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## Upfront

### **The Stingy Hour: Workers paid by the hour are less likely to volunteer than are salaried employees**

By Alana Conner

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## The Stingy Hour

*Workers paid by the hour are less likely to volunteer than are salaried employees*

WHEN SANFORD DEVOE WAS IN HIS FIRST YEAR OF graduate school, he received his funding in the form of a salary. But to get paid for his second through fifth years, he had to log his teaching and research hours on a time sheet. "It changed the way I was thinking about my time," he recalls from his office at the University of Toronto, where he is an assistant professor at the Joseph L. Rotman School of Management. "I started putting a price on that time, even when I wasn't at work."

DeVoe is not alone, he reports in the August 2007 *Academy of Management Journal*. When people think about how much they earn per hour at work, they are less likely to volunteer their free time to charitable causes. This is true not only for hourly workers, but also for salaried workers who are made aware of their hourly pay rates.

"When you think about your time in terms of its monetary value, it's hard to justify volunteering, even though that's something that gives people's lives a lot of meaning," says DeVoe, noting the many studies demonstrating that volunteering makes people happier and healthier.

With co-author Jeffrey Pfeffer, a professor at the Stanford Graduate School of Business, DeVoe examined how much time hourly and salaried workers spend volunteering. The authors discovered that hourly workers volunteer less than non-hourly workers do. Their findings held true even after controlling for income, hours worked, sector of employment, and other factors related to volunteering.

The authors next randomly assigned salaried workers either to a control group, who just listed general information about their earnings, or to an experimental group, who calculated their hourly wage. All of the workers then expressed how willing they were to do volunteer work. The authors found that salaried workers who calculated their hourly wage were less willing to volunteer than workers in the control group.

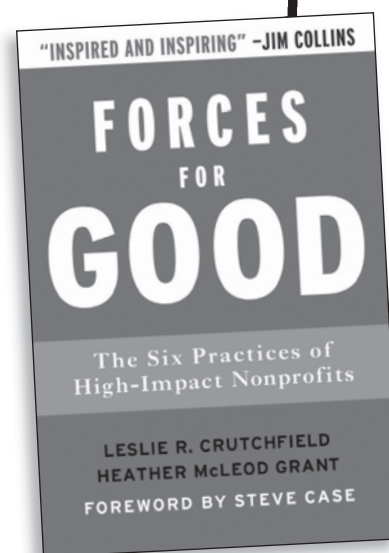
Almost 60 percent of the U.S. workforce is paid by the hour, according to the U.S. Department of Labor's Bureau of Labor Statistics. Over the past few decades, the number of hourly workers has steadily increased.

A growing number of highly skilled workers are choosing hourly pay in exchange for more flexibility. Ironically, many of these hourly workers become more rigid with

their hours than do their salaried counterparts, find researchers. DeVoe recalls a San Francisco-area technology consultant who caught himself calculating how much money he was losing as he watched his child play soccer.

"It's perfectly appropriate for people to have this precise value of their time on the job," agrees DeVoe, "but they have to figure out how to turn it off when they aren't working." Employers can also encourage volunteering by setting aside time for employees to donate their efforts to charities. "Even economists think it's crazy to get so focused on money that you make choices that are inconsistent with your preferences [for health and happiness]," he says. —A.C.

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