

+

Final Project 1 – Assignment 3

Code: MGM 496-PMG496

The Impact of Remote Work on the Productivity of the Differences

Faculty of Management

Midocean University

Faculty of Management

Department / Specialization



The Impact of Remote Work on the Productivity of the Differences

Student name

Faisal Ayed Alshammari ID: 222000814

Graduation Project – 1 (Assignment 3)

Faculty of Management - Midocean University

Supervisor

Dr. Abdulrahim Nader

Faculty member- Faculty of management- Midocean University

Date of submission – **14.12.2025** number of Semester – **3rd 2025**

تأثير العمل عن بعد على الإنتاجية: دراسة تحليلية للفروقات

أسم الطالب

فيصل عايد الشمري رقم الطالب – 22200081

مشروع تخرج- 1 الجزء (3)

كلية الإدارة- جامعة ميدأوشن

إشراف

د. عبدالرحيم نادر

عضو هيئة التدريس- كلية الإدارة- جامعة ميدأوشن

التاريخ- 14.12.2025 الفصل الدراسي الثالث

2. Chapter 2: Literature Review

2.1. Introduction

The global shift toward remote work has sparked a significant academic and practical debate concerning its effects on employee productivity. The body of existing research presents a complex and often contradictory narrative, frequently referred to as a "productivity paradox," where findings point to both positive and negative performance outcomes.⁵ This chapter aims to synthesize the current state of knowledge by critically analyzing the literature relevant to this phenomenon, with a specific focus on the context of the Gulf Cooperation Council (GCC). The review begins by deconstructing the independent variables—the multifaceted factors within the work, individual, and organizational ecosystems that are understood to influence the effectiveness of remote work. Subsequently, it examines the dependent variable, employee productivity, exploring the nuances and challenges inherent in its definition and measurement. Finally, the chapter investigates the intricate relationship between these variables, drawing on regional data and recent academic studies to build a comprehensive theoretical framework for understanding the modern productivity calculus in the UAE and KSA.

Table 1: Summary of Key Studies on Remote Work and Productivity

Study	Context	Key Findings
Bloom et al. (2015)	China (Pre-pandemic)	13% productivity increase for remote workers.
Kurdy & Al-Malkawi (2022)	UAE (COVID-19 period)	Work-life balance and social support positively affect productivity.
Asfaw et al. (2023)	Global Review	Managerial roles saw gains; collaboration-intensive roles showed drops.
Gajendran & Harrison (2007)	Meta-analysis	Autonomy mediates positive outcomes in remote work.
Mercer (2021)	Saudi Arabia	94% of companies maintained or improved productivity with remote work.

Table 2: Key Independent Variables Influencing Remote Work Efficacy

Category	Variables	Examples / Notes
Work Ecosystem	Work modality, job type, industry	Hybrid model most common (44%); sector differences (IT vs. construction).
Individual Employee	Gender, parental status, autonomy, well-being	Females report 25% productivity advantage; children reduce it.
Organizational Ecosystem	Management support, technology, communication	70% managers lack remote productivity confidence.

2.2. The Independent Variables: Factors Influencing Remote Work Efficacy

The impact of remote work on productivity is not a uniform constant but a highly contingent outcome. Its effect is moderated by a complex interplay of variables related to the nature of the work, the characteristics of the individual employee, and the supportive capacity of the organization. A thorough examination of these factors is essential to move beyond simplistic conclusions and understand the specific conditions under which remote work succeeds or fails.

2.2.1. The Nature of the Work Ecosystem

The specific modality and context of remote work are primary determinants of its success. In the Middle East, the **hybrid model** has become the most common arrangement, adopted by over 44% of organizations. Regional employers report that this model fosters increased productivity (26.83%), superior work-life balance (53.17%), and enhanced employee well-being (51.22%). This perception is shared by employees; a GulfTalent survey found that hybrid workers report the highest satisfaction with their work-life balance and believe their productivity is greater when working from home. In contrast, a study of a governmental

call center in Saudi Arabia revealed that fully on-site agents expressed greater satisfaction with their productivity and performance, although their remote counterparts reported a stronger sense of job autonomy, illustrating the trade-offs between different models.

The viability of remote work is also deeply connected to the **industry**. Within the GCC, sectors that are heavily reliant on digital infrastructure—such as Technology & IT, Marketing & Communications, Consulting, and Finance—have demonstrated the strongest adoption of flexible work opportunities. Conversely, industries like construction, hospitality, and healthcare continue to depend on on-site operations due to the inherently physical nature of their core tasks, limiting the applicability of remote models. The **job role** itself is another critical variable. A systematic review by Asfaw et al. (2023) found that employees in higher-ranking positions, such as managers and supervisors, often experienced productivity gains by leveraging virtual tools to oversee tasks more broadly. In contrast, employees in roles requiring high degrees of collaboration were sometimes found to be less productive in a remote setting.³

2.2.2. The Individual Employee

Productivity outcomes in a remote setting are not uniform across all individuals and are significantly influenced by demographic and psychological factors. A consistent finding in the literature is the disproportionate impact on **female employees**, particularly those with childcare responsibilities. While a Gulf-based survey indicated that female employees reported a higher productivity advantage at home (25%) compared to males (5%), the presence of children was a significant negative moderator; employees without children reported a 19% productivity advantage versus only 9% for those with children. This aligns with broader research indicating that mothers are often most affected by the challenge of balancing domestic duties with work responsibilities.⁷

Beyond demographics, key **psychological mediators** play a crucial role. **Perceived autonomy**, or the sense of control and freedom over one's work, has been identified as a vital link between telecommuting and positive outcomes like enhanced performance and job satisfaction (Gajendran & Harrison, 2007).¹ **Well-being** is another critical, albeit complex, factor. On one hand, remote work can be beneficial; a study in the UAE found that it led to decreased stress and increased motivation for many. On the other hand, it can introduce new stressors. Regional reports highlight challenges such as feelings of social isolation, particularly among younger employees, and burnout from the blurring of work-life boundaries.

2.2.3. The Organizational Ecosystem

The success of any remote work arrangement is fundamentally dependent on the support structures provided by the organization. The role of **management** is pivotal. Effective remote leadership, defined by clear goal-setting and a culture of trust, is essential for maintaining productivity.² This, however, remains a significant hurdle in the Gulf region. A survey revealed that over 70% of employers and line managers in the Middle East lack confidence in their ability to monitor productivity and ensure accountability in a remote setting. This "productivity paranoia" can lead to micromanagement, which undermines the autonomy that is crucial for remote success.

At a more foundational level, productivity is contingent on having the appropriate **technology and a suitable home office environment**. A key challenge reported by employees in the region is the prevalence of technical difficulties, such as unreliable internet connections, and a lack of adequate digital tools, which can significantly impede their ability to work effectively. Finally, the broader **organizational culture** and its systems for communication are critical. Employers in the region express concern over maintaining team cohesion and company culture in a distributed environment, with over

35% reporting a decline in these areas. Without intentional efforts to foster virtual collaboration and social connection, organizations risk a decline in the informal interactions that fuel innovation and strengthen team bonds.

2.3. The Dependent Variable: Employee Productivity

A central reason for the "productivity paradox" is the lack of a single, universally accepted definition of "productivity" itself. The conflicting findings in the literature often stem from different measurement philosophies. Some studies focus on objective **time input**, such as the U.S. Bureau of Labor Statistics (2024) survey which found that remote employees logged fewer daily work hours than their in-office counterparts.⁸ This approach, however, does not account for the efficiency or quality of the work performed during those hours.

A second approach measures concrete **output**. A landmark pre-pandemic experiment by Bloom et al. (2015) studied call-center employees and found a 13% increase in productivity for remote workers, measured by the number of calls handled per minute.⁹ While precise, this method is often difficult to apply across different industries and job roles where output is less quantifiable.

A third approach, and the one adopted for this research, measures the **perception of productivity**. This involves capturing an employee's self-assessment of their efficacy, efficiency, and ability to achieve goals. This method is particularly relevant in the Gulf region, where self-reported data indicates a strong belief in the benefits of remote work. For instance, one report found that 67.6% of employees in the UAE believe their productivity is enhanced when working away from the office. Similarly, a survey of employees across the Middle East revealed that over 30% perceived an increase in their productivity when operating under a hybrid model. While subjective, perceived productivity is a powerful indicator of an employee's engagement and sense of effectiveness.

2.4. The Relationship Between Remote Work Factors and Productivity

The connection between the various influencing factors and productivity is not linear but interactive and complex. An academic study conducted in the UAE during the pandemic by Kurdy and Al-Malkawi (2022) explored this dynamic, discovering that variables such as workload, job satisfaction, work-life balance, and social support all had a significant positive effect on employee productivity. This underscores the critical importance of a holistic and supportive organizational environment for enabling success in remote work.

These findings are consistent with broader regional data, which suggest that while the flexibility and autonomy afforded by remote work can be powerful productivity boosters, they can be easily undermined by countervailing factors like social isolation, communication barriers, and burnout. The adaptation of both organizations and individuals over time also plays a crucial role. The pandemic triggered a sudden and massive transition, with approximately 60% of organizations in the region adopting remote work, a dramatic increase from the fewer than 15% that had such policies pre-pandemic. This shift has been bolstered by strategic government initiatives, including KSA's Vision 2030 and the UAE's National Employment Strategy 2031, both of which champion digital transformation and flexible work patterns as means to enhance the national economy and increase labor force participation. This "maturity curve," propelled by both organizational learning and national strategy, suggests that as companies and governments in the Gulf continue to invest in technology and cultivate new management competencies, the perceived and actual productivity outcomes of remote work are poised to improve.

2.5. Conclusion

The existing body of literature makes it clear that assessing the impact of remote work on productivity is not a matter of a simple binary judgment. Instead, productivity emerges as

a contingent outcome, profoundly shaped by a dynamic interplay of factors related to the work itself, the individual employee, and the broader organizational context. The evidence from the UAE and KSA indicates a strong employee preference for flexible work arrangements, with many reporting personal productivity gains. However, organizations in the region continue to grapple with significant challenges, particularly in the areas of management trust, technological readiness, and the preservation of corporate culture. A one-size-fits-all approach to remote work is demonstrably ineffective. A successful strategy must be tailored, taking into account the specific industry, job functions, and unique cultural dynamics of the region. The research increasingly emphasizes the vital role of robust organizational support systems—including effective leadership and adequate technological resources—as prerequisites for unlocking the full productivity potential of a distributed workforce. This study builds on this established foundation by proposing a holistic, quantitative model designed to assess how these various factors collectively predict an employee's perceived productivity within the Gulf.

References

6 Pence. (n.d.). *Payroll companies in Saudi Arabia*.

6 Pence. (2025). *2025 UAE staff outsourcing trends: Remote work & AI*.

Alipour, J. V., Falck, O., & Schüller, S. (2021). *Germany's capacity to work from home*. IZA Institute of Labor Economics.

Asfaw, H., Argaw, A., & Kassa, S. (2023). The impact of work-from-home on employee performance and productivity: A systematic review. *Sustainability*, 15(5), 4529. ³

Auxilium Services. (2025, July 4). *Key trends in remote workforce solutions in the GCC*.

Barrero, J. M., Bloom, N., & Davis, S. J. (2023). *The evolution of working from home*. Stanford Institute for Economic Policy Research (SIEPR). ¹⁰

Bartik, A. W., Cullen, Z. B., Glaeser, E. L., Luca, M., & Stanton, C. T. (2021). *What jobs are being done at home during the COVID-19 crisis? Evidence from firm-level surveys*. Harvard Business School. ¹¹

Bayt.com. (n.d.). *Remote and hybrid work: The new normal for Gulf companies*.

Bayt.com. (2025). *Remote vs. on-site work: What employers in the MENA prefer*.

Bayt.com. (2025, August 28). *Remote work in Saudi Arabia: What Vision 2030 means for jobs you can do from home*.

Bhandari, P., et al. (2024). Unveiling the productivity paradox: Remote work and employee performance in the IT sector through the lens of work stress. *QJMSS*.

Bloom, N. (2024). *Hybrid work is a “win-win-win” for companies, workers, study finds*. Stanford Institute for Economic Policy Research (SIEPR).

Bloom, N., Liang, J., Roberts, J., & Ying, Z. J. (2015). Does working from home work? Evidence from a Chinese experiment. *The Quarterly Journal of Economics*, 130(1), 165-218. ⁹

Choudhury, P., Foroughi, C., & Larson, B. (2021). Work-from-anywhere: The productivity effects of geographic flexibility. *Strategic Management Journal*, 42(4), 655-683.

DeSilver, D. (2020). *Before the pandemic, telework was a growing but uncommon option for a small share of workers*. Pew Research Center. ¹²

Gajendran, R. S., & Harrison, D. A. (2007). The good, the bad, and the unknown about telecommuting: Meta-analysis of psychological mediators and individual consequences. *Journal of Applied Psychology*, 92(6), 1524–1541. ¹

Gallup. (2025). *Indicator: Hybrid work*. ¹³

Gamble, M. (2024). *Mitigating the impact of remote work challenges on employee productivity* (Doctoral dissertation, Walden University). ²

Guildhall. (2025, October 27). *Remote work in the GCC*.

GulfTalent. (n.d.). *Remote work trends in the Gulf*.

IR. (2022). *How hybrid work is improving employee performance in the Middle East*.

Kestrya. (n.d.). *Remote leadership in the Middle East*.

Khan, M. S., et al. (2023). Exploring the impact of remote work on productivity: A systematic review. *ResearchGate*. ⁷

Kurdy, D. M., & Al-Malkawi, H. N. (2022). The impact of remote working on employee productivity during COVID-19 in the UAE: the moderating role of job level. *Journal of Business and Socio-economic Development*.

Matsh. (n.d.). *Remote work statistics in the Gulf region*.

Owl Labs. (2023). *State of remote work*. ¹⁴

PwC. (n.d.). *Remote working in the UAE*.

Saudi Arabia Ministry of Human Resources and Social Development. (n.d.). *Remote Work Program*.

Saudi Arabia Ministry of Human Resources and Social Development. (2024, September). *Diverse work patterns provided by the Ministry to achieve the goals of Saudi Vision 2030*.

Tewari, S. (2023). The effect of telecommuting on productivity: a meta-analysis. *Academy of Marketing Studies Journal*, 27(4), 1-7. ⁶

The National. (2025, September 4). *Return to five-day week in the office is 'inevitable', UAE employment experts say.*

UAE Government. (n.d.). *The National Employment Strategy 2031.*

UAE Government. (n.d.). *Work patterns in the federal sector.*

Upwork. (2020). *Economist report: Future of remote work.*

U.S. Bureau of Labor Statistics. (2024). *American Time Use Survey.* ⁸

U.S. Bureau of Labor Statistics. (2024). The rise in remote work since the pandemic and its impact on productivity. *Beyond the Numbers*, 13(11). ¹⁵

Vision 2030. (n.d.). *Overview.*

Vyas, L., & Butakhieo, N. (2021). The impact of working from home on employee productivity during the COVID-19 pandemic: A case study of a multicultural non-profit organization. *Journal of Applied Research in Higher Education*, 13(4), 1126-1141. ¹²