

## Five Minutes Late—So What?

How many times have you heard a fellow employee say something like the following?

- “I was five minutes late --- so what?”
- “It was only five minutes.”
- “Don’t hassle me about five minutes --- it’s no big deal!”

Just how big a deal is five minutes?

Assume that John is five minutes late for work each day. He makes \$6.75 an hour and works 255 days a year. Overhead cost is figured at two times the hourly rate. How much would John cost his employer in production dollars? Let’s base our answer on a formula generally accepted in the world of work.

Production Loss	=	Overhead Cost	x	Hours Lost	x	Days Worked	x	Number of Employees Late
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We know the following information about John:

- Overhead cost is \$6.75 (hourly rate) x 2 or \$13.50.
- Hours lost in 5 minutes 5/60 or 1/12 (.083) of an hour.
- Days worked is 255.
- Number of employees is one.

Using the above formula, we can calculate that John cost his employer \$286.88 in production.

If 50 employees all making \$6.75 an hour were five minutes late for 255 days, using the above formula, we find out that they would cost the employer \$14,344.00 in production.

$$\underline{\$13.50 \times 1/12 \times 255 \times 50 = \$14,344.00}$$

On the top of page 2 of this activity is a chart based on the above formula that calculates the production loss in dollars for employees who are five minutes late.

## Production Loss in Dollars Chart

Hourly Rate	Number of Employees Five Minutes Late for 255 Working Days						
	1	5	10	25	50	100	500
\$6.75	286.88	1434.40	2868.80	7172.00	14344.00	28688.00	143440.00
\$7.00	296.31	1481.55	2963.10	7407.75	14815.50	29631.00	148155.00
\$7.25	306.90	1534.50	3069.00	7672.50	15345.00	30690.00	153450.00
\$7.50	317.48	1587.40	3174.80	7937.00	15874.00	31748.00	158740.00
\$8.00	338.64	1693.20	3386.40	8466.00	16932.00	33864.00	169320.00
\$9.00	381.00	1905.00	3810.00	9525.00	19050.00	38100.00	190500.00

**Directions:** Using the above chart, when necessary, answer the following questions regarding the cost of being late:

1. If Ruth, who makes \$7.00 an hour, is five minutes late for 255 working days a year, how many dollars has she cost her employer in production? \$\_\_\_\_\_
2. If 10 employees, who make \$8.00 an hour each, are five minutes late for 255 working days, how many dollars in production would they cost the employer? \$\_\_\_\_\_
3. If you and four of your fellow employees, who make \$8.50 an hour, are five minutes late each day for 255 working days, do you think you are going to get a Christmas bonus?

YES NO

Why? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Do you think you would get a raise? YES NO

Why? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

4. How secure is your job? Assume there are 100 people, including yourself, who earn an average salary of \$7.00 per hour working on an assembly line. Using the formula on page 1 of this activity, figure out how much the company loses in production dollars when one employee is 10 minutes late and the other 99 employees cannot work until he or she starts to work. The company loses \$\_\_\_\_\_ in production dollars a month.

5. How much will the company lose if this happens five times a month? The company loses \$\_\_\_\_\_ in production dollars a month.

6. If you are the newest employee, whom do you think the company will let go if this causes a continuous loss of money?\_\_\_\_\_

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