Organizational decentralization, individual overtime and work related stress

Abstract

Recent decades have seen profound changes in the organization of work which can broadly be characterized as organizational decentralization. These changes comprise new team- and project based forms of production, a dissolution of hierarchies, new forms of organizational control (such as agreements on objectives), a down-ward shift in responsibility and flexibilization of organizational procedures and work-schedules. While these changes are intended to increase the performance of organizations, these changes may have mixed consequences for employees: on the one hand, they allow greater personal autonomy in task- and schedule setting; on the other hand, they may lead to greater uncertainty and increased levels of work-related stress. The decentralization of organizations and the flexibilization of work threaten to blur the line between the workplace and private life because employees feel the need to work long hours and the impossibility to switch off from work even when at home. While this problem has long been recognized in the sociology of work and organizations, very little evidence exists regarding the extent of this phenomenon. Most studies rely on small samples of specific industries or qualitative case-studies. This paper uses a new linked-employer-employee dataset (SOEP-LEE) to investigate the impact of organizational decentralization on overtime and job-related stress. The dataset consists of a rich set of information on 1830 individuals from the Socio-economic panel (SOEP), including measures of work-related stress and individual overtime. The data can be linked to information on the organization the individuals work for and which is provided independently by the employer. By analyzing this dataset, which is broadly representative of the German workforce, we substantially contribute to the existing literature on the restructuring of organizations and its impact on the individual.

Michael Weinhardt, Maik Dammann

Bielefeld University