# Career penalties for flexible working: How work culture shapes managerial attitudes

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# RESEARCH OBJECTIVES

Our aim is to show how**:**

(1)   Organisational factors, such as work culture and work-family reconciliation measures, moderate the **negative effect of work from home (WFH) on careers** (promotion, salary, employee evaluation)

(2)   This varies depending on the **employee's gender**.

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# MOTIVATION & EXISTING EVIDENCE

**WFH has rather negative effects on careers** ← experimental evidence

- **Pre-pandemic 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** <u>BUT</u> workers who want to WFH for childcare reasons - men in particular - experience career premiums.

- **Post-pandemic evidence:** workers who WFH experience career penalties (promotion, pay, evaluation) despite the increased prevalence of this mode of working (*Kasperska et al., 2023; Wang & Chung, 2023).*

  *Kasperska et al. (2023):* men both childless and fathers and childless women experience career penalties when working from home. Mothers are the only group of workers that does not experience such penalties.

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# THEORETICAL CONSIDERATIONS

➢ **Signalling theory**
(knowledge gaps existing between an organisation and its employees can be bridged by workers sending signals i.e., observable characteristics or behaviour)

➢ **Ideal worker norms**
(an employee who is highly devoted to work and unimpeded by other obligations)

➢ **Flexibility stigma**
(the belief that workers who use flexible working arrangements are less productive and less committed to the workplace)
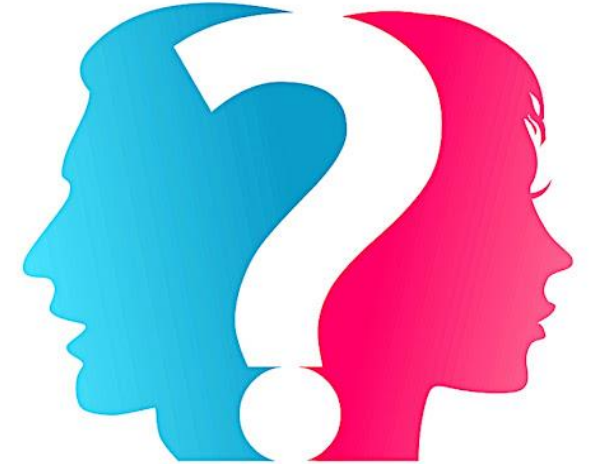
**Gender** can be important for the way in which employers evaluate and perceive employees who WFH.

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# DATA & METHODOLOGY

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

- Respondents were recruited from an existing online panel

- Each respondent was presented with a pair of workers' profiles and had to **choose one** of them for promotion and salary increase, and indicate which one is more committed and competent.

**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)

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**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) | Not provided | Not provided |

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?

4. Which employee is more **committed**?

5. Which employee is more **competent**?

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**LEVELS OF THE ATTRIBUTES USED IN THE SURVEY**

| | |
|---|---|
| **Age** | 38 years old<br>40 years old<br>41 years old |
| **Working mode** | 5 days at office<br>3 days at office, 2 days at home<br>5 days at home |
| **Skills ranking** | Social 4, Analytical 1<br>Social 3 Analytical 2<br>Social 2, Analytical 3 |
| **Work experience in the sector** | 8 years<br>13 years |
| **Sex** | Men<br>Women |
| **Family situation** | 3 children<br>2 children<br>0 children |
| **Performance rank** | Exceptional<br>Satisfactory<br>Not provided |

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# DATA ANALYSIS

**Logistic regression with clustered SE**

- Seperate models for each of the outcome variables

**Dependent variables** (chosen for – either yes or no):
- Promotion
- Salary increase
- Competence
- Commitment

**Independent & moderator variables:**
- Working mode
- Sex
- Ideal worker norms: strong / weak   *(e.g. working long hours, putting work above personal life, do not call in sick)*
- Childcare support: yes / no    *(e.g. financial contribution towards childcare, leave in case of child's sickness)*
- Flexi work options: yes / no   *(e.g. option to work from home / part-time, flexible start and finish times)*

**Control variables** (profile attributes):
- Age
- Children
- Work experience in the sector
- Skills

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# Work culture

**Fig 1.** Predicted probabilities of being chosen for A/B/C/D by WFH, gender and the **presence of ideal worker norms in the company** (sample with unknown performance): logit models.
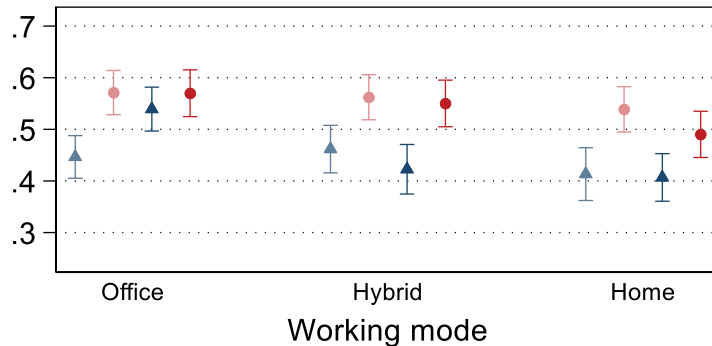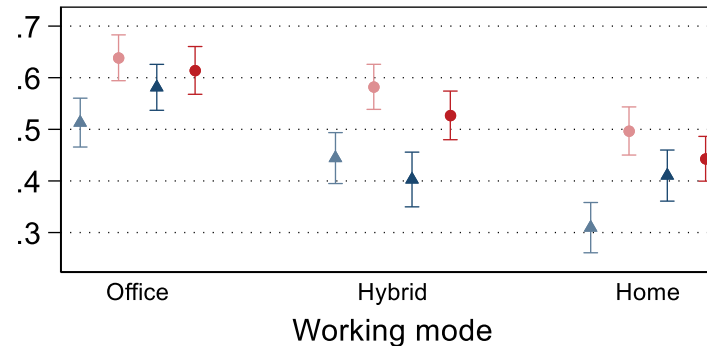


### A. Promotion
### B. Salary raise
### C. Competence
### D. Commitment

- ▲ Weak IW norms, Men
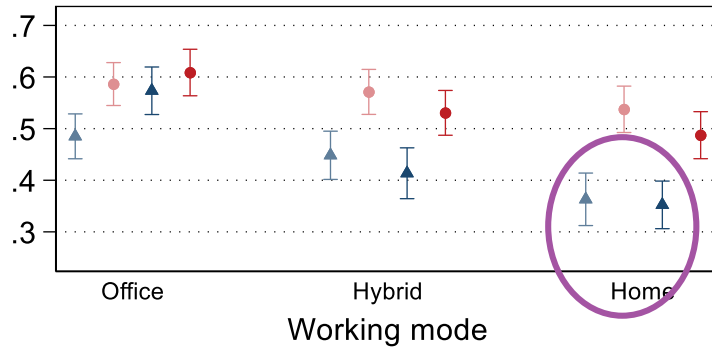- ● Weak IW norms, Women
- ▲ Strong IW norms, Men
- ● Strong IW norms, Women

Men who WFH (5 days a week) are **less likely to be chosen** for A/B/C/D than those working onsite regardless of the organisational settings.

Men who WFH (2 days a week) experience similar **career penalties** only when working in org. with strong IW norms.
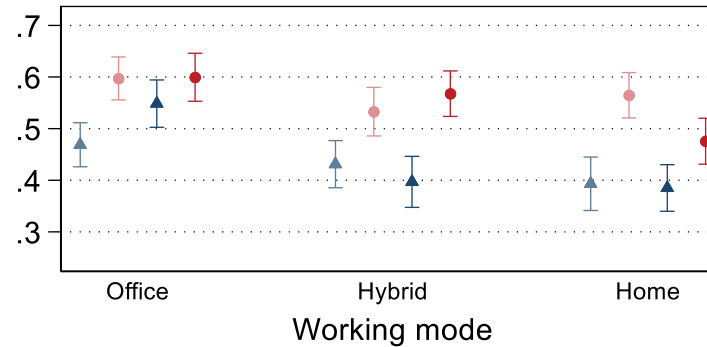
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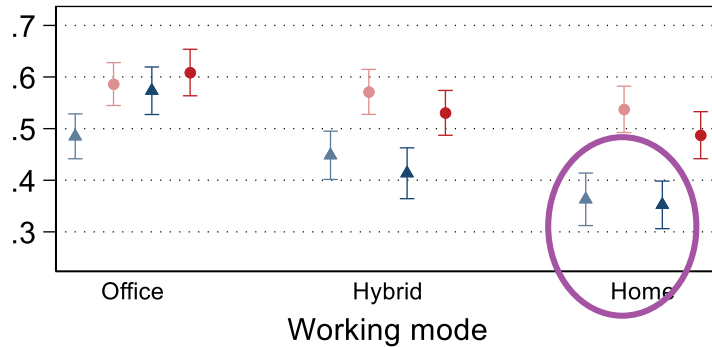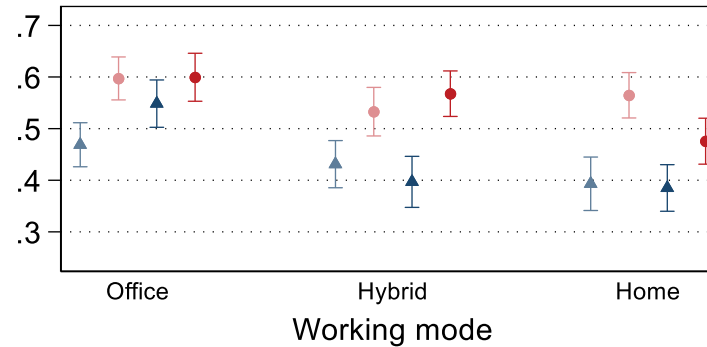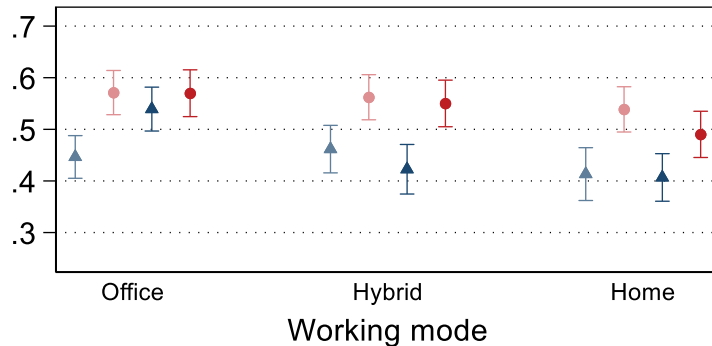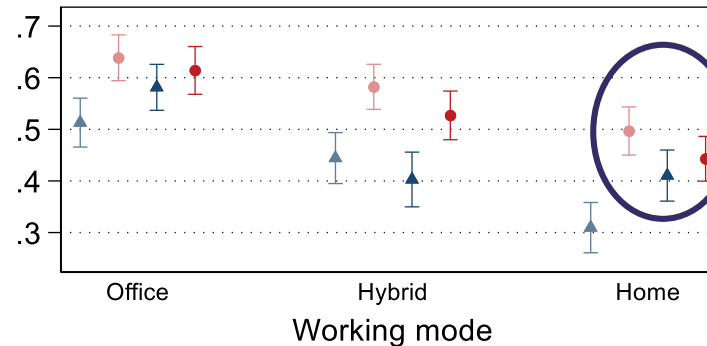


### A. Promotion
### B. Salary raise
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### D. Commitment

▲ Weak IW norms, Men
▲ Strong IW norms, Men
● Weak IW norms, Women
● Strong IW norms, Women

Men who WFH (5 days a week) are **less likely to be chosen** for A/B/C/D than those working onsite regardless of the organisational settings.

Men who WFH (2 days a week) experience similar **career penalties** only when working in org. with strong IW norms.

Women who WFH in the hybrid mode experience **no career penalties**.

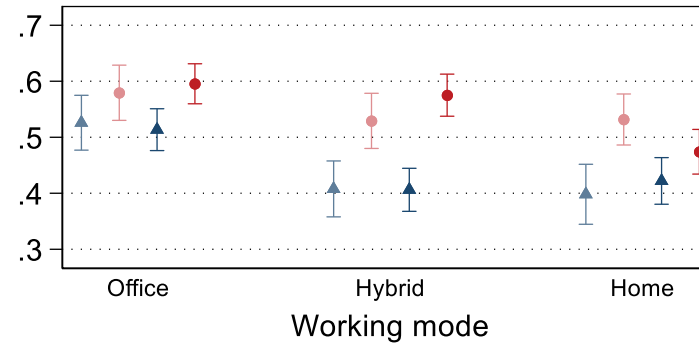Women who WFH daily experience **career penalties** only when working in org. with strong IW norms.

# Work-family reconciliation

**Fig 2.** Predicted probabilities of being chosen for A/B/C/D by WFH, gender and the **presence of childcare support (services and leaves) in the company** (sample with unknown performance): logit models.
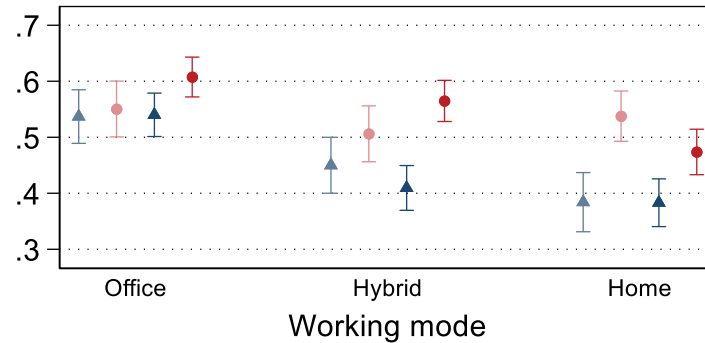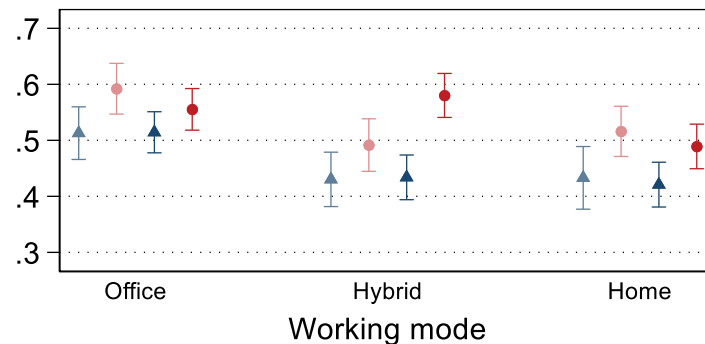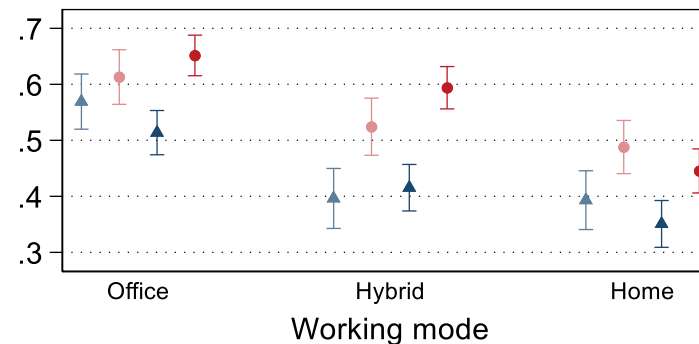


Men:

Org. with **no childcare support** measures – career penalties for **both WFH frequencies**

Org. **with childcare support** measures – career penalties only for those who **WFH daily**

Women:

**No career penalties** for **hybrid** work regardless of org. settings.

Career penalties mainly for those who **WFH daily in** org. with **no childcare support**

# Work-family reconciliation

**Fig 3.** Predicted probabilities of being chosen for A/B/C/D by WFH, gender and the **flexible work options (WFH, Flexitime, part-time) in the company** (sample with unknown performance): logit models.



**Men:**

Org. with **no childcare support** measures – career penalties for **both WFH frequencies**

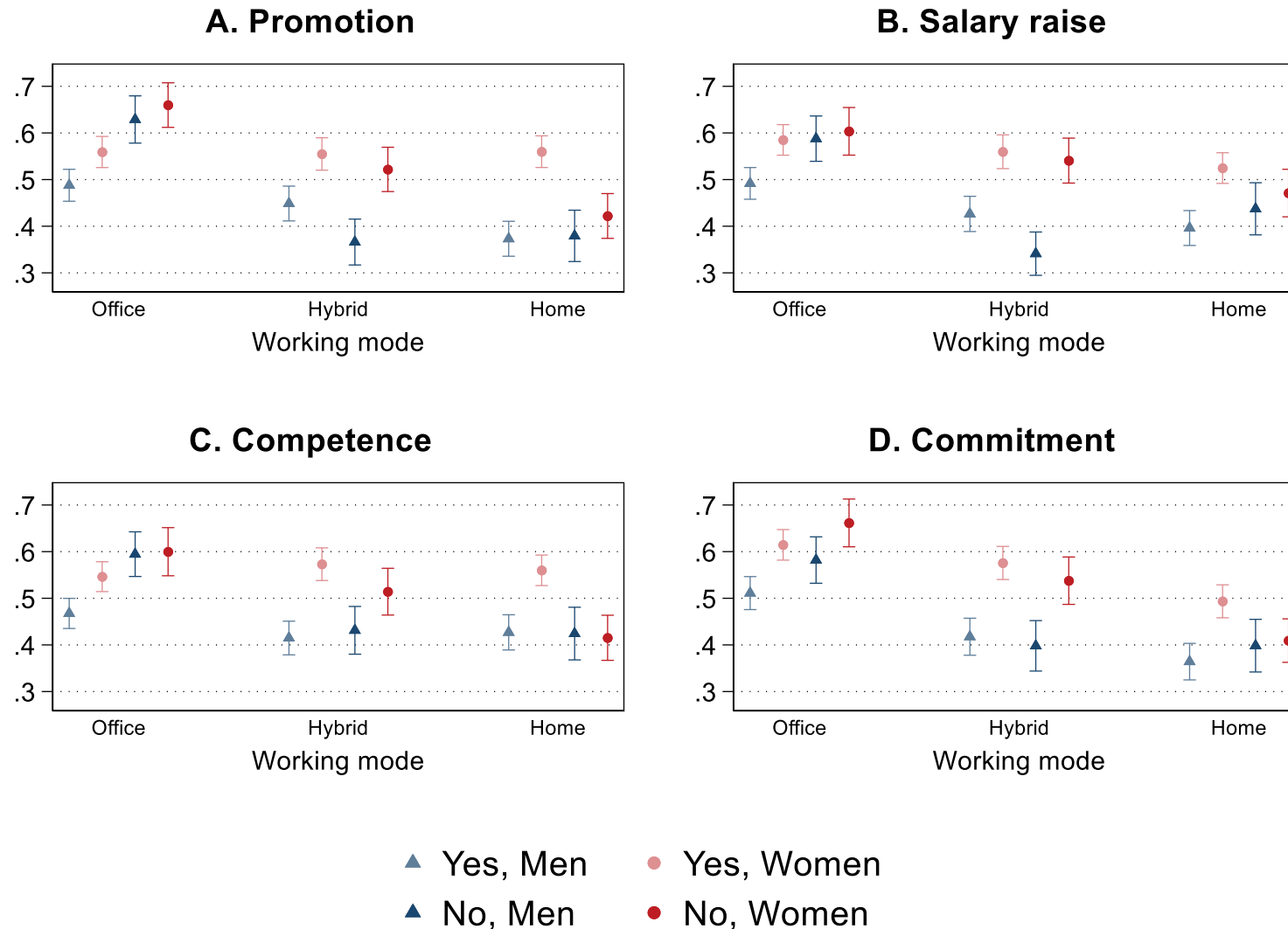Org. **with childcare support** measures – career penalties only for those who **WFH daily**
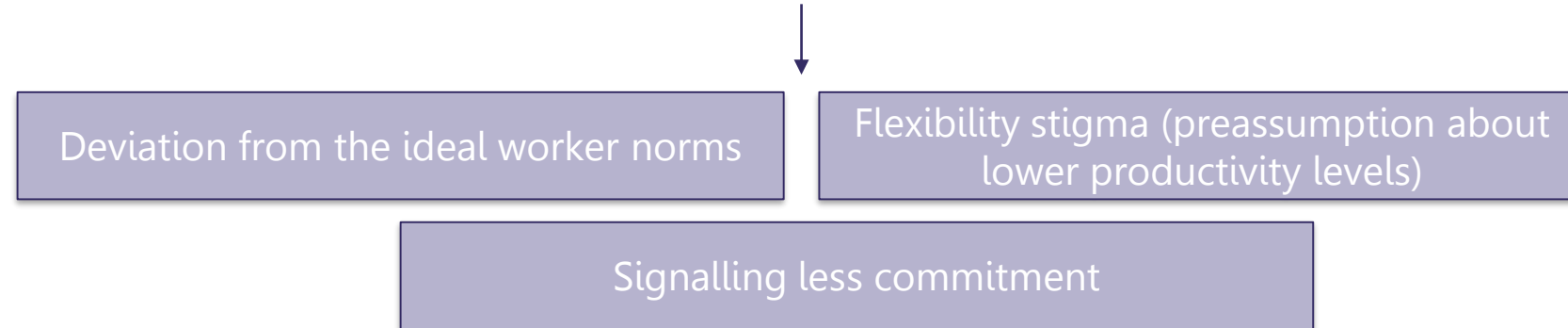
**Women:**

**No career penalties** for **hybrid** work regardless of org. settings.

Career penalties mainly for those who **WFH daily in** org. with **no childcare support**

# CONCLUSIONS

➢ Organisational culture **moderates** managerial promotion preferences and attitudes towards employees who WFH → higher penalties in less supportive organisations.

➢ Men who WFH are **more negatively** evaluated than women engaging in this mode of work.

Deviation from the ideal worker norms

Flexibility stigma (preassumption about lower productivity levels)

Signalling less commitment

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# Thank you!

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# BACKGROUND

**Proportion of working adults in Great Britain, March 2020 to February 2023**
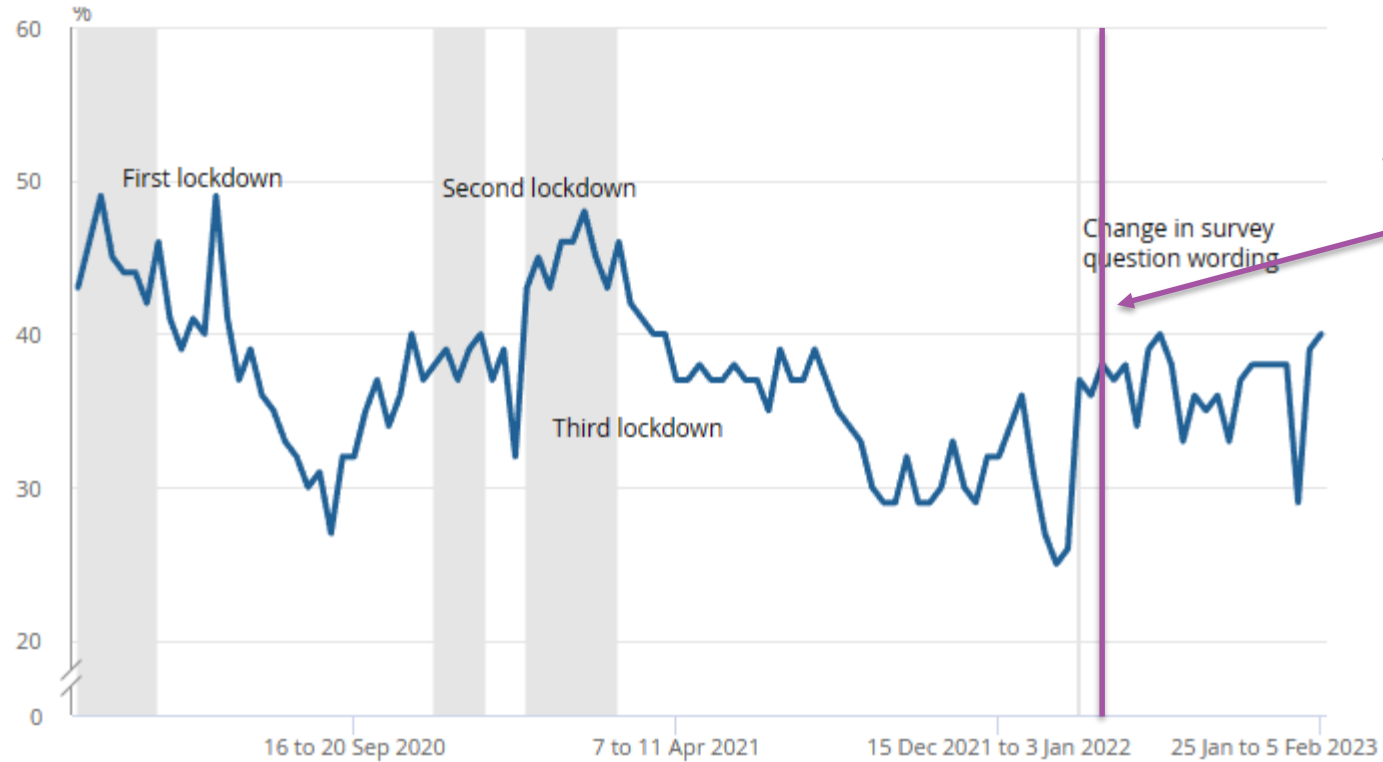


Government guidelines to work from home were lifted

First lockdown

Second lockdown

Third lockdown

Change in survey question wording

16 to 20 Sep 2020    7 to 11 Apr 2021    15 Dec 2021 to 3 Jan 2022    25 Jan to 5 Feb 2023

**BEFORE COVID-19:**
15.7%

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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.

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**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 % |

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