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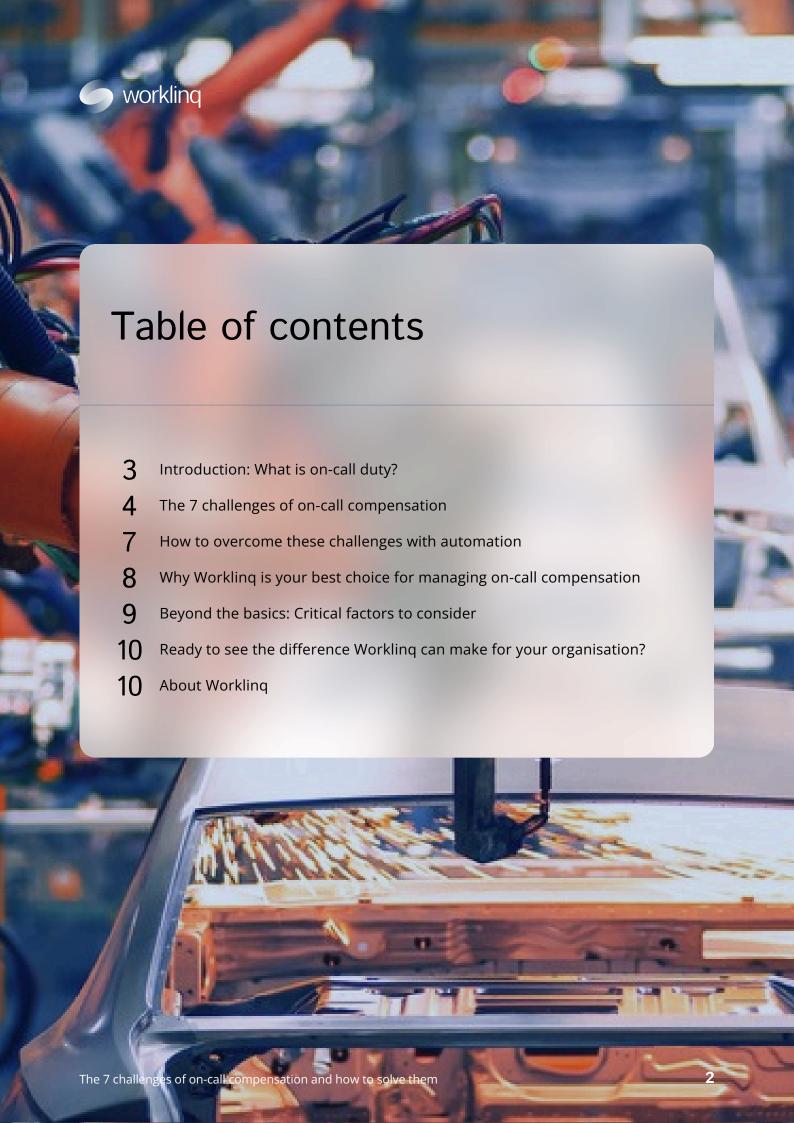# The 7 challenges of on-call compensation and how to solve them

A practical guide to automating on-call payments for operational excellence

Table of contents

What is on-call duty?

Swedish manufacturing companies rely on a portion of their workforce being available for on-call duties to maintain operations. This often requires employees to be accessible during evenings, nights, or weekends to address emergencies, technical issues, or production needs. Whether responding to emergencies, resolving technical issues, or maintaining production flow, on-call duty is critical to business success.

However, managing on-call compensation presents unique challenges:

- **Operations leaders** must ensure uninterrupted productivity.

- **HR professionals** need to maintain compliance with Sweden's complex labour laws and collective agreements.

- **Payroll managers** must deliver accurate, timely payments while avoiding costly errors.

Navigating these complexities requires balancing compliance, fairness, and efficiency—no small task when Sweden's working time laws and collective agreements impose strict and often varying requirements. Without the right processes, businesses risk payroll errors, compliance violations, employee dissatisfaction, and financial penalties. And yet, many companies still rely on outdated manual systems for tracking and paying on-call hours, which invites unnecessary risks and inefficiencies.

This whitepaper explores the core challenges of on-call duty compensation and presents an automated solution that ensures compliance while optimising payroll efficiency.

The 7 challenges of on-call compensation

The following seven challenges highlight the risks businesses face:

1 Complexity of collective agreements & legal compliance

Sweden's labour laws define strict working hour limits, rest periods, and overtime caps. However, collective agreements often modify these rules, creating an intricate web of requirements that must be interpreted and applied accurately while adhering to national and EU labour directives. The EU Working Time Directive establishes clear rules distinguishing working time from rest periods. Misinterpreting these rules can lead to legal disputes and penalties.

2 Variations in payment structures

Compensation for on-call duty differs based on whether an employee is on standby, activated, or required on-site. These nuances must be calculated accurately to ensure fair pay and compliance with agreements. Miscalculations can lead to underpayment or overpayment, both of which erode trust and compliance.

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3 Manual errors and payroll inconsistencies

Many companies still track on-call duty using spreadsheets or manual logs, increasing the risk of payroll errors. Without automated tracking, miscalculations can lead to overpayments, underpayments, or disputes. Manual processes also slow down payroll processing and increase administrative workload.

4 Lack of transparency for employees

When employees cannot clearly see how their on-call hours are calculated and paid, trust in payroll processes declines. Unclear compensation structures often result in unnecessary disputes and reduced job satisfaction. Real-time visibility into payroll calculations is essential to maintain confidence in workforce management systems.

5 Delayed or incorrect payments

Manual payroll processing can lead to delays in payments, negatively impacting employee morale and trust. Compliance risks also increase when payments are not processed accurately. Ensuring that employees receive timely and correct remuneration is essential for maintaining engagement and trust.

6   Scalability and cost control

As companies grow, managing on-call duty payments becomes increasingly difficult. Without a scalable system, rising payroll complexity leads to excessive costs and administrative inefficiencies. Large organisations require automation to efficiently handle high volumes of on-call compensation transactions.

7   Integration with payroll systems

Discrepancies between recorded on-call hours and payroll calculations create compliance risks. Seamless integration between workforce management and payroll systems is essential to avoid errors and ensure accurate remuneration. Poor integration can lead to inconsistencies, requiring costly manual corrections and audits.

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How to overcome these challenges with automation

To address these challenges, businesses must transition from manual processes to automated solutions. Worklinq, a best-in-class workforce management system, enables organisations to ensure payroll accuracy, compliance, and efficiency in on-call duty compensation.

Automated compensation processing

By automating the calculation of standby, activation, and on-site pay, Worklinq ensures employees receive fair and accurate compensation.

Automated rules eliminate the risk of human errors while ensuring that the correct rates are applied based on contractual agreements and industry standards.

Employee transparency and trust

By providing employees with real-time access to their compensation data, Worklinq enhances payroll transparency, ensuring clarity in calculations while fostering greater engagement by giving employees confidence in the fairness of their remuneration. Employees can review their on-call earnings, reducing uncertainty and potential disputes.

Real-time tracking and compliance enforcement

Worklinq's real-time tracking capabilities automatically log on-call activations, ensuring payroll calculations align with legal requirements and collective agreements. This prevents compliance violations and reduces disputes related to incorrect payments.

Seamless payroll integration

Worklinq integrates directly with payroll systems, eliminating manual data entry errors and ensuring accurate, timely compensation for employees. This connectivity also reduces administrative burdens for HR and payroll teams.

![worklinq logo]

Why Worklinq is your best choice for managing on-call compensation

Worklinq is specifically designed to simplify the complexities of on-call compensation in Sweden's manufacturing sector. With advanced automation, compliance safeguards, and seamless integration, Worklinq takes the guesswork out of payroll processing.

As a future-proof, standardised software with no need for custom coding, Worklinq has been recognised by Gartner as a Representative Vendor in the Gartner® Market Guide for Workforce Management Applications for many years. With advanced automation, compliance safeguards, and seamless integration, Worklinq takes the guesswork out of payroll processing.

Key capabilities

- Automatically applies correct payment structures based on collective agreements and legal requirements.

- Ensures compliance with EU working time laws, reducing the risk of disputes or penalties.

- Provides real-time tracking and audit trails for accurate payroll.

- Fully integrates with payroll and HR systems for error-free processing.

Real-world benefits

- Eliminates manual payroll errors, reducing compliance risks.

- Reduces administrative workload, enabling HR and payroll teams to focus on strategic initiatives.

- Enhances employee engagement by improving transparency and trust with accurate, timely payments.

- Supports audits and compliance verification with historical data.

> 🗩 *Most companies have historically overpaid employees for on-call duty because they lacked the proper tracking tools. With automation, companies can ensure they are paying exactly what is required – no more, no less.*
>
> **Jesper Zerlang, CEO at Worklinq.**

Beyond the basics:
Critical factors to consider

In addition to the core challenges mentioned earlier in the whitepaper, forward-thinking organisations should also prioritise the following:

Compliance with EU laws

The EU Working Time Directive establishes clear rules on working time and rest periods. The Court of Justice of the European Union (CJEU) has ruled that on-call time spent at the workplace is considered working time, even during inactivity. However, on-call hours at home are classified differently based on the level of restrictions placed on the employee. Companies must correctly interpret these distinctions to ensure compliance with both national and EU labour directives.

Employee well-being and engagement

On-call work is known to increase stress, disrupt sleep, and impact mental health. Without proper support, employees may experience burnout, reducing productivity and increasing turnover. Providing mental health resources, adequate rest periods, and fair compensation can enhance employee engagement and satisfaction.

Right to disconnect

Emerging labour regulations emphasise employees' right to disconnect outside work hours. Businesses should proactively align with these trends, offering fair compensation while respecting employees' work-life balance.

Tailored compensation structures

On-call compensation practices vary across industries and regions, from flat fees to pay-per-activation. Establishing clear, consistent policies that align with collective agreements and employee expectations is critical for trust and compliance.

Ready to see the difference Worklinq can make for your organisation?

Contact us today to learn how Worklinq can transform your on-call compensation process and help you achieve operational excellence.

Contact us

About Worklinq

Worklinq is a leading provider of mission-critical workforce management solutions, built to enable enterprise organizations to streamline operations and stay compliant in high-complexity labor environments.

Trusted by hundreds of leading enterprises in 20+ countries, Worklinq unifies time and attendance, absence management, scheduling, and task management in a single platform — enabling accurate pay, real-time workforce insight, and full compliance with labor legislation, union agreements, and company policies.

Headquartered in Denmark with offices across Sweden, Norway, the UK, and Romania, Worklinq supports enterprise workforce operations with the agility, security, and scale today's businesses demand.

Learn more at www.worklinq.com.