



IAAEU

Institute for Labour Law
and Industrial Relations
in the European Union

Universität Trier

Schedule

Thursday, 10 October 2013

08:45– 09:00	Reception
09:00 – 12:30	Lectures
12:30 – 14:00	Lunch
14:00 – 17.30	Lectures
20:00	Conference Dinner

Friday, 11 October 2013

09:15 – 12:30	Lectures
12:30 – 13:30	Farewell Lunch

All Lectures will take place in the H building of the University Trier (Campus II) in room H714.

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER

Programme

Thursday, 10 October 2013

08:45 – 09:00
Reception (H714)

09:00 – 10:30
Sickness Absenteeism and Moral Hazard (H714); Chair: A. Chadi

Thomas Leoni
“Firms' moral hazard in sickness absences”
Sébastien Ménard
“Optimal sickness benefits and workers' absenteeism”

10:30 – 11:00
Coffee Break

11:00 – 12:30
Sickness Absenteeism and Gender (H714); Chair: V. Mertins

Daniel Avdic
„Gender differences in preferences for health related absences from work”
Elva Lopez Mourelo
“Sickness absence from work in Spain: Are there gender differences and why?”

12:30 – 14:00
Lunch



IAAEU

Institute for Labour Law
and Industrial Relations
in the European Union

Universität Trier

14:00 – 15:30

Sickness Absenteeism (H714); Chair: S. Jeworrek

Bernd Frick

“Regional absence cultures”

John G. Sessions

„Workplace absenteeism and worker interdependency”

15:30 – 16:00

Coffee Break

16:00 – 17:30

Sickness Absenteeism and Employer Type (H714); Chair: M. de Pinto

Claus Schnabel

“Absence from work of the self-employed”

Concepción Román

“Family employees and absenteeism”

20:00

Conference Dinner

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER

Friday, 11 October 2013

09:15 – 10:45

Sickness Presenteeism I (H714); Chair: M. Mechtel

Kjeld Moller-Pedersen and Kristian Skagen

“The economics of presenteeism or: The lack of an economic and econometric framework?”

Daniel Arnold

„The intensive margin of sickness presenteeism: Empirical evidence from European survey data“

10:45 – 11:00

Coffee Break

11:00 – 12:30

Sickness Presenteeism II (H714); Chair: D. Arnold

Alison Collins

„An examination of the concurrent and prospective influences of sickness presenteeism and sickness absenteeism behaviour on organisational and individual outcomes in UK workers“

Stefan Pichler

“Sickness absence and the business cycle: Moral hazard, labor force composition or neither“

12:30 – 13:30

Farewell Lunch



IAAEU
Institute for Labour Law
and Industrial Relations
in the European Union

Universität Trier

Organisational Info

Lunch and Conference Dinner

Lunch on Thursday will take place at the Petrisberg cafeteria. All participants will receive a voucher. The Conference Dinner on Thursday evening will take place in the restaurant "Brasserie", Fleischstraße 12, within walking distance of the hotel. After the lectures on Friday afternoon, there will be a sandwich bar.

Accommodations

Hotel Römischer Kaiser

Porta-Nigra-Platz 6
54292 Trier
Tel. 0651 / 9770100
www.friedrich-hotels.de

Directions

The lectures will take place on Campus II of the University of Trier in building H (Behringstr.). The following buses are recommended:

From Hotel Römischer Kaiser:

Busline 4 towards Irsch Hockweiler Str. (from the main station bus platform 4 or from the Porta Nigra bus platform 1) to the University Campus II, travel time from the Porta Nigra: ca. 20 Min., from the main station: ca. 15 Min.

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER

Recommended Bus Routes

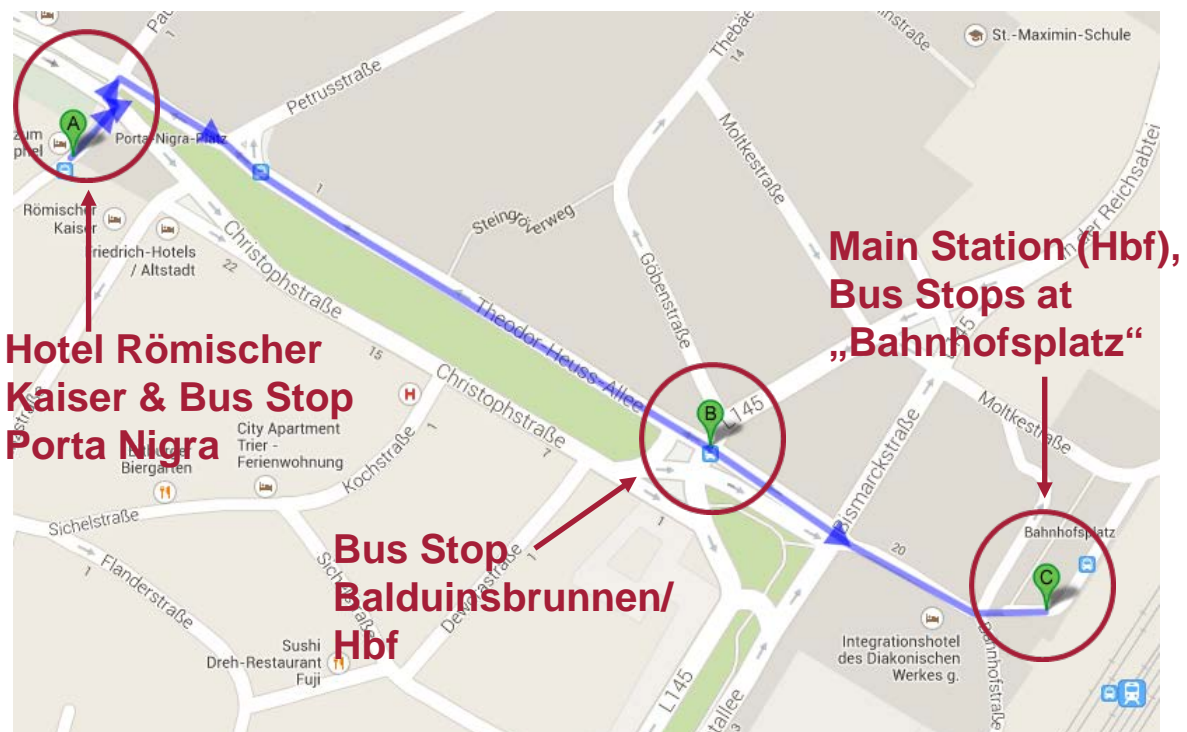
Thursday, 10 October:

- Bus: *Departure* 08:14 Porta Nigra (Line 4),
Arrival 08:35 Behringstraße
- Bus: *Departure* 17:57 Campus II (Line 4),
Arrival 18:14 Porta Nigra

Friday, 11 October:

- Bus: *Departure* 08:44 Porta Nigra (Line 4),
Arrival 09:05 Behringstraße
- Bus: *Departure* 12:57 Campus II (Line 4),
Arrival 13:11 Balduinsbrunnen/Hbf + short walk to the
Main Station (5 minutes)
and *Arrival* 13:14 Porta Nigra
- Bus: *Departure* 13:27 Campus II (Line 4),
Arrival 13:41 Balduinsbrunnen/Hbf + short walk to the
Main Station (5 minutes)
and *Arrival* 13:44 Porta Nigra

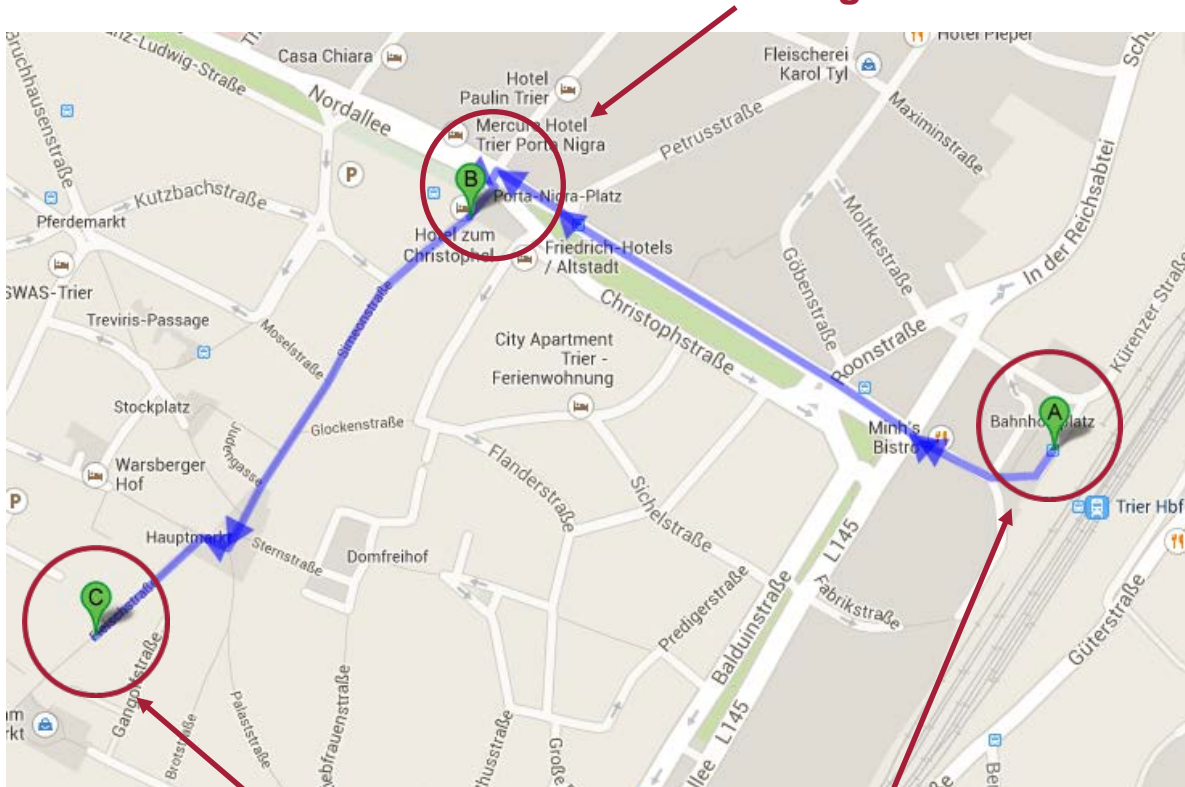
Footpath from Balduinsbrunnen/Hbf to the Main Station





Overview: Main Station, Hotels and City Centre

**Hotel Römischer
Kaiser & Bus Stop
Porta Nigra**



**Conference Dinner
Restaurant Brasserie
Fleischstraße 12**

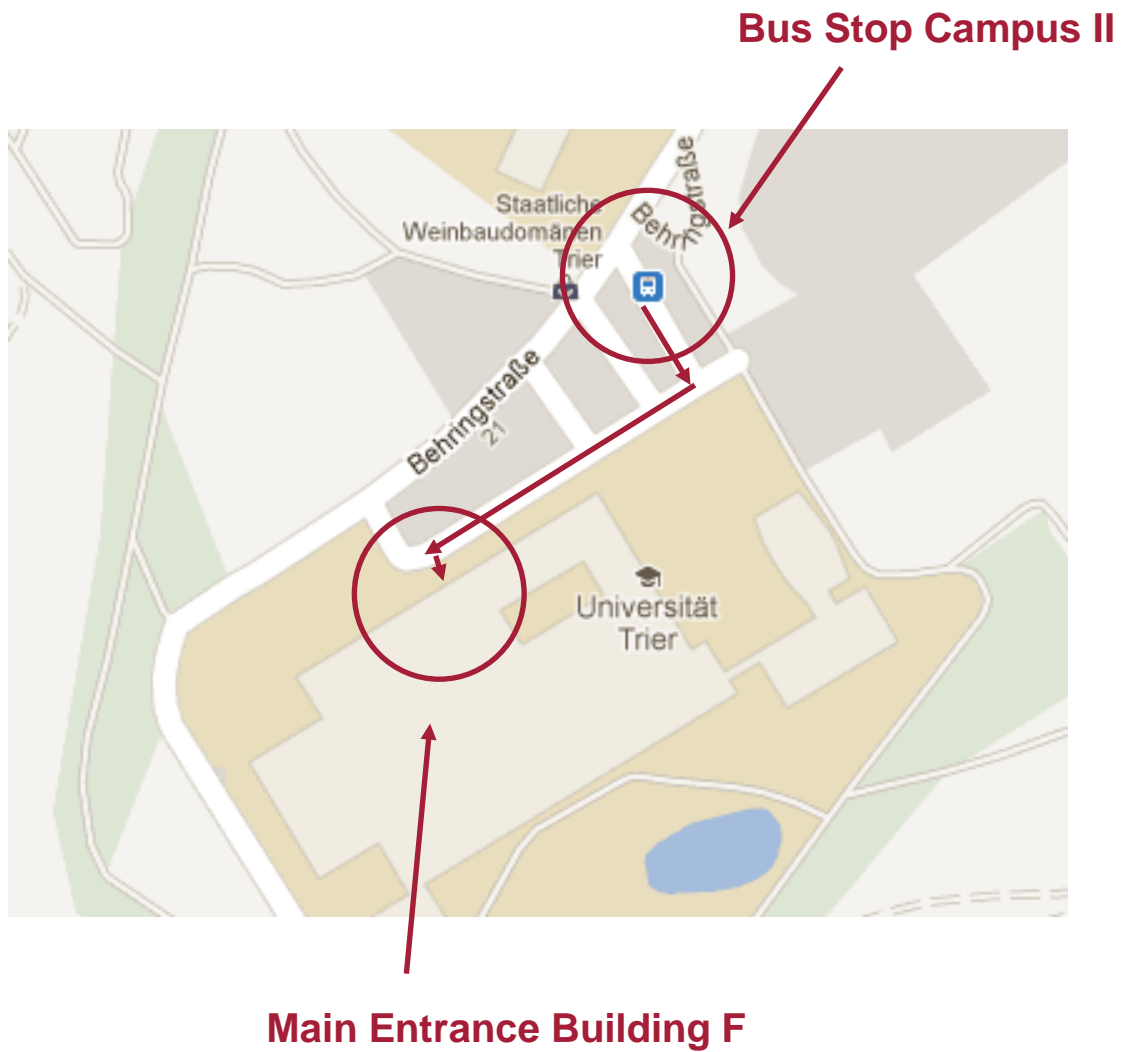
**Main Station (Hbf),
Bus Stops at
„Bahnhofsplatz“**

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER

Overview: Campus II





IAAEU
Institute for Labour Law
and Industrial Relations
in the European Union

Universität Trier

Directions to the IAAEU



**Main Entrance to
Building F**



**Go left past the map in the
foyer and look to your right**



**The stairs next to the
library entrance lead up
one story (1.0 OG)**



**...at the top of the stairs
turn to the right and follow
the hallway...**

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER



You'll have to pass through a couple of glass doors...



To get to these two elevators



The IAAEU is on the 7th story



The entrance to the IAAEU will be open for the duration of the workshop.



IAAEU
Institute for Labour Law
and Industrial Relations
in the European Union

Universität Trier

Abstracts

Thursday, 10 October 2013

09:00 – 10:30 Sickness Absenteeism and Moral Hazard (H714)

René Böheim, *Thomas Leoni*

“Firms' moral hazard in sickness absences”

In many countries, social security insures firms against their workers' sickness absences. An insurance may create a moral hazard for firms, leading to inefficient monitoring of sickness absences. We analyze the abolishment of a mandatory insurance that refunded Austrian firms for the wages paid to sick workers. Exploiting the differential treatment of small and large firms as well as blue-collar and white-collar workers, we estimate that sickness absences fell by about 10 percent after the insurance was abolished. Several robustness checks confirm this substantial effect.

Sébastien Ménard

“Optimal sickness benefits and workers' absenteeism”

In this paper, we analyze the optimal design for sickness benefits using a dynamic principal-agent model. We begin with a simple fact: The probability of contamination depends on the number of sick workers inside the firm. Consequently, firms have incentives to provide sickness benefits to reduce the absenteeism rate. However, sickness benefits are source of hazard moral. Thus, the optimal contract is characterized by increasing sickness benefits. We propose simulations in order to estimate the effects on the productivity of the optimal contract.

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER

11:00 – 12:30 Sickness Absenteeism and Gender (H714)

Daniel Avdic, Per Johansson

„Gender differences in preferences for health related absences from work”

Women are on average more absent from work for health reasons than men. At the same time, they live longer. This conflicting pattern suggests that part of the gender difference in health-related absenteeism arises from differences between the genders unrelated to actual health. An overlooked explanation could be that men and women’s preferences for absenteeism differ, for example because of gender differences in risk preferences. These differences may originate from the utility-maximizing of households in which women’s traditional dual roles influence household decisions to invest primarily in women’s health. Using detailed administrative data on sick leave, hospital visits and objective health measures we first investigate the existence of gender-specific preferences for absenteeism and subsequently test for the household investment hypothesis. We find evidence for the existence of gender differences in preferences for absence from work, and that a non-trivial part of these preference differences can be attributed to household investments in women’s health. Thus, redistribution at the level of the federal state seems to work as a disincentive at the level of the individual employee. This disincentive effect, however, is statistically significant only in the federal states in West Germany.

Alfonso Alba-Ramírez, Elva Lopez Mourelo

“Sickness absence from work in Spain: Are there gender differences and why?”

This paper focuses on explaining gender differences in work absence behaviour. The data come from the Continuous Sample of Working Histories, which was expanded with information on all sick leave spells covered by the Spanish sickness insurance scheme. The empirical analysis is divided into two parts. First, competing risk models are used to measure the time from the start of an employment contract to the first sickness absence spell in relation to each worker’s characteristics.



IAAEU
Institute for Labour Law
and Industrial Relations
in the European Union

Universität Trier

Second, a single event duration model is estimated to examine how these characteristics affect the time to return to activity after a period of sick leave. The results reveal that both incidence and duration of sick leave are higher for women than for men. More specifically, the presence of children under 3 years old in the household is one of the most important variables explaining the differences in sickness absence between women and men.

14:00 – 15:30 Sickness Absenteeism (H714)

Bernd Frick, Robert Simmons
“Regional absence cultures”

In Germany, access to and levels of sick pay benefits are identical across Industries and federal states. Moreover, changes in the institutional set-up have always been enacted in all federal states and industries at the same time. Using a rather large balanced panel with some 2,500 state-industry-year-observations we document the existence and persistence of statistically significant and economically relevant regional differences in sickness absence. Our findings are consistent an explanation emphasizing "cultural differences" in the response to the financial equalization between poor and rich states via transfer payments: In federal states that benefit from financial equalization (i.e. receive transfer payments), the working population seems to suffer from particularly poor health conditions while in states that finance the system, the working population enjoys particularly good health conditions.

Tim Barmby, John G. Sessions, Alexandros Zangelidis
„Workplace absenteeism and worker interdependency”

We explore some ideas of worker interdependence and their possible role in in the formation of workplace absenteeism using a model of absence where workers can act either cooperatively or noncooperatively. Given this model structure, and employing a unique data set in which workgroups are comprised of either one or two workers, we are able to test explicitly whether or not workers act co-operatively. We find empirical support for cooperative behaviour.

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER

16:00 – 17:30 **Sickness Absenteeism and Employer Type (H714)**

Daniel S. J. Lechmann, *Claus Schnabel*
“Absence from work of the self-employed”

Utilising a large representative data set for Germany, this study contrasts absenteeism of self-employed individuals and paid employees. We find that absence from work is clearly less prevalent among the self-employed than among paid employees. Only to a small extent, this difference can be traced back to differences in health status and job satisfaction. Furthermore, the gap in absenteeism is apparently not driven by different behaviour in case of sickness as we find no difference in the prevalence of presenteeism between the two groups. We suspect that different behaviour in case of healthiness plays a role, highlighting potential shirking and moral hazard problems in paid employment.

Jörn Block, Laszlo Goerke, Jose Millan, *Concepción Román*
“Family employees and absenteeism”

Work effort varies greatly across employees, as evidenced by substantial differences in absence rates. Moreover, worker absenteeism causes sizeable output losses. Using data from the European Community Household Panel (ECHP) for 14 EU countries this paper investigates absence behavior of family employees, i.e. workers who are employed in enterprises owned by a relative. We show that the probability that a family employee is absent within a period of four weeks is about 15% lower than for a regular employee in the private sector. This effect is particularly pronounced for females.



IAAEU
Institute for Labour Law
and Industrial Relations
in the European Union

Universität Trier

Friday, 11 October 2013

09:15 – 10:45 Sickness Presenteeism I (H714)

Kjeld Moller-Pedersen, *Kristian Skagen*

“The economics of presenteeism or: The lack of an economic and econometric framework?”

The few economic models are found lacking because they do not capture the essence of presenteeism. However, discrete choice models (random utility models) seem to be adequate in that the choice about going sick to work or not basically is a discrete choice situation that can be extended to include discrete counts.

The econometrics of presenteeism must have count models as the starting point due to the many zeroes and relatively few events. The most common models are discussed, including two part models (hurdle models) and latent class models (finite mixture models). The empirical analyses are based on a cross-section survey of Danes in the labor force designed with presenteeism in mind. A consistent result across all analyses is the importance of self reported health status. Another consistent result is that sickness absence and presenteeism are positively correlated. Persons with managerial positions consistently have the most presenteeism Age and genders are also (almost) consistently statistically significant.

Daniel Arnold

„The intensive margin of sickness presenteeism: Empirical evidence from European survey data“

Sickness presenteeism causes substantial productivity losses but there is only scarce knowledge about its determinants in the economic literature. This paper comprehensively investigates individual determinants of the intensive margin of sickness presence behaviour with a focus on work-related factors in a large European cross-sectional sample. The effects are for the first time quantified in terms of sickness presence days. We add four significant correlates of sickness presenteeism to the literature.

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER

Having recently changed the job and living with a partner is negatively associated with the number of presenteeism days. In contrast, longer job tenure and having a second job comes along with more presenteeism days.

11:00 – 12:30 Sickness Presenteeism II (H714)

Alison Collins, Susan Cartwright, Sean Cowlshaw

„An examination of the concurrent and prospective influences of sickness presenteeism and sickness absenteeism behaviour on organisational and individual outcomes in UK workers”

This longitudinal study examines the concurrent and prospective influences of self-reported presenteeism and sickness absenteeism behaviour on organisational and individual outcomes in a sample of UK workers (N=552). Structural Equation Modelling was used to evaluate simultaneous influences of presenteeism and sickness absenteeism on outcomes including work performance, organisational commitment, and psychological wellbeing. Employees reporting any presenteeism (over the previous three months) reported lower concurrent work performance than those reporting no presenteeism. Furthermore, in contrast to sickness absenteeism, presenteeism at T1 was prospectively associated with lower work performance at T2, controlling for baseline work performance. There were no significance influences of absenteeism.

Any presenteeism was also concurrently associated with worse psychological wellbeing and lower organisational commitment, while there were non-linear influences on these outcomes over time. Employees reporting high levels of presenteeism (more than 6 days), but not lower levels (1 to 5 days), showed relatively reduced psychological wellbeing and organizational commitment. There were no significant influences of sickness absenteeism. Our results strengthen previous research and suggest that presenteeism, but not sickness absenteeism, have greater influences on individual and organisational outcomes. The findings have implications for the way organizations manage their sickness absence systems.



IAAEU

Institute for Labour Law
and Industrial Relations
in the European Union

 **Universität Trier**

Stefan Pichler

“Sickness absence and the business cycle: Moral hazard, labor force composition or neither”

The procyclical nature of sickness absence has been documented by many scholars in the literature. So far, explanations have been based on labor force composition and reduced moral hazard during recessions. In this paper we propose and test a third mechanism caused by reduced moral hazard during booms and infections. We suggest that the workload is higher during economic booms and thus employees go to work despite being sick. In a theoretical model focusing on infectious diseases we show that this will provoke infections of coworkers leading to overall higher sickness absence during economic upturns. Using state-level aggregated data from 112 German public health insurance funds (out of 145 in total), we find that sickness absence due to infectious diseases shows the largest procyclical pattern, as predicted by our theoretical model.

**WORKSHOP ON ABSENTEEISM
10-11 Oct. 2013, IAAEU TRIER**



WORKSHOP ON ABSENTEEISM 10-11 Oct. 2013, IAAEU TRIER

Participants

Daniel Arnold	IAAEU Trier
Daniel Avdic	University of Uppsala
Jörn Block	University of Trier
Susan Cartwright	Lancaster University
Adrian Chadi	IAAEU Trier
Alison Collins	Lancaster University
Sean Cowlshaw	Lancaster University
Marco de Pinto	IAAEU Trier
Ernst Fissler	Health Development Partners
Bernd Frick	University of Paderborn
Laszlo Goerke	IAAEU Trier
Sabrina Jeworrek	IAAEU Trier
Melanie Kessler	Techniker Krankenkasse
Sascha Knospe	Health Development Partners
Thomas Leoni	WIFO Wien
Elva Lopez Mourelo	ILO Geneva
Normann Lorenz	University of Trier
Olga Lorenz	IAAEU Trier
Mario Mechtel	IAAEU Trier
Sébastien Ménard	University of Le Mans
Vanessa Mertins	IAAEU Trier
José Maria Millan	University of Huelva
Kjeld Moller Pedersen	University of Southern Denmark
Claudia Oldenburg	Fed. Inst. for Occup. Safety and Health
Stefan Pichler	University of Darmstadt
Concepción Román	University of Huelva
Claus Schnabel	University of Erlangen-Nürnberg
John G. Sessions	University of Bath
Kristian Skagen	University of Southern Denmark