Abstract:

This paper investigates how managerial practices are related to work-related depression in employees. Using unconditional quantile analysis, we show that work pressure is associated with a greater increase in work-related depression for employees already suffering from higher depression than for those with low/average depression. In contrast, worker autonomy is associated with a larger reduction in workplace-related depression at high levels of depression than for employees with low/average depression. These effects (both negative and positive) are approximately 60-90¥% larger for those with high depression than our estimates at the mean. Furthermore, the effects at the 90th percentile of depression are three-to-eight times larger than at the 10th percentile. These results are consistent with our theoretical framework, and robust to the inclusion of establishment-level fixed effects, standard employee-level controls and instrumenting for work pressure. Moreover, qualitatively similar results are obtained using a finite-mixture model that generates three latent classes of employees with low, medium and high levels of depression. Overall, our results suggests significant benefits from targeted workplace mental-health policies, whereas a blanket (uniform) approach might be of limited benefit for most employees.