The Effects of the Hybrid Workspace on Job Satisfaction, Burnout, Employee Wellbeing and job performance, Assessing the Role of Hybrid Leadership

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Abstract

This study examines the effects of the hybrid workspace model on job satisfaction, burnout, employee wellbeing, and job performance, while also exploring the moderating role of leadership. Hybrid work, combining remote and in-office environments, offers significant flexibility and autonomy, which research shows leads to higher job satisfaction, improved work-life balance, and reduced commuting stress. However, challenges such as feelings of isolation and blurred work-home boundaries can lead to burnout if not appropriately managed. Leadership is crucial in moderating these outcomes, with studies indicating that effective leadership enhances communication, trust, and accountability, helping employees navigate the complexities of hybrid work. Additionally, the role of leadership in addressing diverse employee needs is emphasized, as factors such as personality traits and home environments further influence hybrid work success. This research aims to clarify how hybrid leadership can optimize employee performance and well-being by providing a flexible yet supportive work structure.

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The Covid-19 pandemic forced life and society as we know it to a screeching halt. Businesses were closed, lockdown orders were put into place, and employers were faced with challenges that were never seen before. Primarily, how to ensure the continuation of labor remotely, as personnel were not allowed or were unable to complete their daily tasks at the office. One answer to this challenge was the introduction of a concept called hybrid working, which entails a combination of working both from an office and from home, where flexibility and greater control over work styles are key advantages (Ateeq, 2022). This concept was quickly adopted worldwide on a considerable scale, with one study from Canada reporting that 77.2% of Canadian workers were engaged in some form of hybrid working in 2022 (Bodner et al., 2022). Furthermore, a Dutch study by De Haas et al. (2020) found that 44% of respondents increased the extent to which they worked from home by June 2020. In 2023, over 5 million Dutch citizens worked from home sometimes or most of the time, adding up to 52% of the total population (CBS, 2024). Overall, it is safe to say that hybrid working has become a consistent fact of life over time, and this report aims to create an extensive model of its implications for the modern workforce.

As the influence of the COVID-19 pandemic over our lives slowly but surely waned over the years, hybrid working remains a highly relevant topic in the Netherlands to this day (CBS, 2024). Not only here, but all across the world organizations are still applying the so-called hybrid work model (Hopkins & Bardoel, 2023; Santillan et al., 2023). This model allows employees to choose whether to work in the office or from home, designed to offer employees greater control over their work environment. The model has been shown to produce increases in job satisfaction, job performance, and a healthier work-life balance (Choudhury et al., 2022; Santillan et al., 2023), as well as lower instances of burnout (Raziq & Maulabakhsh, 2015), higher job performance (Bloom et al., 2015), and improvements in employee wellbeing (Bloom et al., 2015). However, hybrid working has also been shown to predict a loss of corporate identity and feelings of loneliness (Peprah, 2023). Not only that, the relationship between hybrid working conditions and the aforementioned organizational outcomes can be moderated by a multitude of factors, such as the employee's personality traits (Rothmann & Coetzer, 2003), the home environment (Rotimi et al., 2024), and the organization's leadership (Hopkins & Figaro, 2021; Karn, 2022; Sparks & McCann, 2023).

Figure 1

Visual model of the relationships between Hybrid Working, organizational outcomes, and its moderators
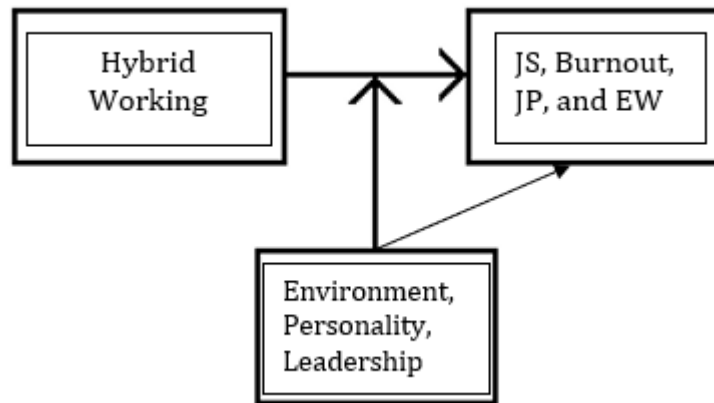
Note: JS = Job Satisfaction, JP = Job Performance, EW = Employee Wellbeing

        As the literature on these topics can appear conflicted and confusing, this thesis aims to clarify what to make of the direct relationships between hybrid working and job satisfaction, burnouts, employee well-being, and job performance. Furthermore, this research endeavors to establish how different leadership approaches and employee personality traits affect the ramifications of hybrid working. The objective is to shed light on how organizations should structure their business practices to create the best possible hybrid working outcomes. The following paragraphs will outline how the hybrid work model affects the aforementioned outcomes in more detail. Figure 1 demonstrates a visual representation of the set of relationships this thesis aims to investigate.

The Relationships between the Hybrid Work Model and Organizational Outcomes

The Effects on Job Satisfaction

        First of all, the hybrid work model leads to increased job satisfaction by *increasing flexibility* and allowing employees to choose their work environment. Working from home part of the week allows individuals to manage their responsibilities and decrease the time and stress of commuting (Li et al., 2023; Raziq & Maulabakhsh, 2015). It also improves *the balance between professional and personal life (work-life balance)*, which is crucial for reducing stress and increasing job satisfaction. Employees who are able to manage their time well, have a healthier balance between work and life responsibilities (Malik, 2023; Schaufeli et al., 2017). The hybrid working model also provides employees with *increased autonomy*

over their work schedules, resulting in higher engagement and job satisfaction. Having the freedom to dictate the timing and location of one's work confers a sense of autonomy, leading to enhanced motivation and job performance (Pangandaman, 2023; Microsoft, 2021). The model's flexibility allows the creation of a personalized and comfortable work environment, which *reduces the possibility of burnout*. Studies show that those who work from home experience lower levels of emotional exhaustion than those in traditional office setups (Raziq & Maulabakhsh, 2015; Höcker et al., 2024). Lastly, many people report *higher job performance* in hybrid working environments, creating a sense of accomplishment and higher job satisfaction (Bautista et al., 2019).

However, there are also some challenges of hybrid work on job satisfaction, as it can reduce face-to-face interactions, which can cause *feelings of isolation* and limited team cohesion. As a consequence, employees may feel disconnected from their colleagues and the organization (Labrague, 2021; Hoque et al., 2023). Secondly, the *lack of a clear distinction between work and home life* can result in overwork, increased stress, and diminished job satisfaction. Employees often struggle to balance their personal and professional responsibilities (Costin et al., 2023; Höcker et al., 2024). Another challenge of hybrid work is *communication*, with remote employees often feeling not included and well-informed. This poor interaction can result in misunderstandings, increased job stress, and lower job satisfaction (House et al., 2022). Also, switching between home and office setups can create *inconsistency in job performance and focus*. This instability can result in higher stress levels and lower job satisfaction as employees struggle to maintain a steady workflow (Bartik et al., 2020). Hybrid working can hinder effective communication and equal support among team members, which can be *troublesome for the management*. In some cases, remote workers may feel neglected and have a higher turnover (Hoque et al., 2023; Microsoft, 2021).

The Effects of Hybrid Work on Burnout

To begin with, the freedom hybrid work provides *reduces the possibility of experiencing stress*. The model's flexibility allows employees to work from home and provides more control over the work environment. This is crucial in preventing emotional exhaustion and mitigating burnout (Raziq & Maulabakhsh, 2015). Furthermore, employees with the *autonomy* to manage their schedules and work conditions in hybrid models are less likely to experience burnout. The ability to control their workload helps reduce mental fatigue and promotes a *healthier work-life balance* (Borowiec & Drygas, 2022).

On the other hand, hybrid work can also have some adverse effects on burnout. One of them is the *feeling of loneliness and detachment* caused by the lack of in-person social interactions in hybrid work models. Employees who thrive on collaboration may find the hybrid model emotionally draining due to reduced team interaction (Tavares, 2017; Höcker et al., 2024). Managing multiple work environments (home and office) can result in *cognitive overload*, as constantly adapting to different environments and expectations can be mentally exhausting for employees (Edú-Valsania et al., 2022). The blurred boundary between work and personal time is another issue that can lead to *overworking*. Being unable to disconnect from work when working remotely can lead to longer working hours, increasing the risk of burnout. Employees may feel pressured to be available outside traditional office hours, contributing to emotional exhaustion (Costin et al., 2023; Eng et al., 2024).

Employee well-being

The well-being of employees includes their physical, mental, and emotional health. The hybrid work model has a significant impact on these aspects, leading to both positive and negative outcomes. One of the major advantages of the hybrid model is the flexibility it provides. Employees have the option to work from home or the office, which can help them maintain a healthy work-life balance. This freedom allows employees better to organize their work hours around their personal responsibilities, reducing stress and improving overall satisfaction (Clark, 2000).

Another benefit is the reduction in commuting stress. By cutting out this often stressful part of the day, employees can save valuable time and spend it on activities that contribute to their wellbeing." (Bloom, Liang, Roberts, & Ying, 2015).

The hybrid work model presents challenges for employee wellbeing, particularly regarding social isolation. Remote workers often face the pressing issue of lacking face-to-face interactions, which can lead to a lack of social support, increased feelings of loneliness, and disconnection from the team (Tavares, 2017). Working from home can be tough for those who thrive in social settings, leading to increased anxiety and depression. It's hard to build relationships with colleagues, the line between work and personal time blurs, and access to resources like ergonomic furniture and psychological support is limited.

job performance

The hybrid work model has the potential to boost job performance by reducing distractions compared to a traditional office environment. Many people find they can focus

better when working from home, as they are not subjected to interruptions that often occur in the office. The hybrid model also allows employees to work during their most productive hours, tailoring their work schedule according to their personal job performance peaks. (Bailey & Kurland, 2002).

Furthermore, the use of digital tools, such as project management software and cloud-based file-sharing systems, can improve workflow efficiency in the hybrid model. These tools facilitate seamless communication and collaboration, allowing employees to stay organized and manage their tasks effectively, even when working remotely (Aczel, Kovacs, van der Lippe, & Szaszi, 2021).

The hybrid work model offers advantages but also presents challenges for job performance. One

major concern is maintaining consistent and effective communication. Remote employees may struggle to quickly reach their colleagues, leading to delays in collaborative projects and decision-making processes (Gajendran & Harrison, 2007). Working from home can make it hard to stay motivated due to household distractions (Grant, Wallace, & Spurgeon, 2013). Remote work may result in procrastination and missed deadlines.

Excessive screen time and dependence on digital tools can lead to burnout and mental fatigue, affecting job performance (Aczel et al., 2021). Employee well-being and job performance are closely linked. A positive work environment enhances performance, while poor well-being reduces output. Promoting employee well-being boosts job performance, as shown in studies.

How do the Working Environment, Personality Traits, and Leadership affect the Outcomes of the Hybrid Work Model?

Working Environment

The pandemic has prompted a re-evaluation of work-from-home (WFH) environments, highlighting the need for ergonomic home offices. Prior to COVID-19, risks and resilience factors in traditional offices were known, but remote work underscored their importance at home. Essential elements for an ergonomic setup include supportive chairs, properly positioned monitors, good air quality, and footrests to alleviate strain (Nuo Xu et al., 2010; Rotimi et al., 2024). WFH also revealed new challenges, emphasizing the importance of a dedicated workspace. A conducive physical environment not only boosts job

performance but also helps create a clear division between work and personal life (Doi, 2023; Rotimi et al., 2024). Without this separation, distractions and the blurring of home and work boundaries can increase stress. Employees lacking a proper home office may benefit from working more at the office, while those with optimized setups are likely to succeed remotely. Balancing in-office and remote work can ultimately enhance job performance, well-being, and job satisfaction.

Personality Traits

This thesis explores the relationship between personality traits and the balance between telework and in-office work. The personality traits examined are known as the "Big Five," which include conscientiousness, extraversion, neuroticism, openness to experience, and agreeableness. Numerous studies have investigated the connections between these traits and job performance outcomes. Findings consistently indicate that conscientiousness is the strongest predictor of job performance (Higgins & Peterson, 2007; Zell, 2010), while extraversion is associated with improved teamwork (Rothmann & Coetzer, 2003). Agreeableness also serves as a significant predictor of job performance.

This research will analyze the potential correlations between these traits and hybrid working performance. Prior investigations have shown that certain job positions favor specific personality traits (Kang, 2021). The central premise of this paper is that particular personality traits may facilitate better management of hybrid working arrangements by emphasizing the balance between home and office work hours. A parallel can be drawn between job positions and hybrid work dynamics in relation to personality traits. Notably, Nowrouzi-Kia et al. (2024) highlight the challenges of managing telework due to interpersonal differences. This study aims to assess personality traits as they relate to increased teleworking or in-person work.

When considering hybrid work, the Big Five personality traits may correlate with preferences for either remote or in-office time.
Conscientious individuals who have high rates of self-discipline and goal-oriented behavior may tend to excel in hybrid or remote work environments due to their ability to self-manage and maintain job performance without direct supervision. In contrast, extroverts, who typically prefer face-to-face interactions, may find remote work challenging because of reduced social engagement, though hybrid models can help balance social needs with work preferences. Individuals high in neuroticism may struggle with the ambiguity and lack of routine in hybrid settings, leading to increased stress, but the flexibility of such arrangements

can reduce other stressors, like commuting. Those with high levels of openness to experience thrive in hybrid environments that encourage innovation and adaptability. Lastly, agreeable individuals, who often appreciate collaborative in-person work, are also able to adjust to hybrid settings that foster positive working relationships through virtual communication.

Leadership

As the nature of the workplace fundamentally shifted to accommodate a more technologically advanced and digital society, new challenges arose for everyone, from front-line employees to top-level management. It is beyond the scope of this project to address how every individual element of the organizational structure is affected by the transition to a hybrid workplace, so instead, the focus is put on how organizational leaders from different levels of management must implement adequate leadership in the modern day. How can these leaders maintain optimal job performance and employee satisfaction? How can counterproductive work behaviors (CWBs) be addressed and prevented in hybrid settings?

As we collectively step into the unknown with regard to the future of the workplace as we know it, many such questions arise and remain to be answered. However, the following paragraph aims to take inventory of the literature's current understanding of these topics to facilitate an actionable operationalization of the most efficient hybrid leadership practices.

The literature appears to suggest that hybrid leadership requires leaders to balance task-oriented and people-oriented behaviors more to improve organizational performance (Saeed, 2023). Leadership plays a crucial role in moderating the effects of hybrid work on organizational outcomes by influencing how employees adapt to this flexible model. Hopkins and Figaro (2021) argue that effective leadership can enhance communication and collaboration in hybrid environments, mitigating the challenges of physical distance. Similarly, Karn (2022) suggests that leadership provides the necessary support and resources that enable employees to maintain job performance, regardless of their work setting. Moreover, Sparks and McCann (2023) highlight that leadership's role in fostering a culture of trust and accountability is critical for sustaining organizational cohesion and performance in hybrid work arrangements. Together, these studies underscore the importance of leadership in shaping the success of hybrid work by addressing potential challenges and promoting positive outcomes.

Summary

In conclusion, the hybrid workspace model has demonstrated a variety of significant impacts on job satisfaction, employee well-being, burnout, and job performance. This model offers increased flexibility and autonomy, which has been shown to lead to higher job satisfaction, improved work-life balance, and a reduction in commuting-related stress (Bloom et al., 2015; Raziq & Maulabakhsh, 2015). Furthermore, hybrid work environments allow for greater employee well-being, as individuals can create personalized and ergonomic workspaces that align with their preferences (Ateeq, 2022). However, these benefits are moderated by several factors, including personality traits, home environments, and leadership styles (Rotimi et al., 2024; Hopkins & Figaro, 2021; Karn, 2022). While hybrid work reduces burnout through greater autonomy and flexibility, it can also increase feelings of isolation and create blurred boundaries between work and home life, which may exacerbate burnout and reduce job satisfaction if not managed properly (Tavares, 2017; Höcker et al., 2024).

Leadership plays a crucial role in mitigating these potential challenges and optimizing the hybrid work model. Leaders who effectively balance task-oriented and people-oriented behaviors are better positioned to manage hybrid teams, ensuring that both job performance and employee well-being are maintained (Hopkins & Bardoel, 2023; Sparks & McCann, 2023). Ultimately, organizations need to recognize the diverse factors influencing the success of hybrid working and implement flexible and supportive leadership practices to foster positive outcomes. By adapting to individual preferences and providing the right resources, hybrid leadership can create a sustainable, productive, and fulfilling work environment for employees.

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