the details of absentees on the schedule dates of overtime were generated through system which included all the details of persons who were absent irrespective of the fact whether the absentees availed leave, debarred from Overtime, not eligible for Overtime, belonging to the shifts which avail other than Sunday as the weekly holiday, etc., Thus total absenting employees are 268. Thus 268 out of 2092 and 268 out of 2090 are the absentees when the scheduled overtime. Thus 12.81% and 12.82% are the rates of absenteeism on the scheduled dates of OT. This rate of absenteeism is not healthy for an Employer of any business activity.

**Reasons for the overall absenteeism:**
The reasons for the overall absenteeism on the scheduled days of overtime are generally due to the following reasons: not eligible for overtime (probationers are not allowed to perform overtime till they are confirmed as regular employee), Leave (authorised or unauthorised), absent themselves, and debarred from overtime.

Actually absented themselves without attending overtime hours
After excluding the above, it is arrived that 125 employees who were supposed to present had actually absented themselves without attending overtime hours.

**Methodology of Data collection:**
The real attitudes and feelings of the employees have to be studied. Structured interview was preferred over the other methods of data collection. All the absentees were interviewed, except one employee who had resigned from the services.

The basic questions being posed were:
reasons for absenting themselves in the scheduled days of overtime work and

Suggestions for the alternative days of overtime work
The data was recorded properly and systematic analysis was done. All the employees who were absent were interviewed for future guidance.

Disruptions caused when overtime is scheduled:
Obviously workers have different answers. There are too many factors affect them. The employees are concerned with what happens to the “life” side of the balance?

A list of disruptions caused to the employees in not attending in the scheduled days of overtime work was made. Further the disruptions were broadly classified. The reasons expressed by the employees for not attending overtime scheduled on Sundays were classified into various heads namely: 1. Social commitments, 2. Individual / personal family commitments, 3. Health related issues, 4. Availed leave, 5. Spouse (Husband) also working on Sundays.

**Data ANALYSIS:**
It is observed that higher rate of percentage of absenteeism is from female employees. 55.2 percentage of absenteeism is from female employees and 44.8 percentage of absenteeism is from male employees.

**Absented on the scheduled dates of overtime**

**Classification of disruptions:**
The absentees expressed multiple reasons. It is observed that 44 percentages is attributed to issues related to Health 38 percentage is attributed to issues related to family commitments and 26.4 percentage is attributed to issues related to social commitments.

**Social commitments**
In this area, employees have expressed that they could not fulfil the social commitments such as attending marriages, deaths that occur (particularly on Sundays), social gatherings, birth day parties, naming ceremony, betrothal, etc., Some employees have expressed that they are excommunicated from the social community for not attending social get together as all the social gatherings are organised on Sundays to facilitate others to attend conveniently. Religious performance such as performance of poojas, attending churches, performing social service on Sundays is also included in social commitments. Among the absentees 32% are males who are very much committed to social commitments and 7% are females who are very much committed to social commitments.

**Individual / personal family commitments**
In the words of Sarang Panchal. 17 (Managing Director Customized Research, Asia Pacific India, China and Greater China The Nielsen Company): “In the last few years we have noticed a number of new career opportunities opening up for Indians especially in the service industries as well as in multinational firms. The combination of various factors such as increased competition, rising expectations, increasing standards, and changing lifestyle has led to a significant growth of working hours for Indians.”

**Absented on the scheduled dates of overtime**

**Social commitments**

**Absented on the scheduled dates of overtime**

**Classification of disruptions:**
The absentees expressed multiple reasons. It is observed that 44 percentages is attributed to issues related to Health 38 percentage is attributed to issues related to family commitments and 26.4 percentage is attributed to issues related to social commitments.

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sectors. However better opportunities along with good pay package, growth prospects, brings in a long work schedule leaving individuals with very little time to balance their work and life. Demanding careers have dominated the lives of many young Indians for sometime now and it takes a toll on their family life. It is not a surprise then that most Indians consider work-life balance as their biggest concern.”

As stated by the employees, the specific individual/personal family commitments include:

Construction of house, To assist aged parents, Physiotherapy on Sundays, Activities related to daughter’s marriage, To look after the new born baby of the daughter, To look after the husband who met with an accident, Children’s expectation to be with them on Sundays which is a holiday, Engaged in search of bride/groom for children, To perform inter-related activities of marriage of children, Parenting becomes difficult/to be with children who spend the days in the crèche, Non-availability of crèche on Sundays, Absence of elders to look after the children, To visit the aged parents only on Sundays, and Taking physically challenged children to therapist who is available only on Sundays

Among the absentees 30% of males have expressed that they could not attend overtime work as they were committed to family commitments and 45% of females have expressed that they could not attend overtime work as they were committed to family commitments.

Studies such as Narayana's (1982) conducted in the early 1980s continued to establish that Indian women still aspired not to compromise with the burden of their homemaker role. Women gave more priority to their family role rather than work role. The observation of a dual burden borne by working women in India regardless of their class and status group that resulted in considerable stress and strain.

These expressions confirm that female employees are emotionally disturbed in the family front by the traditional/cultural impositions.

Passion towards work and work/family interference

This is a fact that some workers are passionate towards work. They are interested in working in the weekend by doing overtime. Any disruption in not attending work leads to unhappiness and creates disharmony towards family, if, the disruption is caused by the family members

"An obsessive passionate worker who can’t help him/herself and works on an interesting project during the weekend and by doing so neglects his/her family, displays conflicts between the passionate activity (i.e., work) and other life activities (i.e., family). Conversely, the worker who chooses to arrange his/her schedule in such a way that the work that he/she loves gets done during the week, so that it does not conflict with his/her weekend familial activities, is an example of how harmonious passion does not conflict with other life domains.”

Differential attitude:

19% female employees have expressed that they could not attend overtime on Sundays, since their spouses are attending on Sundays who are all working in private sector. 1.8 % of male employees expressed the same. This shows the differential attitude towards Government factory. The job threat from the private sector compels to do the same.

Findings:
General Observation:

✓ The factory in the case study belongs to the government of India and the legal limitations are strictly followed.
✓ The question of excessive work hours are excessive overtime hours are not followed.
✓ There is no question of unpaid overtime.
✓ The dual burden borne by working women in India regardless of their class and status group is one of the disruptions caused in not attending overtime.
✓ Employees do feel the loss of income, if they don’t attend on Sundays.
✓ Employees who are newly inducted and inducted in the recent past are more committed to come on Sundays, where as the elder employees are burdened with reasons for not attending on Sundays.
✓ A Lesser percentage of employees is religious and has commitment on Sundays to attend churches and other religious related activities.
✓ Most of the employees invariably have expressed that they are interested to attend overtime scheduled on Sundays but for the disruptions.
✓ There is a gap in the extent of agreement between spouses on attitudes to work and family roles.
✓ Women employees are committed to family commitments as compared to the male employees
✓ Male employees are more involved in the social commitments than the female employees
✓ The traditional/cultural impositions on the female employees by the husband and in-laws are visibly expressed.
✓ Work Passionate employees are curtailed by emotional disruptions.
✓ Employees allow their spouses to attend on Sundays in private sector by absenting themselves in a government Factory.

The genuine suggestions expressed by the employees are:
✓ The employees are flexible in suggesting that OT can be scheduled on the date of festival holiday instead of Sundays.
✓ The schedule date of OT need to be made known well in advance

Other reasons

27% of employees have expressed other reasons such as: Elders are blaming for attending on Sundays, Husband’s compulsion not to attend on Sundays, Ego problem between the life-partners, Pressure from family members not to attend on Sundays, Non-availability of crèche on Sundays, Absence/No elders to look after the children, Ill-treatment of mother-in-law, Male domination, Compulsion not to go to job / forcing to resign, etc.,

OCF Unions

One of the recognize unions has expressed that : We have a strong belief that for the continuous existence of the factory, apart from full pledged infrastructure, the perennial Work load and sufficient number of manpower are the prime requiments. We have strong belief that any disputes can be settled by continuous dialogues and negotiation across the table.
Concluding remarks
Ryan Fyfe remarks “When it comes to managing employee overtime hours there has to be good communication between the staff and the management.” Managing work hours depends on more than just the production business process, identifying root causes and finding solutions. The Massachusetts Bay Transportation Authority has been able to cut overtime use by 45 percent since 2005 through a variety of basic management improvements: sequencing projects instead of running them simultaneously; planning ahead for personnel needs; and working with the labor unions on productivity issues. 

A survey (2006) from the Department of Trade and Industry, in UK (now the Department for Business, Innovation and Skills) published in 2006, showed that four out of every five flexible working requests were either fully or partly accepted. An opinion poll conducted by the magazine “OUTLOOK” in the year 2005 reveals that money is not equal to happiness for 80% of people in Indian cities only 19% of people opined money is equal to happiness.

It is concluded that:
• Employers need to build communication.
• Employers have to pay attention in production process by identifying causes such as absenteeism, availability of resources etc.
• Flexibility in the approach is needed when it becomes voluntary.
• It is necessary to understand money is not always the motivator.

Labour is a factor of production – but the worker is a human being, and his work involves social as well as technical relations. Work is not merely the way of life, a game or a thralldom, a field of conflicts and loyalties, anxieties and reassurances, prestige, and humiliation.

E.H. Phelps Brown (1962)

REFERENCES