

Overtime Report Analysis for Labor Cost Reduction

An **overtime report analysis** provides detailed insights into labor hours exceeding regular schedules to identify cost-saving opportunities. By evaluating patterns and causes of overtime, businesses can implement strategies to optimize workforce allocation and reduce unnecessary expenses. This analysis supports effective budget management and enhances overall operational efficiency.

1. Executive Summary

This report analyzes overtime trends for Q1 2024 to identify opportunities to reduce labor costs. It summarizes overtime hours by department, highlights key cost drivers, and recommends actionable solutions.

2. Overtime Data Overview (Q1 2024)

Department	Total Hours Worked	Overtime Hours	Overtime (%)	Overtime Cost (\$)
Production	12,000	1,800	15%	\$54,000
Logistics	6,500	520	8%	\$15,600
Maintenance	4,200	430	10.2%	\$12,900
Administration	3,800	120	3.2%	\$3,600
Total	26,500	2,870	10.8%	\$86,100

3. Key Findings

- Production** accounted for the highest overtime percentage and cost.
- Overtime peaks occurred during end-of-quarter deadlines and unexpected equipment breakdowns.
- Understaffing and scheduling inefficiencies contributed to substantial overtime hours.

4. Recommendations

- Review shift scheduling to align staffing with periods of high demand.
- Improve preventive maintenance to reduce unplanned downtime in Production and Maintenance.
- Cross-train employees to enhance workforce flexibility and minimize overtime reliance.
- Implement overtime approval controls and monitor overtime trends monthly.

5. Conclusion

Through targeted actions based on this analysis, the organization can achieve significant labor cost reductions and improve operational efficiency. Ongoing monitoring and adjustment remain essential to sustain results.