



Extended Work Overtime: Labors' (Employees) Choice or Obligation

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ABSTRACT

Time management is very important at workplace. Employees have to work hard to accomplish their work on time hence; they often end up doing overtime in-order to improve their performance. For this purpose, Organizations are now offering overtime for their employees. This study relates to the comparison between voluntary overtime and compelled overtime and the research basically aims to determine the average attitude towards overtime. A total number of 280 employees or laborers from different construction-based companies were surveyed in-order to find out the comparison between voluntary overtime and compelled overtime and how it is scaled between the two. The independent sample t-test technique were used to compare the two variables of free-choice and obligation. The findings confirmed that the most of employees (labor) go for overtime based on their own will rather than compulsion.

Keywords: Work overtime, work obligation, construction organizations

Introduction

Over the previous years, many organizations have faced rapid changes in their work-place environment with regard to workload, productivity, technology, efficiency and effectiveness. It is indeed difficult for organizations to adapt changes with time. Many organizations have come to focus on generating creativity and innovation in order to acquire a competitive advantage and sustain in the marketplace. Organizations have to work extremely hard if the accompanying strategies are to work in accordance with the already set-up effective-planners; which is where employees play an important role. There is no accord as to the definition of extended work overtime. Random suggestions like extending up from 8 hours to anywhere till 12 hours, should come to be counted as overtime. Since, after 8-12 hours of work, a change of shift is implied.

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Literature Review

Over time is stress inducing especially during the periods of economic recovery. Since, employees are the most important resource for a firm and they should not feel like captives at their work-place. In relevance to labour class, workers go on strikes when a large number of industries force them to work 50 to 60 hours each week. Overtime leads to work-life conflicts for the workers, where their personal lives are disturbed and they are unable to spend time with their families due to the excessive work demands. Many workers are willing to work in-order to achieve the goals and make more money. Industries ought to generate suitable options as to how overtime can be scheduled and on what basis; also who is to get the job effectively done when overtime is required. It is essential for management to try and make sure that short hours yield higher productivity by the workers, in-order to avoid requiring them to work overtime (Aspelin, 1998).

A broad collection of theoretical and practical studies showed that it depends on the type of employment and the working-time period that goes into production and defines the cost function. Different types of working models scheduled in the labor market depend on the workers demands or their bargaining-power, as when in the groups, such as, unions. When doing the extra hours of work, labor is counted as standard-hours or normal-hours, and returns are fixed-amounts to the wage-rate. Over the past decade in Europe, policy issues relating to the work-time have been substantial; since the premium wage rate varies linearly as with each overtime hour worked. The practice of individual compensation of overtime varies in the British manufacturing and service organizations, where some get fewer rates for the first over-time hour while others acquire more premiums as they continue working daily, weekly, or yearly (Hart, 1999).

According to the previous studies, the purpose of Fair Labor Standards Act was to reduce the work weeks, increase the employment-rate and make it possible for workers to obtain at least half the pay for the overtime hours worked. Moreover, FLSA has led a few changes in its overtime provisions with the interests of crafting effective policies for the labors; they did this by allowing economists and lawmakers to investigate into the main effects brought about by the changes made in the work-time legislation. They basically examined the effects of shifts made in the overtime laws and how it affected the public sector workers (Pencavel, 1993). Another study about the overtime pay provision by the Fair Labor Standards Act assumed that a fixed-wage implies that overtime pay should increase in the occurrence of a 40-hours work-week with increased weekly earnings of the overtime workers and decreased overtime-hours. Alternatively, the fixed-job approach noted that firms and workers have the same opinion to as for the packages of weekly compensation and weekly work-hours. As workers earning the smallest amounts of wages are officially not allowed reductions in their straight-time wage rates, however, predictions are that the overtime pay regulation is to discrepantly impact the minimum and non-minimum-wage workers; the study of hourly wages indicated considerable yet partial changes in the one-time wages to overtime pay rule (Trejo, 1991). There is a link between long working-hours and the relative cognitive-function of the middle aged workers. Furthermore, the extended overtime hours are also widespread globally; in the European Union member states, for example, about 12% to 17% of the employees worked over-time (Costa, 2000). Extended overtime-hours have been noticed to lead to an unhealthy lifestyle, sleep deprivation and related adverse health outcomes. Extended working-hours have been termed as one of the risk-factors, which have a negative impact on the cognitive-performance of the middle aged workers.

The distribution of work-hours with the relative pay and size of the work-day showed that how inconsistency occurs when changes are made in the length of the work day. Due to this, it is suggested that the studies of income inequality take the number-of-hours-worked into account (Costa, 2000).

Labor Market Equilibrium study, where wage hours vary against the overtime-payments (as basic as per the Law) was investigated; the impact of overtime pay-rule on daily work-load was forecasted. The Fair Labor Act needs to support the workers, as they need to be paid at-least some amount of their overtime, worked throughout the week. New approach suggested that there is a direct impact of overtime pay-rule on the work schedules (Trejo, 2003).

Trejo (2000) stated that the policies of the Fair Labor Act creates orderly effects on the supply of weekly-hours, worked by the workers; as it simply estimates an additional overtime decrement ratio of employed workers and what needs to be done to improve the ratio of workers with a 40-hour work-week. Premium pay for overtime must be cut down weekly for those workers who always put in overtime, which is simply shown by the Labor demand model. The Labor demand model estimates that the lawful premium model should lower the overtime work and increase the 40-hours work-week, and furthermore should decrease the ratio of overtime given by the firm in order to maintain or bring about more amounts of weekly work. However, practical findings suggested that the compensating discrepancy shape of the overtime-pay law, the statutory overtime premiums might actually not have the intended effects of falling overtime-hours and the creation of extra jobs. Unpaid overtime is an important fact in the labor market thus practically lessening the long standing effects of work without pay. This has allowed one to check the unpaid-hours worked weekly and the relative benefits for the workers, which instead end-up as returns-on-investment; thus with the help of this study, significant long-term effects on labor-earning is determined as being related with the unpaid overtime (Pannenberg, 2005).

According to the viewpoint of some workers, the worth of unpaid overtime must be equivalent to the salaried overtime, however according to the economic viewpoint workers put forth efforts doing unpaid overtime due to already enhanced and suitable salaries (Trejo, 1993).

Zimmermann (1999) examined the effects of labor-unions on overtime-compensation and through analysis determined that unionization increases the premium or the rewards in compensation for overtime done while decreasing the number of overtime hours. The study further specified through a survey that amongst those who worked in addition to the 40 hours of work-week, 37 percent received an ideal or satisfactory pay for the overtime worked; which shows that union workers are more effective than non-union workers to receive premium pay for overtime as prescribed by the Fair Labor Standard Act. The policy discussion of reducing the net overtime hours in-order to increase employment needs to take into account the compensation received by the workers for the amount overtime done.

The determinants and the returns of overtime-work trends in the German labor-markets were delved into the findings, which showed that most of the overtime remained unpaid, while increased overtime work-loads were mainly an issue for the high skilled workers. A fall in the overtime hours translates to reduced demand of labor, while the overtime work remained economically un-rewarding for the inexpert workers; the skilled workers on other hand comparatively get paid for the overtime hours, which lead to efforts by the management to cut down the number of overtime hours for the skilled workers. On the other hand, work-load remains the same, leading to an increased work burden (Zimmermann, 1999).

Most workers do some extra hours on a weekly basis, however the end result is almost often a gap between the compensation paid and extra hours worked (Hart, 2003). Ruffell (1993) found that firms compensate with a relatively small average wage rate and aggressively focus on maintaining a standard hourly wage. The interpretation proposed that the distribution of one's pay divided by the number of hours worked also negatively associates with the overtime periods. Furthermore, in the majority labor-markets, overtime-

hours are an endogenous variable with attributable average pay rates. Thus, during decreased labor-time available at hand, firms turn to overtime; which makes the difference between a fixed level of production and a profit maximizing or optimal production. In addition, the plan of this research is to examine how endogenous reactions of overtime may affect the employment, when the regular working time comes to be insufficient. Thus, though a mixture of raised overtime premium due to insufficient standard labor-time, companies raise employment through the means of work sharing (Hoel, 1988). Hamermesh (1999) described work-hours as being highly complicated of a factor, whereby the regulations with regard to standard numbers of work-hours per week is perhaps the component, which determines a company's vacation policies and job specific attributes.

In short, the typical study of overtime-pay laws focuses on the labor demand by means of models, which distinguishes the varying quantities of workers hired and the relative hours that every worker puts forth working. For e.g. one model estimated that the Californian overtime rule constructed organized sharing of the daily work hours and that the overtime work significantly impacts the labor demand. Since, work hours change with each and every day of the week, thus the regular overtime leads to varying overtime expenditures (Trejo, 2000).

Hypothesis

Following hypothesis has been assessed for the Karachi region.

H₁: The employees go for overtime on their own choice rather than the obligation imposed by the employer.

Method of Data Collection

This study emphasizes the study pertaining to the Karachi region pertaining to construction industry industries in relevance to workers' overtime. Data was collected through questionnaire survey and was collected from 280 employees/labors from different construction companies and primarily the basic question was asked that whether workers are doing overtime on choice or obligation. The unrestricted non-probability technique was used to gather data from population. There was unavailability of specific population doing overtime; hence, sampling size was determined through non-probability method. The questionnaire consisted of 12 close-ended questions through likert scale approach and was divided in two sections namely overtime on choice and work overtime on obligation. Respondents were asked to fill their respective sections for accurate results.

The study is based on the comparison between the work overtime on choice and work overtime on obligation; therefore, Independent sample t- test was deployed to evaluate the hypothesis.

Results and Findings

The findings of this paper confirm that there is a notice able difference between the work overtime by choice and the work overtime by obligation as the mean difference between these two stated variables are found significant at $t > 1.5$.

Hypothesis Assessment Summary

Table 1: Hypothesis Assessment Summary

Hypothesis	Mean Value		MD	t- test	Sig: Value	Empirical Conclusion
The employees go for overtime on their own choice rather than the obligation imposed by the employer.	Choice 3.86	Obligation 3.48	0.379	5.040	.000	Accepted

Discussions

The relationship between choice and obligation was reported significant in this research. The employees are happened to be more satisfied with overtime by choice in comparison of by obligation. This study further indicated that an organization needs to conduct time management training more frequently in order to enhance work commitment and performance of employee while pitching in various innovative solutions in promoting capacity-building programs and increasing more incentives.

Conclusion

The prime objective of this study was to find out employee preference regarding overtime by choice or by obligation. It was found that employees prefer overtime on choice instead of obligation because in overtime on choice the respondents are more willing to work and render extra time than the overtime on obligation, which opens the Pandora box, which leads to inefficiency of workers, complains of workers, conflict with work overtime by firms, wage conflicts and many issues, which are modeled in the literature review specifically for labour class workers, keeping in mind that this study was from construction organizations catering to labour class workers.

Generally employees who are satisfied with overtime work on choice rather than an obligation. They consider it to be the more important factor leading to an improved performance, motivation, satisfaction and other work-commitment level of employees. This study can be useful for understanding the laborers perspective, which do over time and occupy more concentration on the job and reward/compensation for self. Using this approach an organization can better reach their manufacturing goals in time, where labor performance and labor work-ethics is the key to success.

Future research to the current study can be widened to employee's motivation, performance, and satisfaction with respect to overtime done under free-choice as compared to an obligatory pressure and to observe organization's view in comparison to employees' view on the said subject.

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