

# “Enhancing Workplace Compliance: The Role of Paid Sick Leave (PSL) Mandates”

## Abstract

This paper examines the impact of paid sick leave (PSL) mandates on workplace safety compliance. Using granular firm-level variation in PSL exposure, we show that mandated PSL significantly reduces workplace safety violations and associated penalties. These effects remain robust to placebo tests using non-safety-related violations and to the exclusion of firms that voluntarily offered PSL prior to mandate adoption. We further demonstrate that PSL operates primarily through a health-related mechanism: its deterrent effect is strongest in environments with limited alternative worker protections, such as low unionization or less generous unemployment insurance. Consistent with this channel, PSL mandates also improve employees' perceptions of organizational commitment to worker well-being. Together, our findings highlight the role of employee health benefits in enhancing safety performance and reducing regulatory exposure, suggesting that addressing health-related risks ex ante can diminish the need for costly ex post enforcement.