

Study: Proximity to senior managers enhances inventors' productivity, creativity

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In the aftermath of the COVID-19 pandemic, remote work has become increasingly common, but is it productive? New research in *Management Science* finds proximity to senior managers at corporate headquarters makes inventors in companies' research and development (R&D) functions more productive. Moreover, it makes them more creative, suggesting that senior management oversight does not stifle creativity,

but instead encourages it.

"We started this work right before the COVID-19 pandemic, and we saw firsthand how disruptions to proximity can make coordinating, brainstorming, and creating harder," says Chloe Glaeser of the University of North Carolina at Chapel Hill (UNC) Kenan-Flagler Business School. "Proximity to [senior management](#) helps, rather than hinders, innovation and creativity."

The study, "Proximity and the Management of Innovation," finds that being closer to [senior managers](#) at [corporate headquarters](#) makes scientists and research facilities more productive and more creative. Inventors and research facilities located farther away from headquarters are less productive, and when direct flights from these facilities to headquarters are no longer available, they become even less productive.

"Our results suggest that [remote work](#) may not be a substitute for direct, face-to-face contact with senior managers," says Eva Labro of UNC. "Firms appear to recognize that distant inventors are less productive and only employ them when distant locations offer other benefits, such as lower tax rates, that make up for the lower productivity."

Glaeser and Labro, alongside their co-author, Stephen Glaeser, also at UNC, say firms must carefully navigate telecommuting and work-from-home arrangements, which have seen an explosive rise since the onset of COVID-19.

More information: Chloe Kim Glaeser et al, Proximity and the Management of Innovation, *Management Science* (2022). [DOI: 10.1287/mnsc.2022.4469](https://doi.org/10.1287/mnsc.2022.4469)

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