Taking Back Control:
Trade-offs between wages and schedule autonomy

Worker Characteristics & Willingness to Pay
- High share of zero WTPs: no preference or unwillingness to trade off, rounding, uncertainty about interpreting question, reference point effects on reporting (locking-in of first reservation wage elicited), ...
- Mas and Pallais find a majority not willing to trade off in experimental setup
- Zero-WTP individuals observably similar to positive-WTP individuals
- Treat WTP as categorical to deal with zeroes and outliers: Negative, Zero, Low (<8%), Intermediate, High (>20%) → Ordered Probit

Real Schedule Arrangements
Workers in flexitime schemes
- have a higher willingness to pay
- would require compensation for a fixed-hours jobs compared to their current job
- have a willingness to pay for full autonomy, over and above their current job type
No such effects for informal schedule arrangements
- "Hierarchy of needs": Variability → Predictability → Autonomy

Contribution
- Direct evidence on willingness to pay, circumventing a range of endogeneity issues associated with hedonic methods
- Clear definition and measurement of worker-led flexibility
- Close to representative sample
- Explore importance of schedule autonomy for within-job decisions of employed workers

Context & Literature
- Policy truism: schedule autonomy as a key facilitator of equal outcomes for women workers and workers with caregiving responsibilities (e.g., EHRC 2017)
- Varying operationalisations: Time-in-lieu, employee-reported working time arrangements, self-reported level of work-family conflict in work-time planning
- Outcomes studied: job satisfaction, future income/overtime, wage differentials
- Experimental evidence on willingness to pay: Mas and Pallais, 2018

Data
- 2010 SOEP Pretest: ca. 1,300 individuals, separate sample from main household panel, drawn from same population according to same rules
- Reservation wages, stated preferences, current job characteristics, expectations
- Main question of interest: “How high would your net income have to be to accept a job offer, if ...
  ... the new job had a fixed start and end of daily working time?”
  ... you did not have a formal working pattern but you could arrange your own working hours?”
- Preceding question: Reservation wage for a job similar to current one (including similar hours)

Expectations & Reference Points
- Idea: Asymmetrical utility over gains and losses
- Psychological barriers, spending commitments, home production arrangements
- Expectations = better measure of reference points than status quo (Rabin and Kőszegi 2006)
- Model predicts decrease in job mobility: Change in experienced utility can be outweighed by gain-loss utility
- Evidence: If expected schedule is flexitime, WTP for autonomy ↑