



**‘The Value of Rude Health’: Employees’ Well Being,
Absence and Workplace Performance
David MARSDEN; Simone MORICONI**

d.Marsden@lse.ac.uk

Centre for Economic Performance;
London School of Economics and Political Science

This paper brings new evidence on the relationship between employees' well being, sickness absence and four dimensions of workplace performance i.e. productivity, efficiency, quality of service and profitability. It uses a new panel dataset with monthly observations over two years for 48 local units of a large multi-site organisation in the logistics sector. It finds that good consultation and communication at the local level are associated with lower absenteeism. It also finds that lower absence is associated with higher efficiency, productivity, quality of the service and profitability of the firm. Finally, the authors suggest that the link between workers' absence and this firm's profitability runs through the increased use of replacement labour which raises short-run costs and reduces quality of service.

Keywords: Time Allocation; Absenteeism; Safety; Accidents; Industrial Health

JEL Code: J22, J28