

# **THESIS**

**Mónika Piroska Káposztás**

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Internal adviser: László Kremmer

External adviser: Kornél Kemény (Manager at KPMG Hungary)

Mónika Piroska Káposztás  
HJ0C9B

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## **I. INTRODUCTION**

### **Methodology**

This thesis paper is based on data acquired from my own research, from textbooks and from the internet. The main sources of information include scientific textbooks, scientific articles and the results of the quantitative research conducted by the writer. It only includes reliable sources, therefore websites that can be edited by anyone, such as Wikipedia, are not used. This research was written out of curiosity and should attract academics and professionals with an interest in the topic. In the second part of the thesis, quantitative research, conducted by me, will be analysed and conclusion will be drawn from that.

### **Hypothesis and motivation**

Due to the dual education program, I had the opportunity to work for an international company whilst studying at the Budapest Business School. The year I started to study and work at the same time was 2019. I was lucky enough to see how an international organization operates on a daily basis, how members of a team interact with each other, and how organizational culture has an effect on work experience. Although the company provides a flexible work schedule, most of the employees already had their well-functioning daily routine. Some would come to the office at 6:00 AM in the morning, some would only come at around 10:00 AM but they all were present in the building, worked in the office on company computers, chatted with each other, had lunch together, and had meetings in different designated areas of the building. However, in 2020 everything changed due to worldwide pandemic, the COVID-19. The first cases were identified in Asia, however, it spread quickly to other continents as well. Unfortunately, the disease made many people sick, not to mention the number of deaths it caused around the world. It soon became a life-threatening worldwide pandemic, that needed to be stopped. Leaders of various countries and organizations agreed to have vaccines created by scientists. The plan was to create, develop vaccines that could fight against the virus, manufacture them then finally transport them to different countries. However, this was a time-consuming procedure. To ensure the safety of the people while the virus was at its peaks, governments decided to introduce restrictions. One of them was quarantine. Schools and offices closed for a longer period of time forcing lots of people to study and work from home. Naturally, institutions had to find a way to enable the possibility of efficient working and studying during quarantine. Therefore, companies that were forced to send their

colleagues home to work ensured them company laptops, phones and other necessary equipment, thus the time of “home office” began. The very same happened to our company as well.

Working from home has changed everyone’s lives; the typical daily routines have changed immensely. Before COVID-19, home office used to be an unimaginable way of working. Of course, there may have been some cases when very few employees worked from home, but not necessarily at the same time and never for a longer period of time. Working from home did not only change people’s routines, but it also most likely changed their mentality and motivation, too. During full time remote working I realized a constant change in our team: many people were joining and leaving our team within no time. Our team leaders announced a number of new joiners in every few weeks or months, but at the same time members of our team left the organization. As far as I am concerned, other teams and the management also suffered from this ongoing change. It goes without saying that quitting and joining from and to a company is a completely normal process, however, for me it seemed like it happened a lot more often since the beginning of home office. For this reason, it can be stated that it is possible that *working remotely has a negative effect on employee retention*. Primarily, the paper will investigate whether this statement is true or false.

This hypothesis is in close connection with strategic managerial decisions from management view therefore, other similar statements will be researched as well. Besides monetary allocation, employees wish to work in a workplace that provides them several other valuable benefits. For instance, most of the workers desire to work with a flexible work schedule, especially those who have children or elderly to take care of. It helps them to arrange and plan their days in a more flexible, and for them, suitable way that is not only efficient but eventually results in a better work-life balance, which is highly valued by employees. It is also important to mention that one usually needs someone that they can seek help from at work, which leads to the second research question: *it is crucial to make employees feel that they can turn to someone at the workplace*.

Remaining at the managerial decisions, a lot of companies tend to make decisions without involving their employees. If the management leaves out the workers from crucial decision making that most possibly affects the workers as well, they might feel like they are not part of the company and that may be the last thing employee’s desire. Therefore, there will be research about whether *it is important for employees that they are involved in important decision making*.

Last but not least, the importance of employee recognition will be examined. One’s performance can be acknowledged in various ways; from a simple ‘thank you’ to gifts cards and

awards. This usually takes place during one-to-one and team meetings, or different corporate events such as town hall meetings. It is also important to recognize and encourage talented employees to try themselves out in different positions within the company. Furthermore, ensuring different learning objectives, such as courses, help employees to try out new things and develop professionally. This is a way of employee recognition as well. Hence, the last hypothesis, *employees should feel that they are valued and appreciated and that they are recognized by the talent acquisition teams*, will be either certified or confuted.

### **Aims of thesis**

As mentioned before, I took the opportunity to be employed as an intern by a multinational company, more accurately by a Business Support Centre. During the years I have been working there I saw how relevant and important it is to be a part of a well-functioning, efficient team. Needless to say, companies aim to retain their employees from leaving as it is unfavourable for them, and usually they are successful. However, after the hit of COVID-19 it seems as it has changed for the worse. Retaining employees at Shared Service Centres and Business Support Centres is an ongoing and extremely relevant issue as it has an effect on the overall efficiency of companies. The main aim of the research is to find answers to this recent problem that have arisen at SSC and BSC companies, along with either verifying or confuting the above-mentioned hypotheses.

Similarly, to other research, the focus is on, besides either confuting or certifying the hypotheses, finding answers and possible solutions to the ‘employee-retention problem’. Finding possible solutions to the aforementioned issue could significantly contribute to several aspects of SSC and BSC companies. Retaining employees does not only spare corporations of spending costs, but it also leads to an increase in overall productivity of the firm, which most possible results in greater efficiency and increased revenues. Apart from the financial point of view, employees and customers benefit from this as well. Members of the firm can have a stable, long-term carrier, can form important relationships with other workers of the firm. Moreover, they can gain experience, deepen their knowledge and be more professional on the field. By doing so, employees tend to be more satisfied at their work, while customers can enjoy better experience.



To find solutions to a problem, at first the issue or issues must be recognized, acknowledged, and observed. Recognition and acknowledgement help to understand the relevance of the problem, meanwhile observation let people face with the reality of the solved to be problem. Hence, the essay aims to emphasize a problem that most possibly occurred at many workplaces within similar, for instance financial and economical, sectors, however, mainly focusing on SSC and BSC companies. The subject can be considered relevant because it appeared during COVID-19, which brought along the Great Resignation, and it is still an ongoing problem that hinders Service Support Centre companies. To shortly explain, the Great Resignation is a new trend that have begun in the United States, where many workers decided to leave their jobs for various reasons. The most affected workers are mainly people who work in hospitality, healthcare, and service industries, however, blue and white-collar workers are also encouraged to rethink their career path, and try something else, for instance, freelancing. (Cordier, 2022)

Over and above that, this study is written to help readers access knowledge on the field of 21<sup>st</sup> century leadership and management trends, and the relation of the COVID-19 pandemic and employee retention.

## **II. MANAGEMENT AND LEADERSHIP OVERVIEW**

### **Management**

#### Definition of management

Management is an integral part of life. It is vital not just in people's personal lives, but in successful organizations as well. It does not matter whether the focus is on a university or a multinational company, management is required everywhere. But how can one interpret management?

Management is used in a broad sense, hence can be interpreted in several ways, but usually they tend to mean the same. According to the Cambridge Dictionary management is "the control and organization of something", however, in business English it is defined as "the activity or job of being in charge of a company, organization, department, or team of employees". Besides dictionaries, different philosophers and theorists determined possible meanings of the word 'management' as well. Follett, for instance, said that "management is the art of getting things done through other people". (Otalora, 2021) Although the term is expressed slightly differently in each case, it is certain that management is an integrating activity that acts as the core of the organization, in order, to achieve certain goals through others' efforts by using different procedures and a set of adjustable principles. (Mullins, 2016)

#### **What makes a good manager?**

Well-functioning management can mean a well-functioning establishment; therefore, managers have a critical and indispensable role in any structured organization. A good manager is aware of their role and place within the corporation thus they realize that they act as a role model for many people. They acknowledge they have to set an example because their mood, actions and behavior can be mirrored by the employees. Managers escalate and execute the work that is carried out by the employees therefore they act as a middleman between the workers and organizational goals. For this reason, taking responsibility for their own and others' work and actions is a must. Being approachable is also crucial because it makes people feel that they can turn to someone. Besides, a manager must have excellent communication skills, which include being open, listening and giving feedback to their colleagues. Most importantly, good managers are always prepared for a sudden change in case they need to adjust to a different situation. (Mullins, 2016)

## **Leadership**

In the 21<sup>st</sup> century, corporations shifted to a less bureaucratic system, in which the focus was on teams, empathy, communication and motivation. Due to this, the role of leaders became more significant at every organizational level. (Pratima, n.d.)

Although leadership and management are two distinguishing terms they often tend to be used interchangeably because they share some alike characteristics and skills. Both leaders and managers aim to achieve organizational goals, however, meanwhile managers usually execute and enforce work by a set of rules, leaders are rather creative and empathic towards employees and organizational culture.

## **Approaches to leadership**

To understand leadership more, different approaches were created, for instance, styles of leadership, contingency theories, and traits theory. Managerial leadership styles can help with the analysis of leadership behaviour, thus it helps to understand leader-follower relationship within the company. Although many styles exist it can be simplified into three: (IMD, 2022)

- Democratic / participative style
- Authoritarian style and
- Delegative / Laissez-faire style.

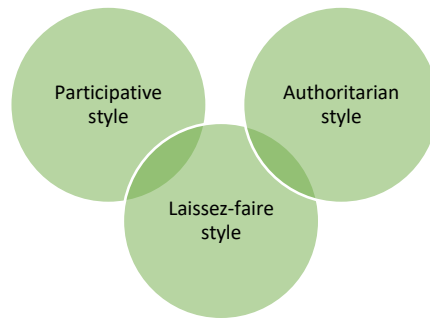
Democratic or as also called, participative style of leadership relies on the fundamental aspects of democracy. Although it is usually the leader who makes the final decision, throughout the decision-making process every member of the team is incorporated. It may take a longer time period to produce a solution, this style keeps the whole team motivated and makes them feel involved, hence creating a productive, reliable team. (IMD, 2022)

The next one is the so-called authoritarian style, in which the manager or leader exercises power over employees to reach the desired objectives. On the one hand, it is less time-consuming to finalize a decision, but on the other hand it does not allow team members to be innovative and creative. Moreover, the lack of collaboration hinders harmony within the group. (IMD, 2022)

The last category is the laissez-faire style, which is combination of the previous two styles. In this system the leader allows the team to produce creative ideas and solve problems on their own without unnecessarily interfering, however, is always available and ready to help in case it is needed. It is quite advantageous for the employees since they can take initiative and produce great

ideas, yet it can be a risky situation because it can result in abdication where the leader does not want to face occurring issues, hence avoids getting involved on purpose. (IMD, 2022)

**1. Figure** The three leadership styles



Source: self-edited based on IMD (2022)

Meanwhile leadership styles are helpful with behaviour analysis, the traits approach determines who is suitable to be a leader at all. According to this theory, leaders are born, who naturally possess certain characteristics that others do not, which distinguishes them from followers. As Drucker states, “leadership is of utmost importance. Indeed, there is no substitute for it. But leadership cannot be created or promoted. It cannot be taught or learned.” (Mullins, 2016)

However, this theory brings along a few limitations, for instance, determining the most important ‘leader-like’ traits may be difficult since the significance of certain characteristics is subjective to many, rather than objective. As an example, some may think the most important attributes a leader sought to have are intelligence, empathy and creativity, meanwhile others would think those traits are less relevant. Besides, this theory is complex and does not give a clear view on the nature of leadership. (Mullins, 2016)

### **Comparing management and leadership**

Management and leadership are often used as same terms due to their affined attributes, nevertheless, differentiation is clearly possible. Meanwhile, managers usually execute tasks through strict guidelines and rules, leaders tend to rely on their creativity and interpersonal skills. To distinguish the two terms, *Zaleznik’s* differentiation can be applied: (Mullins, 2016)

- When it comes to interpersonal skills, or people’s management, managers are less emotionally involved than leaders
- To reach certain goals managers often put up with impersonal and passive behaviour, meanwhile leaders tend to have a more active and personal attitude
- Managers stick to rules and guidelines to get people accept change, circumstances, or solutions; however, leaders would rather create excitement among employees to keep motivating them. Moreover, leaders aim to make workers feel that they have choices.
- Managers are part of the organization and act as someone who regulates employees, meanwhile leaders do not necessarily belong to the institution.

*Kent* has summarized the most important distinguishing features of leaders and managers:

- “Managers do things right; leaders do the right things.
- Managing is an authority relationship; leading is an influence relationship; and
- Managing creates stability; leading creates change”. (Mullins, 2016).

In the following table, the most important differences can be seen:

**1. Table** Most important differences between managers and leaders

Managers	Leaders
Low level of emotional involvement	Empathy, give attention
Impersonal and passive attitude towards goals	Personal and active attitude towards goals
Stick to rules, co-ordinates	Create excitement
Act as regulators	Not part of the organization
Do things right	Do the right thing
Managing is an authority relationship	Leading is an influence relationship
Managing creates stability	Leading creates change

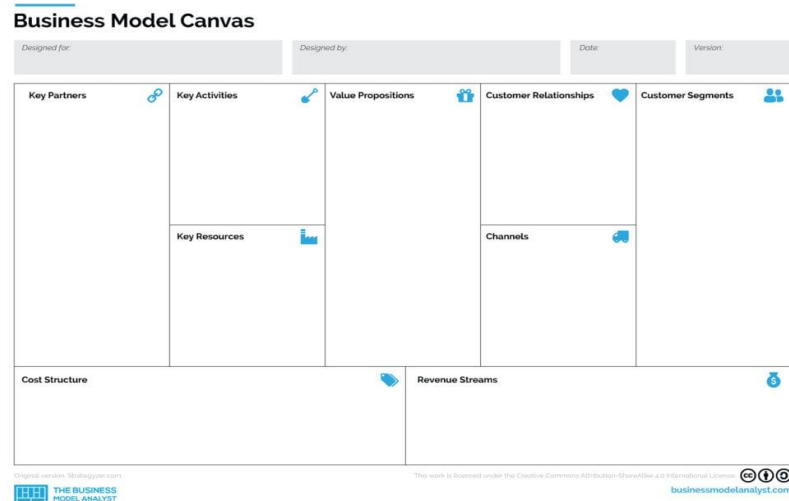
Source: self-edited based on Mullins (2016)

For further differentiation leaders aim to lead the group towards a common goal by encouraging, motivating, and inspiring employees. To execute these activities, a core set of skills should be acquired: communication, motivation, positivity, trustworthiness, creativity, flexibility, delegation, and responsibility. With clear communication one can boost employees' morale, as well as co-ordinate more make decisions more efficiently. A leader sought to be creative, open-minded, and encouraging to help boost motivation of the workers, however, firm enough to delegate the necessary tasks, while being accountable for others' actions as well. On the other hand, management is more about control with slightly different attributes. Although communication, encouraging attitude, and delegation fit both into leadership and management skills, managers tend to focus on being excellent at strategic thinking, planning, organization, and not least problem solving because strategic management is pivotal from various aspects, including identifying where the company is at the present, where it wants to be, and how it is going to get there. To put it shortly, leadership aims to lead employees, meanwhile management puts emphasis on controlling. (Mullins, 2016)

### **Business model**

For an organization to be successful a great product or service is not enough, it must be integrated into a well-working business model. Business model depicts the process by which an organization delivers value to the customers in order to create revenue. Identifying the core of the organization helps you understand who you are and what your goal is as a unity. Along with recognition of long-term vision such activities help to find the business model of a firm. For most companies it takes time, effort and multiple attempts to find the most suitable model. One corporation may have multiple different models for its different types of businesses, although due to the unique attributes of business models, it is advised to create new models rather than copying others. The most frequently used tool to describe business models is the business model canvas, invented by Alex Osterwalder and Ives Pigneur. The model is an innovative and creative visual chart made up of nine boxes that overall describe the company's activities, value proposition and finances. Due to the simple and straightforward template, organizations can easily fill in the boxes to have a clear visual view at the way a company functions. Most importantly, it can be adapted by any kind of organization, hence many global companies – for instance Coca-Cola, Microsoft, MasterCard, and Nestlé – have already used it.

## 2. Figure Alex Osterwalder's Business Model Canvas



Source: The Business Model Analyst (n.d.)

As it can be seen on the picture as well, the nine elements of the business model canvas are the following:

- key partners
- key activities
- key resources
- value proposition
- customer relationships
- channels
- customer segments
- cost structure and
- revenue streams.

### 20<sup>th</sup> century management trends

In the 20<sup>th</sup> century businesses focused on short-term, rather than long-term goals. They aimed to deliver short-term value to their stockholders by concentrating on risk elimination and productivity. Companies tried to produce and sell as many goods as they could to the customers, preferably in a short period of time. The problem with this strategy is that it neglects organizations from real long-term growth.

During that time bureaucracy played an important part in most of the companies. Everyone had their role within the organization which came with rules that must be followed. This created a pyramid-like structure where managers on the top know more, hence supervised and evaluated workers that reported to them. Managers generally used the carrot and stick approach as a motivational tool where the carrot represents a reward that is earned by good performance, meanwhile the stick is the result of bad behavior, aiming to push people forward to reach certain goals.

The previous century's management trends can be characterized as a short-term financial focused but compatible, coherent, and logical system where vertical hierarchy of authority was a key element. Although, the 20<sup>th</sup> century management was suitable for that era's economy, nowadays it would only be applicable for a very few businesses. As the next century was approaching a new wave of globalization hit the world, the market was filled with products and customers realized they had the possibility to choose between various products. As they were provided with loads of information they could no longer be manipulated by companies. Due to this, the focus shift from the firms to the customers. Moreover, the new century saw a fast technology change the seemed too rapid for many companies. Since corporations were not versatile enough, they could not keep up with the changes over the years, therefore they either had to change their entire form or fail. (Denning S., 2020)

### **21<sup>st</sup> century management trends**

Opposed to the 20<sup>th</sup> century management trends the main goal of businesses is to create and attract new customers by being unique and focusing on their actual needs instead of just trying to sell them everything. Instead of short-term goals, corporations aim to grow and stay profitable on the long-term. In the new era bureaucracy is not commonly applied/used anymore, instead horizontal hierarchy of authority takes place with more smaller groups whose leaders induce inspiration, creativity, and innovative thinking rather than to try to regulate employees. As a result, talents are more often recognized by their leaders and HR teams enhancing efficient talent recognition programs. This is not only beneficial for the employees, but for the businesses as well since continuous value creation for end users requires innovative thinking talents.

Companies that could not adapt to the rapid changes of the new century were abolished by those who could. The ones that were innovative enough and or could adjust to the changing era are



mostly digital related companies such as Amazon, Apple, Microsoft, Facebook, Netflix and Google. (Denning S., 2020)

### Comparison

Putting the two centuries' trends next to each other helps to further understand the key differences regarding their characteristics. This comparison can be represented in the table below.

**2. Table** Key differences between 20<sup>th</sup> and 21<sup>st</sup> century management trends

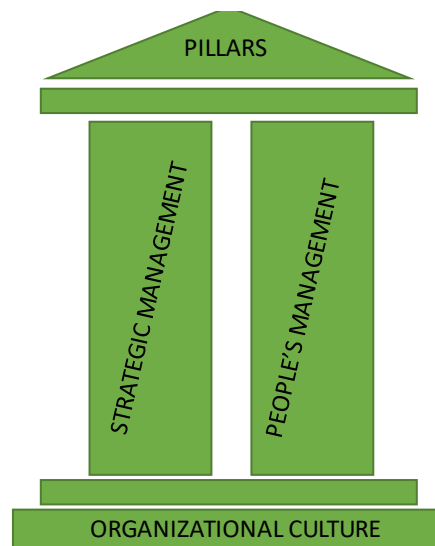
	20 <sup>th</sup> century management trends	21 <sup>st</sup> century management trends
<b>Goal</b>	To make the most money for the company and stakeholders	To create value for the customers
<b>Focus length</b>	Short-term	Long-term
<b>Leadership</b>	Pyramid-like, from top to down	Present at every level
<b>Sales</b>	Encourage customers to buy current products and services	Focuses on being unique and sell only what customers need

Source: self-edited based on Denning (2020)

### III. THE IMPORTANCE OF MANAGEMENT AND LEADERSHIP: WAYS TO STOP ONGOING IN AND OUTFLOW OF EMPLOYEES

As far as I am concerned, a successful company lies on three pillars. The first pillar is the strategic management of the firm that helps to achieve the strategically planned targets. The second pillar would be people's management that aims to maximize productivity through employees by different means, such as motivation, hence it is one of the most important parts of an organization. These pillars should be embedded in and supported by a well-functioning organizational culture that suits the firm best.

3. Figure Three pillars of a successful company



Source: self-edited based on Mullins (2016)

#### **Strategic management**

Strategy, originally 'strategos', meant 'general' in Ancient Greece and was commonly used during war. Nowadays it refers to a process, where different steps are taken in order to move forward, or to solve a problem. At all times, but especially in case of business strategy, these actions are best to be in line with each other since the whole concept depicts a certain route where the company can move from the current situation to the one it is longing for. Moreover, when it is about a firm's business strategy, long-term goals are in focus, rather than short-term. (Szeleiné and Zobor, 2022)

Business strategy is in close relation with strategic management, which contains goal setting, the control and supervision of an organization's resources including allocation of these resources, strategy planning and execution in order, to help firms become more competitive. Strategic management, carried out by the leadership and management teams, has a crucial role in every organization because it leads companies towards success. (Kenton, 2022)

In order, to successfully execute business strategies, the process, which can be viewed below, sought to be followed with continuous monitoring and feedback.

**4. Figure** Business strategy improvement cycle



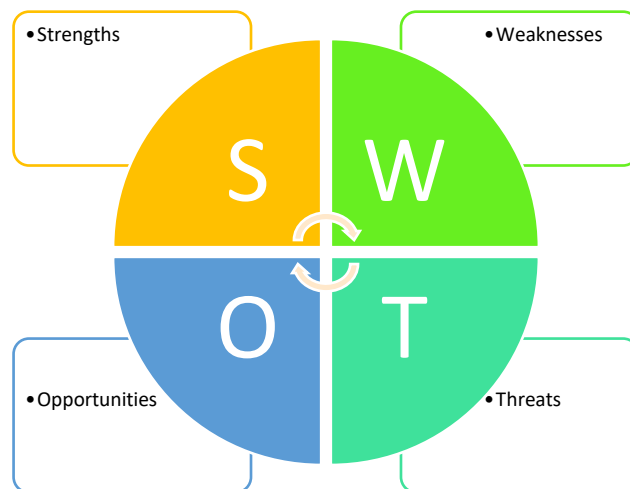
Source: self-edited based on Kenton (2022)

As the first step, understanding the organization's current position is essential to acknowledge what needs to change. In order, to develop and go forward, companies need to understand where they are at the moment, where they want to be in the future and how they will get there. Firstly, organizations need to analyze data about their customers, about the market and their current situation as well. To achieve this, the SWOT diagram is a great visual tool to use because it shows a corporation's strengths, weaknesses, opportunities, and threats. (Lucid Content Team, 2022)

The SWOT analysis gives an overall view of the business's current position, on the other hand it summarizes those parts of the organization that requires change. The diagram can be divided into two parts: internal and external. The internal factors, as it indicates, origin from inside the business and have a direct effect on the company's customers, employees, management, values, culture and KPIs. These factors can be further divided into strengths and weaknesses, where the former refers

to those attributes that give the company advantage over other businesses, while the latter put them behind others. Nonetheless, external factors affect organizations indirectly: new competitors, political and social changes along with market changes can either mean opportunities or threats for businesses. While opportunities can provide benefits for companies, threats can create difficulties that firms must cope with. (Szeleiné and Zobor, 2022)

5. Figure SWOT analysis



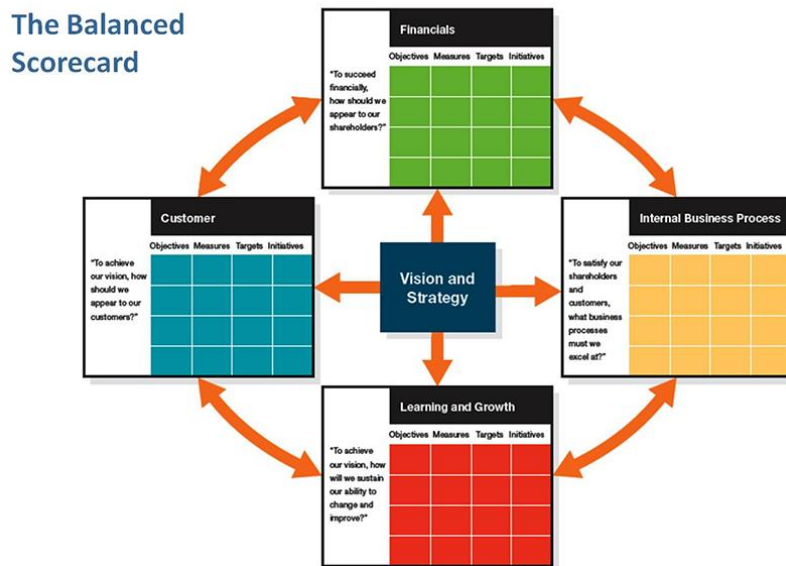
Source: self-edited based on Szeleiné and Zobor (2022)

The results can be concluded from the SWOT diagram once it is evaluated; at first put a few items in each box then add points to each of them, this should be ranked by importance. Once the elements are ranked and summed up, the box with the highest points is the one that needs changes most importantly. By this method the firms can see those things they need to focus on the most. (Szeleiné and Zobor, 2022)

Besides SWOT analysis reviewing the vision and mission statements, or if there is not one, then creating them, can help to further understand the organization's views, situation and aims. Mission statements explain why the organizations exist, how they intend to serve their customers. Moreover, it depicts a company's purpose and focuses on the present rather than future. On the contrary, vision statements, focus on the future success, reflecting the company's goals they want to achieve. These short summaries should be written in present tense and should reflect inspiration. (Szeleiné and Zobor, 2022)

The next step is goal setting; to set clear and feasible goals, objectives need to be arranged. For prioritization companies often use the Business Scorecard tool, which has four parts indicating four perspectives: financial, customer, learning and growth, and internal process perspective. To identify an organization’s long-term goals, one can put the measured objectives into the figure along with the current and targeted numbers. After adding several objectives, the most important ones should be selected within each perspective. (Szeleiné and Zobor, 2022)

6. Figure The Balance Scorecard



Source: Wong and Yeung (n.d.)

Goals are just as important in business life as in everyday life since they boost motivation, prioritization and it pushes organizations into the direction they are aiming. They should be challenging enough to create excitement but not too difficult hence it doesn't extinguish motivation, and most of all goals should be achievable and in line with the plan. As Denis Waitley wrote in *The Psychology of Winning*: "The reason most people never reach their goals is that they don't define them, or ever seriously consider them as believable or achievable." (Waitley, n.d.)

To set the most suitable goals, businesses often use the SMART model because it is a helpful tool to describe how goals should look like. SMART is an acronym that stands for Specific, Measurable, Achievable, Relevant and Time-bound. Setting *specific* goals helps to achieve them easier, however, different aspects should be considered as well; for instance, what is it that the firm

wants to achieve? When and why does it want to achieve this certain goal? When a goal is *measurable*, it means that the organization uses quantifiable items to keep track of the progress, which helps with questions such as ‘When is this goal accomplished?’. Moreover, continuously measuring the progress the process can not only be motivating, but helpful in the future as well. One of the most important parts of goal setting is to set an *achievable* goal. When a company sets a certain goal, it should have all the necessary resources to achieve it. Furthermore, the target should be demanding to boost motivation and inspiration. On the contrary, a goal that is too challenging and unattainable has a demotivating effect. A smart goal should be *relevant*, thus in close relation with the essence of the strategic plan. Any deviation from the plan is unnecessary and can hinder the progress. Last, but not least a well-set goal is *time-bound*, hence has a starting date and a final deadline, however, adding sub deadlines can retain focus even more. (Boogaard, 2021)

Once the goals are selected, the actual strategy planning can begin. Although there are various ways to reach a desired goal, only the best possible option should be used during strategy mapping. However, it is advised to have back-up plans for each objective. The strategy map is divided into the same four parts as the Balanced Scoreboard, from top-down financial, customer, internal process and learning and growth perspective. The flow chart is a step-by-step process needed achieve the set goals; starting at the bottom, going upwards where the final objectives are. (Lucid Content Team, 2022)

Once the planning is done, implementation can take place. At first, it is advised to communicate the process to the whole organization including the budget, aimed objectives, the means of change and the deadlines. During the implementation phase, organizations commonly use Key Performance Indicators (KPIs), to measure the targets put in the Business Scorecard. KPIs, also called as Key Success Indicators (KSIs), are used to measure an organization’s overall performance and it helps to compare achievements to other companies. Since KPIs are usually visualized with tables, charts, and diagrams, it is a simple, yet efficient way to:

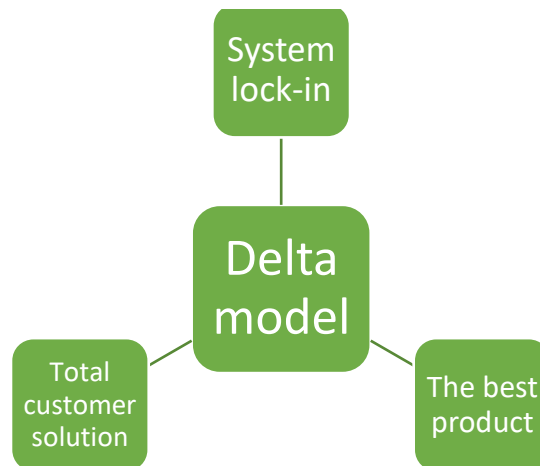
- share information
- broadcast goals
- demonstrate progress
- measure performance
- and involve people. (Szeleiné and Zobor, 2022)

As it can be seen on the figure, the final step is assessment, which includes an overall measurement, feedback, review, and evaluation of the whole process. Within this step, the previously set goal's agenda can be viewed. Moreover, it can be seen whether the set deadlines were kept, if not then what happened and what can be done in the future to avoid missing the deadlines. In this final step, the firm can compare the previously set desired goal to the achieved objectives and see whether the aimed target is attained.

### **Delta model**

The Delta model is an effective strategic framework that helps managers to better implement strategies in a customer-focused manner. To find the right strategy firms used to focus on product development and they rather copied each other than create something innovative. Because of the rapid technological change these techniques were not sustainable. Rather, companies need to be flexible to be ready to adapt to the changing environment and realize how important customers are. By understanding customer's real needs, firms are competent to provide them a unique customer experience, whether it is about a product or a service. Such value proposition results in a long-term, strong bond between the company and the customers. (Szeleiné and Zobor, 2022)

7. **Figure** Delta-model



Source: self-edited based on Szeleiné and Zobor (2022)

To achieve this, companies often use the Delta model to define how they plan to create value for their customers. The model's utmost aim is to create customer bonding by implementing its three objectives: the best product, total customer solution, and system lock-in. The best product part

implies the development of a different, unique product that can be sold at a lower cost, hence attracting end users. On the contrary, the next objective of the Delta model focuses on customers. Total customer solution does not only aim to segment customers, but also specializes on providing solutions to the customers' peculiar needs. On the top of the triangle lies the system lock-in strategy, which aims to dominate as a supplier and leave other competitors out of it by being either the only one or by being the best on the market. (Szeleiné and Zobor, 2022)

### **People management**

People management refers to employee recruitment, training, and retention along with several related activities in order to maximize their efficiency and productivity within the organization. Although capital and assets are significant in every organization, people are the ones that run the business on a daily basis, hence their management is one of the most important business functions.

### **Motivation**

To have a flourishing business, employees should be motivated to meet the company's objectives. Basically, motivation is not the action itself, but the reason why people act in a certain way. In other words, motivation determines how people behave in order to reach particular goals. To help further understand motivation, the following figure shows the basic motivational model. On this clarified flow chart, it can be seen that the needs and expectations are followed by the driving force to meet the goals that eventually brings fulfilment. (Mullins, 2016)

**8. Figure** A simplified illustration of the basic motivational model



Source: self-edited based on Mullins (2016)

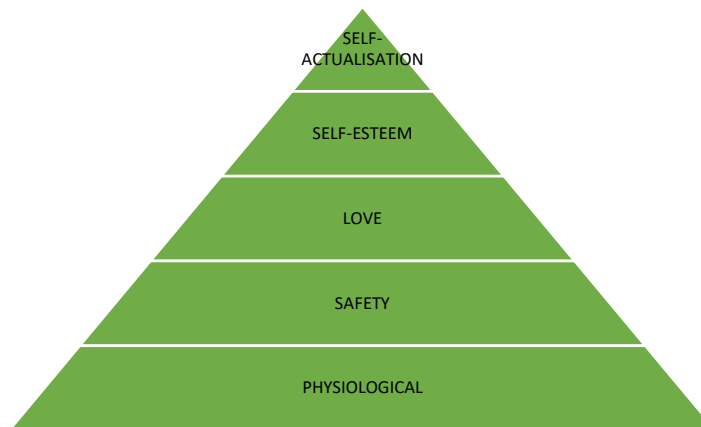


## Theories of motivation

There are different approaches to motivation that may be helpful for managers to understand the emotions and thinking of employees, thus they can predict how they will act in particular situations, however, it is important to mention that these theories are not indisputable. (Mullins, 2016)

The content theories of motivation focus on individuals' motives and needs. The most common theory within this category is Maslow's hierarchy of needs theory, however, Alderfer's, Nohria's, Herzberg's and McClelland's approaches are conventional, too. Maslow's theory points out the needs of people, always wanting more, in a hierarchical order. The levels of this approach are depicted on Maslow's pyramid, from physiological needs to self-actualisation. (Mullins, 2016)

9. Figure Maslow's pyramid



Source: self-edited based on Mullins (2016)

Although the figure indicates a certain order, for many people sequence is different; for instance, one may find self-esteem more important than love. It is important to mention that a person can only reach the next level of their pyramid once the previous needs are satisfied, as a satisfied need does no longer act as a motivator. (Mullins, 2016)

On the other hand, process motivation theories focus on the motivational elements' relationship. Hence, it follows the whole motivation procedure from the start until the point where motivation can still be sustained. There are four main models are:

- expectancy-based models by Vroom et al.
- attribution theory Heider and Kelley
- equity theory written by Adams

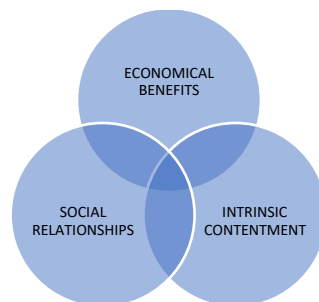
- and theory of goal setting by Locke. (Mullins, 2016)

Staying within the borders of people management, goal theory might be the most useful to elaborate. It states that goals act as motivators because they direct people towards a certain chain of action in order to achieve their desires. According to this theory, those who have more complex or challenging goals perform better than those who set easier targets. This theory can be a guide to managers as it has some significant takeaways that can be put into practice. For instance, when an employee is demotivated, setting clear and distinct goals can help initiate and sustain motivation. However, it is important to emphasize that not all goals act as motivators. Some that are too difficult to achieve would rather have a demotivating effect on one's performance. Moreover, in the goal theory it is stated that those who receive a punctual, and honest feedback about their ongoing process tend to perform better. (Mullins, 2016)

### **What does an employee need?**

Although different generations require different benefits from a job, employees' needs and expectations at a workplace can be divided in several ways. One way is to differentiate extrinsic and intrinsic motivation. Extrinsic motivation, or also called physiological rewards include mostly economical expectations, such as salary, promotion, and bonuses. However, when it comes to intrinsic motivation, people prefer to gain psychological rewards, namely recognition, respect, and fair treatment at work. Generally, it can be stated that people are in need of a combination of economical, psychological and social expectations. As far as I am concerned, Blanchard's list of employee needs can be put into these three categories as the following: (Mullins, 2016)

**10. Figure** Employees' needs put into three categories



Source: self-edited based on Mullins (2016)

How do these implications look in practice? / Implications put into practice

These principles are meant to put in practice through managers in order to enhance the employees' efficiency. For this, employees need to be respected and trusted thus they realize their own worth in the workplace without the (feeling of) continuous and unnecessary monitoring. Moreover, employees should be recognized professionally, however, unfortunately managers tend to acknowledge those occasions often when the performance does not necessarily meet expectations. Nevertheless, positive feedback and constructive criticism are both needed. Besides these, it is important for managers to be available to the subordinates whenever it is possible and get involved in different tasks rather than just supervise the ongoing process. It is fairly evident that one would like get treated the same way as anyone else, and that managers cannot be biased towards any employee. (Mullins, 2016)

### **Organisational culture**

Organisational culture means a set of shared beliefs and values that are practiced within the organisation, and it usually includes commonly acknowledged behaviours. The main purpose is to increase engagement, productivity, motivation, performance and to guide employees into a common direction. (Mullins, 2016)

There are different types of organisational cultures defined by Handy, and Deal and Kennedy. According to Handy organisational culture can be put into four categories: power culture, role culture, task culture and person culture. On the other hand, Deal and Kennedy defined these categories as tough-guy, macho culture, work-hard/play-hard culture, bet-your-company culture and process culture.

## **IV. COVID-19**

### **Covid-19**

In December 2019 an earlier never seen disease was reported in Wuhan, Hubei Province, China. As it was later examined, scientists found out it meant the beginning of a worldwide pandemic of severe acute respiratory syndrome that was caused by SARS-Cov virus. Hence, scientists named the virus COVID-19. It started to spread quickly to the rest of China, and to the rest of the world. The illness attacked mostly the elder generation and those who had any underlying medical conditions or chronic diseases, for instance, cancer, respiratory diseases, or cardiovascular diseases, however, completely healthy individuals could catch the virus as well. To slow down the transmission of this specific disease scientists suggested to keep social distancing, to wear a mask, and to regularly wash hands preferably with some soap or alcohol-based disinfectant because the virus spreads with droplet infection, as in by coughing, sneezing and so on. Moreover, self-isolation is advised in case of feeling unwell. Besides these practical preventions, it is also suggested by scientists to get vaccinated. (WHO, 2022)

Although COVID-19 affects everyone differently, most of the symptoms remain the same: fever, loss of taste and smell, coughing and tiredness. Less common symptoms include sore throat, diarrhoea, and irritated eyes. Unfortunately, some people experienced more serious symptoms such as pain chest, trouble breathing, and confusion. On the other hand, many people who got infected did not experience any symptoms. (WHO, 2022)

As of 21<sup>st</sup> October 2022, a total of 623 893 894 COVID-19 cases were reported globally, which incorporates a total of 6 553 936 unfortunate deaths. Most cases were confirmed in Europe and in the Americas, which meant more than 400 million infected individuals. (WHO, 2022)

### **Impact on individuals**

To slow down the transmission of the virus, governments around the world closed the educational institutions, restaurants, pubs and so on. Moreover, many social activities, for instance festivals, gatherings of religious groups were cancelled or postponed. To further understand the weight of impact, according to UNESCO almost 40 countries decided to close universities, colleges and schools that had a great effect on more than 420 million individuals from the younger generation. Above all, a new terminology came to existence, the so-called social distancing, whose purpose was to avoid any crowd, hence slowing down the transmission process. But since people

are social creatures neglecting social contacts, many times including relatives as well, caused a sense of isolation, even anxiety, depression, and other mental illnesses. (Singh, 2020)

### **Impact on economy**

Due to the fear of getting infected, people chose to stay at home, rather than travelling, going out, or just buying necessities. Evidently, the economy was impacted, and the result was a huge decrease in many countries' GDP and a slow-down in the global growth. According to IMF, the 6% global growth in 2021 would decrease to 3,2% in 2022, and would go even lower, to 2,7%, in 2023. Besides the slowed down global growth rate, global inflation increased to 8,8% in 2022 compared to the previous year's 4,7%. As stated in the IMF's executive summary, this rate will most probably go down to 6,5% in 2023, and to 4,1% in the following year. (IMF, 2022).

### **Advantages of home office**

During lockdown, the government decided to close office buildings as well, thus many employees had to find a way to work from their homes, hence the expression home office. Working remotely had many advantages and disadvantages for both the companies and employees and affected the work immensely.

From the employees' point of view, home office meant less time spent on commuting and less money spent on gas, and if someone prefers to go out and eat lunch at a restaurant or take-out it most probably reduces expenses on lunch as well, since home cooked meals are cheaper to prepare. Although people need to use more electricity in home office, it still costs much less working from home. Regarding commuting, most people may spend from nearly an hour to two hours travelling to and from work, however, when working remotely, having an extra hour or two can create better work-life balance because employees can have more time outside of work.

Based on my interviews, working in the office with a lot of background noise, ringing telephones, chatting co-workers and loud meetings can be disturbing and can decrease productivity and overall efficiency. For this reason, it helps a lot of people to be home and work alone in peace and quiet. Moreover, remote work enables employees to handle one situation or person at a time, most often via Teams application, as for some people it can be overwhelming when they have to deal with multiple people at the same time. On the other hand, taking care of kids and pets at home while trying to focus on work can be really tiring and may result in ineffectiveness. On top of that,

most people working in home office most probably realized how important it is to have meetings offline, as network connection, voice and picture quality can hinder work efficiency.

Another advantage of home office is more flexible work-life balance, as some prefer to start earlier while others would rather work later in the evening, companies tend to allow both as long as employees attend to the necessary meetings and meet deadlines.

On top of that, office workers can wear more comfortable clothes while working from home because in the end what really matters is to get the job done. To be more comfortable, employees can set their own working station up at their homes, whether it means lightning a candle or using multiple monitors, to goal is to get comfortable, motivated and enhance efficiency.

### **Downsides of working remotely**

In contrast with the aforementioned advantages, working from home has many downsides as well. At first, it is important to mention that there are many distractions at home that can divert one's attention, for instance, small jobs that can be done at home such as loading and unloading the dishwasher or the washing machine. Although these activities may take only a few minutes, doing chores during work time results in a lack of focus on work. For this reason, it can be stated that working in home-office is built on trust from the employer's viewpoint.

Another disadvantage can be the difficulty of work-life balance separation as working hours may turn out too flexible, by 'just checking the e-mails' after dinner, or 'making breakfast for the family' during working hours. To avoid this, there should be a designated time period for work when the employee is available and does certain tasks for work, rather than continuously switching between work to private life matters.

## **V. RESEARCH QUESTIONS AND HYPOTHESIS**

### **Working remotely has a negative effect on employee retention**

As it was mentioned before, the main purpose of the paper is to certify or confute whether working in home-office has a negative effect on employee retention rate, because of COVID-19 and generally as well, many companies experience difficulties when it comes to workforce retention. Hence, it is great importance to understand what keeps employees at a certain workplace.

### **It is crucial to make employees feel that they can turn to someone at the workplace**

Due to the worldwide pandemic, people were forced to work from home, which brought along a different style of communication with the colleagues. It is likely, that connecting with co-workers have never been harder as face-to-face communication was replaced by faceless calls and e-mails. For this reason, it is important for employees to maintain healthy relationships with their colleagues and managers and to feel that they can turn to someone at their workplaces.

### **It is important for employees that they are involved in important decisions**

Being involved in personal matters has always been important, however, since in 2020 many workplaces were forced to switch to remote-working, communication became less effective, which may result in the fact that employees were not always involved in decision making processes.

### **Employees should feel that they are valued and appreciated and that they are recognized by the talent acquisition teams**

Apart from material appreciation, employees desire to be appreciated and recognized professionally as well. In order, to be valued by acquisition teams it is advised for companies to provide different opportunities for development. Therefore, in the survey it was explicitly asked whether the respondent's workplaces offer any kind of trainings.

## **VI. ANALYZATION OF HYPOTHESES**

### **Quantitative research**

To either certify or confute the above-mentioned hypotheses, the so-called quantitative research has been conducted. Although there are different types of research, I have found quantitative research the most suitable as it provides accurate, yet objective viewpoints. Quantitative research means the collection and analysis of numerical data, in order to explain a phenomenon, draw conclusions, or in this particular case to prove or confute statements. Some data appear naturally, however, in this situation a type of research instrument was needed to collect statistically measurable data. The chosen instrument was an online questionnaire within the frames of Google forms. Moreover, it was anonymous, and the respondents were asked to answer according to their best and honest beliefs. All in all, 20 questions were included, separating the survey into two parts: in the first part people were asked to put their basic personal data, for instance their sex, age and so on, required for a statistical analysis, while in the second part respondents could choose what suited them best from the lists and scales. It is important to do the research right, and to choose the right target audience for survey completion. For this reason, as it was mentioned before, the questionnaire was created and edited by the writer in Google forms and was sent to different companies, most of them being multinationals.

### **Analyzation of quantitative research**

All in all, the survey included 20 questions that were answered by exactly 180 persons. The questionnaire was sent out to different project managers and leaders in similar positions. It is important to mention, that since many of them work at multinational companies, hence were affected heavily by the worldwide pandemic.

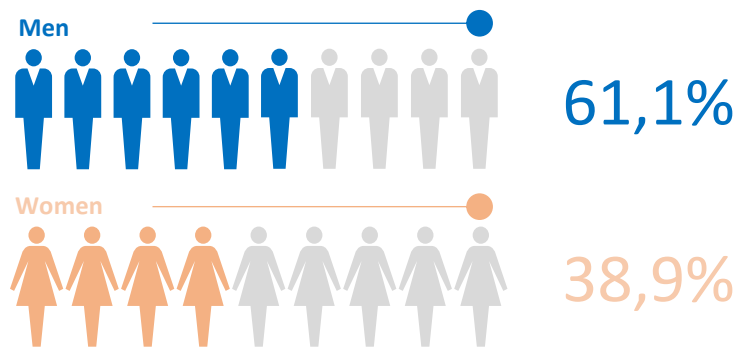
### **Gender of the respondents**

The beginning of the survey served the purpose of basic personal data collection. These questions were about the respondents' sex, age, education, employment status, and place of work.

61,1% of the respondents were men, meanwhile 38,9% were women, as it is represented in the picture below.



### 11. Figure Gender of respondents

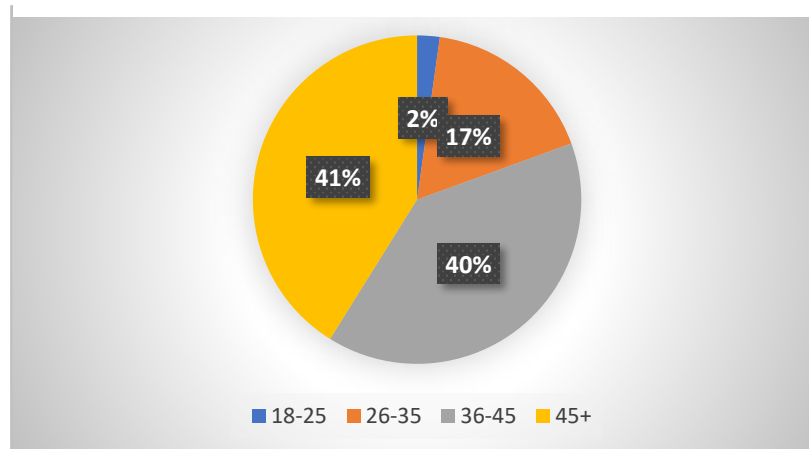


Source: self-edited based on the conducted survey

### Age of respondents

The age of respondents was divided into five categories: from 18 to 25, from 26 to 35, from 36 to 45 and above 45 years. As it can be seen on the graph, the majority of the respondents were above 36 years old; 74 of them are above 45 years old, and 71 of the testee are between the age of 36 and 45. From the 180 answerers, 31 have said that are between the age of 26 and 35, and only 2%, thus 4 persons, claimed to be between 18 and 25 years old.

### 12. Figure Age of respondents



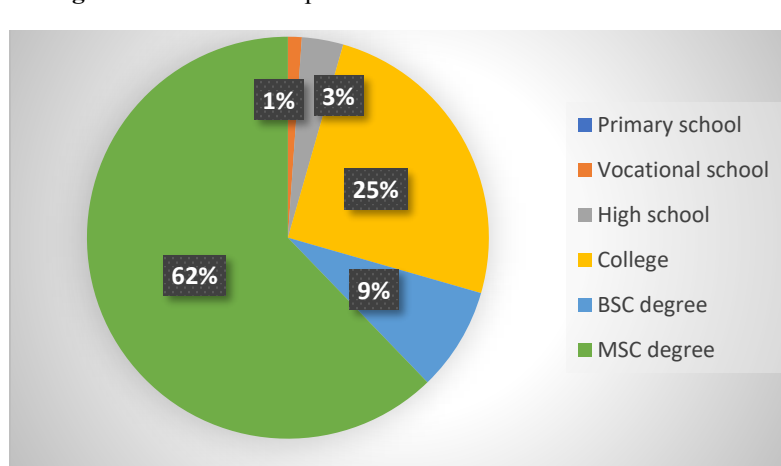
Source: self-edited based on the conducted survey

### Respondents' education

The next question aimed to map the answerers' educational background, thus the highest educational level was asked, where the respondents could choose from the following: primary school, vocational school, high school, college, BSc degree, and MSc degree. The figure clearly

represents the survey results, where the vast majority of the people asked, 112 persons, stated to have obtained Master's degree. Out of the 180 people, 45 have stated that their highest educational level is a college degree and 8,3%, 15 people, are said to have Bachelor's degree. Regarding secondary education, only 8 people choose either vocational, or high school educational level. Comparing the two levels of education, it can be stated that 95% of the respondents have gained higher educational level, or tertiary education, in contrast with the 5%, who have obtained solely secondary education. Evidently, no one has chosen primary school as their highest educational level.

13. Figure Education of respondents

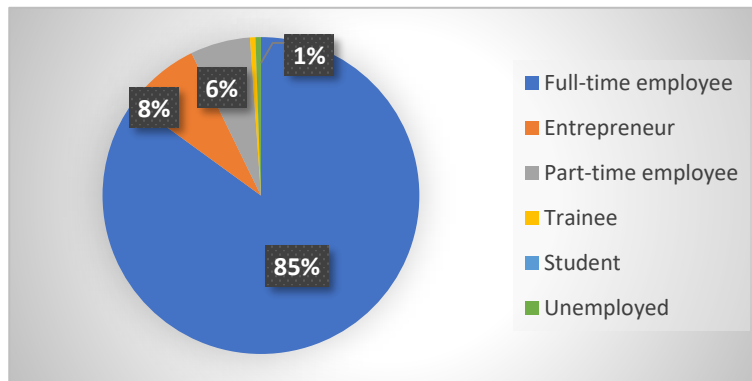


Source: self-edited based on the conducted survey

### Current employment status

The following figure shows the ratio of the current employment status of the respondents. As the data clearly shows, 85% of the answerers work as a full-time employee, meanwhile the rest of them work either as entrepreneurs, 8%, or part-time employees, 6% of the asked people. Last, but not least, in the survey only one person stated that he or she works as a trainee, and only one person claimed to be unemployed. This adds only approximately 1% to the total. As it can be seen, almost every respondent is currently an employed office worker, hence highly affected by COVID-19, thus are useful subject to the analysis.

**14. Figure** Employment status of respondents

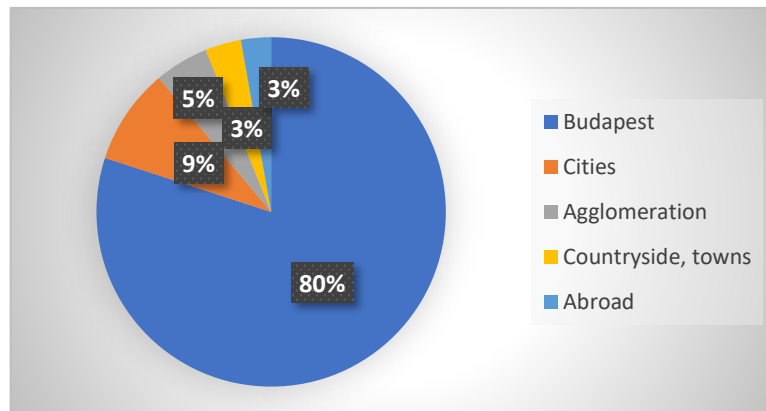


Source: self-edited based on the conducted survey

### Respondents' current or recent place of employment

The survey was sent out to people mainly working in the capital city of Hungary, which is well presented on the following figure. As the picture shows, 80% of the respondents, thus 144 people, work in Budapest, however, only 9 people are employed in the agglomeration of Budapest. Regarding the countryside, 16 people work in bigger cities and 6 people work in smaller towns. However, it is interesting that 5 people work outside of Hungary.

**15. Figure** Respondents' place of employment



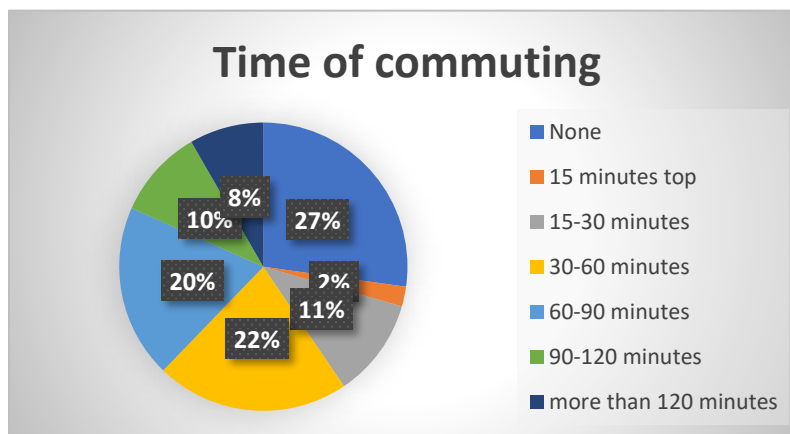
Source: self-edited based on the conducted survey

### Time of travelling to and from work

In the second half of the survey, participants were asked to rate different statements on a 1-to-5 scale, and to choose what suited them best. In some cases, the respondents had to choose only one option, however, in several cases multiple answers could be chosen, thus the results show a

more diverse analysis. The first question in the second part of the survey measured the travelling time employees need, in order, to get to the workplace and to arrive home. As it can be seen on the figure below, the results were more assorted than in the previous cases. According to the results, employees that do not spend any time commuting, has the highest percentage of all the answers. From this result, it can be concluded that 27% of the respondents work from home on a daily basis. Only 2%, meaning that 4 people spend a maximum 15 minutes with traveling. The next category, where one travels approximately 15 to 30 minutes to and back from work, was chosen by 20 people, taking up approximately 11% of the answers. The number of people who claimed to have been spending 30-60 minutes, or 60-90 minutes with commuting was almost the same; the former group represents 22% (39 people) of the whole, meanwhile the latter takes up 20% (35 people) of the respondents. The last value, which was chosen by those who spend more than two hours to travel, take up approximately 8% of the whole population, hence exactly 15 persons.

**16. Figure** Time spent on commuting according to respondents



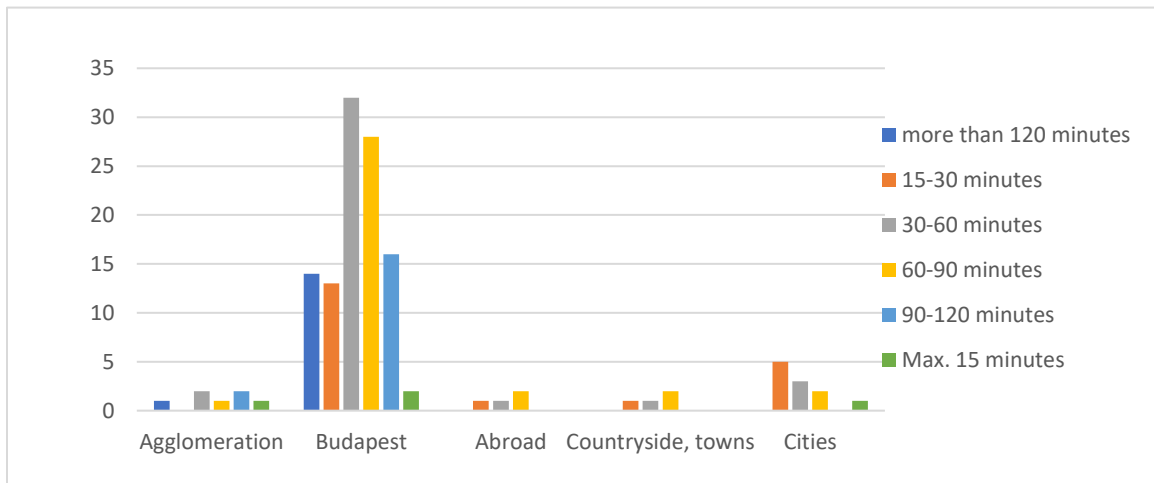
Source: self-edited based on the conducted survey

All in all, 18 persons spend more than one and a half an hour but less than two hours with traveling to work and to home. It can be observed that the majority, almost half, of the respondents spend between 30 and 90 minutes with traveling and one third spends none at all. The rest is almost equally split between those who travel 15-30 minutes, 90-10 minutes, and more than two hours.

The following column chart aims to represent the total number of respondents and the correlation of workplaces and traveling times. Considering only those employees who spend any time with traveling to and from work, the graph clearly illustrates that those who live in the capital

city of Hungary spend the most time with commuting. One reason for this could be the fact that in Budapest the traffic jams are common, especially in the city centre.

**17. Figure** Time spent on commuting according to respondents, broken down by place of employment

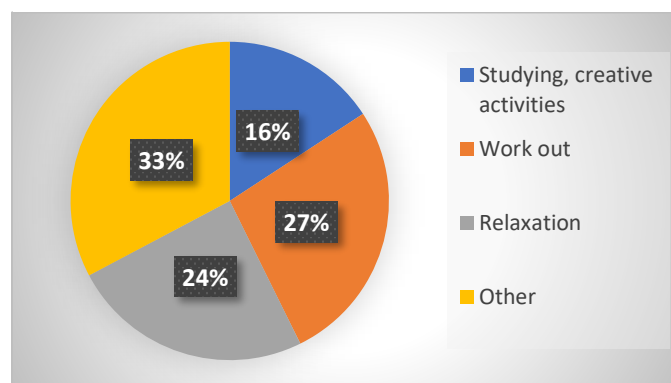


Source: self-edited based on the conducted survey

### How do employees spend their extra free time?

As the previous graphs show, employees spend a lot of time traveling to their workplaces and to home on an average day, but since people were required to work from home, they could save the commuting time. The following pie chart shows how the survey’s respondents allocate their saved up free time.

**18. Figure** How do employees spend their extra free time?



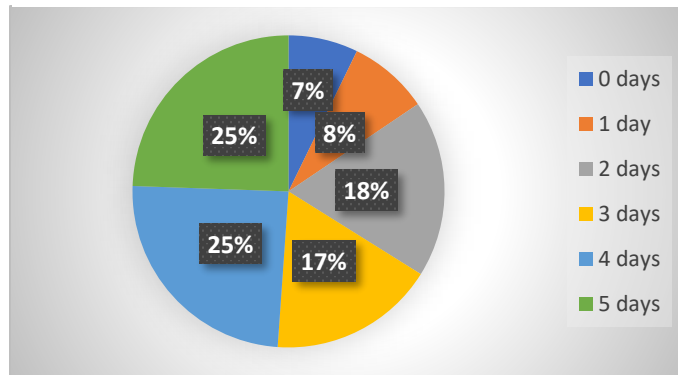
Source: self-edited based on the conducted survey

According to the answers, the chosen activities are split more or less evenly among the respondents. The population, in this case, consists of 171 people, as nine claimed that they do not work in home-office; thus, this question was irrelevant to them. 27% of the current population has stated that they prefer to work out or do some sort of physical activity in their spare time, while 24% of the whole prefers to do some relaxing activity. Out of the 180 people, 27 have claimed to either study or do some creative activity. The last category, 'other', represents those respondents' answers who could not choose from the given list, hence put their personal preference in text. From this 33%, many people stated that they spend the extra time with their families, friends, or do chores around the house and in the garden. Surprisingly, some people claimed to work in their spare time as well.

### **How many days do employees spend in home-office?**

Participants were asked to choose how many days they spend in home-office in an average week. The number of employees who work four and five days remotely are exactly the same: 44 people choose either of them, which takes up a total of 50% of the respondents. The number of those participants who work either two or three days in home-office are quite similar as well. The former group takes up roughly 18%, meanwhile the latter 17% of the whole, meaning that 33 people stay two days at home to work and 31 people spend three days in home-office. Out of the 180 people, 15 people declared to have been working only one day at home, and even less, 13 people said that their days spent in home-office is zilch. These 28 people add a total of 15% to the whole. From this data, it can be stated that although the office-related restrictions were already in effect in 2020, many multinationals and other companies do not yet expect their employees to work in the office. The required days spent in the office can differ from company to company, however, many firms expect only one or two days from their employees. These days are probably the same in every week, for instance, the team works on every Tuesday, or on every Tuesday and Thursday. This way the team members and their leaders can get to know each other personally and can further deepen their relationship in order, to enhance the effective performance at work.

19. Figure Days spent in home-office

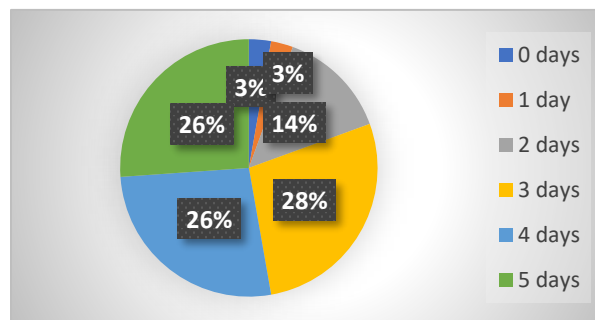


Source: self-edited based on the conducted survey

### Employees' needs regarding home-office

Comparing the two figures, it is evident that there is a similarity between the actual time spent in home-office and the time wanted to be spent in home-office, according to the survey's participants. The graph clearly shows that almost the same percentage, 26-26% of the respondents, meaning almost 100 people out of the 180, would like to spend four or five days in home-office. The rest of the data shows a bit of a difference from the actual days spent in home-office; however, the percentages do not deviate that much from the previous graph. As it can be seen on the graph, 28% of the respondents, thus 50 people, would prefer to spend an average of three days in their homes working remotely. The remaining 20% of the respondents can be divided into three: 14%, hence 25 people, would like to work at home twice a week; 5 people, 3%, would choose to work only one day at home; and the last 3% would rather come to the workplace every day.

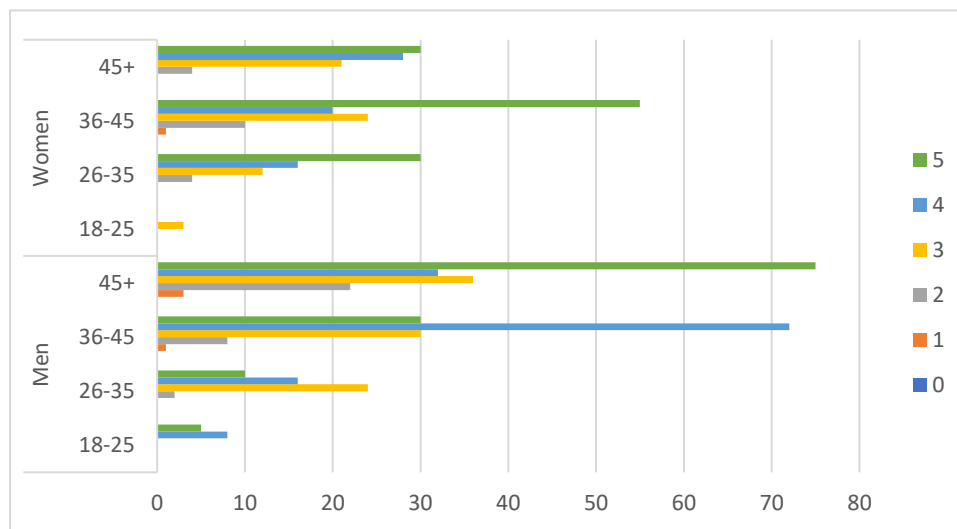
20. Figure Home-office days according to respondents' needs



Source: self-edited based on the conducted survey

An analysis of the graph illustrates the needs of respondents regarding home-office, given in days, distributed by gender and age groups. As it can be seen on the figure, women between the age of 36 and 45, and man that are older than 36 would explicitly prefer to work from home throughout the week. In contrast, the younger generation, especially women between the age of 18 and 25 would like to experience the ‘old-school’ way of work.

**21. Figure** Home-office needs of respondents, broken down by gender and age group



Source: self-edited based on the conducted survey

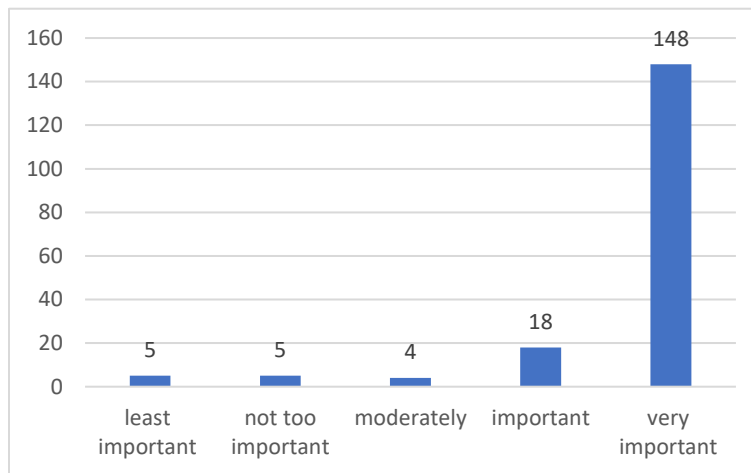
### Importance of home-office

On the following column chart, the survey’s participants had to rate how important it is for them that their workplaces offer a home-office opportunity. On the scale from 1 to 5, where 1 means ‘least important’ and 5 means ‘very important’. As it can be seen on the graph, for the vast majority of the respondents it is ‘very important’ to work for such employers that provide the possibility of remote working. Out of the whole population, 148 persons chose number 5 on the scale, which is 82,2%. The rest of the values on the scale are infinitesimal compared to the aforementioned value. Although it is still ‘important’ for 18 people, 2,2% of the population does not consider this factor important when it comes to workplaces. For the last few people, the results are equally distributed between the values of ‘not too important’ and ‘least important’. This shows that although it was a life-changing experience for most people, employees seem to prefer those workplaces that provide their workers the opportunity of working from home. For this reason, it



can be stated that there must have been some significant advantages of home-office that make people want to stay at home, rather than spend the time in the office.

**22. Figure** Importance of home-office according to respondents

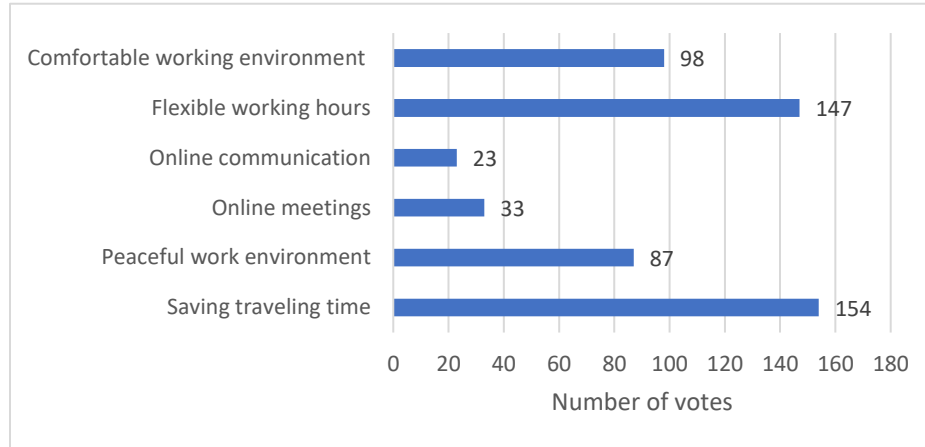


Source: self-edited based on the conducted survey

### **Advantages of home-office**

The following question aims to reflect the most important advantages of remote work, from the employees' point of view. The respondents could choose more than one option from the following list, as it is possible to enjoy multiple benefits regarding home-office. The following bar chart represents the share of benefits among the respondents, however, in this case the total number of answerers were 175 as 5 persons declared that they do not work in home-office, hence their answers would be irrelevant in this matter. The X axis represents the number of answers chosen by the respondents, meanwhile on axis Y the given answer options can be seen. The first option that could be selected was the 'comfortable working environment', and it was chosen by more than half of the respondents, namely by a total of 98 people. The second option was the 'flexible working hours', which was selected by 147 people. 'Online communication' and 'online meetings' were the least favoured features of home-office as less than 20% of the respondents have chosen this. The next aspect, 'peaceful work environment', was a bit more popular among the subjects of the survey, as 87 people found it an important advantage of remote working. The last factor was more significant than the rest of the elements since this had the highest rate; 154 people have said that 'saving traveling time' is crucial for them, which takes up approximately 90% of the respondents.

**23. Figure** Most important advantages of home-office according to respondents



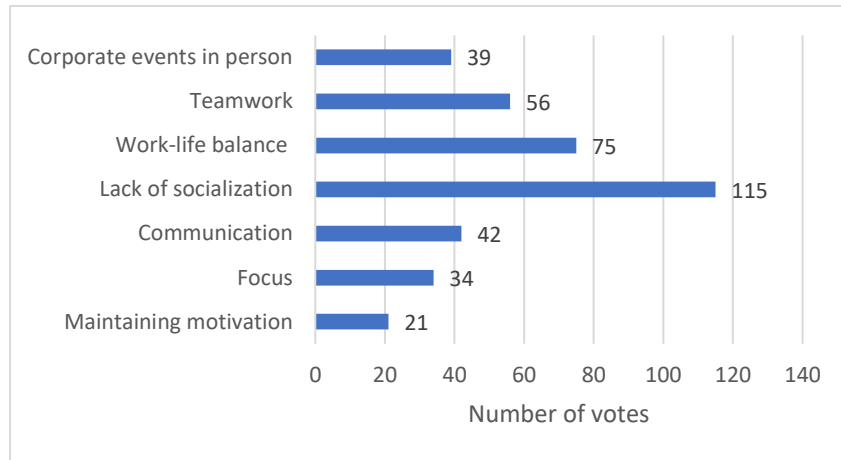
Source: self-edited based on the conducted survey

From this, it can be concluded that the most relevant positive factors of remote work are flexible working hours and the saving of traveling time, meanwhile the least significant ones are online communication and meetings. From the survey, it can be conducted that saving the time of traveling from home to work and vice versa is an exceptionally significant regardless of age and gender.

### **Difficulties of home-office**

Similarly, the respondents could choose multiple options from a list of elements that describe the possible difficulties employees might face while working from home. The y axis represents the list of the elements, meanwhile the x axis shows how many employees have chosen that particular objective. As the figure shows, that 'lack of socialization' seems to be the most challenging and it was chosen by 115 people. When one's home serves as a workplace as well, it is evident that the work-life balance can be disrupted. Therefore, on the list of difficulties work-life balance ranks as the second most challenging. Since many employees are used to do brainstorming sessions together, and solve different work-related problems together in person, it is not unlikely that it became one of the main difficulties during and after transitioning to home-office. According to the respondents, missing corporate events in person, communication, focus, and motivation seem to be a smaller burden, as each element was chosen by less than 25% of the whole population. However, it is worth mentioning that the least challenging part of home-office is maintaining motivation, chosen by only 21 people.

**24. Figure** Most relevant downsides of home-office



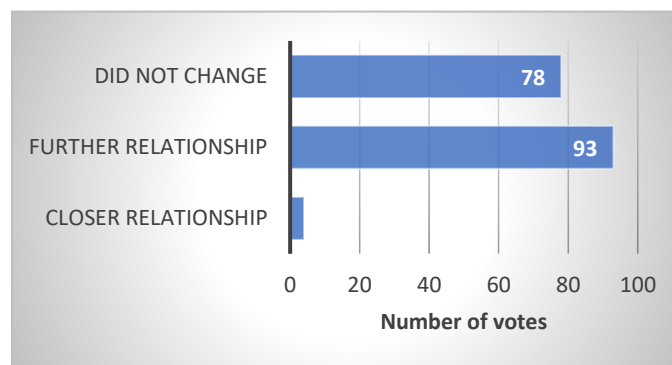
Source: self-edited based on the conducted survey

From this, it can be concluded the respondents would like to experience more work-related social activities; however, in some cases, it seems more beneficial to work from home, for instance, when an employee is required to do a more monotone series of tasks.

**Impact of hybrid working**

The survey's next question is about the overall impact of hybrid work solution on professional relationships, more specifically the aim was to understand whether the respondents feel closer or further from their colleagues. Five persons claimed that this question was irrelevant for them because they were not affected by home-office, therefore the relevant population was reduced to 175 people.

**25. Figure** Importance of home-office

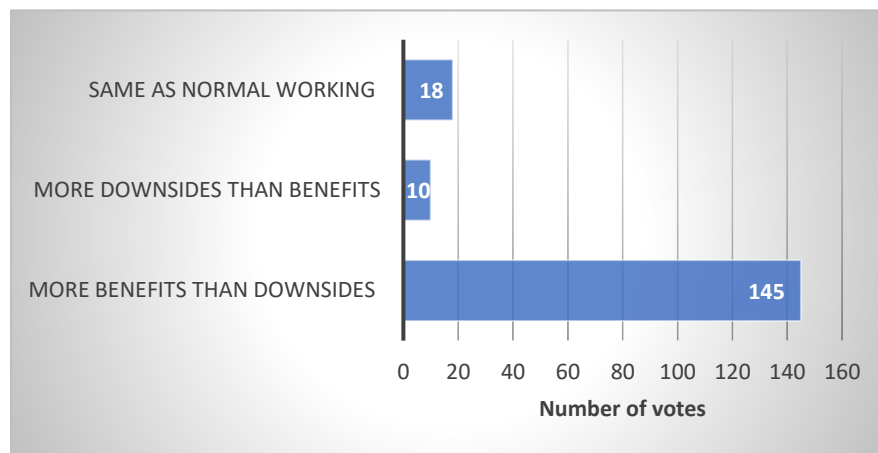


Source: self-edited based on the conducted survey

As it can be seen on the diagram, majority of the respondents have stated that working remotely made them feel further from their colleagues, while 78 people claimed it did not change their professional relationships, and only 4 people said that home-office impacted them positively.

The following question, where the population was reduced to 172 people, was about the overall experience of home-office on according to employees, where the participants could choose among three options.

**26. Figure** Experiencing home-office according to respondents



Source: self-edited based on the conducted survey

The first option, which was chosen by 18 people, stated that hybrid working did not particularly affect their work. According to only ten people, working partly remotely has more disadvantages. On the contrary, 145 people claimed that the home-office had affected them positively rather than negatively; based on their answers, it is evident that most of the population experienced more benefits than disadvantages regarding the home-office.

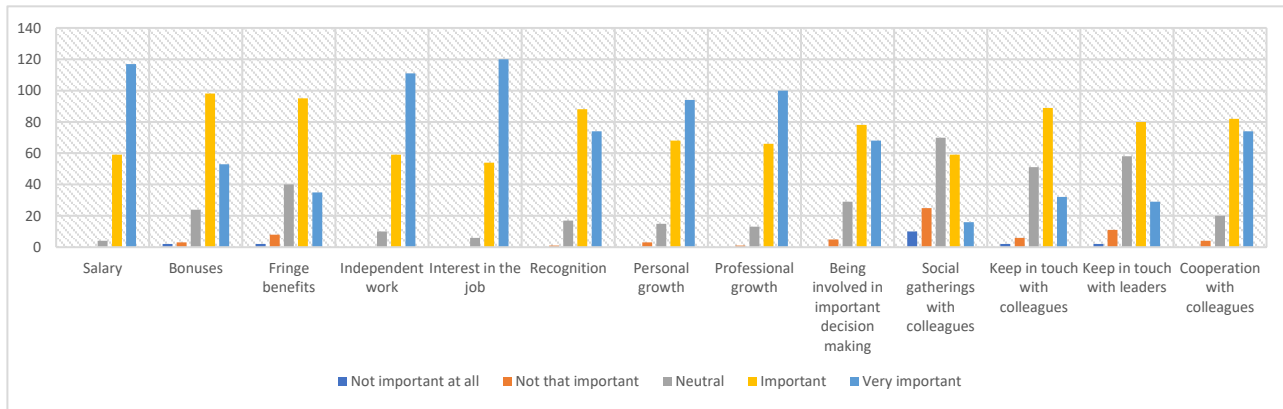
### **Extrinsic and intrinsic values**

The next group of questions are related to employee satisfaction, motivation, and different intrinsic and extrinsic values that workplaces can provide their employees.

The first question aimed to measure how important different corporate benefits are to employees on a scale from 1 to 5, where 1 means 'not important at all' and 5 means 'very

important'. As the graph shows, all in all, thirteen different things were listed, which were rated by the participants.

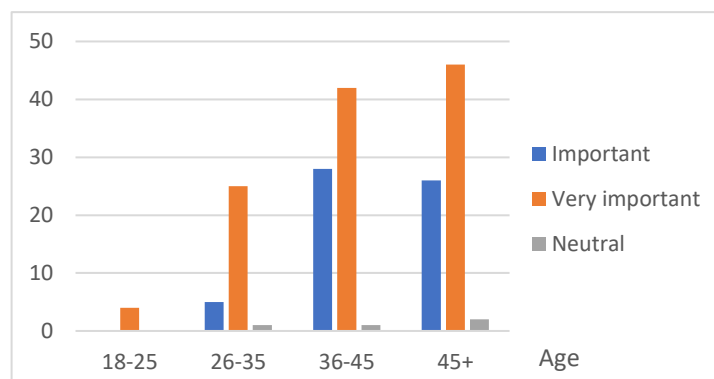
**27. Figure** Importance of benefits provided by the employer



Source: self-edited based on the conducted survey

The first three elements were the so-called economic benefits, hence those benefits that can be expressed in financial terms. The first one, salary, was ranked very important by 117 people, important by 59 people and neutral by 4 people. It is not surprising it fell into a more important category, since unfortunately many people struggle in these days, partly due to COVID and partly due to the ongoing financial crisis. On the following diagram, it can be seen, that regardless of age, the importance of salary is increasing as people get older.

**28. Figure** Importance of economic benefits according to respondents

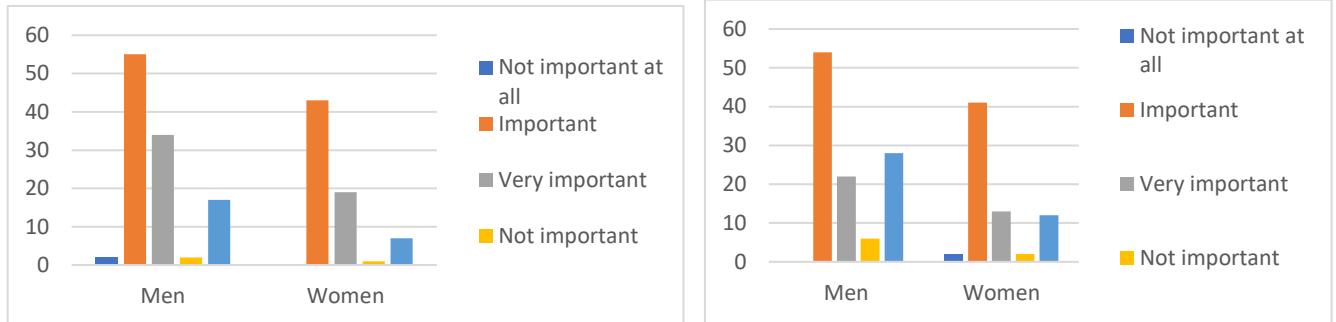


Source: self-edited based on the conducted survey

The next two elements, bonuses and fringe benefits are also considered to be significant regardless of age as most of the population claimed them to be either important or very important.

As the diagrams show below, in this case men found these economical benefits more important than women.

**29. Figure** Importance of bonuses and fringe benefits according to respondents

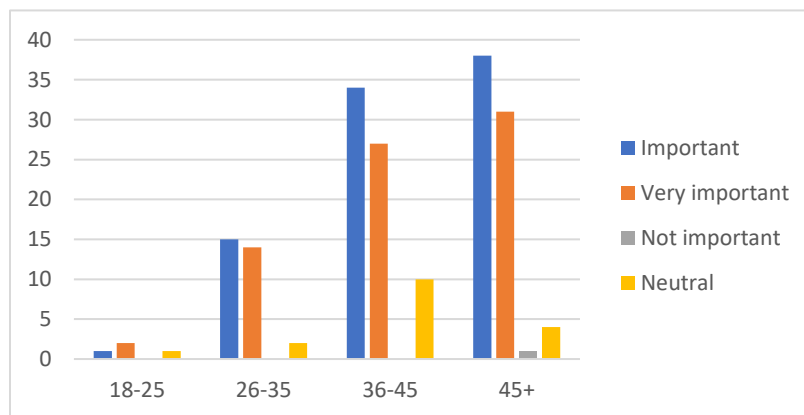


Source: self-edited based on the conducted survey

The following six values represent some elements related to the intrinsic contentment of employees. As the summarized graph above shows, working independently, finding interest in the job, being recognized, being able to grow both personally and professionally and being involved in important decision making are mainly considered to be either ‘important’ or ‘very important’, according to the respondents. As it can be seen on the 27<sup>th</sup> figure as well, there are only a few people who stated that these intrinsic elements are ‘neutral’ or ‘not that important’.

Among the intrinsic values, the most relevant correlation can be seen between the age of the respondents and the importance of recognition by the employer. As the diagram shows, the recognition is significant regardless of gender, however, it rises as the age increases.

**30. Figure** Importance of recognition according to respondents



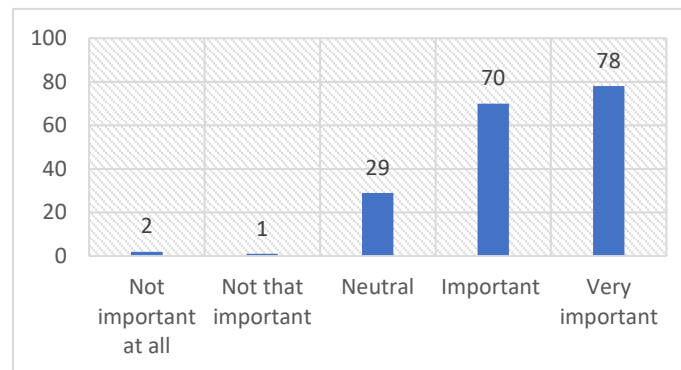
Source: self-edited based on the conducted survey

The last few elements on the graph are related to the employees' social relationship and measure how significant they are. For this reason, the participants for asked to rank the importance of social gatherings with co-workers, staying in touch with colleagues and leaders, and the co-operation of colleagues. As it can be seen on figure 27<sup>th</sup>hj6mpgfo, the social relationship related values received less 'very important' and more 'neutral' indicators. Some of the respondents have even claimed that these values are 'not that important'. However, one outstanding element can be examined, which is the importance of teamwork, or co-operation with other co-workers.

### The importance of being able to ask for help

The following question aimed to measure how significant it is for employees to be able to turn to someone at the workplace, whether it is a colleague or a person in higher position. The participants were asked to rank the importance of this matter on a scale from 1 to 5, where 1 means it is 'not important at all' and 5 means it is 'very important'. As the figure shows, approximately 82% of the respondents stated that it is either 'very important' or 'important' to have someone at the workplace that they can turn to. According to 29 people this matter is neutrally important, and only three person said it is 'not that important' or 'not important at all'.

**31. Figure** The importance of being able to turn to someone at the workplace

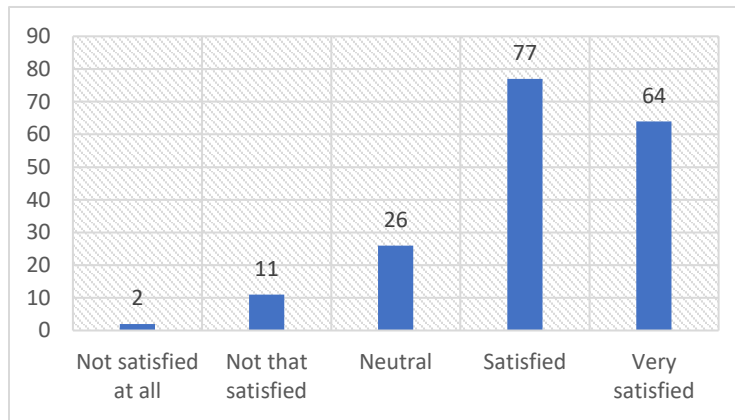


Source: self-edited based on the conducted survey

### Overall satisfaction at the workplace

The next question focuses on the overall satisfaction of employees at their workplaces. In this case, too, the respondents could rate their fulfillment on a 1-5 scale, where 1 means it is 'not satisfied at all' and 5 means it is 'very satisfied'.

**32. Figure** Overall satisfaction of respondents with their workplace



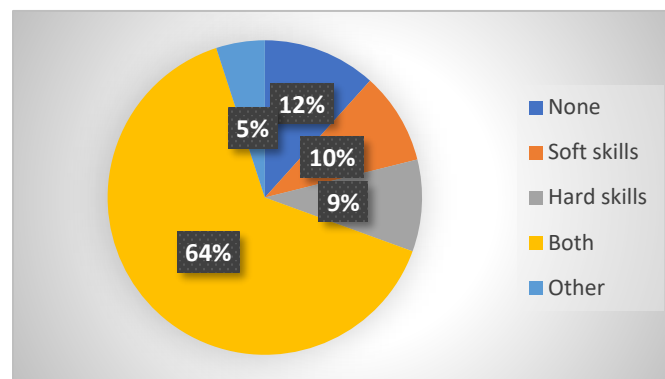
Source: self-edited based on the conducted survey

According to the respondents' answers, the majority, almost 80% of the population is 'satisfied' or 'very satisfied' with their workplace. 26 people ranked their satisfaction as neutral, and only 13 people said that they are 'not that satisfied' or 'not satisfied at all'.

### Opportunities for development

The second last survey question and its answers reflect the available opportunities for professional growth at different workplaces, focusing on soft and hard skill development. The question was whether the respondents' employers provide their employees any possibility for professional growth, and if so, whether these opportunities are soft or hard skills related.

**33. Figure** Opportunities for development according to respondents



Source: self-edited based on the conducted survey

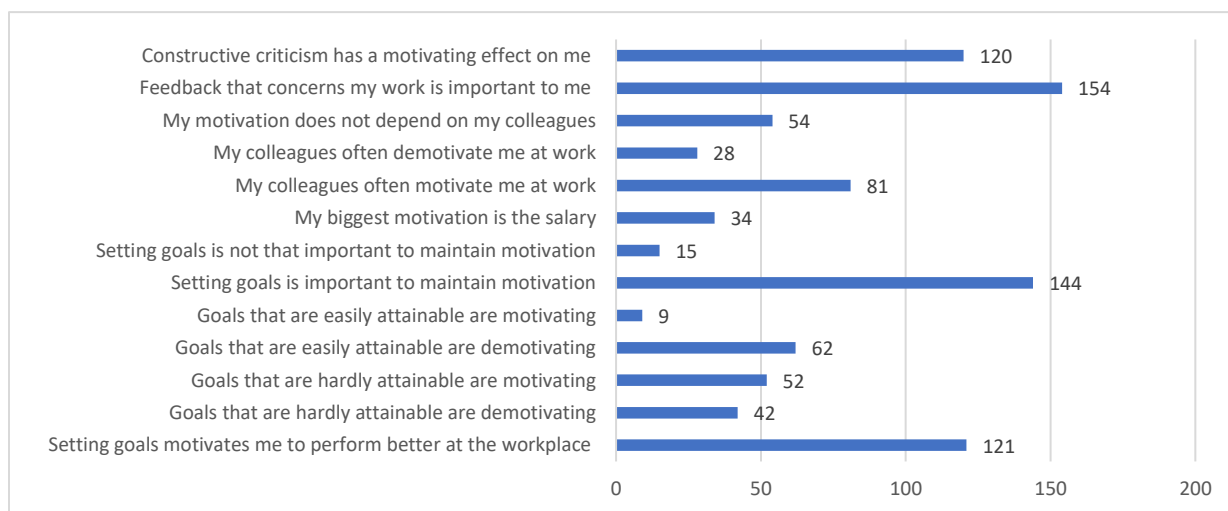


As the pie charts shows above, 64% of the population have the opportunity to work on their soft and hard skills by different trainings, 10% of the respondents can develop their soft skills, and 9% can are able to develop their hard skills. In contrast with this, unfortunately 12% of the participants does not have the possibility to professionally evolve at their current workplace. The rest of the population stated that they have very few opportunities make progress in this specific field, and some said that although officially their company enables them to participate on such trainings, these unfortunately do not give a substantial basis for skills development.

### Motivational attributes

The last questions aims to identify which of the listed elements have a motivating effect on the employees. Finding the answer to this question helps to further understand what people need from their employers. In this question the respondents could select multiple elements to manifest the most significant ones from the list.

**34. Figure** Motivational attributes at the workplace



Source: self-edited based on the conducted survey

As the figure shows, the most important elements that have an effect on employees' motivation are the feedback that concerns their work, constructive criticism and goalsettings: these elements were chosen by the majority of the population. On the other hand, goals that are too easily attainable, or do not seem significant can have a demotivating effect.

## VII. CONCLUSION

### **First hypothesis**

The first hypothesis was “*Working remotely has a negative effect on employee retention*”. According to my research, for employees to feel fulfilled with their jobs, they need certain economic benefits, social relationship, and intrinsic contentment. Based on the survey that has been conducted, these requirements are rather important in the home-office era, too.

The survey shows that the respondents find social relationships important at the workplace, whether it is with co-workers or leaders. Moreover, they find co-working significant. According to the answers, it is evident that home-office has more benefits than disadvantages, however, employees feel further from their colleagues. It is interesting to acknowledge, that although the respondents miss real life relationship with their colleagues, they would still prefer to work 3-5 days in home-office. From this it can be concluded that home-office can have a negative effect on employee retention when employers’ and employees’ remote work requirements do not meet. Furthermore, the lack of social connectedness affects negatively the co-workers and can lead to voluntary termination, however, according to the research, employees are still satisfied with their jobs.

To conclude, this hypothesis cannot be fully certified or forfeited based on this one research. To further understand the negative effects of home-office on employee retention, another survey and maybe a different kind of research would be necessary.

### **Second hypothesis**

The second hypothesis’ results, which was “*It is crucial to make employees feel that they can turn to someone at the workplace*”, is positive. There was one specific question regarding this matter in the quantitative research that has been conducted. The respondents were asked to rate how important it is to have someone they can turn to at the workplace on a scale from 1 to 5, where one means ‘it is not important at all’ and 5 means ‘very important’. More than 80% of the population stated that it is either ‘very important’ or ‘important’ to being able to turn to someone at the workplace. From this, it can be concluded that this hypothesis is certified.

**Third hypothesis**

The third hypothesis, which looks like “*Employees should feel that they are valued and appreciated and that they are recognized by the talent acquisition teams*”, can be certified as well. To draw a relevant conclusion, the survey concluded several questions regarding material and non-material recognition, learning opportunities and overall satisfaction with the workplace. According to the respondents, the importance of non-material recognition is in relation with age: the significance increases as people get older. However, it can be concluded that men find material recognition, hence bonuses and fringe benefits, more important than women. Regarding talent, learning and development, most of the respondents have said that their employers offer either hard skill or soft skill training opportunities, although according to the answers these training could be better and more often. Taking these facts into consideration, the overall satisfaction of employees is high for most of the respondents. For these particular reasons, the third hypothesis is certified as well.

**Fourth hypothesis**

The last hypothesis, which was “It is important for employees that they are involved in important decisions”, can be certified, too. According to the survey conducted, out of 180 people, 146 people claimed that being involved in important decision-making processes is ‘very important’ or ‘important’, and only some said that this factor is ‘neutral’ or ‘not that important’. From this, it can be concluded that being involved in this particular process adds to the well-being and satisfaction of employees towards their employers.

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