BREAKING THE MYTHS: DOES REMOTE WORK BOOST PRODUCTIVITY AND INNOVATION

Annotation. The article outlines the benefits and drawbacks of remote work as an alternative way of workplace organization. Despite popular opinion that remote work boosts labour productivity and innovativeness, the hypothesis is it also can have adverse effect on the result of, for instance, project milestone or project overall.

Being innovative and creative is easier said than done. Many studies have shown that there is a significant correlation between the management of people and organizational success. Lately many new ways to organize employees work have appeared and business is likely to adapt them gradually. The future will show which of that would be win or lose decision. So far, among wide range of most successful practices (flexible work schedules, job sharing, unlimited time-off, compressed workweeks etc.) we will review the most widespread one – remote work.

There is a popular opinion that the option of remote work is beneficial for labor productivity and helps a lot to increase individual creativity and innovativeness. I suggest we review the major highlights and shortcomings of remote work and try to define if the latter brings so many benefits to business and people as it is credited for.

Let us start with advantages of the approach. They are quite obvious and attractive for both employees and business. So, for business it will be:

1. Lower costs for office spaces and maintenance.
2. No need to facilitate teams, especially temporarily involved into projects, especially located world-wide, with workplaces, properly equipped and maintained, which will include saving on both hardware and different services (for example, technical support, HR)
3. Ability to engage the best specialists from all over the world to the project, thus, firstly, strengthen the team itself, secondly, enhance and enrich knowledge and experience shared within a team

For remote workers there are also the list of benefits:
4. Saving time on home-to-work and back commuting
5. Ability to manage personal schedules (additionally to defining individual time of the highest efficiency, - adjust to traffic patterns, education time etc.)
6. No need to follow dress-codes and other formalities

So, is there any proven relationship between remote work, productivity and innovativeness? As US Workplace Survey [1] states, there is. According to the survey, less innovative employees spend 86% of their time in the office, while most innovative employees spend only 74% of their average workweek in the office. In general, 80% of employees who spend 80% or more of their
time in the office are less satisfied with their jobs/workspaces and report less meaning in their work. Therefore, the survey says that the optimal amount to be spent in the office is 3.5 days a week. They make a very important remark that when one spends all of his/her time or none of his/her time in the office, then he/she becomes less innovative.

All above proves that remote work not only positively affects innovativeness but job satisfaction also. There are several other important messages in the research:

− There is no difference if employees work in private offices or open spaces, innovators are seen in every work space
− Innovators spend less time working alone, and devote more time to working virtually (via phone/tech) and spend more than twice as much time on learning and professional development than the least innovative.

This is also proved by another research — Workplace flexibility and new product development performance: The role of telework and flexible work schedules by M. Robert and A. W. Kok [3]. This paper investigates the effects of telework and flexible work schedules on the performance of teams in new product development (NPD) projects. The findings show that telework has a positive effect on NPD performance through enabling knowledge sharing, cross-functional cooperation and inter-organizational involvement. This improves the speed and quality of product development, provided that face-to-face contact is not completely replaced by virtual contact. However, it does not mean that remote work is an exclusively win-win solution, for it has its shortcomings. The most striking ones are as follows:

1. Decent technical support: need to provide access to remote workers all over the world, conduct project meetings
2. Management issues:
   a. In terms of project management:
      i. Strong and efficient governance and coordination of the distributed team is vital
      ii. Productive and regular project meetings are crucial for success of distributed team [2]. Efficient meetings is a separate topic, but let us at least mention the most critical things to maintain and enhance productivity of project meetings:
         − Meetings are recommended to be rather video than phone. As statistics says, only 4% of participants are multi-tasking during video calls, while during phone calls the amount of distracted invitees grows to 57%)
         − Clear agenda and priorities should be carefully set
         − Meeting time and attendees to be limited to required minimum
         − Materials should be shared in advance, so that participants can come prepared
         − Minimize dysfunctional behavior during the meeting (multi-tasking, sending over emails, double-booking meetings), which basically a vicious circle: poor efficiency of a meeting limits the possibility of work done, so even more meetings are scheduled [4]
         − On-time start (being late for 5 minutes will cost 8% of productivity in 1-hour meeting) and early ending (if the meeting is going nowhere) will save a lot of productive time and money to the project
      iii. Complete removal of face-to-face contact may have an adverse effect on the quality of shared knowledge, trust within a team, project and individual productivity. This implies for managers that workplace flexibility needs enablers and cannot do without a sufficient level of face-to-face contact [3]
   b. In terms of individual time management:
      i. Despite general perception of remote work as constant underperforming, remote workers in fact tend to work extra hours, which generates risks of burnout
      ii. Resisting to a lot of distractors
      iii. Need for strong personal discipline and compliance with project schedule
      iv. Adapting individual schedule to project meetings between different time zones
3. Deterioration of social skills, development of the feeling of isolation
4. Potential loss of productivity due to Hawthorne effect (also referred to as the observer effect) - a type of reactivity in which individuals modify an aspect of their behavior in response to their awareness of being observed. Absence of informal relationship within a social group, regular feedback may cause loss of individual and group productivity.

Said above imposes serious limitations on remote work approach, nevertheless they are manageable and can be fixed if timely identified and properly mitigated.

**Literature**


**Annotation.** In today's digital economy, the role of innovation entrepreneurship is growing. The main views on the formation of the digital economy in modern society are analyzed. The significance of innovative business in the digital economy is substantiated. The division of technological resources into types is proposed. The criteria for the use of technological resources by enterprises in the digital economy are singled out. The legality of the formation of demand for technological resources according to the ranking of countries in the world market of information technologies has been determined.