Improve Processes for Front-Line Teams with Optimized Scheduling

INDEAVOR

Table of Contents

INDEAVOR

Operational Challenges for Manufacturers

From **unexpected incidents on the floor** (broken or faulty equipment, an employee accident, etc.) to **sudden changes in production needs**, operations professionals in durable and non-durable manufacturing are no strangers to crisis management. The ability to quickly restructure shifts is critical for anyone on the front lines.

Union contracts, which can vary from facility to facility, only add to the complexity. Schedulers, supervisors, and HR all need to ensure that contract stipulations are met for each employee when it comes to time off allowances and overtime opportunities.

Worker shortages haven't helped. Employment in manufacturing dropped 4.3% from 2019 to 2020.[1] This has attributed to a **heavy reliance on overtime** to complete work orders and keep up with production deadlines. Even in the midst of a pandemic, overtime steadily increased by 57% between April and December 2020, with employees working an annual average of nearly 3 overtime hours per week.[2]

Investing in an automated labor scheduling optimization tool can mitigate these challenges, modernize your operations beyond scheduling, and help you discover opportunities for cost savings. This report will explain how.

Key Takeaways

- **Manually building and managing schedules leaves your facility vulnerable to costly scheduling errors.** Employers who repeatedly make payment mistakes (e.g., failing to pay all hours worked, miscalculated overtime) are subject to a civil penalty of up to $2,014 per person.

- **Organizations that invest in automated workforce management processes find that only 3% of their overtime costs per pay period are unplanned.** Meanwhile, laggard organizations consider 27% of their overtime to be unbudgeted.

- **30% of workers reported leaving a job because it did not offer flexible work options.** Employees want to be a part of their scheduling process.

- **46% of manufacturers across the globe, and 65% in the US, are currently reevaluating their data and analytics technologies.** Forecasting will be critical to anticipate future surges and drops in demand.

1. Automate Manual Scheduling Processes

With twenty states raising their minimum wage rates[3] and an additional 1.3 million workers eligible for overtime[4], employers are finding ways to minimize costs elsewhere to improve their bottom line. By replacing paper scheduling with automated processes, organizations can **better control labor costs to offset these wage increases.**

Due to lack of visibility into pertinent employee information (e.g., leave, hours worked, qualifications), manually building and managing schedules leaves your facility vulnerable to costly scheduling errors.

Key Takeaways

Overstaffing and understaffing

Your organization pays idle workers or distributes unexpected (and therefore unbudgeted) overtime, respectively

Filling vacancies inefficiently

When an unexpected absence occurs, you schedule an unqualified employee (resulting in bottlenecks), someone that already met their hours (resulting in overtime), or a significantly senior person (resulting in a higher paycheck)

Compliance violations

Employers who repeatedly make payment mistakes (e.g., failing to pay all hours worked, miscalculated overtime) are subject to a civil penalty of up to $2,014 per person[5]

When enterprises invest in better technology, they can eliminate or otherwise reduce the risk of these errors by:

- Quickly generating a schedule that is accurate, consistent, and follows operational rules

- Staffing qualified employees to match the labor requirements of their SKUs

- Having all employee and labor demand information available at the point of scheduling

- Providing cross-departmental transparency into who is available and when, allowing for a more streamlined sharing of labor between departments

- Syncing real-time schedules with T&A or payroll to ensure the right people get paid for the right amount of time worked

Truly best-in-class solutions should also be able to handle real-time changes.

- Automate the call-out process to fill unexpected vacancies quickly and accurately

- Track qualifications automatically with renewal notifications based on variables like 'expirations' or 'date last worked'

- Let employees select vacation in advance and have pre-set algorithms approve them

2. Optimize the Overtime Distribution Process

Organizations that invest in automated workforce management processes find that only 3% of their overtime costs per pay period are unplanned. Meanwhile, laggard organizations consider 27% of their overtime to be unbudgeted. A startling comparison when the industry standard is 9%.[6]

Unnecessary overtime happens when schedulers and supervisors cannot keep track of employee requests and hours worked. It also occurs when the facility's fluctuating demand needs are unknown, causing positions to be understaffed, or when a last-minute vacancy is filled with someone who already worked 40 hours.

Automation allows supervisors and schedulers to capture labor trends and utilize that information to **issue overtime strategically and only when necessary.**

When an employee requests overtime, or when peaks in production demand dictate the need, plant supervisors can distribute overtime fairly—and be able to **justify the process if there is an employee grievance** about not getting enough hours. With union contract stipulations pre-set into the scheduling algorithm, adherence is easy and consistent.

3. Encourage Employees to Fix Scheduling Issues

30% of workers reported leaving a job because it did not offer flexible work options.[7] Employees want to be a part of their scheduling process. Why not let them?

With a mobile app, employees can check their schedules, request leave, volunteer for overtime and vacant jobs, and swap shifts and assignments. Your employees can take care of

filling long-term and short-term vacancies for you, allowing you to focus on other business-driving initiatives rather than fighting fires caused by scheduling disruptions.

Fair overtime distribution and more scheduling control can help **keep morale up at your facility**—a critical factor when dealing with a worker shortage.

4. Be Proactive with Real-Time Data

46% of manufacturers across the globe, and 65% in the US, are currently reevaluating their data and analytics technologies.[8] With the pandemic hurting supply chains and destabilizing workforces around the world, this isn't a surprise. Forecasting will be critical to anticipate future surges and drops in demand.

The benefit of investing in a demand-based scheduling tool is that facilities will have access to production trends for projection reporting. Such tools are proving essential to not only look at the data, but to act on it.

Labor scheduling software helps facilitate data acquisition and reporting, since real-time employee data (like absences and qualifications) gets hosted automatically as opposed to manually. The ability to **assess which departments and lines are overstaffed vs. understaffed in relation to your ERP system** means you can properly fix any issues to keep in accordance with your production needs.

INDEAVOR

Closing Thoughts

About Indeavor

Your manufacturing facility's success depends on the agility of your employee scheduling process. Without the right employees being put in the right positions, any other tools and technologies you've invested in would be underutilized.

Indeavor can help manufacturers staff to match their everchanging demand needs, all while eliminating unnecessary overtime and adhering to union rules. Indeavor integrates with your current HCM, ERP, LMS, and T&A systems to make robust labor data easy to interpret and act upon, while providing top tier security.

Indeavor's automated labor optimization solution can help global enterprises save money and increase process efficiencies. We help organizations match their labor requirements, adhere to everchanging labor laws, distribute overtime strategically, and manage leave quickly and accurately.

Indeavor Schedule, our cloud-based employee scheduling and absence management system, integrates easily with your existing human capital management and enterprise resource planning systems. Schedulers, front-line supervisors, HR, and C-suite executives can all leverage a robust platform that provides real-time employee data to make more informed decisions.

Relieve your supervisors of manual tasks and the constant mental fatigue brought upon by scheduling changes by automating the entire process, connecting the data to all of your existing corporate systems, and ensuring you always have the right qualified employee in each position.

References

[1] U.S. Bureau of Labor Statistics | Table B-1

[2] U.S. Bureau of Labor Statistics | Table B-2

[3] CNN Business

[4] U.S. Department of Labor

[5] Fisher Phillips, LLC

[6] TLNT.com

[7] FlexJobs

[8] Supply Chain Dive

INDEAVOR