



# **Digital nomadism as a new form of remote work for companies**

A first evaluation of the business idea of a digital nomad platform

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# Table of Content

I.	Abstract .....	IV
II.	Abstrato (Português) .....	IV
III.	List of Abbreviations.....	V
IV.	List of Figures .....	V
V.	List of Tables.....	VI
VI.	Acknowledgments.....	VII
<b>1</b>	<b>Introduction .....</b>	<b>1</b>
<b>1.1</b>	<b>Problem: Challenges of workforce change.....</b>	<b>1</b>
<b>1.2</b>	<b>Trend: Rise of remote work (RW) and digital nomadism (DN).....</b>	<b>2</b>
<b>1.3</b>	<b>Solution: A new form of remote work .....</b>	<b>3</b>
<b>1.4</b>	<b>Academic and entrepreneurial relevance.....</b>	<b>4</b>
<b>1.5</b>	<b>Structure.....</b>	<b>5</b>
<b>2</b>	<b>Business idea .....</b>	<b>5</b>
<b>3</b>	<b>Literature review.....</b>	<b>8</b>
<b>3.1</b>	<b>Preliminary study .....</b>	<b>8</b>
<b>3.2</b>	<b>Motivation theory .....</b>	<b>9</b>
<b>3.3</b>	<b>Remote work .....</b>	<b>9</b>
<b>3.4</b>	<b>Digital nomadism.....</b>	<b>10</b>
<b>4</b>	<b>Research model and hypotheses development.....</b>	<b>11</b>
<b>4.1</b>	<b>Research model.....</b>	<b>11</b>
<b>4.2</b>	<b>Employee performance and well-being .....</b>	<b>12</b>
<b>4.3</b>	<b>Company attractiveness .....</b>	<b>13</b>
<b>4.3.1</b>	<b>Employer brand framework .....</b>	<b>14</b>
<b>4.3.2</b>	<b>Firm-specific investments .....</b>	<b>14</b>
<b>4.4</b>	<b>Usefulness .....</b>	<b>15</b>
<b>4.5</b>	<b>Autonomy .....</b>	<b>15</b>
<b>4.6</b>	<b>Company culture .....</b>	<b>16</b>
<b>5</b>	<b>Research method .....</b>	<b>17</b>
<b>5.1</b>	<b>Data collection and sampling.....</b>	<b>17</b>
<b>5.2</b>	<b>Measurement development.....</b>	<b>19</b>

<b>6</b>	<b>Results</b> .....	20
6.1	Data cleaning.....	20
6.2	Test of the measurement model.....	20
6.3	Test of the structural model.....	23
<b>7</b>	<b>Discussion</b> .....	25
<b>8</b>	<b>Limitations and future research</b> .....	29
<b>9</b>	<b>Business model foundation</b> .....	31
<b>10</b>	<b>Prototype development</b> .....	34
10.1	Product discovery.....	34
10.2	User prototype .....	35
10.3	Live-data prototype .....	36
10.4	Wizard of Oz prototype.....	36
10.4.1	Defining the features of the WoZ prototype .....	37
10.4.2	How the WoZ prototype works.....	43
<b>11</b>	<b>Conclusion</b> .....	44
<b>12</b>	<b>Bibliography</b> .....	46
<b>13</b>	<b>Appendix</b> .....	56

## I. Abstract

Digital nomadism, an enhanced form of remote work that combines work with travel and leisure, has become increasingly popular in the course of the COVID pandemic. With nearly twice as many digital nomads now permanently employed by companies (MBO Partners, 2021), it is important to examine how this work model affects employee performance and well-being. This master's thesis hypothesizes that if digital nomadism has positive effects on employee performance and well-being, managers would be willing to integrate it into their companies. To support this integration, the author proposes a digital nomad platform. In the course of this master thesis, the business idea is subjected to a first evaluation. An online questionnaire was applied for empirical research, and data from 115 managers were collected and analyzed using structural equation modeling. The findings show that managers believe that digital nomadism can have a positive impact on employee well-being, which in turn would be a reason for them to adopt it. The findings also show that managers have doubts about whether the proposed digital nomad platform is useful enough. From the results, it can be concluded that there is a great deal of interest in the idea of introducing digital nomadism into corporate structures. However, the actual business idea of the digital nomad platform still needs to be further validated with the help of a prototype.

Key Words: remote work, digital nomad, digital nomadism, telecommuting, work from home, work from anywhere, Wizard of Oz prototype

## II. Abstrato (Português)

O nomadismo digital, uma forma melhorada de trabalho remoto que combina trabalho com viagens e lazer, tornou-se cada vez mais popular no decurso da pandemia da COVID. Com quase o dobro dos nómadas digitais agora permanentemente empregados pelas empresas (MBO Partners, 2021), é importante examinar como este modelo de trabalho afeta o desempenho e bem-estar dos empregados. A tese de mestrado parte da hipótese de que se o nomadismo digital tiver efeitos positivos no desempenho e bem-estar dos empregados, os gestores estariam dispostos a integrá-lo nas suas empresas. Para apoiar esta integração, o autor propõe uma plataforma nómada digital. Esta ideia empresarial é submetida a uma primeira avaliação nesta tese de mestrado. Foi aplicado um questionário online para pesquisa empírica, e os dados de 115 gestores foram recolhidos e analisados utilizando modelos de equações estruturais. Os resultados mostram que os gestores acreditam que o nomadismo digital pode ter um impacto positivo no bem-estar dos empregados, o que, por sua vez, seria uma razão para a sua adoção.

Os resultados mostram também que os gestores têm dúvidas sobre se a plataforma nómada digital proposta é suficientemente útil. Dos resultados, pode concluir-se que existe um grande interesse na ideia de introduzir o nomadismo digital nas estruturas corporativas. Contudo, a atual ideia empresarial da plataforma digital nómada ainda precisa de ser mais validada com a ajuda de um protótipo.

Palavras-chave: trabalho remoto, nómada digital, nómada digital, teletrabalho, trabalho a partir de casa, trabalho de qualquer lugar, Feiticeiro do Oz protótipo

### III. List of Abbreviations

Expression	Abbreviation
Average Variance Extracted	AVE
Composite Reliability	CR
Corporate Social Responsibility	CSR
Digital Nomad Experience	DN Experience
Digital Nomad Platform	DN Platform
Digital Nomad Program	DN Program
Generation X	GenX
Generation Z	GenZ
Human Ressource Management	HRM
Principal Component Analysis	PCA
Remote Work	RW
Structural Equation Model	SEM
Wizard of Oz Prototype	WoZ
Work from Anywhere	WFA
Work from Home	WFH

### IV. List of Figures

<b>Figure 1</b> Number of traditional employees & self-employed individuals working as digital nomads in the U.S. in 2019-2021 in millions. ....	3
<b>Figure 2</b> Top four destinations for digital nomads in January 2022.. ....	6
<b>Figure 3</b> Scratch paper prototype (user interface). ....	7
<b>Figure 4</b> Multi revenue stream business model of the DN Platform. ....	8
<b>Figure 5</b> The research model. ....	12
<b>Figure 6</b> The research model of Baard et al. (2004): Parameter estimates for path analysis of the intrinsic need satisfaction model of work performance and adjustment. ....	16

<b>Figure 7</b> Path analysis results based on all valid observations (n = 115).....	24
<b>Figure 8</b> Customer development process. ....	31
<b>Figure 9</b> Lean Startup Canvas of the DN Platform. ....	33
<b>Figure 10</b> Low-fidelity prototype (created with InVision Cloud). ....	35
<b>Figure 11</b> Top posts of #digitalnomad on Instagram. ....	45

## V. List of Tables

<b>Table 1</b> Sample demographics.....	19
<b>Table 2</b> Statistics of construct items. ....	20
<b>Table 3</b> Discriminant validity. ....	22
<b>Table 4</b> Model-fit measures for the measurement model. ....	23
<b>Table 5</b> Model-fit measures for the structural model. ....	23
<b>Table 6</b> Testing the mediation effect of perceived benefit. ....	25
<b>Table 7</b> Overview of the hypotheses. ....	32

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# **1 Introduction**

The outbreak of the COVID pandemic fundamentally changed the way people work. Due to national shutdowns, millions of people around the globe became “work from home” (WFH) employees overnight (Kniffin et al., 2021). The COVID pandemic has not only turned normal work patterns upside down, but has also accelerated the emerging trend of moving work to online or virtual environments.

## **1.1 Problem: Challenges of workforce change**

Two challenges that companies have been facing even before the COVID pandemic are related to the workforce. First, a sharp decline in the workforce has been observed in many Western countries. In Germany for example, without migration movements, the number of people in employment could be 11.2% lower in 2030 than in 2020 (Geis-Thöne, 2021). Second, generational change is in full swing. While more and more employees from the Baby Boomer generation (born 1945-1959) are retiring, Millennials (born 1980-1994) are succeeding them. Furthermore, the first employees from the youngest generation, Generation Z (GenZ; born 1995-2009), are already entering the labor market. This generational change is accompanied by a transition in values within the workforce. The younger generations place more emphasis on flexibility and freedom, especially when reconciling work and life interests (Cennamo & Gardner, 2008). 50% of the Millennials do not want to spend their entire career with a single company (Ng et al., 2010)<sup>1</sup>.

To avoid a workforce shortage, companies need to attract and retain top talent. They must find ways to adapt to the needs of their employees, especially those of new generations (H. J. Anderson et al., 2017; Lub et al., 2012). This is particularly important because human capital always has been one of the key determinants to attain competitive advantage (B. A. Campbell et al., 2012). In times of the COVID pandemic, employees are considered "the most important stakeholders" of companies, as they are the main pillar for keeping the economy going (Crane & Matten, 2021). Companies that fail to adapt to the needs of their employees effectively face recruitment challenges, lower employee engagement and higher employee turnover (Self et al., 2019). A recent study published by PwC (2021) revealed that 45% of company representatives have no confidence in their company’s ability to retain top talent, highlighting the urgency to take action.

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<sup>1</sup> The hypothesis that younger workers have different needs in terms of flexibility was confirmed with an additional question in the study of this master’s thesis, as can be seen in Appendix A.

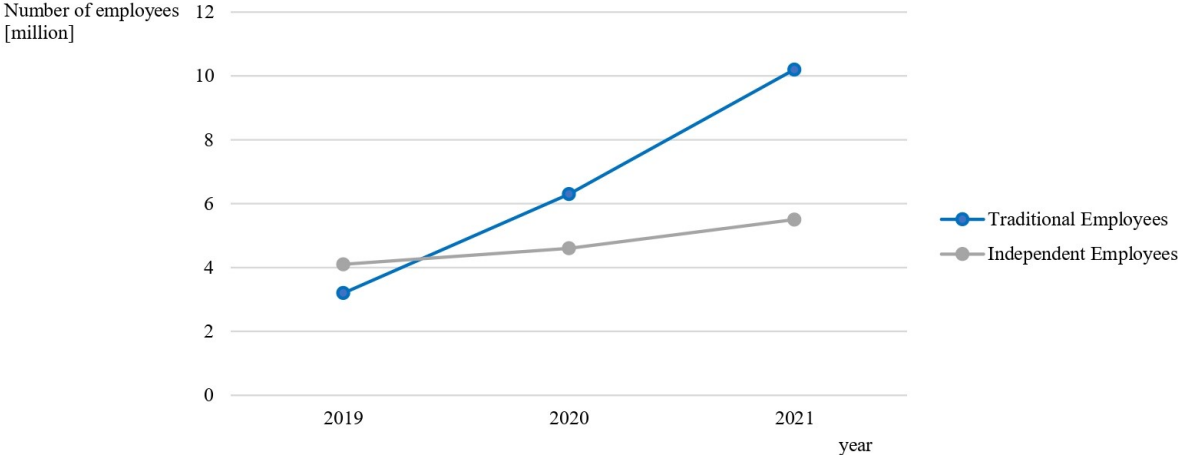
## **1.2 Trend: Rise of remote work (RW) and digital nomadism (DN)**

Simultaneously to the growing problems arising from the workforce change, the COVID pandemic has turned a marginal trend into a global reality almost overnight. Within a few weeks, the COVID pandemic caused a radical shift from traditional office work to remote work (Wrycza & Maślankowski, 2020). Before the pandemic, RW was not a widespread practice (Kossek & Lautsch, 2018). For example in Germany, the proportion of companies offering their employees at least part-time RW models rose from 39% to 61% (Randstad, 2020). However, according to the report of Randstad (2020), 80% of German companies could theoretically offer RW, representing a workforce of approximately 45 million employees. The gap shows that companies are not fully exploiting their RW potential at the current margin (Dingel & Neiman, 2020). Nevertheless, the trend toward RW will continue to grow as companies recognize the need to increasingly offer RW possibilities. 73% of German companies that allowed increased use of RW due to the COVID pandemic plan to offer more RW after the pandemic ends (Randstad, 2020).

In the field of RW, there are a variety of different products and services, which have also grown rapidly as RW has increased. In a worldwide study published by BCG (2021), 54% of employees stated that the COVID pandemic had positively impacted their use of digital tools. One example for a digital tool that achieved its breakthrough as a result of the global shift to RW is the video conferencing software Zoom, which generated \$2.6 billion in revenue in 2020, up 317% from the previous year (Iqbal, 2022). The growth potential for RW related products and services seems to be enormous. 72% of executives surveyed in the United States plan to “invest in virtual collaboration tools to support their hybrid workforces in the future” (Mlitz, 2022). Another example is the number of co-working spaces: In a survey of active co-working spaces on the impact of the COVID pandemic on the co-working industry in Europe in 2020, about 70% of survey participants said they expect the number of co-working spaces in Europe to increase in the post-COVID era (Graefe, 2022).

As with the trend of RW, the trend of digital nomadism is also growing strongly. The MBO Partners (2021), State of Independence research study, discovered that 15.5 million American workers consider themselves digital nomads, which is a 42% increase since 2020, or a 112% increase since 2019. In addition to that, 85% of the digital nomads claim to be highly satisfied with their work and lifestyle. The demographic breakdown of digital nomads revealed that GenZ (21%) and Millennials (44%) together account for more than half of digital nomads. The

COVID pandemic has led to an interesting change in the composition of digital nomads: whereas before the COVID pandemic most of them were independent workers (freelancers, independent contractors, etc.); there are now almost twice as many digital nomads with a permanent job as independent ones (see Figure 1).



**Figure 1** Number of traditional employees & self-employed individuals working as digital nomads in the U.S. in 2019-2021 in millions (MBO Partners, 2021).

**1.3 Solution: A new form of remote work**

The trends of RW and digital nomadism can be used by companies to address the issues arising from changes in the workforce. To retain employees and attract new talent, companies should focus on several aspects, such as providing secure employment and work environments, supporting skills development, promoting work-life balance, and fostering employee autonomy (Low & Bu, 2021). The RW model and its evolution, the digital nomad model, could combine the aspects described above under the umbrella of a holistic reinvention of existing work structures creating multiple benefits for workers (personal dimension), employers (organizational dimension), and communities as a whole (social dimension; Ko et al., 2021).

Given the high growth rate of the RW- and digital nomad industry and the importance for companies to respond to the workforce change, a new business model that embraces the two work models of RW and digital nomadism seems promising. The business model of this master’s thesis aims to develop a RW platform, that enables employees to work from locations other than their homes. This new form of RW is called “Digital Nomad Programs” (DN Programs). Since the RW platform was inspired by the concept of digital nomadism it is called a “Digital Nomad Platform” (DN Platform).

#### **1.4 Academic and entrepreneurial relevance**

Even before the COVID pandemic, there was a considerable amount of research on the impact of RW on employee performance and well-being (e.g., Grant et al., 2013; Konradt et al., 2003). More recent studies have expanded the research considering the impact of the COVID pandemic (e.g., Wang et al., 2021). In the research field of digital nomadism, however, there has been little research that addresses the impact of the digital nomad work model on employee performance and well-being. The emerging literature is primarily focused on describing the lifestyle or conceptualizing the phenomenon of digital nomadism (Hannonen, 2020). In particular, there is a lack of studies that address the implementation of digital nomadism within existing company structures. Filling this research gap is all the more important because, as outlined above, there are now almost twice as many digital nomads with a permanent job as there are self-employed digital nomads.

This master's thesis is a pilot study, that attempts to shed light on the question of whether an increase in employee performance and well-being can be expected from the presence of digital nomadism in a company. A positive correlation between digital nomadism and employee performance and well-being is considered a fundamental prerequisite for the DN Platform to be successful. Therefore, this master's thesis is divided into two parts: the academic research, which consists of the research model, and the entrepreneurial implementation, which consists of the development of a prototype.

Based on the above considerations, the following research questions were formulated:

##### **Part I. Academic research**

Q1. Would prospective clients be willing to adopt DN Programs into their company?

Q2. Is the DN Platform perceived as being useful and as a consequence, does it have a significant impact on the adoption decision of prospective clients?

## **Part II. Entrepreneurial implementation**

Q3. What would the prototype look like and what would be the best approach to validate the business idea with it?

### **1.5 Structure**

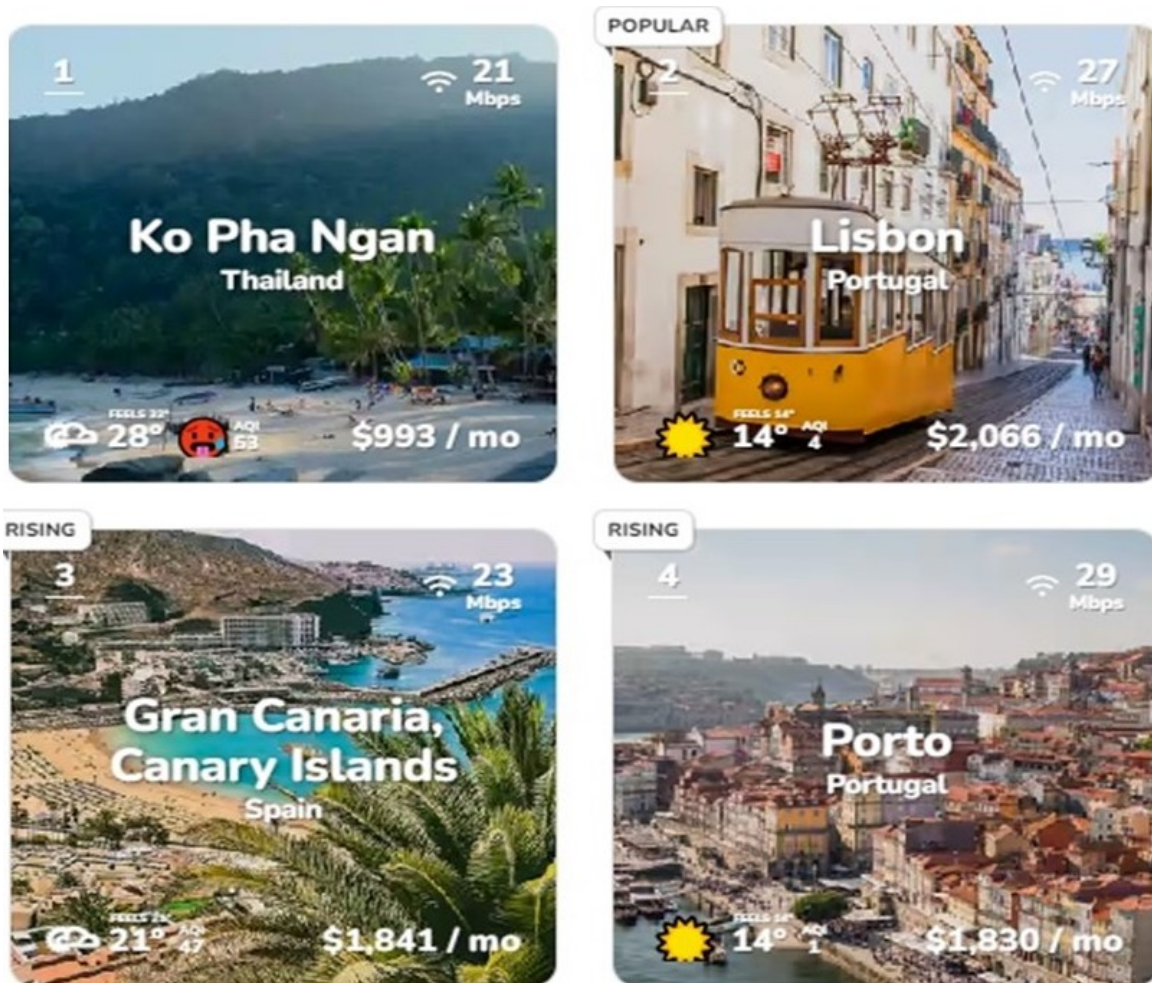
The master's thesis is structured as follows: In Chapter 2, the business idea is presented. Chapter 3 provides a literature review, first to situate employee performance and well-being in the context of motivation theory and then to provide a definition of RW and digital nomadism to clarify what the research model is based on. In Chapter 4 the research model is introduced, and hypotheses are derived. In Chapter 5, the research methodology is described followed by results and discussions in Chapters 6 and 7, respectively. Chapter 8 discusses limitations and possible suggestions for future research. Building on this, Chapter 9 first explains the role of the business model in the search phase of the startup development and then presents the Lean Startup Canvas of the DN Platform. The product discovery process is described at the beginning of Chapter 10, and then a possible prototype is developed to validate the business idea. In Chapter 11 a brief summary and future avenues are given.

## **2 Business idea**

The name of the prospective business is "Junto"<sup>2</sup>. The business model builds upon the trend toward RW and the need for companies to adapt their work structures to the needs of young Millennial and GenZ employees. The idea is to provide companies with a tool that allows them to add DN Programs as a new form of RW to their existing work structures. The DN Programs are a new non-monetary benefit for employees, in which they can leave their familiar working environment for a short period of time (2-8 weeks) to work from different cities and countries. The available locations are popular destinations for digital nomads, which are characterized by a variety of factors, such as a high life quality, fast internet, and the ability to communicate in English. Figure 2 provides an overview of the top four destinations for digital nomads in January 2022, as identified by Nomad List, the world's largest information platform for digital nomads (Nomad List, 2022).

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<sup>2</sup> The name "Junto" is derived from the Portuguese word "juntos" and is a tribute to Portugal, where the author is writing his master's thesis.



**Figure 2** Top four destinations for digital nomads in January 2022 (Nomad List, 2022).

Junto is a so-called DN Platform with various features that cover all the important aspects of a RW stay abroad, such as accommodation, workspace, time and financial planning, productivity management and work-life balance. Figure 3 shows the first scratch paper prototype of the “Junto” DN Platform.

Junto is designed as a B2B2C product: The clients will be companies, but the actual users of the DN Platform will be their employees. The companies as clients will have the opportunity to offer their employees participation in DN Programs via the DN Platform. Junto’s unique selling proposition is that companies can actively design and control the entire process. For example, companies can decide which locations and additional services can be booked via the platform and which employees can apply and when. By doing so, the companies can ensure that integration of the DN Programs into everyday working life runs smoothly and that employees have good working conditions and can deliver top performance regardless of their location. The company can also decide who will cover the costs of the DN Program such as the

accommodation costs and the fees for a place in a co-working space. Various models are conceivable: The employee could pay for the entire experience, or the company could fund parts of it. The DN Program could also be part of a benefits program or an employee bonus. These costs are not to be confused with the fixed and variable fees for the DN Platform, which are charged separately to the company (see the revenue model in the second next paragraph).

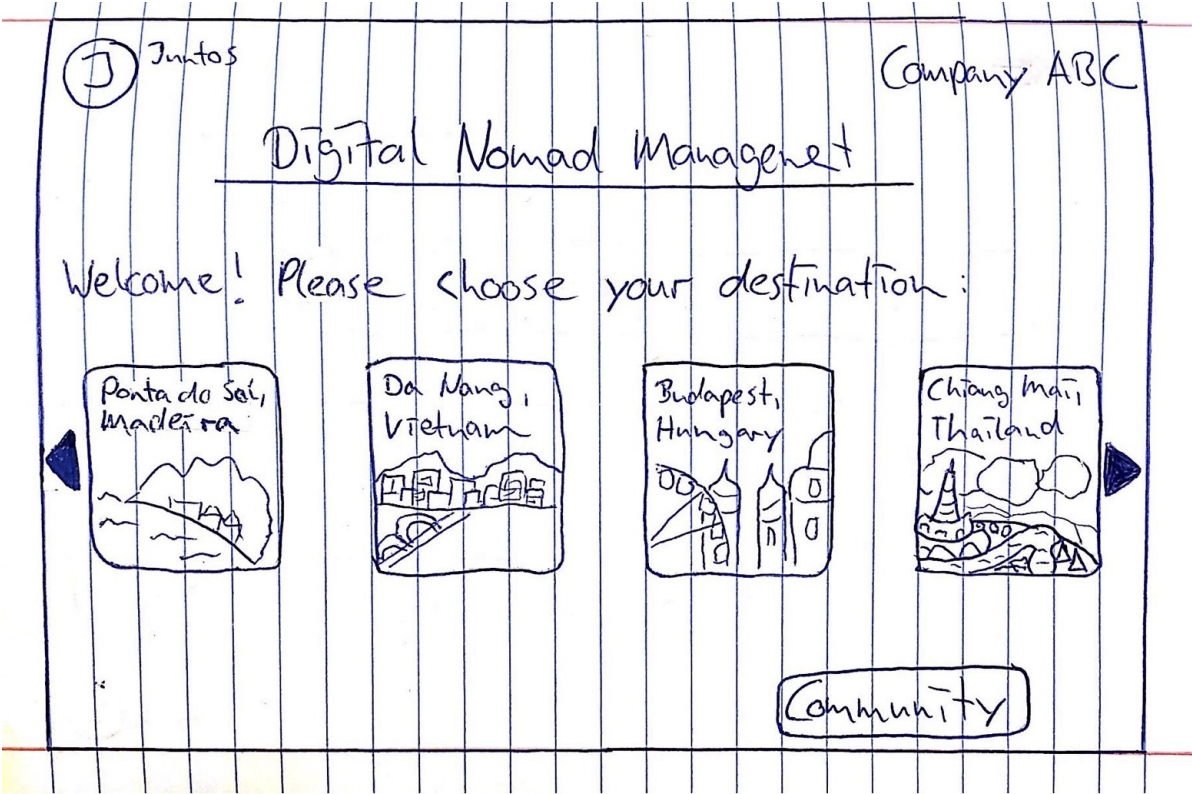
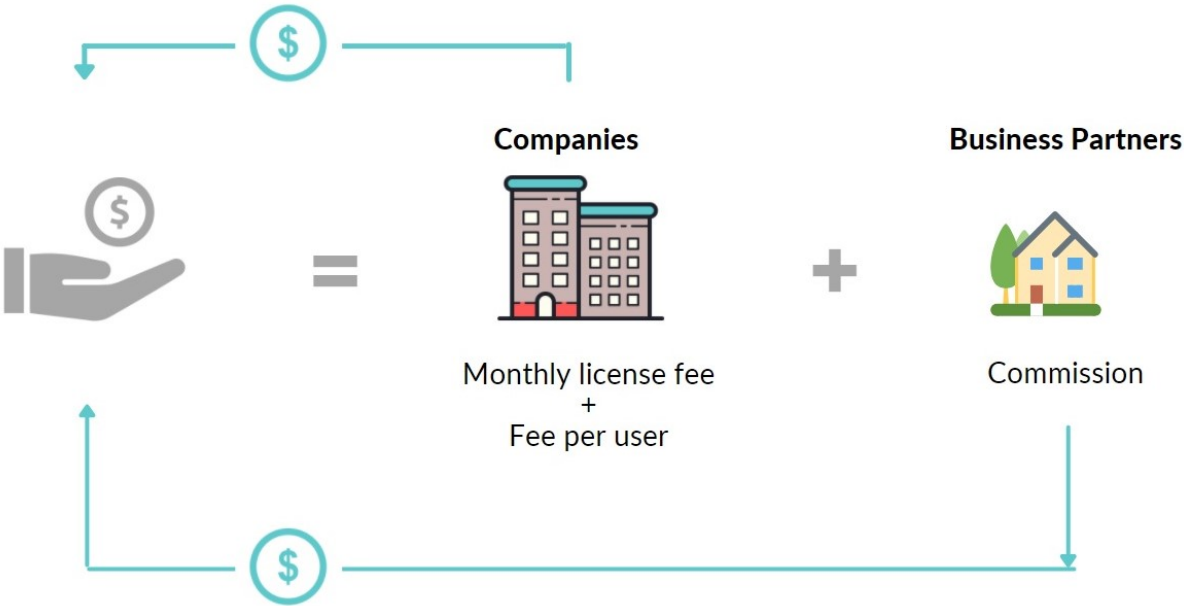


Figure 3 Scratch paper prototype (user interface).

The employees as users have the opportunity to organize their own personal digital nomad experience via a visually appealing platform. They do not have to organize every single aspect of the remote work stay themselves, but have all important aspects bundled on one platform. This way, they save time and can be sure that the programs they choose will allow them to combine work and leisure in the best possible way. The solutions to the various aspects of a RW stay abroad are offered either through features developed in-house or the integration of existing applications onto the Platform, such as *Surfshark* for secure VPN connections.

The business model of Junto is based on a multi revenue stream model as shown on Figure 4. Since the product is a platform, Junto will generate revenue through two channels. First, companies pay a fixed monthly license fee and a variable fee per user. Second, the platform

receives a commission per booking from the external services that are integrated into the platform, for example commissions from apartment owners or co-working space operators.



**Figure 4** Multi revenue stream business model of the DN Platform.

**3 Literature review**

The concept of the DN Programs combines aspects of the RW model and the concept of digital nomadism. This section proposes a theoretical explanation for why offering DN Programs affects employee performance and well-being which in turn will affect the *adoption intention* of prospective clients. First, a preliminary study is presented that was conducted to get a first impression of whether people see a value in the business idea. Subsequently, motivation theory is used to justify why performance and well-being can be hypothesized as the main drivers of the *adoption intention* for the DN Programs. Finally, the RW model and the concept of digital nomadism are explored to better understand how they affect employee performance and well-being.

**3.1 Preliminary study**

Prior to this study, a preliminary survey was performed by the author and his team during the Católica Lisbon LEP course to determine if employees, as end users of the DN Platform, would value the idea. Participants were asked if they would take the opportunity to work remotely from another country if their company offered it (see Appendix B). Out of 25 employees surveyed, 52% answered "Yes, for a long period of time (a few months)", 28% answered "Yes,

for a short period of time (a few weeks)", and 20% answered "Maybe". None of the participants answered with "No". From the results it was concluded that employees are very interested in the idea and that the DN Programs could be an appealing non-monetary benefit that companies could offer to their employees.

### **3.2 Motivation theory**

Prior research has frequently used motivation theory to explain individuals' behavior to adopt information technology (Lin & Lu, 2011). The motivations on which individuals' behavior is based can be divided into extrinsic and intrinsic motivations (Deci, 1975). Extrinsic motivation is defined as performing of an action because it is seen as helpful in achieving valuable outcomes that are different from the action itself (for example, better pay, job promotion; e.g., Lawler & Porter, 1967; Mitchell & Biglan, 1971; Vroom, 1964), whereas intrinsic motivation is defined as "performing an action because of interest in the action itself" and not because of external reinforcement (Berlyne, 1966; De Charms, 1968; White, 1959).

Many studies examining some form of adoption intention are based on the Technology Adoption Model (TAM; Davis, 1989). TAM simplifies the complex phenomenon of technological adoption. It includes the two core elements of motivation theory (Pontiggia & Virili, 2010) by stating that individual adoption decisions are influenced by extrinsic motivation (usefulness) and intrinsic motivation (enjoyment). In another study, Kim et al. (2007) found that "perceived benefit affects individual's use of information technology" and is composed of "cognitive benefit and affective benefit, i.e., extrinsic and intrinsic factors" (Lin & Lu, 2011).

### **3.3 Remote work**

In the literature, many synonyms for RW can be found such as telework, telecommuting, distributed work, virtual work, flexible work, flexplace and distance work, among others (Allen et al., 2015). In this study, the term RW is used under the simple definition of "working away from the traditional office using computers and telecommunications facilities to maintain a link to the office" (Bélanger, 1999). A distinction can be made between two types of RW: Work from home (WFH) and work from anywhere (WFA; Choudhury et al., 2021). WFH refers to the conventional "home office". Several aspects of WFH were identified that have a positive effect on employee performance and well-being such as "reduced commute times and fewer sick days" (Bloom et al., 2015), "flexibility in time" (Evans et al., 2004), "the control of workspace elements such as clothing, music, ventilation etc." (Gajendran & Harrison, 2007).

In a field study conducted by Bloom et al. (2015), employee performance increased by 13% during home office. Home-based workers also reported higher job satisfaction, which caused a decrease of their turnover rate up to 50%.

WFH has not only benefits, but also brings some challenges (Beño, 2021). One potential challenge is that employees who work remotely experience “less social support from their colleagues, which in turn is associated with higher levels of emotional exhaustion, and cognitive stress complaints, as well as lower work engagement” (Vander Elst et al., 2017). Other potential challenges of WFH include procrastination, ineffective communication, and work-life overlap (Wang et al., 2021).

Even before the COVID pandemic, study results indicated that the advantages outweighed the disadvantages of WFH (e.g., Gajendran & Harrison, 2007). These findings are consistent with recent studies on the future of RW, such as the last McKinsey (2021) report, in which 52% of workers said they would prefer a more flexible work model after the COVID pandemic.

WFA is a new type of the home office concept. In addition to time- and workspace flexibility, the company also offers geographic flexibility (Choudhury et al., 2021). The employees can remain employed without living near the office. The study by Choudhury et al. (2021) revealed that when WFA is considered as a non-monetary benefit preferred by workers who would derive greater benefits from relocation, a 4.4% increase in job performance can be expected compared to WFH.

### **3.4 Digital nomadism**

Digital nomadism can be seen as a hybrid of the WFH and WFA concepts, with a particular focus on traveling. From the work-life perspective, the term "digital nomad" characterizes a category of “remote professionals who do their work from anywhere in the world with the help of digital technologies” (Hannonen, 2020). Müller (2016) describes digital nomads as “a new generation of location independent freelancers, young entrepreneurs and online self-employed persons.”

By combining location-independent work with purposeful traveling, digital nomads create a lifestyle, which is referred to as “digital nomadism” (Hannonen, 2020). This lifestyle is defined as “the ability for individuals to work remotely from their laptop and use their freedom from an

office to travel the world” (Thompson, 2019). From media reports and blog articles, it appears that “the main driver for this travel-based lifestyle is the desire to escape the inhibiting structures of a traditional, location-based work life” (Reichenberger, 2017). Digital nomads seek “a more holistic approach to life in which work and leisure are not viewed as dichotomous by spatial and temporal separation, but where both aspects of life contribute equally to self-realization, self-development, and self-fulfillment”.

#### **4 Research model and hypotheses development**

The fact that there are now almost twice as many digital nomads with a fixed employment contract than independent workers shows that the phenomenon of digital nomadism has finally arrived in the traditional corporate world (MBO Partners, 2021). The purpose of the following study is to investigate how managers perceive the concept of digital nomadism and whether they believe that implementing it in their own companies can improve employee performance and well-being.

In this section, the research model is first presented. The individual constructs are then described and the associated hypotheses derived.

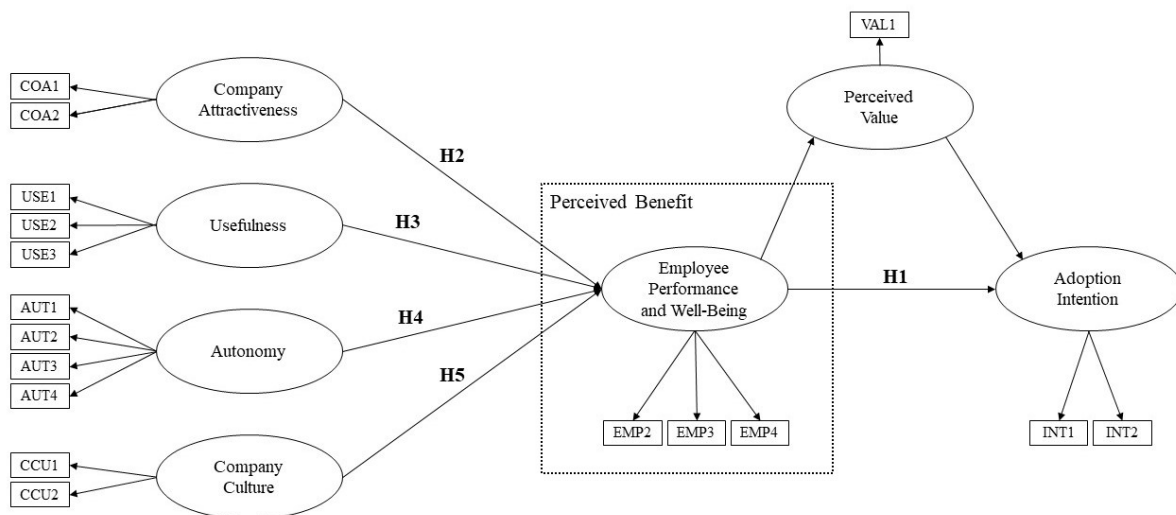
##### **4.1 Research model**

In this study, it seems reasonable to use a model based on TAM, since the determinants of an adoption decision are also examined based on motivation theory. The main difference, however, is that those who will make the adoption decision (managers) are not the ones who will eventually use the product (employees). Thus, the intrinsic and extrinsic motivation of managers is not subject to the underlying study. As such, the study hypothesizes that managers make a motivation-based adoption decision because they want to ensure that their employees are productive and happy, which is defined as the *perceived benefit* of the DN Programs. This definition of *perceived benefit* combines employee performance and well-being into one construct. In the following, the term *perceived benefit* is used for employee performance and well-being.

Figure 5 shows the research model of the study, which is a Structural Equation Model (SEM). A SEM is an extension of several multivariate techniques such as simple-, multiple-, and multivariate regression (Hair et al., 1998). Compared to the other techniques, SEM offers two additional features. First, it allows the creation of constructs. Constructs are shown as ovals in

the research model, following the standard notation of SEM (Kline, 2016). A construct (also called latent variable) is not directly measurable but rather assessed indirectly using a set of items (also called observed variable; Ullman & Bentler, 2012). The items are represented as rectangles in the model. Each item refers to a question in the questionnaire. Second, a SEM can examine a series of dependence relationships at the same time. In this study the SEM assumes that the four independent constructs *company attractiveness*, *usefulness*, *autonomy* and *company culture* predict *perceived benefit*, and then *perceived benefit* predicts *adoption intention*. Hence, *perceived benefit* is both a dependent and independent variable in the same model.

The idea was to develop a simple model that would allow an easy and straightforward prediction of the adoption of the DN Programs. In addition, Figure 5 illustrates which hypothesis belongs to which construct.



**Figure 5** The research model.

In the following, the theoretical background of the individual constructs is elaborated and the corresponding hypotheses are derived.

## 4.2 Employee performance and well-being

Psychological well-being is a complex concept (Warr et al., 1979) that can be conceptualized from two different perspectives: First, the hedonic approach, which emphasizes happiness and defines well-being in terms of the attainment of pleasure and the avoidance of pain. Second, the eudaimonic approach, which emphasizes “(a) personal growth and self-realization, (b)

authenticity and personal expressiveness, and (c) the pursuit of meaning in life” (Ryan & Deci, 2001; Ryff, 1995; Waterman, 1993). Thus, while hedonic well-being is conceptualized primarily as “a subjective experience of feeling good”, eudaimonic well-being is referred primarily to “living a good and meaningful life” (Sonnentag, 2015). In the work context, the hedonistic approach is often emphasized; for example, employee well-being can be defined as “the overall quality of a worker’s experience and functioning at work” (Warr, 1987). A large body of empirical research has shown that various measures of well-being are related to employee performance (Huang & Wright, 2012). Among them, Staw & Barsade (1993) revealed that individuals with higher well-being made more effective decisions, exhibited better interpersonal behaviors, and received better overall performance ratings.

Although the majority of organizational research considers employee performance to be an outcome variable dependent on well-being, however, an inverse relationship of the two variables has also been reported (Sonnentag, 2015). For example, Akkermans et al. (2013) have demonstrated that “self-rated employee performance predicts an increase in work engagement and a decrease in emotional exhaustion over time”, both aspects of employee well-being.

Because of the reciprocal relationship of the two variables, employee performance and employee well-being, and to keep the model simple, they are combined into the single construct *perceived benefit* in this study. This simplification is consistent with Human Resource Management (HRM) research in which the two variables have been discussed as key outcome variables (Guest, 2011; Ramsay et al., 2000; Wright & Haggerty, 2005). The study refers to *perceived benefit* as the key measure on which companies’ HRM efforts are focused and as the key driver in the decision to adopt the DN Platform and integrate the DN Programs into the company’s work structures. Therefore, this study hypothesizes:

*H1: Perceived benefit will have a positive effect on adoption intention.*

### **4.3 Company attractiveness**

The study hypothesizes that the DN Programs will increase the *company attractiveness* using two overlapping concepts, including employer brand framework and firm-specific investment theory.

### **4.3.1 Employer brand framework**

The company can be seen as a brand with which the employee builds a closer relationship (Ambler & Barrow, 1996). The employer brand is defined as “the package of functional, economic and psychological benefits provided by employment and identified with the employing company” (Carlini et al., 2019; Mosley, 2007). Strong employer brands create “a distinctive identity that current employees can identify with and that potential employees can aspire to” (Carlini et al., 2019; Morokane et al., 2016). The employee’s awareness and positive attitude towards the brand influence the employee’s performance and well-being. For example, if employees perceive that their physical and psychological well-being is nurtured by internal CSR practices, such as the DN Programs, they will demonstrate higher levels of organizational commitment (Turker, 2009). Higher organizational commitment, in turn, leads to higher employee well-being (Meyer & Maltin, 2010).

### **4.3.2 Firm-specific investments**

Although the number of companies that allow their employees to work remotely has increased significantly across all size categories compared to pre-pandemic levels (OECD, 2021), DN Programs like those proposed by the author are not established until now. Companies that would implement DN Programs would be early adopters and the DN Programs would be considered firm-specific investments. It is likely that companies that offer non-monetary benefits that provide higher individual utility to employees compared to the benefits offered by other firms achieve better individual employee performance and well-being of their employees, *ceteris paribus* (Choudhury et al., 2021). Therefore, the non-monetary benefit “can serve as a source of human capital-based competitive advantage” if it is specific to a company or a limited number of companies. Employees also have an incentive to stay with the company longer, as the supply of the same benefit is scarce elsewhere (Kryscynski, 2021).

Studies that investigated the employer brand framework and those that investigated the concept of firm specific investments were able to demonstrate a positive impact of *company attractiveness* on *perceived benefit*. Consequently, this study hypothesizes:

*H2: Company attractiveness will have a positive effect on perceived benefit.*

#### 4.4 Usefulness

*Usefulness* is defined as “the degree to which a person believes that using a particular system would enhance his or her job performance” (Davis, 1989). When an employee perceives a system as useful, “he or she thinks positive about it” (Lin & Lu, 2011). Many studies have found that the user’s assessment of the *usefulness* of a system has a major impact on the acceptance of information technology and is positively related to it (e.g., Lee, 2009; Pontiggia & Virili, 2010; Sledgianowski & Kulviwat, 2009). Regarding the *usefulness* of the DN Platform, this study poses the following three hypotheses: (1) a prospective client and its employees as users find the DN Platform useful because it facilitates the organization of a RW stay by bundling all relevant aspects (accommodation, workplace, etc.) on one platform, (2) the DN Platform is useful for establishing the concept of the DN Programs in the company and (3) the DN Platform is useful because the company can ensure that employees are provided with good working conditions abroad. The study consolidates the three individual hypotheses into one construct and formulates the overall hypothesis:

*H3: Usefulness of the product will have a positive effect on perceived benefit.*

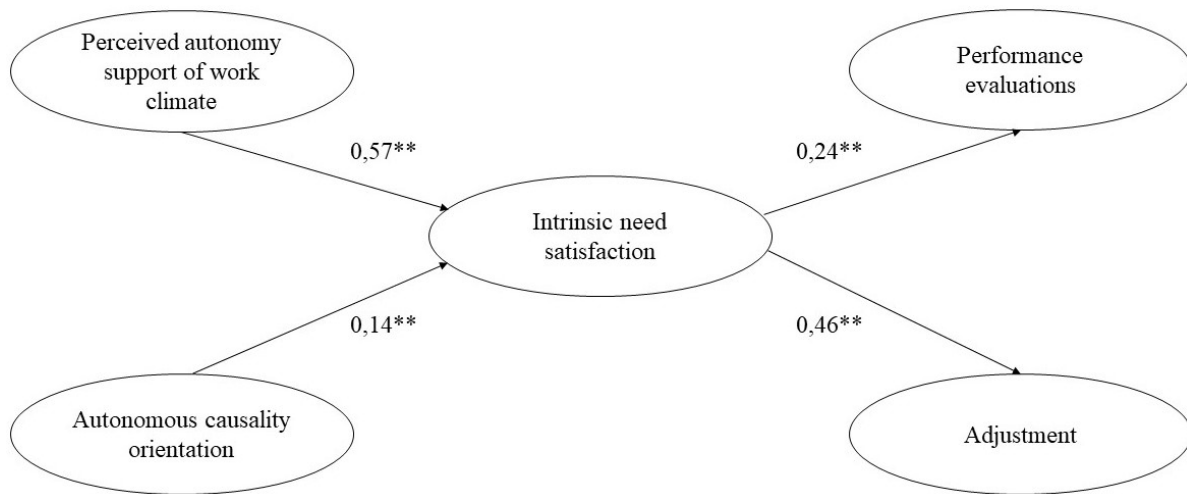
#### 4.5 Autonomy

*Autonomy* is defined as having choices and “feeling like the initiator of one’s own actions” (De Charms, 1968; Deci et al., 1975). According to the self-determination theory, personal performance and well-being always depend on “the extent to which the three basic psychological needs for competence, relatedness, and *autonomy* can be satisfied” (Ryan & Deci, 2000). This theory can also be applied to the workplace: Early studies have shown that employees who have managers who are perceived as promoting *autonomy*, show “higher job satisfaction, less absenteeism, and better physical and psychological well-being” (Blais & Brière, 1992). Later, the relationship between *autonomy* and *employee performance and well-being* was further examined: In the research model of their study, as can be seen on Figure 6, Baard et al. (2004) represent employee performance through the construct *performance evaluation* and employee well-being through the construct *adjustment*<sup>3</sup>. The study revealed that both constructs are influenced by “the satisfaction of the intrinsic needs for competence, relatedness, and *autonomy*”. These opportunities to satisfy the intrinsic needs are in turn

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<sup>3</sup> “The indicator of adjustment consisted of the combination of anxiety and somatization (each reverse scored) and of vitality”, thus depicting employee well-being (Baard et al., 2004).

“influenced by managers being perceived as promoting *autonomy*, and by employees’ autonomous causality orientation”<sup>4</sup> (Baard et al., 2004).



**Figure 6** The research model of Baard et al. (2004): Parameter estimates for path analysis of the intrinsic need satisfaction model of work performance and adjustment.

The fundamental requirement for DN Programs to be viable within a company is *autonomy*: employees can only participate in the DN Programs if their companies give them the necessary degree of *autonomy*. Conversely, if the company were to allow its employees to participate in the DN Programs, this would imply that the company would give its employees a high degree of *autonomy*. Accordingly, this study hypothesizes:

*H4: Autonomy will have a positive effect on perceived benefit.*

#### 4.6 Company culture

Previous studies suggest that one of the most important determinants of employee well-being is a family-friendly company culture characterized by the three characteristics (1) temporal flexibility, (2) operational flexibility, and (3) supportive supervision (Clark, 2001). According to Clark (2001), many companies are changing their culture to create a more "family-friendly" company culture. The concept of company culture being "family friendly" was adapted in the present study as a synonym for a company culture that actively supports work-life balance. The concept is therefore not limited to employees who have children and can also be applied to

<sup>4</sup> Autonomous causality orientation: “People high in autonomy orientation will experience greater intrinsic need satisfaction on the job because they are theorized to be more self-initiating, more likely to experience authorities as supportive, and more oriented towards aspects of the environment that support their self-regulation” (Baard et al., 2004).

Millennials and GenZs. This adaption is supported by many scholars who use the terms work-family balance and work-life balance interchangeably, as can be seen in Appendix C.

Bailyn (1997) defined the first characteristic temporal flexibility as “the opportunity offered to you to have your own point of view as well as the opportunity to adjust your work schedule”. Temporal flexibility is a basic component of the DN Programs and for this reason is already implicitly represented in the model. The second characteristic operational flexibility is “defined as control over working conditions and includes the autonomy to decide how work should be done without monitoring or restrictions”. The autonomy aspect is represented in the separate *autonomy* construct. The construct *company culture* focuses on the third characteristic: supportive supervision. It is defined as the direct support of the manager to employees (Bailyn, 1997). Stankevičienė et al. (2021) showed in their study that supportive supervision as a work culture dimension has a strong direct impact on employee well-being. This study establishes a link between supportive supervision and managers’ attitudes toward DN Programs by asking the managers whether they would use the DN Programs to support their employees. Therefore, the following hypothesis is formulated:

*H5: Company culture will have a positive effect on perceived benefit.*

## **5 Research method**

This section first describes the data collection process that was conducted for the study. Subsequently, it will be explained how the measurement scale was developed.

### **5.1 Data collection and sampling**

To determine a representative sample size, a standard formula, was used. The population size consists of the prospective clients, i.e., the companies represented by their managers. Therefore, the target participants of the research were the managers within the companies, who alone or at least together with other managers can decide whether to purchase a license to use the DN Platform or not. For the study, 300 managers were set as the estimated value. This means that the DN Platform is expected to acquire 300 clients within the first few years, which seems to be a reasonable working hypothesis for the research model. The confidence interval (= margin of error) was set at 6% with a confidence level of 95%. This means that there is 95% confidence that the results are within the 6% margin of error. For the standard deviation, the usual value

for studies of 0.5 was chosen. The 95% confidence level led to a z-value of 1.96. According to the formula used (see Appendix D), a sample size of 114 observations was needed.

Empirical data for this study was collected through an online survey. For the duration of four weeks, messages were sent to 439 individuals via social media. The individuals were asked to complete the survey if they currently have HR responsibilities, have had them in the past or expect to have them in the future. At the same time, messages advertising the survey were posted on LinkedIn and public Facebook forums. The survey was online from November 6 to December 6, 2021. A total of 115 responses were collected. No differentiation was made for the study regarding the origin of the participants. Most participants are Millennials (42.6%) and Generation X (GenX, 34.8%), followed by GenZ (16.5%) and Baby Boomers (5.2%). Regarding the management level, most participants work in top level management (32.2%), followed by middle level management (26.1%), low level management (23.5%), and 18 employees with future management competencies (15.7%). Detailed descriptive statistics on participants' characteristics can be found in Table 1.

**Table 1** Sample demographics (Source: Survey data).

Measure	Item	Frequency	Percentage (%)
Gender	Male	76	66.1
	Female	37	32.2
	Prefer not to say	1	0.9
Age	< 26 years (GenZ)	19	16.5
	26 - 42 years (Millennial)	49	42.6
	43 - 61 years (GenX)	40	34.8
	62 - 75 years (Boomer)	6	5.2
	> 75 years (Traditionalist)	0	0.0
Management level	Top level management	37	32.2
	Middle level management	30	26.1
	Low level management	27	23.5
	Employee with future management competencies	18	15.7
Company size	Microenterprise: 1 to 9 employees	26	22.6
	Small enterprise: 10 to 49 employees	25	21.7
	Medium-sized enterprise: 50 to 249 employees	12	10.4
	Large enterprise: 250 employees or more	49	42.6
Industry	Finance and insurance	7	6.1
	Manufacturing	23	20.0
	Educational services	7	6.1
	Information	9	7.8
	Professional, scientific, and technical services	17	14.8
	Real estate and rental leasing	1	0.9
	Utilities	5	4.3
	Management of companies and enterprises	2	1.7
	Health care and social assistance	5	4.3
	Retail trade	8	7.0
	Agriculture, forestry, fishing and hunting	1	0.9
	Accommodation and food services	2	1.7
	Construction	3	2.6
	Transportation and warehousing	4	3.5
	Mining, quarrying, and oil and gas extraction	1	0.9
	NA	20	17.4
Total Participants		115	

## 5.2 Measurement development

The questionnaire items and constructs are listed in Appendix E. The scales of *perceived fee*, *perceived value* and *adoption intention* were adapted from Kim et al. (2007). The other items were developed by the author. All items were measured on a six-point Likert-type scale, ranging from “strongly disagree” (1) to “strongly agree” (6). An even Likert scale was used to avoid the midpoint being misused to dump “not applicable, uncertain, indifferent, or ambivalent response orientations”, also known as midpoint bias (Kulas & Stachowski, 2009).

## 6 Results

First, the data set was cleaned of NA values. Afterwards a data analysis was conducted according to Anderson and Gerbing's two-step approach (1988) to "test the convergent validity and discriminant validity of the measurement model" (Wei et al., 2015). Subsequently, a test of the structural model framework was conducted, followed by a test of the research hypotheses answering research questions Q1 and Q2.

### 6.1 Data cleaning

12 participants did not answer at least one question, which represents 10% of all participants. To further avoid minimizing the sample size, the NA values were replaced using mean substitution.

### 6.2 Test of the measurement model

The measurement model can be seen in Appendix F. The internal consistency of the model was evaluated by a reliability analysis using Cronbach's alpha and composite reliability (CR). The results are displayed in Table 2, together with the means and standard deviations of the construct items. The acceptance level for Cronbach's alpha defined by Nunnally (1978) of  $\geq 0.7$  is met by each construct, "indicating good reliability and stability of the measurement items of each construct" (Lin & Lu, 2011). This is also confirmed by the CR values, which are all  $\geq 0.7$  and thus meet the CR value recommended by Fornell and Larcker (1981).

**Table 2** Statistics of construct items (Source: Survey data).

Construct	Items	Mean	Standard deviation	Average variance extracted (AVE)	Cronbach's alpha	Composite reliability (CR)
Company attractiveness	COA1	4.64	1.24	0.73	0.84	0.85
	COA2	4.90	1.19			
Usefulness	USE1	4.24	1.30	0.61	0.81	0.83
	USE2	4.48	1.06			
	USE3	4.52	1.08			
Autonomy	AUT1	4.43	1.30	0.66	0.86	0.88
	AUT2	4.50	1.25			
	AUT3	3.74	1.49			
	AUT4	4.50	1.22			
Company culture	CCU1	3.44	1.61	0.65	0.79	0.79
	CCU2	3.45	1.49			
Perceived benefit	EMP2	4.57	1.06	0.58	0.79	0.80
	EMP3	4.52	1.14			
	EMP4	4.75	1.04			
Adoption intention	INT1	4.34	1.61	0.54	0.70	0.70
	INT2	3.07	1.44			

A principal component factor analysis (PCA) was conducted on the four independent variables *company attractiveness* (COA), *usefulness* (USE), *autonomy* (AUT) and *company culture* (CCU) and one dependent variable *perceived benefit* (EMP). The first part of the PCA was a visual inspection ("eyeballing") of the PCA Biplot. As can be seen in Appendix G the first

principal component describes 46.4% of the variation in the data and the second principal component 11.7%. To gain a better understanding of how the individual items correlate with each other, the angles between the vectors were examined following Rossiter (2014). None of the item pairs have an opposite angle close to 180°, which would indicate a (high) negative correlation between the items. This would have required the deletion of a respective item to increase the overall model quality. Most of the items show a positive angle  $< 90^\circ$ , representing a (high) positive correlation. The items USE1 and USE2 of the construct *usefulness* have a positive angle close to 90° with CCU1 representing a correlation close to zero. The zero correlation is a possible sign that the construct *usefulness* might have a lower significance. These findings are consistent with the results of the hypotheses testing (see Chapter 6.3).

The second part of the PCA was a VARIMAX rotation to identify items with low factor loadings. Applying the definition of Hair et al. (1998), a factor loading of 0.51 is required for significance in a sample of 115 participants. Every item with a lower factor loading should be eliminated to increase the overall model quality. The VARIMAX rotation is an orthogonal rotation which assumes that the single items are not highly correlated with each other (Finch, 2006). To check this assumption two different tests were conducted: First, the variance inflation factors were calculated. Appendix H displays that none of the items showed values higher than the cut-off point of 5.0 (Craney & Surles, 2002). Additionally, the residuals covariances were checked via the standardized residuals. As displayed in Appendix I, no exceptionally large residual correlations were detected.

The assessment of the eigenvalues revealed a total of five factors with an eigenvalue  $> 1.0$ , as can be seen on the scree plot in Appendix J. All items of the constructs loaded on each distinct factor and explained 78.70% of the total variation. The VARIMAX rotation was then performed on the five factors. The results can be seen in Appendix K. All items have factor loadings  $> 0.5$  except for the first item of employment performance (EMP1). Due to the low factor loading (0.46), EMP1 was excluded from further analysis.

In the next step the construct validity of the research model was tested. The construct validity states the “extent to which a set of items actually represents the theoretical construct they are designed to measure” (Hair et al., 1998). Campbell & Fiske (1959) proposed two aspects to test the construct validity:

- (1) Convergent validity: the degree of confidence that a construct is well measured by its items.
- (2) Discriminant validity: the degree to which a construct can be meaningfully differentiated from the other constructs.

For convergent validity, the “three standards recommended by Bagozzi & Yi (1988) were used” (Lin & Lu, 2011). Those standards are: “(1) The CR should be  $> 0.7$ ; (2) all indicator factor loadings should be  $> 0.5$  and (3) the average variance extracted (AVE) of each construct should be  $> 0.5$ ” (Lin & Lu, 2011). The fulfillment of condition (1) has already been confirmed in the analysis of the reliability and stability of the measurement items above, as well as the fulfillment of condition (2) which was confirmed via the PCA with VARIMAX rotation. As Table 2 shows, the AVE of all constructs is  $> 0.5$  confirming condition (3). Therefore, all conditions for convergent validity are satisfactorily met.

For the assessment of discriminant validity, the standard approach recommended by Fornell & Larcker (1981) was used: “The correlation coefficients between any two constructs should be smaller than the square root of the AVE of the constructs” (Wei et al., 2015). The results of the corresponding analysis can be seen in Table 3. The constructs EMP and INT slightly violate the condition. However, for the further course of this study, the violation of the condition was ignored.

**Table 3** Discriminant validity (Source: Survey data).

	COA	USE	AUT	CCU	EMP	INT
COA	<b>0.86</b>					
USE	0.66	<b>0.78</b>				
AUT	0.57	0.54	<b>0.81</b>			
CCU	0.54	0.39	0.54	<b>0.81</b>		
EMP	0.79	0.66	0.67	0.60	<b>0.76</b>	
INT	0.64	0.45	0.55	0.76	0.67	<b>0.74</b>

*Note:* COA (company attractiveness); USE (usability); AUT (autonomy); CCU (company culture); EMP (perceived benefit); INT (adoption intention). Diagonal elements (bold) are the square root of average variance extracted (AVE) between the constructs and their measures. Off-diagonal elements are correlations between constructs. For discriminant validity, diagonal elements should be larger than off-diagonal elements (Lin & Lu, 2011).

“The measurement model in this study exhibits reliability, convergent validity, and acceptable discriminant validity” (Wei et al., 2015). These findings are further supported by good model-fit measures. Hair et al. (1998) reasoned that “most model-fit measures should reach acceptable

standards before the model fit is assessed” (Gao & Bai, 2014). The model-fit measures for this research model are displayed in Table 4: it can be seen that each model-fit measure is consistent with the recommended value from previous studies, indicating a reasonable fit to the data collected (Lin & Lu, 2011).

**Table 4** Model-fit measures for the measurement model (Source: Survey data).

Fit Indices	Recommended value	Suggested by authors	Measurement model
$\chi^2/df$	$\leq 3.0$	Hayduck (1987)	1.7
Goodness of fit index (GFI)	$\geq 0.9$	Scott (1991)	0.9
Adjusted for degrees of freedom (AGFI)	$\geq 0.8$	Scott (1991)	0.8
Normed fit index (NFI)	$\geq 0.9$	Bentler and Bonett (1980)	0.9
Comparative fit index (CFI)	$\geq 0.9$	Bagozzi and Yi (1988)	0.9
Root mean square error of approximation (RMSEA)	$\leq 0.08$	Bagozzi and Yi (1988)	0.08

### 6.3 Test of the structural model

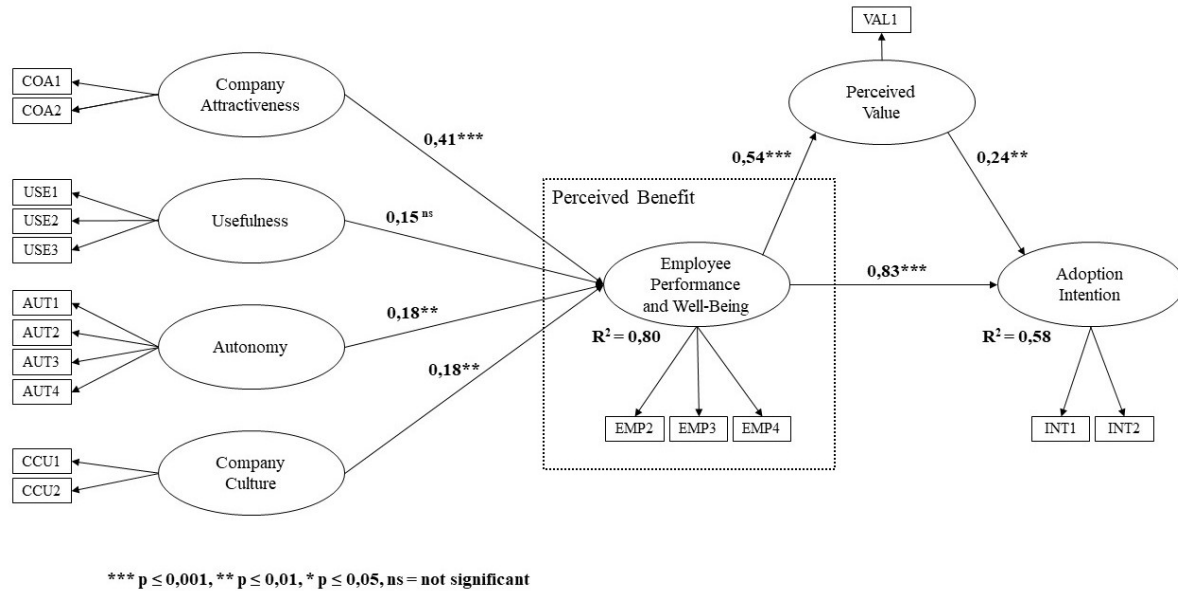
The model-fit measures for the structural model also demonstrate good model fit, as shown in Table 5. Only the goodness of fit index (GFI) and the normed fit index (NFI) show slight deviations. These results are consistent with the minor violations of the discriminant validity conditions found in the measurement model. Due to being marginal, these violations will not be considered further in the analysis.

**Table 5** Model-fit measures for the structural model (Source: Survey data).

Fit Indices	Recommended Value	Suggested by authors	Measurement Model
$\chi^2/df$	$\leq 3.0$	Hayduck (1987)	1.8
Goodness of fit index (GFI)	$\geq 0.9$	Scott (1991)	0.8
Adjusted for degrees of freedom (AGFI)	$\geq 0.8$	Scott (1991)	0.8
Normed fit index (NFI)	$\geq 0.9$	Bentler and Bonett (1980)	0.8
Comparative fit index (CFI)	$\geq 0.9$	Bagozzi and Yi (1988)	0.9
Root mean square error of approximation (RMSEA)	$\leq 0.08$	Bagozzi and Yi (1988)	0.08

The results of the path analysis in the form of the standardized path coefficients and path significances are presented in Figure 7 (for the R output see Appendix L). *Perceived benefit* ( $\beta = 0.83$ ,  $p \leq 0.001$ ) had a positive direct effect on *adoption intention* with a significant relationship. Thus, H1 is supported. To further increase the quality of the model *perceived value* ( $\beta = 0.24$ ,  $p \leq 0.01$ ) was added to partially mediate the relationship between *perceived benefit* and *adoption intention*, resulting in the combined effect of 0.96 ( $= 0.83 + 0.54 * 0.24$ ). Three of the four constructs were found to be significantly related to *perceived benefit*, namely *company attractiveness* ( $\beta = 0.41$ ,  $p \leq 0.001$ ), *autonomy* ( $\beta = 0.18$ ,  $p \leq 0.01$ ) and *company culture* ( $\beta = 0.18$ ,  $p \leq 0.01$ ). Therefore, H2, H4 and H5 are all supported. The only construct that was not found to be significantly related to *perceived benefit* was *usefulness* ( $\beta = 0.15$ ,  $p \geq$

0.05). This means that H3 is not supported. The variance explained ( $R^2$ ) of *perceived benefit* reached 79.9% and that of *adoption intention* 58.5%. Hence, the  $R^2$  of the two latent variables is  $> 0.5$  indicating good explanatory power of the research model.



**Figure 7** Path analysis results based on all valid observations ( $n = 115$ ).

Following Kim et al. (2007) a complementary test was performed to study the direct effects of the five constructs, including *perceived benefit*, on *adoption intention* (see Appendix M). For consistency, *perceived value* was retained as a mediator. The result shows that in this test model *perceived benefit* is not significant ( $\beta = 0.31$ ,  $p \geq 0.05$ ). The other constructs were also not significant except *company culture* ( $\beta = 0.47$ ,  $p \leq 0.001$ ). The assumption for the complete model was that *perceived benefit* would mediate the relationship between the four constructs and *adoption intention*, as it was assumed to be the main reason for the adoption intention of the prospective clients. The mediating relationship was additionally tested with the mediating-effect test method (Baron & Kenny, 1986; Kim et al., 2007). The results (see Table 6) support the assumption that *perceived benefit* fully mediates the relationship between the constructs *company attractiveness*, *usefulness* and *autonomy* and *adoption intention*. Only with the fourth construct, *company culture*, there does not seem to be a full mediation by *perceived benefit*.

**Table 6** Testing the mediation effect of *perceived benefit* (Source: Survey data).

Step	Dependent Variables	Independent		
		Variable	$\beta$	$R^2$
1.1	EMP	COA	0.60***	0.59
1.2	INT	COA	0.61***	0.48
1.3	INT	COA	0.26	0.53
		EMP	0.52*	
2.1	EMP	USE	0.53***	0.37
2.2	INT	USE	0.30*	0.31
2.3	INT	USE	-0.06	0.62
		EMP	0.75**	
3.1	EMP	AUT	0.48***	0.41
3.2	INT	AUT	0.44***	0.42
3.3	INT	AUT	0.15	0.62
		EMP	0.62**	
4.1	EMP	CCU	0.38***	0.30
4.2	INT	CCU	0.55***	0.68
4.3	INT	CCU	0.48***	0.71
		EMP	0.32	

## 7 Discussion

The results have shown that the *adoption intention* of the DN Platform is driven by the perception of increased *perceived benefit*. The  $R^2$  indicated that 58.5% of the variation of *adoption intention* can be explained by *perceived benefit*. This could be a sign that managers are open to new ways of working, such as the DN Programs, if they believe they can have a positive impact on their employees. This finding is consistent with the general trends toward remote work and digital nomadism triggered by the COVID pandemic. Nevertheless, it was not compelling to expect that H1 would be confirmed at a  $p \leq 0.001$  significance level. Although there is a general trend toward more flexible work models, it was unclear before the study how managers would react to the idea of DN Programs. Some people might first think of the vacation or leisure aspect when they hear about the concept of DN Programs. Managers, on the other hand, need to be able to rely on their employees to perform. Therefore, the main argument against DN Programs was that managers are skeptical of the concept of DN Programs because they see their employees' performance at risk. To specifically address the main argument against DN Programs in the study, respondents were shown a picture of a digital nomad sitting on a beach with his laptop at the beginning of the questionnaire (see Appendix N). This was to

ensure that any doubts managers might have about compatibility of work and leisure in DN Programs had been subconsciously or consciously taken into account when answering the questionnaire.

Despite the bias, which was intentionally created by the image of the digital nomad, a  $R^2$  value of 58.5 % was achieved. The results further revealed a strong positive relationship between *perceived benefit* and *adoption intention*: when the *perceived benefit* of DN Programs increases by one unit, managers' intention to adopt the program increases by 83%, *ceteris paribus*. The positive results may indicate that for managers, productivity losses of their employees are not the main concern and that the intention to introduce digital nomadism is primarily about increasing the employee well-being. Another observation that further supports this argument is the fact that item EMP1 had to be removed from the model due to an insufficient factor loading. Since the remaining three items, EMP2, EMP3, and EMP4, were more related to employee well-being than to employee performance, the entire construct *perceived benefit* was more related to employee well-being when the path analysis was conducted. Managers seem to have divided opinions on the statement that DN Programs increase employee performance. Another item that measured an aspect of productivity was AUT4, namely whether managers believe that employees who participate in a DN Program are as productive as they would be if they worked from home. In contrast to EMP1, it showed a good factor loading. Taken together, these two results may suggest that, on the one hand, there is no consensus on whether DN Programs lead to productivity gains, but on the other hand, managers are also not concerned that they harm productivity.

According to the assumption that the intention to adopt DN Programs is primarily about increasing employee well-being, demand could be particularly high among companies whose employees are exposed to high levels of stress, such as consulting or law firms or startups in the growth phase. This insight could be used to shape future sales strategies. The fact that increasing employee well-being seems to play such an important role in adoption intention could also be interpreted as a sign that managers are willing to invest in the well-being of their employees. In addition to companies in industries known for high stress exposure, demand could also be high among companies that are particularly known for caring about their employee well-being. Perhaps this trend has been reinforced by the COVID pandemic. In any case, a product that promises to increase employee well-being seems to have struck a nerve. This insight could be leveraged as the main rationale in promoting the DN Platform, e.g.,

through a slogan such as "Increase your employees' well-being with Junto." Other possible aspects that could be highlighted in an advertising campaign would be an enhancement of flexibility or creativity, both aspects that would be favored by the introduction of the DN

The construct *perceived value* was included in the research model to mediate the relationship between *perceived benefit* and *adoption intention*. The construct was explicitly modeled based on price. Managers were proposed a specific pricing model for the DN Platform, consisting of a fixed monthly license fee and a variable fee per employee (see Appendix Q). The inclusion of *perceived value* as a mediator increased the  $R^2$  of *adoption intention* from 53.9% to 58.5%. This mediating relationship could have various implications. First, it could mean that managers consider the proposed pricing model to be fair, and second, that they may be willing to spend money on DN Programs to improve the well-being of their employees. In any case, the increase of  $R^2$  is an indication that managers value the idea of the DN Programs.

The confirmation of hypothesis H2 is a sign that managers believe that the DN Programs would positively influence *company attractiveness* which in turn has a positive impact on the *perceived benefit*. The results further indicate that the assumption that the relationship between *company attractiveness* and *perceived benefit* could be explained by applying the employer brand framework and the concept of firm-specific investments seems to be correct.

First, regarding the employer brand framework employees develop a stronger sense of identification with the company when they feel that the company cares about them. This in turn, leads to higher levels of organizational commitment and ultimately to a higher employee well-being. This causal relationship seems to hold for the DN Programs as well, which means that they might be a good tool for a company to strengthen its brand impact with its own employees and new talents. This insight seems to be particularly important given the problem of workforce change and the resulting need for companies to retain employees and attract new talent. Employees might see DN Programs as a sign that the company is willing to invest in their own well-being. In addition, the company could use DN Programs to recruit new talent. Especially for Millennials and GenZs, the opportunity to participate in DN Programs could be a deciding factor in choosing the company. The DN Programs could further be used to strengthen the social pillar of the corporate social responsibility, which could have a positive impact on the external perception of the company. The company could position itself as one that places great value on employee well-being, flexible working structures and the needs of younger employees.

Second, regarding to the concept of firm-specific investments the results seem to confirm that companies that start integrating DN Programs into their work structures can gain a competitive advantage as early adopters. Differentiation via non-monetary benefits can lead to a competitive advantage if the company offers its employees better individual benefits compared to other companies. This finding could mean that managers consider the concept of DN Programs to be innovative and novel. It also could have practical implications: companies should start integrating DN Programs into their remote work structures now to secure the benefits of being an early adopter.

The significant relationship between the construct *autonomy* and *perceived benefit* could be interpreted to mean that *autonomy* plays an important role in the context of DN Programs. The results suggest that managers who give their employees an additional unit of autonomy in the form of the opportunity to participate in a DN Program can expect a +18% increase in employee well-being, *ceteris paribus*. This emphasizes the importance of *autonomy* for employee well-being, thus confirming the research model of Baard et al. (2004). This could also lead to the conclusion that employee well-being is positively influenced by the enhancement of *autonomy* through DN Programs. It could also be inferred from the results that *autonomy* is a prerequisite for the successful implementation of DN Programs. Similar to the WFH situation, managers need to trust that if their employees participate in a DN Program, they will (1) be able to organize their work as they see fit, (2) feel the same level of commitment to their work, and (3) be just as productive. Additionally, (4) it should not be a problem for managers if one employee is participating in a DN Program while the rest of the employees are in the home office or in the office.

The fact that H5 could also be confirmed is consistent with the studies of Clark (2001) and Stankevičienė et al (2021), both of which demonstrate the positive impact of a supportive management as a key characteristic of the *company culture* on employee well-being. The positive result leads to two conclusions: first, it appears that DN Programs are seen by managers as tools with which they can support their employees. Second, item CCU2 asked whether the managers believe that the other managers would also use the DN Programs to support their employees. The result indicates that managers believe they have the same positive attitude toward DN Programs as other managers. This result is in line with the general trend towards more flexible working models.

With hypotheses H1, H2, H4 and H5 all being confirmed, the first research question Q1 can be answered conclusively: Managers believe that the DN Programs can have a positive effect on the well-being of their employees. As employee well-being increases, so does managers' intention to adopt the DN Programs.

The only hypothesis that could not be accepted was H3. A measurable positive effect was found: an increase in *usefulness* leads to an increase in *perceived benefit*, ceteris paribus. However, due to the lack of significance of the relationship, it seems that managers have doubts regarding the *usefulness* of the proposed product idea behind the DN Programs, the DN Platform. Consequently, research question Q2, whether the DN Platform has a significant impact on the managers' *adoption intention*, must be negated. This is an important result. It indicates that while managers are convinced of the concept of DN Programs and their impact on *perceived benefit*, the missing significance can be interpreted as a sign that they are not (yet) very convinced of the *usefulness* of the DN Platform.

## **8 Limitations and future research**

This section discusses some limitations of the research model to indicate where future studies might be directed.

First, for simplicity and based on a consistent theoretical derivation (see Chapter 4.1), the construct *perceived benefit* was created in the research model, combining aspects of employee productivity and employee well-being. The study does not explicitly examine whether DN Programs lead to improved performance, which could be done, for example, by splitting the two variables into two constructs and linking them via a causal relationship. An alternative research model that would allow such a separate study of *employee well-being* and *employee performance* can be seen in Appendix O.

Second, although other factors such as perceived fee are implicitly taken into account in the research model via the mediation term *perceived value*, these other factors are not examined in more detail. The assumption is made that prospective clients will base their *adoption intention* mainly on whether the product can increase *perceived benefit*. Alternative research models that make *adoption intention* dependent on other factors should be designed. One possibility might be a model based on VAM, which defines *adoption intention* as dependent on *perceived value* (see Appendix P; Kim et al., 2007). VAM defines *perceived value* as “the overall perception of

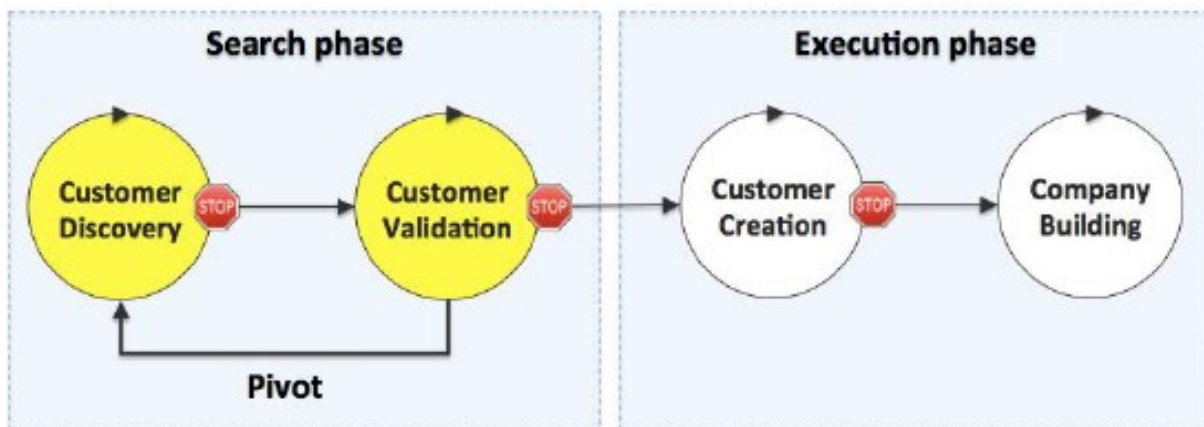
the product based on the considerations of its benefits and sacrifices needed to acquire and/or use it".

Third, this study is a validation of the theoretical idea underlying the product (DN Programs) and not a validation of the product idea itself (DN Platform). The managers surveyed do believe that DN Programs have a positive impact on *perceived benefit*, on which they would in turn base their adoption decision. However, the study cannot answer whether they would be willing to spend money on the DN Platform. On the contrary, the results of hypothesis H3 even suggest that the current product proposal of the DN Platform does not (yet) sufficiently succeed in translating the problem into a value-creating solution. For this reason, the next step is to further validate the product idea using hypothesis testing with the aim to answer research question Q3.

## 9 Business model foundation

As a basis for successful hypothesis testing, a clean and simple visualization of the business model is required. Therefore, this section first introduces the Lean Startup-approach with the Lean Startup Canvas as a theoretical framework for the development of the business model and then applies it to the DN Platform.

One of the most important startup development methods, which is designed to shorten product development cycles with the aim of finding out “as quickly as possible” whether a proposed business model is viable, is Ries’ Lean Startup-approach (Ries, 2011). The Lean Startup-approach focuses “on the iterative design of the business model and proposes to build a company step by step in an ongoing process of hypothesis formulation and testing” (Ripsas et al., 2018). A model that depicts the iterative nature of this process is Blank and Dorf’s (2012) customer development process, as shown in Figure 8. In the beginning, “successful startups go through the business model iteration loop several times until the insights and learnings gained from client feedback provide sufficient evidence that the business model is valid, which in turn will allow them to start scaling the idea” (Ripsas et al., 2018).



**Figure 8** Customer development process<sup>5</sup>.

This master’s thesis focuses on the search phase. In customer discovery, the author’s vision of developing a DN Platform was captured and turned into a series of business model hypotheses, as shown in Table 7 (Blank & Dorf, 2012). To capture these hypotheses Maurya (2012) developed the Lean Startup Canvas, a one-page business model diagram that contains the

<sup>5</sup> The figure was adapted from the slide deck from the master’s course “Lean Entrepreneurship Project” taught by Professor João Cotter on February 4, 2021

building blocks of the business model of an early-stage startup. Each building block can directly be translated into a set of customer development hypotheses (Blank & Dorf, 2012; Ripsas et al., 2018). Therefore, the business model can be defined as the sum of all individual hypotheses. Figure 9 shows the business model of the DN Platform.

**Table 7** Overview of the hypotheses.

Hypothesis	Description	Type of research	Status
H0.1	Companies are facing the problem of a shrinking workforce.	Literature review	Confirmed
H0.2	Companies are facing the problem of generational change.	Literature review	Confirmed
H0.3	Younger employees have different needs in terms of flexible working models than older employees.	Literature review & Questionnaire	Confirmed
H1	Managers will adopt the DN Programs if they will have a positive impact on employee performance and well-being.	Research Model	Confirmed
H2	Managers believe that the attractiveness of a company that offers DN Programs will have a positive impact on employee performance and well-being.	Research Model	Confirmed
H3	Managers believe that the usefulness of the DN Platform will have a positive impact on employee performance and well-being.	Research Model	Not confirmed
H4	Managers believe that the autonomy they grant their employees through the DN Programs has a positive impact on employee performance and well-being.	Research Model	Confirmed
H5	Managers believe that a company culture that favors DN Programs has a positive impact on employee performance and well-being.	Research Model	Confirmed
H6	The desired value of the DN Platform for the users is to work from a location abroad without any problems.	Questionnaire	Confirmed
H7	Prospective clients are willing to pay money for the DN Platform.	WoZ Prototype	Open
H8	Prospective users are willing to use the DN Platform.	WoZ Prototype	Open
H9	The first clients are medium-sized companies.	WoZ Prototype	Open
H10	The first users are Millennial and Generation Z employees, 20-40 years old, single and looking for new experiences through travel, but not wanting to give up the benefits of a full-time position.	WoZ Prototype	Open

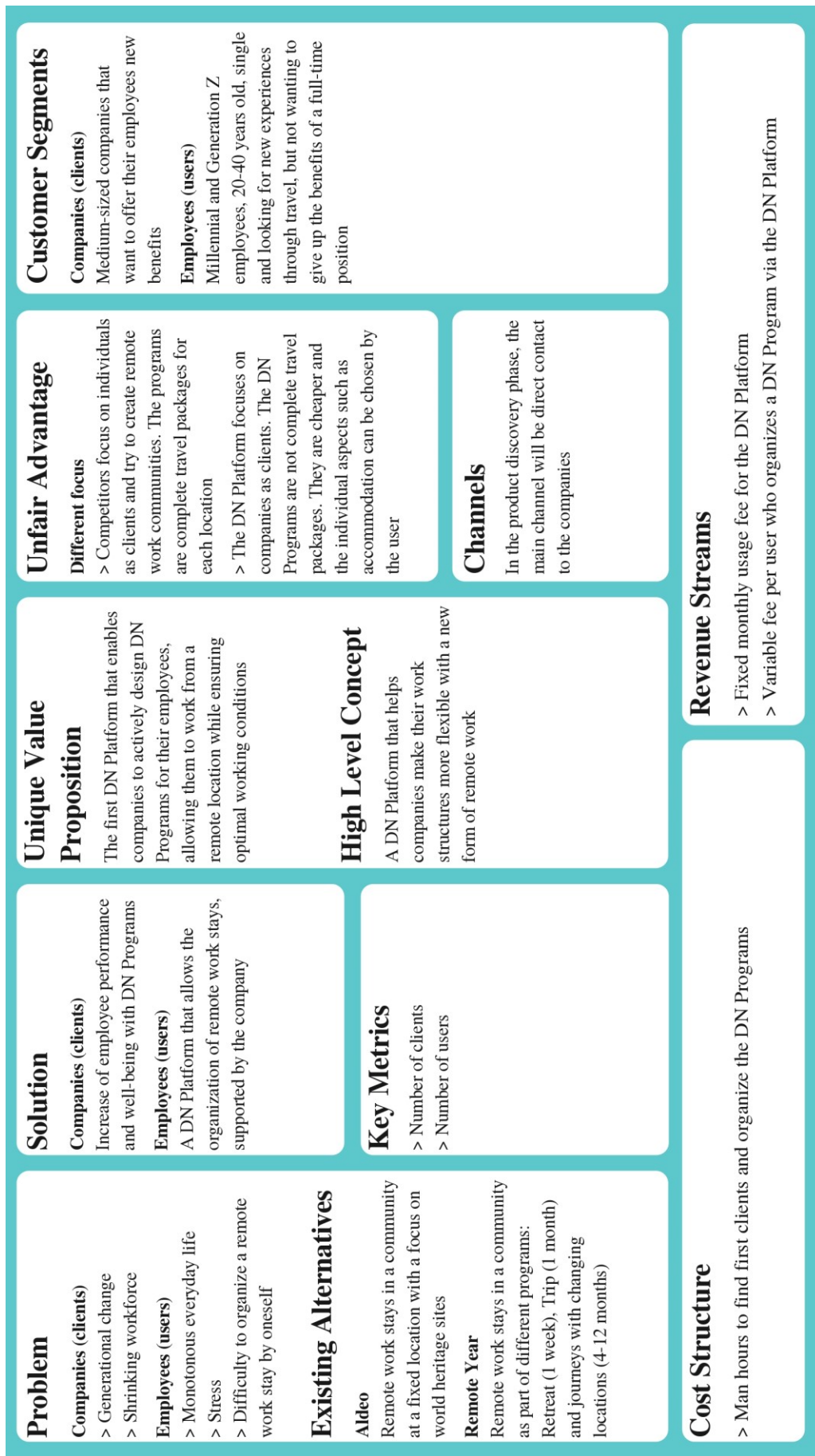


Figure 9 Lean Startup Canvas of the DN Platform.

## 10 Prototype development

In customer validation the quality of the business model gets tested (Blank & Dorf, 2012). In the field of product development, the customer validation is also referred to as the product discovery phase. In this phase a prototype will be tested and iterated until the value proposition can be validated by achieving product/market fit in the form of first paying clients.

In this section research question Q3 will be answered. It starts by describing the product discovery phase and then presents various prototype techniques. Based on this, it will be determined which prototyping technique seems most suitable, what the prototype might look like and, finally, how the prototype should best be used to validate the business idea.

### 10.1 Product discovery

The success of a new startup is critically dependent on the success of the first product launch (Song et al., 2010). Nothing else is important until the startup has developed a product that meets the needs of an initial market, the so-called product/market fit (Cagan, 2018)<sup>6</sup>. In the product discovery phase, the start-up needs to discover what the customer solution should look like in the fastest and most cost-effective way possible. Over the course of this process, Cagan (2018) defined four critical risks that must be addressed:

- (1) Will the client buy the product, or choose to use it? (Value risk)
- (2) Can the user figure out how to use it? (Usability risk)
- (3) Is it possible to build the product? (Feasibility risk)
- (4) Does the solution work for the business? (Business viability risk)

In the case of the DN Platform, the initial focus should be on value risk (1). The other risks can be tested subsequently, once it is clear whether the DN Platform creates the desired value. The DN Platform is a B2B2C product where the companies are the clients (B2B), and the employees are the users (B2C). The value risk has already been partially confirmed: At the B2B level, it has been shown through the analysis of external sources and the study that the DN Programs have the potential to solve the problem of employee turnover and talent acquisition through increased *perceived benefit*. This increase can be a reason for prospective clients to implement the concept of the DN Programs. At the B2C level, it is also important to find out what problems

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<sup>6</sup> The book "INSPIRED" from Marty Cagan was recommended in the master's course "Digital Product Management" taught by Professor Andre Albuquerque.

users see in connection with DN Programs and to test with a prototype whether the proposed solution creates sufficient value. Only if the DN Platform succeeds in solving the user problems in addition to the client problems will it be adapted by the company and used by employees.

### 10.2 User prototype

The user prototype is one of the most powerful tools in product discovery (Cagan, 2018). However, it is only a simulation. Following the scratch paper prototype, a low-fidelity user prototype was created as can be seen on Figure 10. It is basically an interactive wireframe with low technical complexity that only partially reproduces the final user interface without showing it in full detail (Coyette et al., 2007). The goal here was to test the workflow and get a first visualization of the idea. Pictures of it were used in the survey to give participants a better impression of what the product might look like. The major limitation of the user prototype is that it is not capable of proving anything, such as whether or not the product will sell (Cagan, 2018). To prove the latter, a live-data- or hybrid prototype must be developed.

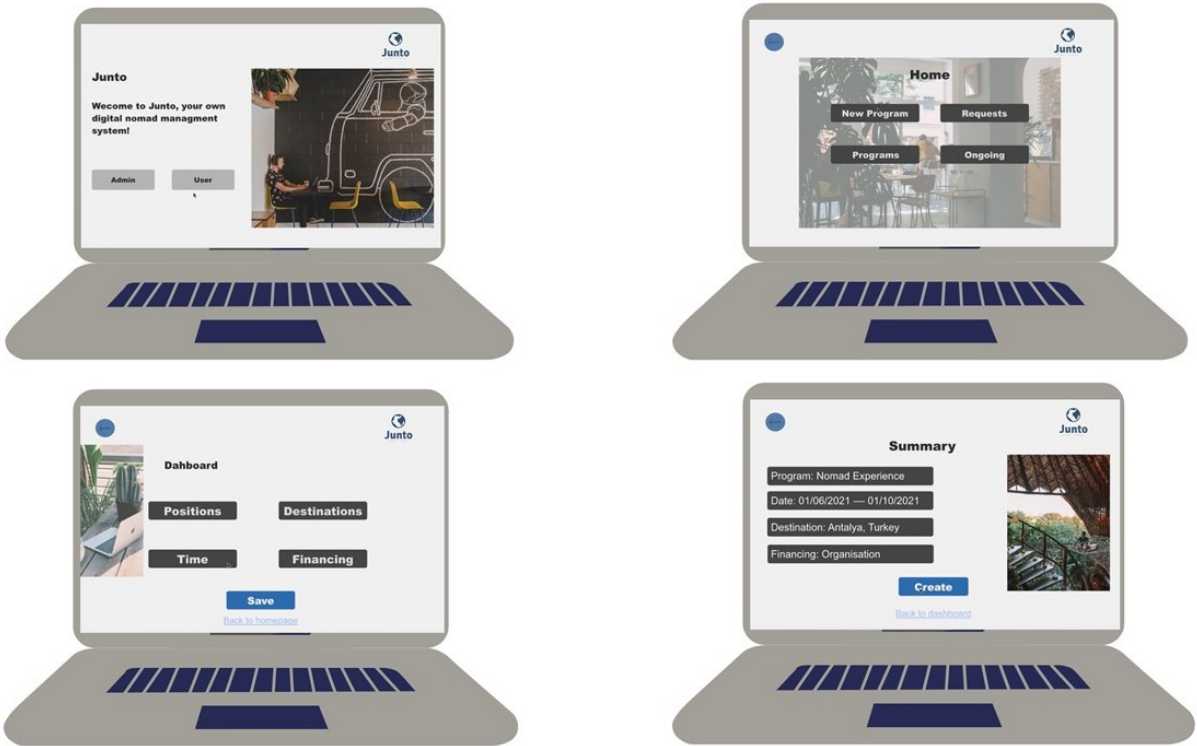


Figure 10 Low-fidelity prototype (created with InVision Cloud).

### 10.3 Live-data prototype

The goal of the live-data prototype is to tackle value risk by collecting actual data that can be used to prove that the idea of the DN Platform will work in reality (Cagan, 2018). This evidence must be gathered in the product discovery phase, long before the time and cost of building a scalable and deliverable product. There are two primary reasons for this: First, to avoid the risk of wasting time and resources on developing something that no one needs<sup>7</sup>, and second, to get an initial investment, as part of an accelerator program, for example (Bjarnason, 2021). A live-data prototype is a very limited implementation (Cagan, 2018). The live data prototype of the DN Platform should be much leaner than the final platform. All features, processes or efforts that do not directly support answering the hypotheses should be taken away (Berg et al., 2018).

### 10.4 Wizard of Oz prototype

A *Wizard of Oz* (WoZ) prototype is a hybrid between user prototype and live-data prototype (Cagan, 2018). In the case of the DN Platform, a human "wizard" would simulate the automated processes of the real DN Platform and interact with the user through a high-fidelity user interface (Maulsby et al., 1993). A WoZ prototype is not scalable, and it would never be used to carry any significant amount of traffic (Cagan, 2018). The advantage is that it is quick and easy to create and from the perspective of prospective clients and their employees because it looks and behaves like a real product (for an historical example see Appendix R).

With the scratch paper prototype and the low fidelity prototype already built, a WoZ prototype seems ideal for gathering evidence or even statistically significant proof of the effectiveness of the product idea of a DN Platform. The next step would be to develop and release a WoZ prototype to validate the value proposition. For the WoZ prototype, a high-fidelity web application should be programmed using a no-code development platform such as *Bubble*. There are two main advantages of programming the WoZ prototype of the DN Platform with no-code and not having a developer create it: First, no-code tools cost between €0 to €140 per month, while developing a web application with a professional developer can cost any amount from €5-10k (Patão, 2021)<sup>8</sup>. Second, a no-code prototype is more flexible because everything can be done by the founder.

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<sup>7</sup> The main reason, why startups fail. Source: Slide deck from the Lean Entrepreneurship Project master's course taught by Professor João Cotter on February 4, 2021.

<sup>8</sup> Source: Slide deck from the presentation by Diogo Patão of Demium Lisbon at the Lean Entrepreneurship Project master's course on April 22, 2021.

### 10.4.1 Defining the features of the WoZ prototype

The WoZ prototype version of the DN Platform should focus on the two core functions (1) “accommodation” and (2) “co-working space”. In addition, this section examines whether prospective users see other problems that they consider essential and that should therefore already be included in the WoZ prototype.

To be successful, the DN Platform cannot be seen as a mere aggregation of product features. One of the three overarching principles of product design Cagan (2018) defines is that a product is “about solving problems, not implementing features”. Therefore, in addition to the questions that affected the research model, study participants were confronted with a list of 12 possible problems, that might arise in the context of a DN Program. For each problem, they should indicate how much they can identify with it. From the results, which are listed below, it was then derived which features the first iteration of the WoZ prototype should contain. As with the research model questions, all items were measured on a six-point Likert-type scale, ranging from “strongly disagree” (1) to “strongly agree” (6):

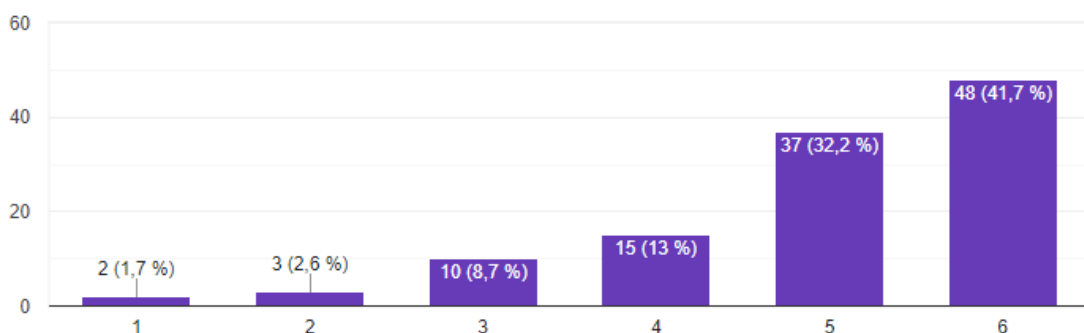
#### Organization of a remote work stay abroad

So far, we have asked you about your opinion from a manager's point of view. For the next set of questions, we ask you to change your perspective and pretend you are using the DN platform as an employee.

Imagine organizing a four week working stay abroad for yourself on your own initiative. Please evaluate the following statements:

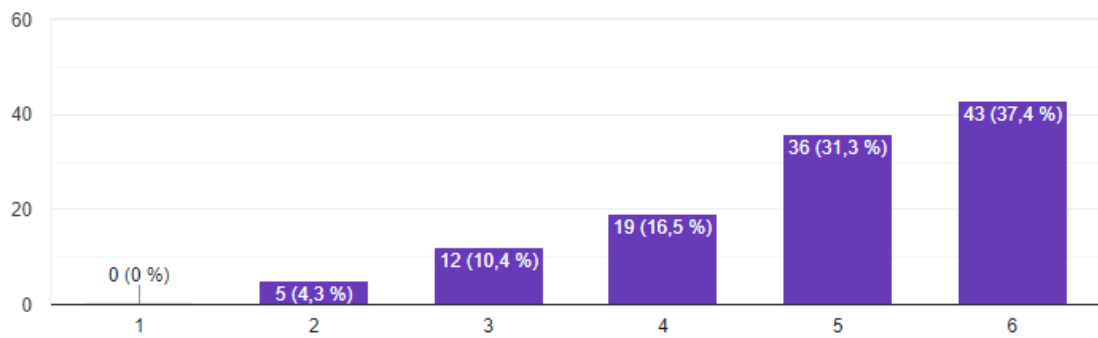
It is difficult to find a nice house, apartment or hotel where I can be sure that it also offers a good working environment (e.g. fast internet, enough power outlets, no noise pollution).

115 answers



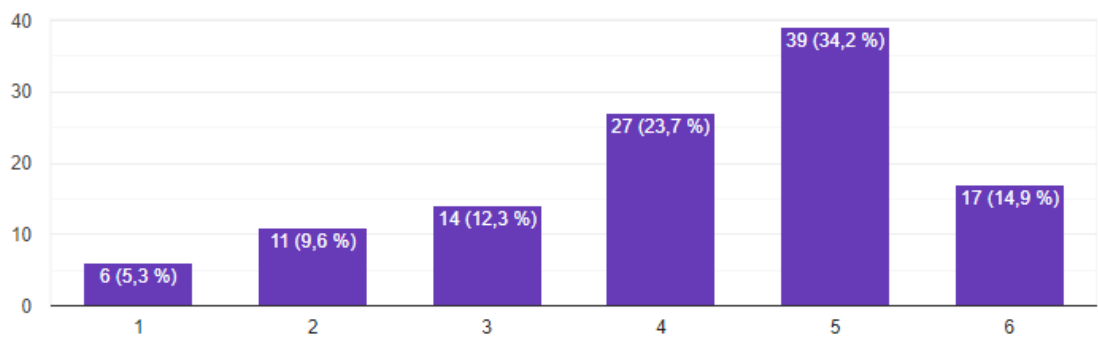
At least sometimes I would like to leave my accommodation to work in a co-working space with a real office atmosphere, but I do not know how and where.

115 answers



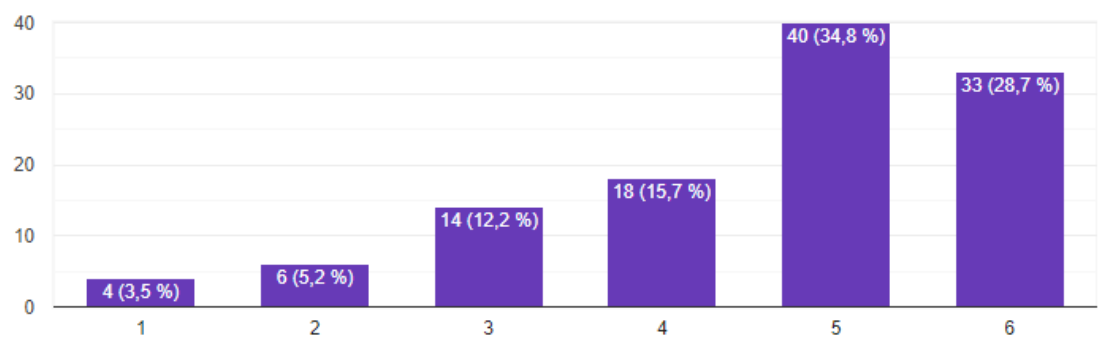
After work I would like to participate in leisure activities such as local sports classes, but I find it difficult to find a program that suits me.

114 answers



It's difficult to schedule the DN Program because I don't know exactly what time period would be best for it in terms of upcoming projects, colleagues' vacations, etc.

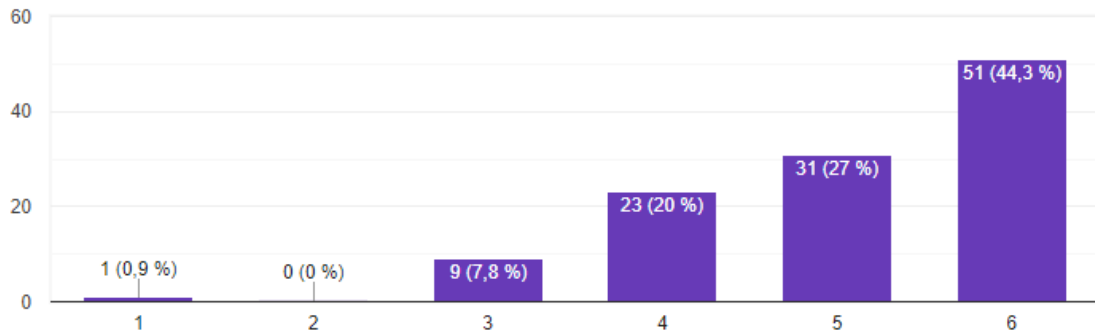
115 answers



I have questions about how DN Programs are affected in terms of legal issues like health insurance and taxes.

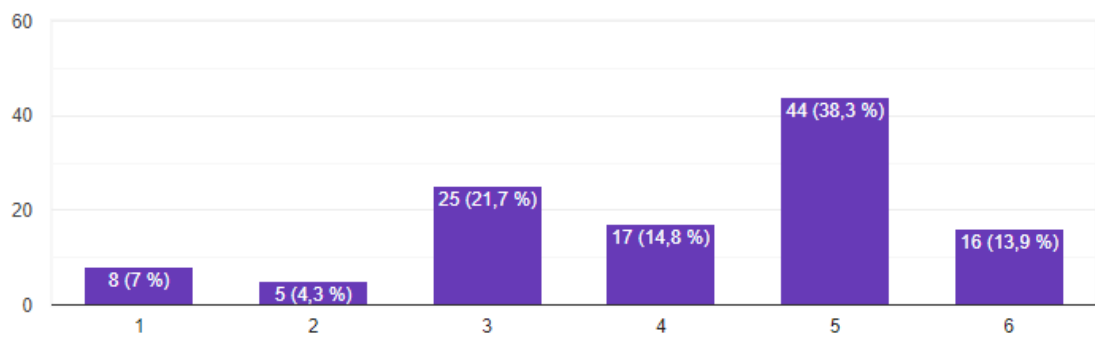


115 answers



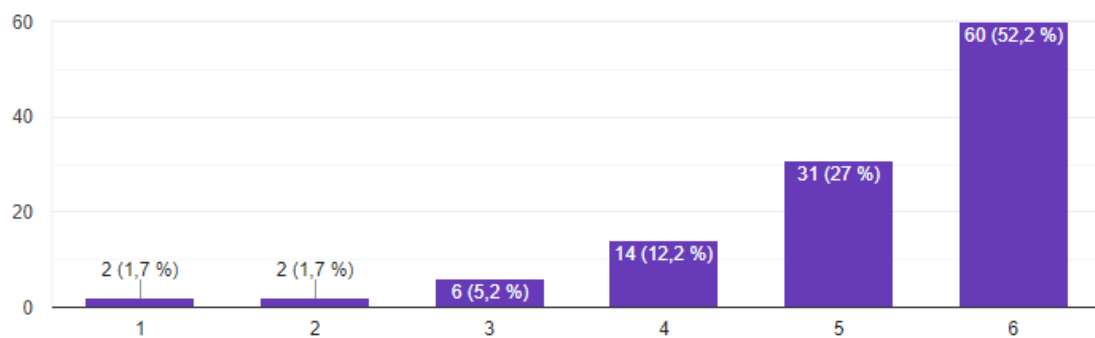
I am afraid that I will lose my productivity if I am in another country.

115 answers



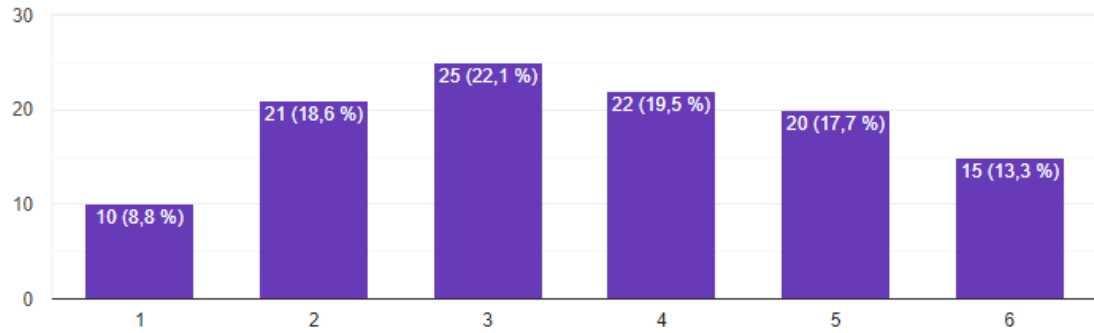
I feel insecure when I have to use local internet networks for my work.

115 answers



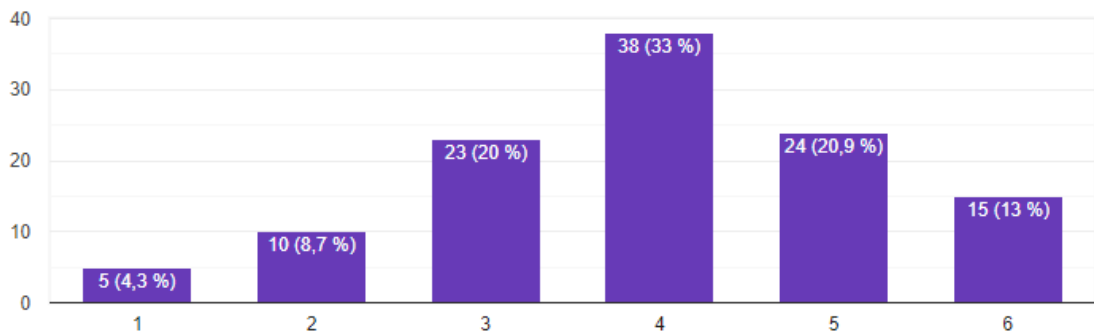
I want to have lunch close to my workplace, but I do not know where.

113 answers



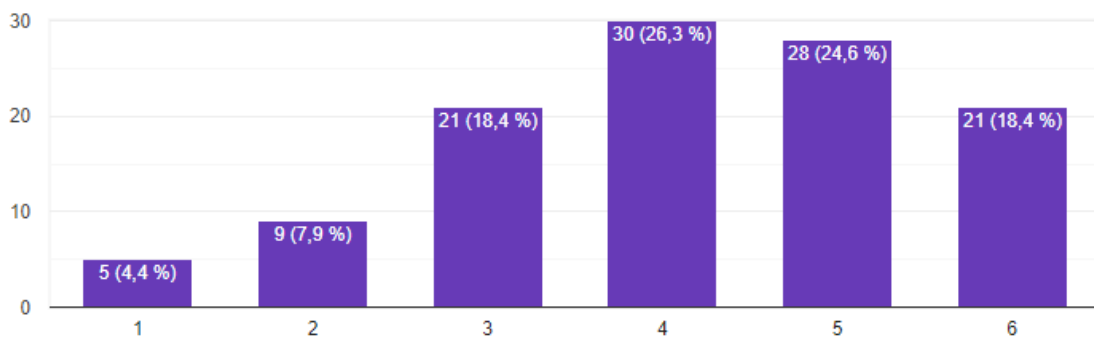
I do not want to pay my own share of the DN Program in a single installment.

115 answers



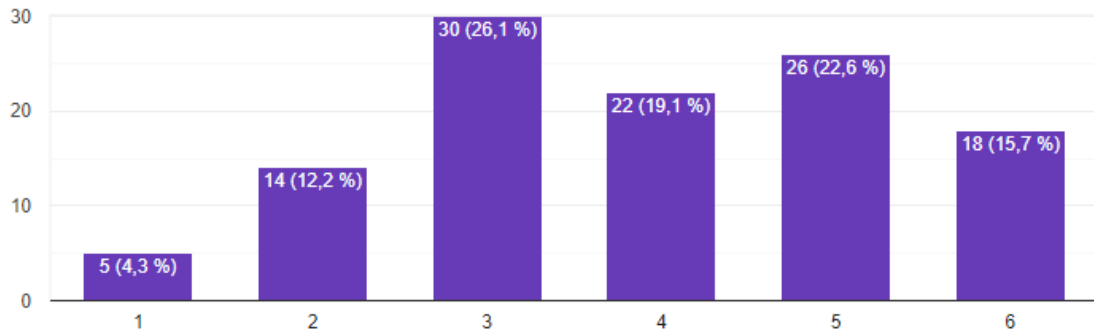
I quickly lose track of the individual bookings in my itinerary and have to keep checking when I need to be where (flight, accommodation, rental car, etc.).

114 answers



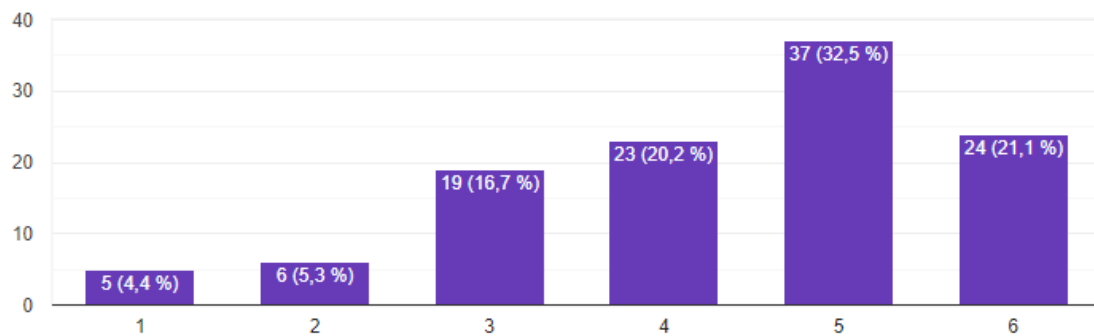
If I participate in a DN Program, I will soon feel lonely.

115 answers



I would like to bring my family, but I have doubts about the possibility of balancing work and family in the DN Program.

114 answers



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Question 36

Nr. "Another problem I see in connection with the DN Programs and which I would like to see solved with the DN Platform..."

- 1 Medicine Service, German speaking doctors.
  - 2 Rather than using a time based control system the productivity should be measured by the completed tasks. Structured To-Do-List instead of a calendar. Define milestones and tasks before hand. E.g. "I will use the time in Bali to finish this report or feature in the software". Time should be chosen almost as freely as the location.
  - 3 Organisation of health insurance and customs affairs (limited residence in the specific country) by Junto.
  - 4 Social activities could and also should include charity or volunteer work to be offered during the stay.
  - 5 Couples programs or pets friendly facilities.
  - 6 Overview - Where is who at the moment?
  - 7 Provide onboarding program about country traditions and habits.
  - 8 Medical service.
  - 9 Protection of data privacy.
  - 10 Having pets with you.
  - 11 Health services.
  - 12 Sports equipment rentals, such as bikes, kites, etc.
- 

The responses of the study participants were first verified by visual inspection. Subsequently, the results of the visual inspection were statistically validated using a one-sample Wilcoxon test. The use of the Wilcoxon test was appropriate at this point because the basic assumption that the samples are independent was satisfied and, furthermore, the samples do not have to be

drawn from a normally distributed population, as is the case with the t-test (Siegel, 1956). The analysis showed that four problems in particular must be considered critical in relation to the DN Programs:

**(1) Accommodation.** A visual inspection of the graphs revealed that 87% of participants reported at least "somewhat" agreement with the problem of finding accommodation that is also suitable as a place to work. The mean of the answers of the "accommodation problem" was 4.97. A Wilcoxon test was conducted to examine the null hypothesis  $H_0: \mu = 3.5$  and the alternative hypothesis  $H_1: \mu > 3.5$ . The p-value of the test was  $p \leq 0.05$ , which was less than the significance level of  $\alpha = 0.05$ . Therefore, the null hypothesis could be rejected, indicating that the mean was significantly  $> 3.5$ .

**(2) Co-working space.** A similar result was seen in the co-working space question: 85% of participants agreed at least "somewhat" that they would like to leave their accommodation from time to time to work in a co-working space, but do not know how and where they could find one. The mean of the answers of the "co-working space problem" was 4.87. A Wilcoxon test was conducted to examine the null hypothesis  $H_0: \mu = 3.5$  and the alternative hypothesis  $H_1: \mu > 3.5$ . The p-value of the test was  $p \leq 0.05$ , which was less than the significance level of  $\alpha = 0.05$ . Therefore, the null hypothesis could be rejected, indicating that the mean was significantly  $> 3.5$ .

**(3) Legal.** The third problem that stood out in the visual inspection with a clear tendency towards "strongly agree" was the "legal problem". 91% of participants responded at least "somewhat" agreeing that they have questions regarding legal issues associated with a RW stay abroad, such as "health insurance" and "taxes". The mean of the answers of the "legal problem" was 5.05. A Wilcoxon test was conducted to examine the null hypothesis  $H_0: \mu = 3.5$  and the alternative hypothesis  $H_1: \mu > 3.5$ . The p-value of the test was  $p \leq 0.05$ , which was less than the significance level of  $\alpha = 0.05$ . Therefore, the null hypothesis could be rejected, indicating that the mean was significantly  $> 3.5$ .

**(4) Cybersecurity.** 91% of participants agreed at least "somewhat" that cybersecurity is an issue in DN Programs. The mean of the answers of the "cybersecurity problem" was 5.17. A Wilcoxon test was conducted to examine the null hypothesis  $H_0: \mu = 3.5$  and the alternative hypothesis  $H_1: \mu > 3.5$ . The p-value of the test was  $p \leq 0.05$ , which was less than the

significance level of  $\alpha = 0.05$ . Therefore, the null hypothesis could be rejected, indicating that the mean was significantly  $> 3.5$ .

The four problems include the two features “accommodation” and “co-working space” which were hypothesized to be essential. This result is consistent with the hypothesis that the core value of the DN Platform is that it guarantees that employees find good working conditions when they arrive at the destination of the DN Program. Working conditions are characterized by the right accommodation with features such fast internet, enough power outlets and no noise pollution, access to a coworking space, and a secure internet connection. Additionally, companies and users require information on legal issues such as health insurance and taxes.

Some of the other problems, such as finding the best time slot in coordination with one’s supervisor and colleagues, could be addressed in the future. Since the WoZ prototype should be as lean as possible, the initial focus should be on solving the four basic problems with appropriate features.

#### **10.4.2 How the WoZ prototype works**

The idea is that in the final version of the DN Platform, users will be able to create their own DN Experience by selecting their favorite spot from the list of available locations, choosing their preferred accommodation, and picking a suitable local co-working space. The whole experience is completed with personalized information on legal issues for both sides, the company, and the user, as well as an integrated tool that ensures a safe stay in a public WLAN network. In later versions, the DN Experience can be supplemented with leisure activities or family programs. The DN Platform will allow users to check availabilities online, make reservations directly through the web application and get all the information they need in real time.

In the case of the WoZ prototype, however, there will not yet be any software automation. Users can log in to the high-fidelity web application, which will be programmed with no-code. There they can assemble their own DN Program. When they are done, they can click on “book now” and will receive a message stating that they will be sent confirmation email within 24 hours. At this point, a real person becomes active in the background (= “the wizard”). This person manually operates the individual reservations, for example by booking the accommodation through *Airbnb* and requesting the co-working space in person. This way, the person puts

together the DN Program, comparable to the work of a classic travel agent. Comprehensive protection of data and privacy when working on a Wi-Fi network abroad can be ensured by registering the user manually with a VPN app, such as *Surfshark*.

## **11 Conclusion**

In the first part of the master's thesis, the academic research, a SEM was used to answer research questions Q1 and Q2. The master's thesis proposed an integrated theoretical framework by using motivation theory to examine managers' attitudes and perceptions toward DN Programs and suggested possible impact factors to understand why managers would intend to adopt DN Programs. The results of the study indicated that the research model exhibits good explanatory power in predicting managers' intentions to adopt DN Programs. It could be shown that managers believe that DN Programs can increase employee well-being. Increased employee well-being, in turn, has a positive impact on managers' intentions to adopt the DN Programs in their own companies. The research findings suggested that managers are looking for new ways to improve employee well-being and may be willing to spend money to do so. This showed that a potential market for the business idea exists, answering research question Q1.

However, it could not be clearly proven that the usefulness of the proposed product idea of a DN Platform has a significant influence on the adoption intention of the managers. The rejection of research question Q2 led to the conclusion that the product idea of the DN Platform needs further validation in the form of prototype testing.

The second part of the master thesis, the entrepreneurial implementation, dealt with research question Q3. A literature research revealed that the WoZ prototype technique would be most suitable for validating the DN Platform. From the questionnaire it could be concluded that the focus of the prototype should be on four basic functions: first, the "accommodation" and "co-working space" functions, which allow users to book an accommodation with a good working environment and, in addition, to reserve a place in a co-working space nearby. Then the "cybersecurity" feature, which allows them to access any public WIFI network through a secure VPN connection. Finally, the prototype should be complemented by the fourth function, "legal services", which provides information on health insurance and tax issues.

The next step, which follows the preliminary work of this master's thesis, is to build and test the WoZ prototype. Once the business idea of the DN Platform is validated, the business plan

can be developed. Since the business plan usually takes several weeks to prepare, it is important to wait until a product/market fit can be achieved so as not to waste time and energy (Maurya, 2012). When the first validated version of the platform and the business plan are ready for launch, potential investors can be contacted to start scaling the product.

This master’s thesis ends with a quote from Sir Arthur C. Clarke, the futurist and science fiction author best known for his novel “2001: A Space Odyssey” (OC, 2011). The quote comes from a BBC interview in 1964, in which he predicted what the working world of the future would look like:

*“We could be in instant contact with each other, wherever we may be [...] It will be possible in that age, perhaps only 50 years from now, for a man to conduct his business from Tahiti or Bali just as well as he could from London”.*

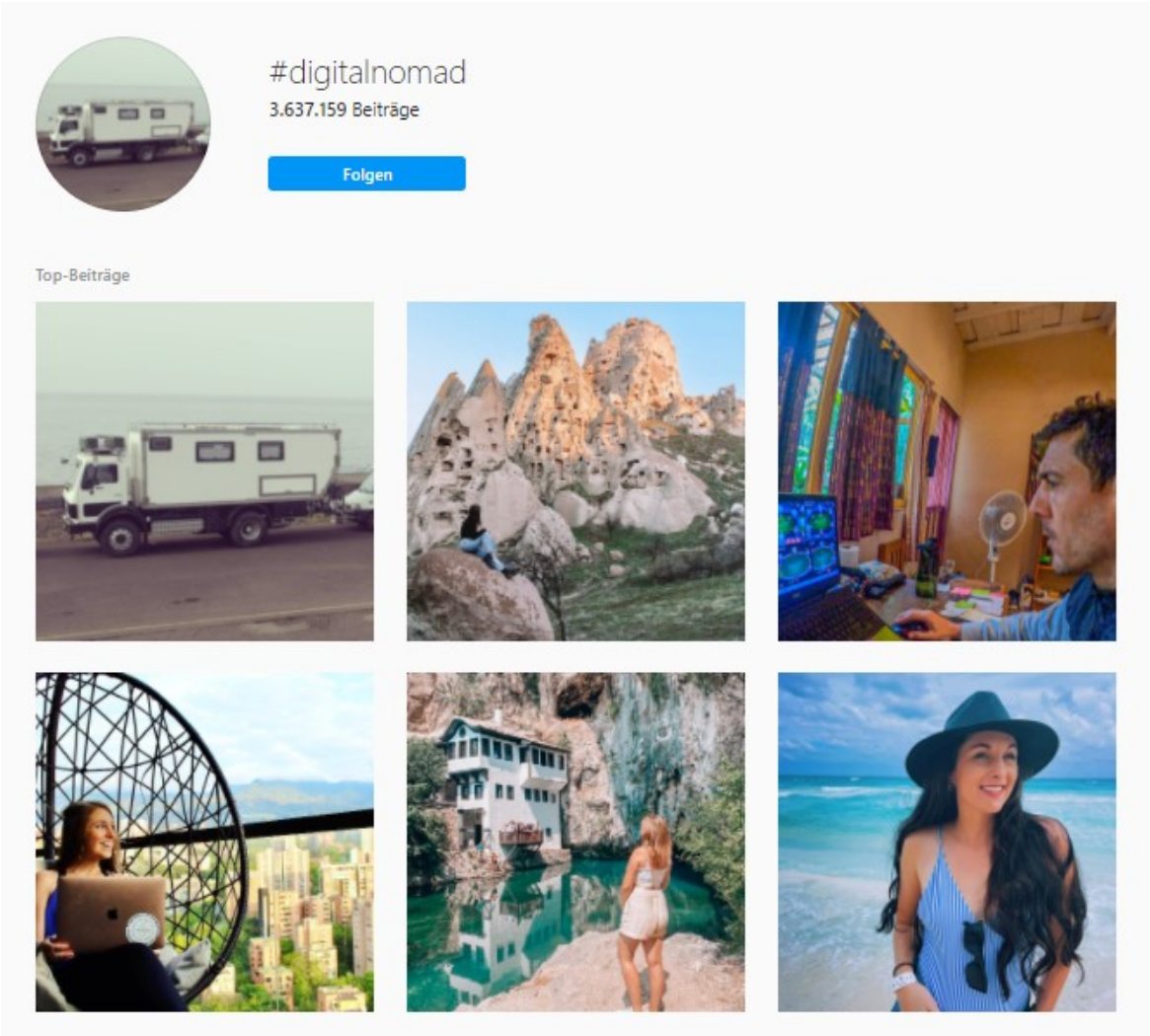


Figure 11 Top posts of #digitalnomad on Instagram.

## 12 Bibliography

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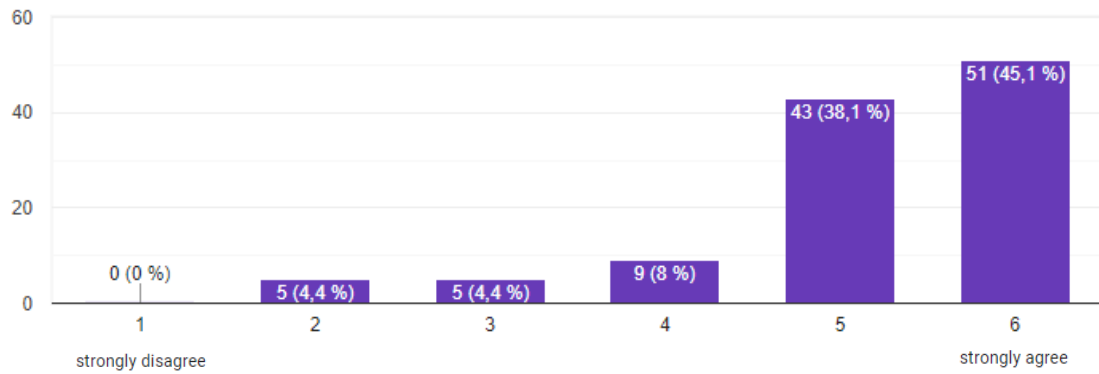
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## 13 Appendix

### Appendix A. Hypothesis 0.3

It is noticeable that the younger employees have different needs in terms of flexibility than the older employees

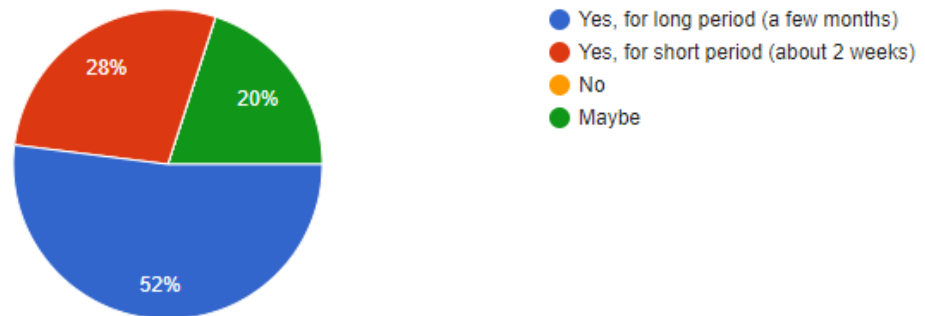
113 Antworten



### Appendix B. Preliminary survey

If your company offers you an option of working remotely from other country, would you do it?

25 answers



**Appendix C. Work-family balance definitions adapted from Benito-Osorio et al. (2014)**

<b>Author</b>	<b>Definition</b>
Kofodimos (1993)	The work-family balance refers to the capacity of the individual to adequately manage their professional and personal lives.
Clark (2000)	The satisfaction and good functioning at work and at home with a minimum role conflict.
Felstead (2002)	The work-family balance refers to the ability of individuals, regardless of age or gender, to find a pace that will enable them to combine their work with responsibilities, activities and aspirations of a different nature.
Clarke, Kock and Hill (2004)	The balance between the amount of time and effort that one dedicates to work and personal activities in order to maintain a sense of harmony in his/her life.
Coffey and Tombari (2005)	Work-life balance deals with the creation and implementation of an organizational culture helping men and woman to satisfy work demands through a broad range of policies, programs and resources.
Armstrong (2006)	The work-family balance practices are concerned with ensuring a goal for the employees to balance what they do at their workplace with the responsibilities and the interests outside the workplace.
Kalliath and Brough (2008)	The work-family balance is the individual perception that work and personal activities can be compatible.

**Appendix D. Standard formula to determine the sample size**

$$\frac{\frac{(z^2 * p(1 - p))}{e^2}}{1 + \frac{(z^2 * p(1 - p))}{e^2 * N}} = \text{Representative sample size}$$

$N \triangleq$  Total population / population size       $e \triangleq$  Error margin

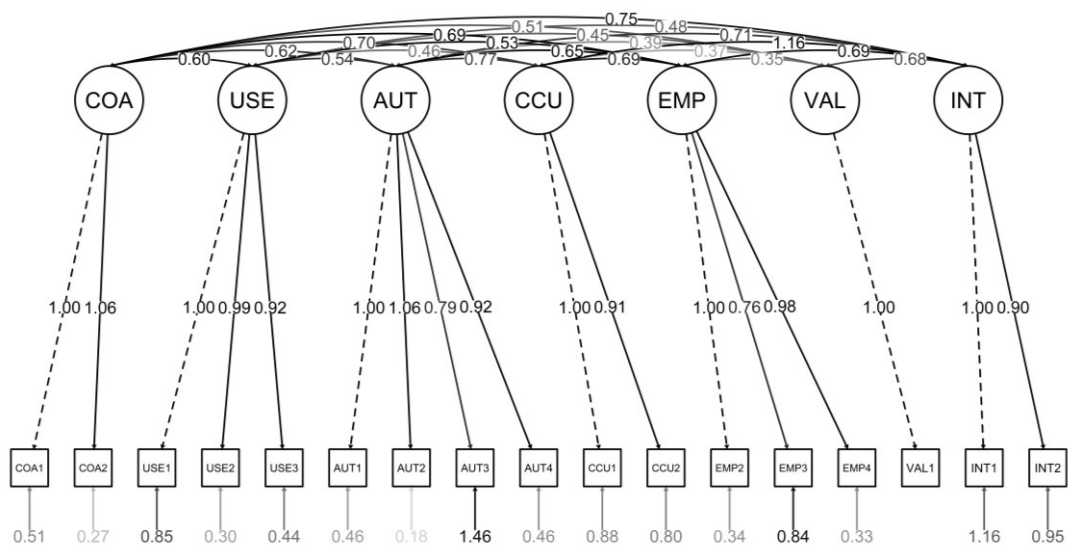
$z \triangleq$  Z value

$p \triangleq$  Standard deviation

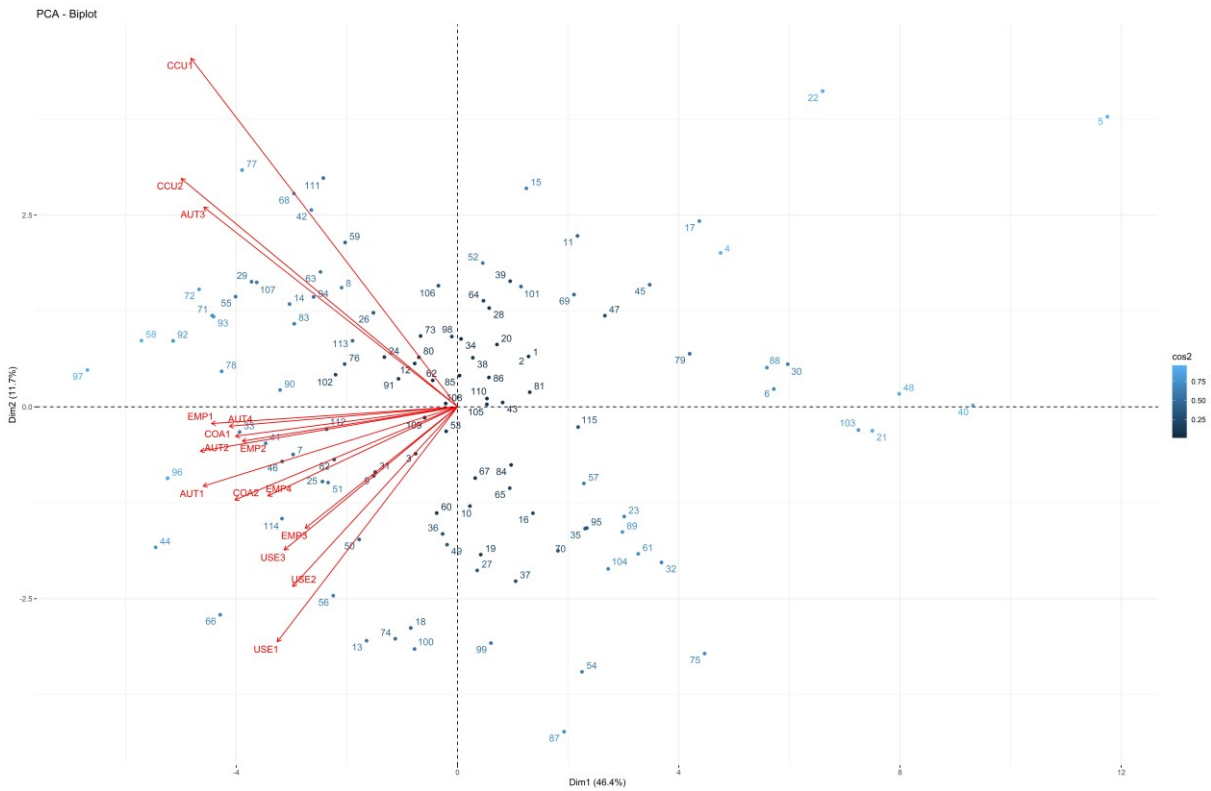
## Appendix E. Operationalization of the model variables

Construct	Item	Description
Company attractiveness	COA1	DN Programs show employees that the company cares about them, thus strengthening employee identification with the company.
	COA2	The DN Programs will create a competitive advantage as other companies do not offer comparable non-monetary benefits to their employees.
Usefulness	USE1	The DN Platform is useful because it facilitates the organization of a remote work stay by bundling all relevant aspects (accommodation, workplace, etc.) on one platform.
	USE2	The DN Platform is useful for establishing the concept of the DN Programs in the company.
	USE3	The DN Platform is useful because the company can ensure that employees are provided with good working conditions abroad.
Autonomy	AUT1	I trust that when my employees participate in a DN Program, they are able to organize their work as they see fit.
	AUT2	I trust that when my employees participate in a DN Program, they feel the same level of commitment to their work as if they were working from home.
	AUT3	For me as a manager, it is not a problem if one of my employees participates in a DN Program while the other employees work in the office or from home.
	AUT4	I trust that when my employees participate in a DN Program, they are as productive as if they were working from home.
Company culture	CCU1	In my role as a manager, I would use the DN Programs to support my employees.
	CCU2	The other managers in my company would also use the DN Programs to support the employees.
Perceived benefit	EMP1	Employees who participate in a DN Program are more productive.
	EMP2	Employees who participate in a DN Program are more creative.
	EMP3	Employees who participate in a DN Program are less stressed.
	EMP4	The availability of DN Programs improves the overall well-being of employees.
Perceived value	VAL1	Compared to the fee my company has to pay, the concept of the DN Programs offers value for money.
Adoption intention	INT1	I believe my company should offer DN Programs in the future.
	INT2	I predict my company would offer DN Programs in the future.

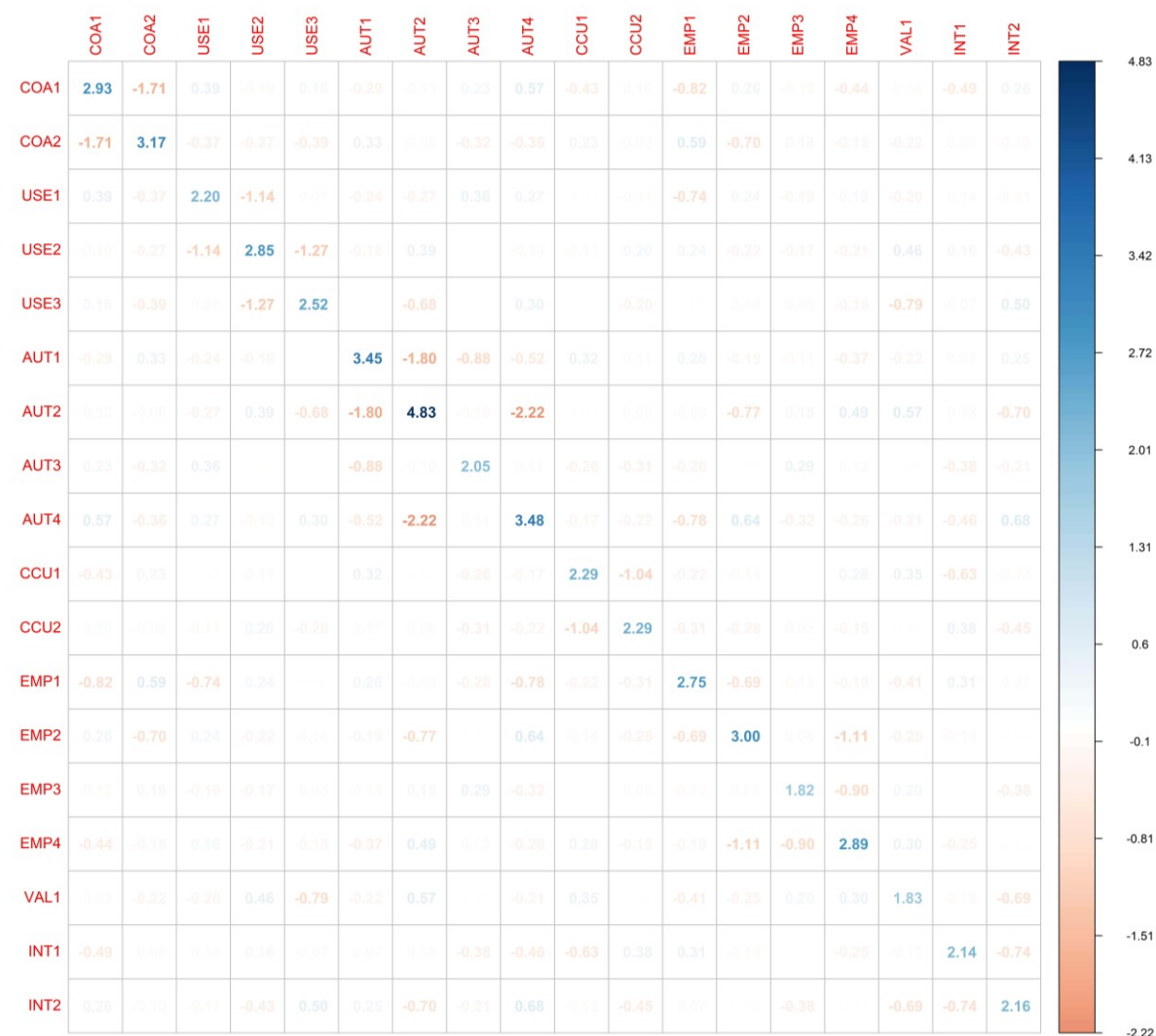
## Appendix F. Measurement model



## Appendix G. PCA biplot



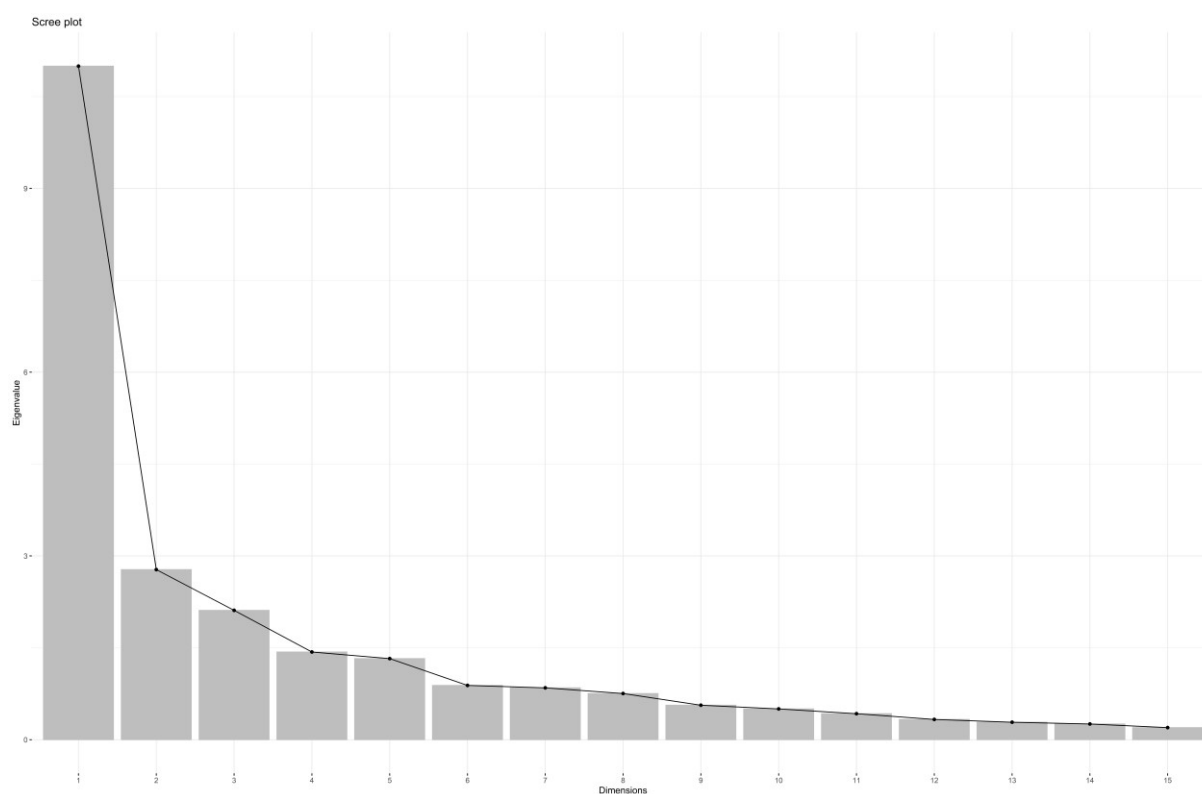
## Appendix H. Variance inflation factors



## Appendix I. Standardized residuals

	COA1	COA2	USE1	USE2	USE3	AUT1	AUT2	AUT3	AUT4	CCU1	CCU2	EMP2	EMP3	EMP4	VAL1	INT1	INT2
COA1	0.0000	0.0000	-2.0247	-1.7597	-0.4663	0.3321	-0.5058	1.1660	-0.8304	1.5878	0.8357	0.7673	-0.2955	1.2584	-0.8638	2.4315	-0.9429
COA2	0.0000	0.0000	-0.2263	0.6986	2.1331	0.4153	0.1063	1.4805	-0.7559	-1.8381	0.2682	1.2650	-2.0698	-1.3614	0.8640	0.0490	-1.0398
USE1	-2.0247	-0.2263	0.0000	2.6300	-2.8664	0.6959	0.3509	-1.3044	-0.4959	-0.9114	1.0382	-0.4879	1.1109	-1.0109	0.3930	-1.6900	1.2745
USE2	-1.7597	0.6986	2.6300	0.0000	-0.5560	0.1792	-1.6637	-0.8429	-1.9741	-1.0955	0.4776	-0.3073	1.1095	0.0797	-3.6112	-1.1572	1.3999
USE3	-0.4663	2.1331	-2.8664	-0.5560	0.0000	1.8824	1.7403	0.6879	0.0674	-0.6394	1.4810	0.7253	-0.5748	-0.1140	2.8608	-0.0042	0.1054
AUT1	0.3321	0.4153	0.6959	0.1792	1.8824	0.0000	-0.6128	1.6493	-1.0057	-2.3243	-0.0358	1.4783	0.0408	0.3746	0.8415	0.2837	-1.1801
AUT2	-0.5058	0.1063	0.3509	-1.6637	1.7403	-0.6128	0.0000	-1.6820	2.0563	-1.6206	1.1685	1.5757	-0.6893	-2.2100	-0.7987	0.4573	-0.5486
AUT3	1.1660	1.4805	-1.3044	-0.8429	0.6879	1.6493	-1.6820	0.0000	-1.2292	2.7491	3.2744	1.7696	-1.5316	-0.3807	1.2559	3.4180	2.1874
AUT4	-0.8304	-0.7559	-0.4959	-1.9741	0.0674	-1.0057	2.0563	-1.2292	0.0000	-0.2841	1.0572	-0.3672	0.4400	-0.5619	-0.5803	0.8780	-2.1647
CCU1	1.5878	-1.8381	-0.9114	-1.0955	-0.6394	-2.3243	-1.6206	2.7491	-0.2841	0.0000	0.0000	0.2422	-0.8265	-2.3538	-1.7061	2.1287	-0.7223
CCU2	0.8357	0.2682	1.0382	0.4776	1.4810	-0.0358	1.1685	3.2744	1.0572	0.0000	0.0000	2.7026	-0.2577	-0.0682	1.7062	-2.2940	0.6441
EMP2	0.7673	1.2650	-0.4879	-0.3073	0.7253	1.4783	1.5757	1.7696	-0.3672	0.2422	2.7026	0.0000	-3.0522	-0.8996	2.2174	0.8359	0.4262
EMP3	-0.2955	-2.0698	1.1109	1.1095	-0.5748	0.0408	-0.6893	-1.5316	0.4400	-0.8265	-0.2577	-3.0522	0.0000	3.0701	-1.3600	-0.1317	0.6163
EMP4	1.2584	-1.3614	-1.0109	0.0797	-0.1140	0.3746	-2.2100	-0.3807	-0.5619	-2.3538	-0.0682	-0.8996	3.0701	0.0000	-1.7984	0.1243	-1.5874
VAL1	-0.8638	0.8640	0.3930	-3.6112	2.8608	0.8415	-0.7987	1.2559	-0.5803	-1.7061	1.7062	2.2174	-1.3600	-1.7984	0.0000	-1.8390	1.8391
INT1	2.4315	0.0490	-1.6900	-1.1572	-0.0042	0.2837	0.4573	3.4180	0.8780	2.1287	-2.2940	0.8359	-0.1317	0.1243	-1.8390	0.0000	0.0000
INT2	-0.9429	-1.0398	1.2745	1.3999	0.1054	-1.1801	-0.5486	2.1874	-2.1647	-0.7223	0.6441	0.4262	0.6163	-1.5874	1.8391	0.0000	0.0000

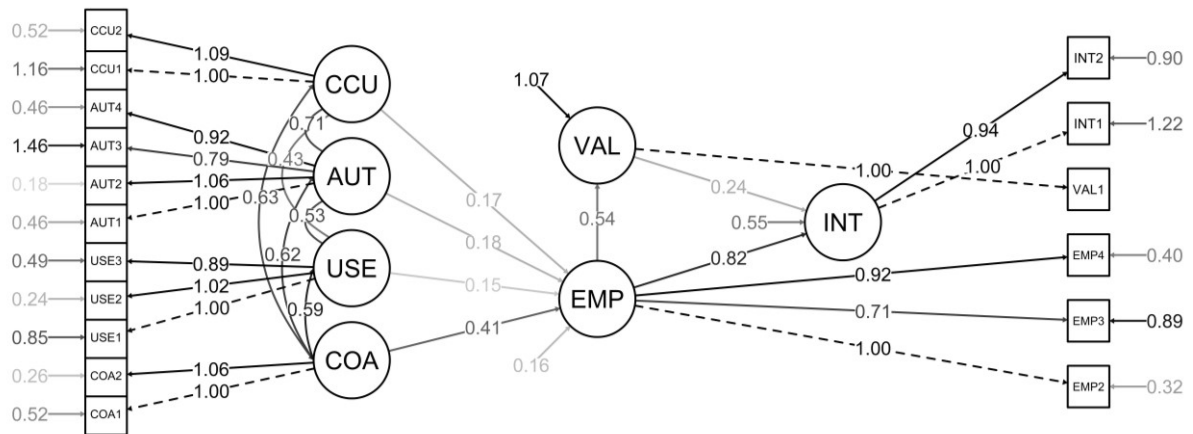
## Appendix J. Eigenvalue plot



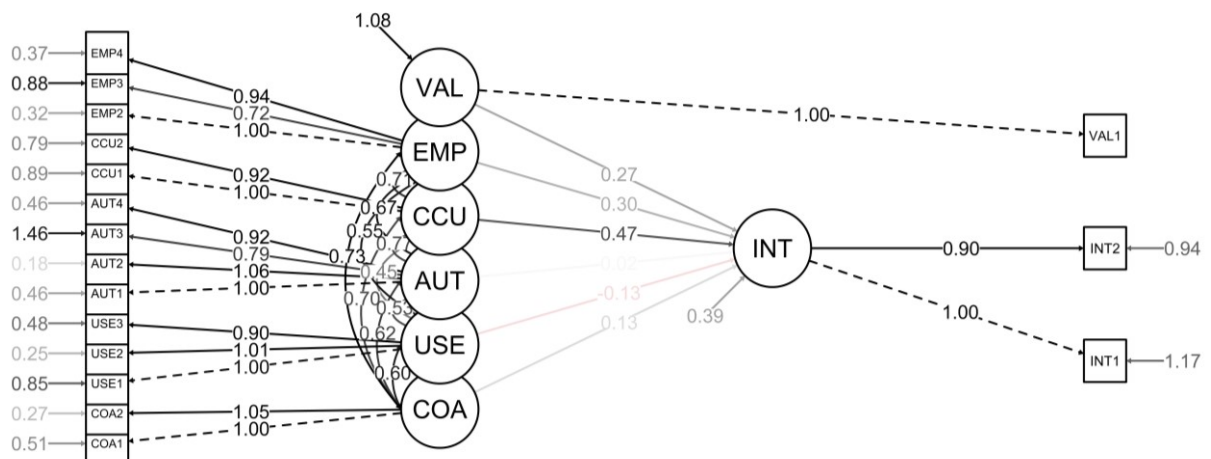
## Appendix K. Factor analysis results

	1	2	3	4	5
COA1	0.15	0.81	0.12	0.25	0.21
COA2	0.22	0.79	0.35	0.16	0.07
USE1	0.14	0.00	0.84	0.14	0.24
USE2	0.13	0.29	0.82	0.08	0.17
USE3	0.28	0.39	0.70	0.06	-0.04
AUT1	0.84	0.24	0.23	0.08	0.13
AUT2	0.85	0.19	0.23	0.19	0.14
AUT3	0.58	0.31	0.00	0.46	-0.22
AUT4	0.83	0.07	0.12	0.20	0.25
CCU1	0.12	0.19	0.03	0.86	0.09
CCU2	0.23	0.16	0.18	0.82	0.12
EMP1	0.41	0.25	0.28	0.46	0.35
EMP2	0.36	0.56	0.23	0.32	0.32
EMP3	0.15	0.15	0.19	0.10	0.85
EMP4	0.27	0.55	0.18	0.14	0.61
Eigenvalue	3.32	1.67	1.45	1.20	1.15
% of Variance	0.46	0.12	0.09	0.06	0.06
Cumulative %	0.46	0.58	0.67	0.73	0.79

### Appendix L. Research model (R output)



### Appendix M. Research model without EMP as a mediator (R output)



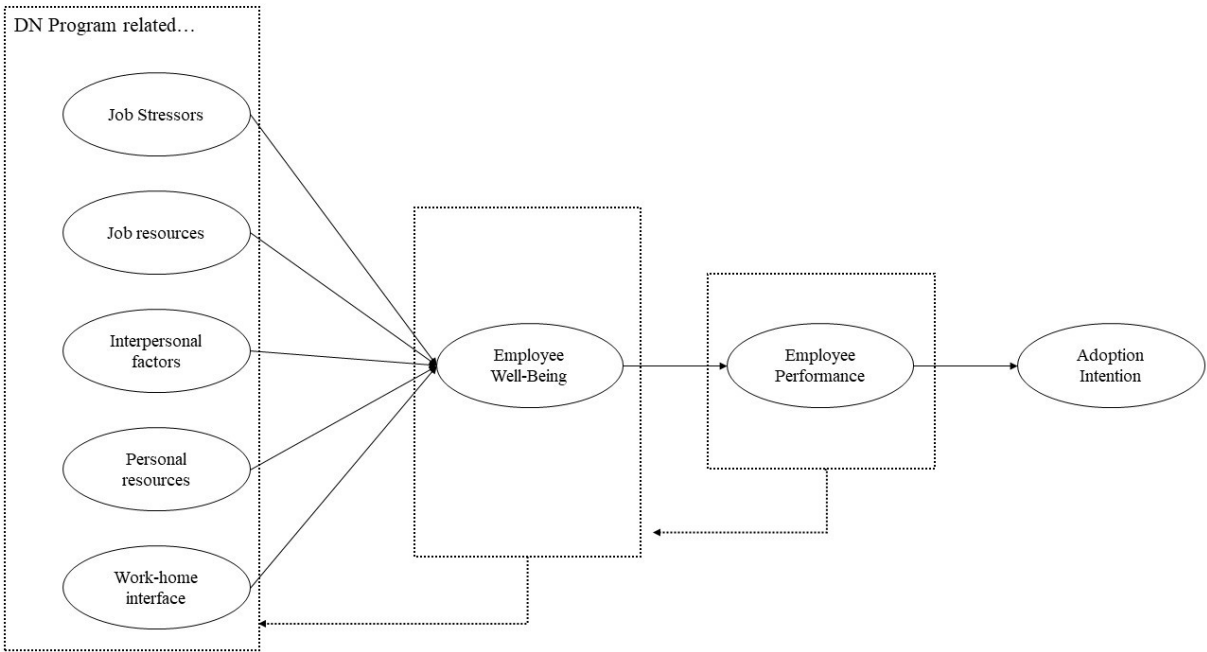
## Appendix N. Definition of a digital nomad

“Digital nomads are people who are location-independent and use technology to perform their job, living a nomadic lifestyle. Digital nomads work remotely, telecommuting rather than being physically present at a company’s headquarters or office. They work out of cafes, beaches, or hotel rooms, as they are not tied down to any location.”



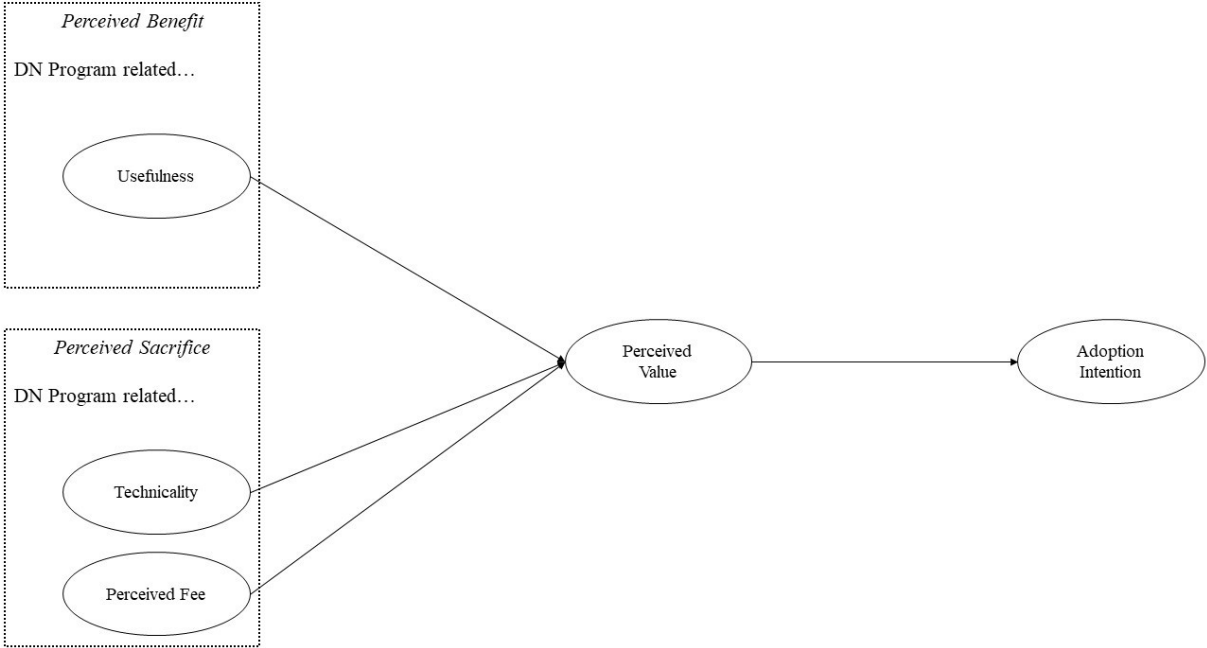
Source: <https://www.investopedia.com/terms/d/digital-nomad.asp>

**Appendix O. Alternative research model I**



*Research model based on the organizing framework of the dynamics of well-being (Sonnentag, 2015).*

**Appendix P. Alternative research model II**



*Research model based on the Value-based Adoption Model (VAM) (2007).*

## Appendix Q. Proposed pricing model for the DN Platform

To use Junto, the company must pay a fixed monthly license fee + a variable fee per employee who participates in a Digital Nomad Program.

Imagine, you are the CEO of a medium sized enterprise with 100 employees.

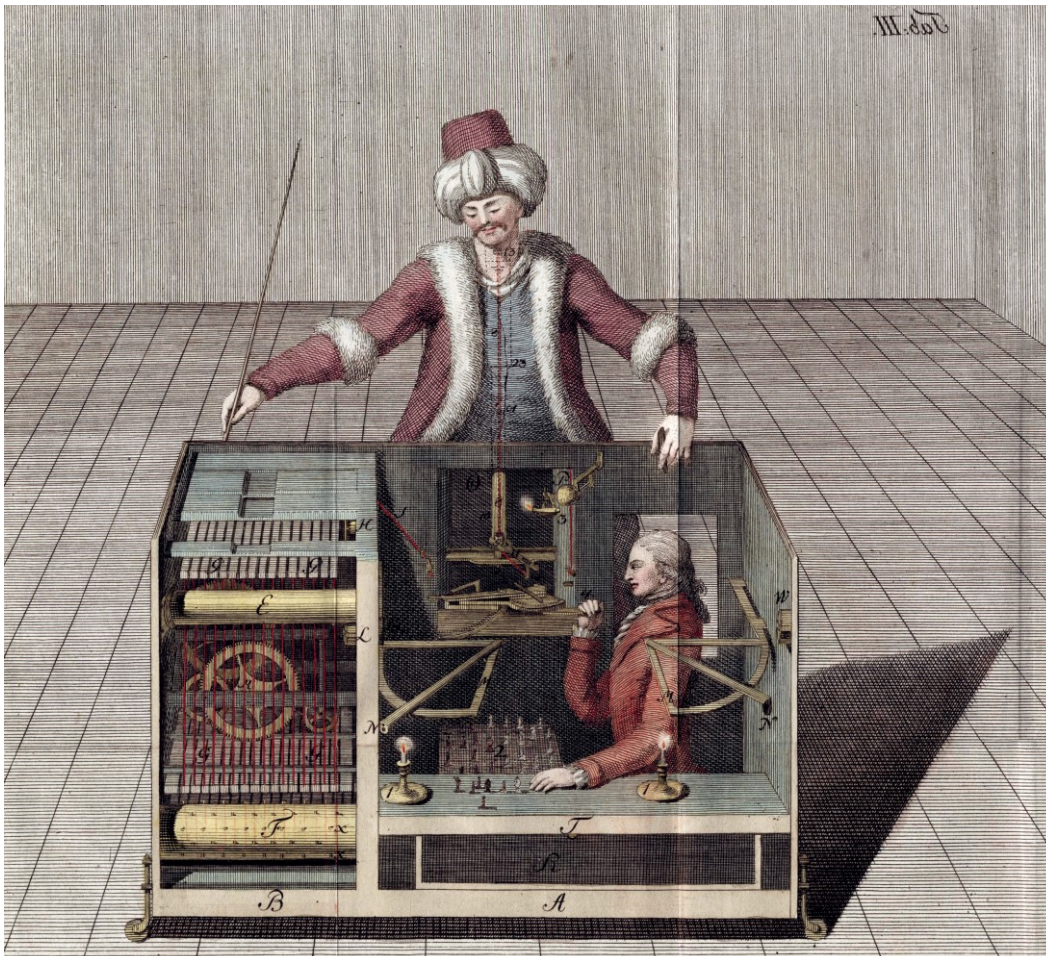
Your company has to pay 500€ license fee + 150€ variable fee per employee.

If two employees participate in a Digital Nomad Program, the total fee for that month would be:

$$500€ + 2 * 150€ = 800€$$

## Appendix R. Wizard of Oz Prototype

One of the most famous examples of the *Wizard of Oz* prototyping method is the “Schachtürke”, which was invented and built by Wolfgang von Kempelen in 1770 (Rieser & Lemon, 2011). The device suggested to its users that it was an autonomous chess robot. In reality, however, it was a mechanical illusion that enabled a human chess player to hide inside the machine and operate it.



The "Schachtürke", a Wizard of Oz prototype built by Wolfgang von Kempelen 1770.