

# Setting Expectations and Fair Compensation for On-Call Teams



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On-call shifts are nothing new. Doctors and other professionals have been on-call for decades—tethered to pagers or mobile phones waiting for duty to call. With the rise of always-on services, on-call rotations have expanded to include professions beyond the medical field. According to a study published by Science Daily, one in five employees in the EU are on-call, a clear indicator that more and more jobs require on-call hours<sup>1</sup>. Before the wide adoption of Agile and DevOps culture, typically a small team was responsible for monitoring a dashboard to either fix or pass on issues as they arose. This practice is becoming less common as requirements around availability and reliability increase. Dashboard monitoring to fix issues just isn't scalable, especially for always-on services. Companies have a lot to gain when they include the owners of those services—often developers—in the on-call rotation.

Providing customers with a seamless experience means ensuring that on-call teams are diverse and include service owners. On-call teams are typically comprised of Operations Engineers, Developers, SREs, DevOps, and IT Ops. Since on-call is a stressful job and demands work outside of typical business hours, compensation is an important topic to discuss. Practices may vary depending on company policy and local laws, among other factors.

In this white paper, we'll focus on common on-call compensation practices and highlight industry best practices for each model. We will also suggest ways to track on-call hours worked and employees' performance using OpsGenie.

Disclaimer : Before finalizing a practice for your organization, confirm that the models you are examining follow local laws and requirements.

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<sup>1</sup> Taylor & Francis. (2015, August 4). How does being 'on-call' impact employee fatigue?. ScienceDaily. Retrieved April 5, 2018 from [www.sciencedaily.com/releases/2015/08/150804074052.htm](http://www.sciencedaily.com/releases/2015/08/150804074052.htm)

## Table of Contents

<b>Four Typical On-Call Compensation Models</b>	<b>4</b>
Incentivized on-call	5
Paid on-call for scheduled overtime	5
Paid on-call for the time spent on the issues	6
Paid on-call for scheduled overtime and time spent on the issues	6
<b>Determining Fair &amp; Competitive On-call Compensation</b>	<b>7</b>
<b>Best Practices Considering On-call Compensation</b>	<b>10</b>
Monitor the process	8
Provide explicit information	8
Define expectations	8
Consult local laws and official guidance	11
Show appreciation	11

## Four Typical On-Call Compensation Models

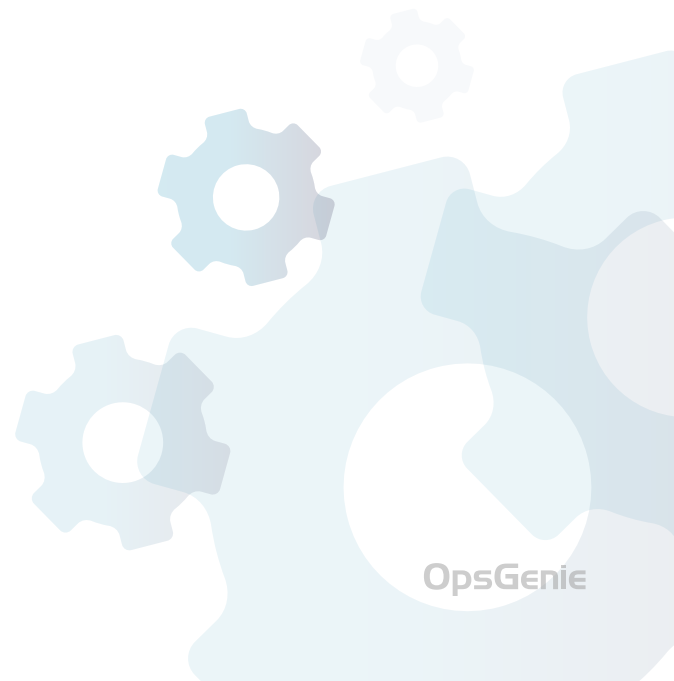
On-call compensation models may vary based on local laws, company culture, and management practices. Some common compensation models include:

- 1 - Incentivized on-call
- 2 - Paid for scheduled overtime
- 3 - Paid for total time spent resolving issues
- 4 - Paid for both scheduled overtime as well as total time spent resolving issues

When choosing an on-call model for your company or team, always confirm that the models being evaluated follow local labor laws and that proper documentation is provided to employees.

The documented policy should be explicit, this way employees know what they're signing up for and employers can manage expectations. Documentation should cover:

- Method of compensation (monetary incentives, added time off, etc)
- Hour flexibility (if any)
- Sudo privileges
- SLAs/SLOs for on-call
- Number of on-call hours/shifts required



## Incentivized on-call

Incentivized on-call compensates employees for on-call hours via extra days off, flexible hours, higher salaries overall, and/or additional incentives.

As a real-life example, Hosted Graphite's co-founder Charlie von Metzradt states that: in addition to higher salaries for SREs, they also offer additional days off. The week following the on-call shift, an additional day off is granted to the employee regardless of alerts received or issues worked.<sup>2</sup>

The advantage of using an incentivized on-call model is an increase in ownership over projects and services. Increased ownership builds resilient systems and can reduce alert volume if responsibilities are properly shared between service owners and developers.

Giving ample time off and paying competitively also lets the employee know their work is valued and appreciated. Providing a fair and competitive salary as part of incentivized on-call can be successful because employees are both provided for and measured by the success of the services they own in return.

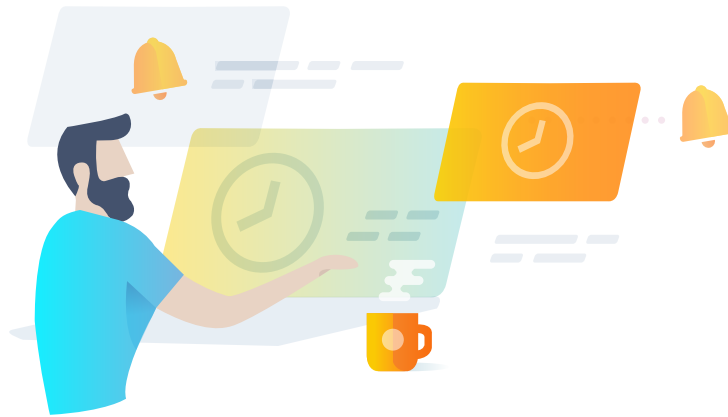
## Paid on-call for scheduled overtime

Paid on-call simply means that employees are directly compensated for the time they spend on-call or are scheduled to work—even if no issues arise during the shift.

The obvious advantage of this model is the tangible incentive. Knowing that you are getting paid for carrying a pager (or in most cases a laptop and cell phone) makes it easier to justify being on-call and being available off-hours, even if no issues arise.

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<sup>2</sup> <https://www.quora.com/Are-on-call-systems-administrators-systems-engineers-devops-engineers-typically-paid-a-bonus-for-being-part-of-an-on-call-rotation>



## Paid on-call for the time spent on the issues

Paying only when an alert is received is another model with different advantages. This model compensates in different ways, for example, such as:

- Bulk amount paid for working on call
- Hourly rate for time spent working on alerts/issues
- Rate for number of alerts/issues worked

The positive of this model is that employees are still being appreciated and compensated for the extra work put in during off-hours. A drawback is that a financial incentive for alerts worked may discourage fixing alerts quickly or avoiding them all together.

## Paid on-call for scheduled overtime and time spent on the issues

This is a combination of the two previous models. Some companies pay both for being on-call and an additional amount for alerts received/issues worked. The positive is that the employee feels well compensated for the extra time and effort that on-call requires—which makes it feel like less of a chore. Additionally, if you're stuck working on issues that take a while to resolve or occur at times that disrupt your life, the extra compensation for that time is a positive. The only drawback is that it may discourage resilient systems because compensation is based on time spent on issues or the number of alerts/issues worked.

# Determining Fair & Competitive On-Call Compensation

The key to choosing the best compensation plan is finding a solution that works well for your company but also recognizes the employees for their effort and time spent. If employees are well-cared for, they will, in turn, care about the business and contribute to its' success. After choosing a method and confirming it abides by local laws, be sure to examine the following to confirm that the compensation is competitive and fair and that your team can adequately share the load on-call requires.

## **1- Hours spent being on-call**

This may not be trivial considering the different variations for different teams, switches and overrides for urgent work, and complex incidents involving a lot of people.

## **2- Number of alerts received on and off-hours**

This number is critical to determine if you need on-call overnight in the first place. Also, the distinction between business hours and off-business hours should be used to calculate pay.

## **3- Time spent working on the incidents**

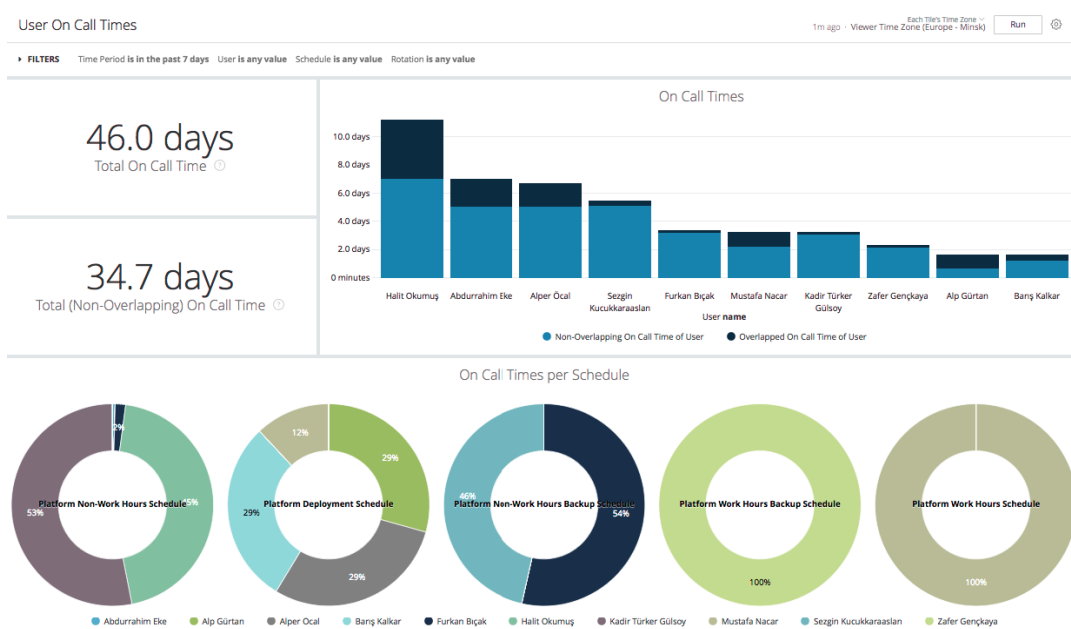
The complexity and importance of the incidents can change. One may spend a couple of minutes or spend the entire night working on an incident—this needs to be measured for a fair compensation.

## **4- Mean time to acknowledge or resolve**

Enforced by escalation policies, time to acknowledge is critical for fast resolution. Measuring the mean time to acknowledge and resolve over a period of time helps managers decide on additional incentives.

While measuring hours spent on-call, alert volume, time spent on incidents, and MTTA/MTTR are important to evaluating performance and incentivizing exceptional work, it can be difficult to keep track of these metrics, especially for a larger team or multiple teams. A lot of scheduling tools are clunky or manual and don't have all the information you need in the same place. OpsGenie tracks the entire lifecycle of alerts and incidents and handles the on-call schedule, so all the information you need is in the same place.

OpsGenie's powerful [reporting and analytics](#) provide insights and key metrics that can be used to determine proper compensation and incentives. The [on-call](#) reports show the total on-call times of each employee, including time worked during business hours. Drill down in the report to see the exact dates and hours worked.



Reports

Report view: Global Reports

API Usage Reports

Alert MTTA Reports (Except Directly Closed Alert)

Alert MTTAR Reports

Alert Notification Reports

Alert Reports

Alert Analytics

User Productivity Analytics

Incoming Call Routing

Monthly Overview

Notification Reports

**On Call Reports**

Switch back to the previous Reports Page Serhat Can

**Total On Call Times per User**

**Details**

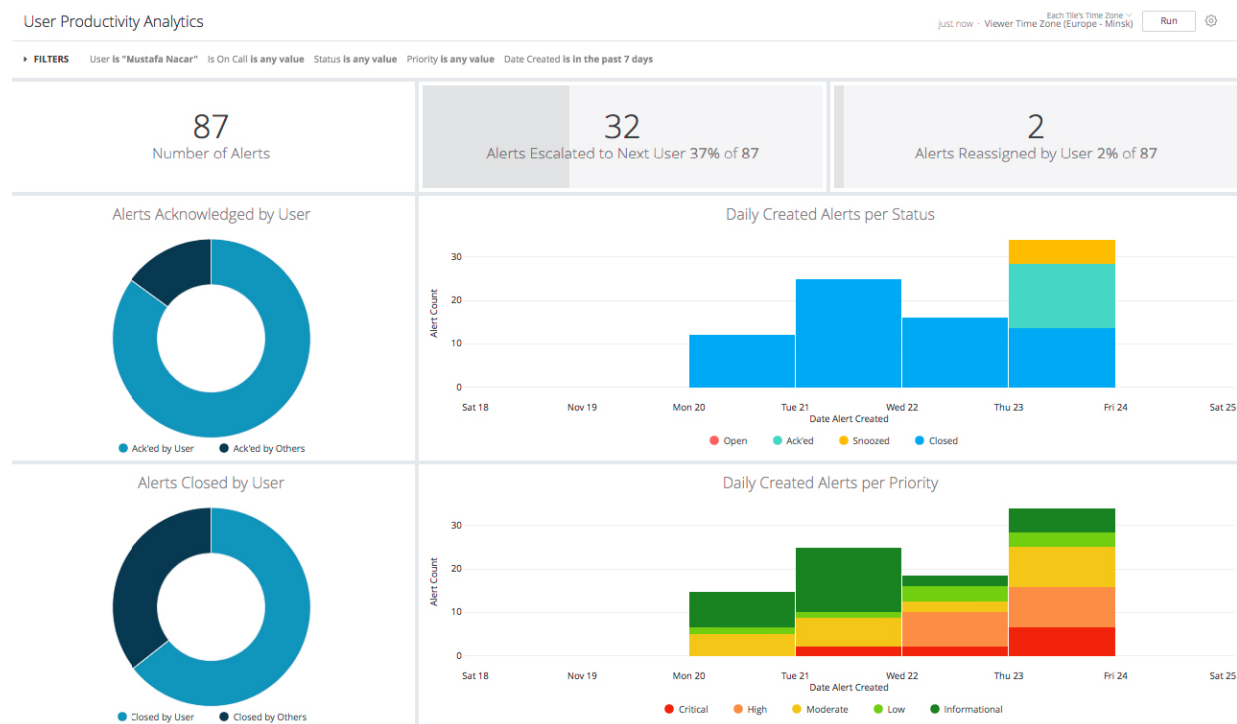
User District on Call Business Hour is in range [9, 18] User District on Call Business Day is in range [1, 5] User District on Call in Business Week (Yes / No) is Yes User On Call Periods Time Period is in the past 1 months

Calendar Period is Hourly User Name is "Özgür Çiçek"

User Name	User District on Call User Normalized Calendar Time Date	User District on Call User Normalized Calendar Time Day of Week	User District on Call On Call Time
1 Özgür Çiçek	2018-05-24	Thursday	1h 0m 16s
2 Özgür Çiçek	2018-05-23	Wednesday	1h 0m 0s
3 Özgür Çiçek	2018-05-18	Friday	8h 30m 0s
4 Özgür Çiçek	2018-05-15	Tuesday	1h 0m 0s
5 Özgür Çiçek	2018-05-14	Monday	8h 30m 0s
6 Özgür Çiçek	2018-05-11	Friday	1h 0m 0s
7 Özgür Çiçek	2018-05-08	Tuesday	8h 30m 0s
8 Özgür Çiçek	2018-05-07	Monday	1h 0m 0s
9 Özgür Çiçek	2018-05-04	Friday	9h 0m 0s
10 Özgür Çiçek	2018-05-03	Thursday	9h 0m 0s
11 Özgür Çiçek	2018-05-02	Wednesday	9h 0m 0s
12 Özgür Çiçek	2018-05-01	Tuesday	9h 0m 0s



In addition to evaluating employees based on their on-call time, [User Productivity Analytics](#) reports show the number of alerts received and actions taken. This information can be shown for a user, team, or account. This report can then be exported so that the data can be used to determine compensation or incentives based on alert status.



OpsGenie's reporting and analytics provide data to help evaluate the operational efficiency of your organization and can be used to determine compensation/incentives for on-call or evaluate overall performance. Export each report as a PDF or CSV so that you can view, share, or complete advanced calculations in Excel.

After determining the proper on-call practice for your company, data from OpsGenie can help to execute that practice and compensate or incentivize employees accordingly.

## Best Practices Considering On-Call Compensation

The responsibilities of an on-call engineer as an incident responder should clearly be defined. This will prevent burnout, confusion, and frustration of being an incident responder. We suggest documenting your incident response process and the expectations for on-call behavior.

### Monitor the process

Following the lifecycle of incident management such as on-call hours worked, MTTA, MTTR, and alert volume is critical for determining proper compensation. Additionally, these metrics provide insights on how to improve on-call, increase uptime, and reduce MTTR.

### Provide explicit information

On-call shouldn't be a surprise for both new employees and existing employees. Managing expectations during the hiring process ensures that the on-call process goes smoothly. Be sure to have a clearly documented policy that can be discussed before employees are on-boarded. Specific details may include an on-call compensation model, the monthly average of expected on-call hours, and how on-call employees' performance is measured.

### Define expectations

Develop clear service-level-objectives (SLO) for on-call employees and ensure that each employee is aware of the expectations. For example, if you expect an on-call employee to respond to an alert within 5 minutes, provide this in the form of a document. When developing the SLOs for the team, provide reasonable expectations with escalation policies to ensure that alerts are not missed. Humans do make mistakes occasionally and putting a 99% SLO or requiring extended on-call shifts pressures the employees causes burnout, and may lead to an increase in MTTR.

**Consult local laws and official guidance**

Depending on location, there may be specific laws in place that limit the on-call model you can choose for your organization. Be sure to consult a lawyer and local laws before choosing a model so you can choose the best, law abiding option.

**Show appreciation**

To prevent burnout where on-call is concerned, money is just a part of it. Providing proper, competitive compensation ensures that employees feel encouraged to work efficiently, but fostering a positive culture is also important. This is why flexibilities like additional days off for on-call, or flexible hours are also helpful benefits. Celebrate small wins like keeping MTTR and alert volume low to keep morale high. Caring about the people and culture of your organization encourages retention and motivates employees to make positive business decisions.

*About OpsGenie*

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Founded in 2012, OpsGenie is an alerting and on-call management solution for dev & ops teams. We provide the tools needed to design actionable alerts, manage on-call schedules & escalations, and ensure that the right people are notified at the right time, using multiple notification methods.

*About the author*

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**Serhat Can**

*Serhat is the Technical Evangelist for OpsGenie. He contributed to different parts of OpsGenie as a software engineer and now spreads the word by coding, writing and talking about DevOps. He is organizing Serverless Turkey and DevOps Turkey meetups as well as DevOpsDays İstanbul.*