



REMOTE EMPLOYEE PERFORMANCE MANAGEMENT: THE NEAR / EARN MODEL PROPOSAL

Vladimir Zlatić *

Arhion Finance DOO Beograd

Abstract: An important consequence of communication technology accelerated development is remote work, which in recent years, especially with the outbreak of the Covid-19 crisis, has become more the rule than the exception in all sectors. Apart from the inevitable changes in labor law and the definition of the very concept of employment, remote work as a specific way of organizing work also opens up other issues, such as effective remote employee performance management. Through a systematic review of the relevant literature, a theoretical framework (model) for remote employee performance management was conceived. The proposed model identifies four basic determinates of remote employee performance: workplace environment, job autonomy, employee reward system & nurturing employee development. As a mediating variable, the model identifies job satisfaction along with work-life balance and occupational well-being. The name of the model represents an acronym made of the keywords (Environment, Rewards, Autonomy & Nurturing): NEAR / EARN, which is clearly related to its very idea - how to keep (physically distant) employees "close" (within the organization), i.e. how to "earn" their loyalty and retain them. Herzberg's Two-Factor Theory and Job Demands-Resources Model, developed by Baker and Demerouti, make the theoretical foundation of the model.

Keywords: remote work, employee performance, job satisfaction, workplace environment, job autonomy.

1. INTRODUCTION

The development of broadband internet and the third, fourth and fifth generation mobile networks since the beginning of this century has influenced the emergence and development of new industries, products and services, as well as professions and jobs, fundamentally changing traditional understandings of employment and work organization. These comprehensive social processes are encompassed by the concept of digital transformation. An important consequence of digital transformation is that remote work is becoming a global phenomenon and more the rule than the exception in almost all sectors, especially since the outbreak of the Covid-19 crisis.

Remote work in this paper refers to various modalities of remote work, including work from home (WFH), telecommuting / telework, as the work outside the employer's premises, done

* Corresponding author: vzlati1@gmail.com

Vladimir Zlatić, ORCID: 0009-0008-1066-0586

either at home or some other place - cafe, library, coworking space (Doyle, 2020), remote work, as the work of employees who live at a significant geographical distance from the employer's premises, e.g. in another country or continent (Savić, 2020), as well as various hybrid work models, in which employees work remotely for a proportion of their contracted working hours (Grzegorzczak et al., 2021).

Specifics of remote work compared to work at the employer's premises are reflected in differences in the work environment (physical and social) and monitoring and assessment of the work performance. These specificities, depending on how they are managed, can have both positive and negative implications for:

- job satisfaction,
- work-life balance,
- personal well-being,
- work motivation, and
- employee performance and loyalty (organizational commitment).

After the end of the pandemic and lifting of the mandatory social distancing measures, research has shown that employees and employers, i.e. workers and managers have conflicting views on remote work, including hybrid work models. In the survey, conducted by Microsoft in 11 countries (2022), 87% of employees who mostly work remotely claimed that they are as productive as in the office, i.e. that remote work does not reduce their productivity. At the same time, 85% of business decision makers (business owners or managers) stated that they are not convinced that remote work does not have a negative impact on productivity, and 82% of them said that it is in their interest for employees to return to the office. In this regard, a tendency to return employees to offices was noted, i.e. a decrease in the percentage of employees working remotely, compared to the period when the pandemic measures were in force.

In EU, an average of 5.5% of employees aged 20-64 mostly worked remotely in 2019, so that percentage would increase to 12.3% in 2020, and to 13.5% in 2021 (Eurostat, 2022). In 2022 this share declines: 10.2% of EU employees predominantly worked remotely (Statista, 2023a). According to the Statistical Office of the Republic of Serbia (2023), 7.5% of employees in Serbia worked remotely in 2019, 10.3% in 2020, 11.3% in 2021 and 8.2% in 2022.

The share of remote work after the lifting of pandemic measures is therefore globally declining, but not to the level it was at in 2019 (before the pandemic outbreak). The conclusion is clear: the change in the traditional understanding of work organization, induced by digital transformation and strongly encouraged and accelerated by the pandemic crisis, is irreversible.

In the post-Covid era, the effective management of remote employee job satisfaction, motivation and performance will be particularly important in the sectors where market survival and growth is entirely dependent on the employee knowledge, skills and engagement and where the remote work was widely represented even before the pandemic outbreak, such as IT and telecommunication, professional (consulting, design, research) and educational services (Milasi et al, 2020).

It can be said that there is a substantial body of research in the field of remote employee performance management, which has increased especially in the last several years, after the Covid-19 pandemic outbreak and introduction of mandatory measures to switch to remote work wherever possible, when this form of work covered a majority of the global workforce. Through theoretical considerations as well as empirical research, authors have sought to identify key factors which ultimately affect the remote employee performance. The largest number of empirical studies, however, focused on the context of the pandemic crisis and the partial influence of one or two to three specified factors on employee performance in a specific sector in a limited geographical area, without examining the possible difference between the impact of employee performance factors in remote versus in-office work, which represent the main

limitations of those studies. At the same time, the number of studies conducted with the aim to provide a comprehensive framework for understanding factors influencing the performance of remote employees in the post-Covid era is still relatively modest. The main contribution of this work is that it, based on the systematic and critical review of the relevant literature, indicates this gap and offers a comprehensive approach to the problem of managing the performance of remote employees in the post-covid era, through the proposal of a general theoretical framework - a model for effective remote employee performance management. The model synthesizes the impact of a greater number of employee performance factors, identified in the reviewed and analyzed studies, in four basic categories:

- work environment,
- job autonomy,
- employee reward system,
- nurturing employee growth and development.

The defined synthetic factors are classified into two categories:

- hygiene factors - workplace environment and employee reward system
- growth (motivator) factors - job autonomy and nurturing employee development,

in accordance with Herzberg's two-factor theory (Herzberg, 1968), in order to clearly indicate the strategic importance of each of them.

The proposed descriptive model represents a possible basis for further empirical and theoretical research.

2. METHODOLOGY

“Total knowledge production in the field of business and management is accelerating at a tremendous speed while at the same time remaining fragmented and interdisciplinary, making it hard to keep up with state-of-the-art research and assess the collective evidence in a particular research area. It is why the literature review as a research method is more relevant than ever.” (Snyder, 2019)

A literature review as a research method can broadly be described as a systematic way of collecting and synthesizing previous research (Baumeister & Leary, 1997). An effectively conducted literature review creates a firm foundation for advancing knowledge and facilitating theory development (Webster & Watson, 2002).

In order to collect and analyze relevant data related to the problem of remote employee performance management, a systematic literature review was conducted. The reviewed studies are analyzed and their results are systematized rigorously, transparently, and in a reproducible manner (De-la-Calle-Durán & Rodríguez-Sánchez, 2021). The search has been carried out by using the Scopus and Web of Science (WoS) databases, as the two most widely used databases for academic research. The type of search conducted was a keyword search. The selected search terms included: “remote work”, “knowledge work” and “employee performance”.

3. LITERATURE REVIEW

Employee performance in human resource management (HRM) practice is considered as results, outcomes and achievement of employees towards organizational and sectional goals (Khoshnaw & Alavi, 2020). Thus, optimizing employee performance in the long run to make it a key organizational competitive advantage, can be understood as the ultimate goal of HRM in the knowledge-based industries. The first and most important step in the process of conceiving

an efficient employee performance management system would be to identify the key employee performance drivers and understand their driving mechanisms.

Work motivation is theoretically well-established and empirically proven as a direct and strong determinant of productivity and employee overall performance. Defined broadly as a person's attitude towards job tasks or the driving force of job tasks execution, it is commonly viewed as two-dimensional concept, consisting of intrinsic (internal) and extrinsic (externally driven) motivation. This implies that it can be influenced (driven), where the possible impact largely depends on one's personal traits. According to Blumberg and Pringle (1982), the concept of (work) motivation includes "motivation, job satisfaction, job status, anxiety, legitimacy of participation, attitude, perceived task characteristics, job involvement, ego involvement, self-image, personality, norms, values, perceived role expectations, and feelings of equity". Further, it can be concluded that a person's attitude towards / perceptions of / feelings about the job and the totality of work environment, along with his/her ability (qualification, skills), determine the job tasks execution and output delivered. This overall internal driving force can be influenced systematically by organizational policies and management practices and driven towards desired outcomes. Numerous empirical proofs support this thesis. On top of that, work motivation, job satisfaction, well-being in the workplace and work-life balance are so interrelated concepts, that can be regarded as a whole. The later two are often used as synonyms and are also known as an occupational wellness. According to Wright et al. (2007), job satisfaction is a predictor of job performance only if a worker has a high level of personal well-being. Vividly expressed, these intrinsic factors of employee performance make a core envelope, where employee performance is the core.

A key task in front of the top and HR management of any organization, but especially a knowledge-based ones, therefore, is to identify key external driving forces of job satisfaction, work motivation, and employee performance.

In the contemporary context of the remote work, an additional question arises: Are there any significant specificities in the structuring of the employee performance management system in remote work models?

As previously stated, there are few works aiming to comprehensively examine factors of remote employee job satisfaction, motivation and performance and to propose a theoretical framework for the remote employee performance management practice.

Ali et al. (2023) conducted an empirical research of factors that affect remote workers' job satisfaction and personal well-being in Utah, USA, based on AMO theoretical framework, which considers the role of three employee performance determinants: ability, motivation and opportunity, driven by three key HR bundles: skill-, motivation-, and opportunity-enhancing (Beltrán-Martín & Bou-Llusar, 2018). As well as for motivation, Blumberg & Pringle (1982) provide a definition of ability and opportunity. Ability (or capacity to perform) refers to "the physiological and cognitive capabilities that enable an individual to perform a task effectively" (Blumberg & Pringle, 1982), while the concept of opportunity includes "tools, equipment, material and supplies, working conditions, actions of co-workers, leader behaviour, mentorism, organizational policies, rules and procedures, information, time, and pay" (Blumberg & Pringle, 1982).

According to AMO framework, ability-enhancing HRM practices include training and career development, as well as recruitment and selection. Motivation-enhancing practices are consisted of extrinsic and intrinsic motivation practices, where the top practices under extrinsic motivation are performance appraisal and extrinsic incentives, while less common practices include individual and team performance based pay, recognition, job security, promotion, social activities, and work-life balance opportunities.

Ali et al. summarized the results of their research in the following model:

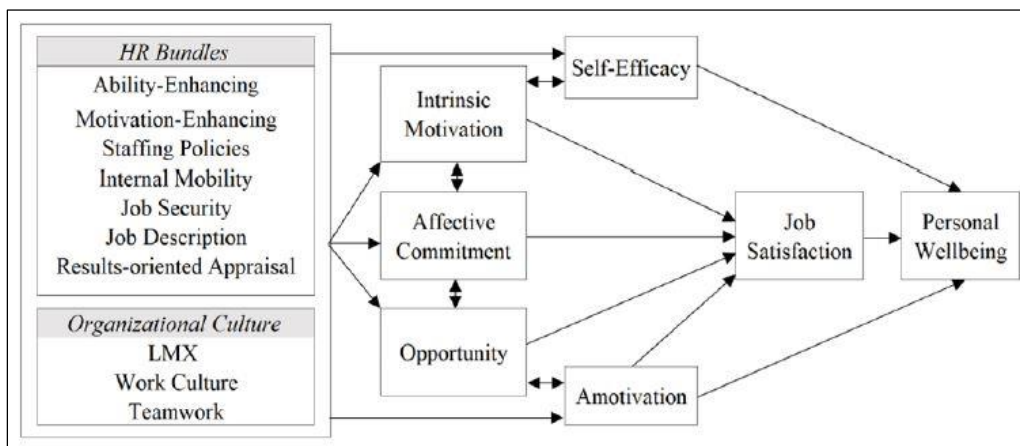


Figure 1. The influence of HR bundles and organizational culture on remote employee job satisfaction and personal well-being (Ali et al., 2023)

The clear contribution of this work is that it emphasize the importance of organizational culture along with HR practices in employee job satisfaction and wellbeing within remote work. According to the authors, organizational culture “played an indirect, but important role in job satisfaction” of the surveyed remote workers (Ali et al., 2023).

Another valuable attempt of comprehensive approaching to the problem of employee performance management in remote work environment was made by De-la-Calle-Durán & Rodríguez-Sánchez (2021) by developing a theoretical framework for strengthening employee engagement and well-being in times of COVID-19 i.e. in remote working environment. The five categories are proposed as the determining factors for reinforcing employee engagement, namely: conciliation, cultivation, confidence, compensation, and communication. Although the proposed model can be applied in any other circumstances, as the authors point out, it has been used to reflect how the pandemic is affecting employee wellbeing (De-la-Calle-Durán & Rodríguez-Sánchez, 2021). Each of these categories contain three specific factors of employee engagement:

- Conciliation: remote working, professional-private life, family diversity
- Cultivation: professional career, new technology, development opportunities
- Confidence: health, safety, leadership
- Compensation: remuneration, endeavour, non-monetary benefits
- Communication: networking, job and career feedback, involvement

Among other things, the results of the study suggest that managers, in order to achieve employee well-being and engagement, should focus on:

- facilitating remote work conditions so that employees can reconcile work and family life,
- inhouse training, as an opportunity to improve employee attitudes, expectations, and motivation.
- a compensation policy that corresponds to the new circumstances, including not only monetary, but also non-monetary benefits,
- facilitating communication, information sharing, and informal relations among colleagues and supervisors (De-la-Calle-Durán & Rodríguez-Sánchez, 2021).

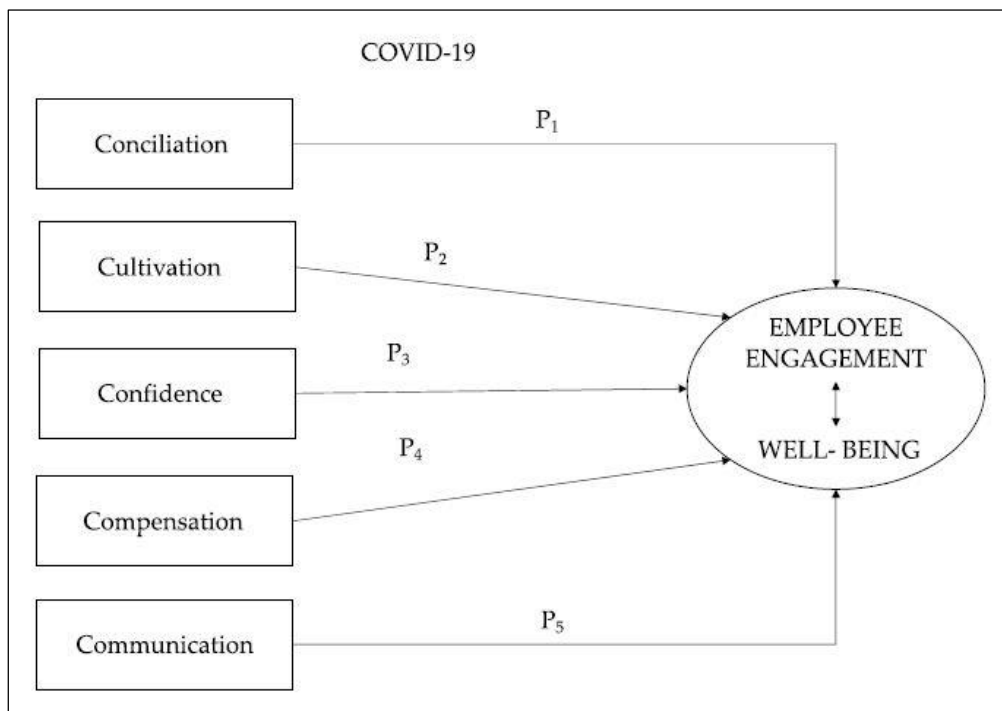


Figure 2. Structural representation of 5C model (De-la-Calle-Durán & Rodríguez-Sánchez, 2021)

The majority of the empirical studies reviewed were designed as explanatory research with quantitative approach, based on the structural equation modelling or multiple regression analysis, with random or convenient sampling, using mainly Likert scale questionnaires as the data collection technique. The studies were conducted in order to analyze and determine the relationship between various employee performance factors as the independent variables and employee performance as the dependent variable, whether directly or using other employee performance determinants (intrinsic motivators) as the mediating variables. No relevant study examining the difference between the impacts of a particular employee performance factor in the remote work conditions versus in-office work was found (which is by no means an assertion that such studies do not exist or are not available). The focus of the studies reviewed dominantly was on the context of the pandemic crisis and the partial influence of one or two-three specified factors on employee performance in a specific sector in a limited geographical area, which is their main limitation.

Performance drivers for remote workers most widely tested in the reviewed studies are:

- compensation,
- work environment,
- organizational support,
- job autonomy,
- employee engagement,
- organizational commitment,
- job satisfaction,
- work motivation,
- work-life balance,
- occupational well-being,

where the last five factors (employee engagement, organizational commitment, job satisfaction, work motivation, work-life balance and personal well-being) has dominantly been used as the

intervening variables as direct and strong determinants of the employee productivity and overall performance in general.

Compensation has been proven to have significant impact on productivity and overall performance of remote employees in the most of the reviewed empirical studies, both directly (Azmy et al., 2022; Khoirunnisah & Siregar, 2023) and indirectly, through work motivation as a mediating (intervening) variable (Lubis, 2021; Syamsuddin et al., 2021). There are few opposite findings, as those of Johannes et al. (2023), where the influence of compensation on the organizational commitment of remote employees in FMCG sector in Indonesia was found insignificant. In all reviewed studies, compensation is taken generally, including all its usual components - base salary, performance-based pay and bonus schemes.

As for workplace environment in remote work, three dimensions of this factor of remote knowledge employee performance can be identified: physical, digital (i.e. virtual) and social environment, where physical environment addresses the physical space (surroundings) where work is conducted, digital environment refers to information and communication technology as well as collaborative virtual workspace, and social environment includes organizational culture, structures and values, leadership and management practices (Lindeberg et al., 2023). The results of empirical studies reviewed indicate that workplace environment has a significant impact on motivating and engaging employees in remote work arrangements (Chatterjee et al., 2022; Lubis, 2021; Khoirunnisah & Siregar, 2023).

There are numerous evidences showing the positive relation between job autonomy and job performance (Khoshnaw & Alavi, 2020). In reviewed empirical studies, authors define job (task) autonomy as a job resource with the significant positive effect on job satisfaction and job performance (Nguyen et al., 2003; Morgeson et al., 2005; De Carlo et al., 2016; Dong et al., 2023), as well as on organizational commitment (Sisodia & Das, 2013) and psychological well-being (Clausen et al., 2022). According to Dong et al. (2023), “it is not high demands per se, but high demands combined with a lack of job resources (such as job autonomy) that undermine desirable work outcomes such as job satisfaction, while flexible work schedules as well as high decision-making autonomy increase employees’ satisfaction with work”.

Organizational support is another factor which impact on employee performance has been tested in a number of the reviewed studies. According to organizational support theory, perceived organizational support represents an employee’s perception of the extent to which the organization values his/her contribution and cares about his/her well-being (Eisenberger et al., 2020). The antecedents of this intrinsic factor of employee well-being, job satisfaction and performance are: organizational fairness (justice), leader/supervisor support and HR practices among which the practice of providing developmental opportunities has the strongest impact.

Kohont & Ignjatović (2022), based on the results of their empirical research, conclude “that a company’s readiness for WFH and organizational support are the keys to the successful implementation of WFH. This includes the technical side, different ways and extent of support for employees, (re-)transformation of work and working time arrangements, the provision of training and development of required competencies and the supporting role of leaders”.

Perceived organizational support produces a positive significant influence on the job satisfaction of managers working remotely (distance managers) of all levels (Ipsen et al., 2022). Organisational technical as well as social support for teleworkers is associated with positive wellbeing outcomes, increased job satisfaction and reduced psychological strain (Bentley et al., 2016). Perceived organizational support can increase engagement and job performance and decrease occupational stress in WFH (Junça Silva & Lopes, 2023).

4. THEORETICAL FRAMEWORK

Based on the reviewed previous works which proposed comprehensive approach to the problem of employee motivation and performance management while working remotely and the results of reviewed empirical studies, the following four aspects i.e. four driving forces of employee performance in remote work models are identified:

- ✓ **Environment** - as the workplace environment,
- ✓ **Autonomy** - as the job/task autonomy and work flexibility,
- ✓ **Rewards** - as the rewarding / compensation system,
- ✓ **Nurturing** - as the recognition and provision of developmental opportunities.

Workplace environment in terms of remote work comprises three previously mentioned dimensions: physical, digital (virtual) and social environment.

Job autonomy is defined here as the employee autonomy of choice regarding when, where and how the work assigned is done. It includes flexible scheduling and work structuring, but goes beyond, including accountability and employee empowerment.

The concept of rewards / rewarding system here refers to compensation plans including all monetary payments to an employee and non-monetary benefits (health insurance coverage, retirement plans, vacation paid, child daycare etc). It does not include any form of recognition for achievement, promotion and benefits in form of tuition assistance programs.

By nurturing, all types of systematic organizational support to employees towards their professional and career development are understood as well as recognition, promotion and job congruence.

In order to set up a comprehensive descriptive model of remote employee performance driving forces, that could serve as a theoretical basis for practical purpose of designing effective employee performance management system in a contemporary knowledge-based organization with high share of remote workers, it is necessary to determine the basic driving mechanism as well as the strategic impact for each of the four identified employee performance driving forces.

As the AMO theory and its operationalization for remote work context, made by Ali et al. (2023), suggest, HR policies along with organizational culture (which is the part of the social environment of the workplace) impact job satisfaction and, consequently, personal well-being. In the model proposed by De-la-Calle-Durán and Rodríguez-Sánchez (2021), the five factors of employee engagement simultaneously and directly affect employee engagement and well-being. In both models, however, the ultimate goal of understanding and controlling of employee satisfaction, well-being, motivation and engagement is to enhance the employee productivity and overall performance, that is, to align it with organizational goals. Also, numerous empirical studies examined emphasized the mediating role of job satisfaction, work motivation, employee engagement and organizational commitment, work-life balance and well-being in explaining the relationship between employee performance and its antecedents. The conclusion is:

- *Autonomy, Environment, Rewards & Nurturing impact Employee Performance through direct impact on an employee's job satisfaction, work motivation, work-life balance and well-being.*

To determine the strategic impact of each of the four driving forces, I rely on the Job Demands-Resources (JD-R) theory, developed by Demerouti and Bakker and on the Herzberg's Two-Factor theory.

The job demands-resources (JD-R) model categorize working conditions in two broad categories: job demands and job resources, which are related to employee specific outcomes in different ways (Demerouti et al., 2001). Demerouti and Bakker describe job demands as those aspects (physical, psychological, social, organizational) of work which require an effort from an employee and therefore can be associated with the costs of a physical and/or psychological

nature, such as strain and burnout, while job resources are physical, psychological, social and organizational aspects of work capable of reducing the costs associated with job demands and favouring the goal achievement and personal growth (Demerouti et al., 2001). It suggests that stress is a result of imbalance between the job demands placed before an employee and the resources an employee has to deal with the demands. The resources can be internal (cognitive features and action patterns) and external (organizational and social). In their study, the authors focus on external resources, as there is no general agreement which internal resources can be changed by adequate job design (Demerouti et al., 2001).

According to Demerouti et al. (2001), job demands are:

- physical workload,
- time pressure,
- recipient contact,
- physical environment, and
- shift work,

while job resources are:

- feedback,
- rewards,
- job control,
- participation,
- job security, and
- supervisor support.

With the high level of job demands, employees experience increased exhaustion, while the lack of job resources leads to high levels of disengagement. In jobs with both high demands and limited job resources, employees develop both exhaustion and disengagement, which represents the burnout syndrome. Exhaustion and disengagement are not necessarily causally related i.e. disengagement is not an outcome of exhaustion but of a shortage of job resources (Demerouti et al., 2001).

On the other hand, Herzberg (1968) in his Two-Factor (Motivation-Hygiene) theory argues that the factors of job satisfaction are separate and distinct from the factors of job dissatisfaction. Since separate factors are considered, depending on whether job satisfaction or dissatisfaction is being examined, it follows that these two feelings are not opposite to each other. The opposite of job satisfaction is not job dissatisfaction but, rather, no job satisfaction; similarly, the opposite of job dissatisfaction is not job satisfaction, but no job dissatisfaction.

The growth or motivator factors intrinsic to the job are:

- achievement,
- recognition for achievement,
- the work itself,
- responsibility and
- growth or advancement.

The dissatisfaction-avoidance or hygiene factors that are extrinsic to the job include:

- company policy and administration,
- supervision,
- interpersonal relationships,
- working conditions,
- salary,
- status, and
- security.

The motivation-hygiene theory suggests that work be enriched to bring about effective utilization of personnel, where job enrichment refers to the provision of the opportunity for the employee's psychological growth (Herzberg, 1968).

Key points of these two models of employee motivation and engagement can be related to the four singled out remote employee performance factors as follows:

- workplace environment is an aspect of job demand (related to but not only to physical workload and environment in JD-R model) and a hygiene factor (related to but only to working conditions, security, company policy and administration, interpersonal relationships in Two-Factor theory);
- job autonomy is a job resource (related to job control in JD-R model) and a motivator (related to responsibility in Two-Factor theory);
- reward system is a job resource (related to rewards in JD-R model) and a hygiene factor (related to salary in Two-Factor theory);
- nurturing employee development is a job resource (related to participation, feedback and supervisor support in JD-R model) and a motivator (related to but not only to recognition for achievement and growth or advancement in Two-Factor theory).

While three of four factors - workplace environment, job autonomy and nurturing - are consistently categorized in these two models, there is an obvious inconsistency when it comes to rewards. The problem is that the broad concept of rewards is not more precisely determined as it generally includes salary (as the base pay), performance-based pay/incentives and bonuses (which can be monetary or non-monetary). Some authors through empirical research argue that salary as the base pay is undoubtedly a hygiene factor, while performance-based pay can be regarded as a form of recognition-part of motivation (Uduji, 2013). Others, again, empirically are proving that even bonuses for performance are merely a hygiene factor, without significant motivating power in the long-run (De Waal & Jansen, 2013).

Taking all this into account, my standpoint is that rewards i.e. reward system in a whole, particularly in knowledge-based jobs (including remote work models), is a hygiene factor of motivation. According to Nguyen et al. (2003), job satisfaction depends on the gap between outcomes and aspirations and aspirations increase with the level of education. This argument can be interpreted in a way that highly qualified (which also refers to remote knowledge workers) employees cannot be sustainably motivated and highly engaged based primarily on salary plus incentives and bonuses. Where it should be underlined once again that "rewards" in this paper do not include recognition (which falls under the "nurturing" category). The conclusion is:

- *Job Autonomy and Nurturing employee recognition and development represent growth (motivator) factors while Workplace Environment and Reward System represent hygiene factors, with the direct impact of each of them on employee job satisfaction, motivation, engagement and overall performance.*

5. NEAR / EARN MODEL FOR REMOTE EMPLOYEE PERFORMANCE MANAGEMENT

The four identified factors represent four broader categories of specific factors (aspects, determinants, antecedents) of overall performance of remote employees (and more specifically, knowledge workers in the knowledge-based industries, as they will continue to have the highest shares of remote workforce). These categories are shortly named as Environment, Autonomy, Rewards & Nurturing in order to emphasize (draw attention to) the essence of those concepts. Those keywords form two acronym words: NEAR and EARN, both clearly (intuitively) related to the very idea of the model - how to keep (physically distant) employees "close" (within the organization), i.e. how to "earn" their loyalty and retain them.

Although such a conceptual framework is generally applicable to any other type of work organization, the purpose of this work is to provide general guidelines i.e. a basic framework for employee performance management practices in the remote work conditions. In that sense, it is necessary to clearly define each specific factor of employee performance with arguing its relevance in remote work context, as well as the constituent elements of the complex mediating variable (catalyst force): job satisfaction, work motivation, work-life balance and well-being.

In the next table, the factors of remote employee performance are given.

Table 1. Remote employee performance

Category	Factor
Workplace ENVIRONMENT	Physical environment Digital environment Social environment
Job AUTONOMY	Scheduling autonomy Work method autonomy Accountability
REWARDS System	Salary Incentives & bonuses Benefits
Employee development NURTURING	Training, mentoring & education sponsoring Evaluation & feedback Recognition & promotion

5.1. Hygiene factors

5.1.1. Workplace Environment

As previously notes, physical work environment refers to characteristics of the physical space where an employee works - conditions and surroundings. Digital (virtual) environment includes digital tools used for work and communication with colleagues and supervisors as well as tools for employee performance evaluation. The social environment refers to organizational culture, structures and procedures and management practices (Lindeberg et al., 2023).

The job demands (as per JD-R model) specifically related to the physical remote work environment, with significant influence on employee well-being and productivity, are: family-work conflict, social isolation and distracting environment. These job demands of remote work can significantly decrease productivity and work engagement and increase job stress (Galanti et al., 2021).

Remote employees has to be adequately digitally equipped, in terms of both hardware and software, with stable internet connection, in order to perform their job tasks regularly and without unnecessary disruptions based on technical issues. The ongoing technical support and assistance is also important to be provided.

As for social environment, the results of Microsoft's research from 2022, conducted in 11 countries with 20.000 remote workers surveyed, are indicative: the total number of online meetings per week, overlapping meetings and meeting invites had significantly increased for the average Microsoft Teams user since the start of the pandemic, causing employee strain and exhaustion (Microsoft, 2022). It is in line with the finding that 85% of leaders lack confidence in their employees' productivity. As in in-office work, the productivity paranoia phenomenon is present in remote work settings. 80% of workers surveyed said „they would personally benefit from more clarity on impactful priorities - clarity is key in a distributed work world“ (Microsoft,

2022). Even if these findings are not fully valid for every sector and every company that use remote working widely, it is worthwhile to point out that leaders have to „pivot from worrying about whether their people are working enough to helping them focus on the work that’s most important“ (Microsoft, 2022).

5.1.2. Employee Reward System

Some earlier empirical studies indicated that performance-based pay (Uduji, 2013) and bonuses (Rani & Mariappan, 2011) have significant influence on employee satisfaction, well-being and motivation. However, in the proposed model, these factors are considered hygiene, as the model is oriented primarily to knowledge workers, to which higher levels of aspirations are attached, as argued before, referring to the findings of Nguyen et al. (2003).

Compensation plans must be:

- competitive, which is the ultimate necessity for an organization which depends on its workforce skills and knowledge;
- flexible, meaning that key employees can tailor compensation packages to their specific needs, within the set limits (which ensures the competitiveness of the compensation plan);

Competitive and flexible compensation (reward) plans are “*conditio sine qua non*” for retaining key people within the organization.

An effective employee rewards system includes an adequate performance evaluation system, which is clear, fair and operable.

5.2. Growth (motivator) factors

5.2.1. Job autonomy

Job autonomy represents one of the two well-consolidated job resources, along with the organizational support, that promotes motivational process of work engagement and its positive organizational consequences - job satisfaction and job performance (De Carlo et al., 2016). Hackman and Oldham (1976) defined the two main dimensions of job autonomy: job schedule (having the autonomy to schedule the work) and work procedures (to have autonomy to choose approach). This refers to scheduling and work method autonomy as defined in the Table 1. But, job autonomy as a job resource must include the decision-making autonomy i.e. accountability (responsibility). For the workers with higher level of qualifications and aspirations, this should be the necessary element of total job autonomy provided, at least to a certain level, according to individual expertise, experience and aspiration.

5.2.2. Nurturing employee development and recognition

The true motivator for any knowledge worker (or any other highly skilled professional), along with job autonomy, should be the opportunity to grow within the organization. Perceived organizational support is essential for achieving employee satisfaction and well-being. It refers to recognition for achievement, prospects of promotion and support in career developing. It is managed by training and mentoring programs, tuition assistance programs (external education sponsoring) as well as through promotion and recognition strategies.

Growth and development expectations within the organization, based on personal traits, working experience and skills and family commitments, directly impact employees’ decisions to stay or leave the post (De-la-Calle-Durán & Rodríguez-Sánchez, 2021).

5.2.3. Job satisfaction, motivation, work-life balance and well-being

As already argued, work motivation, job satisfaction, well-being in the workplace and work-life balance are so interrelated concepts, that can be regarded as a whole for the purpose of this work.

However, it is important to closely define job satisfaction here as a composite category. Nguyen et al. (2003) describe overall job satisfaction as “determined by satisfaction with pay, job security, promotion prospects, fringe benefits and the importance attached to the job”. It relates well to the relationship between job satisfaction and its four driving forces of the model.

Work-life balance is defined as an individual’s perceptions of how well a person’s life roles (i.e. work and private life) are balanced, which definition is grounded in the perception-centred approach that considers work-life balance to be a holistic concept, depending upon a person’s life values, priorities and goals (Haar et al., 2014).

Personal well-being can be defined as a perception or experience of personal health, happiness and prosperity, including mental health, overall life satisfaction and sense of purpose (Davis, 2019). In the workplace context, well-being refers to a perception of overall satisfaction with the job and work environment.

5.3. NEAR / EARN model graphical representation

The following scheme provides the graphical representation of the proposed NEAR / EARN model:

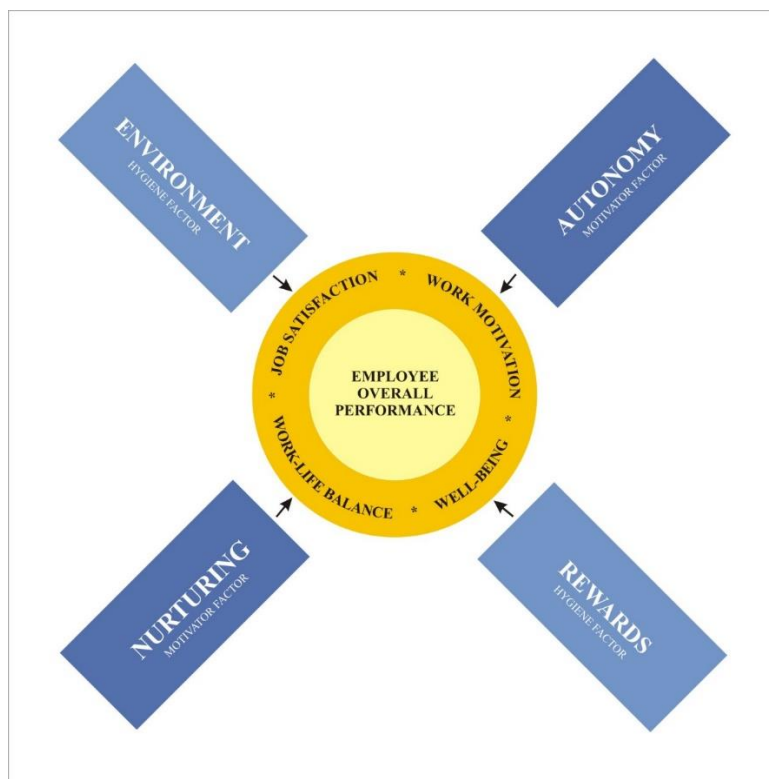


Figure 3. Graphical representation of NEAR / EARN model

Note: The graphical representation of the model was inspired by the view of NEAR Shoemaker space probe that was launched in 1996 to study the near-Earth asteroid Eros from close orbit (NASA, 2023)

6. CONCLUSION

This study represents the attempt to summarize available research findings in the field of employee performance management in remote working context in order to provide general guidelines for management practices in the post-Covid era and for further empirical research. It is done through the proposal of a model (framework) for understanding key driving forces of remote employee performance, especially in knowledge-based industries that continue to have the highest share of remote workers. The model recognize four key factors of remote employee performance: Environment (workplace environment), Autonomy (job autonomy), Rewards (employee rewards system) and Nurturing (employee recognition and development nurturing). Those broad categories contain specific factors of employee performance as specific aspects of each of those four broadly defined employee performance factors.

A systematic literature review was applied as the research method. Few works, aiming to examine in a comprehensive way the factors of job satisfaction, work motivation, well-being and overall performance for remote employees, was found. Indicating this gap and offering a comprehensive perspective on the problem of remote worker performance management in the post-covid era through a theoretical model proposal could be considered the main contribution of this work. The proposed model can serve as the basis for further empirical research and for managerial practice of conducting an effective employee performance management system in a particular remote organizational environment.

The model identifies four driving forces of remote employee performance: Environment (workplace environment), Autonomy (job autonomy), Rewards (employee reward system) and Nurturing (employee recognition and development nurturing). These four keywords make two acronyms: NEAR and EARN, with clear relation to the idea of the proposed model - to "earn" the employees' loyalty and keep them "close" (within the organization) although they are or can be physically distant. The model's driving forces influence employee performance through intrinsic motivational factors: job satisfaction, work motivation and perceived work-life balance and well-being in the workplace. As highly interrelated, these intrinsic factors form a complex catalyst force (a mediating variable) with a direct and strong impact on employee engagement and overall performance, so that it can be seen as a core envelope, where employee performance represents a core.

Two widely used workplace motivation theories make the theoretical foundation of the model: Job Demands-Resources Theory developed by Evangelia Demerouti and Arnold Bakker and Two-Factor Theory developed by Frederick Herzberg. Using these theoretical frameworks, the four conceptualized employee performance driving forces were categorized as job resources / job demands and growth (motivator) / hygiene factors. Three of these four driving forces were consistently categorized as a job resource / growth (motivator) factor (Autonomy, Nurturing) or as a job demand / hygiene factor (Environment), while Rewards, although representing a job resource, was categorized as a hygiene factor, based on the reviewed relevant empirical findings and theoretical considerations of the author.

The main limitation of this work is reflected in its theoretical nature. Empirical testing and critical considerations of the model are not just welcome but necessary. Empirical research, among other objectives, should be directed towards examining the significance of difference in specific employee performance factors' impact in remote and in-office conditions in a particular industry.

REFERENCES

- Ali, A. D., Narine, L. K., Hill, P. A., & Bria, D. C. (2023). Factors affecting remote workers' job satisfaction in Utah: An exploratory study. *International Journal of Environmental Research and Public Health*, 20(9), 5736. <https://doi.org/10.3390/ijerph20095736>
- Azmy, A., Risza, H., & Adhykusuma, A. (2022). Implications of work motivation, employee discipline, and compensation on employee performance while working from home at a digital marketing company. *Jurnal Manajemen dan Pemasaran Jasa*, 15(1), 13-36. <https://doi.org/10.25105/jmpj.v15i1.12791>
- Baumeister, R. F., & Leary, M. R. (1997). Writing Narrative Literature Reviews. *Review of General Psychology*, 1(3), 311-320. <https://doi.org/10.1037/1089-2680.1.3.311>
- Beltrán-Martín, I., & Bou-Llugar, J. C. (2018). Examining the intermediate role of employee abilities, motivation and opportunities to participate in the relationship between HR bundles and employee performance. *BRQ Business Research Quarterly*, 21(2), 99-110. <https://doi.org/10.1016/j.brq.2018.02.001>
- Bentley, T. A., Teo, S. T., McLeod, L., Tan, F., Bosua, R., & Gloet, M. (2016). The role of organisational support in teleworker wellbeing: A socio-technical systems approach. *Applied ergonomics*, 52, 207-215. <https://doi.org/10.1016/j.apergo.2015.07.019>
- Blumberg, M., & Pringle, C. D. (1982). The missing opportunity in organizational research: Some implications for a theory of work performance. *Academy of management Review*, 7(4), 560-569. <https://doi.org/10.2307/257222>
- Chatterjee, S., Chaudhuri, R., & Vrontis, D. (2022). Does remote work flexibility enhance organization performance? Moderating role of organization policy and top management support. *Journal of Business Research*, 139, 1501-1512. <https://doi.org/10.1016/j.jbusres.2021.10.069>
- Clausen, T., Pedersen, L. R. M., Andersen, M. F., Theorell, T., & Madsen, I. E. H. (2022). Job autonomy and psychological well-being: A linear or a non-linear association? *European Journal of Work and Organizational Psychology*, 31(3), 395-405. <https://doi.org/10.1080/1359432X.2021.1972973>
- Davis, T. (2019). What Is Well-Being? Definition, Types, and Well-Being Skills. *Psychology Today*. <https://www.psychologytoday.com/intl/blog/click-here-happiness/201901/what-is-well-being-definition-types-and-well-being-skills>
- De Carlo, N., Corso, L. D., Falco, A., Girardi, D., & Piccirelli, A. (2016). To be, rather than to seem: The impact of supervisor's and personal responsibility on work engagement, job performance, and job satisfaction in a positive healthcare organization. *TPM-Testing, Psychometrics, Methodology in Applied Psychology*, 23(4), 561-580. <https://doi.org/10.4473/TPM23.4.9>
- De-la-Calle-Durán, M.-C., & Rodríguez-Sánchez, J.-L. (2021). Employee Engagement and Wellbeing in Times of COVID-19: A Proposal of the 5Cs Model. *International Journal of Environmental Research and Public Health*, 18(10), 5470. <https://doi.org/10.3390/ijerph18105470>
- Demerouti, E., Bakker, A. B., Nachreiner, F., & Schaufeli, W. B. (2001). The job demands-resources model of burnout. *Journal of Applied Psychology*, 86(3), 499-512. <https://doi.org/10.1037/0021-9010.86.3.499>
- De Waal, A., & Jansen, P. (2013). The bonus as hygiene factor: the role of reward systems in the high performance organization. *Evidence-Based HRM*, 1 (1), 41-59. <https://doi.org/10.1108/20493981311318601>

- Dong, R., Wu, H., Ni, S., Lu, T. (2023). The nonlinear consequences of working hours for job satisfaction: The moderating role of job autonomy. *Current Psychology*, 42 (14), 11849-11870. <https://doi.org/10.1007/s12144-021-02463-3>
- Doyle, A. (2020). What Is Telecommuting? Definition & Examples of Telecommuting. The Balance. <https://www.thebalancemoney.com/what-is-telecommuting-2062113>
- Eisenberger, R., Rhoades Shanock, L., & Wen, X. (2020). Perceived organizational support: Why caring about employees counts. *Annual Review of Organizational Psychology and Organizational Behavior*, 7, 101-124. <https://doi.org/10.1146/annurev-orgpsych-012119-044917>
- Eurostat (2022). Rise in EU population working from home. <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20221108-1>
- Galanti, T., Guidetti, G., Mazzei, E., Zappalà, S., & Toscano, F. (2021). Work from home during the COVID-19 outbreak: The impact on employees' remote work productivity, engagement, and stress. *Journal of occupational and environmental medicine*, 63(7), 426-432. <https://doi.org/10.1097/JOM.0000000000002236>
- Grzegorzczuk, M., Mariniello, M., Nurski, L., Schraepen, T. (2021). Blending the physical and virtual: A hybrid model for the future of work, Bruegel Policy Contribution, 14. <https://hdl.handle.net/10419/251067>
- Haar, J. M., Russo, M., Suñe, A., & Ollier-Malaterre, A. (2014). Outcomes of work-life balance on job satisfaction, life satisfaction and mental health: A study across seven cultures. *Journal of vocational behavior*, 85(3), 361-373. <https://doi.org/10.1016/j.jvb.2014.08.010>
- Hackman, J. R., & Oldham, G. R. (1976). Motivation through the design of work: Test of a theory. *Organizational behavior and human performance*, 16(2), 250-279.
- Herzberg, F. (1968). One more time: how do you motivate employees?, *Harvard Business Review*, 46 (1), 53-62.
- Ipsen, C., Kirchner, K., Andersone, N., & Karanika-Murray, M. (2022). Becoming a distance manager: managerial experiences, perceived organizational support, and job satisfaction during the COVID-19 pandemic. *Frontiers in psychology*, 13, 916234. <https://doi.org/10.3389/fpsyg.2022.916234>
- Johannes, J., Limakrisna, N., & Anggiani, S. (2023). Effect of Job Demand, Compensation, and Personality Traits on Organizational Commitment Moderated by Work by Remote Employees in the Fast Moving Consumer Goods (FMCG) Sector. *International Journal of Environmental, Sustainability, and Social Science*, 4(3), 718-730. <https://doi.org/10.38142/ijess.v4i3.562>
- Junça Silva, A., & Lopes, C. (2023). Cognitive and affective predictors of occupational stress and job performance: the role of perceived organizational support and work engagement. *Journal of Economic and Administrative Sciences*, 39(4), 1013-1026. <https://doi.org/10.1108/JEAS-02-2021-0020>
- Khoirunnisah, A. I., & Siregar, O. M. (2023). The Effect Of Work From Home (WFH) And Compensation On Employee Productivity During The Covid-19 Pandemic. *Journal of Economics and Business (Jecombi)*, 3(02), 73-82. <https://doi.org/10.58471/jecombi.v3i02.45>
- Khoshnaw, S., & Alavi, H. (2020). Examining the interrelation between job autonomy and job performance: A critical literature review. *Multidisciplinary Aspects of Production Engineering*, 3(1), 606-616. <https://doi.org/10.2478/mape-2020-0051>
- Kohont, A., & Ignjatović, M. (2022). Organizational support of working from home: Aftermath of COVID-19 from the perspective of workers and leaders. *Sustainability*, 14(9), 5107. <https://doi.org/10.3390/su14095107>

- Lindeberg, P., Saunila, M., Lappalainen, P., Juhani, U., & Rantanen, H. (2023). The relationship between various social work environment elements and hybrid worker well-being. Emerald Publishing Limited. <https://doi.org/10.1108/F-03-2023-0019>
- Lubis, F. R. A. (2021). The Effect of Compensation and Work Environment on Employee Work Motivation during the Covid 19 Pandemic at PT. Asoka Arians Properti - Medan. *Jurnal Mantik*, 5 (2), 1014-1018. <https://doi.org/10.35335/jurnalmantik.Vol5.2021.1441.pp1014-1018>
- Microsoft (2022). Hybrid Work Is Just Work. Are We Doing It Wrong? Work Trend index Special Report. <https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work-is-just-work>
- Milasi, S., González-Vázquez, I., Fernández-Macías, E. (2020). Telework in the EU before and after the COVID-19: where we were, where we head to. Science for Policy Briefs. https://joint-research-centre.ec.europa.eu/document/download/1ccf7717-ab52-4215-b14a-08d74e9d44fc_en
- Morgeson, F. P., Delaney-Klinger, K., & Hemingway, M. A. (2005). The Importance of Job Autonomy, Cognitive Ability, and Job-Related Skill for Predicting Role Breadth and Job Performance. *Journal of Applied Psychology*, 90(2), 399–406. <https://doi.org/10.1037/0021-9010.90.2.399>
- Rani, S. V., & Mariappan, S. (2011). Work/life balance reflections on employee satisfaction. *Serbian Journal of Management*, 6(1), 85-96. <https://doi.org/10.5937/sjm1101085R>
- NASA (2023). NEAR Shoemaker. <https://science.nasa.gov/mission/near-shoemaker/>
- Nguyen, A. N., Taylor, J., & Bradley, S. (2003). Job autonomy and job satisfaction: new evidence. Lancaster University Management School, Working paper, 50.
- Savić, D. (2020). COVID-19 and Work from Home: Digital Transformation of the Workforce. *The Grey Journal*, 16 (2), 101-104.
- Sisodia, S., & Das, I. (2013). Effect of Job Autonomy Upon Organizational Commitment of Employees at Different Hierarchical Level. *Psychological Thought*, 6(2), 241-251. <https://doi.org/10.5964/psyct.v6i2.65>
- Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. *Journal of business research*, 104, 333-339. <https://doi.org/10.1016/j.jbusres.2019.07.039>
- Statista (2023). Percentage of employed people usually working from home in Europe 2022, by country. <https://www.statista.com/statistics/879251/employees-teleworking-in-the-eu/>
- Statistical Office of the Republic of Serbia (2023). Labour Force Survey. <https://www.stat.gov.rs/sr-latn/oblasti/trziste-rada/anketa-o-radnoj-snazi/>
- Syamsuddin, R. A., Pratama, A., Sunarsi, D., & Affandi, A. (2021). The Effect of Compensation and Work Discipline on Employee Performance with Work Motivation as an Intervening Variable. *Kontigensi: Jurnal Ilmiah Manajemen*, 9(1), 89-94. <https://doi.org/10.56457/jimk.v9i1.99>
- Uduji, J. I. (2013). Hygiene factors: The foundations for heightening the marketing executives motivation in the banking industry in Nigeria. *European Journal of Business and Management*, 5 (15), 68-75. <https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=6e76045b7c4e8a1bcce69aaba7b9868eaf563537>
- Webster, J., & Watson, R. T. (2002). Analyzing the Past to Prepare for the Future: Writing a Literature Review. *MIS Quarterly*, 26(2), xiii–xxiii. <http://www.jstor.org/stable/4132319>

Wright, T. A., Cropanzano, R., & Bonett, D. G. (2007). The moderating role of employee positive wellbeing on the relation between job satisfaction and job performance. *Journal of Occupational Health Psychology*, 12(2), 93–104. <https://doi.org/10.1037/1076-8998.12.2.93>