Worker Absenteeism and Sick Pay

Absenteeism is the single most important cause of lost labour time, yet it has received much less scholarly attention than more dramatic forms of industrial disruption, such as strikes. Arguing that any explanation of absence rates must take into account the interests of employers and employees alike, this book constructs a model of the markets for absence and sick pay. These are not independent, since sick pay affects workers’ incentives to be absent, and absences affect employers’ willingness to provide sick pay. The book reviews the available empirical evidence relating to both markets, stressing the importance of careful identification of the effect of the price of absence on demand, since this is a crucial quantity for firms’ policies. It concludes by discussing the implications of the model for human resources management, and for the role of the state in sick pay provision.

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Worker Absenteeism
and Sick Pay

JOHN TREBLE AND TIM BARMBY

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In memory of our parents
Note on cover illustration

The cover illustration shows a limestone ostrakon with a register of workmen’s absences from Deir el-Medina, Egypt (19th Dynasty, around 1250 BC). The ostrakon is held at the British Museum: “This ostrakon seems to be a workman’s register for 280 days of Year 40 of the reign of Ramesses II (about 1279–1213 BC). A list of forty names is arranged in columns of hieratic script on the right-hand edge of each side. To the left are dates written in black in a horizontal line. The reasons for absences are written above the dates in red ink. They are varied and give us a fascinating insight into some aspects of life in ancient Egypt. Illness figures prominently; a couple of examples of illnesses of the eyes are mentioned. One workman functioned as a doctor and was often away attending on others. Absences due to deaths of relatives are recorded, as are also references to purifications, perhaps relating to childbirth. Frequently a day missed is down to a man ‘being with his boss’; other sources show that workmen did frequently do work for their superiors. Occasionally a man is away ‘building his house’, or at ‘his festival’, and there are even examples of drinking, in particular ‘drinking with Khonsu’.”

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Preface

This book has been a long time in the making, and we have many people and organisations to thank for support of many different kinds. The unwitting provider of many of the ideas in the book was a frozen chicken factory in Aldershot, which employed the youthful John Treble for a few weeks in 1967. During a labour economics class at the University of Hull in the early 1980s a third-year undergraduate student (whose name is now lost in the mists of time) asked an innocent question about prices and incentives, which provided the initial impetus for all our work on absenteeism. Our ideas about the empirical matters were given a considerable boost by a large British firm in the fast-moving consumer goods sector, which not only gave us access to its personnel and pay records but also paid for research assistance for two years. A second British firm, in the financial sector, was similarly generous with data, and also provided financial support, as did the Economic and Social Research Council (ESRC). The ESRC and the Leverhulme Trust have supported this work with several grants of varying sizes. Empirical work using French data was supported by the British Council and the French Ministry for Foreign Affairs under the Alliance programme.

As important as money in enabling an enterprise such as this is finding time in which to do it. Once again, several organisations have given us space to develop ideas at some length. The ESRC and the Leverhulme Trust, again; la Fondation des Treilles; ERMES and LEM at Université de Paris II (Panthéon-Assas); the Institute for Labour Research at the University of Essex; the Centre for Labour Economics at Århus Universitet; the Tinbergen Institute; and the economics departments at Vrije Universiteit, Amsterdam, Universität München, Universität Hannover, the University of Arizona and Curtin University. Thanks must also go to Per Johansson for organising a workshop on absence in Uppsala at which the demand and supply idea was first tried out.
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