

Work from Home and Careers in the Post-Covid Context: Evidence from a Discrete Choice Experiment

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RESEARCH OBJECTIVES

Our aim is to show how:

- (1) Work from home (**WFH**) **affects careers** (promotion, salary, training) and
- (2) Employer-related characteristics (prevalence of WFH in the team and its use by the manager) moderate this effect

+ Inclusion of the **gender** and **parenthood status** perspectives

MOTIVATION & EXISTING EVIDENCE

The effect of WFH on careers is ambiguous

WFH may have a **positive effect** on careers, through:

- Increased job satisfaction, motivation and perceived autonomy (*Fonner & Roloff, 2010; Gajendran & Harrison, 2007*)
- Increased productivity - by reducing workplace distractions and interruptions (*Konradt et al., 2003*) and longer work hours (*Arntz et al. 2019*)

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WFH may have a **negative effect** on careers, through:

- Less informal learning and mentoring opportunities, peer interactions, interpersonal networking and the transfer of implicit knowledge (*Cooper & Kurland, 2002*)
- Diminished visibility at work (*Maruyama & Tietze, 2012; Srivastava, 2011*)

GENDER DIFFERENCES

Gender & parenthood status can be important for the direction in which employers evaluate the commitment levels of individuals who WFH.

- **Signalling theory**
(knowledge gaps existing between an organisation and its employees can be bridged by workers sending signals i.e., observable characteristics or behaviour)
- **The ideal worker concept**
(an employee who is highly devoted to work and unimpeded by other obligations)
- **The flexibility stigma**
(the belief that workers who use flexible working arrangements are less productive and less committed to the workplace)



Existing research exploring the effects of WFH on careers is context-specific.

➤ *Weeden (2005)*: **teleworkers earn higher wages** than their office-based employees.

Leslie et al (2012): similar findings but only if employers perceived the choice of WFH to be driven by workers' desire to be more **productive** and not motivated by personal reasons (e.g. care responsibilities).

➤ *Golden and Eddleston (2020)*: teleworkers do not receive fewer promotions but experience **lower salary growth**, with the highest penalties paid by **frequent users** of telework and in companies where this work arrangement was **less frequent**.

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- **Experimental evidence**: negative impact of **WFH on promotion** (*Munsch, 2016; Fernandez-Lozano et al., 2020*) even if WFH results in higher performance (*Bloom, 2015*).

Munsch (2016): employees who request WFH are less likely to be recommended for **promotion** BUT workers who want to WFH for childcare reasons - men in particular - experience career premiums.

RESEARCH HYPOTHESIS

- H1: Workers who WFH are less likely to be chosen for promotion, salary increase and training than workers who work on-site (**WFH effect**)
- H2: Female workers who WFH will be evaluated worse than male workers (**Gender effect**)
- H3: The WFH effect is stronger among parents than non-parents (**Parenthood effect**)
- H4: The WFH effect is stronger among mothers than fathers (**Parenthood & gender effect**)
- H5: The above effects are stronger when WFH is less prevalent in the company (WFH prevalence)
- H6: The above effects are weaker when the manager also engages in WFH (Manager's WFH)

DATA & METHODOLOGY



Online **discrete choice experiment** fielded between July and December 2022

- Respondents were recruited from an online panel
- Each respondent was presented with a pair of workers' profiles and had to **choose one** of them for promotion, salary increase and training



Managers (N=937*) from the UK who supervise at least 5 employees and work in companies that employ at least 10 individuals

- 64 respondents who completed the survey too quickly weren't included in the analysis
- Power analysis showed the need for a sample size of at least 900 respondents
- Sample restricted to **respondents employed in occupations** in which the share of **jobs that can be done at home is at least 50%** (Dingel & Neiman, 2020)



Conditional logistic regression (fixed effect logit model)

- Separate models for each of the outcome variables

**AN EXAMPLE OF A PAIRS OF
PROFILES FOR A GIVEN
RESPONDENT**

	Worker A	Worker B
Age	40	38
Working mode (full time; 5 days a week)	5 days at home	5 days at office
Skills ranking (1 very weak, 5 very strong)	Social 3 Analytical 2	Social 2 Analytical 5
Work experience in the sector (in full-time equivalents)	8 years	13 years
Sex	men	women
Family situation (number of children aged less than 14)	3 children	1 child
Performance rank (not provided, satisfactory, exceptional)	exceptional	satisfactory

1. Which employee would you give a promotion to?
2. Which employee would you provide training to?
3. Which employee would you give a salary increase to?

Stated preferences regarding the choice of an employee for promotion, salary increase and training

$$\Pr(y_{it} = 1) = F(Z) = \frac{e^Z}{1 + e^Z}$$

$$F(Z) = F(\beta_0 + \beta X_i + \varepsilon_i)$$

Dependent variables (chosen for):

- Promotion
- Salary increase
- Training

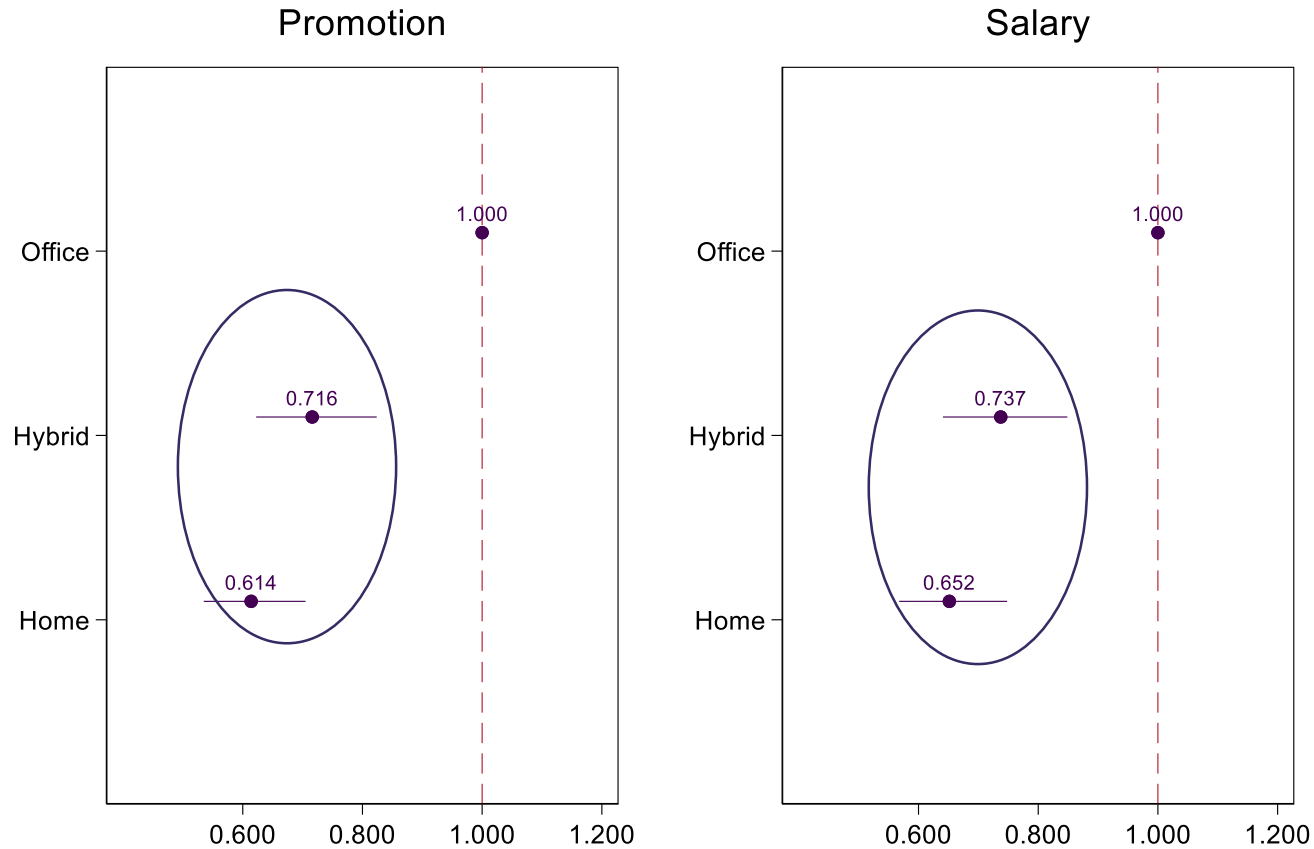
Independent variables:

- Sex: F / M
- Age: 38 / 40 / 41
- Children (younger than 14 years old): 0 / 1 / 3
- Working mode (full time; 5 days a week): 5 days at office / 3 days at office and 2 days at home / 5 days at home
- Work experience in the sector (in full-time equivalents): 8 / 13 years
- Skills ranking (1 very weak, 5 very strong): social 2 analytical 5 / social 4 analytical 1 / social 3 analytical 2
- Performance rank: not provided / satisfactory / exceptional

Conditional (fixed-effect) logit model

WFH effect

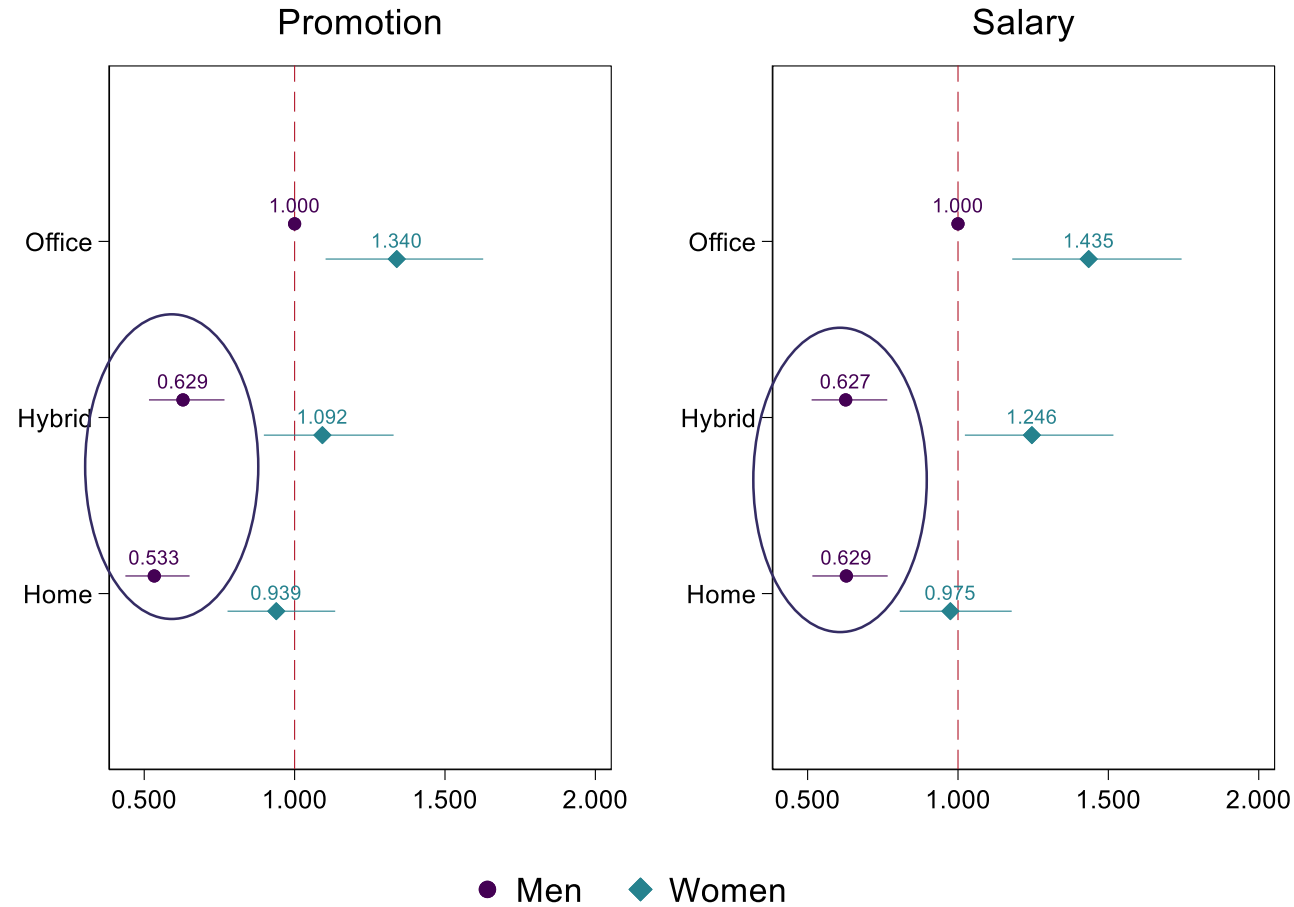
Odds ratio for being chosen for promotion and salary increase: conditional logit models



Employees who **WFH** (both 2 and 5 days a week) are less likely to be chosen for **promotion** and **salary increase** than those who work from the office.

Gender effect

Odds ratio for being chosen for promotion and salary increase by gender:
conditional logit models

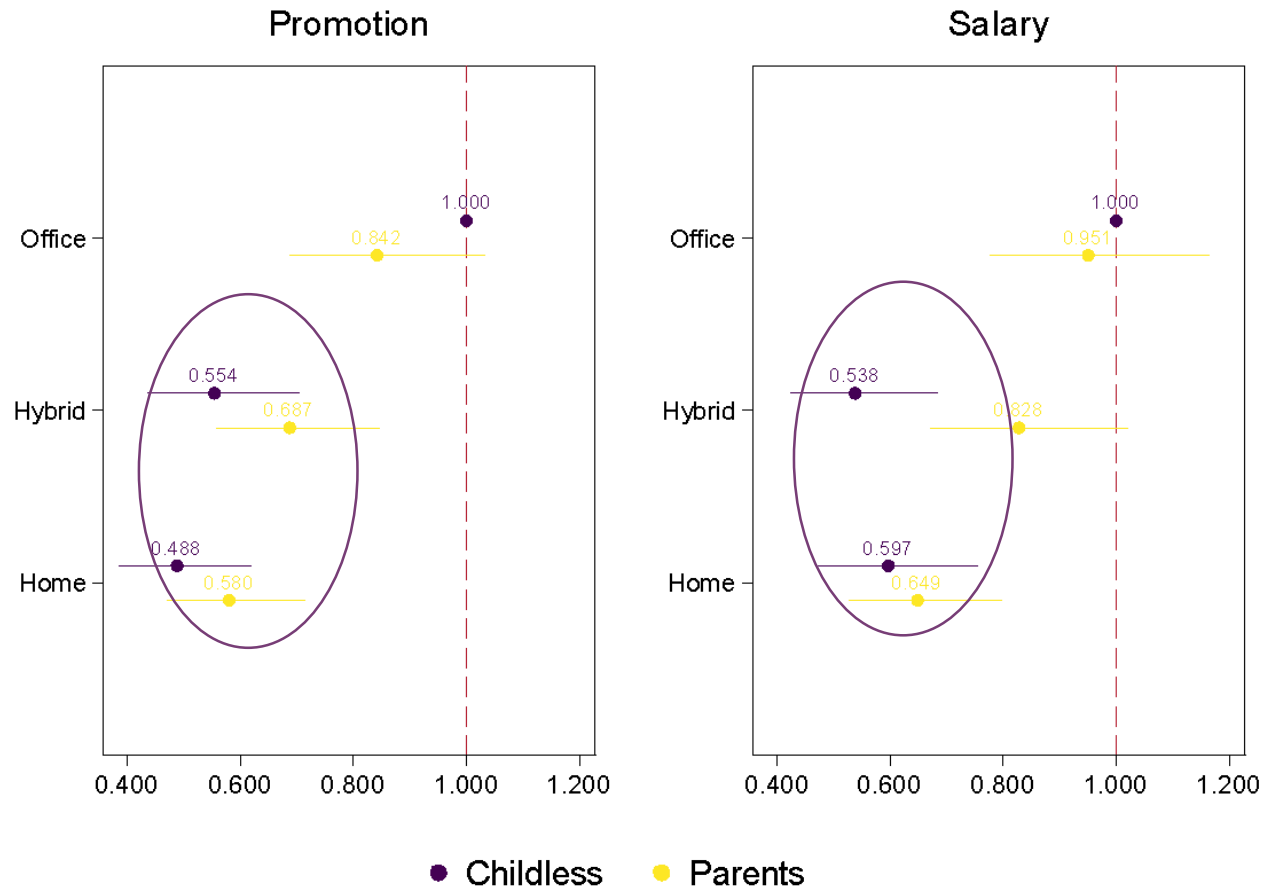


Men who WFH are **less likely** to be chosen for promotion and salary increase than men working from the office and women who WFH.

No evidence in our data that **women** who WFH experience similar career penalty.

Parenthood effect

Odds ratio for being chosen for promotion and salary increase by parenthood status: conditional logit models



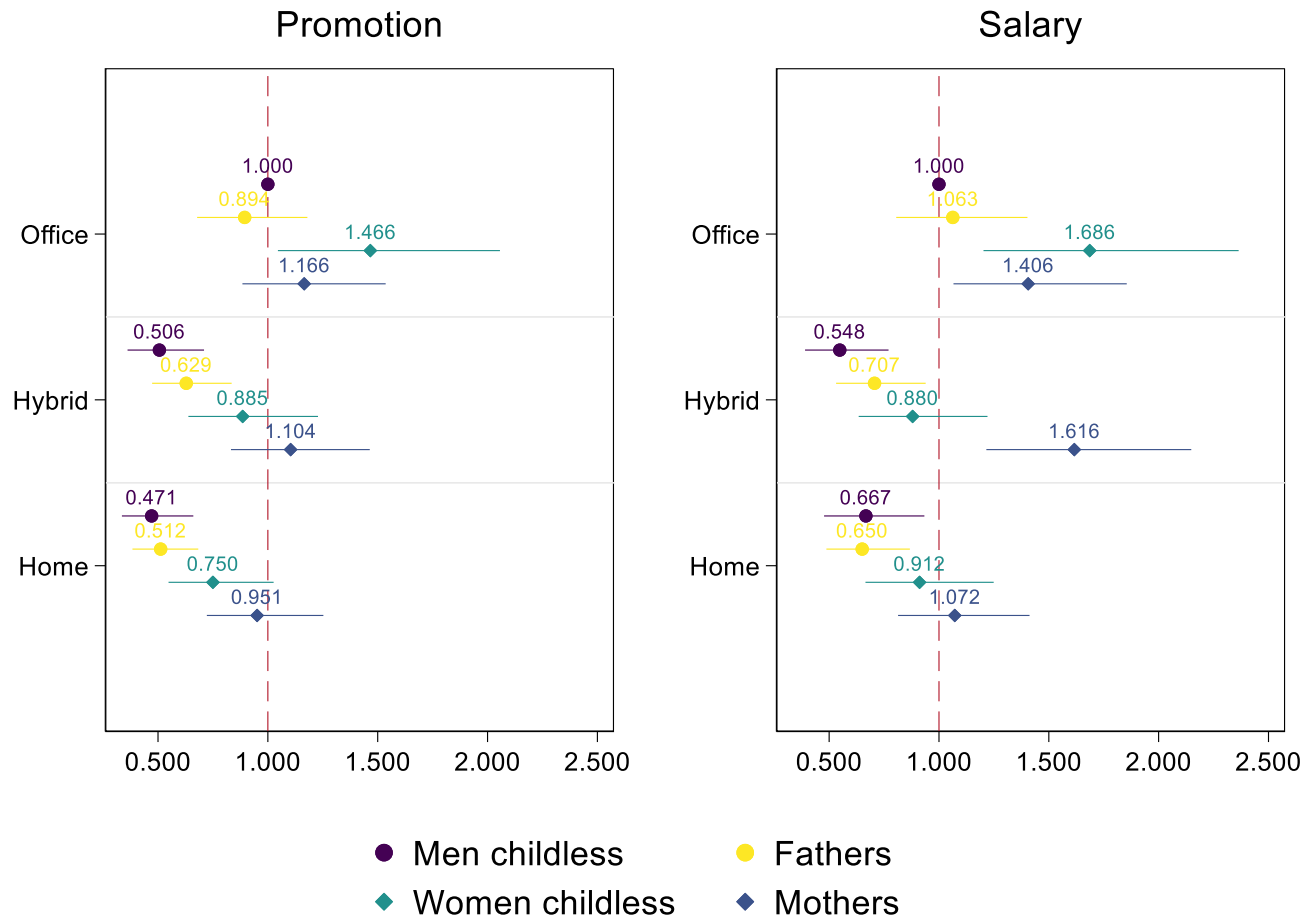
Childless individuals who WFH are **less likely** to be chosen for promotion and salary increase than those working from the office.

No evidence in our data that **parents** who WFH experience similar career penalties when compared to parents who work from the office.

BUT parents who WFH are **less likely** to be chosen for promotion and salary increase **than childless** individuals who work from the office.

Parenthood & gender effect

Odds ratio for being chosen for promotion and salary increase by gender and parenthood status: conditional logit models

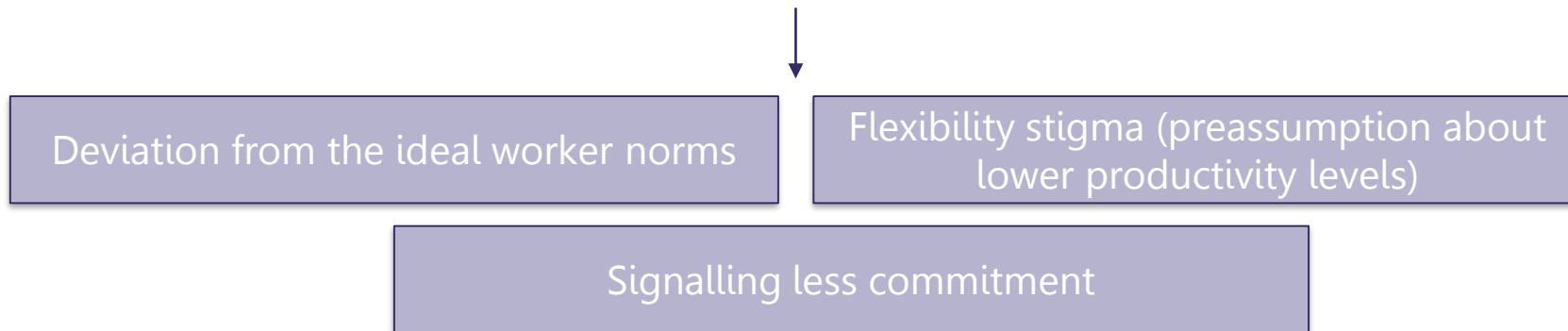


Childless men who WFH are **less likely** to be chosen for promotion and salary increase than those working from the office. This effect **doesn't hold** for fathers.

No evidence in our data that **childless women or mothers** who WFH experience similar career penalties as fathers.

CONCLUSIONS

- Workers who WFH are (still) **less likely** to be considered for promotion and salary increase than on-site workers.
- Men who WFH are **more negatively** evaluated than women who engage in this mode of work.



- Higher prevalence of WFH in the team and more frequent use of WFH by the supervisor **positively moderate** the effect of WFH on careers

Thank you!



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NAWA NARODOWA AGENCJA
WYMIANY AKADEMICKIEJ

POLSKIE POWROTY
POLISH RETURNS



UNIVERSITY OF WARSAW
Faculty of Economic Sciences

 **LabFam**

Prevalence of WFH

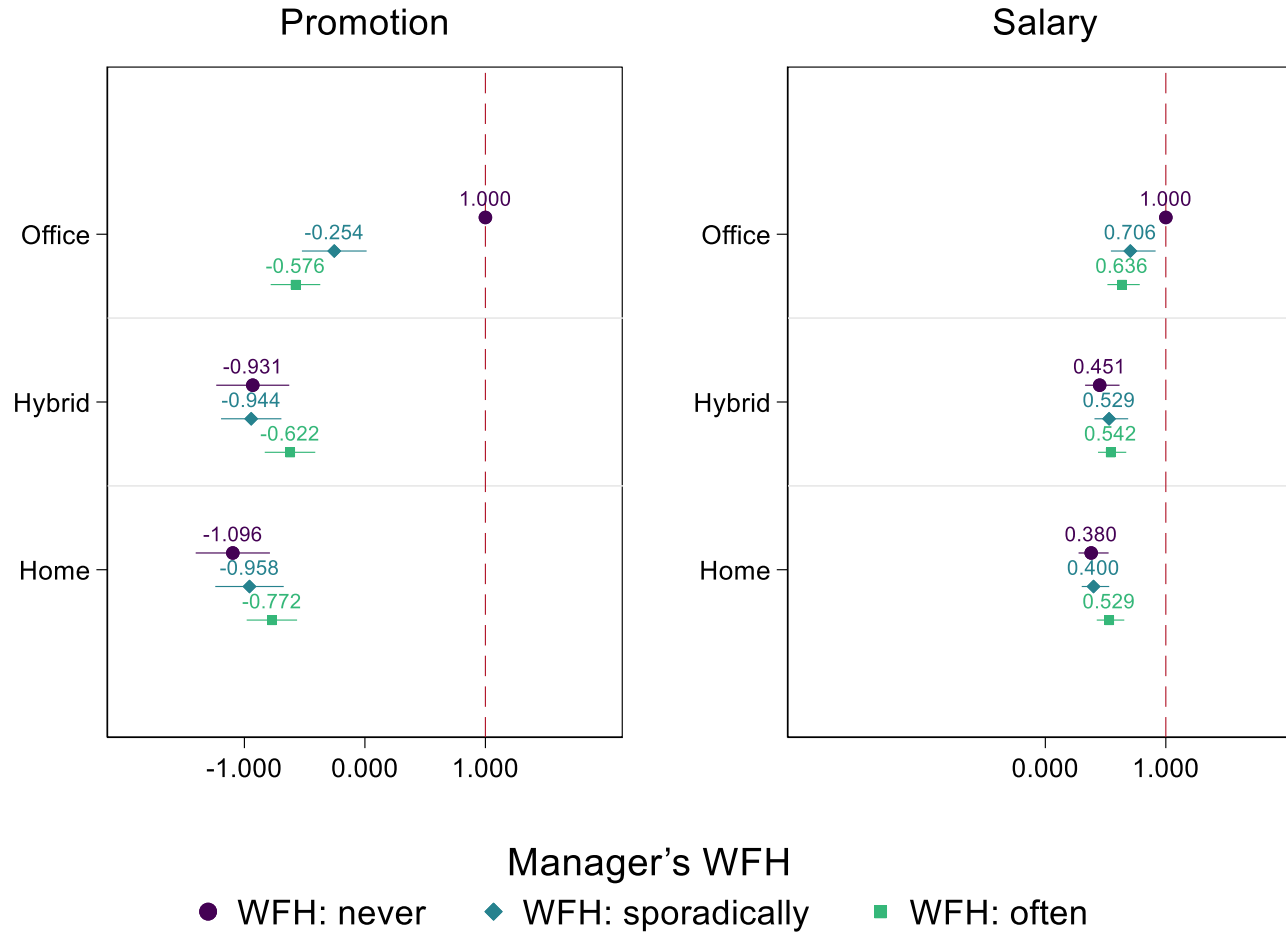
Odds ratio for being chosen for promotion and salary increase with the interaction of WFH prevalence in the team: conditional logit models



Individuals who WFH are **more likely** to be chosen for promotion and salary increase than those working from the office when the prevalence of WFH in the team is higher (>40%).

Manager's WFH

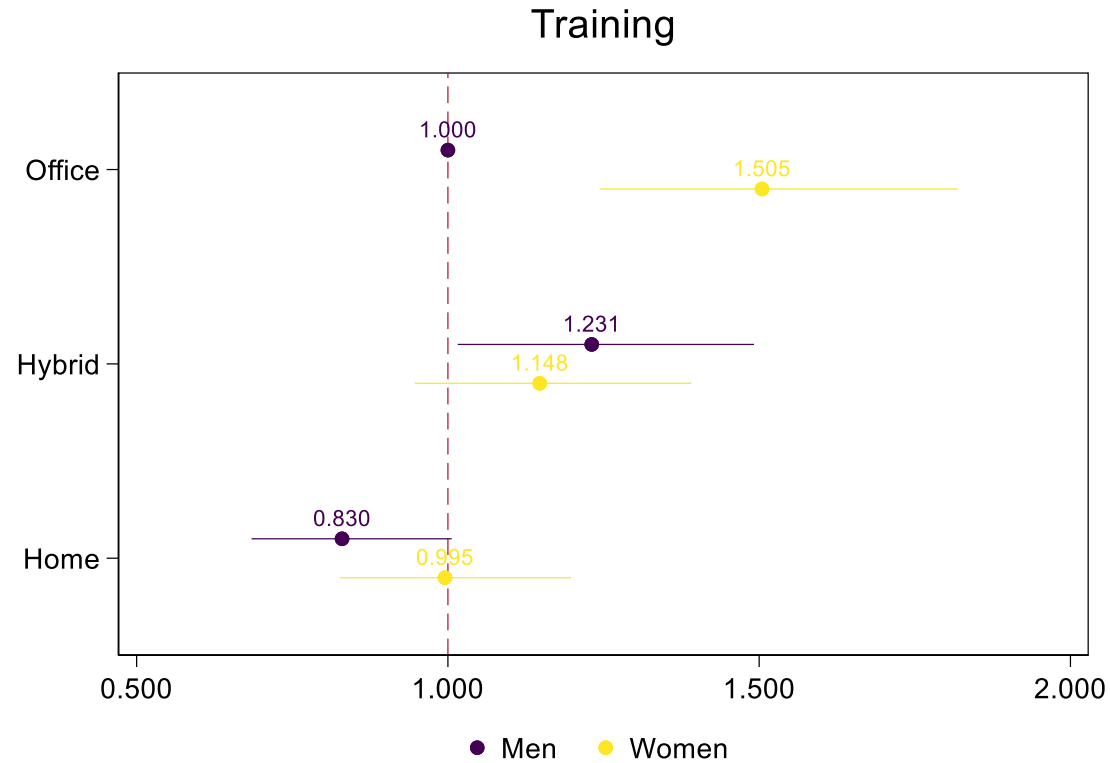
Odds ratio for being chosen for promotion and salary increase with the interaction of manager's WFH frequency: conditional logit models



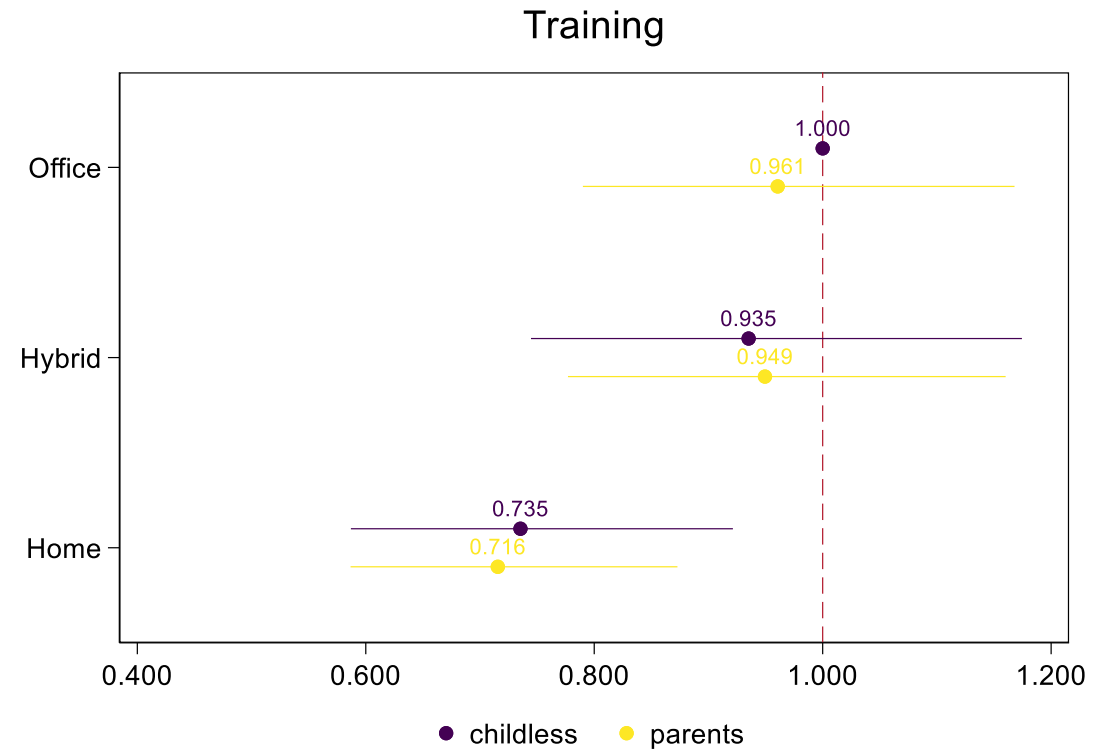
Individuals who WFH are **more likely** to be chosen for promotion and salary increase than those working from the office when the manager also WFH.

Gender effect: Training

Odds ratio for being chosen for training by gender and working mode: conditional logit models



Odds ratio for being chosen for training by parenthood status and working mode: conditional logit models



**MESSAGE SHOWN TO THE
PARTICIPANTS BEFORE THE
EXPERIMENT**

Imagine it's the time of an internal review process for the employees in your team. This is the period when promotions, training, salary raises, etc. are decided upon. We will now present you three pairs of workers' profiles, prepared by your HR department based on the in-company (between-workers) evaluation of skills and performance. For each pair of profiles, you will be asked to choose a worker to whom you would give a promotion, training, salary increase, etc. Due to budgeting limits, you can grant some of the benefits to only one of the workers in each pair. Please consider your choices carefully.

After evaluating workers' profiles, we will also ask you some questions about yourself and your company. Once you go to the next page, you will not be able to go back.

Proportion of respondents by sex, prevalence of WFH in the team and the amount of women among employees who WFH.

Variable	Percent
Respondent's sex	
Men	62.05
Women	37.95
Total	100%
Prevalence of wfh	
39%	27.53
40-79%	22.33
80%+	50.14
Total	100%

		Percent			
		How many of the workers under your supervision work from home at least one day are women?			
Prevalence of wfh					
0-39%	71.61	17.42	10.97	100 %	
	27.68	9.44	3.51	13.24	
40-79%	36.74	44.09	19.17	100 %	
	28.68	48.25	12.40	26.73	
80%+	24.89	17.21	57.89	100 %	
	43.64	42.31	84.09	60.03	
Total	34.24	24.42	41.33	100 %	
	100 %	100 %	100 %	100 %	