
THE IMPACT OF HYBRID WORKING ON EMPLOYEE WELL-BEING WITH THE MODERATING ROLE OF ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF IT SECTOR IN PAKISTAN

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Abstract

Purpose – This paper examines the effect of hybrid working arrangements on employee well-being in the IT sector of Pakistan, with special reference to the moderating role of organizational performance. It further explores the mediating mechanisms of work-life balance, mental health, and physical health.

Design/Methodology/Approach – A quantitative cross-sectional survey was conducted among 462 IT professionals from Lahore and Karachi. Data were gathered using a structured questionnaire assessing hybrid work, employee well-being, organizational performance, and demographic controls. Hierarchical regression, PROCESS for moderation analysis, and bootstrapping mediation were employed to test hypothesized relationships.

Findings – Hybrid working significantly enhances employee well-being ($\beta = 0.40, p < 0.001$). This relationship is moderated by organizational performance ($\beta = 0.18, p < 0.001$) such that the positive effect is stronger for high-performing organizations. The main effect is partially mediated by work-life balance, mental health improvement, and reduced physical exhaustion, among which mental health is the strongest mediator (indirect effect = 0.11). Despite challenges like internet/electricity issues and lesser team connectivity, 81.2% of employees want to continue hybrid arrangements.

Practical Implications – Organizations need to invest in technological infrastructure, managerial training, and enabling policies to realize the benefits of hybrid work. Recommendations are provided for approaches targeting junior employees and addressing career visibility concerns.

Originality/Value – This study extends the Job Demands-Resources model by introducing organizational performance as a contextual moderator; a novel contribution in the hybrid work literature. It also provides empirical evidence from a developing economy context, addressing a significant research gap.

Keywords – Hybrid working, employee well-being, organizational performance, moderation, IT sector, Pakistan.

JEL Codes: M54, J28, J81, D23, O15

1. Introduction

1.1 Background of the Study

Over the last five years, the world of work has gone through a radical change, and one of the most enduring impacts of the COVID-19 pandemic has been the introduction of hybrid working (Wang et al., 2021; Kniffin et al., 2021). The hybrid approach to work, which combines remote and in-person options, has become a strategic organizational choice rather than a response to the COVID-19 crisis and is being implemented by organizations in various industries and around the world (Choudhury et al., 2021; Charles et al., 2025). There is a paradigm shift influencing employee well-being, which has a psychological, emotional, and physical dimension, and takes center stage in the HRM agenda more and more (Bakker & Demerouti, 2017; Wright, 2014).

Employee well-being (EWB) has been described as the "overall balance of positive emotions over negative emotions in the absence of chronic stress, emotional exhaustion and in the presence of positive affectivity" (Bakker & Oerlemans, 2011; Wright & Cropanzano, 2000).

Well-being is not just limited to the workplace; it also includes managing digital fatigue, handling the working-life boundaries, the psychosocial safety, and being able to socially connect appropriately when working remotely (Mateen et al., 2025; Keller et al., 2022). The consequences are profound, as there are high correlations between employee wellbeing and critical business outcomes like productivity, retention, innovation and customer satisfaction (Asif & Rafiq-uz-Zaman, 2026; Haar et al., 2022; Zheng et al., 2015).

The IT industry offers a unique backdrop to explore hybrid work and employee wellness. IT workplaces globally experience high levels of occupational stress due to performance pressure, regulatory requirements, and customer expectations (Burke, 2009; van Steenbergen & Ellemers, 2009). Pakistan's private IT industry has grown exponentially due to digital transformation, financial deregulation, and the growth of IT services. This growth has been paralleled by increased workplace stresses, decreased work-life balance, and job dissatisfaction among IT workers (Dawood & Hassan, 2025; Khan et al., 2019). With hybrid working adoption and pre-existing sectoral stressors, understanding flexible working's impact on employee well-being in this high-stress environment becomes imperative.

1.2 Problem Statement

Although hybrid working is commonplace today across the world, there is a lack of empirical knowledge of the impact of such arrangements on employee wellbeing. The current literature has an interesting paradox: while remote work offers increased flexibility, independence and reduced commuting stress (all associated with greater well-being), it also presents novel psychosocial stressors including digital burnout, work-life boundary blurring, social isolation and expectations of constant connectivity (Mateen et al., 2025; Tavares, 2021; Keller et al., 2022). The hybrid working model brings up significant questions regarding equity in balancing the benefits and disadvantages of a mixed work style for workers' health.

There is a large body of literature that is missing, particularly in the context of the developing economies. The majority of research on hybrid working is from a Western environment and with other cultural norms, regulations and technological setups (Allen et al., 2015; Shujat & Fahad, 2025). The hybrid work experiences in Pakistan can be vastly different because of its collectivist culture, hierarchical organizational workflows, digital literacy, and gender norms (Dawood & Hassan, 2025; Hofstede, 2021). Furthermore, there are no theoretical discussions and testing in the literature for some of the moderators, including organizational support (Charles et al., 2025) and individual digital competence (Shujat & Fahad, 2025).

The IT sector in Pakistan exemplifies such research gaps. Dawood and Hassan (2025) reported that unachievable performance targets, extended working hours, regulatory requirements, and client interactions are common stressors among private IT employees. Numerous companies have wellness policies, flexible work leave, and mental health programs, but these are inconsistently implemented, especially at branch level in non-metropolitan areas. Financial stability, efficiency, and resource accessibility significantly impact hybrid work arrangements' success and their well-being implications. Performance-constrained organizations may lack technological, managerial, and financial resources to support effective hybrid working implementation, while high-performing organizations may possess these resources in abundance.

1.3 Research Objectives

This study aims to:

- Explore the direct effect of hybrid working models on the well-being of professionals in Pakistan's private IT sector.

- Examine the moderating effect of organizational performance on the relationship between hybrid working and employee well-being.
- Understand how hybrid working affects well-being through mediation mechanisms including improved work-life balance, better mental health, and reduced physical fatigue.

1.4 Research Questions

This research seeks to answer:

- What is the impact of hybrid working on employee well-being (psychological health, work-life balance, physical health) in Pakistan's IT industry?
- Does the link between hybrid working and employee well-being differ between high and low-performing organizations, such that beneficial effects are greater in high-performing organizations?
- What are the most important mechanisms (work-life balance, mental health, physical well-being) by which hybrid working affects employee well-being?

1.5 Significance of the Study

This research contributes to theory and practice. Theoretically, it adds to the Job Demands-Resources (JD-R) model (Bakker & Demerouti, 2017) by including organizational performance as a moderator determining whether hybrid work characteristics are experienced as resources or demands. This integration contributes knowledge about how organizational-level factors condition individual-level well-being outcomes, a relationship poorly explored in hybrid work literature. The study also brings insights to Self-Determination Theory (Ryan & Deci, 2024), investigating whether basic psychological needs of autonomy, competence, and relatedness are fulfilled or thwarted by hybrid work in a collectivist culture.

Practically, insights have implications for HR managers, IT executives, and policymakers in Pakistan's IT sector. With growing hybrid working arrangements, evidence-based guidance is needed to structure hybrid working to ensure employee well-being. Investigating organizational performance as a moderator enables identifying IT companies needing more support or alternative approaches for successful hybrid working implementation without jeopardizing employee well-being.

In terms of SDGs this research relates to SDG 3 (Good Health and Wellbeing) SDG 8 (Decent Work and Economic Growth) and SDG 5 (Gender Equality). The results point towards the positive potential of hybrid work for employee well-being, decent and sustainable working conditions and society's development (Dawood & Hassan, 2025; ILO 2021).

1.6 Scope and Delimitations

The study aims to explore the adoption of hybrid working practices among IT industry workers in Lahore and Karachi, where they are most widely-used. Participants come from a variety of functional roles, such as software developers, system analysts, network administrators, project managers, and IT support, and have different perspectives on experiences with hybrid work. This study uses a quantitative cross-sectional research method with primary data obtained through questionnaires. This results in broad conclusions, but provides a good snapshot of well-being at a particular point in time, which are not amenable to causal inferences. Continuing longitudinal research would help inform such findings as how well-being evolves over time in the context of evolving hybrid work arrangements.

1.7 Structure of the Paper

After this introduction, the paper gives an in-depth review of literature concerning with theoretical background and empirical studies on hybrid work, employee wellbeing, organizational performance and context of IT sector in Pakistan. Research design, sampling,

measurement tools and analysis procedures are explained in the methodology section. Future directions, limitations, practical implications, theoretical implications, discussion of findings, and results are discussed in the following sections.

2. Literature Review

2.1 Introduction to Hybrid Working and Employee Well-being

One of the most significant shifts in modern human resource management is the transformation of the traditional workplace model to a hybrid type. The COVID-19 pandemic has led to the development of hybrid working—a permanent change in organizational operations involving a mix of remote and on-site working arrangements (Wang et al., 2021; Charles et al., 2025). This change has far-reaching implications for employee well-being, including psychological, emotional, and physical components that contribute to workforce sustainability and organizational effectiveness.

Various conceptualizations of EWB exist in the literature. Bakker and Oerlemans (2011) describe EWB as a balance of positive and negative emotions due to job satisfaction, while Wright (2014) emphasizes that EWB is characterized by absence of stress and emotional burnout alongside positive affectivity. In the hybrid work environment, well-being extends beyond conventional factors to encompass digital fatigue management, work-life boundary control, and psychosocial safety (Mateen et al., 2025; Keller et al., 2022).

2.2 Theoretical Foundations

Several theories explain the link between hybrid working and employee well-being. The Job Demands-Resources (JD-R) model (Bakker & Demerouti, 2017) holds that employee well-being and engagement result from job demands (sustained efforts required) and job resources (job elements facilitating goal attainment and buffering against job stressors). In hybrid work environments, job resources include flexibility and autonomy, while digital overload and boundary blurring represent new job demands (Charles et al., 2025; Eng et al., 2024).

Self-Determination Theory (SDT) provides complementary insights by suggesting that satisfaction of three basic psychological needs—autonomy, competence, and relatedness—increases intrinsic motivation and well-being (Ryan & Deci, 2024). The hybrid model may fulfill the autonomy need through time and place flexibility but risks relatedness due to decreased face-to-face social interactions (Ganguly et al., 2025; Charles et al., 2025).

Social Exchange Theory (SET) helps explain how organizational support affects employee outcomes. SET suggests that staff respond to perceived organizational support with commitment and engagement (Blau, 1964; Musleh & Cross, 2025). Organizations offering hybrid work as employee support may initiate well-being and performance benefits, creating a positive feedback loop.

2.3 Hybrid Working and Employee Well-being: Empirical Evidence

The empirical literature shows a complex, even paradoxical relationship between hybrid working and the well-being of employees. There are several benefits to hybrid work, such as less stress, more flexibility, and better work-life balance (Mateen et al., 2025; Gajendran et al., 2022). Charles et al. (2025) found that hybrid working had a profound effect on employee engagement in an IT company, as workers believed that they had the flexibility to shape their working and personal lives as they wished.

There are also new stressors arising from hybrid working. It has been established that digital burnout leads to mental fatigue due to prolonged screen usage, trouble with “unplugging” after work, loss of interest in virtual meetings and decreased concentration

(Mateen et al., 2025; Keller et al., 2022). Mateen et al. (2025) reported that the mental exhaustion level after screen use was indicated by 49.4% of the respondents, and the screen time and meeting load had significant effects (Asif & Bashir, 2026).

Well being issues in the IT Industry are particularly challenging. According to Dawood and Hassan (2025), stress is a common occurrence in the work of Pakistani private IT professionals due to performance goals, lengthy working hours, regulatory requirements, and demanding client interactions. These stressors can be exacerbated by technology pressures and limited social support, within hybrid contexts. Therefore, the Spanish IT sector could serve as a case in point for cross-cultural relevance, as Medina-Garrido et al. (2017) concluded that the effectiveness of work-family policies on job performance is indirect due to the impact of policies on employee well-being.

2.4 Work-Life Balance and Boundary Management

Work-life balance—the ability to balance work and personal life—is critical for hybrid workers. This balance is reached when individuals enjoy their job, don't feel exhausted, and are more positive and healthy psychologically (Greenhaus & Allen, 2011; Haar et al., 2022). But hybrid work is difficult to differentiate between work and home (Ipsen et al., 2021; Vartiainen & Hyrkkänen, 2022).

Balancing work and life in the IT industry is a problem in Pakistan. According to Dawood and Hassan (2025), professionals tend to work overtime in order to meet deadlines. The role of family in Pakistan is significant and traditional gender roles are still followed, which renders it difficult to differentiate between work and family life (Batool & Khalid, 2012; Shahbaz & Raza, 2022).

However, when done right, hybrid working can have a positive effect on employees as Mateen et al. (2025) discovered that 69% of hybrid workers were satisfied with their work-life balance. But 47% struggle with not being able to turn off the work at the end of their working day, highlighting the importance of good boundary management and organizational support.

2.5 The Moderating Role of Organizational Performance

There is limited research on the impact of hybrid working on employee well-being, and organisational performance may influence this. Organizational performance includes profitability, productivity, customer satisfaction and innovation. The relationship between well-being and performance has been poorly studied, with a primary focus on how well-being influences performance rather than the other way around (Medina-Garrido et al., 2017; Zheng et al., 2015).

Medina-Garrido et al. (2017) showed that 1511 Spanish IT workers who felt better after having adopted work-family policies performed better at their jobs. Their research concluded that employee wellbeing was a factor in employee performance and accounted for a significant amount of difference in employee performance.

Shujat and Fahad (2025) found that the influence of working from home on employee engagement was observed in the IT sector in Pakistan, where digital communication competence was observed as a factor that boosted the engagement of employees with flexible work arrangements. Their research indicated that companies with digital infrastructure and communication systems could assist their employees to work better remotely.

The organizational support theory and the resource-based view are the sources of the notion that organizational performance impacts flexible work arrangement effectiveness. Those organizations that perform well usually have resources (competent management, adequate funding, and/or good technology) that can help facilitate flexible work arrangements that have a positive impact on the experience of flexible work, such as freedom and flexibility, and a

negative impact, such as fatigue and isolation. Poor organizations are less likely to support their employees and it will be more difficult for employees to feel good and perform well.

2.6 Sector-Specific Considerations: Pakistani IT Context

The IT sector, specifically the private sector in Pakistan, offers insightful insights into the impact of hybrid work and employee well-being. Digital transformation and growing IT services have given a huge boost to the sector. The increase in growth has forced workers to meet project requirements in work environments that lack control, while at the same time delivering quality services.

There are multiple factors that can impact the outcomes of employees in IT companies. Close supervision and hierarchical organizations can reduce the advantages of being able to work from home. Roy and Saha (2020) have found that such management practices can lead to decreased work benefits. Dawood and Hassan (2025) identified that while strong management and micromanaging is stressful on IT professionals, traditional management practices can ultimately dampen the positive effects of the hybrid work model (Khan et al., 2026).

Results are also different by gender. Women in Pakistan are suffering from issues in the work places and at home without adequate support from the companies. But hybrid working could help them to strike a balance between work and home life, if supported by policies. The second challenge is between the organizational rhetoric and implementation. While wellness programs, flexible schedules, and mental health support are offered by companies, Dawood and Hassan (2025) noted that those supportive measures are not always put in place, particularly in smaller cities. Employees might not be aware of the services, or they may fear to use them, which reduces their effectiveness (Ahmed & Asif, 2026).

2.7 Digital Communication Competence and Well-being

A new report from the National Association of Schools of Public Health highlights the need for digital communication skills for the 21st century worker. Skills that allow effective sharing of information, coordination of tasks and management of relationships as they are performed in physically dispersed environments. Staff who have excellent digital communication skills are better able to cope with the technology requirements of hybrid working, and are not as frustrated and healthy.

Shujat and Fahad (2025) concluded that digital competence certification contributed to the optimization of the association between working from home and employee engagement in the IT industry in Pakistan. Having digital skills is associated with higher benefits from flexible working arrangements, providing training could boost well-being in hybrid working. On the other hand, the flexibility might increase stress for workers with digital skills because they might struggle to clear up misunderstandings and communication. On the other hand, for workers who lack digital skills, flexibility could lead to added strain because of communication challenges and misunderstandings. This may result in inequities in well-being outcomes in Pakistan given the differences in digital literacy.

2.8 Gaps in Literature and Contribution of Present Study

There are some gaps in the knowledge of the impact of hybrid working and employee well-being in developing countries. The bulk of research is conducted in Western countries having different cultures, infrastructure and regulations. Collectivist culture, hierarchical work structures, and unequal digital infrastructures are what makes hybrid working unique in South Asia.

The moderating effects of organizational performance on the relationship between hybrid working and employee well-being is relatively under-researched. Previous research has

focused on organizational support and technological competence, but organizational performance is not a topic that has been sufficiently explored in the context of hybrid working.

The characteristics of Pakistan's IT sector make it an ideal setting for studying hybrid work, as it is shaped by a distinct culture, performance-oriented environment, and digital transition. This study aims to fill these gaps by analyzing the moderating effect of organizational performance between hybrid working and employee well-being in the IT industry in Pakistan, following a framework that combines the JD-R, SDT, and SET models.

2.9 Conceptual Framework and Hypotheses

The literature review for this study suggests that hybrid working arrangements can have a multi-faceted impact on employees' well-being. According to the JD-R model, hybrid work would offer well-being-enhancing job resources (autonomy, flexibility) and demands (digital overload, boundary blurring) that could impair it. Moderator in this relationship is proposed: Organizational performance. Well-designed technology, managerial training and policy support can maximize the positive and manage the negative impacts of the hybrid workforce.

The framework is based on the work of Dawood and Hassan (2025) on stressors in the IT sector, Mateen et al. (2025) on burnout, Medina-Garrido et al. (2017) on work-family policies, Shujat and Fahad (2025) on digital competence, and Charles et al. (2025) on organizational support.

The following hypotheses are made:

- **H1:** Hybrid working has a significant positive impact on employee well-being.
- **H2:** Organizational performance moderates the relationship between hybrid working and employee well-being, such that the positive effect is stronger in high-performing organizations.
- **H3:** Work-life balance mediates the relationship between hybrid working and employee well-being.
- **H4:** Mental health improvement mediates the relationship between hybrid working and employee well-being.
- **H5:** Reduced physical exhaustion mediates the relationship between hybrid working and employee well-being.

3. Methodology

3.1 Research Philosophy and Approach

The study uses the positivist epistemology, which builds on the assumption that reality is seen as consisting of observable and measurable facts, the purpose of which is to find out if the theoretical propositions (JD-R, SDT, SET) are correct. The quantitative approach is deductive in nature, which is typical in organizational research (Creswell & Creswell, 2018; Saunders et al., 2019), and uses numerical data to test the hypotheses.

3.2 Research Design

A cross-sectional design study was used to explore relationships between study variables. This design was chosen for several reasons including its ability to collect data from a large sample which makes it possible to draw generalisations about Pakistani IT professionals (Field, 2018), its ability to efficiently analyse relationships at one point in time (Bryman & Bell, 2015) and the fact that quantitative analysis would suit the objective of the research which was to test hypotheses and analyse the strength of the relationship between the variables.

Cross-sectional designs do not allow for causal inference but can be used as a preliminary examination and for confirmation and can be used to point to patterns and relationships for future longitudinal designs (Hair et al., 2019).

3.3 Population and Sampling

3.3.1 Target Population. Hybrid workers in the IT sector of Lahore and Karachi were the target group. The participants comprised software developers, system analysts, network administrators, project managers, quality assurance professionals and various other levels of IT support staff.

3.3.2 Sampling Strategy. But because of difficulties in getting a comprehensive list of employees from IT companies and limitations in resources, convenience sampling was used. Recruitment of participants was done through professional networks, LinkedIn groups, industry associations (P@SHA) and snowball sampling. Data collection occurred over three months (March-May 2026).

3.3.3 Sample Size. A total of 462 usable responses were obtained from employees in a variety of IT companies. This sample size is larger than needed for structural equation modeling (10-15 responses per measured item) (Hair et al., 2019) for the ability to detect moderate effect sizes (Cohen, 1988).

3.4 Data Collection Instrument

3.4.1 Questionnaire Development. An instrument-based questionnaire with some modifications was created for the context of the Pakistani IT industry. The survey consisted of six parts:

Section A: Demographic Information includes gender, age group, job position, company type, hybrid work experience.

Section B: Hybrid Working (Independent Variable) – Five items adapted from Bloom et al. (2015), Choudhury et al. (2021) and Gajendran et al. (2022) measuring work flexibility, remote work frequency, task autonomy, and remote work support.

Section C: Employee Well-being (Dependent Variable) – Eight items adapted from Bakker and Oerlemans (2011), Wright and Cropanzano (2000), and Mateen et al. (2025) related to psychological well-being (stress reduction, mental health), physical well-being (reduced exhaustion), job satisfaction, and work-life balance.

Section D: Organizational Performance (Moderating Variable) – Seven items adapted from Medina-Garrido et al. (2017), Zheng et al. (2015), and Charles et al. (2025) that measured productivity, service quality, team collaboration, employee retention and cost efficiency.

Section E: Challenges & Barriers – Five items focusing on the reliability of the internet, security concerns, team connectivity, visible careers and performance evaluation practices.

Section F: Overall Perception – Two items measuring overall hybrid work perceptions. The items were rated on a 5-point rating scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. All items were given in English, the language of business in the IT industry in Pakistan.

3.4.2 Pilot Testing. The clarity, relevance, and comprehensibility were assessed using a pilot test involving 30 IT professionals. Participants said that they understood everything, and some wording changes were made to clarify items. Reliability analysis revealed that all scales had acceptable levels of internal consistency (Cronbach's $\alpha > 0.70$).

3.4.3 Data Collection Procedure. The questionnaire was sent online using Google Forms, on professional networks. Informed consent was obtained and participants were informed of the research purpose, confidentiality and anonymity. The average completion time was 10-12 minutes. There was an 84% return rate with 462 of 550 returns being completed and usable following data cleaning.

3.5 Variables and Measurement

3.5.1 Independent Variable: Hybrid Working (HW). The five items included in the measure of hybrid working were related to work flexibility, autonomy and organizational support. Answered questions include: "I have flexibility in how I divide my time between work and home", "I am able to select the days that I telework", "I have access to needed technology for telework days", "My manager is confident that I can do my job well while working remotely", and "Communication with work colleagues is effective while working remotely. The average of the answers was used for a composite score. Cronbach's alpha was 0.82.

3.5.2 Dependent Variable: Employee Well-being (WB). Employee Well-being (WB). Well-being of employees was evaluated based on eight items that tapped into mental health, work-life balance, physical health, and job satisfaction. The following are examples of items that could be included: "I feel less physically drained because of the reduced commute," "I feel more energized and motivated in my work," "My mental health has improved since I started hybrid work compared to being in the office every day," "My overall quality of life has improved because of hybrid work," "I have less work-related anxiety than before," "I have less stress and burnout from working all day long," and "I feel more in control of my work schedule, resulting in higher levels of job satisfaction. Responses were averaged to obtain a composite score. Cronbach's alpha was 0.89.

3.5.3 Moderating Variable: Organizational Performance (OP). Organizational Performance (OP). Seven items measuring perceived organizational outcomes were used to assess organizational performance. The items include: "I am more productive working from home some days and at the office some days," "The quality of the services I provide to the company has improved because I work from home some days and at the office some days," "Collaborating in my company on important tasks has not become more difficult as a result of hybrid working," "My company has seen better employee retention since implementing hybrid working," "My company has reduced operational costs because of hybrid working," "Innovation and creativity have increased in my company due to hybrid working," and "My company's overall efficiency has increased thanks to hybrid working. The mean of responses was used to determine a composite score. Cronbach's alpha was 0.85.

3.5.4 Control Variables. In analyses, the following demographic variables were controlled: gender (1 = Male, 2 = Female); age group (1 = 20-30 years, 2 = 31-40 years, 3 = 41-50 years, 4 = Above 50 years); job position (1 = Entry-level officer, 2 = Mid-level manager, 3 = Senior manager/Department head, 4 = Executive/VP/C-level); company type (1 = Public sector, 2 = Private sector, 3 = Foreign/MNC); and hybrid work experience (1 = less than 6 months, 2 = 6 months to 1 year, 3 = 1-2 years, 4 = more than 2 years).

3.5.5 Interaction Term. The interaction term ($HW \times OP$) was developed by using standardized scores of the two moderators—hybrid working and organizational performance (Aiken and West, 1991)—to test for moderation.

3.6 Data Analysis Strategy

Data was analysed with SPSS 26.0 and PROCESS macro for SPSS (Hayes, 2018).

3.6.1 Descriptive Statistics. Descriptive data was presented in the form of means, standard deviations, frequencies and percentages, to provide a summary of the sample characteristics and the distributions of the variables.

3.6.2 Reliability and Validity Assessment. For each instrument, internal consistency reliability was determined by calculating Cronbach's alpha (Nunnally & Bernstein, 1994) and acceptable level was set at 0.70. Confirmatory factor analysis (CFA), which is implemented in AMOS 26.0, was used to examine the construct validity. The average variance extracted (AVE

> 0.50) and composite reliability ($CR > 0.70$) (Fornell & Larcker, 1981) were used to determine convergent validity. To test for discriminant validity, an examination of inter-construct correlation was conducted in comparison to the $\sqrt{AVE}$.

3.6.3 Common Method Bias. The Harman's single factor test was used for assessing the common method bias. Procedural remedies were anonymity, different types of scales, and separating the time between the predictor and the criterion (Podsakoff et al., 2003).

3.6.4 Correlation Analysis. Pearson correlation coefficients were used to analyse the correlation among the study variables and multicollinearity.

3.6.5 Hypothesis Testing. Direct Effect (H1): Demographic variables were controlled in a hierarchical regression analysis to determine the effect of hybrid working on employee well-being.

Moderation Effect (H2): In order to examine the moderating effect of organizational performance (Baron & Kenny 1986; Aiken & West 1991), hierarchical multiple regression was used, and variables were entered into three steps: (1) the control variables, (2) the hybrid working and organizational performance variables, and (3) the interaction term ($HW \times OP$). Simple slopes analysis was used to explore significant interactions.

Mediation Effects (H3, H4, H5): PROCESS macro (Hayes, 2018) showed that the indirect effects of work-life balance, mental health improvement, and reduced physical exhaustion were assessed. Mediation was deemed to occur when 95% confidence intervals for indirect effects did not contain zero.

3.6.6 Additional Analyses. Independent samples t-tests and one-way ANOVA were used to compare differences across the various demographic groups and Tukey HSD post-hoc tests for significant ANOVA results.

3.7 Ethical Considerations

Ethical research guidelines were followed: informed consent was achieved, confidentiality/anonymity was maintained, participation was voluntary and withdrawal was possible, data was stored securely, and no deception used.

3.8 Limitations of Methodology

Methodological limitations are: cross sectional design that does not permit causal inferences; convenience sampling that reduces generalizability; self-report data that might include social desirability bias; the focus of geographic sampling on Lahore and Karachi that diminishes the generalizability to other Pakistani cities; and perceptions of organizational performance rather than objective measures. The methodology is suitable for initial theory testing and is also a starting point for future multi-source, longitudinal research, despite these limitations.

4. Results

4.1 Descriptive Statistics

4.1.1 Sample Characteristics. Table 1 presents the demographic characteristics of the sample ($N = 462$).

Table 1

Demographic Profile of Respondents

Characteristic	Category	Frequency	Percentage
Gender	Male	258	55.8%
	Female	204	44.2%
Age Group	20-30 years	175	37.9%
	31-40 years	198	42.9%
	41-50 years	68	14.7%

	Above 50 years	21	4.5%
Job Position	Entry-level	148	32.0%
	Mid-level manager	176	38.1%
	Senior manager	89	19.3%
	Executive/C-level	49	10.6%
Company Type	Public sector	96	20.8%
	Private sector	264	57.1%
	Foreign/MNC	102	22.1%
Hybrid Experience	Less than 6 months	58	12.6%
	6 months to 1 year	124	26.8%
	1-2 years	176	38.1%
	More than 2 years	104	22.5%

The sample comprised 55.8% male and 44.2% female participants, reflecting IT sector gender distribution. Most participants were 31-40 years (42.9%) or 20-30 years (37.9%). Most held entry-level or mid-level positions (70.1%). Private sector employees comprised 57.1%, followed by MNCs (22.1%) and public sector (20.8%). Hybrid work experience varied, with 38.1% having 1-2 years experience and 22.5% more than two years.

4.1.2 Descriptive Statistics of Key Variables. Table 2 shows us the statistics, for the main things we are looking at in this study the key study variables.

Table 2

Descriptive Statistics of Key Variables

Variable	N	Mean	SD	Min	Max	Skewness	Kurtosis
Hybrid Working (HW)	462	3.84	0.91	1.00	5.00	-0.78	0.92
Employee Well-being (WB)	462	3.92	0.87	1.25	5.00	-0.65	0.43
Organizational Performance (OP)	462	3.76	0.94	1.00	5.00	-0.72	0.56
HW×OP (Interaction)	462	14.76	3.28	1.00	25.00	-0.38	-0.21

Hybrid working mean score was 3.84 (SD = 0.91), employee well-being mean was 3.92 (SD = 0.87), and organizational performance mean was 3.76 (SD = 0.94). Skewness and kurtosis values were within acceptable ranges for normal distribution (Hair et al., 2019).

4.1.3 Item-Level Analysis.

Table 3

Hybrid Working Item Responses

Item	Mean	SD	% Agree/Strongly Agree
HW1: Company allows split work week	4.12	0.89	76.4%
HW2: Flexibility to choose remote days	3.91	1.02	69.7%
HW3: Adequate technology support	3.78	1.08	64.5%
HW4: Manager trusts without direct supervision	3.85	0.97	67.3%
HW5: Smooth communication on remote days	3.56	1.12	58.4%

The highest-rated item was company allowance for split work week (Mean = 4.12, 76.4% agreement). The lowest-rated was smooth communication on remote days (Mean = 3.56, 58.4% agreement), indicating ongoing communication challenges.

Table 4

Employee Well-being Item Responses

Item	Mean	SD	% Agree/Strongly Agree
WB1: Reduced daily stress and burnout	3.94	1.04	72.5%
WB2: Better balance of responsibilities	4.08	0.92	78.1%
WB3: Improved mental health	3.82	0.98	68.0%
WB4: Less physical exhaustion	3.96	0.95	74.2%
WB5: Sense of control, improved job satisfaction	3.89	0.94	70.3%

The highest-rated well-being item was better balance of responsibilities (Mean = 4.08, 78.1% agreement). The lowest was improved mental health (Mean = 3.82, 68.0% agreement), suggesting hybrid work benefits mental health for most but not all employees.

Table 5

Organizational Performance Item Responses

Item	Mean	SD	% Agree/Strongly Agree
OP1: Increased productivity	3.82	1.02	68.4%
OP2: Improved service quality	3.56	1.08	60.2%
OP3: Team collaboration not suffered	3.48	1.15	56.7%
OP4: Better employee retention	3.91	0.96	73.6%
OP5: Reduced operational costs	4.04	0.88	79.9%

The highest-rated performance item was reduced operational costs (Mean = 4.04, 79.9% agreement). The lowest was team collaboration not suffering (Mean = 3.48, 56.7% agreement), highlighting collaboration challenges.

4.2 Reliability and Validity Assessment

4.2.1 Reliability Analysis

Table 6

Reliability Coefficients

Scale	Number of Items	Cronbach's Alpha
Hybrid Working (HW)	5	0.82
Employee Well-being (WB)	8	0.89
Organizational Performance (OP)	7	0.85

All scales exceeded the 0.70 threshold, indicating acceptable internal consistency (Nunnally & Bernstein, 1994).

4.2.2 Confirmatory Factor Analysis

Table 7

Model Fit Indices

Fit Index	Value	Acceptable Threshold
χ^2/df	2.34	< 3.0
CFI	0.95	> 0.90
TLI	0.94	> 0.90
RMSEA	0.06	< 0.08
SRMR	0.05	< 0.08

All fit indices met acceptable thresholds, indicating good measurement model fit (Hu & Bentler, 1999).

Table 8

Convergent and Discriminant Validity

Construct	CR	AVE	Max Shared Variance	$\sqrt{AVE}$
Hybrid Working (HW)	0.83	0.51	0.16	0.71
Employee Well-being (WB)	0.90	0.55	0.20	0.74
Organizational Performance (OP)	0.86	0.52	0.20	0.72

All constructs met convergent validity criteria ($CR > 0.70$, $AVE > 0.50$) (Fornell & Larcker, 1981). Discriminant validity was established as $\sqrt{AVE}$ exceeded inter-construct correlations.

4.2.3 Common Method Bias. Harman's single-factor test showed poor model fit ($\chi^2/df = 4.78$, $CFI = 0.71$, $RMSEA = 0.14$) compared to the measurement model. The largest factor accounted for 28.6% of variance, below the 50% threshold, indicating common method bias was not a significant concern (Podsakoff et al., 2003).

4.3 Correlation Analysis

Table 9

Correlation Matrix

Variable	1	2	3	4	5	6	7	8
1. Gender	---							
2. Age	-0.08	---						
3. Job Position	-0.12*	0.38**	---					
4. Company Type	-0.04	0.06	0.10	---				
5. Hybrid Experience	0.02	0.22**	0.19**	0.08	---			
6. Hybrid Working (HW)	0.06	0.15**	0.18**	0.11*	0.23**	---		
7. Employee Well-being (WB)	0.08	0.20**	0.21**	0.09	0.17**	0.46**	---	
8. Organizational Performance (OP)	0.04	0.14**	0.16**	0.12*	0.20**	0.35**	0.44**	---

*Note: * $p < 0.05$, ** $p < 0.01$

Hybrid working positively correlated with employee well-being ($r = 0.46$, $p < 0.01$), supporting H1. Organizational performance correlated positively with employee well-being ($r = 0.44$, $p < 0.01$). Hybrid working correlated with organizational performance ($r = 0.35$, $p < 0.01$). Control variables (age, job position, hybrid experience) showed modest positive correlations with well-being. Variance inflation factors were below 1.50, below the 10 threshold, indicating no multicollinearity concerns.

4.4 Hypothesis Testing

4.4.1 Direct Effect: Hybrid Working and Employee Well-being (H1). The first idea we looked at was that a mix of working from home and the office is really good for the people who work there. We wanted to see if this was true so we did some tests making sure to think about things, like how old people are where they come from.

Table 10

Regression Analysis for Direct Effect (H1)

Step	Variables	β	t	p	R^2	ΔR^2
1	Control Variables				0.07	0.07**
	Gender	0.06	1.28	0.20		
	Age	0.13	2.58	0.01		
	Job Position	0.15	3.02	0.01		
	Company Type	0.05	1.02	0.31		

	Hybrid Experience	0.09	1.82	0.07		
2	Hybrid Working (HW)	0.40	9.56	0.00	0.23	0.16**

*Note: $*p < 0.01$

After controlling for demographics, hybrid working significantly predicted employee well-being ($\beta = 0.40$, $p < 0.001$), explaining an additional 16% of variance. The full model explained 23% of variance in employee well-being. These results support H1, confirming hybrid working positively impacts employee well-being in Pakistan's IT sector.

4.4.2 Moderation Effect: Organizational Performance (H2)

Table 11

Hierarchical Regression for Moderation Effect (H2)

Step	Variables	β	t	p	R ²	ΔR^2
1	Control Variables				0.07	0.07**
2	HW	0.33	7.82	0.00	0.28	0.21**
	OP	0.28	6.64	0.00		
3	HW $\times$ OP	0.18	4.56	0.00	0.31	0.03**

*Note: $*p < 0.01$

In Step 2, hybrid working ($\beta = 0.33$, $p < 0.001$) and organizational performance ($\beta = 0.28$, $p < 0.001$) significantly predicted employee well-being, explaining 28% of variance. In Step 3, the interaction term (HW $\times$ OP) significantly improved the model ($\Delta R^2 = 0.03$, $p < 0.001$, $\beta = 0.18$, $p < 0.001$), supporting the moderating role of organizational performance.

Table 12

Simple Slopes Analysis

Level of OP	β	t	p	95% CI
High OP (+1 SD)	0.48	8.92	0.00	[0.37, 0.59]
Low OP (-1 SD)	0.22	3.84	0.00	[0.11, 0.33]
Difference	0.26	4.56	0.00	[0.15, 0.37]

Simple slopes analysis revealed that hybrid working had a stronger positive effect on employee well-being in high-performing organizations ($\beta = 0.48$) compared to low-performing organizations ($\beta = 0.22$). The difference was significant ($\beta = 0.26$, $p < 0.001$), supporting H2.

4.4.3 Mediation Effects (H3, H4, H5). To test our ideas we checked if hybrid working affects employee being, through certain areas. These areas are: work life balance, health, and reduced physical exhaustion.

We used a special tool called PROCESS macro with 5000 tests to see if these areas have an indirect effect. The effect of hybrid working on overall well being happens through work life balance, mental health improvement and reduced physical exhaustion.

Table 13

Mediation Analysis Results

Pathway	Indirect Effect	Boot SE	95% CI (LLCI, ULCI)	Conclusion
HW $\rightarrow$ WB2 (Balance) $\rightarrow$ WB (Total)	0.08	0.03	[0.03, 0.14]	Significant mediation
HW $\rightarrow$ WB3 (Mental Health) $\rightarrow$ WB (Total)	0.11	0.04	[0.04, 0.19]	Significant mediation
HW $\rightarrow$ WB4 (Physical) $\rightarrow$ WB (Total)	0.09	0.03	[0.04, 0.16]	Significant mediation

Note: Bootstrapping with 5000 resamples

Bootstrapping results showed significant indirect effects through all three mediators. Mental health improvement was the strongest mediator (indirect effect = 0.11), followed by reduced physical exhaustion (0.09), and work-life balance (0.08). All confidence intervals excluded zero, supporting H3, H4, and H5.

4.5 Additional Analyses

4.5.1 Comparison Across Demographic Groups. We wanted to see if there were any differences in how people, from demographic groups did their jobs when they worked from home and the office. So we did some tests, like independent samples t tests and one way ANOVA to find out if there were any differences. We did this to look at work outcomes across different demographic groups.

Table 14

Gender Differences in Study Variables

Variable	Male (n=258) Mean (SD)	Female (n=204) Mean (SD)	t	p	Cohen's d
Hybrid Working	3.82 (0.93)	3.87 (0.88)	- 0.58	0.56	0.06
Employee Well-being	3.89 (0.89)	3.96 (0.84)	- 0.86	0.39	0.08
Organizational Performance	3.74 (0.95)	3.78 (0.92)	- 0.45	0.65	0.04

No significant gender differences were observed in study variables.

Table 15

Age Group Differences in Study Variables

Age Group	n	HW Mean (SD)	WB Mean (SD)	OP Mean (SD)
20-30 years	175	3.68 (0.96)	3.76 (0.89)	3.61 (0.92)
31-40 years	198	3.92 (0.88)	4.01 (0.83)	3.84 (0.95)
41-50 years	68	3.96 (0.85)	4.02 (0.86)	3.82 (0.91)
Above 50 years	21	3.89 (0.82)	3.93 (0.79)	3.79 (0.86)
F		4.82**	5.34**	3.96**

*Note: $*p < 0.01$

Significant age differences were found. Post-hoc tests (Tukey HSD) showed employees aged 31-40 and 41-50 reported significantly higher levels of hybrid working, well-being, and organizational performance compared to those aged 20-30.

Table 16

Job Position Differences in Study Variables

Job Position	n	HW Mean (SD)	WB Mean (SD)	OP Mean (SD)
Entry-level	148	3.68 (0.98)	3.72 (0.91)	3.58 (0.96)
Mid-level manager	176	3.86 (0.89)	3.96 (0.84)	3.80 (0.92)
Senior manager	89	3.98 (0.84)	4.06 (0.83)	3.92 (0.89)
Executive/C-level	49	3.94 (0.86)	4.04 (0.82)	3.88 (0.90)
F		4.38**	5.28**	4.42**

*Note: $*p < 0.01$

Significant job position differences were found. Post-hoc tests revealed senior managers and executives reported higher levels of hybrid working, well-being, and organizational performance compared to entry-level employees.

Table 17

Company Type Differences in Study Variables

Company Type	n	HW Mean (SD)	WB Mean (SD)	OP Mean (SD)
Public sector	96	3.72 (0.94)	3.81 (0.92)	3.69 (0.95)
Private sector	264	3.88 (0.89)	3.95 (0.86)	3.78 (0.93)
Foreign/MNC	102	3.86 (0.90)	3.94 (0.84)	3.80 (0.92)
F		1.56	1.28	0.92

No significant company type differences were observed.

4.5.2 Challenges and Barriers

Table 18

Challenges and Barriers in Hybrid Work

Challenge Item	Mean	SD	% Agree/Strongly Agree
C1: Internet/electricity issues	3.89	1.12	71.2%
C2: Difficulty accessing data securely	3.26	1.18	48.6%
C3: Less connected to team/culture	3.58	1.14	61.5%
C4: Less visible career opportunities	3.44	1.16	55.4%
C5: Evaluation based on presence rather than output	3.38	1.21	52.8%

Internet/electricity issues were the most significant challenge (Mean = 3.89, 71.2% agreement), followed by feeling less connected to team/culture (Mean = 3.58, 61.5% agreement).

4.5.3 Overall Perception

Table 19

Overall Perception of Hybrid Work

Item	Mean	SD	% Agree/Strongly Agree
Overall, hybrid work is beneficial for employees and IT sector	4.06	0.92	78.6%
Prefer to continue hybrid model rather than return to full-time office	4.14	0.88	81.2%

Despite challenges, 78.6% agreed hybrid work is beneficial, and 81.2% preferred continuing hybrid arrangements over returning to full-time office work.

4.6 Summary of Hypotheses Testing

Table 20

Summary of Hypothesis Testing Results

Hypothesis	Description	Result	Support
H1	Hybrid Working → Employee Well-being	$\beta = 0.40, p < 0.001$	Supported
H2	Organizational Performance moderates HW → WB	$\beta = 0.18, p < 0.001$	Supported
H3	Work-Life Balance mediates HW → WB	Indirect effect = 0.08, CI [0.03, 0.14]	Supported
H4	Mental Health mediates HW → WB	Indirect effect = 0.11, CI [0.04, 0.19]	Supported

H5	Physical Well-being mediates HW → WB	Indirect effect = 0.09, CI [0.04, 0.16]	Supported
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Overall, all 5 hypotheses were supported, demonstrating the positive effects of hybrid work on employee well-being, the moderating effect of organizational performance and the intervening effects of work-life balance, mental health improvement and decreased physical exhaustion.

5. Discussion

5.1 Introduction

This section covers the results of the impact of hybrid working on employee well-being, the moderating effect of organizational performance, and mediating mechanisms. Theoretical and practical implications for the IT sector of Pakistan is analysed with respect to research questions and literature.

5.2 Direct Effect of Hybrid Working on Employee Well-being (H1)

The results support that hybrid working positively contributes to employee well-being ($\beta = 0.40$, $p < 0.001$) consistent with previous studies on flexible working (Bakker & Demerouti, 2017; Gajendran et al., 2022). This favourable outcome is due to greater freedom and control over place and time of work. The overall results for employees with hybrid work arrangements support a higher level of agreement regarding work-life balance (78.1%), reduced commuting-related stress (74.2%), and improved schedule control (70.3%) in conjunction with Self-Determination Theory's (SDT) autonomy need fulfillment (Ryan & Deci, 2024).

Significant effect size ($\beta = 0.40$) suggests that hybrid working plays a significant role in improving employee well-being in the IT industry in Pakistan. This discovery echoes Mateen et al (2025) who found that 69% of hybrid workers were happy with their work-life balance, and also going beyond work-life balance, to include stress, mental health and job satisfaction.

Significant differences between age and job position were found, with higher well-being benefits being experienced by older and higher position employees. This can be attributed to the enhanced role autonomy, job security and organizational support (Shujat & Fahad, 2025) of their higher ranking members. Lower-level employees or those who are younger may struggle to be seen and heard and given decision-making authority in a hybrid situation.

5.3 Moderating Role of Organizational Performance (H2)

Results support H2: Organizational performance moderates the relationship of hybrid working with employee well-being. The benefits of HWO on well-being are significantly greater in high performing organisations ($\beta = 0.48$) than in low performing organisations ($\beta = 0.22$).

This is a novel finding that adds to the existing hybrid work literature by identifying organizational performance as a contextual moderator. Successful organizations have access to tools, resources and capabilities (technology, experienced managers, enabling policy) to implement hybrid working effectively. These resources help diminish the potential negative impacts of hybrid work (digital fatigue, social isolation) and strengthen its positive ones (autonomy, flexibility). The well-being benefits of hybrid work might be restricted in low-performing organisations, which lack such resources.

The interaction effect ($\beta = 0.18$, $p < 0.001$) is consistent with resource-based view and organizational support theory (Barney, 1991; Eisenberger et al., 1986). Leading companies take steps to develop infrastructure and managerial training, laying the foundation for successful hybrid working. On the other hand, providing hybrid work without proper infrastructure,

training, and support can lead to poor outcomes for well-being, aligning with Dawood and Hassan (2025) who discovered that the wellness policies are inconsistent in implementation in the IT organizations of Pakistan.

5.4 Mediating Mechanisms

5.4.1 Work-Life Balance as Mediator. Results confirmed H3, as the mediation model of the relationship between hybrid working and employee well-being was supported (indirect effect = 0.08, CI [0.03, 0.14]). This is consistent with Greenhaus and Allen (2011) and Haar et al. (2022) who concluded that flexible working arrangements are linked to well-being via better work-life balance. Work-life balance was found to be of importance in the Pakistani context, as the high agreement (78.1%) with the statement that hybrid work helps balance responsibilities highlights the cultural importance of family responsibilities in Pakistan. Hybrid working gives employees flexibility to balance work and family responsibilities, to minimize conflict and improve well-being.

Male-female differences were not seen in the well-being measures, indicating that hybrid working can contribute to solving the issues of women in the IT industry in Pakistan (Dawood & Hassan, 2025). However, with these sample characteristics, any conclusions should be drawn with caution.

5.4.2 Mental Health as Mediator. The role of mental health as a mediator is given in Mental Health as Mediator. Results support the assumption of H4, and mental health improvements are the strongest mediator (indirect effect = 0.11, CI [0.04, 0.19]). This information highlights hybrid working's psychological advantages. From the JD-R perspective, hybrid work offers job resources (autonomy, flexibility) which decreases job demands (commuting stress, time pressure), thus leading to better mental health (Bakker & Demerouti, 2017). Overall, the 72.5% agreement on hybrid work reducing stress and 68.0% agreement on hybrid working being good for mental wellbeing show that hybrid working is addressing sectoral stressors identified by Dawood and Hassan (2025).

But not everyone's mental health benefits from the hybrid work model; 32% said hybrid work had no impact on their mental health. Perhaps this is due to digital burnout, social isolation, or a lack of a work-life balance (Mateen et al., 2025; Keller et al., 2022). Infrastructure (71.2%) and a lack of team connectivity (61.5%) indicate that some staff members may not be fully aware of the mental health benefits of hybrid work.

5.4.3 Physical Well-being as Mediator. Results provide support for H5, showing that the relationship between hybrid working and employee well-being is mediated by physical exhaustion (indirect effect = 0.09, CI [0.04, 0.16]). This is aligned with studies that have reported that decreased commuting is associated with improved physical health (Bloom et al., 2015; Gajendran et al., 2022). The 74.2% rate of agreement for hybrid work alleviates physical exhaustion is an indication of the significant traffic congestion, road conditions and environmental pollution issues in Pakistani cities, which makes commuting to work a real struggle. Saving time on commuting spares energy for work and personal life, thus enhancing general well-being.

5.5 Challenges and Barriers

Although there are many positive aspects to hybrid work, there are also some challenges. A significant constraint faced in Pakistan was internet/electricity problem (Mean = 3.89, 71.2% agreement). The reduced level of team connectivity and communication challenges (61.5% and 58.4% respectively) suggest that there are difficulties with social connections (Charles et al., 2025; Ganguly et al., 2025). Organizational barriers are raised by

career visibility concerns (55.4%), output-based evaluation concerns (52.8%), etc., especially for juniors who require guidance and sponsorship.

However, 78.6% found hybrid work to be beneficial and again 81.2% preferred to continue with hybrid working arrangements, which is in line with Dawood and Hassan's (2025) research that suggests IT staff members prefer flexibility despite some negative impacts..

5.6 Theoretical Implications

This research has a number of theoretical contributions. First, it links the JD-R, SDT, and SET frameworks to understand the impacts of hybrid work on well-being. Hybrid work is a job resource that offers autonomy and flexibility (JD-R), that satisfies psychological needs (SDT) and that conveys organizational support that leads to improved well-being and commitment (SET) in employees.

Second, it brings organizational performance as a contextual moderator to the JD-R model, building on prior research on hybrid work. While individual level moderators were studied (Charles et al., 2025; Shujat & Fahad, 2025), organizational performance has not been explored. This contribution shows how the well-being effects of hybrid work are influenced by organizational factors. Hybrid working can be a resource for high-performing organisations, or a poorly supported demand in low-performing organisations.

Third, the study throws light upon mediation mechanisms, with mental health being the strongest mediator. This highlights the psychological advantages of hybrid working and the importance of assessing well-being in more dimensions (Bakker & Oerlemans, 2011; Wright, 2014).

Fourth, the study provides cultural and contextual understandings and insights by analysing the collectivist and hierarchical IT industry in Pakistan. The strong work-life balance mediation is in congruence with the family values prevalent in Pakistan (Batool & Khalid, 2012; Shahbaz & Raza, 2022). Infrastructure issues show developing economy contexts' particular concerns (Allen et al., 2015; Dawood & Hassan, 2025).

5.7 Practical Implications

5.7.1 Hybrid Work as Strategic HR Tool. Hybrid work should not be a knee-jerk reaction to the pandemic, but a strategic approach for HR. Our results indicate that high percentage of preference (81.2%) for hybrid working arrangements indicates that flexibility is a source of competitive advantage for organizations when it comes to attracting and retaining talent. There is a need to strike an equilibrium between employee flexibility preferences and the needs of the organization.

5.7.2 Investment in Organizational Capabilities. To reap the benefits of a hybrid work model, organisations need to invest in capabilities:

Technology Infrastructure: provide internet/electricity subsidies, backup power systems, and secure internet access.

Managerial Training: Train managers to lead hybrid teams, outcome based evaluations, building trust among members, and working in a cohesive team.

Social Connection: Build connections by organizing team building activities, hybrid events and communication channels that allow for informal connection.

Career Development: Provide mentoring, sponsorship and professional development opportunities for hybrid employees.

5.7.3 Addressing Infrastructural Challenges. Organizational support is needed for infrastructural challenges (internet/electricity issues, 71.2%): home internet subsidy, alternative workspace, increased office presence in areas with better infrastructure.

Policymakers should enhance digital infrastructure so that access to hybrid work can be equitable.

5.7.4 Implications for Different Employee Groups. Junior Employees: Lower well-being for lower tier employees indicates that there may be a need for better onboarding, mentorship, and regular check-ins to offer guidance and visibility.

Older Employees: Autonomy and job security may be contributing to their greater well-being; there may be ways to apply these benefits to younger employees.

Female Employees: Hybrid work can help solve issues around work-family balance, so policies should be inclusive and accommodating of care-giving.

5.7.5 Implications for Organizational Performance. The positive correlation between hybrid working and perceived organizational performance (e.g., cost reduction (79.9%) and employee retention (73.6%)) indicates the positive impact of hybrid working on both employees and organizations. But with concerns over team collaboration (56.7%) and service quality (60.2%), this is a clear sign that organizations need to put into practice collaborative tools and communication protocols.

5.8 Contextual Reflections: Pakistan's IT Sector

Results should be interpreted in the context of the IT sector in Pakistan. Overall, the flexibility of hybrid work is a huge advantage in a sector where growth and performance pressures are an ever-present reality. It is particularly significant to address work-life balance issues in the context of cultural collectivism, where workers are expected to serve family and other welfare responsibilities while on the job. However, the benefits of hybrid working may be less for lower-level employees who could need to become accustomed to more trust-based forms of supervision.

Infrastructural challenges (Internet/electricity problems) indicate technological limitations as a whole and may be solved with organisational investments. The tech-savvy nature of IT companies, coupled with their resources, puts them in an ideal position to solve these problems.

Similarities and differences to international research are illustrated. An organizational performance moderation effect is especially pronounced in the developing economies where the differences between organizations in terms of resources are great.

6. Conclusion

6.1 Summary of Findings

The present study aimed to explore the effect of hybrid working on the employee's wellbeing in the presence of the organizational performance as a moderating variable in the Pakistani IT industry. A total of 5 hypotheses from the JD-R, SDT and SET frameworks were tested with data from 462 IT professionals from Lahore and Karachi. Key findings include:

1. There is a significant and positive relationship between hybrid working and employee well-being ($\beta = 0.40$, $p < 0.001$). For those who have a hybrid arrangement, employees report higher psychological, physical and social well-being than those who do not, after controlling for demographics.
2. This relationship is moderated by organizational performance ($\beta = 0.18$, $p < 0.001$); the positive impact of hybrid working is greater in high organizational performance. Let's not forget that organizational resources and capabilities are a critical component of the effectiveness of hybrid working.
3. Hybrid working has an indirect effect on wellbeing by increasing work-life balance (0.08), improving mental health (0.11), and decreasing physical exhaustion (0.09). The strongest mediator is mental health improvement.

4. While internet/electricity issues (71.2%), reduced team connectivity (61.5%) and career visibility concerns (55.4%) are challenges, the majority of employees are positive about hybrid work (78.6%) and would like to continue hybrid work arrangements (81.2%).
5. Well-being benefits are different across the demographic groups, with higher among older, higher hierarchical employees. There were no differences between the sexes.

6.2 Theoretical Contributions

The current study has some theoretical contributions. First, it combines JD-R, SDT and SET frameworks, showing that hybrid work acts as a job resource that satisfies psychological needs and is a manifestation of organizational support. Second, it adds organizational performance as a contextual moderator that goes beyond the individual-level moderators in the field of hybrid work. Thirdly, it provides insight to mediation mechanisms and mental health as the strongest mediator. Fourth, it offers cultural and contextual understanding from a developing economy, highlighting the value of context in outcomes of hybrid working.

6.3 Practical Implications

HR managers and policymakers: hybrid working should not be considered a necessity during the pandemic, but rather a strategic HR tool. The organizational capabilities - technology infrastructure, managerial training, social connection, and career development - are necessary for a successful hybrid work model. The needs and approaches to problem-solving are different across various groups of employees (e.g., junior, older, female employees). It is essential to tackle infrastructure issues (internet/electricity) and to address issues relating to career visibility. The results confirm working environments that are sustainable and are connected to the UN SDGs (Good Health and Wellbeing; Decent Work and Economic Growth).

6.4 Policy Recommendations

1. **Company Policy:** Develop comprehensive hybrid work policies covering work schedules, technology requirements, performance evaluation, and career growth.
2. **Manager Training:** Train managers in leading hybrid teams, outcome-based evaluation, trust-building, and adapting to hierarchical culture.
3. **Technology Support:** Provide home internet subsidies, secure network access, and collaboration tools.
4. **Social Connection:** Foster team connectivity through team-building activities, hybrid events, and informal communication channels.
5. **Inclusive Design:** Design policies considering diverse employee needs—caregiving responsibilities, career development, and physical needs.
6. **Career Growth:** Ensure hybrid employees have equal access to mentorship, sponsorship, and advancement opportunities.

6.5 Strengths and Limitations

Strengths: Appreciably large sample (N=462) to support meaningful analysis; limited to the Pakistani context, missing from research; multiple theory-integrated construct, which included JD-R, SDT, and SET; meaningful statistical analyses (hierarchical regression, moderation analysis, bootstrapping); results were applied to HR practice.

Limitations: Cross sectional study design so can't draw a causal inference; self-report data can have a social desirability bias; reliance on convenience sampling which limits generalizability; geographical focus on Lahore and Karachi; single sector focus; reliance on perceptions rather than objective measures of organizational performance.

6.6 Future Research Agenda

Longitudinal designs would be useful for investigating causal relationships and the changes in well-being over time in future research. Contextual factors impacting on the

outcomes of hybrid working would be identified through comparative studies across the cities and countries of Pakistan. Qualitative techniques might be used to record subtle employee experiences. Effectiveness of hybrid work policies can be evaluated in intervention studies. Targeted research into particular groups of employees (junior employees, women) may be able to determine the needs of that group. Digital fatigue and boundary management research would help tackle hybrid working issues. Research correlating hybrid work with objective organizational outcomes would enhance the practical implications.

6.7 Concluding Remarks

The study reveals that hybrid working positively affects the well-being of employees in the IT industry of Pakistan, which is moderated by organizational performance. Flex and support are associated with higher levels of well-being, especially in high-performing organizations. The benefits are achieved by enabling a better work/life balance, mental wellbeing and less physical tiredness. Organizational responses are needed to challenges, such as infrastructure constraints and concerns about career visibility. The results contribute to the theoretical knowledge, as they integrate frameworks and introduce organizational performance as a moderator, and also provide practical suggestions for HR managers and policymakers. With the arrival of permanent hybrid work, ongoing research and practice enhancements are vital to yield the greatest possible benefits for employees and organizations. In this study, we offer a foundation for such work with empirical evidence that comes from a context of hybrid work in a developing economy context that is not often mentioned in the hybrid work literature.

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