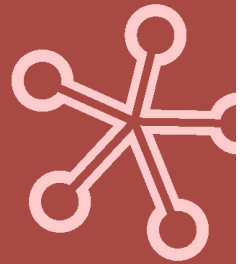


# Part-time working and overtime hours

**Paid and unpaid overtime working  
in the Netherlands and Germany**



**EQUALSOC seminar 23 sept 2006**



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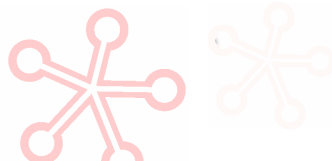
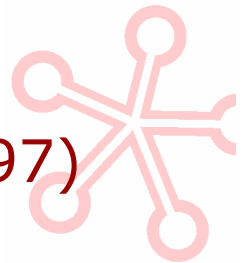
AIAS





# Employer driven overtime

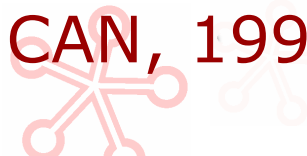
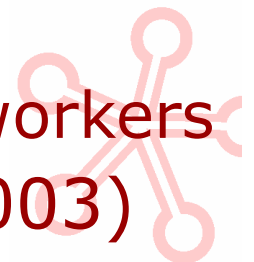
- **overtime is part of workforce optimisation**
  - a buffer against supply and demand uncertainty
  - small amounts of premium-pay overtime provide significant savings in labour expenses (Easton 1997)
- **Netherlands**
  - overtime is estimated to lead to a 1-2% flexibility in the labour force
- **reasons for overtime**
  - fluctuations in production levels (unforeseen)
  - fluctuations in staffing levels (due to sickness or labour shortages)

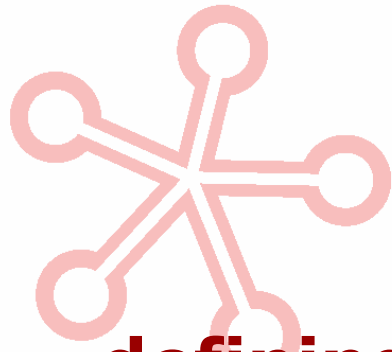




# Employee-driven overtime

- **income driven overtime**
  - for hourly paid workers
  - overtime is future income driven for salaried workers
- **workplace culture important** (Peetz, AUS, 2003)
  - employees internalise overtime pressure
- **men more overtime than women**
- **age and education**
  - skilled workers more overtime than unskilled (Bauer and Zimmerman, GER, 1999)
  - 15-24 yrs & low-skilled more paid overtime; 45-54 yrs & skilled more unpaid overtime: little overtime for lone parents (Duchesne, CAN, 1997)





# Detailing overtime

- **defining overtime**

- usual hours – contractual hours  $\geq 1$  hr per week
- overtime is relative to agreed working hours

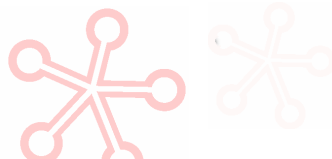


- **overtime arrangement**

- hourly paid workers: paid with & without bonus or time-compensated
- salaried workers: unpaid overtime

- **countries**

- Germany (DE) and Netherlands (NL)



# Data selection

- **WageIndicator data**

- multilingual, continuous web-survey in 17 countries
- on work and wages, posted
- on crowd-pulling websites with wage information
- release 1-6 (sep04-mar06)

- **selection**

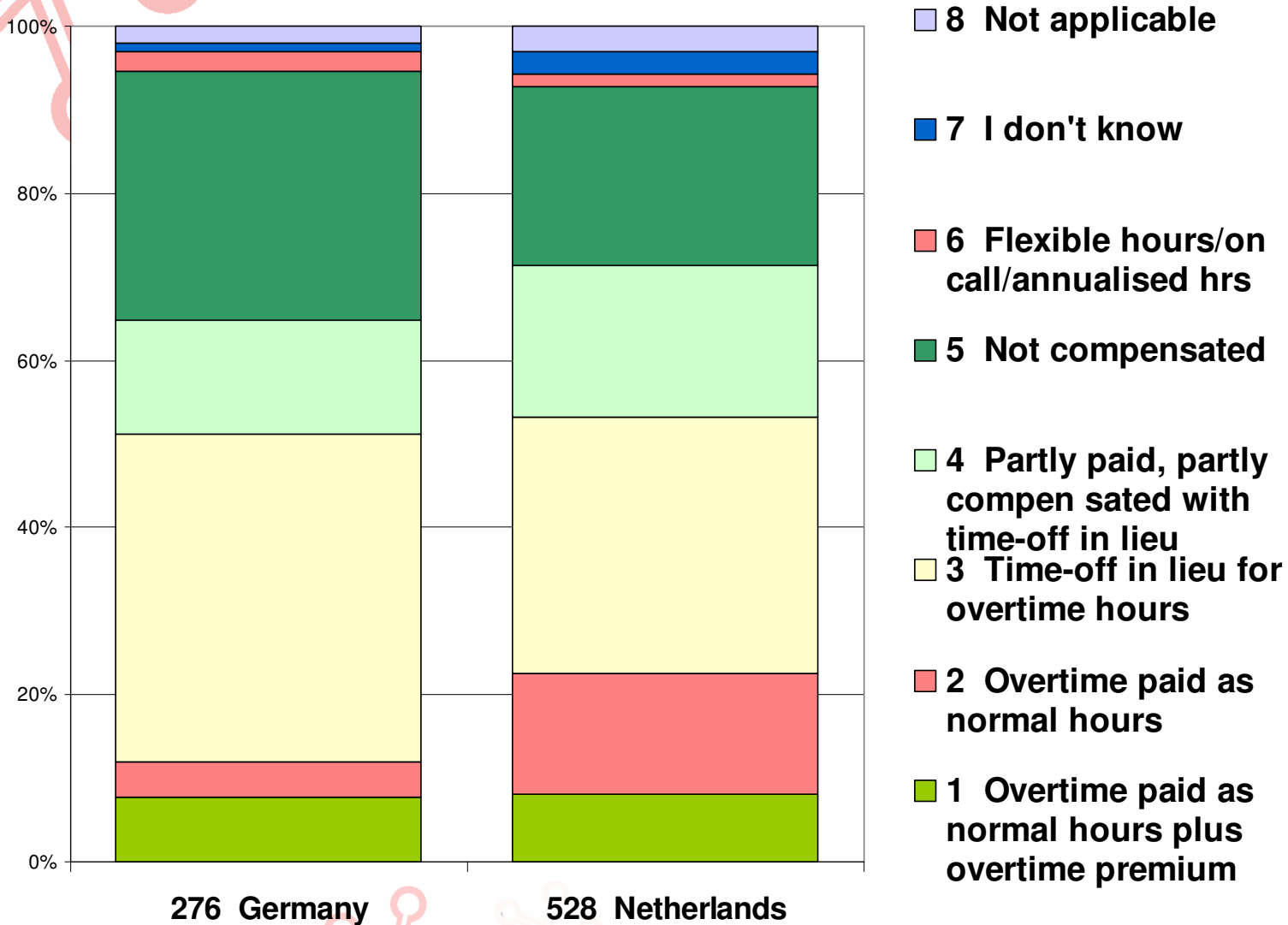
- employees, excluding self-employed etc.
- working hours agreed with employer
- not agreed DE 5%, NL 4%

- **number of observations (unweighted)**

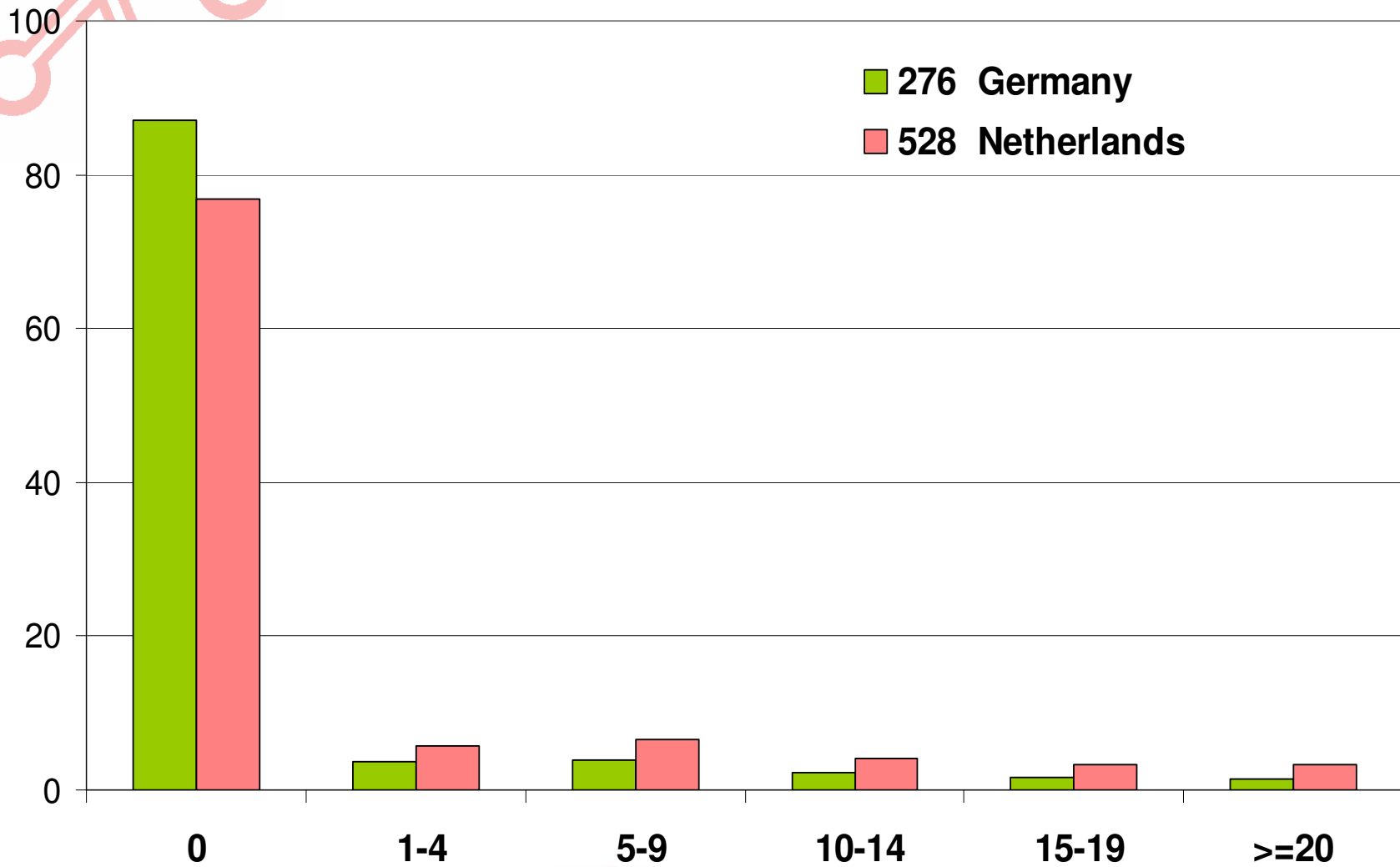
- DE 41,326
- NL 47,749



# What overtime arrangements apply



# Working overtime hours ( $\geq 1$ hr per week)



# Method and frequencies

- **multinomial regression for DE and NL (+ NL)**

- predicting the likelihood of being in the categories
- 1 having overtime & salaried
- 2 having overtime & hourly paid
- 3 no overtime (reference category)

- | <b>freq</b> | <b>DE</b>  | <b>NL</b>  |
|-------------|------------|------------|
| – 1         | 4%         | 6%         |
| – 2         | 9%         | 17%        |
| – 3         | <u>87%</u> | <u>77%</u> |
| – Total     | 100%       | 100%       |

# Employer+employee driven overtime

GERMANY	UNPAID OVERTIME			PAID OVERTIME		
	B	se	Sign	B	se	Sign
Intercept	-2.60	0.16	***	-2.00	0.13	***
householdincome<2500 E pm	-0.08	0.07	ns	0.00	0.05	ns
<= second edu	-0.65	0.07	***	0.16	0.05	**
part-timer<30 hrs	2.65	0.11	***	2.92	0.08	***
commuting <45 mins one way	-0.03	0.08	ns	0.02	0.06	ns
no children	-0.25	0.07	***	-0.33	0.05	***
male	0.00	0.07	ns	-0.29	0.05	***
age < 40 yr	-0.07	0.07	ns	-0.19	0.05	**
No career opportunities	0.05	0.08	ns	0.16	0.06	*
No supervisor	-0.22	0.07	**	0.15	0.05	**
Not covered by cao	0.32	0.07	***	-0.40	0.06	***
Female dominated department	0.11	0.07	ns	0.15	0.05	**
Private sector	0.00	0.08	ns	-0.29	0.06	***
Firm > 100 empl	-0.18	0.07	*	-0.02	0.06	ns
MODEL FIT -2 Log likelihood	8373.00	***				
N	23518					
NETHERLANDS						
Intercept	-1.95	0.11	***	-1.36	0.08	***
householdincome<2500 E pm	-0.36	0.05	***	-0.18	0.04	***
<= second edu	-0.50	0.07	***	-0.11	0.04	*
part-timer<30 hrs	2.15	0.07	***	2.68	0.05	***
commuting <45 mins one way	-0.24	0.06	***	0.08	0.05	ns
no children	-0.30	0.06	***	-0.29	0.04	***
male	-0.38	0.06	***	-0.79	0.05	***
age < 40 yr	0.00	0.06	ns	-0.08	0.04	ns
No career opportunities	0.05	0.05	ns	0.05	0.04	ns
No supervisor	-0.35	0.05	***	0.03	0.04	ns
Not covered by cao	0.57	0.06	***	0.03	0.05	ns
Female dominated department	-0.07	0.06	ns	0.18	0.04	***
Private sector	-0.03	0.07	ns	-0.35	0.04	***
Firm > 100 empl	-0.02	0.05	ns	-0.02	0.04	ns
MODEL FIT -2 Log likelihood	11169.00	***				
N	29721					

# Employer+employee driven overtime

NETHERLANDS	UNPAID OVERTIME			PAID OVERTIME		
	B	se	Sign	B	se	Sign
Intercept	-1.65	0.13	***	-1.24	0.09	***
householdincome<2500 E pm	-0.37	0.05	***	-0.16	0.04	***
<= second edu	-0.44	0.07	***	-0.08	0.05	ns
part-timer<30 hrs	2.20	0.08	***	2.75	0.05	***
commuting <45 mins one way	-0.22	0.06	***	0.10	0.05	*
no children	-0.34	0.06	***	-0.31	0.04	***
male	-0.41	0.07	***	-0.80	0.05	***
age < 40 yr	-0.04	0.06	ns	-0.07	0.05	ns
No career opportunities	0.03	0.06	ns	0.03	0.04	ns
No supervisor	-0.29	0.06	***	0.04	0.04	ns
Not covered by cao	0.54	0.06	***	0.01	0.05	ns
Female dominated department	0.00	0.07	ns	0.18	0.05	***
Private sector	-0.04	0.07	ns	-0.39	0.05	***
Firm > 100 empl	-0.05	0.06	ns	-0.04	0.04	ns
Overtime not normal at workpla	-0.71	0.06	***	-0.21	0.04	***
Staffing levels not sufficient	0.03	0.05	ns	0.06	0.04	ns
MODEL FIT -2 Log likelihood	16847.06	***				
N	20592					

# Employee-driven overtime

- **family cycle more important than hh income**

- workers with children are more likely to have both paid and unpaid overtime, in NL and DE
- in DE no effect of household income, in NL low income less likely paid and unpaid overtime

- **future earnings**

- career perspectives do influence neither paid nor unpaid overtime

- **gender and education**

- females are more likely to have paid overtime than males, in NL also more unpaid overtime
- lower educated less likely unpaid overtime, more likely having paid overtime (not in NL)

- **workplace culture:**

- overtime not common in workplace -> less paid and less unpaid overtime (analyses for NL only)



# Employer-driven overtime

- **collective agreements**

- reduce unpaid overtime and increase paid overtime, in NL and DE

- **department and industry**

- workers in female dominated departments more likely having paid overtime, in NL and DE
- workers in THE private sector less likely having paid overtime, in NL and DE

- **optimisation issues**

- part-time working hours heavily influence both paid and unpaid overtime, in NL and DE
- self-perceived staffing levels do not affect the incidence of paid or unpaid work (analyses NL only)

- **country differences**

- though there are some differences across the two countries, in general the patterns are remarkably similar