EMPLOYEE SATISFACTION IN THE HYBRID WORKPLACE MODEL ERA

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ABSTRACT

This article examines impact of employee satisfaction (ES) on employee performance (EP) utilizing mediation analysis and the created hybrid workplace (HW) model. It was discovered that the parallel and serial mediation effects of the identified components are extremely important in the implementation of hybrid workplace. Certain constructs, such as Work-Life Balance, have a partial mediation influence and might be the subject of future research. The themes that emerged from the conversations emphasized the necessity of the supporting HR practices enabled by a hybrid workplace. Subjective expectations are inherent in the employee-employer relationship, and companies have a significant impact on influencing results of this relationship.
Keywords: Employee satisfaction, Work Engagement, Employee Performance, Hybrid Workplace model etc.

INTRODUCTION

The entire society was confronted with an exceptional challenge: COVID19, which had a dramatic influence on everyday life. As the year 2022 proceeded, society came to terms with "the new normal." Organizational leaders have evolved ways for being flexible and agile in the face of uncertainty. Human resource departments have developed a hybrid working paradigm to meet the demands of employees. This strategy not only protects employees from the continuing epidemic, but it also addresses the vital problem of worklife balance & employee performance, particularly in terms of mental health, by reducing stress and burnout caused by long commutes. A favorable attitude toward the workplace can boost productivity, encourage creativity, and reduce attrition rates (Harter, Schmidt and Keyes, 2003).

The transition to remote work is shown by significant figures stating that74% of U.S. organizations are implementing a permanent hybrid model; 44%of employees prefer this arrangement, in contrast to 51%of employers; 63%of high growth organizations use a "productivity anywhere" approach; 55% of workers want to work remotely at least three days a week; &59% would rather choose an employer that offers remote work choices than one that does not (Jindain& Gilitwala,2024).

The hybrid workplace has reduced employee turnover, enhanced staff performance, and increased job satisfaction (Bloom, Han and Liang, 2024).

Organizations must emphasize improving workers' positive performance by providing them with a varied set of tools and abilities for navigating evolving realities and difficulties. Employee productivity may be considerably increased via incentive and appropriate recognition, so adding to the overall performance of the firm. The efficacy of collaboration, which is impacted by the team's quality and efficiency, is significantly responsible for an organization's success (Wilkinson et al., 2014).

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A motivated workforce encourages a better knowledge, acceptance, and dedication to execution, as well as increased communication regarding goals and decision-making processes between management and employees (Tan and Antonio, 2022).

LITERATURE REVIEW

Work engagement is defined as a positive, work-related emotional state of happiness or fulfilment that has been connected to benefits such as improved performance, better customer satisfaction, and a competitive advantage for firms (Baker etal.2008). This study looks at the antecedent elements that influence work engagement, with an emphasis on workplace expectations and personal resources. Work pressure is a common example of job demand, especially in context of an organization's digital transition. The development of technology has caused significant changes in professional environment. For example, remote work has blurred lines between professional & home life, & technological disruptions have resulted in conflicts between work and personal duties.

The advent of new technology presents dangers to job security, instilling emotions of uncertainty in employees and negatively impacting work engagement (Bosmanetal.,2005). These characteristics reflect negative consequences of techno-stress producers. Individuals' responses to stresses are shaped concurrently by a variety of personality factors. Personality traits are inextricably linked to work engagement, as individuals with certain traits associated with high levels of engagement (such as extraversion & conscientiousness) are more likely to use work resources effectively; however, neuroticism has been found to have a negative correlation with work engagement (Mäkikangas etal.2013; Opie & Henn,2013; Baker etal.,2014). This link suggests that individual characteristics are critical in determining how objective work circumstances affect work engagement.

Individuals with high self-efficacy have a favorable perception of their surroundings, which corresponds with work engagement (Brenan etal.,2024). Employees who are extremely engaged at work are more likely to commit time and effort to their obligations. They also demonstrate a higher level of dedication to their profession. Employees often perform better when they are taken seriously and engaged (Alessandri etal.,2015; Cartter etal.,2018; Songetal.,2018). The balance b/w work & home life is critical for employees' well-being, & introduction of remote work has substantially altered this dynamic. A thorough existing study emphasized the necessity of hybrid work in achieving work-life balance.

Their findings emphasized the numerous benefits of remote work, particularly the significant reduction in stress levels associated with daily commute. Telecommuting relieves employees of the restrictions of daily commuting, giving them more time and flexibility to combine their personal and professional duties (Adams, King, & King, 1996; Irawanto etal.,2021; Yangetal.,2021; Sampat etal.,2022). This increased liberty allowed individuals to tailor their schedules to their personal demands, significantly enhancing their work-life balance. The option to switch between professional duties & personal engagements allows employees to have more fulfilling lives, which improves their overall well-being. Furthermore, the freedom associated with remote work goes beyond mere time management. Employees have a greater sense of control over their duties, which helps reduce the stress associated with rigorous workplace schedules (Dancaster, 2014).

Remote work environments encourage self-regulation, allowing individuals to pinpoint their most productive times for task engagement. This amount of autonomy helps to enhance work-life balance & has a positive influence on job satisfaction & general health.

RATIONALE FOR ADDING COMPLEXITY TO THE HYBRID WORKPLACE MODEL

Multiple factors have affected the hybrid workplace, both directly and indirectly. The literature has investigated mediating influence of Work-life balance on Flexible Work & Employee Performance (Irawanto etal.,2021). A research was conducted to determine serial mediation impact of WLB & ES on EP and HW (Reiffer etal.,2023). Weideman & Hofmeyer(2020) and Ghazawy etal.(2021) investigated mediation impact of Work Engagement on flexible work arrangements & employee performance. These previous research indicate that the influencing elements have an indirect influence on implementation of hybrid workplace. The justification for adding the complexity of parallel and serial mediation effects to the hybrid workplace model stems from the literature's analysis of the influence of specified dimensions in model creation and the recommendation of a hybrid work policy for medium-sized product-based IT enterprises. For mediation analysis, this study used the bootstrapping approach. The use of bootstrapping is critical in mediation study because it allows researchers to accurately assess statistical significance of the indirect impact, which indicates the mediated link between variables. This approach does not rely on strict distributional assumptions, making it particularly useful when dealing with non-normal data or small sample sizes. Furthermore, bootstrapping generates more reliable confidence intervals for the mediation effect.

MEDIATION ANALYSIS OF WORK ENGAGEMENT & WORK-LIFE BALANCE ON EMPLOYEE PERFORMANCE

This section looks at the simultaneous mediation of Work Engagement & Work-life balance" based on hypothesis formulation for the year 2024 (t). The bootstrapping approach is used using 2000 samples to estimate the mediating effect, accounting for both direct & indirect effects. Direct and indirect effects of Hypotheses Ha1, Ha2, Ha3, and Ha4 have been investigated. The direct value of 0.159 is not significant (p-value >0.01), whereas indirect value of 0.186 is significant (p-value<0.01) for Hypothesis Ha1, suggesting a full "mediation effect of Work Engagement between Hybrid Workplace and Employee Satisfaction". The direct value of 0.025 is not significant (p-value>0.01), but indirect value of 0.456 is significant (p-value<0.01) for Hypothesis Ha2, indicating a "full mediation effect of Work Engagement between Work Ethics and Employee Satisfaction". The direct value of -0.007 is not significant (p-value>0.01), but indirect value of .346 is significant (p-value <0.01) for Hypothesis Ha3, demonstrating "a full mediation effect of Work-Life Balance between Hybrid Workplace and Employee Satisfaction". Direct value of .085 is not significant (p-value>0.01), but indirect value of .396 is significant (p-value<0.01) for Hypothesis Ha4, indicating "a full mediation effect of Work-Life Balance between Work Ethics and Employee Satisfaction". The summarized results of the hypotheses related to parallel mediation analysis are presented and discussed in Table 1.

Table 1: Parallel Mediation Results (t)

SN	Hypothesis	Path coefficient	Direct effect	Indirect effect	Mediation
H_{a1}	Work Engagement has mediation effect between Employee Satisfaction & Hybrid Workplace	.185	.158 (Not Sig.)	.186 (Sig.)	Full mediation
H_{a2}	Work Engagement has mediation effect between Employee Satisfaction & Work Ethics	.455	.025 (Not Sig.)	.456 (Sig.)	Full mediation
H_{a3}	Worklife Balance has mediation effect between Employee Satisfaction & Hybrid Workplace	.344	-.007 (Not Sig.)	.346 (Sig.)	Full mediation
H_{a4}	Worklife Balance has mediation effect between Employee Satisfaction & Work Ethics	.396	.085 (Not Sig.)	.396 (Sig.)	Full mediation

The alternative hypotheses Ha1 and Ha3 state that WE and WLB have a positive parallel mediation impact on HW and ES, respectively. The alternative hypotheses Ha2 and Ha4 propose a positive parallel mediation effect of WE and WLB between WET and ES, respectively. Work Engagement has a significant positive mediation impact, with the highest coefficient (0.48), in the link between ES and WE. WLB has a positive mediating effect in the same scenario, with a value of 0.46. When investigating the link between HW and ES, WE has a positive mediating effect with a coefficient of 0.22. WLB has a positive value of 0.34, demonstrating a mediating influence between HW and ES.

IMPACT OF EMPLOYEE SATISFACTION ON EMPLOYEE PERFORMANCE THROUGH SERIAL MEDIATION

This section analyzes serial mediation of "Employee Satisfaction (ES) with Work Engagement (WE) and Work-Life Balance (WLB)" using the hypothesis formulation for the time period 2024 (t). The mediating effect is evaluated using the bootstrapping approach using 2000 samples, accounting for both direct & indirect effects. The direct and indirect effects of Hypotheses Ha5, Ha6, Ha7, and Ha8 were examined. For Ha5, direct value of -.106 is not significant (p-value>0.01), but indirect value of .282 is significant (p-value<0.01), indicating a full mediation effect of WE and ES between HW and EP. For Ha6, both the direct value of 0.203 and indirect value of .311 are significant (p-value<0.01), with indirect value being larger, showing a partial mediation effect of WE and ES b/w WE & EP. For Ha7, direct value of -.073 is not significant (p-value>0.01), but indirect value of .263 is significant (p-value<0.01), demonstrating a complete mediation effect of WLB and ES between WE and EP. Finally, for Ha6, both the direct value of 0.198 and indirect value of .306 are significant (p-value<0.01). The indirect value is larger, demonstrating a partial mediation effect of WLB and ES between WE and EP. The summarized results of the hypotheses related to serial mediation analysis are presented and discussed in Table 2.

Table 2: Serial Mediation Results (t)

SN	Hypothesis	Path coefficient	Direct effect	Indirect effect	Mediation
H$_{a5}$	Work Engagement & Employee Satisfaction have mediation effect between Hybrid Workplace & Employee Performance	.154	-.106 (Not Sig.)	.282 (Sig.)	Full mediation
H$_{a6}$	Work Engagement & Employee Satisfaction have mediation effect between Work Ethics & Employee Performance	.308	.203 (Sig.)	.311 (Sig.)	Partial mediation
H$_{a7}$	Worklife Balance & Employee Satisfaction have mediation effect between Hybrid Workplace & Employee Performance	.267	-.073 (Not Sig.)	.263 (Sig.)	Full mediation
H$_{a8}$	Worklfe Balance & Employee Satisfaction have mediation effect between Work Ethics & Employee Performance	.248	.198 (Sig.)	.306 (Sig.)	Partial mediation

Alternative hypotheses Ha5 and Ha7 claim that WE and ES, as well as WLB and ES, have a positive parallel and serial mediation effect between HW and EP, respectively. Alternative hypotheses Ha6 and Ha8 claim that WE and ES, WLB and ES, have a positive parallel and serial mediation effect between WET and EP, respectively. The serial mediation of Employee Satisfaction is most significant in connection to Work Engagement, with a correlation of 0.37. In comparison, WLB has a coefficient of 0.36 when considering the association between EP & Work Ethics. ES has a tremendous effect on work-life balance, as evidenced by recent study that found a substantial correlation between remote work & higher job satisfaction. Employee Satisfaction is greatly enhanced by the autonomy and flexibility that come with flexible work arrangements. Employees may plan their workdays based on their unique preferences and personal needs. This flexibility allows individuals to strike a healthy balance between their professional & home life, enhancing their overall work satisfaction. Furthermore, the ability to create individualized work settings fosters a sense of ownership and control, which improves job satisfaction. Additionally, the remote work option in a hybrid workplace allows employees to break away from the constraints of traditional office locations. Individuals may now work in environments that are more conducive to their unique tastes, which can foster creativity and innovation. Ultimately, Employee Satisfaction is shaped by both the type of the work and the environment in which it is performed.

RESULTS AND DISCUSSION

The simultaneous mediation of WE and WLB on EP is noteworthy. The indirect influence is far more substantial than the direct effect. These findings suggest simultaneous mediation of the specified components for implementing the hybrid workplace paradigm. WE and WLB have a negative direct and good indirect influence on employee performance. The indirect impact explains

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the significance of parallel mediation analysis through the combination of WE and WLB. Findings of the research add to literature by providing new insights into the parallel mediation impact of WLB and WE, as well as serial mediation of ES and EP. WLB exhibits a positive complete mediating effect between Hybrid Workplace and Employee Satisfaction, which is confirmed by previous research on WLB's impact on ES & support of flexible work arrangements for improved WLB. WLB & ES exhibit a strong favorable mediation influence on HW and EP. WE has a positive complete mediating impact on ES and HW, which is validated by the literature. WE shows positive complete mediation between ES and WE, which is consistent with prior research.

CONCLUSION

This study finishes with the results and main outcomes of the parallel and serial mediation analysis of the identified dimensions from the established hybrid workplace model for medium-sized product-based IT businesses. It begins with a basic theory of employee performance in a hybrid workplace, as well as an employee viewpoint on WE & work-life balance. The reason for doing parallel and serial mediation analyses in the hybrid workplace is outlined, along with supporting research. Organizations have acknowledged the hybrid workplace as a viable post-pandemic work model that should be designed using Human Resource Management principles. This study aims to investigate similarities and interconnectivity of hybrid workplaces through ethical behaviors. To successfully address WE's mediating effects, organizations must undertake employee engagement activities and provide chances for professional advancement. The HW paradigm should be integrated into post-pandemic work settings, giving individuals the option of working on-site or remotely from home. Employers must arrange meetings at certain times to assure attendance, whether virtual or in person. Many businesses have begun to use agility and scrum frameworks to improve work engagement. To ensure compliance and legitimacy, the workplace approach should be appropriate for a hybrid model and in accordance with company regulations. Organizations should create a collaborative work environment that encourages employers and workers to work together to improve the workplace experience. Organizations are actively pursuing workplace transformation to introduce flexibility, thereby enhancing employee satisfaction. The concept of an ethical hybrid workplace, which emphasizes responsibility, diligence, integrity, and the importance of professional development, is gaining traction as a future model that provides benefits to both employees and organizations. Organizations are aggressively seeking workplace transformation to promote flexibility, which will improve employee happiness and performance. This study contributes considerably to understanding elements influencing the "hybrid workplace," which may result in changes to HR policies aimed at enhancing organizational sustainability via effective resource management.

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By : School of International Business and Entrepreneurship (SIBE)

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