

# **WORK-FROM-HOME ADJUSTMENT IN THE COVID-19 PANDEMIC: THE ROLE OF PSYCHOLOGICAL CLIMATE FOR FACE TIME**

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## **INTRODUCTION**

Along with broad impacts on individuals' lives, the Coronavirus 2019 (COVID-19) pandemic has precipitated a sudden and widespread shift to full-time work-from-home (WFH), a form of remote work in which workers perform their entire work in the setting of their home (Kniffin et al., 2020). Government- or employer-enforced full-time WFH contrasts sharply with prior-pandemic remote work in that it is applied to most workers of an organization at once and that workers juggle a host of additional demands such as communications, home space negotiations, and duty arrangement (Waizenberger et al., 2020). In this context, understanding the causes of WFH employees' well-being and productivity is critical to help organizations take actions to promote sustainable WFH experiences. Moreover, it is important to provide evidence on the mechanisms leading to well-being and productivity in the WFH context because the COVID-19 pandemic is not over (World Health Organization, 2020) and, even when it will be, accumulated months of WFH will have long-lasting effects on workers (Kniffin et al., 2020).

Unfortunately, the nascent industrial/organizational psychology research on workers' WFH well-being and productivity during COVID-19 reports divergent findings including detrimental (e.g., emotional exhaustion, Chong et al., 2020) as well as positive outcomes (e.g., autonomy restoration, Anicich et al., 2020). The fact that many studies (e.g., Anicich et al., 2020; Hu et al., 2020; Trougaskos et al. 2020) conflate full and occasional WFH may explain these inconsistent findings. Another obstacle to the accumulation of knowledge is the disparate range of WFH outcomes examined across different studies. In addition, none of the existing studies accounted for the role played by countries' work contexts in the findings they report.

This research is an effort to address the above gaps by examining the role of a key contextual factor, perceived organizational climate for face time, i.e., the extent to which employees perceive that their workplace encourages and rewards physical presence on work premises, on how employees in full-time mandatory WFH in the US and Europe adjust. Borrowing from the literature on expatriates' adjustment (Black et al., 1991, Takeuchi et al., 2005), we define WFH adjustment as the extent to which employees experience psychological comfort in their new WFH situation. Since psychological comfort comprises affect, cognition,

and behavior (Haslberger et al., 2013; Ward et al., 2001), we conceptualize WFH adjustment as a multidimensional construct comprised of WFH liking (i.e., pleasurable affective state when one works from home), WFH productivity (i.e., work output when one works from home), and attitude towards WFH (i.e., overall cognitive evaluation towards WFH).

The literature on visibility at work (Elsbach & Cable 2012; Golden & Eddleston, 2020; Munck, 2001) suggests that in regular circumstances, workers signal their commitment using visibility in the office, i.e., face time. However, in mandatory full-time WFH, everyone is deprived of visibility and workers' perceptions of the face time and availability demands become central in explaining WFH outcomes. We draw on the transactional theory of stress (Lazarus, 1966; Lazarus & Folkman, 1984) to examine workers' appraisals of the sudden shift to full-time WFH. We argue that workers who perceive their organization's psychological climate as valuing face time will assess it as a threat. In search of a way to counter the threat, they will assess their organization's availability expectations. In turn, perceived expectations of extended availability (i.e., being accessible at all times; Dettmers et al., 2016a) predict WFH adjustment.

Lastly, in this global pandemic, the threat to workers' employment and careers differs across countries and in particular employment protection legislations. Therefore, we examine the role of workers' country context by contrasting the US, which impose the fewest restrictions on lay-offs, with European countries that offer higher level of protection to workers (OECD, 2020). We test our hypotheses using a two-wave design among a sample of 532 employees of a large financial institution, who were in full-time mandatory WFH due to COVID-19.

This study contributes to the remote work literature by identifying psychological climate for face time as an antecedent of WFH outcomes and perceived availability expectations as a mediating mechanism in this relationship. We introduce the construct of WFH adjustment as a uniting construct to refer to how well employees adapt to WFH, which we hope can facilitate knowledge accumulation in the field. Moreover, there are few studies examining remote work outcomes cross-nationally and ours opens up many areas for future research.

## **LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **The Impact of Psychological Climate for Face Time on Perceived Availability Expectations**

The consequences of a shift to full-time mandatory WFH for employees are ambiguous in that everyone is deprived of visibility at the same time, and therefore the consequences of lack of face time cannot be readily appraised. This ambiguity calls for an appraisal of the degree of threat it represents to workers. We use the transactional theory of stress (Lazarus, 1966; Lazarus & Folkman, 1984), which provides a conceptual lens to understand variability in workers' response and adjustment to WFH because it suggests that people differ in the way they appraise their environment and stressors. Specifically, the theory contends that individuals' responses to events are rooted in a cognitive process (Bliese et al., 2017) that allows them to assign meaning to a situation by means of (a) a primary appraisal which assesses whether the event represents a threat to the individual and (b) a secondary appraisal which examines the options and resources they can use to respond to the situation. We argue that examining the content of this cognitive appraisal process can help explain workers' responses in the context of full-time WFH.

One important criterion workers may use to assess the potential threat to their well-being is psychological climate for face time. As a subjective perception of the characteristics of the work environment (Brown & Leigh, 1996; Jones & James, 1979), psychological climate conveys

expectations about appropriate and rewarded behaviors in the organization (Zohar & Luria, 2005). Though positively associated with group-level climate, psychological climate is an individual perception well suited to explain individual level processes in that it mediates the effect of work characteristics on individual outcomes (Brown & Leigh; Parker et al., 2003).

Psychological climate, like higher-level climate constructs, can focus on specific characteristics of the work environment (Carr et al., 2003; Schneider, 2000). When the main change is the shift from physical presence on work premises to WFH, employees are likely to assess the significance of the situation for their own well-being (i.e., primary appraisal) based on how much they think physical presence is important to succeed in their organization, that is, based on psychological climate for face time. If psychological climate for face time is high, employees will likely view WFH as a threat as it deprives them from the ability to demonstrate their hard work through visibility. In the context of the COVID-19 global economic recession, psychological climate for face time may be perceived as even more threatening because failing to demonstrate visibility may not only lead to lower benefits but also to job loss.

The transactional theory of stress predicts that the appraisal of psychological climate for face time as a threat will co-occur with a secondary appraisal (i.e., “What can be done to face this threat?”). We draw on signalling theory (Connelly, 2011; Spence, 1973) to propose that employees may view extended availability (e.g., responding emails outside regular work hours) as a way to counter the threat posed by a psychological climate emphasizing face time. When there is information asymmetry between a sender (i.e., the employee) and a receiver (i.e., the organization), the sender will use signals. To be effective and credible, signals must be observable and costly to the sender (Connelly, 2011). We expect that a psychological climate emphasizing face time will lead workers to perceive they should demonstrate extended availability because organizations that cannot observe presence turn to observing availability instead (Cristea & Leonardi, 2019). Moreover, signals of extended availability work well because they are observable and costly to the worker, entailing nonstop involvement in work.

*Hypothesis 1 (H1): Psychological climate for face time will be positively associated with perceived availability expectations.*

## **Perceived Availability Expectations and WFH Adjustment**

Cognitive appraisal processes generate responses in the form of overall psychological well-being (Lazarus & Folkman, 1987). Below, we examine WFH adjustment as a response to perceived availability expectations. We expect that availability expectations will negatively affect WFH adjustment for several reasons. First, the perception that one must be more accessible and the corollary anticipation that work demands may intrude in personal time at any moment entails a loss of control over one’s time (Dettmers et al., 2016b). Employees who perceive they are expected to be available over extended hours and weekdays make personal life sacrifices (Cristea & Leonardi, 2019). Since control over one’s behaviors and environment is a critical ingredient of psychological adjustment (Maddux & Lewis, 1995), availability expectations are likely to hamper both one’s WFH liking and attitude towards WFH. The increased work-family conflict and the violation of their work-family boundaries (Kossek et al., 2012) are likely to diminish their liking of WFH and to lead them to view WFH negatively. Second, employees who must cope with such lack of visibility spend time and effort managing impressions (Leary & Kowalski, 1990) in addition to performing their work. Impression

management diverts precious resources from the work at hand (Vohs et al., 2005) and may thus lead employees to feel and be less productive.

*Hypothesis 2 (H2): Perceived availability expectations will mediate the negative relationship between psychological climate for face time and work-from-home adjustment.*

### **The Moderating Role of Workers' Country Context**

The costs incurred when employees do not live up to a psychological climate emphasizing face time vary across contexts. In particular, employment protection legislation (Berglund & Furåker, 2016) may buffer employees from the lay-offs potentially associated with lack of visibility. Since perceived job and financial insecurity influence behaviors (Probst et al., 2020), job security may lead employees to appraise the threat of psychological climate for face time as less harmful, thus diminishing their perceived expectations of extended availability.

Employees working in countries with stronger employment protection legislation have higher job security as their employer would need to provide an objective justification to lay them off (Berglund & Furåker, 2016; OECD 2020). Employment protection legislation varies greatly across OECD countries, with the US imposing the fewest restrictions on lay-offs and European countries offering higher level of protection to workers (OECD, 2020). Therefore, the consequences of not coping well with the threat of a psychological climate emphasizing face time are potentially more severe in the US than in Europe. It follows that when they perceive psychological climate as valuing face time, employees working in the US may appraise availability expectations as higher than those working in Europe. We expect this moderating effect to apply to the indirect relationships between psychological climate for face time and WFH adjustment through perceived availability expectations.

*Hypothesis 3 (H3): Workers' country context will moderate the positive relationship between psychological climate for face time and perceived availability expectations such that the relationship will be stronger in the US than in Europe.*

*Hypothesis 4 (H4): Workers' country context will moderate the indirect relationships between psychological climate for face time and WFH adjustment through perceived expectations availability such that the indirect relationship will be stronger in the US than in Europe.*

## **METHOD**

The data for this study were gathered from a diverse sample of employees in a global financial institution in two waves, in September and November 2020 (8-week interval). We retained 532 respondents who experienced full-time mandatory WFH at Time 1 and answered both waves as the final sample. A total of 344 respondents worked in the US and 188 worked in Europe. Respondents worked an average of 45.6 hours a week ( $SD = 10.4$ ), had a mean organizational tenure of 7.7 years ( $SD = 7.8$ ) and age of 44.1 ( $SD = 10.1$ ); 57% were women, and 32% had at least one child under 13.

*Psychological climate for face time* was assessed using 3 items ( $\alpha = .71$ ) from Hoang et al. (2008). *Perceived availability expectations* were assessed using 2 items ( $\alpha = .83$ ) from the ICT Demands Scale (Day et al., 2012). *WFH adjustment* was measured through three constructs reflecting its affective, behavioural and cognitive dimensions. *WFH liking* and *WFH productivity* were measured using 2 items ( $\alpha = .96$  at Time 1;  $\alpha = .96$  at Time 2) and 3 items ( $\alpha = .96$  at Time 1;  $\alpha = .97$  at Time 2) of Venkatesh & Speier's (2000) measure of inherent appreciation in using technology. We adapted the scale by replacing "technology" with "remote working". *Attitudes towards WFH* were assessed using 3 slightly reworded items ( $\alpha = .71$  at Time 1;  $\alpha = .74$  at Time 2) from Staple et al.'s measure (1999) of attitude towards remote work effectiveness. Workers' country context was measured by asking respondents where they currently worked. In addition to gender, age, presence of a child under 13, work hours, organizational tenure, supervisor status, and the baseline level of WFH adjustment, we controlled for perceptions of technological hassles and prior remote work experience.

## RESULTS

We conducted the analyses using the maximum likelihood estimation procedure with the robust standard error option in Mplus version 8.5. Confirmatory factor analyses on Time 1 data established the distinctiveness of our constructs. Given that our hypothesized models included the autoregressive effect of WFH adjustment, we examined the stability of its measurement model between T1 and T2. Results support configural, metric, scalar, and strict invariance (Putnick & Bornstein, 2016; Vandenberg & Lance, 2000).

We conducted structural equation modeling analyses to evaluate the hypothesized moderated mediation model. We used the XWITH command in Mplus to compute the interaction term between the latent variable of psychological climate for face time and the centered observed variable of workers' country context. We posited the link between psychological climate for face time and perceived availability expectations cross-sectionally because the process of evaluating availability expectations as an alternative to organizational preferences for face time is likely to occur in a shorter time frame than the ensuing effect on WFH adjustment.

Psychological climate for face time was positively related to perceived availability expectations ( $b = .533$ ,  $SE = .104$ ,  $p < .001$ ), supporting H1. In turn, perceived availability expectations at Time 1 was negatively associated with WFH adjustment at Time 2 ( $b = -.087$ ,  $SE = .030$ ,  $p = .004$ ), controlling for its autoregressive effect. Bootstrapped confidence interval (2,000 resamples) showed that perceived availability expectations mediated a significant negative indirect effect of psychological climate for face time on WFH adjustment ( $b = -.035$ ;  $SE = .013$ ; BCa 95% CI [-.060; -.010]), lending support for H2.

The interaction effect of psychological climate for face time and workers' country context on perceived availability expectations was significant ( $b = -.370$ ,  $SE = .159$ ,  $p = .020$ ), supporting H3. As predicted, simple slopes analyses showed that the relationship between psychological climate for face time and perceived availability expectations was stronger in the US (estimate = .668,  $SE = .131$ , BCa 95% CI [.440; .969]) than in Europe (estimate = .298,  $SE = .130$ , BCa 95% CI [.047; .570]). Then, the significant index of moderated mediation supports H4 and justifies examining conditional indirect effects (IMM = .032,  $SE = .019$ , BCa 95% CI [.007; .087]). The indirect effect was stronger for US-based (estimate = -.058,  $SE = .023$ , BCa 95% CI [-.121; -.022]) than for Europe-based workers (estimate = -.026,  $SE = .015$ , BCa 95% CI [-.072; -.005]).

## DISCUSSION

This research contributes to the remote work literature in several ways. First, we identified psychological climate for face time as an antecedent of WFH outcomes, and perceived availability expectations as a mediating mechanism in this relationship. Our study thus suggests that full-time remote work employees may feel vulnerable to an invisibility stigma. Using control theory, others have suggested that in the absence of face time, actual outputs may weigh more (Groen et al., 2018). Yet, in line with the literature on signals (Connelly, 2011; Cristea & Leonardi, 2019), our results suggest that when workers are deprived from the possibility to communicate their commitment and performance through face time, they feel hard pressed to use alternative ways (i.e., extended availability) to prove their value.

Second, we introduce the construct of WFH adjustment as a uniting construct to refer to how well employees psychologically adapt to WFH. As WFH represents a major change in employees' work environment, we believe that focusing on workers' adjustment to this new context, rather than on more distal outcomes such as commitment or overall performance can enrich our understanding of the antecedents and outcomes of successful WFH, hence contributing to nuancing the "good" or "bad" debate around WFH (Gajendram & Harrison, 2007). As the literature on WFH is somewhat fragmented and rapidly growing (Allen et al., 2015; Harker Martin & McDonnell, 2012), focusing on an overarching construct that encapsulates the three dimensions of adjustment can bring clarity to future empirical efforts.

Third, our study contributes a rare and important cross-national examination of remote work outcomes. Departing from research that relegates national context in the limitations section of manuscripts (Bamberger, 2008; Johns, 2006), we identify employment protection legislation (Ollier-Malaterre & Foucreault, 2017; Ollier-Malaterre et al., 2013) as a contextual factor that could matter for remote work. Our findings that the relationship between psychological climate for face time and perceived availability expectations is stronger in the US than in Europe suggest that US workers perceive psychological climate for face time as more threatening than European workers do, supporting the idea that extended availability acts as a coping strategy in response to a situation and demonstrating the relevance of embedding variables reflecting national context in I-O psychology research (Gelfand et al., 2007; Tsui et al., 2007).

The present research shows that a poor WFH adjustment can result from the ways in which workers perceive the workplace psychological climate. As forecasts indicate that one legacy of the COVID-19 pandemic will be a wider use of remote work and in particular WFH (Kniffin et al., 2020), these findings suggest that organizations that publicly express doubts about whether employees are productive when in WFH (Kniffin et al., 2020) may actually shoot themselves in the foot. By expressing such concerns, these organizations may create or reinforce a psychological climate emphasizing face time that eventually harms employees' effectiveness and overall well-being. Relatedly, our findings suggest organizations and managers should avoid sending cues that visibility is necessary to reach performance expectations. For instance, setting clear and measurable performance targets based on actual work outputs and limiting after-hours electronic communications (Boswell & Olson-Buchanan, 2007) could allow employees to focus on their tasks rather than on managing impressions of availability.

**REFERENCES AVAILABLE FROM THE AUTHOR(S)**

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