

Paid Workers and Volunteers, Side by Side

In many workplaces,
everyone might be given
a company T-shirt, but
not all may enjoy a W2.



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Associates, team members, talent ... We call the folks that do the work for our organizations by many names. Sometimes, we also call them volunteers. Millions of Americans volunteer annually and, on average, volunteers are highly skilled individuals. With unpaid volunteers working alongside W2-paid employees, sometimes it is difficult in a workplace to distinguish one

from the other. For the purpose of this column, I will define a volunteer as anyone who performs some work for an organization for no monetary reward in exchange. Note, however, that readers of this column will understand that volunteers may still be “compensated,” if we think in a total rewards sense.

Firefighters as Volunteers

In my August 2014 column, I wrote about paid firefighters (“Paying to Put Out Fires”). But, consider that large numbers of folks serve as firefighters for free. Volunteer firefighters are everywhere; my own daughter serves as a volunteer firefighter and certified Emergency Medical Technician (EMT). Let’s consider these volunteers. Why do these folks do it?

Obviously there are many reasons one would become a volunteer firefighter and I’ll name just a few here; I am sure you can come up with many others. First, folks who do this want to help — they are providing a public service. This is especially clear when we understand that it is incredibly demanding and dangerous work. Second, folks might want to volunteer as a way to “work up” to a paying position.

This type of volunteering “as training” is common among many occupations. Third, it’s exciting. Some people feel an incredible sense of excitement fighting fires and helping others. Finally, there are other nonmonetary rewards: the fire engines and sirens are cool, you get cool hats and the fire dogs are awesome!

Hospitals

I first began thinking about volunteerism some time ago, in the context of choosing to work in a nonprofit versus a for-profit organization. Anne Preston (“The Nonprofit Worker in a For-Profit World,” *Journal of Labor Economics*, October 1989) and others have suggested that some managers in nonprofits “donate” part of their wages (effectively volunteering part of their time) by accepting lower wages to work for nonprofits than they could command working for a for-profit organization.

This kind of idea prompted me and my colleagues Marianne Bertrand and Richard Arnould to consider not necessarily the level of pay but the mix and correlates of pay. In “Does Managed Care Change the Management of Nonprofit Hospitals?” (*Industrial and Labor Relations Review*, 58(3), April 2005), we studied the compensation of managers of nonprofit hospitals. In particular, we wondered whether the leaders of nonprofit hospitals were paid more like for-profit managers when there was more market competition in terms of a greater concentration of other hospitals in the area serviced by the hospital. We found just that.

This study then got me thinking about all the other people who work in the hospitals. Many hospitals have an army of loyal volunteers. Some of those volunteers are working for nonprofit and community hospitals where they are, for example, delivering flowers to patients. The wages that aren’t paid them could presumably be used for better services for patients or increasing endowments of the organizations. Other volunteers perform the same tasks in for-profit hospitals. These volunteers are doing the same work, but in this case does the money saved go toward better patient services or to shareholder return?

Compensation for Volunteering

It is interesting to see people doing the same job — and sometimes working side-by-side — where one individual is being paid and the other is a volunteer. I’ve mentioned firefighting (a nephew of mine is one of two paid firefighters in the town in which I grew up and also works with many volunteers), and hospitals, both for-profit and nonprofit. And, let’s not forget all those unpaid interns in corporate

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settings who are often doing work that is incredibly similar to that performed by paid staff.

Motivations for volunteering are many and I do not intend to fully explore the myriad reasons identified by social scientists for this behavior, including to gain experience, create a path to a paid job, offer service to others or gain personal recognition. An interesting study of volunteerism is Richard Freeman’s “Working for Nothing: The Supply of Volunteer Labor,” (*Journal of Labor Economics*, 15(1, part 2), 1997). Using data from a unique survey, Freeman showed clearly that standard labor economic explanations only get us so far in explaining volunteerism. He also confirmed, as anyone who has had to recruit volunteers will attest to as well, many volunteers only do so if asked and it is certainly the case that not all asked will agree.

Which brings me to a last personal note. Oct. 5-11, 2014, is Fire Prevention Week in the U.S. I recently visited the local fire station where my daughter volunteers and was treated to a tour of the station. When we came to the pumping truck, the big guy giving me the tour pointed to a sea of dials and gauges and told me about the job of the pump operator. Apparently, this is a job that requires the ability to pay attention to multiple sets of numbers simultaneously. Seeing a possible new volunteer, he said to me: “You look like you’d be pretty good at math.” While that may be the case, I don’t think I have everything else that job requires. For now, I’ll stick with volunteering for WorldatWork (and a few other causes) and leave the firefighting to others. **WS**



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