

Navigating the New Normal: Exploring the Impact of Remote and Hybrid Work Models on Employee Engagement and Organizational Agility

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<b>KEYWORDS</b> <i>Hybrid Work Models, Employee Engagement, Organizational Agility, IT Sector, Flexibility, Structural Equation Modeling</i>	<b>ABSTRACT</b> <b>Purpose</b> – This study explores the impact of hybrid work models (HWMs) on employee engagement (EE) and organizational agility (OA), focusing on how these work arrangements influence engagement and agility within the IT sector. <b>Design/methodology/approach</b> – Data was collected from 600 employees working in IT companies, and the relationships between HWMs, EE, and OA were analyzed using Structural Equation Modeling (SEM). This approach provided a robust assessment of the hypothesized pathways linking hybrid work arrangements to employee and organizational outcomes. <b>Findings</b> – The results indicate that HWMs significantly enhance EE by fostering greater flexibility, autonomy, and work-life balance, which contribute to higher motivation and commitment. HWMs also positively influence OA, enabling organizations to adapt swiftly to changes, drive innovation, and facilitate agile decision-making. The statistical model exhibited strong fit indices, supporting the hypothesized relationships. <b>Practical implications</b> – The findings highlight the value of adopting HWMs as a strategic tool to boost employee engagement and organizational agility. Managers are encouraged to implement flexible work arrangements that provide autonomy, improve work-life balance, and foster a culture of innovation and responsiveness to market dynamics. <b>Originality/value</b> – This study adds to the growing literature on HWMs by providing empirical evidence of their dual impact on EE and OA, offering practical insights into optimizing hybrid work practices for improved organizational performance within the IT sector
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INTRODUCTION

The global transition toward remote and hybrid work models, catalyzed by the COVID-19 pandemic, has prompted organizations worldwide to reevaluate traditional work structures. Initially viewed as a short-term response to the crisis, this shift has evolved into a long-term strategy to enhance organizational flexibility, employee well-being, and operational resilience. Hybrid work models, which allow employees to work both remotely and in-office, have been adopted across various industries, offering organizations the potential for greater adaptability while providing employees with improved work-life balance (Pass & Ridgway, 2022; Santillan & Mesina, 2023). Employee engagement, a critical factor for organizational success, deals with the emotional, cognitive, and behavioral investment employees make in their work and their organization. High levels of engagement have been consistently linked to improved productivity, job satisfaction, and reduced turnover rates (Khatri et al., 2023). However, the shift to remote and hybrid work models presents new challenges for maintaining engagement, especially in environments where direct in-person interactions are reduced and communication largely relies on digital tools (Chafi et al., 2021; Harunavamwe & Kanengoni, 2023). Understanding how hybrid work models impact employee engagement is essential as organizations strive to maintain a motivated and productive workforce in these new settings (Wheatley et al., 2024).

In parallel, organizational agility, or the ability of an organization to quickly adapt to changing market conditions and external pressures, has gained increasing attention in recent years (Kemell & Saarikallio, 2023; Treacy, 2022). Agility involves the ability to respond to immediate challenges and innovate, collaborate, and evolve continuously. Hybrid work models can enhance organizational agility by promoting more dynamic and flexible team structures (Nugroho & Hermawan, 2022).



However, ensuring that hybrid work models contribute positively to agility requires a deep understanding of how these models influence communication, decision-making, and leadership practices across organizations (Ferreira et al., 2021; Pass & Ridgway, 2022). While hybrid work arrangements are often associated with greater flexibility, they also introduce complexities, particularly in fostering effective collaboration and innovation (Flores et al., 2023; Treacy, 2022). As organizations rely more on remote communication tools, ensuring employees remain connected to their teams and aligned with organizational goals becomes increasingly essential (Contreras et al., 2020). Moreover, leadership practices must evolve to manage the unique dynamics of hybrid teams, ensuring that employees, whether working remotely or in the office, feel supported and engaged (Flores et al., 2023). The success of hybrid work models thus hinges on organizations' ability to address these challenges while leveraging the potential benefits of greater flexibility and adaptability (Graves & Karabayeva, 2020).

Although hybrid work models have been extensively studied in developed economies, there is a notable gap in the literature concerning their impact on IT companies in India, particularly in Pune. As one of India's major IT hubs, Pune presents a unique opportunity to explore how hybrid work models influence employee engagement and organizational agility in a diverse and dynamic environment. The city's IT sector, which comprises both startups and multinational corporations, offers a microcosm through which broader trends in the global IT industry can be examined. Existing research has predominantly focused on short-term adaptations to remote work during the COVID-19 pandemic, with limited attention to the long-term effects of hybrid work models. Furthermore, much of the current literature does not account for the specific challenges faced by IT companies in Pune, such as infrastructure limitations, varying access to digital tools, and the need for continuous innovation in a competitive global market (Balabanova & Molchanova, 2022). These factors are particularly relevant for IT firms, which rely heavily on technology, collaboration, and knowledge sharing to maintain their competitive edge (Harunavamwe & Kanengoni, 2023; Uru et al., 2022).

Moreover, there is a lack of empirical research exploring how hybrid work models impact employee engagement across organizational levels within Pune's IT companies. Factors such as leadership support, access to resources, and work-life balance may be experienced differently by employees depending on their role or seniority within the organization (Busse & Weidner, 2020; Nugroho & Hermawan, 2022). This study seeks to fill this gap by

examining employees' experiences across various levels within Pune's IT sector, providing insights into how hybrid work environments influence individual and collective engagement (Khatri et al., 2023; Pattnaik, 2020). Leadership in hybrid work environments is another area that remains underexplored, particularly in the context of Pune's IT industry.

Effective leadership fosters collaboration and maintains organizational agility in hybrid settings, where teams may be geographically dispersed and rely heavily on digital communication tools (Arunprasad et al., 2022; Treacy, 2022). While research has shown that leadership styles need to adapt in hybrid environments, there is limited understanding of the specific leadership behaviours and strategies that are most effective in promoting engagement and agility in the IT sector in Pune. This study aims to address this gap by exploring how leaders in Pune's IT companies navigate the challenges of hybrid work, focusing on fostering innovation, collaboration, and alignment with organizational goals (Khan & Lopez, 2023). By focusing on IT companies in Pune, this study will provide valuable insights into how hybrid work models can be optimized to support employee engagement and organizational agility in one of India's most influential technology hubs. It will contribute to the growing body of research on hybrid work, offering practical recommendations for organizations looking to navigate the complexities of the post-pandemic workplace.

## Theoretical Framework

The theoretical framework for this study draws on two key perspectives: the Job Demands-Resources (JD-R) Model and Organizational Agility Theory. The JD-R model, proposed by Demerouti et al. (2001), emphasizes that employee engagement and well-being are influenced by the balance between job demands, such as workload and time pressures, and job resources, including autonomy, feedback, and social support. In hybrid work models, resources like flexible arrangements and increased autonomy play a critical role in boosting engagement, while demands, such as blurred work-life boundaries and increased workload, pose challenges (Harunavamwe & Kanengoni, 2023; Santillan & Mesina, 2023). Organizations can enhance engagement through supportive leadership, effective digital tools, and policies that mitigate demands (Chafi et al., 2021; Flores et al., 2023; Khatri et al., 2023). Hybrid work's potential for improved connectivity, motivation, and job satisfaction further underscores the importance of resource availability and demand management (Contreras et al., 2020; Pattnaik, 2020). Complementing this, Organizational Agility Theory highlights an organization's capacity to swiftly adapt to environmental changes, innovate, and make timely decisions (Kemell & Saarikallio, 2023; Teece et al., 2016). Hybrid models can enhance agility by enabling dynamic and flexible team structures, but they also bring challenges, such as communication barriers and complex decision-making, requiring cohesive leadership and collaboration strategies (Ferreira et al., 2021; Nugroho & Hermawan, 2022). Effective leaders in hybrid settings foster collaboration, innovation, and goal alignment, which are vital for maximizing organizational agility (Arunprasad et al., 2022; Oleksa et al., 2022). Additionally, a supportive organizational culture that promotes continuous learning and adaptability can help organizations leverage hybrid work to drive agility and responsiveness (Pass & Ridgway, 2022; Wheatley et al., 2024). Thus, the combined insights from these theoretical lenses underscore the critical role of leadership, resource management, and organizational culture in harnessing the benefits of hybrid work models for both engagement and agility.



## Hypothesis Development

Adopting hybrid work models, blending remote and in-office work, has significantly transformed organizational operations. While offering flexibility and the potential for increased productivity, these models also impact key organizational outcomes such as employee engagement and organizational agility. Based on a detailed review of relevant literature, this study develops two key hypotheses to explore the effects of hybrid work models on these critical factors in organizations.

### Hybrid Work Models and Employee Engagement

Employee engagement, which refers to employees' emotional and cognitive commitment toward their organization, is vital to organizational success. Engaged employees tend to be more productive, satisfied, and likely to contribute positively to the workplace

dynamics. Social Exchange Theory (SET) suggests that when organizations provide support and flexibility through hybrid work models, employees reciprocate with higher levels of engagement (Harunavamwe & Kanengoni, 2023; Khatri et al., 2023; Contreras et al., 2020). Hybrid work models allow employees to balance their professional responsibilities with personal needs, reducing stress and improving job satisfaction (Chafi et al., 2021; Santillan & Mesina, 2023). This flexibility, such as the ability to work re- motely part-time, has been associated with higher employee engagement, as employees have more control over their work environment and can avoid the stressors associated with daily commuting (Ferreira et al., 2021; Mcmurtrie et al., 2021). However, hybrid work can also present challenges, such as feelings of isolation and reduced interpersonal interaction with colleagues and managers (Arunprasad et al., 2022; Pass & Ridgway, 2022).

Despite these challenges, when hybrid models are well-implemented and supported by clear communication, digital tools, and inclusive policies, research shows that they generally enhance employee engagement (Flores et al., 2023). Employees are likely to feel more connected and committed to their work when they perceive that their organization provides the flexibility needed to manage personal and professional aspects of life (Treacy, 2022; Wheatley et al., 2024). Additionally, leadership plays a critical role in facilitating engagement through consistent support, promoting collaboration, and leveraging technology to foster connection and alignment within hybrid teams (Busse & Weidner, 2020; Oleksa-Marewska et al., 2022). Thus, this study, in line with the discussion, formulates the hypothesis as:

**H1:** Hybrid work models positively affect employee engagement in organizations.

### Hybrid Work Models and Organizational Agility

Organizational agility refers to an organization's ability to rapidly adapt to external changes, innovate, and respond to market demands. In fast-paced environments requiring quick responses and continuous innovation, agility is essential for maintaining a competitive edge (Treacy, 2022). With their inherent flexibility, hybrid work models enable organizations to reorganize their workforce and operational processes more fluidly, promoting agility (Nugroho & Hermawan, 2022). Organizations can leverage remote collaboration tools

using hybrid work models, allowing for continuous operations across different geographic locations and time zones. This flexibility enables organizations to restructure teams as needed, scale operations more efficiently, and respond quickly to shifting market conditions. Organizational Agility Theory suggests that hybrid models promote agility by facilitating cross-functional collaboration and innovation, key components in enabling organizations to pivot quickly when faced with new challenges (Khan & Lopez, 2023; Oleksa-Marewska et al., 2022). However, achieving agility in a hybrid environment requires that organizations have the proper digital infrastructure in place and foster strong communication between remote and on-site teams (Contreras et al., 2020; Ferreira et al., 2021). When organizations effectively manage these elements, hybrid work models can significantly enhance their capacity to respond to external pressures and adapt to rapidly changing business environments (Busse & Weidner, 2020; Mcmurtrie et al., 2021). Furthermore, leadership plays a crucial role in maintaining team cohesion, aligning strategic goals, and driving innovation within hybrid frameworks, thereby enhancing organizational adaptability and resilience (Flores et al., 2023; Santillan & Mesina, 2023). Thus, this study, in line with the discussion formulates the hypothesis as:

**H2:** Hybrid work models have a positive effect on organizational agility.

## 1. RESEARCH METHODOLOGY

This study employs a quantitative research approach to investigate the impact of hybrid work models on employee engagement and organizational agility within IT companies. A purposive sampling technique was utilized to select 600 employees who have firsthand experience with hybrid work arrangements, ensuring relevant insights and data accuracy. Data collection was conducted using a self-administered questionnaire, which incorporated validated scales and newly developed items tailored to capture key aspects of hybrid work dynamics. Employee engagement was measured using the Utrecht Work Engagement Scale (UWES) (Schaufeli & Bakker, 2004), a widely used instrument recognized for its robustness in assessing the dimensions of vigor, dedication, and absorption. This scale was complemented by findings from more recent studies exploring engagement in hybrid



contexts (Harunavamwe & Kanengoni, 2023; Khatri et al., 2023). Organizational agility was evaluated using the Agility Assessment Framework (AAF) (Sharifi & Zhang, 1999), focusing on adaptability, flexibility, and responsiveness—key elements in rapidly evolving environments. Additional insights were derived from contemporary research on agility within hybrid work structures (Kemell & Saarikallio, 2023; Nugroho & Hermawan, 2022). For hybrid work models specifically, new items were developed to assess factors such as flexibility, autonomy, and employee satisfaction with work arrangements. These items were grounded in existing literature that emphasizes the significance of flexible work practices (Kramer & Kramer, 2020; Santillan & Mesina, 2023).

Before the final administration, a comprehensive pretesting phase was conducted with a panel of 10 experts, comprising five from academia and five from the IT sector. Their feedback ensured the questionnaire's clarity, relevance, and alignment with current industry and academic standards. Adjustments were made based on their input, particularly for items related to hybrid work, to enhance the questionnaire's theoretical and practical relevance. Following this, a pilot study was conducted with 80 IT employees to further refine the instrument. Exploratory Factor Analysis (EFA) confirmed that items grouped appropriately into their intended factors—hybrid work model, employee engagement, and organizational agility. This process verified the construct validity of the scales. Additionally, reliability analysis using Cronbach's alpha demonstrated values exceeding 0.7. For all scales, signifying high internal consistency (Hair et al., 2010).

Upon completion of pretesting and pilot validation, the refined questionnaire was distributed to a sample of 600 employees from IT firms. According to Hair et al (2010), a minimum sample size of 300 is sufficient for factor analysis, with larger samples (above 500) enhancing the reliability and accuracy of regression models. The demographic profile of the 600 respondents provided a well-rounded view of the study's target population. Gender distribution was balanced, with 58% male and 42% female participants, ensuring a diversity of perspectives. In terms of age, 45% of respondents fell within the 31-40 age range, followed by 35% aged 20-30, reflecting a workforce primarily in the early to

mid-career stages. Only 15% of respondents were aged 41-50, and 5% were 51 years or older. Professional experience was diverse, with 40% having 6-10 years of experience, 25% possessing 1-5 years, another 25% with 11-15 years, and 10% with over 16 years of experience. Regarding job roles, the sample was distributed across mid-level positions (50%), junior roles (30%), and senior roles (20%). Organizational size was also considered, with 40% of respondents from medium-sized organizations (100-500 employees), another 40% from large organizations (more than 500 employees), and 20% from small firms (fewer than 100 employees). This diverse sample ensured a comprehensive analysis of the impact of hybrid work models on employee engagement and organizational agility across various contexts and organizational hierarchies.

## 2. RESULTS

### Exploratory Factor Analysis (EFA)

The results of exploratory factor analysis (EFA) indicate robust and reliable factor loadings for hybrid work models, employee engagement, and organizational agility, as shown in Table 1. The items demonstrated significant factor loadings for the hybrid work models, with values ranging from 0.70 to 0.81. The highest loading, 0.81, was for "I can maintain a healthy balance between my work and personal life while working in a hybrid model," suggesting that work-life balance is a key component of how employees perceive hybrid work arrangements. Other items, such as "The hybrid work model allows me to manage my professional and personal responsibilities" (0.78) and "Overall, I am satisfied with the hybrid work arrangement provided by my organization" (0.79), also showed strong factor loadings, indicating that this construct well captures flexibility, productivity, and satisfaction. The Cronbach's alpha for the hybrid work model construct was 0.89, which confirms excellent internal consistency and reliability.

For employee engagement, factor loadings ranged from 0.75 to 0.83, with the highest loading (0.83) attributed to the statement, "I feel energized and motivated to do my job every day." This indicates that employees' energy and motivation are crucial to their sense of

engagement. Other items, such as "I am passionate about my work and feel proud of the work I do" (0.81) and "I am deeply committed to my organization and its goals" (0.79), also had high loadings, showing that emotional investment and commitment to the organization are key aspects of engagement. The Cronbach's alpha for employee engagement was 0.76, suggesting acceptable reliability for the scale. For organizational agility, factor loadings ranged from 0.75 to 0.81, with "My organization adapts quickly to a business environment or industry changes" showing the highest loading (0.81). This highlights adaptability as a critical aspect of organizational agility. Other items, such as "Decisions are made quickly and effectively in my organization, even in a hybrid work setting" (0.80) and "Our organization is responsive to market opportunities and external challenges" (0.78), also demonstrated strong factor loadings reflecting the importance of responsiveness and decision-making speed in an agile organization. The Cronbach's alpha for organizational agility was 0.87, indicating high internal consistency.

**Table 1 Exploratory Factor Analysis (EFA)**

Constructs	Statements/Item	Item Code	Factor loading	Cronbach Alpha
<b>Hybrid Work Models</b>	"The hybrid work model allows me to manage my professional and personal responsibilities."	<b>HW1</b>	<b>0.78</b>	<b>0.89</b>
	"I can maintain a healthy balance between my work and personal life while working in a hybrid model."	<b>HW2</b>	<b>0.81</b>	
	"I have sufficient autonomy to decide how to organize my work under the hybrid model."	<b>HW3</b>	<b>0.75</b>	
	"I am more productive in a hybrid work environment than fully office-based or remote work."	<b>HW4</b>	<b>0.70</b>	
	"Overall, I am satisfied with the hybrid work arrangement provided by my organization."	<b>HW5</b>	<b>0.79</b>	
<b>Employee Engagement</b>	"I feel energized and motivated to do my job every"	<b>EE1</b>	<b>0.83</b>	<b>0.76</b>
	"I am passionate about my work and feel proud of the work I do."	<b>EE2</b>	<b>0.81</b>	
	"When I am working, I become so immersed in my tasks that I lose time."	<b>EE3</b>	<b>0.75</b>	





“I am deeply committed to my	<b>EE4</b>	<b>0.79</b>	
organization and its goals.”			
“I am willing to put in extra ef-	<b>EE5</b>	<b>0.77</b>	
fort beyond what is expected to			
help my organization succeed.”			
<b>Organizational Agility</b> “My organization adapts quickly to a business environ-	<b>OA1</b>	<b>0.81</b>	<b>0.87</b>
ment or industry changes.”			
“Our organization is responsive	<b>OA2</b>	<b>0.78</b>	
to market opportunities and ex-			
ternal challenges.”			
“We are flexible in reallocat-	<b>OA3</b>	<b>0.75</b>	
ing resources or reconfiguring			
teams when necessary.”			
“The hybrid work model en-	<b>OA4</b>	<b>0.76</b>	
courages innovation and cre-			
ative thinking within our orga-			
nization.”			
“Decisions are made quickly	<b>OA5</b>	<b>0.80</b>	
and effectively in my organiza-			
tion, even in a hybrid work set-			
ting.”			

### Confirmatory Factor Analysis (CFA)

The Confirmatory Factor Analysis (CFA) results demonstrate strong and reliable factor loadings for the constructs of Hybrid Work Models, Employee Engagement, and Organizational Agility, alongside excellent model fit indices. The CFA model fit indices confirm that the measurement model fits the data well: Chi-square/df (CMIN/df) = 2.1, which is within the acceptable range ( $<3$ ), Comparative Fit Index (CFI) = 0.95, Tucker-Lewis Index (TLI) = 0.93, and Root Mean Square Error of Approximation (RMSEA) = 0.045, all indicating a good fit. Additionally, the Goodness of Fit Index (GFI) = 0.92, Normed Fit Index (NFI) = 0.91, and Adjusted Goodness of Fit Index (AGFI) = 0.90 further confirm the model's adequacy, as values above 0.90 for these indices are generally considered good. These fit indices suggest that the model adequately captures the structure of the underlying data. The items related to Hybrid Work Models show factor loadings ranging from 0.80 to 0.88, with the highest loading for the item “I can maintain a healthy balance between my work and personal life while working in a hybrid model” (0.88). This highlights that work-life balance is key to employees' perceptions of hybrid work models. The Composite Reliability (CR) for this construct is 0.91, indicating excellent internal consistency, meaning the items reliably



capture important dimensions such as flexibility, autonomy, productivity, and overall satisfaction with hybrid work arrangements, as shown in table 2.

For Employee Engagement, the factor loadings range from 0.82 to 0.88, with the highest loadings associated with “I feel energized and motivated to do my job every day” (0.88), underscoring the centrality of motivation and energy in determining engagement levels. The Composite Reliability (CR) for employee engagement is 0.88, demonstrating that the items are highly consistent in measuring different aspects of engagement, including dedication, commitment, and willingness to go beyond basic job requirements. Similarly, the Organizational Agility construct also shows strong factor loadings, ranging from 0.81 to 0.87, with the item “My organization adapts quickly to a business environment or industry changes” (0.87) reflecting the crucial role of adaptability in organizational agility. The Composite Reliability (CR) for this construct is 0.90, indicating that the items consistently measure how agile and responsive the organization is regarding market responsiveness, innovation, and resource reallocation.

**Table 2**

**Confirmatory Factor Analysis (CFA) Results**

Constructs	Statements/Item	Item Code	Factor Loading (CFA)	Composite Reliability (CR)
Hybrid	“The hybrid work model allows	HW1	0.85	0.91
	me to manage my			
Work Models	professional and personal responsibilities.”			
	“I can maintain a healthy balance	HW2	0.88	
	between my work and personal			
	life while working in a hybrid			
	model.”			
	“I have sufficient autonomy to de-	HW3	0.83	
	cide how to organize my work un-			
	der the hybrid model.”			
	“I am more productive in a hy-	HW4	0.80	
	brid work environment than fully			
	office-based or remote work.”			
	“Overall, I am satisfied with the	HW5	0.86	
	hybrid work arrangement			
	provided by my organization.”			



<b>Employee Engagement</b>	"I feel energized and motivated to do my job every day."	EE1	<b>0.88</b>	<b>0.88</b>
	"I am passionate about my work	EE2	<b>0.85</b>	
	and feel proud of the work I do."			
	"When I am working, I become so	EE3	<b>0.82</b>	
	immersed in my tasks that I lose			
	track of time."			
	"I am deeply committed to my or-	EE4	<b>0.84</b>	
	ganization and its goals."			
	"I am willing to put in extra effort	EE5	<b>0.83</b>	
	beyond what is			
	expected to help my organization			
	succeed."			
<b>Organizational Agility</b>	"My organization adapts quickly	OA1	<b>0.87</b>	<b>0.90</b>
	to a business environment or in-			
	dustry changes."			
	"Our organization is responsive to	OA2	<b>0.84</b>	
	market opportunities and external			
	challenges."			
	"We are flexible in reallocating	OA3	<b>0.81</b>	
	resources or reconfiguring teams			
	when necessary."			
	"The hybrid work model en-	OA4	<b>0.82</b>	
	encourages innovation and creative			
	thinking within our organization."			
	"Decisions are made quickly and	OA5	<b>0.86</b>	
	effectively in my organization,			
	even in a hybrid work setting."			

**Convergent Validity**





Convergent validity is assessed by determining whether the items of a construct correlate with each other, reflecting that they measure the same underlying concept. A construct demonstrates convergent validity if its AVE exceeds 0.50 (Fornell & Larcker, 1981). As shown in Table 3, all three constructs—Hybrid Work Models (AVE = 0.67), Employee Engagement (AVE = 0.63), and Organizational Agility (AVE = 0.66)—have AVE values above this threshold. This indicates that the latent constructs explain a substantial portion of the variance in the observed variables, confirming convergent validity for all three constructs.

### 3. DISCRIMINANT VALIDITY

Discriminant validity determines whether a construct is sufficiently distinct from other constructs in the model. According to Fornell and Larcker's (1981) criteria, discriminant validity is established when the square root of a construct's AVE is greater than its correlations with other constructs and its MSV is lower than its AVE (Hair et al., 2010). In Table 3, the square root of the AVE for each construct (diagonal, in bold) is greater than its correlations with other constructs (off-diagonal values). For example, the square root of the AVE for Hybrid Work Models is 0.82, which exceeds its correlations with Employee Engagement (0.54) and Organizational Agility (0.57). Similarly, the square root of the AVE for Employee Engagement (0.79) is greater than its correlation with Hybrid Work Models (0.54) and Organizational Agility (0.52). Lastly, the square root of the AVE for Organizational Agility (0.81) surpasses its correlations with Hybrid Work Models (0.57) and Employee Engagement (0.52). Furthermore, the MSV for each construct (0.32) is lower than the AVE for that construct, confirming discriminant validity.

Table 3 here

Discriminant Validity

Constructs	AVE	MSV	Hybrid Work Models	Employee Engagement	Organizational Agility
Hybrid Work Models	0.67	0.32	<b>0.82</b>		
Employee Engagement	0.63	0.32	0.54	<b>0.79</b>	
Organizational Agility	0.66	0.32	0.57	0.52	<b>0.81</b>

### Structural Equation Modelling

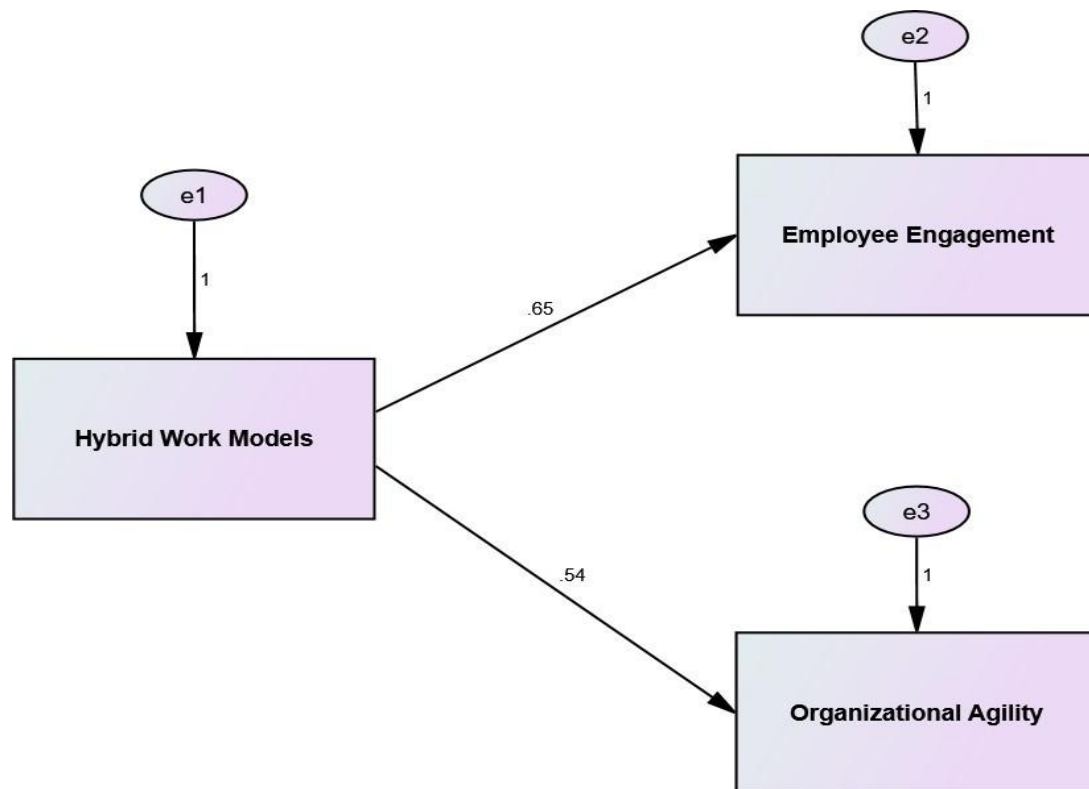
The SEM analysis begins with evaluating the model fit indices, demonstrating that the model fits the data well. Based on the model fit criteria outlined by Hair et al. (2010), the

Chi-square/df ratio is 2.2, below the recommended threshold of 3.0, indicating an acceptable model fit. The Comparative Fit Index (CFI) is 0.94, exceeding the minimum acceptable value of 0.90, suggesting an excellent fit. The Tucker-Lewis Index (TLI) is 0.92, which is also higher than the recommended 0.90, further supporting the model's fit. Additionally, the Root Mean Square Error of Approximation (RMSEA) is 0.048, below the threshold of 0.08, indicating a close fit of the model to the data. Finally, the Goodness of Fit Index (GFI) is 0.91, and the Normed Fit Index (NFI) is 0.90, above the acceptable threshold of 0.90. Although the Adjusted Goodness of Fit Index (AGFI) is slightly below the ideal value at 0.89, it still indicates an acceptable fit, confirming the model's overall adequacy in capturing the relationships between the constructs. The next step in the SEM analysis is hypothesis testing based on the path coefficients, t-values, standard errors (SE), and p-values, as shown in Table 4 and Figure 1.



Figure 1

SEM Analysis of Research Model



Hypothesis 1 (H1): Hybrid Work Models → Employee Engagement

The path from Hybrid Work Models to Employee Engagement shows a standardized coefficient of 0.65, a t-value of 13.00, and a standard error of 0.05, with a p-value of < 0.001. The high t-value and the significant p-value indicate strong statistical significance, confirming that the relationship between hybrid work models and employee engagement is both positive and substantial. This supports H1, demonstrating that hybrid work models significantly enhance employee engagement. Employees who experience flexibility, autonomy, and work-life balance in a hybrid work arrangement tend to be more engaged, motivated, and committed. This result aligns with existing literature, which shows that flexible work arrangements positively impact employee engagement (Kwon & Jeon, 2020).

Hypothesis 2 (H2): Hybrid Work Models → Organizational Agility

The path from Hybrid Work Models to Organizational Agility is also significant, with a standardized coefficient of 0.54, a t-value of 9.00, and a standard error of 0.06, with a

p-value of < 0.001. The high t-value and significant p-value confirm that hybrid work models positively influence organizational agility, supporting H2. The flexibility inherent in hybrid work models allows organizations to adapt more quickly to changes in the external environment, reconfigure teams, and make faster decisions, which are essential components of organizational agility. These findings are consistent with prior research that has emphasized the role of flexibility in promoting agility and innovation within organizations (Worley & Lawler, 2010).

Table 4

Hypothesis Testing

Path	Standardized Coefficient ( $\beta$ )	SE	t-value	p-value
Hybrid Work Models	0.65	0.05	13.00	< 0.001
→ Employee Engagement				
Hybrid Work Models	0.54	0.06	9.00	< 0.001
→ Organizational Agility				



#### 4. DISCUSSIONS

The findings from this study align with and extend previous research on the impact of hybrid work models on employee engagement and organizational agility, offering critical insights for organizational practice and theory. The positive relationship between hybrid work arrangements and employee engagement reinforces existing literature, which consistently emphasizes that flexibility in managing professional and personal responsibilities contributes to enhanced employee commitment and satisfaction (Flores et al., 2023; Kwon & Jeon, 2020; Park, Kim, & Sung, 2021). By enabling employees to balance work and life demands, hybrid work models foster a sense of empowerment, thereby boosting engagement. This supports the perspective of Bailey and Kurland (2021), who argue that flexible work arrangements motivate employees by enhancing their autonomy and perceived control over their work environment. Hybrid models encourage greater employee input and involvement, reflecting a broader trend toward employee-centric work practices (Contreras et al., 2020; Harunavamwe & Kanengoni, 2023).

Moreover, this study confirms that hybrid work models are instrumental in enhancing organizational agility, a critical factor in adapting to market changes, technological advancements, and shifting consumer demands (Gratton, 2021; Nugroho & Hermawan, 2022). By allowing organizations to restructure workflows, adjust teams as needed, and leverage digital tools for remote collaboration, hybrid models provide a structural advantage that supports quick decision-making and responsive operations (Kemell et al., 2023; Treacy, 2022). This aligns with the work of Worley and Lawler (2010), who emphasize that flexible organizational practices enable resilience and responsiveness to external pressures. As agility continues to be a defining characteristic of successful organizations in a dynamic business environment, hybrid work models offer a clear pathway to achieving this capability (Doz & Kosonen, 2010). The strong link between hybrid work models and employee engagement observed in this study lends empirical support to Social Exchange Theory (SET). According to SET, when organizations offer support, autonomy, and flexibility, employees reciprocate with increased loyalty, engagement, and productivity (Cropanzano & Mitchell, 2005). Hybrid work models effectively signal organizational investment in employee well-being, fostering a reciprocal sense of commitment and enhanced engagement (Khatri et al., 2023; Wayne et al., 2021). This reciprocity underscores the critical role of supportive organizational practices in driving employee motivation and organizational success. Additionally, the study's findings contribute to the Job Demands-Resources (JD-R) theory by demonstrating that hybrid work models serve as a valuable job resource. Offering employees autonomy and flexibility helps buffer the negative effects of job demands, such as workload and stress, by reducing commuting time and granting greater control over work schedules (Bakker & Demerouti, 2017; Santillan & Mesina, 2023). This aligns with earlier studies, which highlight that providing employees with essential resources leads to heightened engagement and motivation, even in demanding work environments (Chafi et al., 2021; Pattnaik, 2020).

Despite their many benefits, hybrid work models are not without challenges. This study identified potential issues, such as communication barriers and reduced team cohesion, particularly in organizations with a strong pre-existing in-person culture (Davis, 2021; Pass &

Ridgway, 2022). Feelings of isolation and difficulties in maintaining robust communication channels have been documented as drawbacks of remote and hybrid work arrangements (Arunprasad et al., 2022; Wang et al., 2020). Effective implementation of hybrid work models necessitates investment in digital tools, consistent communication strategies, and policies designed to foster team cohesion and collaboration across dispersed teams (McMurtrie et al., 2021; Flores et al., 2023). Addressing these challenges ensures that the benefits of hybrid work, such as enhanced engagement and agility, are fully realized. Thus, this study provides robust empirical evidence supporting the positive impact of hybrid work models on employee engagement and organizational agility. The findings are consistent with existing literature while offering new insights into how hybrid work arrangements enhance organizational outcomes through mechanisms such as increased autonomy, flexibility, and adaptive capabilities. As organizations increasingly adopt hybrid work models, understanding their multifaceted impact on individual and organizational performance will be vital to staying competitive in an evolving business landscape.

#### Implications of Study

The findings from this study have important implications for practitioners and scholars, particularly in human resource management, organizational behavior, and strategic management. First, the strong positive relationship between hybrid work models and employee engagement has significant implications for organizational leaders seeking to improve workforce productivity and satisfaction. As the results show, employees in hybrid work arrangements experience higher levels of engagement, which translates into greater motivation, commitment, and willingness to go above and beyond in their roles. Organizations that have yet to embrace hybrid work models fully may consider doing so to reap the benefits of a more engaged workforce. This is particularly relevant in industries where employee retention and productivity are key drivers of success. From a strategic perspective, the relationship between hybrid work models and organizational agility offers significant insights for leaders aiming to build more adaptive and resilient organizations. In today's rapidly changing business environment, agility is a critical capability that allows organizations to respond to market shifts, technological advancements, and unforeseen disruptions (Teece et al., 2016). The study's findings suggest that by providing structural flexibility, hybrid work models can serve as a strategic tool for enhancing agility. Leaders should consider incorporating hybrid work models into their overall business strategy to improve their organization's capacity for innovation and adaptability.



The implications of this study also extend to talent management and employee

well-being. The positive effect of hybrid work models on employee engagement underscores the importance of flexibility in modern workplaces. Human resource managers should prioritize the development of hybrid work policies that allow employees to balance their personal and professional lives effectively. Furthermore, organizations that offer hybrid work models may be better positioned to attract and retain top talent, particularly in an increasingly competitive labor market where employees value work-life balance and autonomy (Gratton, 2021). In addition, the findings have important implications for workplace culture and collaboration. While hybrid work models offer numerous benefits, organizations must ensure that they are fostering a strong sense of connection and collaboration among employees, even when they are working remotely. This may involve investing in digital collaboration tools, enhancing virtual communication practices, and creating opportunities for in-person interactions to maintain team cohesion and organizational culture. As hybrid work continues to evolve, organizations that can balance flexibility with strong communication practices will be better equipped to maintain high levels of engagement and performance.

## 5. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

While this study provides valuable insights into the impact of hybrid work models on employee engagement and organizational agility, it is not without limitations. First, the study focused on IT companies in Pune, India, which may limit the generalizability of the findings to other industries and geographical regions. Future research could expand on this by examining the effects of hybrid work models in a broader range of industries and cultural contexts to determine whether the results hold across different organizational settings.

Additionally, the study relied on cross-sectional data, which limits the ability to draw causal inferences about the relationships between the variables. Future research could employ longitudinal designs to assess the long-term effects of hybrid work models on engagement and agility. Another limitation is that the study did not explore the potential moderating factors that may influence the relationship between hybrid work models and organizational outcomes. For example, factors such as organizational culture, leadership style, and the work's nature may affect how hybrid work models impact engagement and agility. Future research could explore these moderating variables to better understand how different organizational and individual factors influence the effectiveness of hybrid work models.

Finally, as hybrid work models continue to evolve, future research could investigate the impact of emerging technologies and collaboration tools on the success of hybrid work arrangements. As organizations increasingly rely on digital tools to support remote work, understanding how these technologies shape employee engagement and organizational agility will be critical for optimizing hybrid work models in the future.

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