

A Cross-Cultural Assessment of Voluntary Unpaid Overtime in Organizations

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Abstract

Unpaid overtime is the amount of time someone works in excess of normal (contracted/agreed-upon) working hours without additional monetary compensation. Many studies to date have focused on both paid and unpaid overtime work. However, studies considering the voluntary reasons of unpaid overtime are lacking. Unfortunately, voluntary reasons for unpaid overtime are either ignored or underestimated in the extant literature. The purpose of this research is to compare voluntary unpaid overtime in different cultures (Turkey, Germany, and the USA) to gain understanding regarding practices and perspectives of Voluntary Unpaid Overtime (VUO), to uncover assumptions and expectations, and to correlate the quantitative data with qualitative findings.

VUO is a new phenomenon in the literature. While predate studies have generally focused on non-voluntary unpaid overtime, very few have addressed the existence of VUO. Our purpose is to track VUO in different countries and compare the resulting indications. Our hypotheses are:

- a. VUO exists and is significantly common,
- b. It exists not only in Turkey but also in different countries,
- c. The drivers behind VUO may suggest underlying significance for workforce motivation and worker satisfaction, and
- d. Managers working across cultures will benefit from these study findings.

Methodology for the study included developing a questionnaire (see Appendix A) for data collection. The questionnaire measures VUO in terms of the number of estimated overtime hours worked per week as (a) Voluntary Unpaid Overtime, (b) Voluntary Paid Overtime, (c) Non-voluntary Unpaid Overtime, and (d) Non-voluntary Paid overtime.

The existence of VUO is an important phenomenon. Why do people voluntarily work overtime even if they are not paid? The various emerging reasons are closely related with employee behaviors and organizational culture. We also found that people who work paid overtime are predominately (more than 60%) not happy. Thus, another interesting issue—also hardly assessed in previous literature—is “Non-voluntary Paid Overtime.”

Preliminary conclusions of the study are as follows:

- a. This study reveals that VUO exists in different cultures and is quite common.

- b. It is an interesting phenomenon that workers put in overtime voluntarily even if they are not paid. Furthermore, paid overtime workers were not necessarily happy, according to study findings in Turkey.
- c. Unveiling deeper reasons of VUO will yield useable management insights for employee motivation as well as enhanced worker satisfaction and well-being.

Keywords: Voluntary unpaid overtime, cross-cultural work behavior and satisfaction.

Introduction

Unpaid overtime is the amount of time someone works in excess of normal (contracted or agreed-upon) working hours without monetary compensation. Previous studies have focused on both paid and unpaid overtime work, both of which significantly impact work culture and employee satisfaction and have been studied by academics (e.g. Duchesne, 1997; Babbar and Aspelin, 1998) and practitioners (e.g. Cohen, 1993). However, studies considering the voluntary reasons for unpaid overtime are lacking and are either ignored or underestimated in the extant literature (Livvarcin, 2008). The purpose of this research is to compare voluntary unpaid overtime in different cultures (Turkey, Germany, and the USA) to: (a) gain cross-cultural understanding regarding practices and perspectives; (b) uncover assumptions and expectations; and (c) correlate the quantitative data with qualitative findings.

Some employees work extra hours without additional pay because they believe it is necessary or even required (based on both implicit and explicit expectations), whereas other employees work extra hours because they enjoy their work (Duchesne, 1997). As used in this research *Non-voluntary Unpaid Overtime (NUO)* signifies when employees are forced to work overtime and get no payment and *Voluntary Unpaid Overtime (VUO)* signifies when employees work unpaid overtime autonomously and voluntarily without additional pay. Comparatively limited effort has been allocated to Voluntary Unpaid Overtime (VUO), instead, most of the predate studies were focused on the non-voluntary reasons for unpaid overtime (e.g. Babbar and Aspelin, 1998). Unfortunately, voluntary reasons for unpaid overtime are either ignored or underestimated by most of the research related to the topic. Significant results previously obtained by Livvarcin and Tosuner (2009) in Turkey involving a group of 108 employees from varying organizations with divergent demographics undergird this study. An important result revealed was VUO does exist and it is significantly common (See Table 1 and Figure 1).

Methodology

Methodology for the study included developing a questionnaire for data collection (see Appendix A). The questionnaire measures the existence of and the reasons for overtime work (paid or unpaid and voluntary or non-voluntary) as well as the amount of overtime in terms of hours per week as (a) Voluntary Unpaid Overtime, (b) Voluntary Paid Overtime, (c) Non-voluntary Unpaid Overtime, and (d) Non-voluntary Paid overtime.

The questionnaire was first applied in Turkey, conducting the study with 43 employees working in the same organization and measured the existence of VUO in that specific

organization (Livvarcin, 2008). A second study was conducted with 108 people from different organizations (Livvarcin and Fikes, 2009). Table 1 summarizes the findings of the second study.

Answer	Voluntary Paid Overtime (VPO)		Nonvoluntary Paid Overtime (NPO)		Voluntary Unpaid Overtime (VUO)		Nonvoluntary Unpaid Overtime (NUO)	
	#	%	#	%	#	%	#	%
Yes	3	3	12	11	75	69	42	39
No	105	97	96	89	33	31	66	61
Total	108	100	108	100	108	100	108	100

Table 1: Existence of VUO in Organizations (Livvarcin and Fikes, 2009).

An additional research sample included 97 respondents from the United States and 89 respondents from Germany working in various organizations. See Table 2. This study expands the VUO research and aims to track VUO in different countries in order to compare the results. Our hypotheses are:

- VUO exists and it is significantly common (See Figure 1).
- It exists not only in Turkey but also in different countries,
- The drivers behind VUO may suggest underlying significance for workforce motivation and worker satisfaction, and
- Managers working across cultures will benefit from these study findings.

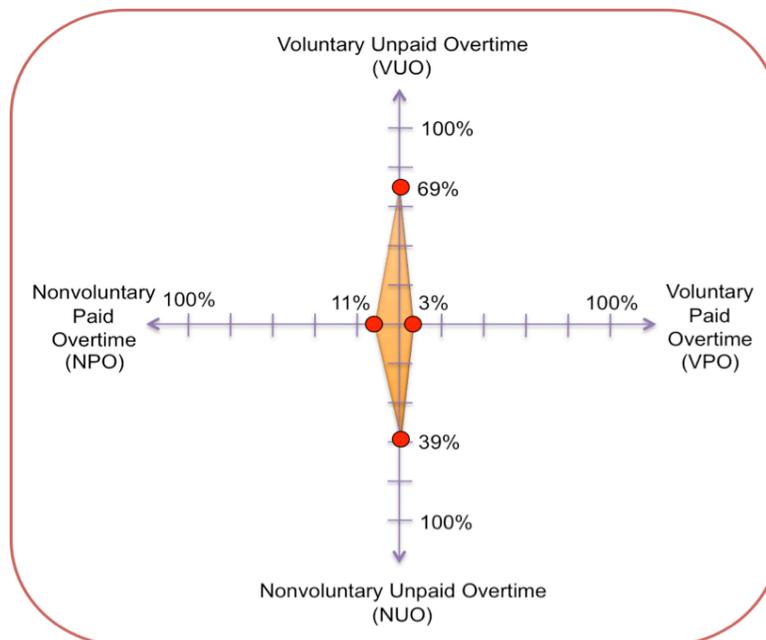


Figure 1: Preliminary Results of Existence of VUO in Turkey (Livvarcin and Fikes, 2009).

The purpose of this research is also to examine both the voluntary and non-voluntary reasons for unpaid overtime.

Data Collection Procedure

During the process of this empirical study, a survey was initially conducted among 337 employees from different organizations in different countries. Respondents were given a questionnaire via e-mail. The questionnaire (see Appendix A) was developed in English as a Microsoft Excel document and is comprised of three sections. The first section includes descriptive parameters. The second section measures the existence of different types of overtime work (paid/unpaid and voluntary/non-voluntary). Finally, the third section consists of an instrument for voluntary unpaid overtime.

The third section of the questionnaire includes nine questions where each question is accompanied by a 5-point interval rating scale (Likert type). Each question is used for the measurement of one particular voluntary reason of unpaid overtime and the responses are collated into a 5-point bar chart ranging from *strongly disagree* to *strongly agree*, which then measures positive and negative responses to a statement.

Discussion

There are various reasons for voluntary and non-voluntary unpaid overtime. Although our study is focused on VUO, we also considered non-voluntary reasons for unpaid overtime.

Non-Voluntary Reasons

Existing literature on unpaid overtime is mainly focused on various non-voluntary reasons (Babbar and Aspelin, 1998; Pannenberg, 2002; Anger 2005). For example, unpaid overtime is assumed to be a criterion for promotion, which is mostly expected from white collar employees (Babbar and Aspelin, 1998). According to this approach, if firms use promotions to sort workers within hierarchies, workers exert effort in terms of current unpaid overtime in order to be promoted to better-paid positions in the future (Pannenberg, 2002). Booth, Francesconi, and Frank (2002) show that the amount of overtime correlates with subsequent promotions in a significantly positive way.

Anger (2005) claimed that there is a correlation between unpaid overtime and the likelihood of a pay-raise. He also claimed that unpaid overtime would reduce the risk of losing a job, probably because in some firms performance is measured more by the number of hours worked than by how well the job is done. (Babbar and Aspelin, 1998).

Work pressure also appears to be an important predictor for working overtime (Van Echtelt & Smulders, 2003 cited in Echtelt et al., 2007). Fluctuations in market demand are often compensated by working extra hours. When workloads are high, employers prefer to let employees work overtime instead of hiring new staff because overtime is either free or less costly than hiring new workers (Echtelt et al., 2007).

In today's economy many companies are reengineered, reorganized, and downsized, which often leads to requiring the remaining employees to work longer hours, more days each

week, and to maintain this pace for longer uninterrupted periods (Babbar and Aspelin, 1998). This might be interpreted as the employer or manager pressure for unpaid overtime. Thus, company and organizational culture as well as peer pressure may represent reasons for the existence of VUO. Working under great time pressure may also force employees to work overtime. (Echtelt, 2007, p.85)

The following nine reasons for non-voluntary unpaid overtime are derived from an analysis of the existing literature (livvarcin, 2008).

1. Higher likelihood of promotion
2. Higher likelihood of pay rise
3. Reduced risk of losing job
4. Work pressure
5. Employer/manager pressure
6. Peers pressure
7. Company culture
8. Time pressure
9. Subordinates pressure

Voluntary Reasons

There is comparatively limited number of studies on the voluntary reasons for unpaid overtime. Most researchers accept that there might be some voluntary reasons for unpaid overtime, but they preferred to focus their research on the more apparent non-voluntary reasons. Babbar and Aspelin (1998), for example, claimed that *in many Japanese organizations, working overtime has become a ritual of obedience and subservience*, in other words, a kind of voluntary dedication. According to their study, not all overtime is mandatory and many workers, especially white-collar employees, put in long hours of overtime work as an expression of their dedication to their companies (Babbar and Aspelin, 1998).

Pennenberg (2002) considers unpaid overtime as a part of a gift exchange between an employer and an employee (e.g., employees respond to employer-financed on-the-job training with unpaid overtime). Furthermore, depending on the observations of the author, the following nine reasons for voluntary unpaid overtime are derived (Livvarcin, 2008).

1. Dedication
2. Employer loyalty
3. Peer pressure
4. Job loyalty
5. Work needs correlated to expectations
6. Work environment (organizational culture)
7. Nothing better to do
8. Family-life (or personal-life) doesn't present competing values/priorities against work-needs/demands
9. Self improvement & self-fulfillment (driven by altruism)

Results

Preliminary results from the initial two studies conducted in Turkey and concluding with two additional studies in the United States and Germany have yielded valuable insight into the existence of VUO in organizations as a common phenomenon. Extending our research to two additional countries unveiled cross-cultural assessment of VUO and unveiled cross-cultural significance that can aid international managers to promote employee satisfaction with regard to issues surrounding overtime practices and expectations. Our findings include:

- VUO exists cross-culturally (cultures examined in this study are Turkey, The U.S., and Germany).
- Employee satisfaction is negatively correlated with paid overtime.
- Intrinsic motivation for work-excellence (Gardner, 2001 & 2007) improves when employee autonomy increases and employer coercion decreases.
- Time constraints and work demands are not equally, satisfactorily, or consistently negotiated nor balanced. This yielded an overarching core reason for the existence of VUO.
- A leadership dynamic in the organizational culture impacts the response to overtime work.

Conclusions

Within social research, different research problems require different research approaches (Singleton and Straits, 1999). This study was based both on an exploratory and conclusive research. It is exploratory because the research aimed to provide significant insight into the indistinct conditions of voluntary reasons for unpaid overtime. This study was conclusive, because it was meant to provide information that was useful in reaching conclusions.

Cultural Significance

- When the need to perform at a high level in output and quality work (“excellence” in Gardner’s term, 2001) competes with social responsibility (“ethics,” Gardner, 2001) workers chose differently based on their cultural values and organizational culture norms.
- Culturally dictated values such as “ambitiousness” impacted the response from participants of different cultures. For example, ambitiousness, as considered good in one culture but not in another culture (House et al., xvii, 2004), correlated with the reasons given for voluntary overtime.
- Cultures known to facilitate self-protective, charismatic/value-based, and team-oriented leadership styles yielded interesting results in relation to the overtime phenomenon. This necessitates further studies on VUO and leadership.

Strategies for Cross-Cultural Organizational Management

- Organization-specific strategies for managing (balancing) time constraints and (with) work demands are highly desirable for achieving worker satisfaction (both short-term and long-term) and efficiency in fostering work excellence.

- Organizations born out of mergers and acquisitions of divergent cultures (such as Middle East and European) may need to explicitly and clearly reveal expectations with regards to overtime.
- Based on the nine reasons for VUO identified in this study (see the Discussion section), the reasons can be summarized as: #1-4 (intrinsic), #5-8 (extrinsic), #9 (altruistic). Intrinsic and extrinsic reasons for working overtime are correlated with culture (i.e., the culture of the society in which the organization is based and/or the culture of the organization). For example, in a high context culture (Hofstede, 2002) much of the information is intrinsically known and conformity is highly desired. In a high-context culture, VUO reasons were correlated with intrinsic reasons (#1-4). In a low-context culture, VUO existence was significantly less.

In summary, organizations making management decisions unmindful of the significance of employees' VUO may miss important correlation between high-level, high-quality output and building organizational culture that encourages VUO. The implications of VUO on organization are: (a) Organization mindful of VUO is more likely to optimize and benefit from its invaluable, intangible resource of time, human energy and improved work output, (b) Creating organizational culture conducive to VUO and developing explicit VUO strategies will narrow employee-employer expectation gap, (c) Improve leadership and employee satisfaction. Furthermore, when managing internationally or in a challenging economy with vulnerable or limited physical assets, smartly engaging the intangible asset of human energy through VUO becomes an organizational enabling process that cannot be missed.

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Section One

Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female				
Organization	<input type="checkbox"/> Public	<input type="checkbox"/> Private				
Total workers in your organization	<input type="checkbox"/> 1-10	<input type="checkbox"/> 11-50	<input type="checkbox"/> 51-150	<input type="checkbox"/> 151-500	<input type="checkbox"/> Above 500	
Age	<input type="checkbox"/> 20 and under	<input type="checkbox"/> 21-30	<input type="checkbox"/> 31-40	<input type="checkbox"/> 40-50	<input type="checkbox"/> Above 50	
Education	<input type="checkbox"/> Primary (K-8)	<input type="checkbox"/> High School	<input type="checkbox"/> Associates degree	<input type="checkbox"/> Bachelors degree	<input type="checkbox"/> Masters degree	<input type="checkbox"/> Doctorate
Job status	<input type="checkbox"/> Employee (non supervisory)	<input type="checkbox"/> Supervisor	<input type="checkbox"/> Manager	<input type="checkbox"/> High level manager	<input type="checkbox"/> Senior Executive	
Marital status	<input type="checkbox"/> Married	<input type="checkbox"/> Not married				
Experience	<input type="checkbox"/> Less than 1 year	<input type="checkbox"/> 1-3 years	<input type="checkbox"/> 4-6 years	<input type="checkbox"/> 7-9 years	<input type="checkbox"/> Above 9 years	

Section Two

Have you ever worked overtime voluntarily for which you were paid?	<input type="checkbox"/> Yes	<input type="checkbox"/> No				
If you've worked voluntary-paid-overtime, on average how many overtime hours per week do you work?	<input type="checkbox"/> 1-3 hours	<input type="checkbox"/> 4-6 hours	<input type="checkbox"/> 7-9 hours	<input type="checkbox"/> 10-12 hours	<input type="checkbox"/> More than 12 hours	
Have you ever worked overtime involuntarily for which you were paid?	<input type="checkbox"/> Yes	<input type="checkbox"/> No				

If you work involuntary-paid-overtime, on average how many overtime hours per week do you work?	<input type="checkbox"/> 1-3 hours	<input type="checkbox"/> 4-6 hours	<input type="checkbox"/> 7-9 hours	<input type="checkbox"/> 10-12 hours	<input type="checkbox"/> More than 12 hours
Have you ever worked overtime voluntarily for which you were not paid?	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
If you work voluntary-unpaid-overtime, on average how many overtime hours per week do you work?	<input type="checkbox"/> 1-3 hours	<input type="checkbox"/> 4-6 hours	<input type="checkbox"/> 7-9 hours	<input type="checkbox"/> 10-12 hours	<input type="checkbox"/> More than 12 hours
Have you ever worked overtime involuntarily for which you were not paid?	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
If you work involuntary-unpaid-overtime, on average how many overtime hours per week do you work?	<input type="checkbox"/> 1-3 hours	<input type="checkbox"/> 4-6 hours	<input type="checkbox"/> 7-9 hours	<input type="checkbox"/> 10-12 hours	<input type="checkbox"/> More than 12 hours

Additional Comments:

NOTE : Please put an "X" in the dedicated (yellow) area and do not change other cells.

Section Three						
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Control
I voluntarily work overtime even if I am unpaid because...						
1 of my dedication.						0
2 of my loyalty to my employers/managers.						0
3 of my loyalty to my fellow workers.						0
4 of my loyalty to my work.						0
5 it is expected of me.						0
6 the workplace culture dictates it.						0
7 I don't have other competing things that I'd rather be doing.						0
8 I like to delay going home.						0
9 I am driven by the desire to become a better employee.						0

Additional Reasons: