

The Impact of Self-Managed Working Time on Health and Work-related Stress – Microeconomic Evidence

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Abstract

This paper answers the question whether self-managed working time (SMWT) has an effect on individual health and work-related stress using German Socio-Economic Panel Study data. SMWT that increases both the degree of working time flexibility and employee's autonomy over working time can have positive and negative effects on employees' wellbeing with the net effect being theoretically unclear *ex ante*. To widen the scope of empirical research on working time flexibility, both general subjective health indicators (e.g. self-assessed health) and more objective measures (e.g. sickness absence) are considered. Furthermore several comprehensive work-related stress and strain information are considered.

For the adaptation of the research question, firstly OLS regressions and linear probability models are used. Potential estimation biases caused by unobserved heterogeneity are considered by exploiting the panel structure of the SOEP and applying fixed effects estimation. In order to avoid the problem of reversed causality, the estimations are rerun including lagged dependent variables in the third step. Additionally, to check the robustness of the results, an instrumental variable approach is applied as well as a re-definition of both the sample and the dependent variables.

The results indicate that getting their mind off the job is considerable more difficult for SMWT employees. Likewise, the probability to sacrifice their self for work is most likely for these workers, whereas interestingly SMWT lowers the likelihood of sick leave from work. Furthermore, there is no statistically significant influence on general self-assessed health. In line with this results, the estimations indicate that the probability of having time pressure, sleep disorders or emotional strain due to work, is unaffected by SMWT. This suggests that SMWT can blur the boundaries between work and personal life but otherwise, a high degree of flexibility and autonomy over individual working time has no impact on work-related stress and strain.

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