

## RESEARCH ARTICLE

# THE MEDIATING EFFECT OF HAPPINESS AT WORKPLACE ON THE RELATIONSHIP BETWEEN HYBRID WORK MODEL AND EMPLOYEE RETENTION IN IT INDUSTRY

R. Santiago Antony Selvi<sup>1\*</sup>, and Vandana Madhavkumar<sup>1</sup>

<sup>1</sup>Department of Management, PSGR Krishnammal College for Women, Coimbatore, Tamil Nadu, India

**ABSTRACT** - The word “Great Resignation” is shaking up many organizations across different sectors in the world. The Covid-19 pandemic significantly changed the employees' views on their careers. During the Covid-19 pandemic, organizations mostly used the flexible work arrangements like work from home (WFH) or remote work (RW) and hybrid work model (HWM) to run their business activities ensuring safety of employees. Work from home option and hybrid work is changing the work dynamics. It has become a significant reason for the employees especially women employees to continue their employment as they can also continue care-giving at home and do remote work. It has been reported that they were quitting their jobs when organizations insisted on them being physically present in the office. The purpose of this study is to determine the impact of hybrid work model on happiness at work and employee retention and also to find out does the happiness at work mediate on the relationship between hybrid work and employee retention. Hence, the empirical study was conducted among employees working in IT companies. The sample size was 200 and the collected data was analyzed using SPSS and AMOS. Hybrid work model was found to provide employees the space and flexibility to manage their professional and personal life and also increase their happiness at work. Happiness at work was found to positively impact retention of employees and mediates on the relationship between hybrid work model and employee retention. In the situation of a high shortage of skilled employees, the hybrid work model could be the most effective method to attract and retain skilled employees, since it influences the employee's intention to stay or quit their job. The findings of the study will be help organizations to design the modern workplace with futuristic development and to retain talents.

## ARTICLE HISTORY

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*Employee Retention*

## INTRODUCTION

The Covid-19 pandemic has dramatically changed the standard norms of organizations worldwide. Remote work has become a new norm and it is used as a temporary solution in an unaccustomed situation. Full-time remote work has some drawbacks like lack of communication, employee mental health, well-being, and stress. In order to overcome this, organizations are adopting a new concept namely hybrid working model (Lenka, 2021). In this post-Covid scenario, a hybrid working model might be the most efficient method for promoting a better work environment and also creating a work-life balance, which would result in higher productivity. It is just a work style which is a fusion of working from home and the office. After the pandemic period, bringing back the workforce to office is a great challenge for the organizations as well as the employees. Majority of the workforce is more likely to leave their present job when they are forced to return back to the office five days a week as they used to. In order to avoid the high level of employee turnover, flexible hybrid work is highly recommended (Hibob, 2021).

The idea of hybrid work model might cause a revolution in the future, in which the workforce can fuse remote work or telework and office in the work week. On some work days, they might be requested to be physically present, in the remaining days, they can either do remote work or work at the office. It depends on the nature of work, needs and preferences of the workforce. In remote work, workforce is allowed to work from convenient places other than the office by utilizing advanced technology like internet, video conferencing, e-mail etc. (Uresha, 2020). In employees' point of view, remote work is a job perk and more than half of them considered it as an arrangement to improve work-life balance.

Employees choose remote work to avoid daily commutes, fulfill family care responsibilities, and reduce workplace distractions (Allen et al., 2015). Most of the workforce who chose to adapt to hybrid work method, do not prefer full-time remote work, they want to come to the office at regular intervals. Since they are all social beings, they need to interact with people and get together with their friends and colleagues once in a while and improve their social well-being, which leads to better performance and increases their intention to stay. So, the prime motive for this hybrid working model is to

create a happy and pleasant working environment, which was lacking in full-time remote work. Also, they want the benefits of remote work such as spending good time with children and family, saving time on commuting, having healthy food on proper time at home, engaging in interesting activities, and reducing financial cost expenditure etc. 6% of companies are ready to redesign their office. Remote work and work at the office can be equally effective when we find out which tasks are more efficiently done at home and which ones are to be done at the office.

Remote work is better suited for tasks which require deep concentration and silence, whereas an office work environment is better suited for communication, conducting workshops, and brainstorming (Deloitte, 2021). Global research said that 76% of the workforce prefers telework at least two days a week and encourages this work culture. More than half of hybrid employees start their workdays with the feel of contributing meaningful work in their workplace and also, they are more energized by their job compared to the full-time remote or full-time in-person workspace.

## NEED FOR THE STUDY

Even though the organization provided work from home option since the 1970s, the level of usage is very low. During the pandemic period only, employees felt and enjoyed the benefits of remote work with the help of advanced technology, in which they work anywhere at any time. It is highly helpful for them to effectively manage their professional and personal life. And also, they get extra time for their self-improvisation. Due to the work flexibility, they work happily in the existing organization itself.

Now during the post-pandemic situation, many organizations called their employees to come back to the usual office setup, but they are not ready to work fully in the office environment. In order to get remote work, they quit their current job. It leads to a high level of employee turnover and affects organizational growth. This research study will be very useful to find out if the hybrid work model gives happiness at the workplace and helps to increase the employee's intention to stay in the existing organization.

Moreover, there was hardly any empirical research done to study the relationship between hybrid work culture and employee retention. Hence, this study aims to find the impact of the hybrid work model on happiness at the workplace and employee retention.

## OBJECTIVES

- 1) To examine the impact of hybrid work model on happiness at workplace.
- 2) To examine the impact of happiness at workplace on employee retention.
- 3) To determine the mediation effect of happiness at workplace on the relationship between hybrid work model and employee retention.

## REVIEW OF LITERATURE

### *Hybrid Work Model*

Avery and Zabel (2001) said that telecommuting was first used in the 1970s in the U.S. public vernacular. The term telecommute was introduced in 1973 by Jack Nilles. He was an engineer working on projects under the National Aeronautics and Space Administration. The basic idea of telecommuting was to move the work to workers instead of to move the workers to work in an effort to reduce traffic problems and energy consumption. Allen et al. (2015) found that telecommuting also named telework, virtual work, remote work, flexible work, distributed work, flexplace, and distance work. Lenka (2021) stated that there are four types of hybrid work models; office-centered hybrid model, fully flexible hybrid model, split-weekly model, and week-sharing model. In the office-centered hybrid model, employees are mostly working from the office though they are allowed to work at any location for one or two days.

In this model, employees coordinate effectively and have a strong sense of belonging. In a fully flexible hybrid model, employees are allowed to choose how many days they want to work from home or the office. But this model causes problems of employee cooperation, hence the organization structure is developed precisely according to this model. In the split-weekly model, the employees work remotely for a few days and work at the office for a few days a week. This model helps managers to keep in touch with their teams and employees frequently meet their colleagues and managers face to face. In week-sharing model, a month is divided into weeks according to the teamwork and based on the work they will decide which department will be working at the office in which weeks. It allows the employees to work together for a week, which helps them to complete a work within a time. Microsoft (2021) said that the hybrid working model is a blended model where some staff members return to their cubicles and others continue to work from home. Beno (2021b) researched that the hybrid working model increases efficiency, positivity, and alteration in work to encourage the transformation of mixed work techniques in the corporate world.

Beno and Hvorecky (2021) emphasized the significance of the hybrid working model in providing the hope of being able to work in any location. Makitalo (2021) stated that now the term "remote work" seems outdated and more suitable concepts like 'hybrid workforce,' 'distributed workplace,' 'work from anywhere' and 'flexible work' are used in the

current environment. A hybrid working model allows some workforce to work at the office while others work from different locations like home, or anywhere else. Some employees like working from home, they exchange their commute time for morning exercise or family time. But some others are happier at an office, with more social interaction throughout the day. Most employees want the best of both and the flexibility to select when and where they work and stated that this hybrid work model empowers employees in a new path of working. It will not only reduce commutes but also reduce travel costs and allow convenient and safe locations for the employees.

According to Hatfield and Volini (2021), although there is fast growth in remote work models, many business executives even now believe that the most efficient one is the hybrid model. Lenka (2021) found that many leading organizations like Microsoft, Google, Infosys, Ford Motor Company, and Citigroup have adopted the Unique Hybrid work model and they acknowledged its benefits and also, they are happy with its contributions. She concluded that every organization should try to adopt this hybrid work model for the betterment of its result. Global Survey (2021) reported that the future of work is surely a hybrid work model as many organizations are still not prepared to support long-term hybrid work. It also emphasises the critical role played by technology and the importance of digitalization. 89% of organizations are ready to invest in technology and to support a hybrid work model within the next 12-18 months.

### ***Happiness at Workplace***

Fisher (2010) defined workplace happiness as a happy feeling about the work itself, the organization, and the work characteristics altogether as workplace happiness that eventually involves various work attitudes. Research revealed that organizations are engaged in developing their employees' happiness to stimulate positive attitudes which would result in profitable outcomes for the organizations. Singh and Aggarwal (2018) stated that workplace happiness is a well-known research domain in Western countries. But outside Western countries, the term happiness in the workplace is still a new domain.

So, in the Indian context, there are very few research studies reported on this concept. Salas-Vallina and Alegre (2021) found that recently, with the emergence of globalization, the arrival of MNCs and India's stand at the global business front drive to transformation in an Indian work culture where being happy at the workplace is brought up as a prime concern of the employers in India. CISCO Study (2022) revealed that the hybrid working model increased the different aspects of well-being. 82% of employees said that the work-from-anywhere facility increases workplace happiness. 55% reported that hybrid working has reduced their stress levels. 29% found hybrid working provides them with less pressure and a more relaxing work environment.

Economic Times (2022) stated that autonomy is essential for workplace happiness, which is only increased by the hybrid work model. Unbalanced work-life balance, unhealthy culture, and lack of flexibility are some of the common reasons for employee attrition, which could slowly increase unhappiness, and end up quitting their jobs. Shyla and Sheriff (2021) stated that workplace happiness plays a crucial role in increasing the level of production and satisfaction of a workforce. It also enhances its ability to retain its employees in long term.

### ***Employee Retention / Intention to Stay***

According to Gurumani (2010), employee retention is defined as a process of encouraging the employees to stay with the organization for a long period of time, since employee retention helps to more production, high quality, sales, and customer satisfaction. Nowadays, employees are mostly job hoppers. They seek a new job when the current organization does not fulfill their needs. This leads organizations to take care of their employees and value their needs and fulfill it in order to retain them. Deery and Jago (2015) stated that work-life balance is a key factor in increasing employees' intention to remain in the same organization mainly in the service industry.

Prasad et al. (2020) said that the benefits of virtual work include cost savings, higher productivity, flexibility, better work-life balance, greater job satisfaction, and higher employee retention. The companies which were reluctant to accept this model have moved fully or partially to remote work. Employee turnover is highly expensive. When a highly skilled employee leaves the organization, it needs to spend huge money and time to replace him with a new employee. By offering remote work organizations can delight their employees, attract new talents, and also improves employees' intention to stay. Remote workers said that they like to stay in their current work for the next few years. Hence, the organization can attract and retain more productive employees by allowing them to work remotely.

## **HYPOTHESIS**

Hybrid work is a fusion of remote work and work in the office (Lenka,2021). It balances the benefits of working in the office like innovative, effective collaboration, and social contact and the benefits of low commuting, and effective work-life balance from working remotely. In a survey conducted by CISCO (2021), 82% of employees said that work from anywhere arrangement increases their workplace happiness.

*H1: Hybrid work has a significant positive impact on workplace happiness*

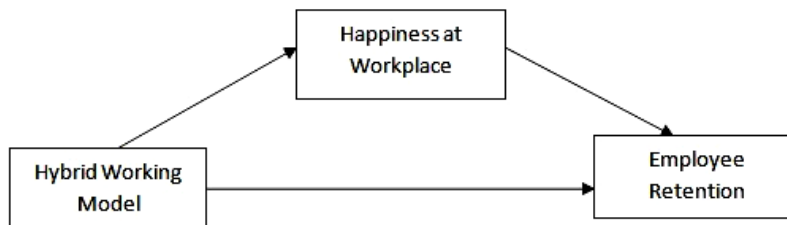
Commer et al. (2018) determined that there was a significant relationship between workplace flexibility and workplace happiness. It said that when organizations implement work flexibility, it significantly influences employee engagement, organizational commitment, job satisfaction, and happiness at the workplace. Allowing employees to decide their work time, work location, and work responsibilities highly increase employee happiness. According to Economic Times (2022), the happiness at work report showed that 59% of employees preferred the hybrid work model since it allows working from anywhere and flexible timings. It could increase the employee's happiness level at work in the organizations. Hibob (2021) revealed that the hybrid work model leads to employee happiness and productivity, and concluded that organizations must create hybrid workplaces to make their employees happy and keep them more engaged in their work. Robinson (2022) reported that the research done by Owl Labs found that hybrid work employees were 22% happier than the employees working in the office environment, and also, they stayed longer in their jobs. Hybrid work employees had less stress, are more productive, and are more focused than when they work in the office. It provides them better work-life balance, and it was more beneficial for their mental and physical well-being.

*H2: Workplace happiness has a significant positive impact on employee retention.*

Deery and Jago (2015) found that employee happiness acts as a positive energy, as it increases employee job satisfaction, and mental health and improves their relationship with colleagues, reducing their job burnout and their intention to quit their existing job. Roy and Rituparna (2018) explored that happiness at the workplace is the key factor to employee retention. The technology revolution transforms the employee's work culture. Employees who effectively balance their professional and personal life are called happy employees. If the organization fails to provide enough flexibility, the employee tends to quit his job. To retain valuable employees, an employer has to commit to making them happy. So, workplace happiness is positively related to employee retention. The employee will be more satisfied, engaged, and committed to his work when he feels happy and content at the workplace. Wright and Cropanzano (2007) revisited the happy/productive worker thesis as employees who are all happy at the work will have greater job performance, and high job retention, than employees who are less happy.

*H3: Happiness at workplace act as a significant mediator in the relationship between hybrid work model and employee retention*

## CONCEPTUAL FRAMEWORK



**Figure 1.** Conceptual framework examining the relationship among the study variables

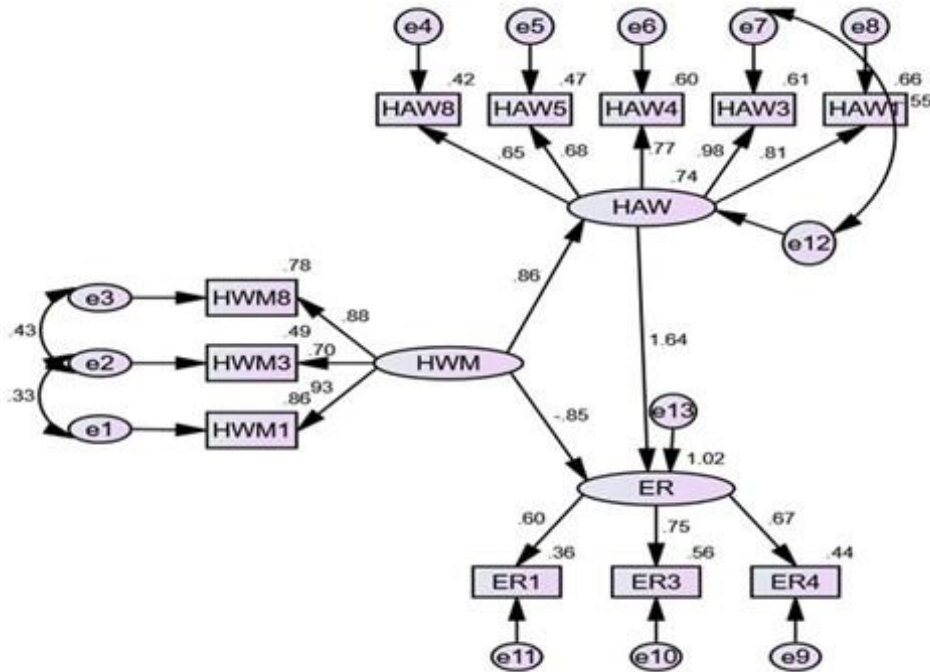
The conceptual framework is developed based on the review of the literature and it shows the relationship between hybrid working model, happiness at work, and employee retention. In this model, the independent variable is hybrid working model, employee retention is the dependent variable, and happiness at workplace act as mediating variable in the relationship between hybrid work model and employee retention, it may increase or decrease the strength of the relationship between the independent and dependent variables.

## RESEARCH METHODOLOGY

The research is conducted with a quantitative approach to the employees working remotely in the IT industry. In this study, a simple random sampling technique was used and the sample size was 200. The data was collected using the survey method and a Google form questionnaire was distributed to the 350 respondents through the online mode but received only 200 responses. The questionnaire contains questions related to hybrid work, happiness at work, and employee retention. In the questionnaire, each item was measured using a five-point Likert scale ranging from strongly agree (5) to strongly disagree (1). The independent variable hybrid working model was measured using items 1,2 from Baker (2021) and items 3,4,5,6,7,8 from Uresha (2020). Workplace happiness was measured using items 18 to 26 from Salas-Vallina and Alegre, (2021) and employee retention was measured using items 27 to 30.

**DATA INTERPRETATION AND RESULTS**

In this research, study regression analysis was performed using SPSS software to test Hypothesis 1 (H1), the impact of hybrid work model (HWM) on happiness at workplace (HAW) and Hypothesis 2 (H2), the impact of happiness at workplace (HAW) on employee retention (ER). SEM analysis was performed in AMOS to test the measurement and structural equation models and to evaluate Hypothesis 3(H3), mediation effect of happiness at workplace (HAW) on the relationship between hybrid work model (HWM) and employee retention (ER). Figure 2 shows the SEM model.



**Figure 2.** SEM model

**Table 1.** SEM analysis

Goodness of Fit Indices	Goodness of Fit Indices Values
$\chi^2$	14.68
$\chi^2/df$	2.097
Df	7
GFI	0.947
CFI	0.901
TLI	0.987
AGFI	0.896
RMSEA	0.075

A structural equation model (SEM) was developed (Figure 2) using AMOS to test the significant relationship between study variables. By performing confirmatory factor analysis (CFA), the indicators which had low factor loading (HWM2, HWM4, HWM5, HWM6, HWM7, HAW2, HAW6, HAW7, HAW9, and ER2) were deleted. The model fit measures (CMIN/df, GFI, CFI, TLI, AGFI, and RMSEA) were used to test the model’s goodness of fit as seen in Table 1. The values were within their respective acceptance levels. Hence, the three factors model (HWM, HAW and ER) was a good fit for the data CMIN/df=2.097, GFI=0.947, CFI=0.901, TLI=0.987, AGFI=0.896, and RMSEA= 0.075.

**Table 2.** Calculation of AVE, construct validity and reliability

			<b>Factor Loading (FL)</b>	<b>Item Reliability (IR)</b>	<b>Delta</b>	<b>AVE</b>	<b>Sum of FL</b>	<b>Squared Sum of FL</b>	<b>Sum of Delta</b>	<b>CR</b>	<b>Cronbach's Alpha <math>\alpha</math></b>
HWM8	<-- -	HWM	0.874	0.764	0.236	0.773	3.512	12.334	0.910	0.931	0.902
HWM5	<-- -	HWM	0.882	0.778	0.222						
HWM3	<-- -	HWM	0.820	0.672	0.328						
HWM1	<-- -	HWM	0.936	0.876	0.124						
HAW1	<-- -	HAW	0.797	0.635	0.365	0.546	4.414	19.483	2.723	0.877	0.854
HAW2	<-- -	HAW	0.658	0.433	0.567						
HAW3	<-- -	HAW	0.830	0.689	0.311						
HAW4	<-- -	HAW	0.776	0.602	0.398						
HAW5	<-- -	HAW	0.710	0.504	0.496						
HAW8	<-- -	HAW	0.643	0.413	0.587						
ER4	<-- -	ER	0.759	0.576	0.424	0.503	2.117	4.482	1.490	0.750	0.782
ER3	<-- -	ER	0.756	0.572	0.428						
ER1	<-- -	ER	0.602	0.362	0.638						

As part of the measurement model test, the construct validity and reliability were tested and the average variance extracted (AVE) value was calculated. A good rule of thumb for convergent validity is an AVE value should be 0.5 or more than 0.5, indicating adequate convergent validity. In Table 2, the AVE values exceeded 0.5 for all three constructs, thus convergent validity was acceptable. The rule of thumb for a construct reliability estimate is that 0.7 or higher suggests good reliability. In Table 2, all the CR values were greater than 0.7 and Cronbach's alpha value was also more than 0.7.

**Table 3.** Discriminant Validity

<b>Factors</b>	<b>AVE</b>	<b>Squared Interconstruct Correlation (SIC)</b>		
		<b>HWM</b>	<b>HAW</b>	<b>ER</b>
HWM	0.773	-	0.476	0.335
HAW	0.546	0.476	-	0.382
ER	0.503	0.335	0.382	-

All Average Variance Extracted (AVE) estimates in Table 3 were larger than the corresponding Squared Interconstruct Correlation (SIC) estimates. This means the indicators have more in common with the construct they are associated with than they do with other constructs. Therefore, the SEM model demonstrates Discriminant Validity.

## IMPACT OF HYBRID WORK MODEL ON WORKPLACE HAPPINESS

**Table 4.** Regression Analysis Summary

<b>Model</b>	<b>R</b>	<b>R<sup>2</sup></b>	<b>Adjusted R<sup>2</sup></b>	<b>SE of the Estimate</b>
1	0.830 <sup>a</sup>	0.688	0.687	3.56462

<sup>a</sup> Predictors: (Constant), Hybrid Work Model

**Table 5.** Regression Coefficients

Model		Unstandardized coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	P
1	(Constant)	12.302	1.098		11.203	0.000
	HWM Values	0.692	0.033	0.830	20.900	0.000

<sup>a</sup>Dependent Variable: Happiness at Workplace

The analysis result showed that the hybrid work model creates a significant impact on workplace happiness. The independent variable hybrid work model explained 68 percent variance in the dependent variable happiness at the workplace. As more than 25 percent of the variance was considered substantial (Heiman, 1998), this value was statistically significant. The contribution of hybrid work model value to the model was significant ( $\beta = 0.830, p = 0.000$ ). Hence, the result confirmed the hybrid work model has a significant impact on happiness at the workplace.

Thus, Hypothesis 1 (H1) was accepted and the regression equation developed from Table 5 was given as Happiness at Workplace = 12.302 + (0.692 X Hybrid Work Model). Therefore, there was a significant positive association between hybrid work model and happiness at the workplace.

**IMPACT OF HAPPINESS AT WORKPLACE ON EMPLOYEE RETENTION**

**Table 6.** Regression analysis summary

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	SE of the Estimate
1	0.694	0.481	0.479	1.93898

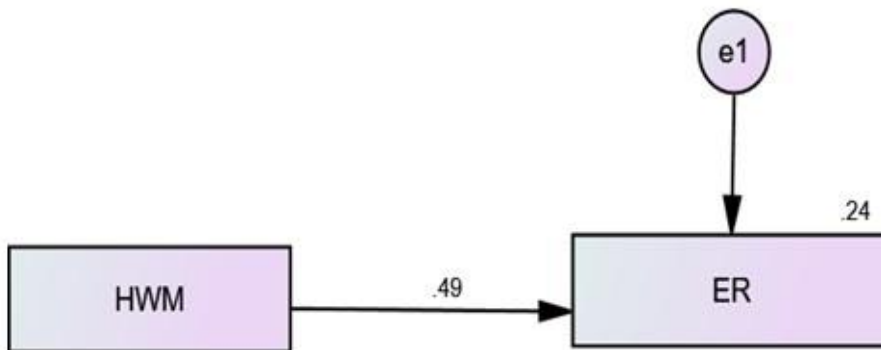
**Table 7.** Regression coefficients

Model		Unstandardized coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig
1	(Constant)	4.743	0.760		6.239	0.000
	Happiness at Workplace	0.293	0.022	0.694	13.554	0.000

<sup>a</sup>Dependent Variable: Employee Retention

Regression analysis was done to examine the influence of workplace happiness on employee retention. The analysis output result proved that the independent variable happiness at the workplace explained 48 percent of the variance with the dependent variable employee retention. The contribution of happiness at the workplace to the model was significant ( $\beta = 0.694, p = 0.000$ ). Hence, it was concluded that workplace happiness significantly influences employee retention. Therefore, Hypothesis 2 (H2) was accepted and the regression equation developed from Table 8 as Employee Retention = 4.743 + (0.293 X Happiness at Workplace).

**MEDIATION OF HAPPINESS AT WORKPLACE ON RELATIONSHIP BETWEEN HYBRID WORK MODEL AND EMPLOYEE RETENTION**



**Figure 3.** Total Effect of HWM on ER

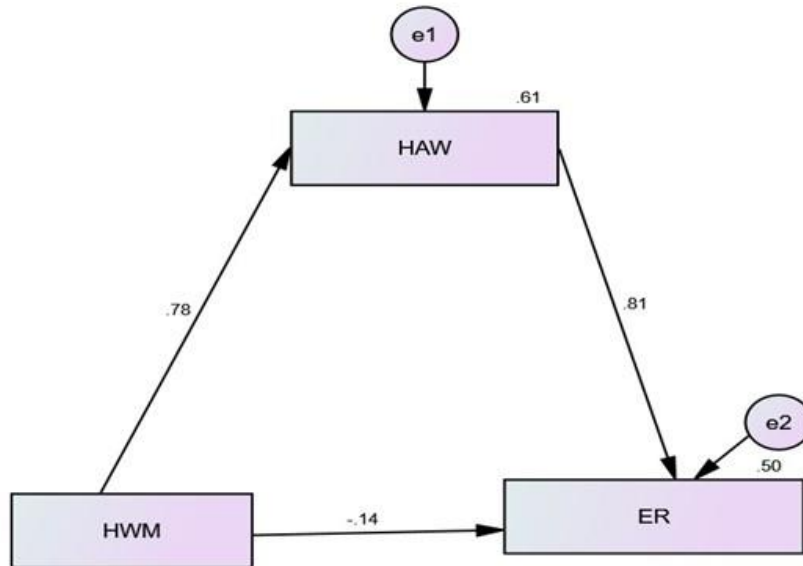


Figure 4. Direct and indirect effect of HWM on ER in the presence of mediator HAW

Table 8. Results of mediation analysis

	Standardized Estimate $\beta$	t- Value	P Value	Percentile bootstrap 95% Confidence Interval		Result
				Lower Bound	Upper Bound	
Total Effect HWM-> ER	0.49	0.067	0.004	0.355	0.623	Significant Impact
Direct Effect HWM->ER	-0.14	0.101	0.189	-0.318	0.820	Not Significant Impact
Indirect Effect HWM-> HAW-> ER	0.63	0.079	0.002	0.472	0.783	Significant Impact

The mediation analysis was done to assess the mediating role of happiness at workplace (HAW) on the relationship between hybrid work model (HWM) and employee retention (ER) in AMOS. Figure 3 showed the total effect of HWM on ER and Figure 4 showed the direct effect of HWM on ER in the presence of mediating variable HAW and indirect effects from HWM to HAW and then to ER. The results from Table 8 revealed the total effect of HWM on ER was positive and significant ( $\beta = 0.49$ ;  $t = 0.067$ ;  $p = 0.004$ ) and the lower and upper confidence intervals did not cross the zero. Hence, the total effect of HWM on ER was statistically significant. The direct effect of HWM on ER was negative and insignificant ( $\beta = -0.14$ ;  $t = 0.101$ ;  $p = 0.189$ ), and the lower and upper confidence intervals also crossed the zero value. So, it was concluded that the direct effect of HWM on ER was statistically insignificant. The indirect effect of HWM on ER in the presence of mediator HAW was positive and significant ( $\beta = 0.63$ ;  $t = 0.079$ ;  $p = 0.002$ ) and the lower and upper confidence interval values did not cross the zero. Hence, the indirect effect of HWM on ER was statistically significant. This showed that HAW fully mediates the relationship between HWM and ER, hence H3 was accepted.

## FINDINGS AND DISCUSSION

The aim of this study was to examine whether the hybrid working model, workplace happiness, and employee retention were significantly related and to test whether workplace happiness acts as an effective mediator in the relationship between the hybrid working model and employee retention. After SEM analysis, regression analysis, and mediation analysis, the findings of this study revealed that the hybrid working model (HWM) is positively related to happiness at the workplace (HAW). Workplace happiness (HAW) is also positively related to employee retention (ER), and happiness at the workplace (HAW) fully mediates the relationship between hybrid working model (HWM) and employee retention (ER). After the Covid-19 period, employees expect more flexibility in their work because they give more preference to their personal life than their professional life. A hybrid working model provides more work flexibility and autonomy, in which employees can work at the office and any location. It helps them to balance their work and personal life effectively which ultimately increases their workplace happiness level. This result is supported by the previous study by Hibob (2021) and Forbes (2022). In the advanced digital era, employees have a more job-hopping tendency, which has become a great problem in the IT industry as it leads to high employee turnover. Companies are also struggling due to the shortage of skilled employees to attain their business goals, so in the IT industry, employee retention is very essential to retain their talents.



Happiness at the workplace is key to retaining talent, it highly influences employee retention by increasing their intention to stay in the existing company. This finding was aligned with the previous study by Deery and Jago (2015), and Roy and Rituparna (2018). IT companies should pay more importance to hybrid work model design, if employees do not get happiness at the workplace out of that model, they will not stay longer and tend to move to other companies. Only when the hybrid working model gives workplace happiness for the employees, the organization can retain its employees, otherwise, it will meet the consequences of employee turnover, shortage of skilled workforce, and high employee turnover cost. Hence, happiness at the workplace fully mediates the relationship between the hybrid working model and employee retention. This result was supported by Atkinson and Hall (2011).

## CONCLUSION

Based on the analysis result, this study concluded that hybrid work model (HWM) is a key to happiness at the workplace. In the IT sector, it provides more flexibility and autonomy in the work, and also it reduces commuting costs and time, increases overall well-being, helps to spend time on personal learning, provides better work-life balance and improves the happiness level in the workplace. Flexibility is the number one benefit of the hybrid work model as it motivates and empowers the workforce to do their best work, which increases the production level. The organizations invest in their workforce instead of the office infrastructure, which is highly improved the employee's expertise and overall well-being. Hybrid work is an effective workstyle in the modern workplace and also its major advantage is, it overcomes the disadvantages of fully remote work. The benefit of this model is employees can schedule their work time and place, which helps them to allot time to improve their skill sets than the employees working fully at the office. It creates a happy and healthy workforce and work environment. Employees working in IT companies highly prefer a hybrid working model without any gender differences. Employees working in the hybrid work model will be more engaged and highly satisfied in their work and organization, which improves their happiness level at the workplace. A happy workplace helps to retain existing employees by increasing their intention to stay. A happy employee stays longer than an unhappy employee and also, acts as a brand ambassador of the company through word of mouth. Hence, the study concluded that by adopting an effective hybrid working model which is designed based on the needs and preferences of employees, the organizations can improve the employee's happiness level at the workplace. Workplace happiness leads to a high employee retention rate as well as high production which ultimately makes the organization a high-performance organization.

## THEORETICAL IMPLICATION

The findings of this study provide theoretical and managerial implications for employee retention in the IT industry. The hybrid working model has turned into the dominant model. Organizations must rethink to align with the hybrid work model in the future, and employers should understand and meet the demands of the employees. The right combination of hybrid work will increase the employees' workplace happiness, and productivity and reduce employee turnover. It has practical implications for organizations in helping them to retain their key talents, and it plays a vital role in developing a more supportive and employee-friendly work culture.

## LIMITATION FOR FUTURE STUDY

Since the hybrid working model is going to dominate the future workplace, there is a vast scope for research in this area. Only the IT sector was considered for this study, therefore, further research studies can be conducted in the future with other sectors like engineering, service, manufacturing, education, healthcare, media, and so on.

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