Using Structural Equation Modeling to Analyze the Impact of Remote Work on Job Satisfaction

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Abstract : Digitalization has disrupted the traditional workplace environment by allowing many employees to work from anywhere at any time. This trend of working from home was further accelerated due to the COVID-19 crisis, which forced companies to rethink their workplace models. While in many companies, this shift happened out of pure necessity; many employees were left more satisfied with their job due to the opportunity to work from home. This study focuses on employees' job satisfaction in the service sector in dependence on the different work models, which are defined as a "work from home" model, the traditional "work in office" model, and a hybrid model. Using structural equation modeling (SEM), these three work models have been analyzed based on 13 influencing factors on job satisfaction that have been further summarized in the three groups "classic influencing factors", "influencing factors changed by remote working", and "new remote working influencing factors". Based on the influencing factors on job satisfaction, a survey has been conducted with n = 684 employees in the service sector. Cronbach's alpha of the individual constructs was shown to be suitable. Furthermore, the construct validity of the constructs was confirmed by face validity, content validity, convergent validity (AVE > 0.5: CR > 0.7), and discriminant validity. Additionally, confirmatory factor analysis (CFA) confirmed the model fit for the investigated sample (CMIN/DF: 2.567; CFI: 0.927; RMSEA: 0.048). The SEM-analysis has shown that the most significant influencing factor on job satisfaction is "identification with the work" with $\beta = 0.540$, followed by "Appreciation" ($\beta = 0.151$), "Compensation" ($\beta = 0.124$), "Work-Life-Balance" ($\beta = 0.116$), and "Communication and Exchange of Information" ($\beta = 0.105$). While the significance of each factor can vary depending on the work model, the SEM-analysis shows that the identification with the work is the most significant factor in all three work models and, in the case of the traditional office work model, it is the only significant influencing factor. The study shows that employees who work entirely remotely or have a hybrid work model are significantly more satisfied with their job, with a job satisfaction score of 5.0 respectively on a scale from 1 (very dissatisfied) to 7 (very satisfied), than employees do not have the option to work from home with a score of 4.6. This comes as a result of the lower identification with the work in the model without any remote working. Furthermore, the responses indicate that it is important to consider the individual preferences of each employee when it comes to the work model to achieve overall higher job satisfaction. Thus, it can be argued that companies can profit off of more motivation and higher productivity by considering the individual work model preferences, therefore, increasing the identification with the respective work.

Keywords : home-office, identification with work, job satisfaction, new work, remote work, structural equation modeling