

Social Design Engineering Series

SDES-2022-5

# Online productivity and types of assignments in a Japanese workplace

## Kostiantyn Ovsiannikov

School of Economics and Management, Kochi University of Technology

### Koji Kotani

School of Economics and Management, Kochi University of Technology Research Institute for Future Design, Kochi University of Technology

Hodaka Morita Hitotsubashi University

30 May, 2022

School of Economics and Management Research Institute for Future Design Kochi University of Technology

# Online productivity and types of assignments in a Japanese workplace

Kostiantyn Ovsiannikov\* Koji Kotani\*,†,‡,§,¶ Hodaka Morita¶

May 30, 2022

#### **Abstract**

With the advance of the COVID-19 pandemic, many companies in the world have embraced telework. Despite the large volume of related studies, only few of them have addressed telework in relation to types of assignments and employment. In this context, we pose an open question of how productivity in an online environment depends on formats of work, remuneration systems and socioeconomic factors in comparison to a face-to-face environment. We collect the data of 500 Japanese employees through the stratified questionnaire survey, empirically examining and characterizing the perceived telework productivity for carrying out simple and creative tasks in individual and group formats as compared with face-to-face productivity. The three main findings are obtained. First, online productivity tends to be noticeably low for group format as compared to individual format, especially when carrying out creative tasks. Second, we find that managerial affiliation and sleeping hours tend to translate into, respectively, low group productivity and low individual productivity for both simple and creative tasks. Third, our study demonstrates that online productivity is unconditionally exacerbated under a seniority-based system as compared to a performance-based system. Overall, our findings reveal the difficulties faced by employees when performing group tasks remotely, pointing at the importance of professional incentives for increasing collective productivity of telework. The caveats we identified can thereby help companies to improve their transition from a face-to-face to an online environment.

**Key Words**: Human resource management; Employee attitudes; Organizational culture; Institutions

<sup>\*</sup>School of Economics and Management, Kochi University of Technology

<sup>&</sup>lt;sup>†</sup>Research Institute for Future Design, Kochi University of Technology

<sup>&</sup>lt;sup>‡</sup>Urban Institute, Kyushu University

<sup>§</sup>College of Business, Rikkyo University

<sup>&</sup>lt;sup>¶</sup>Corresponding author, E-mail: kojikotani757@gmail.com. We do not have any conflict of interest.

Institute of Economic Research, Hitotsubashi University

# **Contents**

Nome	enclature	2
1 In	troduction	3
2 W	orking environment and productivity	5
3 St	atistical analysis	9
4 C	onclusion	15
Non	nenclature	
CGP	Creative group productivity	
CIP	Creative individual productivity	
ICT	Information and Communications Technology	
OECI	O Organisation for Economic Co-operation and Development	
R&D	Research and development	
SGP	Simple group productivity	
SIP	Simple individual productivity	
SME	Small and medium-sized enterprises	
WFH	Work from home	

## 1 Introduction

Against the background of the ongoing COVID-19 pandemic, our everyday lifestyles as well as working conditions have undergone noticeable changes. Initially, the transition from a face-to-face to an online environment has been dictated by a need of social distancing and was mostly perceived as a temporary concession. However, as entire sectors of economy have started to embrace teleworking in the long run, management, employees as well as environmental advocates and other stakeholders have realized the benefits associated with this format. The most obvious ones include colossal spared cost of transportation and office rent, better opportunities to spend time with family as well as enhanced autonomy and flexibility regarding a workplace routine. At the same time, switching to telework entails fundamental modifications of corporate practices.

Whereas for the relatively more digitalized sectors it has only been natural to widen the scope of 11 remote activities, for other sectors (especially certain services and manufacturing) such transition is 12 problematic if not impossible (Dingel and Neiman, 2020, Etheridge et al., 2020). Other associated 13 problems include (i) lack of proper employee monitoring (Greer and Payne, 2014), (ii) inability to 14 draw lines between assigned duties and private life when working from home (Golden et al., 2006), 15 (iii) unrealized collaboration possibilities, and (iv) security concerns over data transmission (Ruth and 16 Chaudhry, 2008). All in all, under the normal circumstances, management remains skeptical regarding the potential of telework-associated benefits to outweigh accompanying costs. Taking into account the variety of challenges as well as opportunities that telework-transition entails for companies (Allen et al., 2015), our paper analyzes employees' perception of telework as compared to a face-to-face working format. 21

Meta-analysis by Harker Martin and MacDonnell (2012) who covered 19 scholarly articles yields
an overall support to the assumption about the positive organizational outcomes (such as productivity,
retention, commitment, and performance) that telework embodies. Golden (2006), Mahler (2012) and
Caillier (2013) report that on top of, and, partially, as a result of the increased job satisfaction, limited
teleworking hours are associated with higher labor productivity. Those who are allowed to telework
also display higher levels of organizational commitment (Golden et al., 2006, Caillier, 2013), while

those unable to telework have lower motivation and productivity (Mahler, 2012). The positive effect of the transition is magnified for those who used to spend long hours commuting to their workplaces (Lister and Harnish, 2019). Management plays a key role in the extent and quality of telework adoption. Zhou et al. (2008), who analyze the impact of organizational changes on the perceived employee creativity in Korea, find out that better creative outcomes depend on corporate willingness to provide support and training for employees. Oldham and Cummings (1996), Harrington and Ruppel (1999), Zhang et al. (2011) and Solís (2017) argue that supportive supervision enhances telework productivity, while the opposite holds true for the controlling management style.

Despite longer working hours associated with carrying out job-related tasks remotely, 76 % of 36 the U.K. employees report improved work effectiveness, which is mostly attributed to the absence of 37 office distractions (Baruch, 2000). Under proper ICT-maintenance, telework does not hinder inter-38 employee communication, provided that evaluation criteria and performance benchmarks are clearly 39 defined (Bailey and Kurland, 2002, Illegems and Verbeke, 2004, Bosua et al., 2013). The above findings hold true in various institutional settings, for example in Japan (Maruyama et al., 2009, Kazekami, 2020, Okubo et al., 2021). Importantly, however, under the situation of the COVID-19 pandemic, certain employees have been conducting their work in a solely online environment over a 43 long period of time. While the introduction of telework could be viewed as beneficial for their worklife balance during the initial stage, the situation is likely to have deteriorated subsequently due to the 45 following factors. 46

First, proximity to a family as a result of working from home could have degraded from the primary productivity boost to routine, leading to the blurring of demarcation lines between job responsibilities and domestic chores (Baruch, 2000, Golden et al., 2006). Second, whereas occasional teleworking can ease the burden of formal office communication, an entirely online environment with unclear time horizons may lead to a psychological isolation, deepening of trust-related issues between employees and management as well as among employees, and, finally, to a perceived loss of loyalty towards a company (Gajendran and Harrison, 2007, Pyöriä, 2011, Galanti et al., 2021). As for Japan,

47

48

49

50

51

<sup>&</sup>lt;sup>1</sup>There is also a well-documented evidence of environmental benefits associated with the transition from an office to an online working environment (Shabanpour et al., 2018).

face-to-face interaction plays a crucial role in the local corporate context (Amano et al., 2021) that allocates plenty of time to socializing practices ranging from morning aerobics to after-work drinking parties. By providing "social therapy," these measures serve as a psychological counterweight to the highly-accountable and controlling shop-floor environment. Workers habitually placed into such contrasting conditions may easily experience boredom and insufficient motivation upon finding themselves in an isolated casual atmosphere over a long period of time. In a nutshell, local corporate culture is one of the reasons why Japan has been the most reluctant OECD-member to introduce telework (Okubo, 2020, Morikawa, 2022).

In this paper, we inquire about the main factors affecting productivity and job satisfaction in 62 an online environment as compared to a face-to-face environment. While the existing scholarship 63 pays attention to this problem in general, few studies distinguish between types of assignments as well as work formats. To this end, we test the following hypotheses by analyzing the results of a stratified survey consisting of 500 employees: (1) perceived telework productivity tends to be higher for individual as compared to collective tasks, (2) perceived telework productivity tends to be higher for simple as compared to creative tasks, (3) managers and recipients of "seniority-merit" wages have higher likelihood than, respectively, ordinary employees and recipients of "performance-based" wages 69 to experience dissatisfaction and lower productivity resulting from the transition to telework. First, we investigate performance and work-satisfaction heterogeneity across four domains encapsulated 71 by "individual-collective" and "simple-creative" dimensions. After identifying dimension-specific 72 strengths and weaknesses, we perform the statistical analysis to estimate the factors associated with 73 these subjective evaluations. We conclude with the implications of the obtained results for corporate stakeholders.

# 76 2 Working environment and productivity

Most of the existing literature concentrates on the individual dimension of creativity, with the group work receiving far less attention. Group context is often considered as a hindrance to resourcefulness because of its tendency to swing between the poles of either being either a harbinger

of conflicts or a social coersive mechanism. Goncalo and Staw (2006) and Hoegl and Parboteeah 80 (2007) claim that group cohesion and conformity run against creative pursuits due to their tendency 81 to stipulate routinization and to impede divergent thinking. In this context, Nemeth et al. (2004) and 82 Zhou et al. (2008) observe a positive correlation between minor in-group dissent and creativity, pro-83 vided the existence of institutional support from management and fellow employees. On the other 84 hand, Baer (1998) points out the benefits of group solidarity, arguing that rather than being divergent, 85 creative skills require task-specific proficiency that is best attained through collective efforts. Furthermore, Paulus et al. (2001) mention synergies arising from collective collaborations that include 87 mutual moral support and inspiration. According to these authors, a group as a whole exceeds the sum of its encompassing individuals. 89

The latter observation holds true for the Japanese corporate environment, as argued by Nonaka 90 and Konno (1998) who re-introduced the concept "ba" (originating from the Japanese philosopher Nishida Kitarō) to describe an empowering environment that transcends individual boundaries. In more concrete terms, a Japanese company is known for its capacity to utilize tacit knowledge. As opposed to the explicit, i.e. pre-existing type of information, tacit dimension draws its source from inter-subjective intuitions and alliances. Differently from a stylized Western company where information has an objective value that overarches firm-specific configurations, Japanese firm is viewed as an organism, whereby ideas do not exist separately from their mediums. Here, employees can be viewed 97 as nods of an expanding network. Having been nurtured in this way, some corporate strategies are not 98 expressible as a codified system of knowledge ready to be applied in any environment. On contrary, 99 being unique to a specific habitat, they develop through in-house reproduction. 100

"Collective" dimension of Japan's corporations is encapsulated by well-established R&D departments, low employment turnover rates, on-the-job training and job-rotation systems (Kleinknecht et al., 2014). As a result of the telework introduction, however, the strong inter-subjective element embodied in these institutions has been substantially weakened. Morikawa (2022) estimates that in Japan, work from home (WFH) is associated with 30-40 % productivity decrease compared to an office format. Among the main reasons are the lack of prior technological training coupled with insufficient ICT implementation (Okubo, 2020, Umishio et al., 2022). Khalifa and Davison (2000),

Overmyer (2011) and Allen et al. (2015) acknowledge that communication quality and knowledge transfer are among the main challenges for a successful telework transition. Since, by definition, communication and knowledge sharing are at the heart of collective tasks, we assume the following:

Hypothesis 1 The perceived telework productivity is higher for individual tasks than for collective tasks.

The existing evidence on productivity differences between office and online environments for simple and creative tasks appears to be rather contradictory. Based on the laboratory experiment, Dutcher
(2012) finds that while face-to-face environment is beneficial for routine tasks, telework is associated
with higher creative productivity. Using the sample of 156 Spanish companies, Martínez-Sánchez
et al. (2007) establish that companies with larger proportions of teleworkers are more innovative.
Umishio et al. (2022), who conducted their empirical study in Japan, also find the evidence that an
online environment is suitable for carrying out creative tasks.

120

122

123

125

12

128

On the other hand, Vega et al. (2015) argue that while online environment is supportive to an overall creativity enhancement, this is not the case for the self-rated creative performance.<sup>3</sup> The results of Mercier et al. (2021) also run against the "telework-creativity" assumption, revealing that higher creativity during the lockdown period has been an attribute of a face-to-face — not an online working environment. Pointing at the importance of spontaneous office communication for the generation of new ideas, Bosua et al. (2013) conclude that hybrid forms of employment appear to be optimal in terms of achieving the balance between job satisfaction and creative skills' development. One of the pioneering studies on telecommuting conducted by DuBrin (1991) concludes that telework is better geared for structured and repetitive than for creative tasks.

Hypothesis 2 The perceived telework productivity is higher for simple than for creative tasks.

<sup>&</sup>lt;sup>2</sup>The author implemented experimental design not least because of the fact that, until recently, employees were endogenously assigned to telecommute based on their credibility and superior performance. In contrast, the COVID-19 pandemic has prompted non-discriminatory telework transition, enabling researchers to capture differences in productivity as compared to office format.

<sup>&</sup>lt;sup>3</sup>We choose to focus on self-rated performance which, while being frequently used in literature, is sometimes considered to be inflated (Allen et al., 2015).

The ease with which telework can be introduced depends on a degree of industrial digitalization. 130 On one end of the spectrum, those involved in factory operations and many service sector employees cannot conduct their duties remotely by definition (Dingel and Neiman, 2020, Okubo, 2020). On the 132 other end, employees that extensively deploy ICT capabilities can easily adapt to an online environ-133 ment. On top of these predictable industrial responses to an introduction of telework, variation exists 134 between different employee groups inside an organization. In Japan, these discrepancies are primar-135 ily related to employment status and remuneration system. Since only 13.6% of our respondents are 136 non-regular employees<sup>4</sup>, we choose to concentrate on salary arrangements. 137

131

138

139

140

145

146

14

Traditional seniority-merit wage system called "nenkō jōretsu," where salary is a function of age, characterizes privileged regular employees. While this system is being gradually substituted for the performance-based pay called "seika shugi," many large companies still adhere to it as means of retaining and rewarding committed employees in the long run. Following evidence exists regarding the perception of telework depending on age. According to Maruyama et al. (2009) who focus on Japan, the most positive feedback comes from the cohort of "55+," which can be explained by its members' (i) higher status in organizations, (ii) higher perceived stress when working from office due to longer commuting hours and (iii) higher willingness to spend time with family members. Having already reached the maturity age for reaping full benefits of the seniority-merit wage system, many of these employees view telework as a prelude to retirement.

These remuneration systems partially reflect the commonly-known dichotomy between pay-for-148 performance and fixed-salary types of compensation (Lazear, 2000, Eriksson and Villeval, 2008). 149 There are, however, notable differences. First, for Japan, seniority-merit system (fixed-salary ana-150 logue) comes with employment security, while also entailing long-term incentives embedded in wage 151 hikes. Second, whereas fixed salary is normally characterized by lower monitoring costs (Lazear, 152 2000), nenkō jōretsu requires close communication between management and employees. All in 153 all, while seniority-merit wages are the most prestigious in Japan, for the U.S. and Europe it is 154 performance-based payment that provides stronger financial incentives for more ambitious employees 155

<sup>&</sup>lt;sup>4</sup>According to Kikuchi et al. (2021) whose study is based on the Japanese sample, non-regular employees have experienced far more serious deprivations (such as income loss and job loss) than regular employees.

(Cadsby et al., 2017). Another dimension of intra-corporate heterogeneity is related to the differences between management and employees. According to the available scholarship, communication issues in an online format are further exacerbated for managers who experience difficulties in monitoring their subordinates remotely (Illegems and Verbeke, 2004, Mahler, 2012). Due to the lack of specialized training in online supervision, managerial staff often voices skepticism and dissatisfaction with the telework format (Greer and Payne, 2014).

Hypothesis 3 Managers and recipients of "seniority-merit" wages are less productive in an online environment than, respectively, ordinary employees and recipients of "performance-based" wages.

# 3 Statistical analysis

165

166

167

168

169

170

17

172

Our data-set encompasses 500 subjects (200 of whom are females) sourced from the registered participant pool of a web-based questionnaire survey conducted by the research organization Cross Marketing Inc. in Japan. The sample size is partly determined by the budget and time constraints we face. Half of the respondents are employed by small/medium enterprises (SMEs) of "300~1000" workers, while another half is equally divided between firms of "1000~4999" and "5000 or more" workers. The data was collected from 40 (out of 47) Japanese prefectures, whereby the share of respondents from each municipal unit approximately corresponds to the real population distribution.

#### [Table 1 about here.]

The summary statistics are included in table 1. Most of the variables are ordered factors, taking the integer value between "1" (negative extreme) and "5" (positive extreme). This corresponds to the 5-point Likert scale of the questions related to subjective perceptions of online working environment. The numeric variables are: "Age," "Working hours pre Corona," "Sleep before Corona" and "Commuting time." Respondents' age distribution is displayed in figure 1. According to it, the mode value is 61 years old and the median value is 50.5 years old. This picture resembles the real working population tendencies, whereby, as of 2020, the age category of "45-54" years old was the most widely represented, accounting for 16.26 % of Japan's population.

#### [Figure 1 about here.]

181

193

195

196

197

198

199

200

20

202

203

204

205

206

The correlation coefficients between analyzed variables are included in table 2. Among others, it 182 shows high correlation (r = 0.7) between overall online- and simple individual online-productivity. 183 As expected, comfort of online environment is highly correlated (r = 0.67) with the willingness 184 to continue telework in the aftermath of the pandemic. Granting significantly positive relationship 185 between various subjective displays of telework-perception, we do not include them in the same re-186 gression models to avoid multicollinearity problem. Next, we analyze the differences in perceptions 187 of telework between ordinary employees and managerial staff according to gender. As table 3 shows, 188 our sample is distributed between employee categories in a following way. 44 \% of male subjects are 189 ordinary employees, while 56 % hold managerial positions. The respective distribution for females is 78% vs. 22%. This inter-gender discrepancy partially reflects the real population phenomenon, 191 whereby the relatively small share of women occupy advanced corporate positions.

[Table 2 about here.]

[Table 3 about here.]

[Figure 2 about here.]

According to the results of the exploratory analysis, general perception of the telework environment can be described as follows. First, as figure 1(a) demonstrates, both men and women clearly find it comfortable to work remotely. In fact, 17% of women and 12.7% of men are "completely satisfied" with the telework arrangements. Additionally, 27.5% of women and 34.3% of men express their overall approval of this format. While the respective distribution among regular employees resembles the general tendency, the perception of comfort in an online environment is slightly stronger than average among managers. Second, in agreement with the previous finding, figure 1(b) shows that an overwhelming majority of the respondents would like to continue working remotely even after the relaxation of COVID-19 restrictions. This readiness is particularly high among females, 34% of whom feel "absolutely positive" about continued telework. The respective figure of 24.7% for males can also be viewed as high. Moreover, additional 24.5% of females and 31.3% of males express their

general willingness to keep the telework arrangment going. Very similar tendencies are observed
when disaggregating the sample into regular and managerial ranks.

#### [Figure 3 about here.]

209

210

21

212

213

214

215

216

21

218

219

220

22

222

226

22

228

230

231

232

In the context of the overall-positive assessement of remote work, it is interesting that subjective perception of labor productivity is rather mixed, as figure 1(c) shows. In case of women, it can be described as "ambivalent," with 27 % of female respondents holding an opinion that productivity in an online environment has decreased, and 30.5% expressing the opposite positive view. Regarding men, the perception is more negative, with 30.6% of male respondents being critical regarding the telework productivity, and only 20.6 % seeing this aspect in a bright light. The patterns of perceived telework productivity among ordinary employees are similar to those observed on a general level according to figure 1(c). As for the managers, while opinions among males resemble the overall average, female attitudes are relatively more critical, manifesting themselves in lower share of "optimists" and higher share of "pessimists." Next, when disaggregating performance in an online environment into individual and collective, the perceptions appear highly critical. All in all, it can be said that remote work is responsible for the clear decrease in productivity across all the presented domains as seen from figure 3. Following aspects are the most notable when disaggregating this picture: (i) group productivity has much lower self-assessment scores than individual productivity; (ii) creative tasks yield lower self-rated productivity levels than simple tasks. This difference is more apparent for collective than for individual setting. In order to understand what drives subjective perceptions of different assignments depicted on figure 3, we run separate regressions and present their results below.

#### 1. The **individual productivity** has been perceived in a following way:

(a) Critical assessment of the *simple individual productivity* (SIP) in an online format appears to be strongly and significantly associated with the remuneration type as table 4 demonstrates. Namely, employees under the "seniority-merit" wage system experience consistently lower levels of telework-productivity both with and without controlling for other variables. Compared to the "performance-based" wage system, workers belonging

to the discussed group show on average 0.24 points (of the 5-point Likert scale) less self-attributed online-SIP. In addition, employees that experienced sleep deprivation prior to the pandemic, display consistently higher levels of online-SIP across all models. Finally, higher educational degree is associated with the moderate increase of online-SIP in two out of three models included in table 4.

#### [Table 4 about here.]

(b) Regarding the *creative individual productivity* (CIP), table 5 demonstrates several aspects resembling the SIP tendencies. Namely, seniority-merit wage system and sleeping hours are negatively associated with online productivity in this setting. While the "seniority-wage" coefficients are slightly lower for CIP than for SIP, the opposite holds true for sleeping hours. In addition to this, one-point increase in life satisfaction is associated with 0.06 point increase in the online-CIP.

#### [Table 5 about here.]

#### 2. The **group productivity** has been perceived in a following way:

(a) As for the *simple group productivity* (SGP), table 6 shows the following. Similarly to individual simple and creative jobs, SGP is negatively affected by seniority-merit wage system. On top of that, managers tend to be 0.17 points less productive than ordinary employees when holding other variables constant, as shown in the Model 3. Finally, when holding some of the variables constant (Model 2), married respondents appear to be 0.16 points less productive than singles when carrying out simple group tasks online.

#### [Table 6 about here.]

(b) Creative group productivity (CGP) is associated with the similar factors as SGP. Namely, table 7 demonstrates that compared to recipients of performance-based wages, those under seniority-merit remuneration system have consistently lower online-CGP with and without controlling for other factors. Furthermore, managers display 0.14 points lower online-CGP than ordinary employees.

#### [Table 7 about here.]

Table 8 provides insights into the factors associated with the overall willingness among the re-260 spondents to continue teleworking regardless of the pandemic-related measures. Here, we observe the important role of *education*, age and pre-pandemic sleeping hours. An additional educational 262 degree is associated with a 0.09 points increase in the willingness to keep teleworking. The respective 263 increase constitutes 0.19 points for belonging to a one-level-higher income bracket. Finally, one hour of sleep deprivation before the pandemic is associated with 0.15 point increase in the telework-related enthusiasm. Among other significant findings is the higher readiness to continue telework for females 266 and younger people.

259

26

264

265

26

268

269

272

273

276

27

278

279

280

28

282

283

284

#### [Table 8 about here.]

Based on the discussed results, our findings reveal that self-reported telework productivity is higher for individual than for collective tasks, in accordance with the Hypothesis 1. This holds true both for routine and creative assignments, pointing at the fact that while online environment can be conducive for the execution of individual tasks, collective duties mostly require face-to-face interaction. Since telework is frequently associated with deterioration of both vertical and horizontal communication, this naturally leads to difficulties for performing group tasks. This is all the more relevant for the Japanese corporate context, where inter-subjective cooperation at the shop-floor level has been one of the main prerequisites for nurturing idiosyncratic comparative advantages. Looking at another corporate dichotomy, employees appear to be more productive when carrying out simple as compared to creative tasks, confirming the Hypothesis 2. While respondents tend to have an ambivalent assessment of their creative performance for individual tasks, the evaluation becomes highly critical in case of a group format. In other words, group creativity tends to drastically drop in an online- as compared to a face-to-face environment.

Among the factors negatively impacting online productivity, *seniority-merit* wage system is consistently significant across all domains analyzed, as stated in the Hypothesis 3. Shaw and Gupta (2007) note that this type of remuneration comes at a cost of highly productive employees: rather than aiming at their best performance, recipients of seniority-merit wages are merely interested in

maintaining their employment stability. However, differently from the classical "fixed salary" sys-286 tem, free-riding behavior has been historically mitigated within large Japanese corporations thanks 287 to a collectivist mode of production. Yet, due to the decreased intensity and quality of interactions 288 between employees in an online environment, productivity of this secured employee cohort has natu-289 rally dropped — both in the absolute terms and vis-à-vis the recipients of "performance-based wages." 290 Another cohort that has experienced substantial drop in productivity are managers. At the same time, 29 the negative effect of managerial affiliation is only present in the group format, partially confirming 292 the Hypothesis 3. This finding points at difficulties associated with monitoring employees in an online 293 environment and the resulting burden experienced by managers. 29

In addition to answering the hypotheses, we obtained the following findings. Transition to an 295 online working environment has been welcomed by most of the employees, translating into higher 296 rates of job satisfaction and higher willingness to keep teleworking even upon being granted an op-29 tion of returning to office. Several factors appear significant in this regard. First (i), the desire to keep working remotely is consistently more pronounced among females, which can be explained by their higher involvement into domestic chores and childcare. In addition, various face-to-face corporate practices originally geared towards males make telework more employee-friendly from an average 30 female standpoint. Second (ii), respondents with higher educational degrees appear to be more satis-302 fied with an online working format. This might be due to the fact that better-educated workers tend 303 to have stronger self-discipline, which is critical under the situation of supervisors' physical absence. 304 Third (iii), in agreement with Morikawa (2022), more positive perception of telework is observed 305 among employees with higher income-levels. Wealthy respondents are likely to be permanent regular 306 workers protected from possible layoffs who would be more interested in maintaining employment 30 stability than in pursuing ambitious career goals. Finally, workers who had fewer sleeping hours prior 308 to the pandemic show higher levels of telework-satisfaction and productivity. This indicates the in-309 creased average amount of sleep for those working remotely, which, along with other physical and 310 psychological improvements, leads to higher job satisfaction (Lister and Harnish, 2019). Granting 31 the legacy of long working hours (including partially unpaid overtime work) at Japanese enterprises 312 (Mizunoya, 2002), transition to an online environment means partial alleviation of this burden, en-313

abling employees to skip numerous customary duties, often leading to higher workplace satisfaction.

## 4 Conclusion

Our paper shows that collective productivity in an online environment has significantly decreased 316 as compared to a face-to-face format, especially when carrying out creative tasks. Despite feeling overall positive about online working format, respondents are critical in self-assessing their teleworkperformance. Among the factors associated with the decreased productivity in an online environment 319 the most prominent ones are seniority-based wages and managerial affiliation. At the same time, tele-320 working becomes more productive with the increase of sleeping hours. On one hand, it is clear that 32 individually-geared telework format is less suitable for group operations that are extremely important 322 for Japanese firms. On the other hand, transition to an online format entails multiple opportunities 323 for the local companies. Telework can naturally alleviate environmental problems and drastically 324 decrease commuting costs, providing much-needed flexibility in finding optimal work-life balance, 325 including a better childcare environment. Thereby, online format can prove instrumental in tack-326 ling the prolonged demographic crisis and, by extension, lifting the burden of expanding social cost 32 incurred by working population as the share of elderly people in Japan is growing. 328

Although we believe that our paper presents important results, it nevertheless has following lim-329 itations. Subjective self-assessment of online productivity that we use in our study would be more 330 credible, had it been combined with evaluation from corporate superiors. Furthermore, as our paper 33 identified the problem of carrying out collective tasks in an online environment, it would be logi-332 cal to include the variables related to horizontal and vertical communication quality. In addition, 333 while showing format- and task-specific responses to telework, our paper does not touch upon inter-334 corporate heterogeneity encapsulated by industrial patterns as well as the degree of digitalization. One possible research avenue is therefore to test the claim of Greer and Payne (2014) and Yoshino and Hendriyetty (2020) who suggest that advance implementation of digital technologies fosters the 33 reconstruction of habitual shop-floor operations for those working remotely. Finally, our paper would 338 benefit from expanding the analysis to other institutional contexts beyond Japan, allowing us, among 339

340	others, to test wider implications of fixed salaries for workers'	motivation in an online environment.

### References

- Allen, T., Golden, T., and Shockley, K. (2015). How effective is telecommuting? Assessing the status of our scientific findings. *Psychological science in the public interest*, 16:40–68.
- Amano, H., Fukuda, Y., Shibuya, K., Ozaki, A., and Tabuchi, T. (2021). Factors associated with the work engagement of employees working from home during the COVID-19 pandemic in Japan. *International journal of environmental research and public health*, 18:10495.
- Baer, J. (1998). The case for domain specificity of creativity. *Creativity research journal*, 11:173–177.
- Bailey, D. and Kurland, N. (2002). A review of telework research: Findings, new directions, and lessons for the study of modern work. *Journal of organizational behavior*, 23:383–400.
- Baruch, Y. (2000). Teleworking: Benefits and pitfalls as perceived by professionals and managers. *New technology, work and employment*, 15:34–49.
- Bosua, R., Gloet, M., Kurnia, S., Mendoza, A., and Yong, J. (2013). Telework, productivity and wellbeing: An Australian perspective. *Telecommunications journal of Australia*, 63:11.1–11.12.
- Cadsby, B., Song, F., and Tapon, F. (2017). Sorting and incentive effects of pay for performance: An experimental investigation. *Academy of management journal*, 50:387–405.
- Caillier, J. (2013). Satisfaction with work-life benefits and organizational commitment / job involvement: Is there a connection? *Review of public personnel administration*, 33:340–364.
- Dingel, J. and Neiman, B. (2020). How many jobs can be done at home? *Journal of public economics*, 189:104235.
- DuBrin, A. (1991). Comparison of the job satisfaction and productivity of telecommuters versus in-house employees: A research note on work in progress. *Psychological reports*, 68:1223–1234.
- Dutcher, G. (2012). The effects of telecommuting on productivity: An experimental examination. The role of dull and creative tasks. *Journal of economic behavior and organization*, 84:355–363.
- Eriksson, T. and Villeval, M. (2008). Performance-pay, sorting and social motivation. *Journal of economic behavior and organization*, 68:412–421.
- Etheridge, B., Wang, Y., and Tang, L. (2020). Worker productivity during lockdown and working from home: Evidence from self-reports. Working Paper 2020-12, ISER Working Paper Series.
- Gajendran, R. and Harrison, D. (2007). The good, the bad, and the unknown about telecommuting: Meta-analysis of psychological mediators and individual consequences. *Journal of applied psychology*, 92:1524–1541.
- Galanti, T., Guidetti, G., Mazzei, E., Zappalà, S., and Toscano, F. (2021). Work from home during the COVID-19 outbreak. *Journal of occupational and environmental medicine*, 63:426–432.
- Golden, T. (2006). Avoiding depletion in virtual work: Telework and the intervening impact of work exhaustion on commitment and turnover intentions. *Journal of vocational behavior*, 69:176–187.

- Golden, T., Veiga, J., and Simsek, Z. (2006). Telecommuting's differential impact on work-family conflict: Is there no place like home? *Journal of applied psychology*, 91:1340–1350.
- Goncalo, J. and Staw, B. (2006). Individualism–collectivism and group creativity. *Organizational behavior and human decision processes*, 100:96–109.
- Greer, T. and Payne, S. (2014). Overcoming telework challenges: Outcomes of successful telework strategies. *Psychologist-manager journal*, 17:87–111.
- Harker Martin, B. and MacDonnell, R. (2012). Is telework effective for organizations? A metaanalysis of empirical research on perceptions of telework and organizational outcomes. *Manage-ment research review*, 35:602–616.
- Harrington, S. and Ruppel, C. (1999). Telecommuting: A test of trust, competing values, and relative advantage. *IEEE transactions on professional communication*, 42:223–239.
- Hoegl, M. and Parboteeah, P. (2007). Creativity in innovative projects: How teamwork matters. *Journal of engineering and technology management*, 24:148–166.
- Illegems, V. and Verbeke, A. (2004). Telework: What does it mean for management? *Long range planning*, 37:319–334.
- Kazekami, S. (2020). Mechanisms to improve labor productivity by performing telework. *Telecommunications policy*, 44:101868.
- Khalifa, M. and Davison, R. (2000). Viewpoint: Exploring the telecommuting paradox. *Communications of the ACM*, 43:29–31.
- Kikuchi, S., Kitao, S., and Mikoshiba, M. (2021). Who suffers from the COVID-19 shocks? Labor market heterogeneity and welfare consequences in Japan. *Journal of the Japanese and international economies*, 59:101117.
- Kleinknecht, A., van Schaik, F., and Zhou, H. (2014). Is flexible labour good for innovation? Evidence from firm-level data. *Cambridge journal of economics*, 38:1207–1219.
- Lazear, E. (2000). Performance pay and productivity. *American economic review*, 90:1346–1361.
- Lister, K. and Harnish, T. (2019). Telework and its effects in the United States. In Messenger, J., editor, *Telework in the 21st Century*, chapter 3, pages 128–170. Edward Elgar Publishing.
- Mahler, J. (2012). The telework divide: Managerial and personnel challenges of telework. *Review of public personnel administration*, 32:407–418.
- Martínez-Sánchez, A., Pérez-Pérez, M., De-Luis-Carnicer, P., and Vela-Jiménez, M. (2007). Telework, human resource flexibility and firm performance. *New technology, work and employment*, 22:208–223.
- Maruyama, T., Hopkinson, P., and James, P. (2009). A multivariate analysis of work–life balance outcomes from a large-scale telework programme. *New technology, work and employment*, 24:76–88.

- Mercier, M., Vinchon, F., Pichot, N., Bonetto, E., Bonnardel, N., Girandola, F., and Lubart, T. (2021). COVID-19: A boon or a bane for creativity? *Frontiers in psychology*, 11:601150.
- Mizunoya, T. (2002). An international comparison of unpaid overtime work among industrialized countries. Technical report, International Labour Organization.
- Morikawa, M. (2022). Work-from-home productivity during the COVID-19 pandemic: Evidence from Japan. *Economic inquiry*, 60:508–527.
- Nemeth, C., Personnaz, B., Personnaz, M., and Goncalo, J. (2004). The liberating role of conflict in group creativity: A study in two countries. *European journal of social psychology*, 34:365–374.
- Nonaka, I. and Konno, N. (1998). The concept of "ba": Building a foundation for knowledge creation. *California management review*, 40:40–54.
- Okubo, T. (2020). Spread of COVID-19 and telework: Evidence from Japan. *Covid economics*, 32:1–25.
- Okubo, T., Inoue, A., and Sekijima, K. (2021). Teleworker performance in the COVID-19 era in Japan. *Asian economic papers*, 20:175–192.
- Oldham, G. and Cummings, A. (1996). Employee creativity: Personal and contextual factors at work. *Academy of management journal*, 39:607–634.
- Overmyer, S. (2011). Implementing telework: Lessons learned from four federal agencies. *IBM Center for The Business of Government*, pages 99–102.
- Paulus, P., Larey, T., and Dzindolet, M. (2001). Creativity in Groups and Teams. Psychology Press.
- Pyöriä, P. (2011). Managing telework: Risks, fears and rules. *Management research review*, 34:386–399.
- Ruth, S. and Chaudhry, I. (2008). Telework: A productivity paradox? *IEEE Internet computing*, 12:87–90.
- Shabanpour, R., Golshani, N., Tayarani, M., Auld, J., and Mohammadian, A. (2018). Analysis of telecommuting behavior and impacts on travel demand and the environment. *Transportation research part D*, 62:563–576.
- Shaw, J. and Gupta, N. (2007). Pay system characteristics and quit patterns of good, average, and poor performers. *Personnel psychology*, 60:903–928.
- Solís, M. (2017). Moderators of telework effects on the work-family conflict and on worker performance. *European journal of management and business economics*, 26:21–34.
- Umishio, W., Kagi, N., Asaoka, R., Hayashi, M., Sawachi, T., and Ueno, T. (2022). Work productivity in the office and at home during the COVID-19 pandemic: A cross-sectional analysis of office workers in Japan. *Indoor air*, 32:e12913.
- Vega, R., Anderson, A., and Kaplan, S. (2015). A within-person examination of the effects of telework. *Journal of business and psychology*, 30:313–323.

- Yoshino, N. and Hendriyetty, N. (2020). The COVID-19 crisis: Policy recommendations for Japan. *Economists' voice*, 17:20200017.
- Zhang, A., Tsui, A., and Wang, D. (2011). Leadership behaviors and group creativity in Chinese organizations: The role of group processes. *Leadership quarterly*, 22:851–862.
- Zhou, J., Shin, S. J., and Cannella, A. A. (2008). Employee self-perceived creativity after mergers and acquisitions: Interactive effects of threat. *Journal of applied behavioral science*, 44:397–421.

# **List of Figures**

1	Age distribution	22
2	Subjective perceptions of telework	23
3	Online productivity: variations across main domains	24

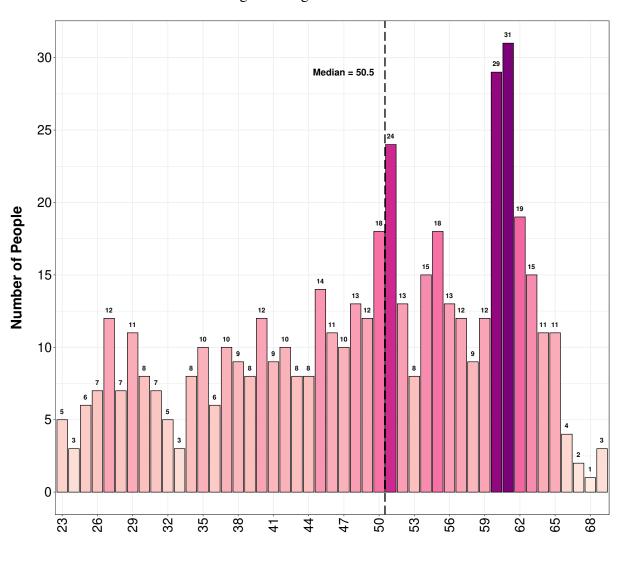


Figure 1: Age distribution

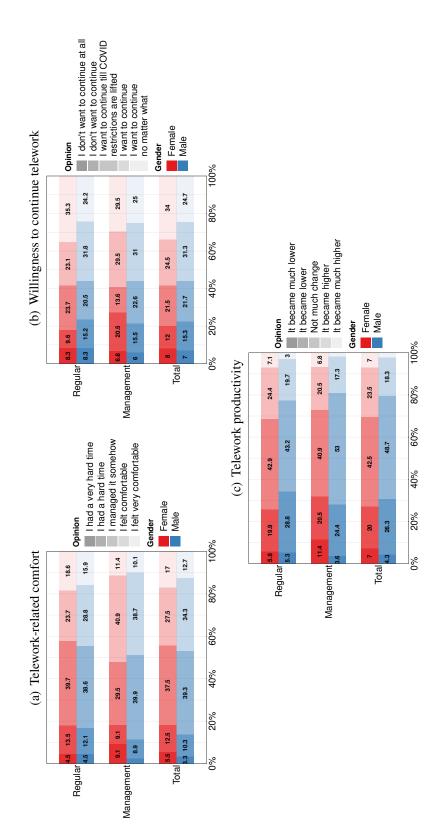


Figure 2: Subjective perceptions of telework

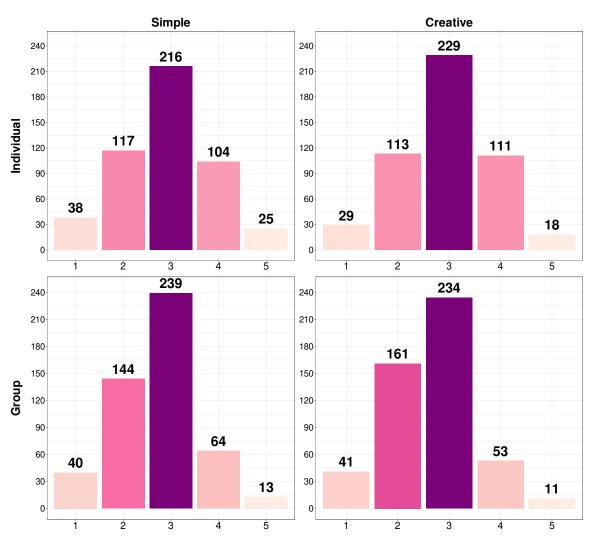


Figure 3: Online productivity: variations across main domains

# **List of Tables**

1	Descriptive statistics	26
2	Pearson correlation matrix	27
3	Employment ranks by gender	28
4	Simple Individual Productivity	29
5	Creative Individual Productivity	30
6	Simple Group Productivity	31
	Creative Group Productivity	
8	Willingness to continue telework	33

Table 1: Descriptive statistics

	N	Mean	Median	Min	Max	St. Dev.
Age	500	48.462	50.5	23	69	11.965
Firm size	500	2.546	2.5	1	4	1.076
Commuting time	500	1.188	1	0	20	1.738
Education	500	6.566	7	2	8	1.364
Income	500	4.148	4	1	6	1.090
Working hours	500	8.495	8	2	20	1.400
Sleeping hours	500	6.138	6	1	8	1.104
Life satisfaction	500	4.014	4	1	7	1.446
SPP	500	2.922	3	1	5	0.970
CPP	500	2.952	3	1	5	0.907
SGP	500	2.732	3	1	5	0.877
CGP	500	2.664	3	1	5	0.856
Productivity	500	2.942	3	1	5	0.908
Telework comfort	500	3.408	3	1	5	1.004
Telework continuation	500	3.566	4	1	5	1.241

Table 2: Pearson correlation matrix

														Ī
	1	2	3	4	5	9	7	8	6	10	11	12	13	14
1. Age														
2. FirmSize	0.02													
3. Commuting	-0.03	-0.05												
4. Education	-0.10*	-0.02	-0.14**											
5. Income	0.18***	*60.0	-0.05	0.23***										
6. WorkHours	-0.19***	0.02	0.01	0.19***	0.21									
7. SleepHours	-0.11*		-0.07	0.07	0.01	-0.17***								
8. LifeSatis	0.07	0.01	-0.01	0.00	0.10*	-0.08	80.0							
9. SPP	-0.07	-0.06	0.01	0.04	0.00	0.00	*60.0-	0.02						
10. CPP	-0.03	0.00	-0.02	0.04	0.00	0.04	-0.10*	90.0	0.50***					
11. SGP	-0.08	90.0	0.00	0.02	0.03	0.00	0.00	-0.07		0.28***				
12. CGP	-0.03	0.04	0.00	0.00	-0.03	0.00	-0.07	-0.04	0.36***	0.46***	0.48***			
13. Productivity	-0.10*	-0.05	-0.04	0.04	0.02	0.02	-0.06	80.0	0.70***	0.51***	0.49***	0.50***		
14. TeleComfort	-0.07	0.03	-0.06	0.04	0.13**	0.04	-0.05	0.16***	0.52***	0.38***	0.29***	0.29***	0.53***	
15. TeleContinue	-0.17***	0.07	-0.06	0.12**	0.12**	0.12**	-0.11*	0.01	0.49***	0.37***	0.26***	0.28***	0.53***	***L9.0

Table 3: Employment ranks by gender

	Overall $(N=500)$	<b>Males</b> $(N = 300)$	Females $(N=200)$
Regular	288 (58%)	132 (44%)	156 (78%)
Management	212 (42%)	168 (56%)	44 (22%)

Table 4: Simple Individual Productivity

	Model 1	Model 2	Model 3
Wage system (base group = "Performace-based")			
Seniority-based	-0.23**	-0.23***	-0.26***
	(0.09)	(0.09)	(0.09)
Other	-0.19	-0.20	-0.15
	(0.19)	(0.19)	(0.20)
Gender (base group = "Male")	0.18**	0.15	0.15
	(0.09)	(0.10)	(0.10)
Sleep before Corona	$-0.07^{*}$	$-0.07^{*}$	-0.08**
	,	(0.04)	(0.04)
Education	0.06*	0.06*	0.05
	(0.03)	(0.03)	(0.03)
Employment rank (base $group = "Managerial"$ )			
Regular		0.07	0.08
36 (1) (6) (6) (7)		(0.09)	(0.10)
Martial status (base $group = "Single"$ )			
Married		-0.05	-0.03
		(0.09)	(0.10)
Life satisfaction			0.03
			(0.03)
Age			-0.01
			(0.00)
Income before Corona			0.03
			(0.05)
Commuting time			0.01
_	0.6	0.0.111	(0.03)
Intercept	3.04***	3.04***	3.18***
	(0.33)	(0.34)	(0.48)
$\mathbb{R}^2$	0.03	0.03	0.04
Adj. R <sup>2</sup>	0.02	0.02	0.02
Num. obs.	500.00	500.00	500.00

<sup>\*\*\*</sup>p < 0.01; \*\*p < 0.05; \*p < 0.1

Table 5: Creative Individual Productivity

	Model 1	Model 2	Model 3
Wage system (base group = "Performace-based")			
Seniority-based	-0.20**	-0.20**	-0.23***
	(0.08)	(0.08)	(0.09)
Other	-0.12	-0.13	-0.10
	(0.18)	(0.18)	(0.18)
Gender (base $group = "Male"$ )	0.04	0.01	-0.01
	` /	(0.09)	(0.09)
Sleep before Corona	-0.08**		-0.09**
El «	` /	(0.04)	(0.04)
Education	0.04	0.04	0.04
Employment rank (base group = "Managerial")	(0.03)	(0.03)	(0.03)
Regular		0.01	0.01
108,000		(0.09)	(0.10)
Martial status (base group = "Single")		(0.00)	(3.23)
Married		-0.11	-0.12
		(0.09)	(0.09)
Life Satisfaction			$0.06^{**}$
			(0.03)
Age			-0.00
			(0.00)
Income before Corona			-0.00
~			(0.04)
Commuting time			-0.01
	0.05***	g a1***	(0.02)
Intercept	3.25***	3.31***	3.35***
	(0.31)	(0.32)	(0.45)
$\mathbb{R}^2$	0.02	0.03	0.04
Adj. R <sup>2</sup>	0.01	0.01	0.02
Num. obs.	500.00	500.00	500.00

<sup>\*\*\*</sup>p < 0.01; \*\*p < 0.05; \*p < 0.1

Table 6: Simple Group Productivity

	Model 1	Model 2	Model 3
Wood system (has a system "Deufourn as a has d")	- Wiodel 1	Wiodel 2	Wiodel 3
Wage system (base group = "Performace-based")			
Seniority-based	-0.21**	-0.23***	-0.22***
	(0.08)	(0.08)	(0.08)
Other	$-0.17^{'}$	$-0.19^{'}$	$-0.16^{'}$
	(0.18)	(0.18)	(0.18)
Gender (base group = "Male")	0.06	$-0.03^{'}$	$-0.01^{'}$
	(0.08)	(0.09)	(0.09)
Sleep before Corona	0.00	0.00	0.00
	(0.04)	(0.04)	(0.04)
Education	0.02	0.02	0.01
	(0.03)	(0.03)	(0.03)
Employment rank (base group = "Managerial")			
Regular		0.13	0.17*
		(0.09)	(0.09)
Martial status (base group = "Single")		,	,
Married		$-0.16^*$	-0.13
		(0.08)	(0.09)
Life satisfaction		,	$-0.03^{'}$
			(0.03)
Age			$-0.00^{'}$
			(0.00)
Income before Corona			$0.07^{*}$
			(0.04)
Commuting time			$-0.00^{'}$
-			(0.02)
Intercept	2.65***	2.68***	2.77***
	(0.30)	(0.31)	(0.43)
$R^2$	0.01	0.03	0.04
Adj. R <sup>2</sup>	0.00	0.01	0.02
Num. obs.	500.00	500.00	500.00

<sup>\*\*\*</sup>p < 0.01; \*\*p < 0.05; \*p < 0.1

Table 7: Creative Group Productivity

	Model 1	Model 2	Model 3
Wage system (base group = "Performace-based")			
Seniority-based	-0.21***	-0.22***	-0.23***
	(0.08)	(0.08)	(0.08)
Other	-0.17	-0.19	-0.19
	(0.17)	(0.17)	(0.17)
Gender (base group = "Male")	0.02	-0.04	-0.04
	(0.08)	(0.09)	(0.09)
Sleep before Corona	-0.05	-0.05	-0.05
	(0.03)	(0.03)	(0.04)
Education	0.01	0.01	0.01
	(0.03)	(0.03)	(0.03)
Employment rank (base $group = "Managerial"$ )			
Regular		0.14*	0.13
Mortiol status (hage grown — "Cingle")		(0.08)	(0.09)
Martial status (base $group = "Single"$ )			
Married		-0.04	-0.02
		(0.08)	(0.09)
Life satisfaction		,	$-0.01^{'}$
			(0.03)
Age			$-0.00^{\circ}$
•			(0.00)
Income before Corona			-0.01
			(0.04)
Commuting time			-0.00
			(0.02)
Intercept	2.99***	2.93***	3.19***
	(0.30)	(0.30)	(0.42)
$\mathbb{R}^2$	0.02	0.03	0.03
Adj. R <sup>2</sup>	0.01	0.01	0.01
Num. obs.	500.00	500.00	500.00

<sup>\*\*\*</sup>p < 0.01; \*\*p < 0.05; \*p < 0.1

Table 8: Willingness to continue telework

	Model 1	Model 2	Model 3
W	Wiodel 1	WIOGCI 2	Wiodel 3
Wage system (base group = "Performace-based")			
Seniority-based	-0.13	-0.13	-0.18
		(0.11)	
Other	` /	-0.27	` /
		(0.25)	
Gender (base group = "Male")	$0.22^{*}$	$0.22^{*}$	$0.24^{*}$
,		(0.13)	
Sleep before Corona		$-0.13^{**}$	
•		(0.05)	
Education		0.14***	
	(0.04)	(0.04)	(0.04)
Employment rank (base group = "Managerial")	,	,	,
Regular		-0.00	0.09
Reguiui		(0.12)	(0.13)
Martial status (base group = "Single")		(0.12)	(0.19)
Married		-0.04	0.05
married		(0.12)	(0.12)
Life Satisfaction		(0.12)	0.02
Life Satisfaction			(0.04)
Age			$-0.02^{***}$
Tige .			(0.00)
Income before Corona			0.19***
meonic serore corona			(0.06)
Commuting time			-0.04
Community time			(0.03)
Intercept	3.38***	3.41***	$4.00^{***}$
2	(0.42)	(0.44)	(0.59)
$\mathbb{R}^2$	0.04	0.04	0.09
Adj. R <sup>2</sup>	0.03	0.03	0.07
Num. obs.	500.00	500.00	500.00

<sup>\*\*\*</sup>p < 0.01; \*\*p < 0.05; \*p < 0.1