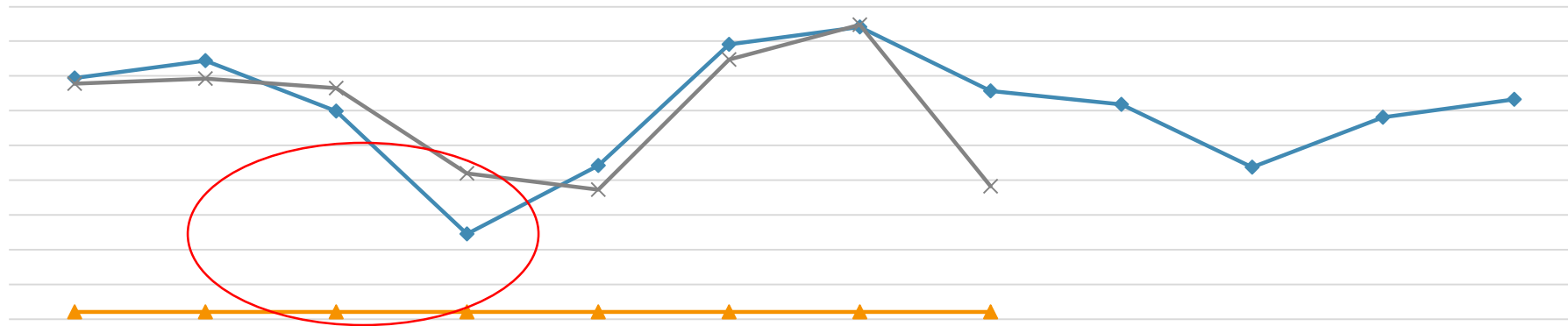


Overtime Analysis and proposal

Shubham Jagat

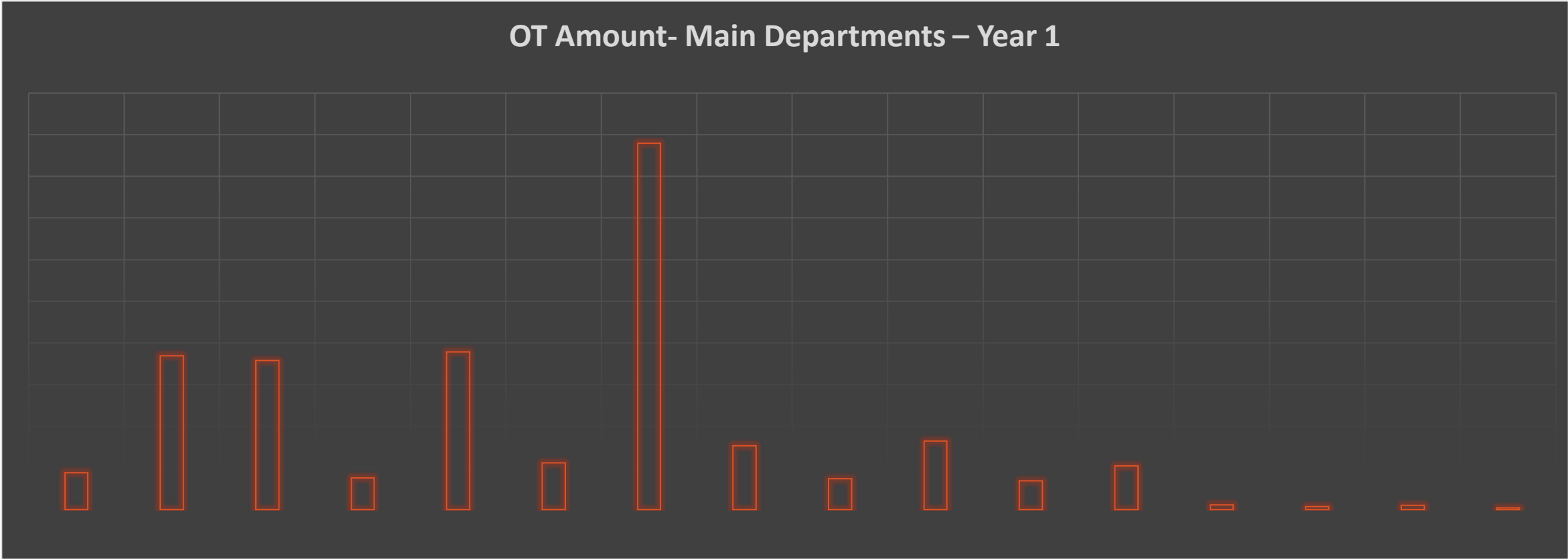
Case Study

YEAR1 VS YEAR 2 OT AMOUNT



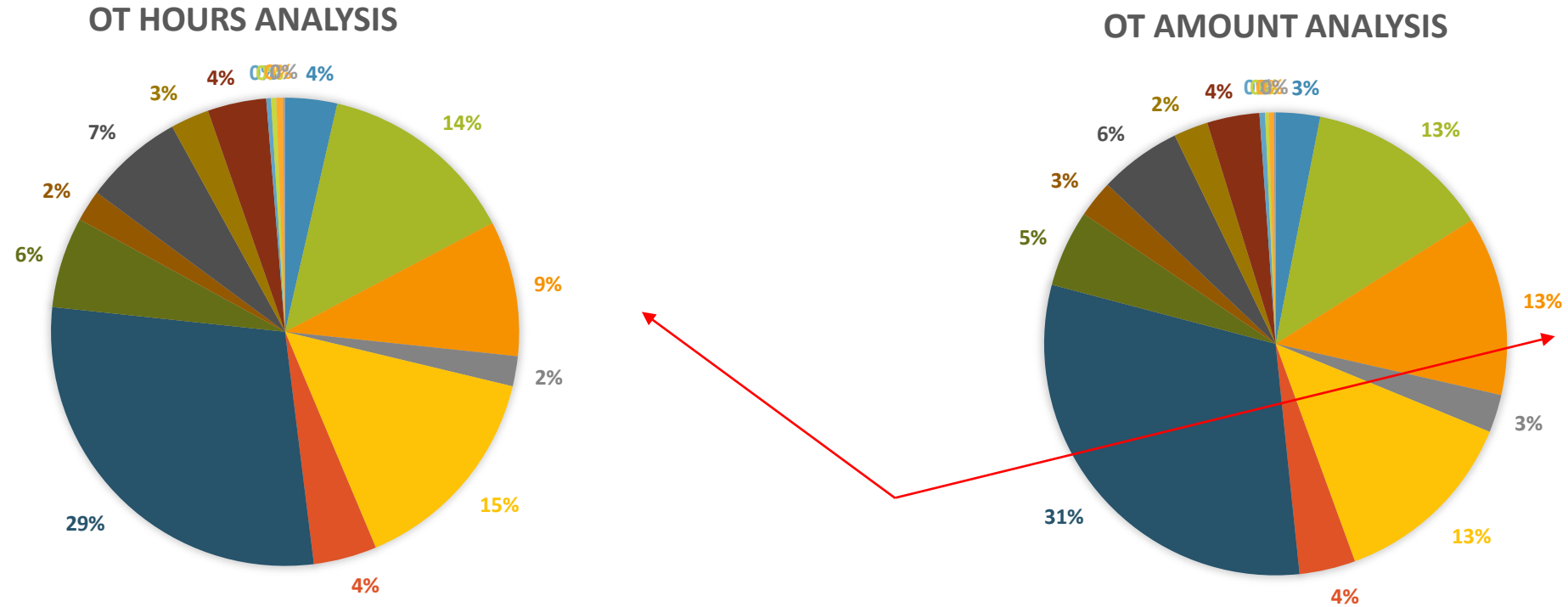
1. Total Overtime paid in year 1 was INR - X.
2. Curve is more or less following the same trend, except in Nov , when regular monitoring started coupled with external market factor. **After May, Trough in year2 is not as sharp as it was in year1 . Cost could have been controlled there.**
3. Average increment of 10%, will increase this amount by 10% every year

OT Amount- Main Departments – Year 1



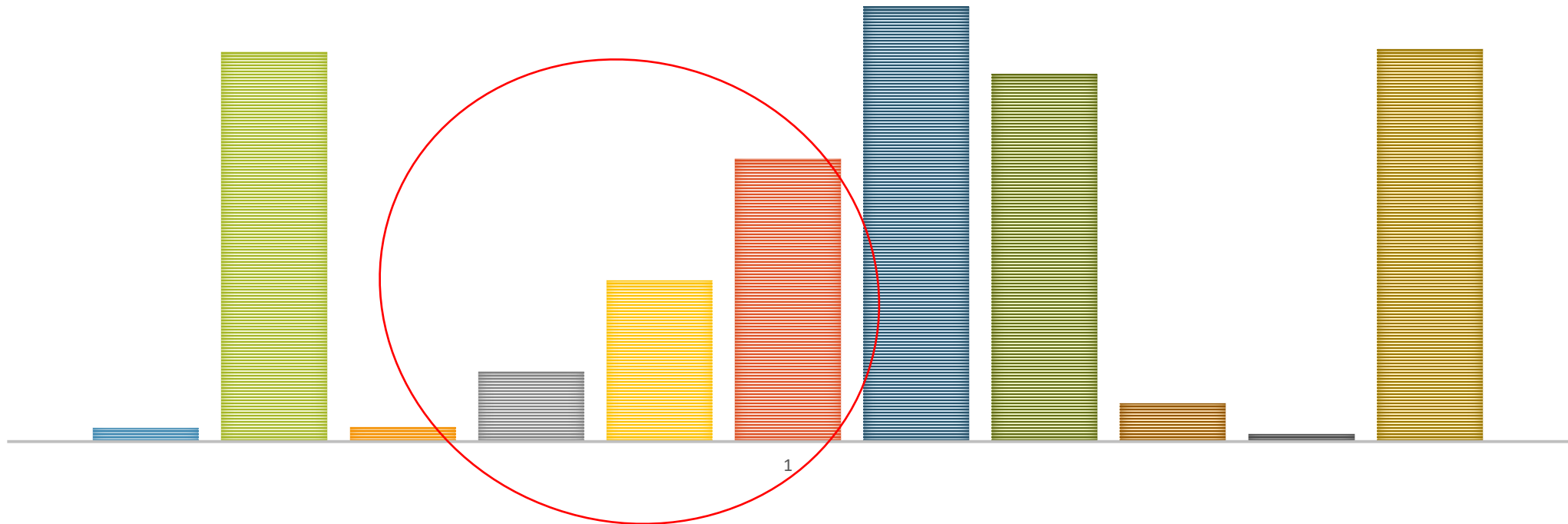
- 1. Major contributors are Department 1, 2, 3 and 4
- 2. Same trend is visible in Year 2 also

Department Wise OT Hours vs OT Amount Analysis



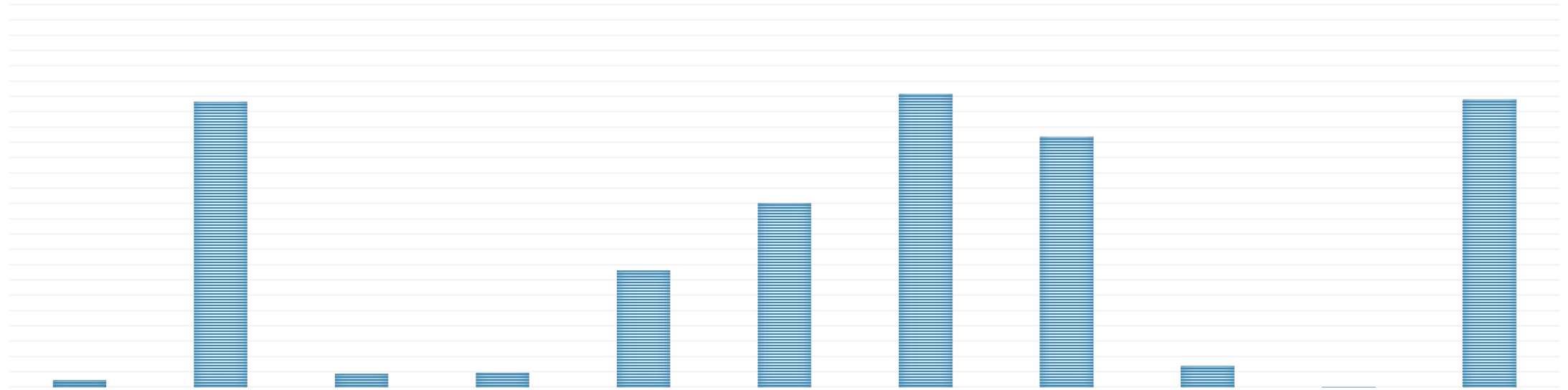
1. Department 1, 2 and 3 constitute almost 60% of total OT amount
2. Analysis of hours vs amount was done to check for any data error issue, but it is almost same. Difference in one department was found to be because of higher salary of few people.

Grade Wise OT Analysis



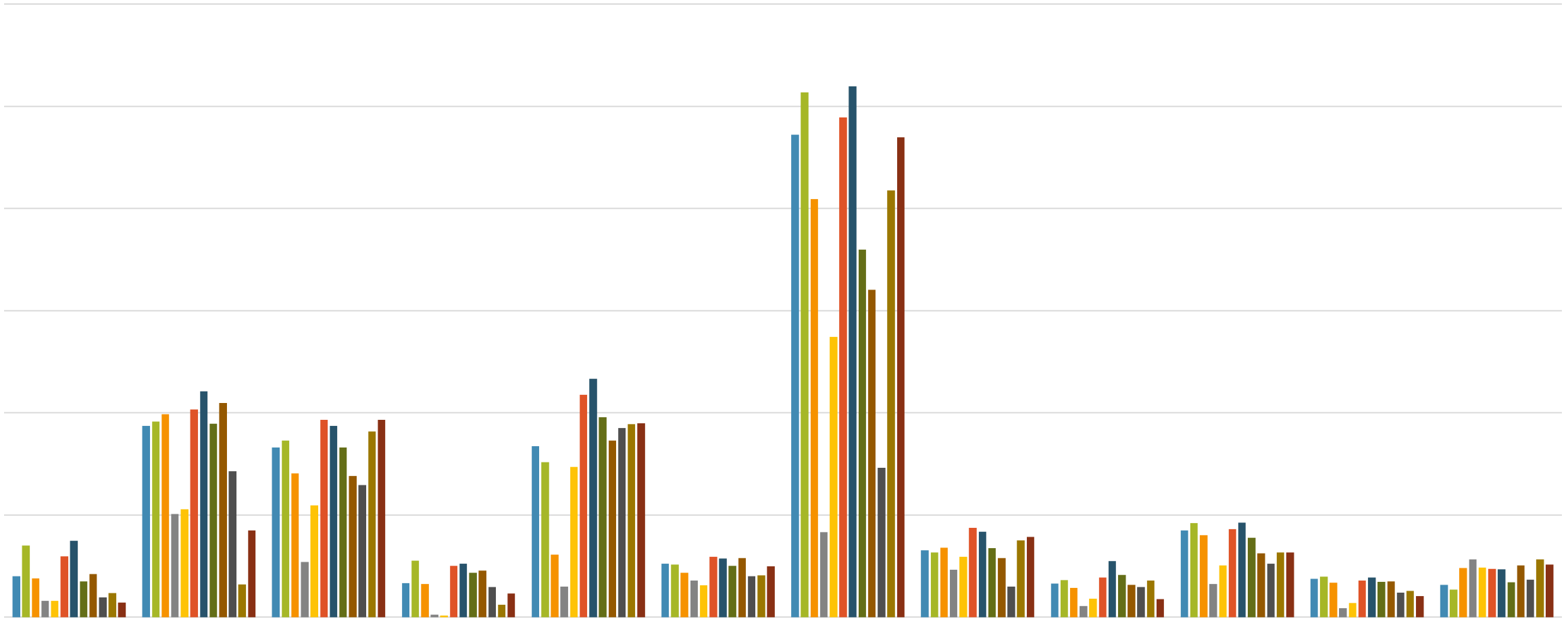
1. Highlighted area can immediately be focused upon, though it constitutes only X% of total OT
2. There are 80 employees in A category, followed by 69 in B and 63 in C.
3. OT to trainees is also to be discussed

Grade Wise OT Analysis – Year 2



1. Overall trend is almost same this year also
2. Grade 1 and 2 trend and % (XY)is almost same , which shows that excluding employees have not brought necessary impact
3. Trainee Overtime is almost negligible this year

Department Wise Month Wise OT Analysis



1. In Dept A, B and C high OT in off season also.
2. In Department D, High OT between Jan to March also
3. Department E consistent OT except July and Aug

Proposal

- Target to bring this OT amount down by 33% for this fiscal year
- Considering two increments of average 10% in this period the effective saving would be 55.4%.

Strategy For OT Control

- Fixing maximum limit of OT amount to X lacs per months during lean months. This will give saving of INR XXXX(Based on Y1 data).
- This way it would be easier to control and bring mass focus on this number
- This shall be included in KRA's of all in-charges
- No OT for specific grades.

Strategy Continued..

- Fixed amount per hour OT certain grade people. Amount is being analysed.
- Restriction on OT amount by first level training to operators.
- Number of machine running linking with OT applicability. This also will be included in the KRA's of people

Strategy Continued..

- Preventive maintenance will help in reducing OT amount of maintenance department
- Department independent appointment letters
- Cross functional trainings will be scheduled to enable people to work in other departments during lean season.
- Monthly scorecards shall be published
- Departments achieving 20% reduction shall be rewarded. Separate reward and recognition paper shall be published