

Labor Cost

How-to guide: what the workbook does, how to use it and what every number means.

mfgcalcs.com



Labor Cost

Build the real hourly cost of every role from wage, premiums, taxes, benefits and paid absence, and track labour cost per good unit shift by shift against the routing standard.

For: Estimators, cost accountants, plant and operations managers, and owners who price labour or explain labour cost per unit.

Version 1.0.0 · updated 15 October 2026

Quick start

1. On Setup, type your currency and labour efficiency target, and list your shifts, lines and products with their standard cycle and crew.
2. On Labour Rates, give each role its wage, premiums, payroll taxes, benefits, paid hours, paid absence and headcount.
3. On Shift Log, add one row per crew per shift: line, product, role, operators, hours and good units.
4. Read labour cost per unit, efficiency and variance per row; the Check column names a role or product not on its list.
5. On the Dashboard, filter by line, product or dates to see labour efficiency, cost per unit against standard and the rate build-up.

What is in the workbook

Start Here	Read this first: what the workbook does and how to use it.
Setup	Currency, the efficiency target, and the shift, line and product lists with their routing standards.
Labour Rates	One row per role: what an hour of that role costs once premiums, taxes, benefits, absence and non-productive time are in.
Shift Log	One row per crew per shift and line: operators, hours on shift and good units, against the routing standard.
Dashboard	Labour efficiency and cost against the routing standard, and what an hour of each role really costs.
Method	How every number is calculated, with assumptions, limits and sources.
Verify	Self-check: the workbook's formulas recomputed on fixed inputs against an independent reference.

What each number means

Quantity	How it is calculated	Units
----------	----------------------	-------

Quantity	How it is calculated	Units
Annual pay	Base wage x (1 + premiums) x paid hours.	currency/yr
On-costs	Annual pay x (payroll taxes + benefits) + fixed benefits.	currency/yr
Cost per person	Annual pay + on-costs; x headcount = annual cost, all heads.	currency/yr
Loaded rate	Cost per person / hours worked (paid hours - paid absence).	currency/h
Cost per productive hour	Cost per person / (hours worked x (1 - non-productive share)).	currency/h
Burden over base	Loaded rate / base wage - 1.	%
Labour cost (shift)	Operators x hours x loaded rate of the role (crew hours x rate).	currency
Cost per unit	Labour cost / good units.	currency/unit
Std cost per unit	Std crew x loaded rate x std cycle / 3600.	currency/unit
Earned hours, efficiency	Good units x std crew x std cycle / 3600; efficiency = earned hours / crew hours, with status against the target.	h, %
Labour variance	Labour cost - std cost per unit x good units (per unit: cost per unit - std cost per unit).	currency
Dashboard roll-ups	SUMIFS over rows whose View date is filled (inside the line, product and date filters); efficiency = sum of earned hours / sum of crew hours.	-

Assumptions, limitations, sources and the self-check (the Verify sheet, which recomputes the workbook's formulas on fixed test inputs) are in the workbook. The last page shows the Dashboard with the example data for Lakeview Assembly, a fictional business.

Free from MFG Calcs - keep this credit when you share it.

Engineering estimates for planning and improvement work. Verify the results against your own process, data and standards before you rely on them.

Labor Cost

Labour efficiency and cost against the routing standard, and what an hour of each role really costs.

mfgcalcs.com

Line

Product

From

To

Showing 120 crew shifts, 2,368 crew hours. Leave the filters blank to include everything; dates are inclusive.

LABOUR EFFICIENCY	LABOUR COST (CAD)	LABOUR VARIANCE (CAD)	ANNUAL COST, ALL ROLES (CAD)
87.9%	88,985	10,555	2,260,916
Target 85.0%	Crew hours x loaded rate, in view	Actual - standard; + costs more	Cost per person x headcount
On target			

