



Sickness Absence, Performance Pay and Teams

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Norwegian panel register and questionnaire data on private sector workers and workplaces during 2001-2004 are used to study the impact of team organisation and performance pay on workers' physician-certified sickness absences. Causally team-organisation is not associated with lower absence rates. Performance pay reduces workers' absence rates, but diminishes as the pay-performance sensitivity increases. This effect is stronger for individual incentives than for team-based incentives. Wages matter more for workers' absences under team-organisation and under performance pay than under non-team work with fixed pay. The joint introduction of team-organisation and performance pay, however, decreases the sensitiveness of absences to pay.

Keywords: Absenteeism, teamwork, performance pay, wages

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