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## **A rapid shift to remote work during Covid-19**

The role of leader and the factors affecting the superior-subordinate  
relationship in remote work

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**ABSTRACT:**

The Covid-19 breakout worldwide did not only largely impact on the economy and society, but also on numerous employees' working patterns. Several governments around the world imposed strict restrictions, including commandment to stay at home and adhere to necessary quarantines. One major shift for numerous companies was a rapid shift to 100% remote work in order to keep employees safe. The purpose of this paper is to explore how a rapid shift to remote work during Covid-19 has affected the relationship between superior and subordinate. This thesis investigates whether the identified factors, namely employee motivation, communication, career development and job performance have either positive, negative or neutral affected the superior-subordinate relationship in remote work. Qualitative research method with an exploratory research strategy was chosen for this study. The empirical data was collected by conducting 17 semi-structured interviews, from which ten are superiors and seven are subordinates from various positions, industries and countries.

The empirical findings of the study reveal that from the major part a rapid shift to remote work did not remarkably impact the relationship between superiors and subordinates. However, a few interviewees noticed a positive impact on the superior-subordinate relationship, because superiors have to be more aware of subordinates' personal life in order to better adjust to their subordinates' new working environment situation. Similarly, interviewed subordinates consider that in remote work, they have better learnt to know their superiors' personalities than in office work. When it comes to identified factors, empirical findings reveal that only communication has positively impacted the relationship between superiors and subordinates, whereas the impact of other factors, employee motivation, career development and job performance remained neutral on the superior-subordinate relationship. The majority of the interviewees consider that the amount of communication between superior and subordinates has increased in remote work and it is more organized than in office work. Subordinates are satisfied that communications occur more frequently, and also non work-related matters are more discussed that has positively impacted on the relationship between superiors and subordinates. The explanation why the impact of other factors remained neutral on the superior-subordinate relationship is that the majority of the interviewed subordinates and superiors have previous experience of working remotely and they work at specialist level positions. Additionally, for the majority of subordinates the work is relatively independent or includes a lot of projects, when the support from superior is not necessarily needed in everyday work tasks.

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**KEYWORDS:** Leadership, remote work, Covid-19, superior-subordinate relationship, the LMX-model

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## **1. Introduction**

This introductory chapter presents the background of the study and the research gap. The research questions and research objectives are formulated and introduced. Finally, the structure of the thesis is presented.

### **1.1 Background of the study**

Companies face nowadays remarkable pressure to obtain high level performance in a rapid and competitive global business environment (Cartwright, 2003; Henttonen & Blomqvist, 2005). Traditional organizational models are considered being too hierarchical and inflexible to offer satisfied answers at the required level of speed that is anticipated by today's business environment. However, organizations have responded to this challenge by changing their approaches to offer a changed work environment that modern technology enables (Cartwright, 2003). Additionally, creating relationships in an increasingly flexible mode is crucial for companies operating in a knowledge-based competitive environment (Henttonen & Blomqvist, 2005). Continuous adaptation of new information and communication technologies (ICT) already from the creation of the first electronic digital computer, has remarkably affected organizational relationships both inside and outside of the company (Golden, 2007).

Today ICT enables dispersed locations to operate, where a network of people is not dependent on the location. Furthermore, it is reported that at the beginning of 2000 century, over 12 million employees worked remotely and the possibility to work remotely has become popular especially in global corporations (Golden, 2007; Neufeld, Wan & Fang, 2010; Purvanova & Kenda, 2018). Advanced technology enables employees to work in the places during the time they choose. When utilizing advanced technology, geographical, temporal and cultural boundaries are not anymore dependent on

employees, and it enables better collaboration between employees (Cartwright, 2003; Purvanova & Kenda, 2018). Additionally, trust is important, because studies shows that if there is a lack of trust, employees are less willing to cooperate and contribute. Trustful relationship between superior and subordinate helps them to focus on the named tasks and therefore, gives a maximised contribution to the company (Henttonen & Blomqvist, 2005).

Attitude towards remote work has changed remarkably during recent decades. Whereas a decade ago, remote work created debates whether it is a suitable communication tool to make efficient decisions or whether it is a certain type of rewards for top performers of the organization (Holmes, 2008), today the way how employees work together has changed due to improvements in collaboration technologies (Mitchell, 2012; Purvanova & Kenda, 2018). In other words, nowadays people utilize ICT at home both in work and in normal daily life. The utilization of ICT does not only concern people, but also organizations, since they need to create new organizational designs that correspond to the requirements of the new technological age. Human resourcing applications, such as mobile working and working at home have been created as a response that allows more flexibility. Whereas ICT changes the way organizations operate or employees work, remote work requires new types of leadership (Kuscu & Arslan, 2016).

The amount of studies about the leadership of virtual teams is growing, since researchers from several fields, such as from business, communication and organizational science have put emphasis on exploring geographically dispersed leaders and teams that are connected through ICT. Additionally, the competencies of a remote leader and improvement of certain leadership skills are topics that are widely studied in the literature (Ziek & Smulowitz, 2014).

As it has been previously mentioned, ICT has changed the nature of organizational relationships and the number of remote workers has increased remarkably (Neufeld et al., 2010). At the beginning of 2020 due to Covid-19, it was recommended by governments in several countries that firms prefer remote work in order to avoid employees gathering simultaneously in the workplace (Belzunegui-Eraso & Erro-Garcés, 2020). Therefore, it can be assumed that the number of remote workers will increase also in the future and especially due to Covid-19 when remote work has been preferred in many organizations (Evangelakos, 2020.) Moreover, remote work changes the working environment both from the superior and subordinate perspective. The role of superior is essential in leading remote workers, and traditional leading that occurs in physical workplaces differs from the leadership of virtual teams (Kuscu & Arslan, 2016).

## **1.2 Research gap**

The Covid-19 pandemic changed the way of traditional work at least temporarily, but also permanently in many offices. In addition, whereas in many workplaces where remote work was considered deviant before, at the latest now it has become a new normal (Evangelakos, 2020.) Even if job responsibilities do not change whether the work is conducted in the office or remotely from employees' home, there are several factors, such as employee motivation, communication, career development and job performance that have an impact on the relationship and trust between superior and subordinate in remote work. Superiors need to be aware of the leadership in remote work and how it differs from conventional leadership at the workplace when subordinates are present. This can also be considered the other way around, since a rapid shift to remote work requires adjustment also from employees' side. The ability to adjust to a new working environment is therefore important, when the support from superior might not be available as much as in conventional office work. Therefore, it is important to further study

factors that have impact on the relationship between superior and subordinate in remote work.

According to Kerfoot (2010), traditional leadership is not as common anymore as it was before, since advantages in technology enables new models of communication. Additionally, changing employment policies and new working methods requires new norms about appropriate behavior in the organization. Often adaptation to new norms and behavior might be challenging for employees, since new required organizational norms might be in conflict with the company's current organizational culture (Cartwright, 2003).

The Covid-19 pandemic has inevitably affected several organization's employment policies and working methods, since remote work has experienced an extraordinary growth among numerous companies (Evangelakos, 2020.) It can be considered that the recommendation to work remotely was forced by the circumstances that Covid-19 caused, especially due to health-related fears (Belzunegui-Eraso & Erro-Garcés, 2020). Graen and Uhl-Bien (1995) also states that even if comprehensive research about leadership has been conducted, more research should be conducted about followers and the leadership relationship. Therefore, it is important to further study the factors that have an impact on the relationship and trust building between superior and subordinate when working remotely. Then it is easier to recognize the organization's new working methods and what is the new appropriate behavior when working remotely.

There are extensive studies conducted about the remote work itself and how remote work should be organized in the company. Several studies about leadership are conducted over the past century and a lot of important research on the practice has been published regarding leadership. In turn, leadership of virtual teams is still in general in the early stages and should be researched more (Ziek and Smulowitz, 2014). According to Savolainen (2013), there are not enough conducted studies about the changes that e-

leadership entails and how it impacts the working organizations and the relationship between superior and subordinate. In addition, various studies focus on solely one or two factors in remote work, such as employee satisfaction or leadership. However, the current literature lacks studies where several factors are taken into consideration simultaneously in remote work. For example, communication between superior and subordinate is more studied when they are located in the same location, but not when working remotely (Neufeld et al., 2010). The concept of e-leadership is still relatively new in companies and in business practices it is not yet completely supported. Companies should also acquire adequate resources to support e-leaders in the future (Savolainen, 2013).

As mentioned earlier, the relationship between superior and subordinate solely in remote work is not extensively studied, whereas there are several studies about the role of superior and different leadership styles in conventional office work (Chiu, Balkundi & Weinberg, 2017; Scott, Colquitt, Paddock & Judge, 2010). Additionally, there are several studies conducted separately about each of the identified factors, such as motivation (Conrad, Ghosh & Isaacson, 2015) and career development (Lejeune, Beusaert & Raemdonck, 2018), but not in one study. Employee motivation, communication, job performance and career development were chosen to this study, because these factors can assume to determine the level of trust in the relationship between superior and subordinate in remote work.

There is a clear gap in the literature about the corresponding studies in remote work that gives a reason to study the topic more. Especially due to Covid-19 pandemic when the relationship between superior and subordinate in remote work is crucial than ever before, a study to investigate the impact of different factors on relationship and trust building between superior and subordinate is needed.

### 1.3 Research questions and objectives of the study

The purpose of this thesis is with the help of a theoretical base to introduce factors that affect the relationship and trust building between superior and subordinate in remote work. In order to do that, it is important to recognize factors that can have positive, negative or neutral impact on the trust between superior and subordinate. The aim of this thesis is to investigate especially the rapid shift to remote work caused by Covid-19 and how it has impacted the superior-subordinate relationship through several identified factors. These arguments have resulted to formation of following research questions:

1. *What are the factors for superiors to consider when rapidly moved to remote work during Covid-19?*
2. *How has the identified factors impacted on relationship- and trust building between superior and subordinate in remote work?*

Research objectives need to be provided in order to determine the direction of the thesis. With the help of clear and well-defined objectives, it makes it easier to answer the research questions and to better understand the theme of the thesis. The following objectives are determined to fulfill the purpose of the thesis:

- *To analyze factors to take into consideration in the superior-subordinate relationship from a superior perspective when rapidly moved to remote work.*
- *To provide a theoretical framework to further explain the relationship between superior and subordinate in remote work under Covid-19 pandemic, when remote work has increased remarkably in several fields and where remote work has become a new normal.*
- *To investigate both superiors and subordinates to find out what are the facilitating and complicating factors impacting the relationship between them when working remotely in order to get perspectives from both sides to the study.*

## **1.4 Structure of the thesis**

The thesis is divided into six chapters. The thesis will start with an introduction chapter, which consists of the background of the study, research gap, research questions, objectives and structure of the study.

The literature review chapter follows after the introduction and provides an overview of the current literature of the topic. The literature review is divided into two different chapters. The first chapter of the literature review describes the changing working environment, the impact of Covid-19 on economy and working patterns, the concept of remote work, the relationship between superior and subordinate (LXM-theory), leadership in remote work and technology-mediated leadership. The second chapter of the literature review covers factors that have impact on the relationship between superior and subordinate in remote work and these factors are employee motivation, communication, career development and job performance. At the end of the literature review, a theoretical framework based on the current literature is presented in visual presentation.

The fourth methodology chapter includes research philosophy, research approach, research strategy and research method of the study. This chapter also introduces data collection, data sample and data analysis. At the end of the chapter, validity and reliability of the study will be discussed.

The fifth chapter is the central chapter of the thesis and introduces the analysis and results of the empirical findings. Results of interviews are presented according to the themes that are remote work, the relationship and trust between superior and subordinate, leadership in remote work, employee motivation, communication, career development and job performance. Empirical findings are analyzed and compared with the light of literature review and research question. At the end of the chapter, a revised theoretical framework is provided.

Finally, the last and sixth chapter finalize the thesis with the summary of findings. This chapter also provides summary and key findings of the study followed by practical implications, limitations of the study and suggestions for future research.

**Table 1.** Structure of the thesis

<b>Introduction chapter</b>	<ul style="list-style-type: none"> <li>● Background of the study</li> <li>● Research gap</li> <li>● Research questions and objectives</li> <li>● Structure of the thesis</li> </ul>
<b>Theoretical chapter 1: Leadership in remote work</b>	<ul style="list-style-type: none"> <li>● Changing working environment</li> <li>● Impact of Covid-19 on economy</li> <li>● Remote work</li> <li>● Leadership in remote work</li> <li>● The LMX theory</li> <li>● Technology-mediated leadership</li> </ul>
<b>Theoretical chapter 2: Identified factors affecting the relationship between superior and subordinate</b>	<ul style="list-style-type: none"> <li>● Employee motivation</li> <li>● Communication</li> <li>● Career development</li> <li>● Job performance</li> <li>● The theoretical framework</li> </ul>
<b>Methodological part</b>	<ul style="list-style-type: none"> <li>● Research methodology</li> </ul>
<b>Results and analysis part</b>	<ul style="list-style-type: none"> <li>● The analysis of interview data with connection to existing theory according to themes</li> <li>● Revised theoretical framework</li> </ul>
<b>Conclusion</b>	<ul style="list-style-type: none"> <li>● Summary and key findings</li> <li>● Practical implications</li> <li>● Limitations of the study</li> <li>● Suggestion for future reserach</li> </ul>

## **2. Leadership in remote work**

The aim of this chapter is to introduce the literature review relating leadership in remote work. The purpose of the literature review is to present a theoretical background based on existing literature that is in accordance with the research objectives of the study. This chapter provides an overview of the topic of changing working environments, the impacts of Covid-19 on economy and employment patterns, the definition of remote work including benefits and challenges of remote work, leadership in remote work, the LMX-theory and technology-mediated leadership. The LMX-theory is used as a theoretical base for the thesis to explain the relationship between superior and subordinate.

### **2.1 Changing working environment**

Changes in the working environment according to Olofsson and Panican (2019) are due to new technologies, new competitive conditions and changes in work organizations. This type of development can be described as a change from the industrial society to the post-industrial society. It is assumed that the increased flexibility requires certain kinds of adaptation requirements from employees (Olofsson & Panican, 2019). The impact of technology on working life has been studied since the 1960s. First implications were the creation of new processes and new job roles. Over time, more physical and environmental requirements appeared due to implementation of technology (Anamarija, Lea, Amadeja & Jakob, 2019).

During the industrial revolution and the time after that, time was strictly bound to place and task. However, an information revolution has however enabled companies to separate time and task from place (Gajendran & Harrison, 2007). However, according to Ernst Kossek, Kalliath and Kalliath (2012), it is possible for employees who work with rapidly changing technology that their skills and knowledge quickly becomes obsolete and it can in turn lead to job losses.

The working environment in Europe is especially experiencing a rapid change. Several companies are going through radical structural changes towards more flexible production methods. A remarkable trend in workplaces is that routine tasks are substituted by technology and employees accomplish non-routine tasks. It is estimated that around 47% of jobs in the United States are in the danger of disappearing during the following twenty years. Alone in Finland, mainly due to advances in technology, over 100 000 jobs have disappeared in the industrial sector during the recent ten years (Hämäläinen, De Wever, Malin & Cincinato, 2015).

A positive improvement in the working environment has been the increased freedom for employees in certain occupations to make decisions regarding their own working habits, such as where, when and how much to work. According to studies, there is a positive relationship between decreased job control and psychological well-being (Ernst Kossek et al., 2012).

Due to the increase in flexible work arrangements, employees can now better control their flexibility in their working environment. For example, flexibility in working times allows employees to work full time over a compressed period, since employees can choose to work ten hours per day four times a week instead of traditional eight hours and five days a week. Teleworking allows employees to work from home or from regional centres in the suburbs in order to shorten commutes. Increased flexibility in working schedules permits employees to be a part of other not work-related activities, such as family and education. In addition, greater diversity of employees is involved in the workplace when there is an access to flexibility (Ernst Kossek et al., 2012).

Digitalization has changed many businesses already from the invention of the Internet, and digitization has created both challenges and opportunities for companies. Especially work processes and labor markets have changed remarkably due to the emergence of ICT (Anamarija et al., 2019). On the other hand, especially employees working with computers, consider they need to constantly be connected to their work and be online from home around the clock through laptops and mobile phones. This has led to a

phenomenon, where employees feel they need to be constantly available to their work in order to emphasize dedication to career development (Ernst Kossek et al., 2012).

Today, digitalization has increased the speed of our daily life. ICT enables employees to conduct tasks rapidly, even simultaneously that is called multitasking. Due to digitalization, companies have become more transparent and they share information to all employees regardless of their hierarchical level in the organization. In addition, since employees can put more emphasis on complex tasks and routine tasks are conducted by computers, employees are more productive and efficient in their job (Anamarija et al., 2019). During the recent decade, e-leadership has taken an important role in organizational management. New kind of e-leadership is needed in addition to skills that are required in technology-mediated management (TMM) and in the working environment, where IT is dominant (Savolainen, 2013).

## **2.2 The impact of Covid-19 on society**

Whereas advances in technology have shaped the working environment, the Covid-19 breakout changed the working environment and societies even further. Covid-19 was firstly recognized in China in 2019, which after the disease spread globally and became a pandemic. Covid-19 has caused severe consequences on society, working environment, employment, consumer behavior and economy (Béland, Brodeur & Wright, 2020). The impacts of Covid-19 on health and economy are firstly discussed in this chapter, before moving to discussion about impacts of Covid-19 on the working patterns.

### **2.2.1 The impact of Covid-19 on health and economy**

Consequences caused by Covid-19 on human tragedy have been severe, since already at the end of March 2020, there were globally over 800 000 confirmed cases of Covid-19

and approximately 40 000 fatalities around the world (Béland et al., 2020; Kim, Koh & Zhang, 2020).

Especially the unemployment rate has increased, working hours and labor force participation decreased significantly in 2020, but a remarkable impact on wages has not been reported. It has also been noticed that inequality of labor force increased due to Covid-19. Uncertainty about the future impacts also consumer behavior and Covid-19 led to increased consumption of specific sector goods, such as food items and retail. However, consumers' overall spending on goods decreased remarkably (Béland et al., 2020; Kim et al., 2020). According to Kim et al., (2020), decrease in overall consumption was a result of decreased income, overall risk avoidance behavior among consumers and decreased economic uncertainty.

In order to answer these changes and challenges that Covid-19 causes, government interventions are imposed in several countries (Béland et al., 2020). Governments around the world imposed restrictions, such as social distance practices, recommendation to wear a mask, commandment to stay at home and adhere to necessary quarantines (Kim et al. 2020). However, these interventions often affect negatively the economy, since public shows are cancelled and several educational institutes are closed with a purpose to reduce transmission. In several countries, industries were categorized according to their purpose and industries that were categorized as "non-essential" were closed and therefore, these industries are largely impacted negatively from government interventions (Béland et al., 2020).

Whereas governmental restrictions have an impact on the economy, employment patterns and many other parts of individuals' everyday life, governmental restrictions can also affect negatively on peoples' mental health. Several aspects affect the negative correlation between strict governmental restrictions on during pandemic and individuals' mental health, since during the stressful and uncertain Covid-19 crisis, people are worried of their health, being socially isolated due to quarantines or losing their jobs. A few studies have been conducted about the levels of depression, stress and anxiety caused

by Covid-19. These studies have shown that especially young adults suffer stress and anxiety during Covid-19 (Brodeur, Clark, Fleche, & Powdthavee, 2020; Kazmi, Hasan, Talib & Saxena, 2020; Pieh, Budimir & Probst, 2020). Furthermore, according to studies, older people categorized over 65 years old, seem to mentally survive better from the uncertainty caused by Covid-19 compared to young adults. Several factors can explain this finding, such as that young adults are harder hit by job losses and financial problems compared to older people. Additionally, it is shown in the studies that governmental restrictions and lockdowns affect more radically young adults (Pieh et al., 2020).

At this stage, some of the consequences of Covid-10 affecting the economy still remain unknown (Béland et al., 2020). Covid-19 also brought vast consequences on employment patterns both from the employer and employee side. How Covid-19 changed the working patterns of several employees and businesses worldwide is discussed next.

### **2.2.2 The impact of Covid-19 on working patterns**

Whereas Covid-19 has had a remarkable impact in peoples' everyday life, it has radically changed employees' way of working. Originally organizations allowed employees to work remotely either a few days a week or in certain circumstances on a permanent basis (Richardson, 2010). Labour markets experienced a shock in several countries during 2020 caused by Covid-19 and policymakers are constantly responding to this shock through different actions. Developing a proper policy by governments during and after the Covid-19 pandemic is important. Due to Covid-19 pandemic, the majority of the work tasks are conducted remotely, but there is variation between industries, countries and cities (Bartik, Cullen, Glaeser, Luca & Stanton 2020; Béland et al., 2020; Deng, Morissette & Messacar, 2020; Gallacher & Hossain, 2020).

Covid-19 pandemic has not only remarkably changed how and whether employees work, but also brought new types of risks on employees globally (Lekfuangfu, Piyapromdee,

Porapakkarm & Wasi, 2020). Majority of employees work from home in order to avoid transmission. The opportunity to remote work is one tool to keep employees safe and therefore secure health and job protection of employees (Brynjolfsson, Horton, Ozimek, Rock, Sharma & TuYe, 2020). Employees in certain job positions, especially those who are working at close distance to each other, are at higher risk to get transmission. Additionally, employees whose jobs cannot be transformed to remote work are at danger of income loss (Lekfuangfu et al., 2020).

As mentioned previously, conducting work tasks remotely is not possible in each occupation, such as in agriculture, police and infrastructure, whereas in finance and insurance, educational services and professional, scientific and technical sectors the possibility of remote work is more feasible. For some companies Covid-19 has implied positive outcomes, since demand has increased in certain industries and some companies, such as for Amazon who had to hire 100 000 new employees to respond to increased demand for delivery items (Béland et al., 2020; Deng et al., 2020; Gallacher & Hossain, 2020). According to Kim et al., (2020), Covid-19 has caused the amount of full-time work status and labor income to decrease, but only small-scale changes have been noticed in self-employment.

Whereas Covid-19 has remarkably impacted on numerous industries and companies, it has also impacted on employment patterns and the way work tasks are conducted. Since Covid-19 increases health risks of commuting to work, it has led to an increased number of remote workers in several companies. A shift to remote work seems to have a positive impact on employees' productivity (Bartik et al., 2020). According to surveys, about half of the employees in the United States are working from home due to Covid-19 in 2020 (Brynjolfsson et al., 2020).

Brynjolfsson et al., (2020) estimates that once organizations and employees have invested in the fixed costs, such as technology caused in remote work, it is likely that organizations decide to keep the new remote working methods. Additionally, investment

in development of required human capital and organizational processes support the statement. New approaches have become, but from a long-term perspective, changes impact also on the structure of industries and international trade (Brynjolfsson et al., 2020).

Despite the negative effects of Covid-19 to societies, such as decreased economic growth and worsened employment opportunities, positive impacts can also be identified. Especially when it comes to working patterns, significant rise in the use of online communication and its supporting technologies is a way to favor a greener economy. Since remote work has increased remarkably during the Covid-19 pandemic, it has been estimated that remote work will experience a new era (Baert, Lippens, Moens, Sterkens & Weytjens, 2020).

Over several decades there has been discussion about the possible increase of remote work. On the contrary, there are some challenges in a broad implementation to adaptation of remote work. Furthermore, it is stated that remote work will remain as a common employment pattern among several companies also after the Covid-19 pandemic is over (Bartik et al., 2020). In their studies, Baert et al., (2020) found that a significant number of employees believe that remote work and digital conferences will stay a common work tool also after the Covid-19 pandemic is over. A permanent shift to remote work would alter workplace norms and therefore, have remarkable impact on both organizations and employees. To conclude, it can be stated that the shift to remote work caused by Covid-19 was a test for several industries to examine their ability to adapt to rapid changes (Bartik et al., 2020).

### **2.3 Remote work**

Advances in technology and impacts of Covid-19 on working patterns have changed how the work today is conducted. Remote work increased remarkably in 2020 due to Covid-

19 and in order to understand what aspects remote work involves, the concept of remote work is discussed next.

Studies about the implications of remote work started already over 20 years ago (Gajendran & Harrison, 2007). The term telecommuting has been used in the literature already in the 1970s', when it described work that is conducted in an office that is located near to employees' home instead of commuting long distances between home and offices (Messenger & Gschwind, 2016).

Additionally, already in the 1970s studies have emphasized that due to developed computer technology, it is possible for companies to expand applications at decreased expenses (Nilles, 1975). Recent studies however use the term distributed work, among others, to describe arrangements between employees and employers where employees and their job task can be distributed outside of the company's physical location (Gajendran & Harrison, 2007).

Several terms are used to define the concept of remote work in literature, such as remote work, telework, distributed work, distance work, virtual work and telecommuting. Carreras and Valax (2010) define employees working remotely as teleworkers. They are employees who work outside of the company quite regularly and during different time periods (Belzunegui-Eraso & Erro-Garcés, 2020; Carreras & Valax, 2010). Similarly, Holmes (2008) uses the term telework to describe remote work. The term telecommuting, also called telework or remote work, is the most well-known form of distributed work (Gajendran & Harrison, 2007). According to Holmes (2008), employees perform a job from a different location than a conventional office, where managers are not directly supervising the job. Contact to employees' firm and co-workers occurs through telecommunication that comprise email, phone and internet (Holmes, 2008).

Messenger and Gschwind (2016) has conducted a study about transformation of telework over several decades. In their study, three different generations of telework are presented, namely home office, mobile office and virtual office (Messenger & Gschwind, 2016).

The first generation is called home office and it describes the time when satellite centres were allowed for employees to conduct work tasks outside of their home. Satellite centres were still often located near to employees' homes, since even computers and telephones had experienced improvements, they were yet not able to mobilise employees while working. Simultaneously, telework became popular also in other industries and countries outside of the United States, while telework itself experienced evolution. Legal regulations regarding telework were taken in use especially in the United States, and the objective was to embolden the utilization of telework for home offices (Messenger & Gschwind, 2016).

Mobile office followed after home office describing the time, when dexterous devices, such as mobile phones and laptops enabled employees to work almost anywhere where necessary, not only from home. However, it is difficult to drag a clear difference between home office and mobile office generations, since the changes occurred through different stages in companies, countries and industries. The level of improvements in technology however separates the two generations from each other. The research of telework during the second generations stayed the same for a while. A certain amount of trust was required when employees worked from home, which can easily lead to strict hierarchical levels in the organization in addition to managerial monitoring through electronic surveillance. Therefore, it can be stated that during the second generation, the utilization of telework was not relatively popular in the organizations, because there was resistance from the managerial side in addition to lack of trust-based working arrangements. During the time of mobile offices, severe discussions regarding working time regulations,

occupational safety and health and working conditions were on the stage. There was debates whether employees in telework have the same working conditions as employees in the office. In short it can be concluded that mobile office generation time brought a new attitude to the working environment, since compared to home office generation, in mobile office generations, employees can work in employer's offices, from home or in different locations between them (Messenger & Gschwind, 2016).

Virtual offices are the final and third generations, when work has become mobile. Whereas in previous generations work itself was mobile, but all data needed to be taken with all the time and communication technology was different from information technology, in virtual office generation data is stored in networks and clouds, and therefore easily accessible. Virtualized offices increased remarkably and there were discussions about the balance between work life and private life in addition to managerial monitors. Improvements in technology has allowed the mobile virtual connection of employees (Messenger & Gschwind, 2016).

Whereas transformation of telework over several decades has been described, different types of teleworkers can be identified. Belzunegui-Eraso and Erro-Garcés (2020) have separated between different modality levels of teleworkers. Regular home-based teleworkers work from home several times a month in different locations, whereas high mobile teleworkers work remotely at least several times a week. Occasional teleworkers work remotely less frequently and not as in many locations as regular home-based or high mobile teleworkers (Belzunegui-Eraso & Erro-Garcés, 2020). It is often voluntary to work remotely, but when it is not the case, the remote work is not perceived as positive when employees are forced to work remotely (Carreras & Valax, 2010).

Already in 2003 41 million employees worked remotely and globally the amount of remote work is increasing constantly (Gajendran & Harrison, 2007, Golden, 2007; Golden,

Veiga & Dino, 2008). However, the adoption of remote work took relatively long before Covid-19. Today in the United States, five million employees work at least half of their working hours remotely and around 43% of Americans work remotely with some frequency (Evangelakos, 2020.) Therefore, it can be said that there is a sustained increase in the popularity of remote work worldwide and it is a sign that there are several positive several outcomes of remote work (Gajendran & Harrison, 2007). In turn, negative outcomes of teleworking can also be identified. Both benefits and challenges of remote work are discussed next.

### **2.3.1 Benefits of remote work**

Several companies have reported having difficulties in finding qualified and experienced employees. In order to respond to this challenge, companies can offer employees the possibility to remote work (Lewis, 1998). Employees value working remotely, since it allows a higher level of autonomy in the company in addition to temporal flexibility, increased job satisfaction and morality, employee performance, productivity and decreased turnover intent that are results of increased level of autonomy in remote work (Belzunegui-Eraso & Erro-Garcés, 2020; Carreras & Valax, 2010; Gajendran & Harrison, 2007; Gibson, Blackwell, Dominicis, & Demerath, 2002; Lewis, 1998; Weisberg & Porell, 2011).

The level of flexibility however varies across companies and it can be restricted by the company (Carreras & Valax, 2010). With the possibility of remote work, it is more likely that employees stay in the company longer and retention of employees increases, while absenteeism decreases. When it comes to absenteeism of employees, it is reported that remote workers were rarely absent from work due to sickness compared to traditional employees (Gibson et al., 2002).

Furthermore, employees working remotely perceive being more effective than when working in the office due to absence of interruptions that are more frequent in traditional office work (Carreras & Valax, 2010; Gibson et al., 2002; Lewis, 1998; Weisberg & Porell, 2011). This in turn shows in decreased work-family conflicts that remote work enables. According to surveys, remote work has a positive impact both on employees' quality of work life benefits and quality of family life benefits. Employees feel having a better balance between work and home life when they can work remotely (Gibson et al., 2002). The ability to manage oneself is important in remote work, since Haines, St - Onge and Archambault (2002) have found in their studies that employees who possess the ability to manage oneself are more likely to be able to adjust to remote work environment and remote work employment patterns better than employees who lacks the ability to manage themselves. Additionally, these employees are more likely to better experience their quality of work (Haines et al., 2002).

In remote work, it is easier for employees to control their own schedule according to household and family needs. Additionally, employees save expenses that occur in commuting to the workplace, since in remote work they are able to work from home or satellite offices (Gajendran & Harrison, 2007; Gibson et al., 2002).

At its best, remote work benefits both parties at work. Employees can more freely decide when and where they work, while for employers' performance expectations can be made more explicit (Weisberg & Porell, 2011). Belzunegui-Eraso and Erro-Garcés (2020) address the same positive outcomes of remote work, since teleworking allows employees to save time and to better combine private and occupational lives. Remote work also has a decreased impact on air pollution and traffic congestion, since employees do not need to commute to offices. If employees are located in several locations, remote work is a suitable tool to accommodate time-zone differences (Lewis, 1998).

For companies, decentralized remote work arrangements enable them to save in real estate expenses (Gajendran & Harrison, 2007; Gibson et al., 2002; Weisberg & Porell, 2011). It is calculated that the possibility of remote work decreases real estate expenses approximately 3000 US dollar per remote worker each year. With the possibility of remote work, companies are able to hire work force from distant or otherwise unavailable labor markets. Therefore, companies are able to offer job tasks for nontraditional workers, such as disabled and those who are not willing to relocate and companies are more likely to find qualified and experienced employees (Gibson et al., 2002; Lewis, 1998).

### **2.3.2 Challenges of remote work**

Even if there are several benefits for employees working remotely, certain issues and challenges emerging from remote work can be identified. For several employees, the balance between work and leisure time in remote work is not always easy to find. Time management is crucial in remote work, since employees need to in addition to their own working time, coordinate co-workers' schedules. Counting the working hours is considered being challenging in remote work, since employees are unsure whether short breaks or meals are counted as working hours. In addition, employees consider that the duration of the working days remotely are longer than a traditional day of work in the office (Carreras & Valax, 2010).

Whereas remote work impacts positively on many employees' family relationships and decreases conflicts between family members (Gibson et al., 2002), families with school-age children are not as satisfied with the increased amount of telework. This can be explained through increased responsibilities in both workload and taking care of children, because during the Covid-19 pandemic, the majority of schools and daycare facilities were closed. Due to Covid-19 pandemic, the combination of remote work and taking care of children can be challenging for several employees, since the situation is not

typical in normal remote work (Baert et al., 2020). Compared to the study by Gibson et al., (2002) about decreased conflicts with family members due to remote work, a study by Kossek, Lautsch and Eaton (2006) on the contrary found out that remote work increases conflicts between family members. This is especially crucial, because in remote work the ability to manage oneself is important and in remote work, the border between leisure time and work time can be difficult to draw for employees (Kossek et al., 2006).

There is a risk in remote work that employees feel disconnected to their colleagues, since in remote work several employees feel that the communication with their colleagues is decreased. This can lead to dissatisfaction with colleague relationships and isolation from the corporate culture. Employees might feel that the community they belong physically to in the workplace is not the same when working remotely (Gibson et al., 2002; Weisberg & Porell, 2011). Gajendran and Harrison (2007) found out that remote work did not remarkably improve the quality of the relationships with colleagues. In fact, in high-intensity remote work when employees telework more than 2,5 days a week, it is most likely that this amount of remote work damages relationships at the workplace with colleagues (Belzunegui-Eraso & Erro-Garcés, 2020).

It is furthermore studied, that employees are willing to work remotely rather occasionally than full-time in order to be connected to the working community. Here superiors have an important role, since they need to engage remote workers in meetings and activities. Furthermore, in remote work superiors need to proactively manage their subordinates. In addition to challenges that remote work entails, superiors' management style and mindset need to be changed in order to be in accordance with remote work requirements. Therefore, superior might need training in order to be able to effectively manage remote employees (Weisberg & Porell, 2011).

Whereas in earlier times, advances in technology enabled the use of new tools that facilitated employees' work, today advances in technology due to recent digitalization can change remarkably how work tasks are organized for many employees. There is a danger that certain technology softwares are too complicated to use for employees and only certain specialists, such as software developers only understand them. Since employees are influenced by new work practices and policies and they need to rapidly adjust to these changes, companies should be able to provide adequate support for employees that arise from the digitalization of work (Harteis, Goller & Caruso, 2020).

One central concern among employees is information security, since the information employees work with might be sensitive and there is always a risk that it can be stolen when working remotely (Gibson et al., 2002; Holmes, 2008; Weisberg & Porell, 2011).

The implementation of massive remote work policies is a challenge for companies, since companies need to reorganize business activities according to remote work requirements. At the same time, Covid-19 has shown the lack of contingency plans of companies and their readiness to encounter external factors, such as pandemic that reorganize the whole work. Remote work has been an urgent response to Covid-19 in several companies and its implementation can be conducted at relatively low expenses (Belzunegui-Eraso & Erro-Garcés, 2020).

The growth of remote work entails IT concerns in the terms of keeping critical assets safe (Evangalagos, 2020; Weisberg & Porell, 2011). Organizations need to offer technological material to employees that they are able to conduct the similar tasks remotely than in the workplace (Belzunegui-Eraso & Erro-Garcés, 2020). Already before the Covid-19 pandemic, IT risks were to some extent underestimated. Employees who work less frequently remotely from home are not adequately prepared for IT related risks. Many of

these employees are not used to working outside of the office and are only partly familiar with required IT remote tools (Evangelakos, 2020).

When employees are working in the workplace, there are firewalls, DNS filtering and proxies protect IT related threats. However, when employees are working remotely from home, these ways to protect IT systems are not present. There is already research stating that the amounts of attackers have increased remarkably during the Covid-19 pandemic. It is common that these attackers send messages including links and downloads that then allow them to penetrate companies' IT systems and to steal crucial IT assets. Since the number of employees working remotely and outside of the IT protection area under Covid-19, it is likely that IT-related stealing scenarios occur more frequently (Evangelakos, 2020).

## **2.4 The relationship between superior and subordinate (LMX-theory)**

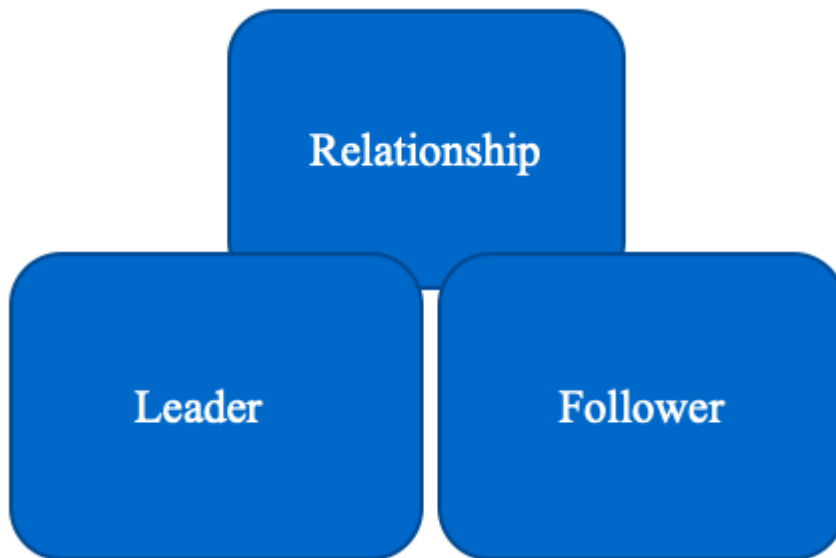
According to studies, leadership can have a positive influence on employee's well-being and health, but on the other hand, leadership can also be linked negatively to employees' stress level (Harms, Credé, Tynan, Leon & Jeung, 2017; Skakon, Nielsen, Borg & Guzman, 2010). Regardless of thousands of studies conducted about leadership during several decades, there is still not a clear understanding of the concept of leadership. The Leader-member Exchange (LMX) model is used as a theoretical base to describe the relationship between superior and subordinate in remote work in this thesis.

From several leadership theories, the LMX model is a broadly studied theory during several decades and the theory has experienced several refinements (Cogliser, Schriesheim, Scandura & Gardner, 2009; Graen & Uhl-Bien, 1995). Additionally, the LXM theory is one the most popular concepts in leadership. Initially LMX was described as a Vertical Dyad Linkage approach in the literature. According to the initial approach of LXM, superiors

create different exchanges with subordinates and hence, the treatment of subordinates varies (Gkorezis, 2015).

The main outcome of the LMX theory is that when leaders and followers build mature leadership relationships or partnerships, then leadership processes occur at its best. There are several benefits that these mature relationships between leaders and followers bring and it is possible to get access to these benefits. One major change in the LMX theory has been the shift from traditional thinking about superiors and subordinates to describe leadership as a partnership. This approach emphasizes that leaders should enable the access to the process of LMX to each employee by building LMX relationships with all subordinates (Graen & Uhl-Bien, 1995)

The domains that are included in leadership are follower, leader and the relationship leader and follower. The leader domain focuses mainly on the leader, leader's adequate personal traits and leader behavior that result in satisfied outcomes. The follower-based domain in turn concentrates on follower related matters. It comprises the proper follower traits and follower behavior that promotes satisfied outcomes. In the both leader and follower domains, the focus is on the attitudes, expectations and perceptions that have an impact on how effective a certain leadership style is in addition to suitable techniques. These aspects build a base for followership and the relationship to outcomes that are the result of leadership. The third domain comprises a relationship-based approach and concentrates on the bilateral relationship between the leader and the follower. The relationship-domain focus on the factors, such as trust and respect that are included in the bilateral relationship between the leader and the follower. The main focus is also on the development and maintenance of effective leadership relationships. Each of the above presented domains should be used in combinations with each other (Graen & Uhl-Bien, 1995).



**Figure 1.** The domains of leadership (Graen & Uhl-Bien, 1995)

Hill, Kang and Seo (2014) in turn describe the LMX theory as the quality of relationship between leader and follower. Superior build relationships based on different qualities with their nearest reports. The relationships can be either high quality relationships or low quality relationships. In high quality LMX relationships, followers are in-group members with their superiors and followers receive more attention, trust, communication and support from their superiors. Therefore, employees feel valued and respected in the company. This can be called a treatment that is something that does not exist in formal employment contracts. Employees in high quality relationships are important for superiors and employees are allowed to participate in decision making in addition to autonomy to form their own work (Hill et al., 2014)

On the contrary, in low quality relationships followers are treated as in formal employment contracts and no extra benefits are received as in relationships with high quality (Hill et al., 2014). Therefore, it can be stated that relationships in high quality are subjected to desirable outcomes for several parties, such as followers, leaders and companies. In order to benefit most of the relationship, it requires increased social exchange

from both parties. It is possible to get the highest level of leader-member exchange, when both parties are committed to nursing the relationship (Cogliser et al., 2009; Gkorezis, 2015; Martin, Guillaume, Thomas, Lee & Epitropaki, 2016).

As the increased access to ICT has affected how employees today conduct their work by utilizing electronic interaction with each other, Hill et al., (2014) have combined electronic communication to LMX theory. In their studies, Hill et al., (2014) extended the LMX theory into electronically-enabled work, where electronic communication has an important role in the LMX relationship. It is important to take into consideration the electronic communication, since the use of electronic communication tools largely affect both individual and team outcomes. Additionally, it is suggested that the increased use of electronic communication impacts the relationship between LMX theory and psychological empowerment. Thus, the more employees utilize electronic communication, the stronger the relationship between LMX and psychological empowerment is (Hill et al., 2014).

## **2.5 Leadership in remote work**

Whereas the LMX theory describes the relationship between superior and subordinate and the important factors involved in the relationship, the role of leader is important especially in remote work. Leadership and the important characteristics of a remote leader are discussed next.

Gibson et al., (2002) emphasize that revolutions in technology lead to people revolutions and they refer this to remote work. In the era of remote work, the difference between management and leadership has become more important than ever (Gibson et al., 2002). Maccoby (2000) defines managers as administrators who monitor progress and write business plans, whereas leaders make people and companies to change. More precisely, management is a function that is necessary in any business, but leadership compresses

the relationship between leader and led that can empower the company (Carter-Scott, 1994; Maccoby, 2000). A shift to remote work also impacts the relationships between superiors and subordinates. As in traditional office work, daily face-to-face interaction and meetings are not anymore available in remote work, but communications mostly occur through virtual communications tools (Richardson, 2010).

Management is defined as:

“the planning, organizing, leading, and controlling of resources to achieve organizational goals effectively and efficiently” (Gibson et al., 2000, p. 80)

Leadership in turn is defined as:

“the process by which an individual exerts influence over other people and inspires, motivates, and directs their activities to help achieve group or organizational goals” (Gibson et al., 2000, p. 80-81).

Since the aim of this thesis is to focus on the relationship between superior and subordinate and the factors that affect the trust building in remote work, leadership perspective is applied.

Since the popularity of remote work has increased remarkably during the recent years and it is estimated to grow even further, superiors should show more responsibility for working with followers who are not located in the same work location. In addition, effective leadership is aligned to networks of open channels of communications. According to studies, there is a correlation between the financial performance of a business unit and adequate leadership style. For certain types of leaders, such as transformational, the outcome of financial performance is negative, whereas for other types of leaders the

outcome is positive. In general, superiors in remote work might have more difficulties in building high levels of communications effectiveness, since they need to use more explicit communication compared to superiors in the same location (Neufeld et al., 2010).

Kerfoot (2010) states that the basic challenges are the same for the superior in remote and in traditional leadership. The remarkable difference is the way how differences occur, since supervision and interaction with subordinates is not always possible. Additionally, for some superiors it might be difficult to move from traditional leadership approaches to the required skills for a remote superior, such as the ability to form a group across diverse boundaries that still perform high. Therefore, it is important for a superior to be able to connect with subordinates remotely and maintain the same level of performance as a remote leader (Kerfoot, 2010).

Motivating subordinates in remote work in accordance with the purposes of the company is one of the most important tasks for superior. Furthermore, it is important to build an environment based on confidence in addition to identification of job descriptions. It is also stated that the role of superior in remote work is more difficult than other leaders' role in conventional office work (Kuscu & Arslan, 2016). Richardson (2010) found in her studies that leadership of remote workers is substantially different to leadership of employees in office. Additionally, being a superior for remote workers changes traditional management practices (Richardson, 2010).

Since remote work might be a completely new working environment for employees, they need a human superior in order to feel comfortable in a new working environment. In addition to several important characteristics of a remote leader, feeling of togetherness among subordinates in work is an issue employee value. This is crucial for a superior in order to be able to succeed in leadership (Gibson et al., 2002; Richardson, 2010).

Baird and Kram (1983) emphasize that career stages have impact on the relationship between superior and subordinate. In addition, it is crucial to understand how different career stages affect personal needs and how personal needs change over time. In the relationship between superior and subordinate, there are needs from both sides of the relationship. Subordinates have both tasks and personal needs regarding the job, and the role of superior is to help to fulfill these needs. From the both sides, it is important to grasp that there will be changes in the relationship between superior and subordinate and these changes inevitably affect the relationship (Baird & Kram, 1983). However, it is important to notice that not all teams working remotely need an own leader. Especially in today's global business environment, certain virtual teams are formed on their own to lead the group's action. On the other hand, it is often the case that even multiple leaders can emerge in virtual teams (Ziek & Smulowitz, 2014).

Kuscu and Arslan (2016) introduce the concept of open leadership that describe leadership especially in social network media. In open leadership, superior should be able to give up control in order to succeed. In the literature it is stated that open leaders are about to replace superiors who put effort solely on monitoring, commenting and supervising. New and open kind of leadership style is needed in order to encounter the global competition conditions and maintain competitiveness of the company also in the future. In addition to recognition of the requirements from an external environment, superior work needs to possess certain features. Superior who is leading a remote work needs to have certain technological abilities, but also have knowledge about languages and cultures especially if the workforce is diverse (Kuscu & Arslan, 2016). Leadership of remote workers requires specific skills and often these skills can only be acquired based on experience (Richardson, 2010).

Additionally, important features of a remote work superior are ability to set performance goals and set measures for team efficiency, ability to host remote business meetings and

make a career planning together with other team members (Kuscu & Arslan, 2016). When it comes to most crucial remote superior competencies, goal setting is considered being one of the important competencies for a remote superior. This includes determining clear goals in a way that provides guidance to all locations where subordinates are (Ziek & Smulowitz, 2014). In addition to these characteristics of a remote leader, subordinates expect to receive adequate guiding relating to remote work. Adequate support and guidance to remote work from superior is seen a critical condition for a success in remote work (Baert et al., 2020).

Communication is considered being the second most important competency for a remote superior, since proactive and open communication is needed regardless of the location of subordinates (Ziek & Smulowitz, 2014). In her studies, Richardson (2010) found out the importance of communication and the increasing role of trust in remote work. When it comes to communication, there should be a clear balance between employees' autonomy and avoidant of micromanagement from superior's side. It is important to maintain regular communication not only between superiors and subordinates, but also among employees. Therefore, it is required from the superior side to put additional effort on relationships between subordinates in order to avoid relationships becoming too virtual and transient. Trust is seen playing a more crucial role in leadership of remote workers compared to leadership of office-based employees. In an office-based working environment, leadership of employees enables for direct observation, but in remote work more trust is needed (Richardson, 2010).

## **2.6 Technology-mediated leadership**

Advances in technology information have remarkably changed the traditional leadership systems in companies. Simultaneously, new ways of leadership are required (Avolio & Kahai, 2003). During the recent decades, e-leadership has changed the context of

organizational management. The concept of e-leadership is used by organization researchers to describe technology-mediated management conducted by leaders and the concept expands the traditional work of leaders due to changes in the e-era leadership. Simultaneously, e-era entails new challenges to traditional leadership, since leaders need new skills that are necessary in the IT-dominated business world (Mackenzie, 2010; Savolainen, 2013).

In the e-era, trust building is considered being one of the most important leadership skills for upcoming decades. Technology has also influenced the way superiors and subordinates communicate and technology-mediated interaction (TMI) describe this context. The term technology-mediated leadership (TML) describes the geographical distance between superior and subordinate, where e-era related working methods, such as electronic information sharing are used. These kinds of changes have especially impacted global business boundaries, since certain limitations, such as working hours and workplace can be removed (Mackenzie, 2010; Savolainen, 2013).

Due to advances in technology, certain physical workplaces have become completely virtual. Face-to-face interaction between superior and subordinate has decreased and the work itself is more and more technology-mediated. Several working practices, such as feedback, follow-up, training and work instructions are often conducted by using digital formats (Mackenzie, 2010).

In her studies Mackenzie (2010) found out that approximately 80% of the respondents utilize digital communication equipment, such as computers and mobile phones in order to conduct work tasks. Email is considered being the most important digital communication device. According to Bergum (2009), e-leaders should separate certain types of work tasks to be conducted either by face-to-face or through mediated technology. Technology mediation can be utilized with routine information tasks, when for example the latest achievements of news are presented. On the contrary, issues that require opinion sharing or openness and discussion about them should be conducted in face-to-face meetings (Bergum, 2009).

The main task for an e-leader is to manage and coordinate information. E-leaders are also responsible for communicating the company's vision to, building trust and motivating subordinates (Zaccaro & Bader, 2003). Mackenzie (2010) suggests that subordinates need to have enough time to build relationships and become familiar with all the required communication methods and behaviors that affect the work relationship. Especially differences in cultures, personalities and languages are seen as challenges in remote work communication. The available digital communication methods have eased the change in the superior-subordinate relationship towards more digital based communication. The change is largest for experienced and traditional subordinates, since the change requires more adaptation from them. These subordinates need to put more focus on work tasks and not to focus on workplace relationships as much as before (Mackenzie, 2010).

Since e-leadership is here to stay, it is crucial for superiors to grasp how important workplace trust and communication are in subordinate management (Mackenzie, 2010). The same key skills are also needed in functional e-leadership as in traditional leadership. E-leaders should be able to solve problems and have adequate professional know-how and social skills (Mumford, Zaccaro, Harding, Jacobs & Fleishman, 2000). In order to succeed, companies need to support e-leadership properly now and also in the future. Additionally, subordinate value that they can contact superiors despite the working location. Superior's communication to subordinates should be regular in order to get a proper picture of subordinates' daily work. This also has an impact on the trust building between superior and subordinate (Savolainen, 2013).

### **3. Factors affecting the superior-subordinate relationship in remote work**

Based on the existing literature, the following four factors were chosen for this thesis. *Employee motivation, communication, career development and job performance* have been studied and emphasized throughout the existing literature and therefore, it can be assumed that these factors have a crucial role in the relationship and trust building between superior and subordinates. Each of the previously mentioned factor is separately discussed next. At the end of the chapter, the theoretical framework based on the existing literature is presented in order to further explain the aim of the thesis.

#### **3.1 Employee motivation**

As there are many studies conducted about the importance and implementation of employee motivation (Conrad et al., 2015), it can be said that motivation plays a significant role in the relationship between superior and subordinate in remote work. Literature emphasizes the role of motivated employees is crucial to organizational success. In order to be successful in generating employee productivity and well-being in the workplace, it is necessary for superiors to identify the most essential motivators and make sure that these motivators are present for employees and part of the leadership approach and system (Conrad et al., 2015). Kauppila (2018) separated employee's work motivation into internal and external drivers. Internal drivers are employee's own desire to make an effort by enjoying the work activities, whereas external drivers are a separate outcome that is anticipated to come from successfully conducted activities (Kauppila, 2018).

Since employee motivation is a broadly studied topic, there are several definitions for motivation from different perspectives. Conrad et al. (2015, p. 93) have defined motivation as following: "the inner force that drives individuals to accomplish personal and

organizational goals". Hence, in addition to individual goals, organizational goals are something that motivate employees and therefore, plays a remarkable role in the relationship and trust building between superior and subordinate. There are several studies conducted about the basic needs model of motivation already decades ago, such as Herzberg (1966), Maslow (1954), Alderfer (1972) and McClelland (1985). They categorize between primary- and secondary needs, where food, sleep and water are considered unlearned primary needs. In turn, secondary needs compresses relationships, achievements and desire for power and these are often learnt through experiences. It is important to identify secondary needs, because superiors often work with the behavior and rewards derived from these needs. It is stated that motivation in the workplace is driven by rewards and fear of punishment, and external factors, such as money, are needed in order to create a productive work environment. A crucial skill for a superior is the ability to motivate subordinates in order to increase productivity. Additionally, superiors should understand the impact of their actions and organizational culture on employees' ability to satisfy their need at work (Conrad et al., 2015).

Mckeegan (2018) has presented several approaches on how to motivate remote employees. According to his article, particular kinds of incentives are needed in order to engage remote employees. First of all, it is important to recognize the need to take time off by encouraging subordinates to do so. It is the behavior of a superior that shows example for his or her subordinates. In order to ensure that each subordinate feel valued and appreciated, it is important for superior to remember employees regularly and especially outside of the performance-review process. In addition, gamification can be a motivating factor for remote employees. Through gamification it is possible to create a game to achieve goals and gamification will therefore lead to higher engagement among employees to be more productive in their work (Mckeegan, 2018).

### 3.2 Communication

Communication is considered being most effective when the outcome is a common and shared understanding. Therefore, superiors who are most effective are in the contact with subordinates frequently and they also provide regular and detailed communication (Neufeld et al., 2010). According to Holmes (2008), there is a belief that face-to-face meetings are better communication tools than teleconferences, because face-to-face communication creates better ideas and decisions. In turn, other studies show that distance between employees seems to not have influenced how effective communication between superior and subordinate is (Neufeld et al., 2010).

It is studied that subordinates value more quality of communication than quantity. In high-quality relationships between superior and subordinate, there is more direct and open communication in addition to mutual persuasion. Additionally, more proactive forms of communication are needed. On the contrary, in low-quality relationships between superior and subordinate, there is more avoidance and tendency to avoid communication (Kassing, 2000). Social aspects of communication are reduced in communication between employees that occurs through electronic media (Cartwright, 2003). It is calculated that for every one hours meeting, at least four hours proper preparation must be done in order to conduct a virtual meeting effectively (Kerfoot, 2010). According to Henttonen and Blomqvist (2005), regular communication both in collaboration and in communication process is the most suitable way to maintain trust in the workplace.

Traditional social communication, such as exchanging greetings and personal information are important factors in developing trust between superior and subordinate. In remote work, there might not be much time to spend on building trust and relationships due to tight schedules of employees. Certain communication behavior, such as comprehensive feedback, open communication and timely response has a positive impact on

the creation of trust between superior and subordinate. On the contrary, timing of physical meetings is important in the creation of trust, because physical meetings are a condition for relational communication and therefore, impact employee performance (Henttonen & Blomqvist, 2005).

It is also stated that there is a connection between communication effectiveness and leadership effectiveness, since a superior with effective personal communication skills is about to build a compelling picture for subordinates. Effective superiors tend to use more symbols, metaphors and persuasive argumentation in their communication and therefore, gain more acceptance from others. With language and interpersonal communication, it is possible for superiors to help their subordinates to grasp why the activities they are engaged in are important. In remote work, it is more difficult for certain types of superiors to build relationships and it can have an impact on the outcome of subordinates' performance. There might be difficulties in equal opportunities for interaction, access to communication channels and lack of common language when the team has a spread and diverse workforce. Therefore, superiors in remote work are subject to use additional effort in explicating what could otherwise be distributed easily in a social presence. Due to creation of new forms of communication, such as e-mail, it is possible to share knowledge without meeting personally (Neufeld et al., 2010).

Communication is considered being extremely important in remote work, especially when making decisions and plans. Compared to traditional communication, in communication that occurs remotely it is not possible to make use of body language or gestures and therefore, it is necessary to build clear communication channels to allow free flow of communication (Neufeld et al., 2010). Ziek and Smulowitz (2014) have studied that employees will be more effective in conducting projects and tasks if the remote leader has good communication skills. This in turn shows as a more effectively functioning business unit in the organization (Ziek & Smulowitz, 2014).

### 3.3 Career Development

In recent decades, labor markets have encountered several changes. Employee well-being and career development have become extremely important, while the labor market is nowadays more flexible (Akkermans, Brenninkmeijer, Schaufeli & Blonk, 2015). Hoekstra (2011, p. 159) defines career as "the sequence of employment-related positions, roles, activities and experiences encountered by a person". Watts (1996) on contrary describes career as a process that is nowadays owned by the individual. Career comprises employees' life of progression both in work and learning. Before the word progression in employees' career were mainly targeted to those who were high in the organizational hierarchy, but nowadays career developments are possible also in lateral and horizontal organizational structures (Watts, 1996).

Having one primary mentor has been a traditional way to support career development, but since the business environment has changed due to diversity, globalization and increased mobility, careers are nowadays described as a series of learning cycles. Therefore, one primary mentor throughout the whole working career is not anymore enough, but employees need to build connections with multiple people (Ansmann, Flickinger, Barello, Kunneman, Mantwill, Quilligan & Aelbrecht, 2014).

Individuals' career is largely linked to their identity, since careers are a remarkable part of the meaning of life's journey. Companies are willing to put a large emphasis on careers, because they believe that it is valuable for them (Hoekstra, 2011). Today's business world is changing rapidly and therefore, there is a demand for talented employees who survive well with rapid changes in working life, since these employees are considered as the most valuable assets for companies. In order to respond to this demand, companies are constantly required to develop talent management strategies, such as personal development plans (Lejeune et al., 2018).

According to Hoekstra (2011), career development comprises both the increase of external career significance and the interactive development of career identity emergence. It is the responsibility of employees to manage their own careers and they should be able to discuss proper opportunities for career development and employment conditions (Hoekstra, 2011; Akkermans et al., 2015).

According to Gibson et al., (2002), the possibility of remote work has a positive impact on employees' career development opportunities. However, adequate electronic human resources systems are needed that support talent management. The utilization of self-directedness in learning is a suitable tool to encounter talent management challenges, since it supports a culture where employees themselves are responsible for their own learning and performance. In the current literature, personal development plans are considered being a unique assessment tool, where self-directedness is taken into account. When conducting a personal development plan, it is important to include informal learning activities and set learning goals in order to get most out of the personal development plan (Lejeune et al., 2018).

Companies can furthermore support employees' career development by providing responsive and flexible learning systems. Companies need to redesign their learning systems according to the need of employees, such as being able to provide career counseling for employees in order to ensure progression in their work and learning (Watts, 1996).

Ansman et al., (2014) suggests teleworking being a suitable tool for enhancing career success. It is recommended to build connections with national and international coworkers outside of one's own company. Additionally, networking can be used at any stage of an individual's career, and advances in ICT have enabled the use of digital tools to connect to people instead of using face-to-face interaction. Social media and online platforms are used in networking, since they provide quick access to informal

communication channels. Therefore, it is easier to find individuals with similar expertise and interest and share information (Ansman et al., 2014)

### **3.4 Job performance**

One of the major concerns superiors encounter in remote work is the performance measuring system. In order to measure performance, performance and goals needs to be well-defined and encouraged among subordinates (Kuscu & Arslan, 2016).

Richardson (2010) emphasizes that due to absence of other employees in remote work, employees might feel isolated from their colleagues, which in turn is associated with a negative impact on advancements in career and visibility. Additionally, in her studies several superiors experienced that holding performance levels at a proper level is one of the challenging aspects in remote work (Richardson, 2010).

In order to improve job performance, a company's talent strategy should compress tools that support efficient competence development, such as personal development plans. Furthermore, it has been studied that there is a positive correlation between personal development plans and employees' job performance (Lejeune et al., 2018). Others consider that advantages in technology lead to instruction and control when it comes to monitoring of employee performance, since through advanced technology, organizations have more capability to follow employee's performance (Cartwright, 2003). Haines et al., (2002) emphasize in their study the employees' ability to manage themselves in remote work and it is a skill that can be learned and developed further. Additionally, there is a positive relationship between employees' ability to manage themselves and employees' performance levels. Therefore, it is extremely important from companies to put emphasis on the education of how to manage oneself in remote work in order to achieve a higher level of performance in remote work (Haines et al., 2002).

Ziek and Smulowitz (2014) mention that remote work has created new kinds of challenges to leadership and especially team outcomes and performance are the most challenging aspects in remote leadership. In addition to other challenges in remote leadership, such as adaptation to cultural, geographical and time differences and adjustment to remote work, remote leaders still have the task to provide organizational outcomes and performance (Ziek & Smulowitz, 2014). In remote work, performance discussions are often video-conferencing sessions and therefore, one-on-one coaching sessions are a useful tool to discuss about subordinate's performance level (Kerfoot, 2010).

Lewis (1998) emphasis adequate performance measurement tools also in remote work. In remote work, performance should be measured by results and superior need to clearly state outcomes and expectations in advance for subordinates. Additionally, short-term goals need to be defined separately (Lewis, 1998). Hill et al., (2014) on contrary found in their studies that psychological empowerment has a positive impact on organizational commitment and hence job performance. However, since employees in remote work are not as much in interaction with others as in traditional office work, the lack of receiving and interpreting important data can have a negative impact on employees' job performance. This is especially the case for those employees who spend considerable time in remote work and have limited access to face-to-face interaction in their work (Golden et al., 2008).

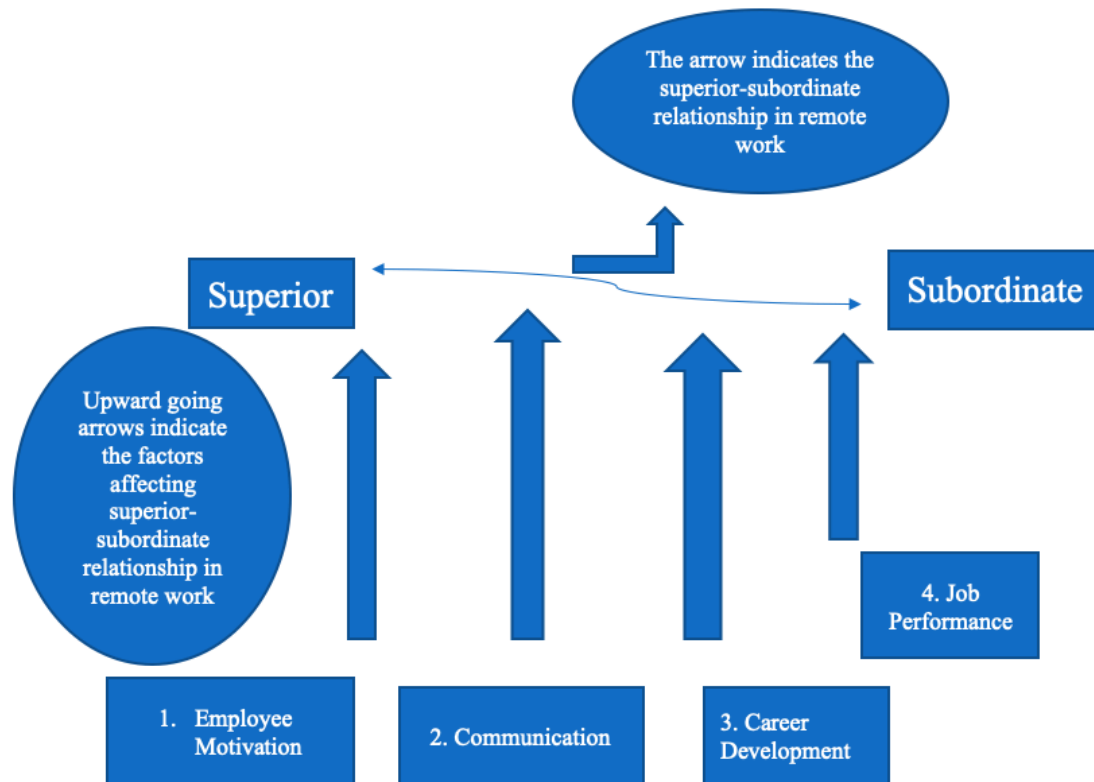
Several companies, The Alera Companies among others, have implemented a remote work strategy after the Covid-19 pandemic spread rapidly all over the world. Regardless of the unprecedented times, productivity measures have remained the same and the lead of the company has been in contact with their teams regularly. For the company, it has been important to maintain its productivity under challenging circumstances (The Alera Companies Deploys Remote Work During COVID-19, 2020). One presented and

somehow old-fashioned attitude compared to today's business world is that managers consider remote work is a benefit, and only top performers should be reserved for remote work (Holmes, 2008).

### **3.5 The theoretical framework of the master's thesis**

Based on the current literature, the following theoretical framework was developed in order to further explain the aim of the thesis. The first chapter of literature review focused on the leadership in remote work and more precisely, the relationship between superior and subordinate by utilizing the LXM-theory. The second part of the literature review in turn presented the four identified factors, employee motivation, communication, career development and job performance affect the relationship between superior and subordinate in remote work due to Covid-19. The up-ward arrows indicated the impact of these factors on the relationship between superior and subordinate based on LXM theory.

## The relationship between superior and subordinate in remote work



**Figure 2.** Theoretical framework of the master's thesis

## **4. Methodology**

It is important to determine the suitable methodological choices for a study to ensure the validity and objectivity of the study. In this chapter, the methodology to the research is provided. First it presents and explains research philosophy, research approach, research strategy and research method. Additionally, data collection, data sample and data analysis are provided to explain how the empirical data was gathered and analysed. Finally, reliability and validity of the study are discussed.

### **4.1 Research philosophy**

The methodological choice starts by determining the most appropriate research philosophy. According to Saunders, Lewis and Thornhill (2009), defining the suitable research philosophy is important for any researcher, because through research philosophy it is possible to find assumptions about the ways how we view the world. Generally, there are four main research philosophies to choose between, namely positivism, realism, interpretivism and pragmatism. In positivism, only phenomena that can be observed can yield credible and fact-based data and it is mainly used with quantitative methods. Realism focuses on explaining phenomena with contexts and can be used both in quantitative and qualitative methods. Interpretivism on the contrary, concentrates on exploring social phenomena and subjective meanings. Furthermore, it is assumed that in interpretivism study, the researcher cannot be separated from what is being studied, but the researcher is rather a part of what is being studied. Qualitative methods with small samples by utilizing in-depth investigations are the most suitable tool in an interpretivism research. When conducting a pragmatism study, research concentrates on practical applied research, where mixed perspectives are combined in order to analyse the data (Saunders et al., 2009).

Additionally, in interpretivism study, the research explores reality based on own experience and background in addition to participants' perceptions. In order to find answers

for the research, the researcher utilizes participants' experiences and then build understanding from the collected empirical data. Therefore, it can be said that the world is seen based on participants' experience and views. Additionally, the purpose in interpretivism study is to understand a particular context and it is considered essential to interpret the collected data (Thahn & Thahn, 2015). Interpretivism was seen as the most suitable philosophy for this study, because participants' experience and views about remote work and its impact on the superior-subordinate relationship helps research to create understanding from the collected data. Furthermore, since the empirical data in this study is gathered by using qualitative methods and in-depth investigations with a small number of samples compared to quantitative study (Saunders et al., 2009), interpretivism was considered best fitting the purpose of the thesis.

## **4.2 Research approach and strategy**

After the most appropriate research philosophy is determined, research approach and strategy are introduced. There are three main research approaches researchers can choose from, namely inductive, deductive and abduction that is a combination of the two first ones (Saunders et al., 2009; Mantere & Ketokivi, 2013). An inductive approach is natural to qualitative study, where data is collected by conducting interviews by asking feelings in order to better understand the nature of the problem. After the collected data is analyzed, it will then create a new theory. On the other words, after the data is gathered, a theory will be developed based on the data analysis. In addition, it is recommended to conduct a study with a small sample of subjects rather than with a large number of subjects as in the deductive approach is recommended. In the inductive approach, by gathering data it is possible to understand the meanings of humans attached to different events in addition to research context. In deductive approach, the study begins with theory that is based on academic literature, which after research strategy is created in order to test the theory (Thomas, 2006; Saunders et al., 2009). In other words,

in a deductive approach, an already existing theory is tested, whereas in an inductive approach the study begins with observation from which the theory is built. Since a deductive approach often focuses on measuring variables through hypothesis testing and thus explains causal relationships between variables, it can be seen as more suitable with quantitative study (Saunders et al., 2009). In an abductive method, researchers first create themes and explain patterns and then can either build a new theory or modify the existing one. Finally, the theory is tested based on the collected data (Mantere & Ketokivi, 2013).

This thesis will follow an inductive methodological approach, where theory will follow the collected data. In this study, the aim is to explore factors that have an impact on the superior-subordinate relationship in remote work by gathering data through semi-structured interviews. As typical in an inductive approach, the theory explaining the superior-subordinate relationship in remote work is created based on the gathered data. Therefore, the starting point for this thesis are observations and theory will be built based on the collected data. Additionally, an inductive approach was seen suitable for qualitative study, since a small sample of subjects, is collected compared to a large number of samples that is typical in deductive approach in quantitative study.

According to Saunders et al., (2009), the purpose of research strategy can be either exploratory, descriptive, explanatory or their combination. In exploratory research the aim is to focus on what is happening around us, to find out more ideas and consider the topic in a new light. Through exploratory research it is possible to grasp reasons behind certain phenomena and explain relationships between variables. Additionally, when using exploratory research strategy, research questions often begin with "what" or "how". The most suitable tool to gather data in exploratory research is to interview professionals in a certain field or conduct interviews in focus groups. In descriptive study the focus is on individuals, events and situations. Having a precise understanding of the target phenomena that the research aims to gather data for is important in descriptive study.

Explanatory strategy on the contrary aims to study the problem and then explain causal relationships between variables that are experimented either through statistical tests or by qualitative data (Saunders, et al., 2009).

This thesis aims to find out what are the most important factors in the relationship- and trust building between superior and subordinate in remote work. Therefore, it is important to understand the reasons behind the factors that impact the superior-subordinate relationship in remote work and being able to explain them. An exploratory research strategy best fits to this purpose and was therefore chosen.

### **4.3 Research method**

Methodological choices also include research methods that determine the way how the data for the study is gathered. Generally, there are two different kinds of research methods to choose from, namely qualitative and quantitative. The choice between these methods depends on the data researcher explores. Whereas quantitative method measures phenomena based on numbers and percentages and explains facts (Barnham, 2015), qualitative study focuses on describing individuals' perceptions, behaviors, experiences and social contexts without quantification or statistical data (Fossey, Harvey, Mcdermott & Davidson, 2002).

Additionally, in qualitative study the research questions should be relatively broad rather than specific hypotheses, since the aim is to achieve a deep understanding of the topic. Qualitative study can be described as emergent, since it has a flexible and response nature to context (Fossey et al., 2002). Since quantitative study aims to search for facts, 'what'-based questions are suitable to find answers to numerical phenomena. On the contrary, in qualitative study 'why'-based questions are widely used to find deeper levels of explanations to behaviors and experiences (Barnham, 2015).

The aim of this thesis is to explore and explain how the rapid shift to remote work impacts the relationship and trust building between superior and subordinates. In addition,

the aim is also to explain what is the role of the identified factors, namely employee motivation, communication, career development and job performance in the superior-subordinate relationship. In order to get a comprehensive understanding of the research problem, individuals' perceptions, experiences and behaviors can be better analysed by using a qualitative method than a quantitative method. By using a qualitative method, it can be anticipated to gather more deeper information about individuals' opinions and beliefs than in quantitative research. Additionally, explanation of phenomena based on numbers and percentage seems not to be relevant in this study.

#### **4.4 Data collection and samples**

As previously mentioned, a qualitative research method was chosen to this study. Next, data collection method and information about the samples of the study are introduced. In total, 17 semi-structured interviews were conducted from two different samples, namely from a superior sample and a subordinate sample. The most essential information about the two different samples are collected in the tables.

##### **4.4.1 Semi-structured interviews**

Qualitative research method was chosen to be the most appropriate for this study. Interviews can be conducted as individual or group interviews either by face-to-face meetings or by electronic communication channels. There are three different interview types, namely structured, semi-structured and unstructured interviews. In structured interviews, the questions are standardized and identical and therefore biases should not arise during the interview. In semi-structured interviews, questions are based on certain themes. Interview questions can vary between interviews and additional questions can emerge during the interview. Unstructured interviews are aimed to investigate a general topic in depth. When conducting an unstructured interview, the researcher has not determined the questions beforehand, but instead has a clear understanding about the

aimed aspects to investigate. Structured interviews are generally used to collect quantitative data, whereas semi-structured and unstructured interviews are used to collect qualitative data. Additionally, semi-structured interviews are considered being suitable in an exploratory and explanatory study, while structured interviews are more suitable with a descriptive study. By gathering data through semi-structured interviews in exploratory study, it is possible to receive new perceptions and clarify what is happening. Additionally, through semi-structured interviews, it is possible to investigate and describe different themes that have come up from interview questions (Saunders et al., 2009).

Since this the chosen research strategy for this thesis is exploratory and it follows interpretivist research philosophy with the aim to grasp meanings that interviewees combine to different phenomena, semi-structured interviews were chosen to be a suitable tool to gather data. Through semi-structured interviews, it is possible to gather new insight about the research topic and understand the factors that have an impact on the superior-subordinate relationship in remote work. Additionally, the flexible nature of semi-structured interviews help research to alter and adjust research questions after first pilot interviews (Saunders et al., 2009). Each of the interviews were conducted by using online communication tools. Bryman and Bell (2011) states that a benefit with online-based interviews is that both interviewers and participants save time and expenses. Additionally, participants can more flexible to participate the study, when interviewer or participants do not need to be in the same place physically (Bryman & Bell, 2011).

Since in this thesis the purpose is to gather data from two different perspectives, from a superior and subordinate perspective, there were two different types of interview bodies. Separate questions were asked from both superiors and subordinates (Appendix 1 interview questions for superiors and Appendix 2 interview questions for subordinates). The interviews are divided into three different parts. The first part was about the background information of the interviewee. The second part focused on remote work, the relationship between superior and subordinate in remote work and leadership in remote work, while the third part was about the factors, including employee motivation,

communication, career development and job performance that have an impact on the superior-subordinate relationship in remote work.

Altogether 17 interviews were conducted, ten interviews from a superior perspective and seven interviews from a subordinate perspective. The interviews took place between September and October 2020 and were conducted in Finnish, English and Swedish depending on interviewees mother- and working language. Since Covid-19 was present also in autumn 2020 in Finland, each interview was conducted online by using electronic communication channels preferred by interviewees, such as through Microsoft Teams, Zoom and Skype. Interviewees come from several countries and the majority of them are working in a multinational company. The length of interviews varies between 25-65 minutes, with an average duration of 45 minutes. Interviews were designed in a way that interviewees could express their feelings, insights and opinions freely. However, interviewee could ask additional follow-up questions in order to receive a deeper understanding from the interviewee. All of the interviews were recorded with interviewee's permission and then transcribed. The interviewees will remain anonymous in this study, because the purpose is not to evaluate certain firm's remote work policies or superior-subordinate issues in remote work, but to receive an overall understanding of the factors affecting the relationship between superior and subordinate in remote work. After interviews, the transcribed data was analyzed and the analysis process is explained after the presentation of samples.

#### **4.4.2 Samples**

As previously mentioned, altogether 17 interviews were conducted for the study from two different samples. The first sample consists of ten superiors who are leading subordinates in remote work. At the beginning of each interview, superiors were asked how long they have worked in the current company, total superior experience, number or subordinates and how often they work remotely before and since Covid-19. The second sample consists of seven subordinates who are working remotely. Similarly, at the

beginning of each interview, subordinates were asked how long they have worked in the current company, how long they have had the same superior and how often they work remotely before and since Covid-19. There were no country or industry specific requirements for being eligible to participate in the study. Only requirements for superiors were that they have worked remotely since Covid-19, they have subordinates working remotely and the work tasks they are doing can be conducted remotely. On the contrary, requirements for subordinates were that they have worked remotely since Covid-19 and the work task they are doing can be conducted remotely. Therefore, previous experience in remote work was not required.

The timeline for Covid-19 spread was set being March 2020 in this thesis, because since then it was strongly recommended by several governments to move to remote work. The interviewees were contacted through researcher's own network and connections, but also by sending emails to possible companies if they were able to participate in the study.

Samples of this study are categorized into two different sample groups, namely sample 1 and sample 2. The first sample group, sample 1 consist of ten superiors. Essential information of the sample 1 is collected to the table 2 below.

The following titles were interviewed from the superior sample (in no particular order):

*CEO, Head of Corporate Finance, Director, Senior Originator Nordic Energy Markets, CFO, Chief of Financial and HR Officer, Deputy Managing Director, Business Director, COO and Manager Account.*

**Table 2.** Interview information of superiors

Subject	Years in the company	Superior experience in years	Number of subordinates	How often worked remotely before Covid-19	How often works remotely since Covid-19
Superior 1	2,5	25	10	Once a week	100%
Superior 2	12	30	12	Once a week	100%
Superior 3	37	20	7	Once a month	4 days a week
Superior 4	3	32	40	1-3 days a month	First 100%, after summer 2-3 days a week
Superior 5	1,5	13	10	Once a week	2-4 days a week
Superior 6	9	25	4	A few times a month	First 100%, after summer once a week
Superior 7	30	30	3	Occasionally	4 days a week
Superior 8	9	9	6	Over half of a month	4 days a week
Superior 9	4.5	20	3	Occasionally	100%
Superior 10	4	12	10	About half of a month	100%

The second sample group, sample 2 consist of seven subordinates. Similarly, as from the first sample group, essential information of the sample 2 is collected to the table 3.

The following titles were interviewed from the subordinate sample (in no particular order):

*Associate, Consultant/Project Manager, Environment Engineer, Project Controller, Development Manager, Consultant, Coordinator.*

**Table 3.** Interview information of subordinates

Subject	Years in the company	How many years have had the same superior	How often worked remotely before Covid-19 (March 2020)	How often works remotely since Covid-19 (March 2020)
Subordinate 1	1,5	1,5	Once a week	First 100%, after summer 1-2 days a week
Subordinate 2	1	1	No	100%
Subordinate 3	3,5	1	Once a week	100%
Subordinate 4	10	10	Occasionally	100%
Subordinate 5	1	1	4 days a week	100%
Subordinate 6	2	0,5	1-2 days a week	First 100%, after summer 2 days a week
Subordinate 7	1	1	1-2 days a week	First 100%, after summer once a week

#### 4.5 Data analysis

After each interview, a summary was written about the main insights during the interview. This helps the author to recognize the major themes and findings that arose by the

interviewed superiors and subordinates. Since the high number of interviews (17) for this study, each interview was not completely transcribed word to word in order to save time, but rather the most pertinent sections of interviews were transcribed that is also called as data sampling (Saunders et al., 2009). Each interview was recorded with the permission of the interviewee, which after the entire audio-records were listened at least twice while transcribing the most pertinent sections and themes. Some of the interviews were conducted in English, but the interviews that were conducted in Finnish and in Swedish, the most important citations were translated in English. After transcription and translation of the interviews, the most important citations were categorized according to broader themes. The broader themes in this study are remote work, superior-subordinate relationship and trust, leadership, and the factors affecting the superior-subordinate relationship in remote work.

Later on, citations were further categorized according to narrower themes that in this study are: remote work and benefits and challenges of remote work, the relationship and trust between superior and subordinate, leadership in remote work, factors affecting the relationship between superior and subordinate in remote work: employee motivation, communication, career development and job performance. In order to recognize all of the themes, different color codes were used to indicate certain theme, for instance red color code was used to indicate the benefits of remote work, whereas purple color code was used to indicate employee motivation. All the most important and identified citations were put in a proper and logical order in a way that allows recognition of similarities and differences from interviewees responses.

#### **4.6 Credibility of the study**

In order for a study to contribute to academic literature and to take into consideration the important factors of empirical research, it is crucial to confirm the reliability of the study results in addition to assessing the validity of research methods of the study. Furthermore, any research study that has literature review, data collection and analysis of

collected data should be transparent (Saunders et al., 2009). Next how reliability and validity are taken into consideration in this study are presented.

#### **4.6.1 Reliability**

According to Saunders et al., (2009), reliability describes the extent to which data gathering methods generates consistent findings. When conducting a research, measures used to collect data should generate the same results also on other occasions and there should be transparency on how the data was analyzed from the raw data. In other words, reliability refers to consistency of the study results and that any researcher could repeat the study and yield the same results. Therefore, possible bias or errors should be avoided (Saunders et al., 2009; Singh, 2014).

Saunders et al., (2009) have mentioned threats to reliability, namely subject to participant error, participant bias. In order to avoid participant error in this study, an informative email about the research was sent to all interviewees. Additionally, all the interviewees received the interview questions approximately one week before the interview in order to give them the opportunity to familiarize and prepare for the interview. The interviewees were asked to suggest the most suitable time and method for the interview. However, because of the Covid-19 situation and the fact that almost all of the interviewees were located either abroad or all over Finland, the aim was to conduct all the interviews by utilizing online communication tools. Therefore, the interviewees were to ask the most preferred communication tool, such as Microsoft Teams, Skype or Zoom, by which the interview was conducted. All interviewees were granted to remain anonymous in the study in order to avoid any kind of participant bias. Interviewees' names or the name of their companies were not published in the study. Hence the interviewees could freely express their feelings and opinion without possibility of recognition (Bell & Bryman, 2007; Saunders et al., 2009).

#### 4.6.2 Validity

On the contrary, validity determines the credibility of the study. Additionally, transparency is an important factor in the results of the study, since the methods and approaches used to conduct the study should be understandable for anyone. In other words, validity is about the risk that if the results of the study seem not to be what they are supposed to (Saunders et al., 2009).

Yin (2003) has separated between three different levels of validity. Firstly, construct validity is about that for some reason the researcher might not be able create adequately operationalized sets of measures. Additionally, there is a risk that the researcher interprets the collected data from a too subjective perspective in order to be fully reliable (Yin, 2003). By this Saunders et al., (2009) imply that the researcher might analyze the collected data wrong. In order to overcome this problem, Yin (2003) suggested using multiple sources of evidence and in this thesis, altogether seventeen interviews were conducted in order to collect data from as many sources as possible. Secondly, internal validity refers to the fact that the researcher needs to be aware of the factors that can have an impact on causing the measured outcome or the researcher might find out that relationship is something else that the researcher has investigated or interpreted (Saunders et al., 2009). In order to avoid this problem, it is possible to build explanations or use logic models. However, several factors can cause internal validity problems and therefore, sometimes it can be challenging to recognize the adequate causes. In this thesis a model is built based on the existing theory.

## **5. Results and Analysis**

In this chapter the empirical findings of the study are introduced and analyzed in the light of the literature review. The chapter is organized following the research question and the objectives. The first part of the chapter introduces empirical findings regarding leadership in remote work. The second part of the chapter focuses on the identified factors and their impact on the relationship between superior and subordinate in remote work.

### **5.1 Remote work**

From the first sample, each of the interviewed superiors had worked remotely at some extent before Covid-19. Only three out of ten superiors mentioned working remotely approximately once a week, whereas the majority of superiors used to work remotely a few times a month. Two superiors mentioned working remotely only occasionally, implying they might not have worked the whole day remotely, but rather a few hours per month. In such cases, superiors mentioned to work in the office in the morning, but then decided to continue working from home the last hours in the afternoon. After Covid-19 breakout and after governments in several countries recommended companies move to remote work, over half of the superiors immediately moved to complete remote work, implying they worked 100% from home without visiting the office at all. Four superiors still continue working 100% since Covid-19 and two superiors worked remotely 100% until the summer holidays, which after they usually work remotely 1-3 days a week, otherwise in the office. Other superiors work remotely 4 times a week and one day in the office. The amount of remote work increased remarkably since Covid-19 compared to time before, even each of the superiors have had the possibility to work remotely.

From the second sample, the majority of subordinates mentioned working remotely before Covid-19 and only one subordinate had no previous personal experience in remote work. The average number of remote working days of subordinates were about one

before Covid-19 and one subordinate mentioned working remotely four times a week. As with the first sample, the shift to remote work since Covid-19 is also apparent with subordinates. Each of the subordinates worked 100% remotely, however after summer holidays three of them are working remotely once or twice a week and otherwise in the office. This remarkable and rapid shift to remote work of both samples is in the line with current literature about the impacts of Covid-19 to employment patterns, since due to Covid-19 pandemic, the majority of the work tasks are conducted remotely (Bartik et al., 2020; Béland et al., 2020; Deng, et al., 2020; Gallacher & Hossain, 2020)

Additionally, Brynjolfsson et al., (2020) states that the majority of employees work from home in order to avoid transmission. They continue that the opportunity to remote work is one tool to keep employees safe and therefore secure health and job protection of employees. These can be therefore considered being the main motives for companies to move employees to remote work during the Covid-19. Belzunegui-Eraso and Erro-Garcés (2020) have separated between different modality levels of teleworkers. As it can be noticed from the empirical findings, the number of remote working days of both samples before and since Covid-19 increased remarkably. Therefore it can be stated that before Covid-19, the majority of interviewed superiors and subordinates belonged to categories of regular home-based teleworkers and occasional teleworkers, implying they worked remotely on average a few times a month or less, but on the contrary since Covid-19, they have moved to high mobile workers category, since due to Covid-19 they are working remotely at least several times a week.

Originally organizations allowed employees to work remotely either a few days a week or in certain circumstances on a permanent basis (Richardson, 2010). However, due to Covid-19 pandemic, the majority of the work tasks are conducted remotely, and it has implied a rapid change to new working environments for several employees (Béland et al., 2020; Gallacher & Hossain, 2020). Healthy reasons lie behind the explaining factors of remote work as the opportunity to remote work is one tool to keep employees safe and therefore secure health and job protection of employees (Brynjolfsson et al., 2020).

Therefore, it can be said that there has been a change in the attitude towards remote work, since whereas before it was not either allowed or encouraged, on the latest due to Covid-19 remote work was either forced or highly recommended. However, it can be said that the adoption of remote work took relatively long before Covid-19 (Gajendran & Harrison, 2007). A shift in general attitude change was also noticed by the interviewed subordinates.

*“Before Covid-19 remote work was very limited by the company and you have to express a personal reason why you could not commute to the office.” -Subordinate 4*

*“Before Covid-19 remote work was not encouraged by the company in a same way as it is now.” -Subordinate 6*

The rapid and compulsive shift to remote work has largely impacted how work is perceived both from superior and subordinate perspectives. Next the results and analysis of benefits and challenges of remote work are presented both from a superior and subordinate perspective.

### **5.1.1 Benefits of remote work**

A broad range of literature states that the possibility of remote work increases employees' autonomy and flexibility relating to work tasks and work life balance. Carreras and Valax, 2010 however states that the level of flexibility varies across companies and it can be restricted by the company. Additionally, employees' productivity and efficiency are higher in remote work compared to office work that is explained by an absence of interruptions that is greater in remote work. In remote work employees are reported having a better balance between work life and home (Carreras & Valax, 2010; Gibson et al., 2002 Lewis, 1998; Weisberg & Porell, 2011).

Similar benefits of remote work were also noticed by several interviewees from superior and subordinate perspectives. The major of interviewees mentioned they are more efficient and productive in remote work, because at home there are no similar kinds of

interruptions that occur in the office. Additionally, the majority of interviewees spend several hours each day commuting to work. Therefore, they appreciate the additional hours that emerged when there is not a need to commute to work each day. When it comes to interruptions in the office, the majority of the interviewees mentioned that if the work tasks are challenging and need additional focus, it is disturbing when colleagues come and ask something or the noise in open office is disturbing.

*“Remote work entails more flexibility and you can build your working days yourself.” -Subordinate 3*

*“When you get a good working flow at home, most often no one is not going to interrupt you.” -Subordinate 5*

*“Due to Covid-19, customer meetings can be arranged online that is beneficial from the time point of view and you do not need to spend hours of travelling to other cities, when you lose several good working hours.” -Subordinate 7*

*“I can work at home without the interruptions that are present in the office and therefore I am more productive.” -Superior 6*

Lewis (1998) found out that remote work has a decreasing impact on air pollution and traffic congestion, since employees do not need to commute to offices as often as in conventional office work. Additionally, employees save expenses that occur in commuting to the workplace (Gajendran & Harrison, 2007; Gibson et al., 2002). The decreased need to commute to work offices and the significant rise in the use of online communication and its supporting technologies are suitable ways to favor a greener economy (Baert et al., 2020). Since the majority of the interviewees used to commute to work each week, they have pointed out the importance of emissions caused by vehicles and its impacts on the environment. The attitude towards greener economy was emphasized by the interviewees.

*“The opportunity to remote work is good from my climate perspective when you do not need to use car all the time and therefore you can save emissions.” - Superior 5*

*“Remote work decreases unnecessary business travelling and meetings that is a part of carbon neutral strategy and decreases emissions caused by traffic.” -Superior 2*

### **5.1.2 Challenges of remote work**

Since remote work might be a completely new working environment for employees, they need a human superior in order to feel comfortable in a new working environment and due to Covid-19, the new working environment for several employees is home, where work is conducted remotely. The feeling of togetherness among subordinates in work is an issue employee value and it is important for a leader to maintain the feeling of togetherness among employees in order to succeed in leadership (Gibson et al., 2002; Richardson, 2010). In order to answer this challenge, several superiors and subordinates mentioned having an online cafe pause at least once a week. During the online coffee breaks work-related matters were not discussed and the aim is to increase the social interaction with colleagues, which otherwise has remarkably increased when moved to remote work.

*“We have regularly virtual coffee breaks with all of the employees and otherwise it is important to maintain the same routines as in the office, but virtually.” -Superior 6*

One of the major challenges in remote work is social isolation from colleagues and the shortage of social relationships. This can lead to dissatisfaction with colleague relationships and isolation from the corporate culture. Employees might feel that the community they belong physically to in the workplace is not the same when working remotely (Gibson et al., 2002; Weisberg & Porell, 2011). In high-intensity remote work, when employees work remotely more than 2,5 days a week, according to studies it can cause damages in the relationships with colleagues (Belzunegui-Eraso & Erro-Garcés, 2020). These concerns were mentioned by the majority of the interviewees. Both superiors and subordinates mentioned that they miss the face-to-face interaction with their colleagues or clients. Even communication in general works well through online channels, it does not replace the physical and spontaneous discussions in the workplace.

*"In remote work you need to basically plan and schedule all the shorter meetings too and therefore, spontaneous clarification of matters and asking how others are doing is more challenging compared to when sitting in the office." - Subordinate 2*

*"Creating personal relationships in remote work is more challenging and you do not get to know people in the same way as in the office. The level of conversations in remote work is a very formal otherwise." -Subordinate 4*

*"I miss people around and the lack of social interaction is definitely a disadvantage of remote work. It is not the same even if you have a video on during online meeting, so there is a certain type of loneliness in remote work." -Superior 8*

Against what Ansman et al., (2014) mention about the easiness of social media platforms in networking, the interviewed superiors and subordinates found out that networking and building new relationships is more challenging when physical interaction is not present. This finding is different from the literature, since Ansman et al., (2014) suggest that with the help of digital tools it is possible to connect to people instead of using face-to-face interaction. Even social media and online platforms can be used in networking due their quick access to informal communication channels (Ansmann et al., 2014), interviewees consider networking being more challenging without physical interaction. Similarly, a good flow and share of information is not the same in remote work compared to conventional office work.

*"Networking and building new relationships are more challenging in remote work, because there is a total lack of body language that is present in physical interaction." -Superior 4*

*"In remote work it is more challenging to build new customer relationships. Additionally, building and maintaining networks requires more effort." -Superior 2*

*"When working with people, it is challenging that you cannot see them and their silent signals and therefore, it is more difficult to transmit silent knowledge forward." -Superior 9*

*“The absent of information flow and the share of information in a larger scale is harder in remote work.” -Superior 10*

Networking is often important for career development. In remote work when there are not the same opportunities for physical networking, the support of superior becomes increasingly important when it comes to subordinates' career development and next stages in their career when face-to-face networking possibilities are not similarly available in remote work.

*“A good leader’s characteristics is the ability to see new stages for subordinates in their careers and support them, especially now during Covid-19 there are no similar possibilities to networking as before.” -Superior 1*

In the literature it is stated that generally employees consider that sometimes the line between work and leisure time can be difficult to draw. Additionally, employees consider that the duration of the working days remotely are longer than a traditional day of work in the office (Carreras & Valax, 2010). Both superiors and subordinates considered that they worked longer hours remotely due to Covid-19 compared to time before. One explaining factor is that both subordinates and superiors needed to find out new ways and tools to solve problems. For instance, when physical meetings and fairs with customers were not available, employees were required to come up with new and suitable tools to continue working regardless of the abnormal situation. It required developing new technical tools to conduct customer meetings and fairs, since there were still the same goals to achieve.

*“A real challenge for me has been how to combine free time and work, because at home you are working all the time.” -Subordinate 3*

*“At the beginning I did not have an own working room at home, so the combination of work and leisure time was challenging.” -Subordinate 7*

*“In remote work we need to first be present in online meetings for 12 hours per day, which after I start reading and answering emails and therefore, working days are extremely long.” -Superior 1*

Whereas some studies state that remote work impacts positively on many employees' family relationships and decreases conflicts between family members (Gibson et al., 2002), families with school-age children are not as satisfied with the increased amount of remote work especially during Covid-19. During Covid-19 pandemic, the combination of remote work and taking care of children has been challenging for several employees, since the situation is not typical in normal remote work (Baert et al., 2020). Especially the majority of interviewed superiors emphasized that the new situation required new types of leadership skills. In remote work superiors were forced to learn more about subordinates' personal life and family situation, since several subordinates had kids at home during the Covid-19 that they were responsible for during the working day. It inevitably impacted on the work effort of subordinates and the level of concentration on work tasks during working days. Therefore, the information about their subordinates' private life situations helped superiors to better adjust to subordinate's situation and understand reasons behind arisen problems. The majority of superiors mentioned that their subordinates had challenges to conduct the required work tasks while taking care of children when play- and school age kids were at home. On the contrary, subordinates mentioned it was occasionally challenging to work fulltime from home and take care of children and their teaching at home. In some cases, the abnormal situation can cause problems in the trust between superior and subordinate.

*"In each online meeting, there is noise in the background, because in many families both parents and all kinds were at home simultaneously while working." - Subordinate 7*

*"In some cases, I am not 100% sure what my subordinates are actually working, since I am assuming they are working with projects, but not really sure in some cases or if they are away from the desk and doing something else." -Superior 5*

*"You need to know more about your subordinates' privacy issues, for example if they have kids at home while working and observe the challenges and problematic situations in time. Superior need to give the needed support in order to overcome these challenges and it requires more encouraging." -Superior 2*

*"Before I did not know about my subordinates' personal lifes as much as now, because the entire life, both work and personal life is at home at the moment.*

*Similarly, as a superior I share much more my own personal life to my subordinates what I have not done before.” -Superior 1*

An issue that is strongly emphasized in the literature is information security issues in remote work, but none of the interviewees did not properly mention it. According to Gibson et al., (2002), Holmes, (2008) and Weisberg and Porell (2011), one central concern among employees is information security, since the information employees work with might be sensitive and there is always a risk that it can be stolen when working remotely. None of the interviewees did not mention about the information security issues in remote work, even the existing literature emphasizes the topic. However, one of the superiors mentioned that there is a data protection risk, if employees are working in the collective traffic and not in the office.

## **5.2 The relationship and trust between superior and subordinate in remote work**

According to studies, leadership can have a positive influence on employee's well-being and health, but on the other hand, leadership can also be linked negatively to employees' stress level (Harms et al., 2017; Skakon et al., 2010). Therefore, it is extremely important to maintain a good and mature relationship between superior and subordinate when moved to remote work. In this thesis, the relationship and trust between superior and subordinate is explained by utilizing LMX model.

Furthermore, in LMX model, relationships between leaders and followers are categorized as either high quality or low quality relationships. In high quality LMX relationships, followers are in-group members with their superiors and followers receive more attention, trust, communication and support from their superiors. Therefore, employees feel valued and respected in the company (Hill et al., 2014). All of the subordinates mentioned having a good level of trust between their superior in remote work and almost all of the superiors mentioned they trust completely their subordinates in remote work. However, only a few superiors mentioned they are not completely sure what their

subordinates are doing in remote work, since some of them might exploit the remote work possibility wrong.

*“The level of trust is excellent with my superior in remote work, no one is there and watches after you constantly. My superior tend to rather ask how are you doing than asking how many hours you worked today.” -Subordinate 2*

Trust was considered being the most important element in the relationship between superior and subordinate in remote work. It implies that trust is needed from both sides of the relationship. Superiors need to give up some level of authority and allow more flexibility and responsibilities, whereas subordinates need to show that s/he is a worth of a superior's trust. These insights are somewhat in line with the literature, since according to Richardson (2010), trust is seen playing a more crucial role in leadership of remote workers compared to leadership of office-based employees. This can be mainly be explained, because in an office-based working environment, leadership of employees enables for direct observation, but in remote work more trust is needed (Richardson, 2010).

*“Remote work itself is a trust relationship between superior and subordinate, where subordinate is a worth of trust-” -Superior 2*

The majority of the interviewees mentioned that the relationship between their subordinates or superiors has not changed remarkably when moved to remote work. Therefore, it can be said that superiors and subordinates have managed to build mature leadership relationships, as the LMX theory emphasises (Graen & Uhl-Bien, 1995). In many cases subordinates are working in a global company and their relationship with superior has been online-based already from the beginning or subordinates work tasks consist mainly of projects, where project manager or project owner has a more important role than direct superior. Subordinates who have worked a shorter time in the company mentioned that the development of relationships between superior is more challenging in remote work. On the contrary, a positive implication on the relationship between superior and subordinates was found. However, some of the superiors mentioned that the

change in the relationship between their subordinates depends on the personality of subordinates. Whereas the relationship with some subordinates did not change much, the relationship with other subordinates changes remarkably, since some of them need significantly more support and guidance.

*“It depends on the individual how much the relationship has changed. With some of my subordinates the relationship has not changed significantly, whereas remote work for some of my subordinates is more challenging and they need much more guidance than before. With them the relationship has changed to a more coaching direction, when before it was more delegating.” -Superior 1*

*“In my case the relationship between my superior has not changed when moved to remote work, since my superior is located in the other country and therefore my superior does not daily follow what I am doing and the level of trust is 100%.” -Subordinate 1*

*“I would say the relationship with my superior has become closer when moved to remote work. I feel it is easier to take contact to my superior in remote work, because now the superior does not sit behind closed doors as in the office, but is available online like all other employees.” -Subordinate 4*

*“Yes it has changed, because I worked in the company for such a short time before Covid-10 arrived and I barely got to know my superior in that short time, so the relationship development has been more challenging and I would like to know my superior better.” -Subordinate 5*

As there is a bilateral relationship between the leader and the follower and the main focus is also on the development and maintenance of effective leadership relationships (Graen & Uhl-Bien, 1995), the interviewees pointed out the importance of building mature relationships already from the beginning with their subordinates. Superior has an extremely important role in maintaining the effective leadership relationships for instance asking regularly how subordinates are doing that is a part of development of effective leadership relationships (Graen & Uhl-Bien, 1995). If there is already a positive relationship between superior and subordinate, then a rapid shift to remote work did not impact that much the level of trust. It was also noticed during the interviews that relationship and trust building are more challenging for new employees who started

working in the company during or shortly before Covid-19. These employees require additional support from their superior, because the relationship development remotely is significantly different compared to in a traditional office working environment.

*“The relationship has not changed remarkably when moved to remote work, because the level of trust between my subordinates has been good already from the beginning and therefore the shift to remote work occurred naturally.” -Superior 8*

*“It is not just about remote work, it is also what your relationship was before remote work or in general. So I think if you already have a good relationship with your superior and s/he appreciates your work and you know that, then it is much easier to do remote work because you already have that kind of basis versus if you maybe don’t have such a positive relationship with your superior it is easier to feel that they don’t trust you because you already have the negative relationship.” -Subordinate 6*

*“It is important to keep regular contact with subordinates and not to leave them alone.” -Superior 6*

### **5.3 Leadership in remote work**

There are differences between traditional leadership and leadership in remote work (Kuscu & Arslan, 2016; Richardson, 2010). Additionally, for some superiors, it might be difficult to move from traditional leadership approaches to the required skills for a remote superior (Kerfoot, 2010). Since the popularity of remote work has increased remarkably during the recent years and it is estimated to grow even further, superiors should show more responsibility for working with followers who are not located in the same work location (Neufeld et al., 2010). The delivery of additional responsibility was noticed from the interviewees superiors and superior has an important role when it comes to recognition of additional advice and guidance. Similarly, the current situation caused by Covid-19 requires adjustment and from a superior point of view, positive feedback and positive leadership are emphasized in some of the companies. The difference between leader and manager becomes more apparent in remote work as in office work.

*“In remote work superior need to share additional responsibility to subordinates and it is important to notice that not all subordinates have the readiness to work completely independently. In remote work, I need to give much more extra advice on how to take additional responsibility and, since certain subordinates want to have more daily leading from superior.” -Superior 2*

*“Positive feedback and positive leadership are important, because the current situation was a shock for all and at the beginning everyone had challenges.” - Superior 10*

*“In remote work, it is easier to manage subordinates than lead them, implying superior need to give directions, vision and larger context and it is harder during these times. ” -Superior 1*

In the era of remote work, the difference between management and leadership has become more important than ever (Gibson et al., 2002). As in traditional office work, daily face-to-face interaction and meetings are not anymore available, but communications mostly occur through virtual communications tools (Richardson, 2010). The majority of the interviewed superiors and subordinates mentioned that the most important characteristics of a remote leader relates to the level of communication and to the ability to learn to know subordinates and their backgrounds better. When the communication between superior and subordinate is limited to online tools in remote work, it was noticed from the subordinate perspective to be completely present during online meetings in order to avoid misunderstandings.

*“Clear communication style and that superior share information remotely similarly as in office is important.” -Subordinate 3*

*“it is important both parts, superior and subordinate are present in online meetings.” -Subordinate 5*

On the other hand, if the communication is not clear enough and employees are unknown about the current performance level of the company, it can cause confusion among employees. Whereas the level of communication is crucial in the relationship between superior and subordinate, there should exist proper communication mechanisms also in the entire organization. Regarding communication between superior and

subordinate in remote work, there should be a clear balance between employees' autonomy and avoidant of micromanagement from superior's side (Rikhardson, 2010). Similarly, many interviewees pointed out trust and that micro-management is not suitable in remote work.

*"One of the issues my team has encountered is that the upper management team has not been as good in communicating how we are doing as a company and expressing the overall picture. I know well how my team is doing, but we do not have the same awareness of what the other people in their teams are doing these days, because we do not have formalized mechanism for how we would share this information, because before it was more formalized and we used to have the whole company meetings once a month where they gave us information how the whole company is doing and now this has kinda stopped since Covid-19."* -Subordinate 6

*"It is important that superior trust subordinates when they are not present, since micro management does not work in remote work ."* -Subordinate 7

*"Trust is extremely important from superior's side and superior need to trust that subordinates conduct the required tasks, because in remote work superiors cannot micro manage."* -Superior 8

Flexibility relating to working hours especially during Covid-19 was considered being an important factor of a remote leader, since several employees take care of the children at home while working remotely (Baert et al., 2020). Possibility to flexibility from superior was also noticed from the interviewed subordinates, since it has been challenging to conduct working tasks while taking care of children at home. Even one of the interviewed superiors mentioned that the role of calculated working hours will not play as important a role as they have played so far. In turn, instead of measuring working hours, the focus should be moved to subordinates 'productivity and it should be emphasized what subordinates have produced during the working day and not how many hours they have spent on conducting certain tasks.

*"For instance, if days are busy when kids are at home, it should be possible to conduct the working tasks also in the evening."* -Subordinate 2

*“Superior should understand being flexible for subordinates' needs.” -Subordinate 6*

*“The importance of working hours will decrease and subordinates working hours is not as monitored as it has been before. On the contrary, subordinates' productivity plays a more important role.” -Superior 2*

In the literature it is stated that differences in cultures, personalities and languages are seen as challenges in remote work communication (Mackenzie, 2010). On the contrary, a superior who is leading a remote work needs to have knowledge about languages and cultures especially if the workforce is diverse (Kuscu & Arslan, 2016). However, according to conducted interviews, there were no difficulties in communication based on employees' differences in cultures or languages. Only disturbing factors in communication between teams were technical interruptions during online meetings. The majority of interviewed superiors and subordinates had English as a corporate language, and it seemed not to encounter any problems in the communication across global teams. Additionally, in the cases where superiors were located in different countries than subordinates, no difficulties in communication was mentioned. As new skills are required from superiors in remote work, the role of subordinates regarding their initiative and ability to independent tasks becomes important. One of the interviewed superiors has noticed differences between cultures, when it comes to leadership of remote workers.

*“I have not encountered any problems in communication in a diverse team, because the business we work with is global and many of my colleague work in different countries so it has been online work and online communication already before Covid-19.” -Subordinate 3*

*“My team consists of different nationalities and the team is diverse, but I have not encountered communicate difficulties.” -Subordinate 6*

*“The role of independent work is being emphasized now and it brings forth the differences between cultures. Certain cultures are more independent when it comes to working habits compared to other cultures, where people wait for instructions from superior. In the current situation employees need to themselves acquire the required information regarding work tasks.” -Superior 10*

Lewis (2018) has pointed out that if employees are located in several locations, remote work is a suitable tool to accommodate time-zone differences. This statement was supported by the interviewees who are either working in another country or in a global business, since through remote work it is possible to accommodate time-zone differences and conduct meetings and be in contact with customers or colleagues who are located worldwide.

*"I basically work with cultures over all time zones and I have noticed that Europeans are not as flexible regarding deadlines or working over time, whereas employees in Asia and the United States are more flexible to work overtime when needed." -Superior 1*

*"Sometimes we have evening online meetings, because part of the team is located in USA and it is morning for them." -Subordinate 3*

#### **5.4 Factors affecting the superior-subordinate relationship in remote work**

In this thesis, four factors affecting the relationship between superior and subordinate were studied. Impacts of employee motivation, communication, career development and job performance on superior-subordinate relationships were investigated whether these factors have had either positive, negative or neutral impact on the superior-subordinate relationship when moved rapidly to remote work due to Covid-19. In general, it can be said that the majority of the interviewees consider that their motivation of subordinates is higher in remote work and the level of communication between superior and subordinate has increased in remote work compared to time before Covid-19. The increased level of communication has therefore strengthened the relationship between superior and subordinates, whereas motivation has strengthened only a few superior-subordinate relationships. On the contrary, career development and job performance have more neutral impact on the relationship between superior and subordinate and therefore, the majority of the interviewees mentioned that these two factors have not

changed their superior-subordinate relationship. Each of the factors and their impact on the superior-subordinate relationship is discussed separately. Additionally, factors explaining either a positive, negative or neutral impact on the superior-subordinate relationship in remote work are discussed.

#### **5.4.1 Employee motivation**

As stated by Carreras and Valax (2010), it is often voluntary to work remotely, but when it is not the case, the remote work is not perceived as positive when employees are forced to work remotely. Inevitably, several employees worldwide moved to remote work due to Covid-19, since governments in several countries imposed strict restrictions including a recommendation to work from home (Brynjolfsson, 2020). A rapid and partly compulsory shift to remote work has impacted on several employees' work motivation. Whereas some of the employees miss the social interaction and idea sharing with their colleagues implying their work motivation has decreased, others consider they can concentrate on better without interruptions and therefore, their motivation to work is higher in remote work than in the office. Different impacts on the working motivation was noticed both by interviewed superiors and subordinates. In general, several interviewees mentioned a rapid shift to remote work did not have any effect on their working motivation, mainly because they have at some extent worked remote before.

*"Maybe at the beginning my working motivation decreased a little bit when it was sluggish and the everyday remote work new, but now it is at the same level as before." -Subordinate 3*

*"I would say that the level of motivation to work is the same and sometimes even better when working home, since I prefer the freedom of remote work and can organize days better how I like." -Subordinate 6*

In general, motivating subordinates in remote work in accordance with the purposes of the company is one of the most important tasks for superior (Kuscu & Arslan, 2016). Organizational goals are something that motivate employees and therefore, plays a

remarkable role in the relationship and trust building between superior and subordinate (Conrad et al., 2015). In addition to neutral impacts on motivation, both negative and positive impacts on motivation were noticed by subordinates. However, the majority of subordinates reported having an increased motivation to work due to remote work. Remote work allows a certain type of flexibility that subordinates highly value. In addition to organizational goals (Conrad et al., 2015), other factors such as family-related issues motivated employees in remote work. Additionally, below mentioned motivators by subordinates can be categorized as internal drivers. because these motivators are subordinates' own desire to make an effort by enjoying the work activities (Kauppila, 2018).

*"My working motivation is higher, because I can better combine family life and work life when working remotely." -Subordinate 2*

*"The level of my working motivation is higher and I also work more productive during Covid-19, because I saw a lot of unemployment and lay-offs around me and it gave me the feeling that I need to work even harder." -Subordinate 7*

*"My working motivation is lower at some points, because it is motivating to be in the office with colleagues." -Subordinate 5*

From a superior perspective, the majority of their subordinates' motivation level has increased when moved to remote work. However, the personality of subordinates plays a role in who they perceive the possibility to remote work.

*"The level of motivation depends on the subordinate. I would say that high performance subordinates have remarkably increased their performance level due to increased motivation and they have even started studying a new degree while working. However, average performance subordinates needs more guidance and have even taken an advantage of remote work situation." -Superior 1*

*"In general I would say the level of motivation of my subordinates has maintained the same, but I have noticed that some of them are more motivated, because they do not need to spend much time on commuting to work and therefore they are more effective." -Superior 3*

*"Many of my subordinates consider that their motivation to work is higher, because they can focus better at home than in the open office at work." -Superior 7*

*"Subordinates' motivation has increased and the amount of conflicts has decreased in remote work and it has a positive impact on the working atmosphere." -Superior 8*

It was also noticed that some of the employees miss back to office, where their motivation is higher than in remote work. At the beginning when rapidly moved to remote work, employees might enjoy the advantages of remote work. However, after a certain amount of time, disadvantages, such as the lack of social interaction becomes visible and it can negatively impact on employees' work motivation.

*"At the beginning remote work was not a problem, but now employees are happy to be back at the office. It is more difficult to maintain the same output and the same workload if you don't have this daily contact with your manager and coworkers." -Superior 5*

Motivated employees are crucial to organizational success. In order to be successful in generating employee productivity and well-being in the workplace, it is necessary for superiors to identify the most essential motivators and make sure that these motivators are present for employees and part of the leadership approach and system (Conrad et al., 2015). Interviewed superiors pointed out.

*"When we moved to remote work, the company has supported us by offering good working equipment, such as screens and office chairs that we can acquire at home. It increases my working motivation work in remote work, since I notice that the company has offered help with ergonomic issues and that we are able to work ergonomically correct also at home." -Subordinate 1*

*"Freedom to build your working days and not needed to work from 8-16 each day definitely increases my motivation." -Subordinate 3*

Since interviewed superiors have noticed the differences in subordinate's motivation level when moved to remote work, it is also important for superiors to recognize the best tools to maintain subordinates' motivation high also in remote work. During the

interviews, superiors pointed out public recognition, when the excellent work of subordinates is noticed as broadly as possible in the organization. Superiors have noticed public recognition being a suitable tool to increase their subordinates' motivation especially in remote work, when the outcome of performance of employees is not as visible as in office work. It is also important to be close to subordinates and focus on not work-related activities outside of the office that increase commonality among employees. These points are something Mckeegan (2018) have pointed out, since in order to ensure that each subordinate feel valued and appreciated, it is important for superior to remember employees regularly and especially outside of the performance-review process.

*"We have noticed that the best way to increase subordinates' motivation to work is public recognition, implying they receive an additional acknowledgment and that we share their success stories so that as many as possible hear it. During these times it is important to share promotions and try to help subordinates understand that Covid-19 is not the end of the world."* -Superior 1

*"Showing trust to subordinates is important in addition to honest feedback including supporting and instructive critique. If there are excellent performances, it is important to notice them during meetings or feedback sessions."* -Superior 4

*"I believe in immediate leadership that superior is close to subordinates and we have more often one-to-one discussions than in the office . Additionally, we have extra fun activities also outside of the work and we build workplace communality"* -Superior 9

However, there have also been challenges on how to balance between subordinates' motivation and wellbeing during Covid-19. This is in line with what Mckeegan (2018) emphasizes about the need of rest, since it is important to recognize the need to take time off by encouraging subordinates to do so.

*"A real challenge from a superior point of view is how to maintain subordinates' motivation to work during crisis situation when the amount of work decreased, but on the other hand how to monitor subordinates well-being when the amount of work tasks increased after the worst Covid-19 situation."* -Superior 2

Even the majority of subordinates mentioned having the same or increased motivation level when moved to remote work, it has not remarkably impacted their relationship between superior. Many subordinates mentioned that their superior is located in different cities or in different countries and the superior-subordinate relationship has been remote already before Covid-19. These subordinates might meet their superior occasionally, often only a few times a year and due to Covid-19 even rarer. At the beginning of the work, subordinates might have seen their superior more often, but after that the superior-subordinate relationship has been online-based. Since communication occurs through online channels, it might be that superiors do not notice the increased or decreased level of motivation. Similarly, the majority of interviewed subordinates work at specialist level and the work tasks are relatively independent. The majority of interviewed subordinates have worked remotely already before Covid-19 and therefore, they are used to remote work. In this study the shift has not been as large as for employees who have not worked remotely or very limited before Covid-19. Thus, employees who have previous experience in working remotely can be more adaptive to a new working environment, in this case to work 100% remotely as all of the interviewed subordinates did straight after the worst Covid-19 breakout. Since employees at specialist level positions and with previous remote work experience are more used to changing working environments, it can be assumed that they master the change better and therefore, a rapid change to remote work has not remarkable impacted superior-subordinate relationships.

As mentioned before, for the majority of the subordinates' work tasks are relatively independent and there is no need for constant monitoring by superior. It was mentioned by the interviewed subordinates that either their role or job task in the company was so independent or project-based that the support of superiors was not needed daily. Since superiors are not included in everyday work tasks, the changed motivation level has not necessarily reached superior. Additionally, when peoples' home becomes closer to the work environment, since work is mainly conducted from home, subordinates are not as willing to share their personal feelings as in office work. It partially explains why the

superior-subordinate relationship remained relatively neutral, because the share of emotions and feelings is more limited in remote work. Similarly, as mentioned before by several superiors and subordinates, the level of communication remained relatively formal and it has in turn resulted in no major impacts on the superior-subordinate relationship.

*“We already had an online-based relationship with my superior before Covid-19 and the level of communication has been quite formal. Therefore, the impact has been neutral, not better but not worse either.” -Subordinate 2*

*“The relationship has still been the same regardless of the motivation level.” -Subordinate 5*

Only one subordinate mentioned that the increased working motivation has strengthened the relationship between superior. An explanation for a strengthened relationship between subordinate and superior is that the subordinate has been able to better show the ability to work independently and conduct the same work tasks even better remotely than in the office. Also, from a superior perspective, the impact of subordinate’s motivation has been neutral with no major impacts. Main explanations why the motivation level of subordinates has neutrally impacted the superior-subordinate relationship is the same as several subordinates mentioned. Since subordinates’ work tasks are relatively independent, there is no need for a superior to be present in everyday work. However, one superior noticed the differences in the relationship between subordinates and the impacts largely depend on the subordinate’s personality.

As mentioned previously in the thesis, it is important for a superior to take subordinates’ personalities into closer consideration than before. Subordinates’ personalities largely determine how they adapt to remote work, since for some employees the shift to remote work might occur naturally without any major problems, whereas other employees can have more difficulties to adapt to new working environments. If subordinates’ have kids at home and there are other interruptions, the level of motivation might be lower. However, the main explanations why the superior-subordinate relationship remained

relatively neutral when moved to remote work were that the relationship was online-based from the beginning, subordinates work at specialist level, where the everyday support of superior is not probably needed, subordinates' are used to work remotely before Covid-19 and in remote work the level of communication is more formal, when the increased or decreased motivation level is necessarily not transmitted to superiors. Additionally, even the interviewees are from several countries or work in a multinational corporation, all of them work in a western world corporation culture, where hierarchy level is not relatively high, and the organizational structure is flat. In can in turn impact that subordinates are close and equal to their superiors and therefore, the level of the motivation has not remarkable impacted the superior-subordinate relationship in remote work.

*“The impact of motivation depends on the individual. I dear to say that with 70% of my subordinates, their increased motivation has positively impacted on the relationship between us, but with the ones who have problems in remote work the relationship has become more challenging.” -Superior 1*

#### **5.4.2 Communication**

In remote work daily face-to-face interaction and meetings are not anymore available and communications mostly occur through virtual communications tools (Richardson, 2010). Traditional social communication, such as exchanging greetings and personal information are important factors in developing trust between superior and subordinate (Henttonen & Blomqvist, 2005). Clearly two different kinds of answers emerged from the interviews regarding the amount of communication in remote work compared to when working in the same office space. For some superiors and subordinates, the level of communication has maintained the same, however the communication is not anymore as spontaneous, and it is more structured than in office work. On the contrary, several superiors and subordinates noticed that the amount of communication increased in

remote work. Two subordinates reported having the level of communication decreased with superior when moved to remote work, but only a little bit. The majority of the interviewees mentioned that it is easier to take contact with others in remote work through online channels and none reported having problems on building trust and relationships due to tight schedules of employees as Henttonen and Blomqvist (2005) states.

*“The level of communication has decreased in remote work. Before we had discussions during coffee breaks with my superior and now mainly work with projects, where my superior is not that much involved.” -Subordinate 2*

*“Communication has decreased with my superior, since in the office we shared the same office space. Now we basically only talk when we have questions and interact when there is a need to and not when you are bored.” -Subordinate 5*

*“The level of communication is the same as before, except at the beginning of Covid-19 my superior asked more frequently how are we doing and if there is anything we need help with so we could contact the superior.” -Subordinate 1*

*“The level of communication has increased and we are in contact a few times a week that is more often than before.” -Subordinate 4*

Social aspects of communication are reduced in communication between employees that occurs through electronic media (Cartwright, 2003). It is calculated that for every one hours meeting, at least four hours proper preparation must be done in order to conduct a virtual meeting effectively (Kerfoot, 2010). The interviewed superiors noticed that the communication between subordinates is more organized and systematic in remote work. Only one of the interviewed superiors considered that more preparation is needed when preparing for virtual meetings as Keroof (2010) states. On the contrary, the easiness of online communication was emphasized by several superiors. As Cartwright, (2003) states about the lack of social aspects in communication through electronic media, several superiors and subordinates pointed out the formal level of conversation and the lack of social aspects their communication.

*The level of communication with my subordinates has increased and the communication is more systematic. We have one to one discussions once a week, but online.” -Superior 1*

*“As a team we have meeting remotely each week, but one-to-one discussions with subordinates are once a month, when I hope that subordinates bring forth issues they want to discuss about.” -Superior 7*

*“In remote work the adequate amount of communication is important. I am more frequently in contact with my subordinates in remote work than in the office and I also make sure that I am enough close to my subordinates even online and they feel free to contact me anytime.” -Superior 9*

*“Communication is challenging in remote work, since you have to work while you have to schedule for teams meetings, you have to call more often and insure that you get the contact with each one of them so you don’t forget someone, so it is better in the office” -Superior 5*

Communication is considered being the second most important competency for a remote superior, since proactive and open communication is needed regardless of the location of subordinates (Ziek & Smulowitz, 2014). Superiors in remote work might have more difficulties in building high levels of communications effectiveness, since they need to use more explicit communication compared to superiors in the same location (Neufeld et al., 2010). Regular communication between superior and subordinate impacts positively on the trust between superior and subordinate. Superior’s communication with subordinates should be regular in order to get a proper picture of subordinates’ daily work (Henttonen & Blomqvist, 2005; Savolainen, 2013). For the majority of the superiors and subordinates the adequate level of communication in remote work has impacted positively to their superior-subordinate relationships. Superiors have understood the importance of frequent communication between subordinates in order to avoid trust to disappear and subordinates seem to appreciate additional communication with their superiors in remote work.

*“There is a positive impact, because communication is more active and subordinates are more open about their privacy issues. Some of my subordinates require more frequent communication, whereas others are more independent and therefore as a superior it is important to consider subordinates and their needs as individual.” -Superior 2*

*"I feel closer to my subordinates, because we talk much more non work-related matters and they are more about their issues than before." -Superior 9*

*"The level of communication has impacted positively to the relationship between me and my superior, since during meetings we do not only discuss work-related matters, but we also issues outside of the work. Therefore, I feel I have learnt to know my superior better." -Subordinate 1*

*"In a way the relationship has become closer, because I get more sparring from my superior." -Subordinate 7*

*"The relationship between my superior has strengthened, and my superior has become a greater support for me whereas before the support mainly came from colleagues" -Subordinate 4*

Several factors can impact the strengthened relationship between superior and subordinate caused by communication. Even some of the interviewees have mentioned that the level of communication is formal, it is more frequent than in office work. Subordinates and superiors feel satisfied, because also no work-related matters are discussed, and employees have been able to know each other's personalities better. Whereas before superior was only a supervising person for a subordinate, now there is a new personality behind the role of superior. Subordinates have learnt more about their superior's personal life and vice versa, superiors have understood better different factors from private life that can have impact on subordinate's performance.

Additionally, some of the interviewees mentioned that since they are working in a global company and the communication between superior has occurred online already before Covid-19, a rapid shift has not impacted that much the superior-subordinate relationship.

From a superior perspective why the relationship with subordinates has strengthened is that superiors have worked in the company relatively long and they have a broad superior experience in years, and therefore, they know how to handle new kinds of situations and are more prepared for exceptional circumstances. Here, the superior experience plays a central role, since experienced superiors know how to support and be in contact with their subordinates than superiors that have not much experience with subordinates.

As stated in the literature, regular communication is important in remote work and experienced superiors have understood the importance of communication with subordinates. Since the Covid-19 situation is new for everyone, superiors have had the ability to take the role of subordinates and support them more through more frequent communication than in office work.

Additionally as some of the superiors have mentioned, the job level of subordinates also has impacted the superior-subordinate relationship, since junior levels subordinates need more help and support from superior in remote work, whereas subordinates at senior level are more independent and they can adjust to changing working environments better.

The size of the company has also impacted the superior-subordinate relationship. According to interviewees, superiors and subordinates who worked in a large or global company, the level of communication has not largely impacted the relationship between superior and subordinate. In large and global companies, the communication between superior and subordinates have not been as frequent as in smaller companies. In smaller companies, superiors and subordinates used to physically communicate with each other and therefore, in remote work when communication mainly occurs through electronic channels, the impact is greater on the superior-subordinate relationship.

However, even for smaller firms the impact on the superior-subordinate relationship was mainly positive and subordinates were satisfied with the level of communication also in remote work. Thus, the main explanations why the communication in remote work has impacted positively on superior-subordinate relationships are the fact that superiors have understood the importance of communication and their attitude to more frequent communication has changed in remote work. Communication is more organized, and subordinates have been satisfied that they have been frequently updated.

Other factors explaining the positive impact on superior-subordinate relationships are the large superior experience and the knowledge how to act in exceptional circumstances. Superiors in this study have several years' experience being a superior and therefore they know how to communicate with subordinates also during Covid-19. Additionally, superiors have learnt to know subordinates' personalities better and vice versa and the size of the company has impact to some extent.

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#### **5.4.3 Career development**

Whereas employee well-being and career development have become extremely important, (Akkermans et al., 2015), today employees feel they need to be constantly available to their work in order to emphasize dedication to career development (Ernst Kossek et al., 2012). Therefore, it can be stated that employees have a greater responsibility for their career development, because according to Watts (1996), careers are owned by the individuals nowadays. On the contrary it is also stated in the literature that, companies are willing to put a large emphasis on careers, because they believe that it is valuable for them (Hoekstra, 2011) and companies are constantly required to develop talent management strategies, such as personal development plans (Lejeune et al., 2018). Therefore, it can be said that at some extent subordinates are responsible for their own career development and learning, but on the other hand companies should support development opportunities. This was largely noticed by interviewed superiors and subordinates, because some of the subordinates consider that their own responsibility for career development and learning has increased and due to financial reasons, companies might not be able to offer as comprehensive development and learning opportunities for employees as during the time before Covid-19. The responsibility of employees is also emphasized in the literature, since Hoekstra (2011) and Akkermans et al., (2015) states that it is the responsibility of employees to manage their own careers and they should be able to discuss proper opportunities for career development and employment conditions.

*“During the time of remote work, subordinates' development and learning depends much on their own enthusiasm.” -Superior 3*

*“Career development is about yourself and about that you announce that you want to learn more and participate in certain training sessions.” -Subordinate 2*

*“The possibilities for career development have not worsened. However, my superior has emphasized the development of own working and each year individual development targets are imposed.” -Subordinate 1*

According to interviewed superiors and subordinates, some of the companies that have not been affected largely by Covid-19 have been able to maintain the same level of development and learning opportunities for employees as before. On the other hand, some of the interviewees mentioned that restrictions have been imposed on development opportunities and it is even forbidden to participate in external training sessions mainly due to restrictions on company's budget that Covid-19 has caused.

*“Due to restrictions in company's budget, we have not been able to participate to the trainings sessions we were supposed to.” -Subordinate 2*

*“All external training, such as seminars have been cancelled and there is a prohibition not to participate in any seminars outside of the company. All training sessions are now conducted virtually.” -Superior 10*

*“At the beginning it felt that everything was on hold and more online tools were used for development. Additionally, at the beginning of Covid-19 when people were working from home, development was quite limited. We have tried to find new tools, for example good online training and team work tools with cameras. You can compensate of course if you have good strategy and good packages” - Superior 5*

*“Before Covid-19 we have been able to participate in different training sessions quite freely, but now there are tighter restrictions regarding participation of training, because the company is stricter with expenditure. However, it is not forbidden to participate, but you need to rethink the need more precisely than before.” -Superior 3*

One of the subordinates pointed out that not always explicit training sessions are needed in order to support employees' career development and learning. On the contrary, increased responsibility for one's work tasks is a good way to develop working skills and habits.

*"I consider the best way how my development and learning have been supported in remote work is when I got more responsibility about the new projects and I was allowed to plan and modify them how I liked. So, I have got more responsibility and for real I had to ponder issues on my own."* -Subordinate 7

However, as above mentioned, in some companies there were still the same, or even better possibilities to learn and develop regardless of Covid-19. In addition to development and learning in career, career progression was emphasized both from superior and subordinate points of view. Even we live Covid-19 crisis time, it is important to remember to discuss about next stages of subordinate's career

*"In the office there was more face-to-face training and it was beneficial, now under Covid-19 the same training is online and we have access to them, so I would say we get the same support for learning also remotely. When it comes to career progression, we have to same discussion on going relating to career possibilities and development also online as when working in the office."* -Subordinate 3

*"We offer trainings to the entire personnel relating to employee well-being, for example how to lead yourself and how to work remotely so that employees' mood is remained high and they find the right tools for remote work."* -Superior 7

*"We also want to take care of development and learning during Covid-19 and we have developed a new kind of training, for instance training session on how to arrange and conduct a customer meeting online, that before thought sounded unnecessary."* -Superior 9

*"Generally, in the country where I live, if you want to move on in your career, you need to work hard and be active. Due to Covid-19, we have reserved our employees two hours per week for self-learning when they can develop themselves. During these two hours, no emails or other work tasks are done. Subordinates can choose the learning topic and they can study for example diversity*

*and inclusion in order to better understand different cultures and backgrounds.”*  
*-Superior 1*

Companies can furthermore support employees' career development by providing responsive and flexible learning systems (Watts, 1996). The majority of interviewees mentioned that increased or decreased possibilities for career development have not impacted on the superior-subordinate relationship. A few interviewees however mentioned that the support for development and learning has positively impacted the superior-subordinate relationship. The main factors explaining the neutral impact on superior-subordinate relationships are partly similar as in the motivation section. Since the majority of the interviewed subordinates work at specialist level, there is no similar kind of need for constant training and development opportunities as might be at junior levels. Junior level employees could have experienced the absence of development and training possibilities affecting more negatively the relationship between superiors, whereas specialist level subordinates did not experience that large impact on the superior-subordinate relationship. Additionally, the fact that only one subordinate had a new superior during the last six months and all the other subordinates have had the same superior longer can impact that they have been able to build mature high-quality relationships. Therefore, the impact of opportunities to career development in remote work remained neutral on the superior-subordinate relationship. On the other hand, as mentioned by several subordinates and superiors, it is more the subordinate's duty to be responsible for own career development and learning. It was considered by the interviewees that especially in remote work subordinates need to be more enthusiastic for their career development possibilities and therefore the role of superior in subordinate's career development and learning is lesser.

*“There is no impact on the relationship between me and my subordinates, however the worsened economic situation can make the participation in trainings even more difficult.”* -Superior 7

*“Because I have been able to conduct more responsible and challenging work tasks independently in remote work, it has positively increased trust between me and my superior.”* -Subordinate 7

*“Reverence of learning strengthens the superior-subordinate relationship. Generally, it affects positively to corporation culture when subordinates officially have a permission to study and develop themselves during working hours and when all superiors support to do so.” -Superior 1*

#### **5.4.4 Job performance**

Several superiors experienced that holding performance levels at a proper level is one of the challenging aspects in remote work (Richardson, 2010; Ziek & Smulowitz, 2014). Regardless of the unexpected Covid-19 situation and a rapid shift to remote work, the majority of the interviewed subordinates mentioned having the goals as before. Similarly, nearly all of the interviewed superiors mentioned their subordinates should maintain the same performance level as before Covid-19. Therefore, it can be said that even Covid-19 changed the way how, when and where work tasks are conducted, generally there have not been changes on the expectations of employees’ performance level.

*“We have the same expectations regarding performance level, and they were not changed even we moved to remote work.” -Subordinate 2*

*“I have the same goals as before and from my opinion, there are better opportunities to achieve the targeted goals in remote work than in office work. I also feel I have a better capacity to achieve my goals in remote work.” -Subordinate 7*

*“We assume the same level of performance as before. Transient declines might occur, but otherwise subordinates’ performance should be the same.” -Superior 2*

Even though companies have not stated that employees should perform above their own level, one subordinate considers that during Covid-19 it is better to perform better than normally.

*“Since I am working quite independently, I consider that I need to be above expectations.” -Subordinate 5*

However, one superior mentioned that due to current Covid-19 situations, organizational goals need to be rethought and they cannot expect subordinates to perform exactly at the same level as before. Similarly, one of the subordinates noticed that they will not be able to achieve the targeted goals due to Covid-19, but instead new goals were set.

*“At the beginning of Covid-19 there was a need to be more flexible regarding work tasks and deadlines, since the majority of my subordinates were teaching their kids at home while working. Therefore, we cannot expect the same results each month as before Covid-19.” -Superior 10*

*“Some of my goals will not happen due to Covid19, but instead of the old unfulfilled goals new goals have been set. Therefore, the level of performance will be the same regardless of whether we work remotely or in the office.” -Subordinate 1*

Even though there are the same goals to achieve during Covid-19 as time before, some challenges were identified that can make the achievement of goals even harder. Since employees in remote work are not as much in interaction with others as in traditional office work, the lack of receiving and interpreting important data can have a negative impact on employees' job performance. This is especially the case for those employees who spend considerable time in remote work and have limited access to face-to-face interaction in their work (Golden et al., 2008). This was emphasized by a few interviewees who work closely with customers and customer meetings are a large and central part of daily work. Difficulties in virtual customer relationships have also impacted achievement of goals. On the contrary, new ways and tools to solve these problems must have been considered and it has in turn increased innovativeness.

*“A real challenge is new customer sales virtually, because we cannot meet customers physically. It has negatively impacted our sales.” -Superior 10*

*“Even though we have the same goals in sales, it has not been the easiest to achieve them. It has impacted on the numbers and therefore on the performance.” -Superior 9*

*“As a sales team we have a lot of challenges especially because we sell physical items. We have not been able to participate in fairs or meet customers physically, but still we have the same goals. Therefore, we have had to be very creative*

*when it comes to new solutions. At the beginning it was extremely hard and even distressing when we had to figure out the new ways of working, but now after we have found the new tools, it is much easier. And now we know how to sell our products in a new virtual world.” -Superior 1*

Limited access to face-to-face interaction and its negative impact on employee performance (Golden et al., 2008) does not only apply to employees working closely with customers. It has also affected the quick knowledge sharing in the office that was considered being more difficult to get access in remote work. It has a risk that certain work tasks and projects do not go forward as assumed.

*“Cooperation and quick questions from the person sitting next to you, such as: ‘Hi, how should I do this?’ that are possible in the office are slower available through online channels than in office work.” -Superior 4*

*“In remote work it is more emphasized that if you don’t directly know who to ask for more information or find someone who could know more about your issue, you can be easily alone and don’t know how to search for help, which can be a risk because projects do not then necessarily go forward. It is not as easy to randomly ask someone in the chat as ask physically someone in the office.” -Subordinate 4*

Additionally, at some points monitoring of employees can be more challenging in remote work than in office work. New systems to better monitor subordinates’ performance must have been developed in order to follow them. Superior’s role and pure interest about subordinates’ tasks was also considered being relevant in remote work.

*“We had to develop a new monitoring system for remote work, when we see who is doing what and when. Additionally, we need to be more interested in what subordinates have done during their working day.” -Superior 2*

In remote work, performance discussions are often video-conferencing sessions and therefore one-on-one coaching sessions are a useful tool to discuss about subordinate’s performance level (Kerfoot, 2010). Lewis (1998) emphasizes adequate performance

measurement tools also in remote work and superior need to clearly state outcomes and expectations in advance for subordinates. This is extremely important in order to understand misunderstandings, that one of the superiors pointed out.

*“In some cases people have not understood what is expected from them, need to be extremely clear about the expectations.” -Superior 5*

In general, the impact of job performance in remote work on superior-subordinate relationships were neutral and the majority of the interviewees consider that because there are still the same expectations in the subordinate's performance level, it has not affected the relationship between superiors. Main factors to explain why the job performance in remote work did not remarkably impact the superior-subordinate relationship is that there were the same goals in remote work as in office work. Similarly, the majority of interviewees considered that they were able to achieve the same goals in remote work as in office work and therefore, the impact on superior-subordinate relationships was neutral. As mentioned in previous sections, senior-level employees can better adapt to Covid-19 situations and based on their experience, they can better find the new tools to survive from exceptional circumstances compared to junior level employees.

*“It has not impacted the relationship between me and my direct subordinates, because they are all so seniors and understand the Covid-19 situation. However, your employees are more uncertain and they want to acquire more information about the market situation.” -Superior 9*

*“Subordinates’ goals have not impacted the superior-subordinate relationship, because we have had it very clear that we have the same goals. It required more from myself as superior understanding, because we had to figure out how to act in a new normal.” -Superior 1*

*“No impact on the relationship and otherwise my superior is quite honest about difficulties and there is an open dialogue between us.” -Subordinate 6*

On the other hand, both positive and negative impacts were found. Whereas the achievement of goals in remote work is more challenging for someone, others have been

able to feel success when it comes to better achievement of goals than expected. The job performance in remote work has impacted positively the superior-subordinate relationship, because due to Covid-19, expectations on job performance might not have been as high as in normal circumstances, a better job performance than expected has led to a strengthened superior-subordinate relationship. For some industries, such as sales and marketing, the challenges of achieving the same goals has been more challenging mainly due to lack of physical contact with customers. Thus, maintaining the same job performance might have negatively impacted the superior-subordinate relationship. Explaining factors for this are that employees are more uncertain how to maintain the same level of job performance and it requires more emphasis from a superior perspective.

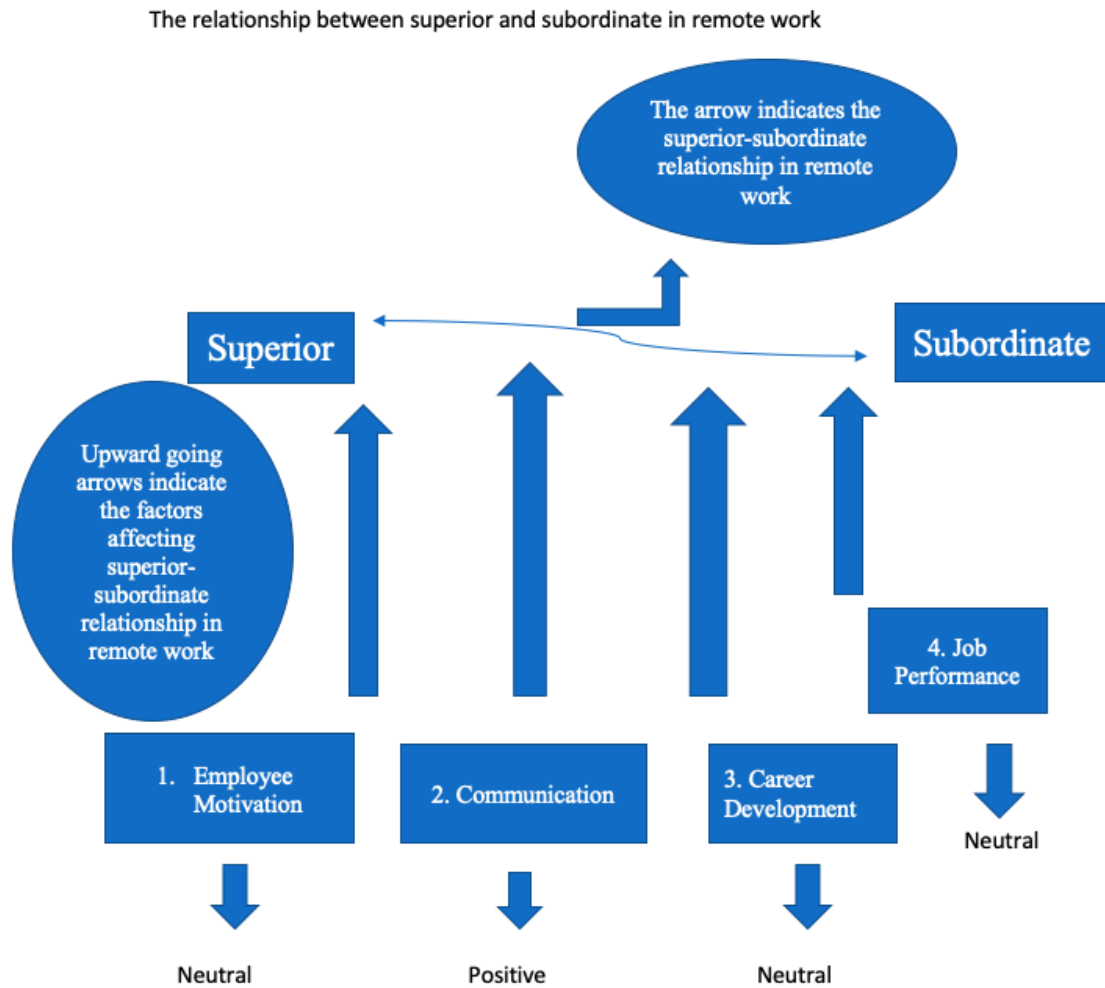
*"We have received positive feedback from our superiors regarding performance levels and the goals have been achieved above all expectations, since in remote work it was assumed that we are not able to maintain the same performance level. It has positively impacted the relationship with my superior." -Subordinate 2*

*"It has impacted, because for some subordinates it has been challenging to achieve goals." -Superior 10*

## **5.5 Revised theoretical framework**

At the end of the literature review chapter, a theoretical framework for this master's thesis was presented based on the existing literature. After analysis of the data, a revised theoretical framework is provided based both on the existing literature and the empirical findings of the study. As is demonstrated in the figure 3 and found out from the empirical findings of the study, out of the four identified factors, employee motivation, career development and job performance did not remarkably impact on the relationship between superior and subordinates when rapidly moved to remote work due to Covid-19. On the contrary, communication was the only factor that remarkably impacted positively on the

relationship between superior and subordinates when rapidly moved to remote work due to Covid-19.



**Figure 3.** Revised theoretical framework

## 6. Conclusion

The previous chapter presented and analyzed the empirical findings of the study with the light of relevant literature. The final, conclusion chapter provides a summary and the key findings of the empirical findings while answers to the research question. Additionally, practical implications, limitations of the study and suggestions for future research are presented.

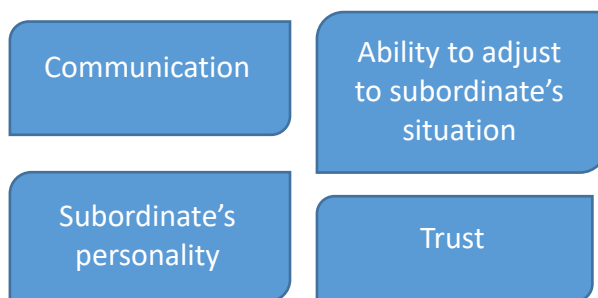
### 6.1 Summary and the key findings

This study explores the role of leadership and the factors that have impact on the relationship between superior and subordinate when rapidly moved to remote work due to Covid-19. This study reveals how a rapid shift to remote work impacted the superior-subordinate relationship generally and whether different factors, namely employee motivation, communication, career development and job performance impacted positively, negatively or neutrally the relationship between superiors and subordinates. This study was conducted to answer the following research questions:

1. *What are the factors for superior to consider when rapidly moved to remote work during Covid-19?*
2. *How has the identified factors impacted on relationship- and trust building between superior and subordinate in remote work?*

The theoretical base to describe the relationship between superior and subordinate in this thesis is the LMX model (Cogliser et al., 2009; Graen & Uhl-Bien, 1995). According to Hill et al., (2014), in the LMX model relationships between superior and subordinate are either high quality or low quality relationships. In this thesis, the results revealed that trust was seen as one of the most crucial elements in the relationship between superior and subordinate in remote work. Several interviewees mentioned that the

relationship building from the beginning is important and therefore, the shift to remote work did not remarkably affect the relationship between superior and subordinate. Therefore, it can be said that the relationship between superiors and subordinates of interviewees are high quality relationships that is one explanation why the majority of the investigated factors, motivation, career development and job performance did not remarkably impact the superior-subordinate relationship in remote work. This study reveals that the most important factors superiors need to take into consideration when moved to remote work is adequate amount of communication and support. This statement was also supported in the literature, since according to Baert et al., (2020) Adequate support and guidance to remote work from superior is seen a critical condition for a success in remote work. Additionally, Richardson (2010) and Ziek and Smulowitz (2014) have pointed out the importance of adequate communication. Some subordinates require more guidance and support from superiors, whereas other subordinates are more independent than others. This depends largely on the subordinate's personality and in remote work superiors need to take into consideration carefully the needs of different perspectives. Ability to adjust to subordinate's situation is important for superiors, since it facilitates superiors to better understand subordinate's private life and the possible difficulties in conducting work tasks remotely. Trust was considered being the most important factor in remote work, since superiors need to give up some authority and give more responsibility to subordinates. Therefore, in order to answer to the first research question, the most important factors for superior to consider when rapidly moved to remote work are communication, subordinate's personality, ability to adjust to subordinate's situation and trust. The factors are collected in the figure 4.



**Figure 4.** The most important factors for superiors

In the existing literature, the chosen factors in this study, employee motivation (Conrad et al., 2015; Kauppila 2018), communication (Henttonen & Blomqvist, 2005; Holmes, 2008), career development (Gibson, 2002; Lejeune et al., 2018;) and job performance (Kerfoot, 2010; Richardson, 2010) have been separately studied, but not in one study. Similarly, the impact of these factors on superior-subordinate relationships solely in remote work has not been studied before.

In this study, it was revealed that each of the chosen factors have impacted the superior-subordinate relationship either positively, negatively or in the majority of cases neutrally, implying that these factors play no significant impact on the superior-subordinate relationship except communication. Out of the four factors, communication seemed to play the most significant role in the relationship between superior and subordinate, because the majority of the interviewed superiors and subordinates considered that the increased communication in remote work has strengthened the superior-subordinate relationship. Three remaining factors, employee motivation, career development and job performance did not remarkably impact the superior-subordinate relationship. Next each of the investigated factors are discussed separately and answers to research question are provided both from superior and subordinate perspectives.

When considering the first factor, employee motivation, it can be mentioned that the level of motivation of subordinates in remote work did not remarkably impact the relationship between superior and subordinate from both perspectives. To answer the research question, the impact was therefore neutral from both superior and subordinate perspective. However, one superior mentioned the relationship has changed either to a positive or negative direction depending on the subordinates' personalities. Similarly, one subordinate mentioned that increased motivation level in remote work positively impacted the superior-subordinate relationship due to increased responsibility on work tasks and the ability to conduct work tasks as productive as remotely than in office work.

Therefore, trust between subordinate and superior increased and it in turn impacted positively on the superior-subordinate relationship. As a conclusion it can be stated that the employee motivation factor in this study seemed to play either facilitating or complicating factor when it comes to the relationship- and trust building between superior and subordinate in remote work, since according to the study results the impact was from the major part neutral.

When it comes to the second factor, communication between superior and subordinate in remote work, this factor seemed to have the most significant impact positively on the relationship between superior and subordinate. The majority of the interviewees mentioned that communication increased and was more frequent in remote work that has led to a positive impact on the superior-subordinate relationship. Superiors noticed the importance of more frequent communication in remote work compared to office work. Similarly, several subordinates mentioned they learnt to know their superiors and their personalities better, and behind the superior role, there is an individual. Interviewed subordinates considered that it has positively impacted the relationship with their superiors. To conclude the impact of communication in remote work on the superior-subordinate relationship, it can be mentioned that this factor had the most significant impact on the relationship between superior and subordinate. Communication was namely the only factor that significantly positively impacted the superior-subordinate relationship. To answer the research question, the impact on the superior-subordinate relationship was therefore positive from both superior and subordinate perspective. As a conclusion it can be stated that the communication factor in this study seemed to play neither a facilitating factor when it comes to the relationship- and trust building between superior and subordinate in remote work, since according to the study results the impact was from the major part positive.

The third factor, career development, has not significantly impacted the superior-subordinate relationship. Even though there were less possibilities to career development and learning opportunities in remote work due to Covid-19, the majority of the interviewees

mentioned it has not affected the relationship between superiors and subordinates. However, a few interviewees however mentioned that the support for development and learning has positively impacted the superior-subordinate relationship. To conclude the career development factor, it can be stated that even in the study there were a few positive impacts on the superior-subordinate relationship, the overall impact still remained neutral. To answer the research question, the impact was from the major part neutral from both superior and subordinate perspective. As a conclusion it can be stated that the career development factor in this study seemed to play neither facilitating or complicating factor when it comes to the relationship- and trust building between superior and subordinate in remote work, since according to the study results the impact was from the major part neutral.

The fourth factor, job performance in remote work also impacted from the major part neutrally on the relationship between superior and subordinate. The main explanation for a neutral impact is that regardless of the rapid shift to remote work and adaptation to new working environments, subordinates were assumed to maintain the same level of performance and the goals were the same as in office work. Even for the major parts the impact on superior-subordinate relationships was neutral, both positive and negative impacts were found. Certain industries, such as marketing and sales had more problems in achieving the same goals due to decreased physical and social interaction with customers. On the contrary, one subordinate mentioned that the performance level in remote work during Covid-19 was higher than expected. To conclude the job performance factor, from the major part it can be stated that the impact was neutral on the relationship between superior and subordinate, but a few negative and positive impacts were found. To answer the research question, the impact was from the major part neutral from both superior and subordinate perspective. As a conclusion it can be stated that the job performance factor in this study seemed to play neither facilitating or complicating factor when it comes to the relationship- and trust building between superior and subordinate in remote work, since according to the study results the impact was from the major part neutral.

## 6.2 Practical Implication

From the perspective of theoretical contribution, the chosen factors in this study, employee motivation, communication, career development and job performance have been separately studied in the existing literature, but not in one study. Therefore, this study contributes to the theory that it has combined the factors that have impact on the superior-subordinate relationship in remote work. The impacts of employee motivation, communication, career development and job performance on the superior-subordinate relationship in remote work can be now found in one study. Additionally, since the outbreak of Covid-19 was exceptional and led to a rapid shift to remote work, this study supports the existing theory not only how different factors impact the superior-subordinate relationship in remote work in general, but rather during the Covid-19 pandemic. There is a gap in the literature about the impact of investigated factors on the superior-subordinate relationship in remote work, this study extends the theory from Covid-19 part.

When it comes to managerial contributions, this study provides guidance for managers about the factors that have impact on the superior-subordinate relationship. Whereas employee motivation, career development and job performance for the major part have a neutral impact on the superior-subordinate relationship, communication seemed to play a more central role. Therefore, managers understand better the importance of frequent communication between subordinates in remote work. When it comes to employee motivation, career development and job performance, managers are able to understand that these factors do not impact the superior-subordinate relationship as much as communication. However, it is still important for managers to be aware of the neutral factors too, since as it was founded in the study, these factors also impacted the relationship between superiors and subordinates either negatively or positively, but in minor parts. Additionally, the nature of the job tasks, whether the job is relatively independent or conducted at senior level, the impacts are minor as the study shows. However,

managers leading subordinates at junior level job positions or subordinates whose work is relatively dependent on physical interaction with others, the impacts can be more remarkable.

### **6.3 Limitations of the study**

As generally in researches using qualitative approach, there is a limited number of samples and especially in qualitative study, the number of samples is lower than in quantitative study. Additionally, almost all of the interviewees mentioned having a previous experience of working remotely and therefore, the shift to a new remote working environment was not necessary as remarkable as for employees who have not either at all or very limited previous experience of working remotely. Since nearly all of the interviewees work at specialist level positions and the work itself is relatively independent, the impact of a rapid shift to remote work was not necessarily as remarkable as for junior level employees or employees who have not several years business life experience, such as recent university graduates.

Interviews' point of time can also impact on some of the outcomes of the study. As mentioned previously throughout the study, the Covid-19 pandemic breakout occurred worldwide in March 2020, when the majority of employees moved to 100 % remote work (Bartik et al., 2020; Béland et al., 2020; Deng, et al., 2020; Gallacher & Hossain, 2020). Interviews of this study were conducted in September and in October 2020, approximately a half year after the Covid-19 breakout and therefore, the experiences and feelings of interviewees describes only a time perspective of half a year. Therefore, the results of this study describe interviewees' perceptions about remote work and its impact on the superior-subordinate from a short-term perspective and not on the long-terms perspective. Thus, too large generalizations cannot be drawn from the results. Additionally, a few interviewees mentioned that the long-term impacts of certain factors, such as the impact of career development on the superior-subordinate relationships are too early to say.

Since the interviewees of this study works in several fields and there were no industry-specific requirements to be capable to participate in the study, no industry-specific generalizations about the results cannot be drawn. In order to specifically study the impacts of different factors on the superior-subordinate relationship in certain industries, a study to interview solely employees working for instance in marketing needs to be conducted. Similarly, since interviewees of this study are located in several countries and the imposed restrictions and recommendations regarding Covid-19 policies might vary by countries, the interviewees can perceive remote work and its impacts on the superior-subordinate differently. Therefore, country-specific generalizations about this study cannot be drawn.

#### **6.4 Suggestions for future research**

As mentioned previously in the thesis, this study is not industry-specific and in order to find out the impacts of the investigated factors on the superior-subordinate in certain industries, a study to investigate the impacts of the factors in certain industries need to be conducted industry-specifically. Therefore, as it was found in this study, especially employees in marketing and sales fields had more difficulties in maintaining the same level of performance in remote work as on office work due to absence of social and physical customer communication, a specific study relating to marketing industry could be investigated in order to closer find out the factors that have impact on the superior-subordinate relationship in remote work.

Since the interviewed subordinates in this study mainly works at specialist level positions and the majority of the subordinates had previously work remotely at some extend, a similar study about junior level subordinates, recent university graduates or employees with no previous remote work experience at all could be conducted in order to find out more remarkable impacts of different the factors on the relationship between superior

and subordinate. Similarly, superiors in this study have a broad experience of being a superior, on average 21,5 years. It can in turn impact that superiors with a long superior experience know better how to adjust to different working environments and exceptional circumstances, such as Covid-19. Therefore, a similar study with less experienced superiors could be conducted in order to find out whether the amount of superior work experience largely has an impact on the relationship between superiors and subordinates.

One superior pointed out the impact of different cultures on how subordinates perceive a rapid shift to remote work. Therefore, there might be differences between cultures in how subordinates consider different factors, such as motivation and communication affect the superior-subordinate relationship. A study on how different cultures, for instance between Asia and Europe, perceive different factors affecting the relationship between superior and subordinate could be conducted. In certain cultures, superiors have higher authority, whereas in other cultures the organizational structure is flatter, and this notion impacts the nature of the study.

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## Appendices

### Appendix 1. Interview questions for superiors

#### Information about the superior

- Position
- How long have worked for the company/in your position?
- How long have you worked as a superior?
- How many subordinates do you have?
- Have you worked remotely before Corona, how often?
- How often have worked remotely since Corona?

#### Questions relating to remote work

- Main reasons for you to work remotely before Corona?
- What do you personally consider are the benefits of remote work?
- What do you personally consider are the challenges of remote work?
- Has the relationship between you and your subordinates changed in remote work? What are the main factors affecting that?
  
- How many of your subordinates work remotely? How often?
- Main reasons for subordinates to work remotely (other than Corona)?
- If your team is diverse and consists of different nationalities, cultures or languages, have you noticed any problems in communication between you and subordinates?

#### Questions relating to leadership in remote work

- What are the characteristics of a good remote leader?
- How would you describe mutual trust in the relationship between you and your subordinates in remote work?
- What are the most important factors in the relationship and trust-building between superior and subordinates in remote work?
- What are the challenges and benefits you have faced when leading subordinates in remote work?
- Do you think subordinates get the needed support from superior in remote work?

**Questions relating to employee motivation**

- Is subordinates' motivation to work the same/higher/lower in remote work? Why?
- What factors increase and decrease subordinates' motivation to work in remote work?
- How subordinates' motivation in remote work impacted the relationship between you and subordinates?

**Questions relating to communication:**

- How often are you in contact with your subordinates in remote work by using electronic communication channels? Which tools used?
- How does the communication work with your subordinates in remote work?
- How has the communication in remote work impacted the relationship between you and subordinates?

**Questions relating to career development**

- How are learning and development for subordinates supported in remote work?
- How has the possibilities of career development of subordinates in remote work impacted the relationship between you and subordinates?

**Questions relating to employee performance**

- Are subordinates assumed to maintain the same level of performance in remote work as in office work?
- What are the challenges for you and subordinates in achieving the goals in remote work?
- How has the expectations in job performance in remote work impacted the relationship between you and subordinates?

## **Appendix 2. Interview questions for subordinates**

### **Information about the subordinate**

- Position
- How long have you had the same superior?
- How long have you worked for the company/in your position?
- How often do you work remotely now and before Corona?

### **Questions relating to remote work**

- Main reasons for you to work remotely before Corona?
- What do you personally consider are the benefits of remote work?
- What do you personally consider are the challenges of remote work?

### **Questions relating to the relationship between subordinate and superior**

- What do you think are the important characteristics of a remote leader?
- How would you describe trust in the relationship between you and your superior?
- What are the most important factors in the relationship and trust-building between superior and subordinate in remote work?
- Do you consider you get the needed support from your superior in remote work?
- If your team is diverse and consists of different nationalities, cultures or languages, have you noticed any problems in communication between superior or colleagues?
- Has the relationship between you and your superior changed in remote work? What are the main factors affecting that?

### **Questions relating to employee motivation**

- Is your motivation to work higher or lower in remote work? Why?
- What factors increase and decrease your motivation to work in remote work?
- How has your motivation in remote work impacted the relationship between you and superior?

### **Questions relating to communication**

- How often are you in contact with your superior in remote work and in office work? Which communication tools are used?

- Does the communication with your superior work as well in remote work as in office work?
- How has the communication in remote work impacted the relationship between you and superior?

**Questions relating to career development**

- How are learning and development supported in remote work?
- How has the possibilities to career development in remote work impacted the relationship between you and superior?

**Questions relating to employee performance**

- Has the expectations in the job performance level changed due to remote work?
- What are the challenges in achieving the goals in remote work?
- How has the expectations in job performance in remote work impacted the relationship between you and superior?