Sickness absence is costly - for the individual, for the organization and for society as a whole. In order to keep the level of absence in society, and its associated costs, down, it is important to understand the determinants of the individual absence decision. This thesis is concerned with the study of social and psychosocial aspects of sickness absence. Firstly, it sheds light on work-group peer effects regarding individual sickness absence. This is accompanied by an investigation into the importance of local norms as a determinant of individual sickness absence. Also included in the study are other psychosocial working conditions, mainly concerning leadership, work group performance, work group relations and physical and mental working conditions, in relation to individual sickness absence. The results suggest that individual decisions regarding absence due to illness is affected by the level of absence among work group peers. The results also reveal that work group peer effects are heterogeneous with respect to gender and age. Moreover, we find that individuals tend to assimilate to the level of absence in the region to which they move. Regarding working conditions, we find that short-term sick leave tends to be lower in groups with high job autonomy, a relationship that is particularly strong among male workers. We also find that female long-term sick leave tends to be lower in groups with high cohesion. The general conclusion drawn from the thesis is that social and psychosocial aspects are indeed important to the individual sick leave decision and should, therefore, be considered when organizations and policy makers take measures so as to reduce the levels of sick leave. Moreover, our results indicate that demographic characteristics (here gender and age) are important in how sensitive workers are to these social and psychosocial factors. Thus, when designing policies in order to reduce absence, demographics of the targeted population should be considered.