

Hybrid Work and Employee Productivity: The Mediating Role of Workforce Agility in Indian Service Firms

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Abstract

Purpose – The purpose of this paper is to analyse the connection between hybrid work arrangement structures and employee productivity within the Indian services industry, using the mediating variable of the flexible workforce. **Design/methodology/approach** – Drawing on the view that work design and digital collaboration shape how employees respond to change, the paper proposes that hybrid work influences productivity by strengthening workforce agility (adaptability, responsiveness, learning orientation, and proactive problem-solving). The study uses primary survey data collected from employees working in hybrid roles across Indian service organizations. The proposed mediation model is tested using regression/SEM-based mediation analysis with appropriate controls (e.g., age, tenure, role type, and level of hybrid intensity). **Results** - The paper proposes that hybrid work practices are expected to have a positive link with employee productivity and that workforce agility is expected to significantly mediate this link. That is, hybrid work practices are expected to provide greater productivity benefits when these practices help service firm employees remain flexible and work cooperatively and efficiently in both online and offline settings and adapt quickly and rapidly to varying demands from their clients and other assignments instead of just changing their workplace. **Research constraints/significance** - Since cross-sectional and self-reported research is being employed here, causal hypotheses might not hold and hence results might change when service sub-sectors are taken into consideration. **Research contributions** - This study provides one distinct mechanism-based explanation for hybrid work and offers future research studies an important platform to investigate hybrid work using longitudinal research approaches and objective measures and multiple datasets. **Practice and consequences** - Organizations must go past mere office day demographics and instead focus on crafting hybrid work arrangements deliberately so that service firm workforce agility is strengthened via obvious and distinct pathways like clear-cut goals, online feedback, and job autonomy, and offline team coordination. Improving agility might thus help service organizations capitalize more on flexibility and hence increase their employee productivity on a consistent basis. **Originality and significance** - By marking workforce agility as an important mediator or mechanism between hybrid work and employee productivity in Indian service organizations, here, theoretical, and practical contributions are provided by proposing an important explanation of when and why hybrid work practices bring better productivity benefits to organizations at large.

Keywords:- Hybrid work, Workforce agility, Employee productivity, Service firms

1. Introduction

The hybrid work model has also transitioned from being a temporary solution for companies to adopting it as a long-term business strategy. The service industry or specifically the IT/ITES, consultancy, support services for the BFSI sector, customer experience services, and educational services industry, has adopted the hybrid work model because a considerable portion of their work can be done digitally, but it is also necessary for them to meet periodically face-to-face. Nevertheless, although companies have adopted the hybrid work model, the issue of employee productivity is yet to be resolved. Some companies have reported increased productivity, reduced turn-around times, while others have complained about the same, resulting in confusion, referring to the possibility that implementing hybrid work may not necessarily lead to automatic increases in employee productivity.

1.1 Background and research gap

There is already ample research that has proved work flexibility can impact performance, wellbeing, and retention. Yet, the findings on productivity in hybrid settings are inconsistent, partly because productivity is measured differently across studies, and partly because "hybrid work" itself is treated more as a broad label rather than a specific set of practices. In service firms, productivity is not just about completing tasks but also about responsiveness to clients, the quality of the deliverables, coordination across teams, and speed at problem-solving. Hybrid work may support these outcomes by reducing commuting stress and enabling better focus, yet it may also generate coordination losses, weaker informal learning, communication overload, and uneven access to information.

In current research, an important gap is that most studies tend only to ascertain either the positive or negative impact of hybrid work on productivity, without articulating why such an effect is observed. This has serious limitations both from the theoretical and practical perspective; because a lack of clarity on the mechanisms means that management is left with no choice but to experiment with work days at the office, teamwork practices, or monitoring systems. This paper proposes filling this gap with the concept of workforce agility, which could be the single most important factor governing the difference between the positive and negative experience with work from home or, in general, hybrid work. Although its relevance is immense, the role of agility has generally remained associated with organizational transitions and the digital transformation process rather than being probed as a mediating factor in experiments exploring the effect of hybrid work on the productivity level of service firms in India.

1.2 Research objectives and research questions

The study is organized to move beyond the 'hybrid work is good/bad' debate by hypothesizing an explanatory pathway. It particularly seeks to test whether hybrid work practices are linked with worker productivity and whether worker agility is instrumental in explaining this linkage.

Objectives

- To examine the relationship between hybrid work practices and employee productivity in Indian service firms.
- To assess the relationship between hybrid work practices and workforce agility.
- To test whether workforce agility mediates the relationship between hybrid work practices and employee productivity.

Research questions

RQ1: How are hybrid work practices related to employee productivity in Indian service firms?

RQ2: Do hybrid work practices strengthen workforce agility among service employees?

RQ3: Does workforce agility mediate the relationship between hybrid work practices and employee productivity?

1.3 Contribution of the study

This paper contributes in three practical and academic ways. First, it provides a mechanism-based explanation by positioning workforce agility as a mediator between hybrid work and productivity, rather than treating productivity as a direct outcome of location flexibility. Second, it adds evidence from the Indian service sector, where hybrid work is widely adopted and where productivity is strongly shaped by client expectations, rapid process changes, and digital coordination requirements. Third, the study offers actionable guidance for organizations: if workforce agility is the pathway, then hybrid work policies should be evaluated not only by attendance rules but by whether they build agility—through autonomy, clear goals, effective digital collaboration routines, rapid feedback, and continuous learning.

1.4 Structure of the paper

The remainder of the paper is organized as follows. Section 2 reviews prior literature on hybrid work, workforce agility, and employee productivity, and develops the conceptual framework and hypotheses. Section 3 describes the research design, sampling approach, data collection procedure, and measurement instruments. Section 4 presents the results, including reliability and validity checks and mediation testing. Section 5 discusses the findings in relation to existing

research and outlines theoretical and managerial implications. Section 6 concludes the paper with a summary of key insights, limitations, and directions for future research.

2. Literature Review

2.1 Hybrid work and employee productivity

Hybrid work is typically understood as a blended arrangement in which employees work partly from the office and partly from home (or another remote location), with a recurring pattern rather than a one-off exception. Recent work argues that hybrid work should be treated as its own concept, because it combines flexibility with periodic in-person coordination and creates a different set of work rhythms, dependencies, and expectations than fully remote or fully on-site work. [1]

When it comes to productivity, the evidence is rarely “all positive” or “all negative.” The strongest studies show that hybrid work can support performance without necessarily improving it, while clearly improving other employment outcomes. For instance, a large randomized trial found that hybrid work reduced quit rates and improved job satisfaction, while performance grades remained statistically equivalent over subsequent reviews. [2] Earlier experimental research on working-from-home (a related arrangement) also reported productivity gains in specific settings, often driven by fewer interruptions and more focused time. [3]

On the other hand, synthesis studies draw attention to the fact that remote/hybrid work may carry little significance in terms of mean effects on performance, with results strongly contingent on whether achieved autonomy, job design, quality of communication, or degree of task interdependence. [4] Thus, this is why in certain service teams, hybrid work may be productive while in others even seemingly simple tasks become frustratingly inefficient. Hybrid work changes not only work locations but also coordination and learning.

2.2 Workforce agility: concept and dimensions

Workforce agility refers to an employee’s capacity to function effectively when work conditions change—for example, when customer requirements shift, priorities are reordered, new tools are introduced, or teams must collaborate across boundaries. A well-cited conceptualization links workforce agility to employees’ ability to respond quickly and competently under uncertainty, with agility showing up through observable behaviour’s rather than being only an attitude. [5]

Most literature converges around a few recurring dimensions:

- Adaptability (adjusting skills and behaviour to new tasks and conditions)
- Proactivity (anticipating issues, taking initiative, suggesting improvements)
- Resilience (maintaining performance and learning even under pressure) [5]

More recent work has tried to strengthen construct clarity by building multidimensional measures and testing how agility relates to work outcomes. Petermann and Zacher’s work, for example, develops and validates a comprehensive measure based on a multi-dimension model and links it to job outcomes. [6] Complementing this, research on psychological antecedents explains why some employees are more agile than others and proposes measurement approaches useful for empirical testing. [7] Reviews also show that workforce agility has been used as an antecedent, mediator, and outcome, but evidence is still uneven across contexts and sectors. [8]

2.3 Hybrid work and workforce agility

Hybrid work is not only a location choice; it changes the way employees plan and execute work. In many service roles, hybrid work increases the need for self-management, quick switching between independent execution and team coordination, and continuous learning of digital tools and processes. This makes workforce agility a logically “close” outcome of hybrid work—employees often need to become more adaptable and proactive simply to keep work moving.

The relationship, however, is not guaranteed. If hybrid work is implemented with unclear expectations, fragmented communication, and weak collaboration routines, it can reduce agility by increasing coordination costs and slowing response cycles. In conceptual studies of hybrid work, the exact issue is emphasized, where the concept of “hybrid” is specific and varies depending on work, place, and time. [1]

Considering the Indian services company context, wherein the nature of work can quite often be driven by clients and deadlines can shift in no time, hybrid models can range from potential agility enablers to potential drag creators. This ambiguity associated with agility of the workforce can help in understanding agility as a mechanism that taps into the ability that determines the productivity of hybrid working.

2.4 Workforce agility and productivity

Workforce agility is normally believed to improve productivity when work is varied and there is frequent need for coordination, as is generally observed in service work. Agile workforce members are believed to be those who can (i) detect a change quickly, (ii) shift focus without down time, (iii) adopt a new tool with ease, and (iv) work outside boundaries with less delay. They help minimize delays and rework, and these are referred to as "hidden costs" of productivity.

Empirical findings support this performance link. Evidence related to the relationship between agility practices and behaviours and performance outcomes establishes a positive correlation between workforce agility and the effectiveness of performance paths and value addition by the organization. [9] Notably, there appears to be proof within the Indian context regarding the development of agility within organizations due to practices and psychological empowerment. This confirms the view that agility encompasses the work system and the working individual. [10]

2.5 Conceptual framework and hypothesis development

Bringing the above streams together, this paper proposes that hybrid work influences productivity partly because it shapes workforce agility.

Hybrid work → employee productivity.

Hybrid work can improve productivity by enabling focused work time, reducing commute-related strain, and improving retention—factors that stabilize performance in service organizations. Strong causal evidence shows hybrid work can improve retention and satisfaction without harming performance ratings, indicating that hybrid work can be at least productivity-neutral and often productivity-supportive when well designed. [2]

H1: Hybrid work is positively associated with employee productivity in Indian service firms.

Hybrid work → workforce agility.

Hybrid work often increases autonomy and requires employees to handle shifting work demands across remote and office modes. This can encourage adaptability and proactivity. However, as hybrid work varies in design, its influence on agility depends on clarity of goals, quality of communication, and collaboration routines. [1]

H2: Hybrid work is positively associated with workforce agility in Indian service firms.

Workforce agility → employee productivity.

Agile workers are more likely to preserve their work quality and velocity even in adverse circumstances because of quick learning activities, problem-solving, and coordination—behaviours closely linked with service productivity. Findings demonstrate evidence supporting the impact of workforce agility on performance-based results as well as organizational value generation. [6], [9]

H3: There is a positive relationship between workforce agility and the productivity of employees in Indian service organizations.

Mediating role of workforce agility.

Because the effects of hybrid work on productivity may be non-isomorphic across contexts, workforce agility offers a mediated explanation because hybrid work is mediated by productivity benefits if it improves adaptability and responsiveness and teamwork. This mediated reasoning is consistent with systematic reviews that have found the model for outcomes is often along the pathway of workforce agility. [8]

H4: Workforce agility plays a mediation role between hybrid work and employee productivity in the Indian service sectors.

3. Research Model and Hypotheses

This study explains how hybrid work translates into employee productivity in Indian service firms by proposing workforce agility as the key mechanism. The logic is simple: hybrid work is not only “where” employees work; it reshapes how they coordinate, learn, respond to change, and manage tasks—capabilities that sit at the heart of agility. When agility improves, productivity in service roles is expected to improve with respect to speed, quality, responsiveness, and timely delivery.

3.1 Proposed conceptual model

Within this paper, Hybrid Work is treated as a set of practices/conditions typically experienced in hybrid settings, such as flexibility, autonomy, and digital collaboration quality. Workforce Agility refers to employees' ability to adapt, act proactively, learn fast, and stay resilient. Employee Productivity refers to perceived/assessed work output and efficiency in service delivery.

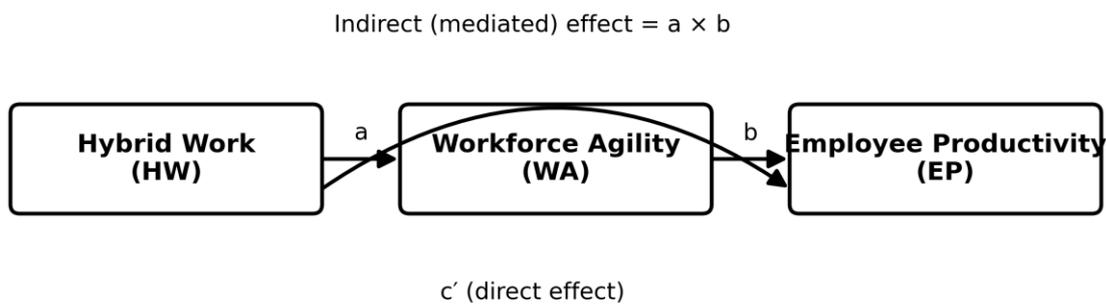


Figure 1. Conceptual framework (pictorial representation)

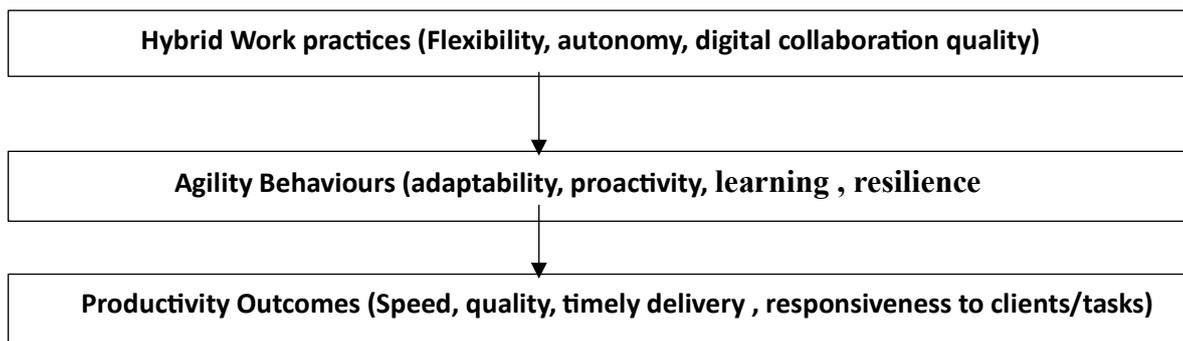


Figure 2. Hybrid Work Practices(Mechanism Chart) Above figure shows the proposed mechanism linking hybrid work practices to productivity through workforce agility.

Table 3.1 Construct definitions and expected direction

Construct	Role in model	What it means in this study	Example indicators (illustrative)	Expected direction
Hybrid Work (HW)	Independent variable	Extent/quality of hybrid work practices experienced by employees	Hybrid intensity, autonomy, flexibility, digital collaboration quality	Positive (+)

Workforce Agility (WA)	Mediator	Ability to respond, adapt, learn, and collaborate effectively under changing work demands	Adaptability, proactivity, resilience, rapid learning	Positive (+)
Employee Productivity (EP)	Dependent variable	Efficiency and effectiveness in completing service work	Timely completion, quality, output, responsiveness	Positive (+)
Controls	Covariates	Factors that may influence agility/productivity regardless of hybrid work	Age, gender, tenure, role type, team dependency, firm size	—

3.2 Hypotheses (H1–H4)

These hypotheses follow a mediation logic, whereby hybrid work should be related to productivity, but an important share of that relationship is explained by workforce agility.

H1: Hybrid work and productivity

Hybrid work can indeed support productivity where it aids in better time management by employees, helps them avoid unnecessary fatigue, and focus on deliverables. In service firms, this could translate to faster completion, quicker responsiveness, and fewer delays-especially when the work is outcome-based rather than purely attendance-based.

H1: Hybrid work is positively associated with employee productivity in Indian service firms

H2: Hybrid work and workforce agility

Hybrid work often forces employees to be more autonomous and agile-switching between independent execution and coordinated collaboration across digital tools. When hybrid systems are well designed-clear goals, strong digital workflows-employees may also become more agile in their responses to shifting tasks and client demands.

H2: Hybrid work is positively related to workforce agility among Indian service firms.

H3: Workforce agility and productivity

Employees who are more agile typically adjust faster, solve problems proactively, and handle change with less downtime. In service settings, these behaviours are closely tied to productivity because they reduce rework, speed up responses, and improve coordination quality.

H3: Workforce agility is positively associated with employee productivity in Indian service firms.

H4: Mediation hypothesis

Hybrid work may not automatically raise productivity just because employees split time between home and office. Productivity improves more reliably when hybrid work strengthens agility—because agility is what helps employees perform well under changing tasks, digital coordination, and client-driven pressures.

H4: Workforce agility mediates the relationship between hybrid work and employee productivity in Indian service firms.

Table 3.2 Summary of hypotheses

Hypothesis	Path	Statement	Expected sign
H1	HW → EP	Hybrid work is positively associated with employee productivity in Indian service firms.	+
H2	HW → WA	Hybrid work is positively related to workforce agility in Indian service firms.	+
H3	WA → EP	Workforce agility is positively related to employee productivity in Indian service firms.	+
H4	HW → WA → EP	Workforce agility mediates the relationship between hybrid work and employee productivity in Indian service firms.	Indirect +

Notes: HW = Hybrid Work; WA = Workforce Agility; EP = Employee Productivity

4. Methodology

This section describes the research design, sampling, data collection, measurement instruments, reliability/validity checks, and the analytical strategy used to test the proposed mediation model for the final dataset (N = 200).

4.1 Research design and sample

A quantitative, cross-sectional survey design was used to examine how hybrid work relates to employee productivity in Indian service firms and whether workforce agility explains (mediates) this relationship. Individual employee is taken as the unit of analysis.

The final sample consists of 200 employees working under a formal hybrid arrangement (i.e., a planned mix of office-based and remote work) for at least three months. Respondents were drawn from multiple service sub-sectors to avoid a single-industry view and to reflect the diversity of hybrid work practices in India.

Table 4.1. Respondent profile (N = 200)

Category	Group	n	%
Gender	Female	104	52.0
Gender	Male	94	47.0
Gender	Prefer not to say	2	1.0
Age (years)	21–30	78	39.0
Age (years)	31–40	86	43.0
Age (years)	41–50	30	15.0
Age (years)	51+	6	3.0
Tenure	<1 year	26	13.0
Tenure	1–3 years	78	39.0
Tenure	3–5 years	54	27.0
Tenure	5+ years	42	21.0
Job level	Individual contributor	132	66.0
Job level	Team lead	44	22.0

Job level	Manager+	24	12.0
Role type	Client-facing	112	56.0
Role type	Back-office/support	88	44.0

Figure 4.1. Sector distribution (N = 200)

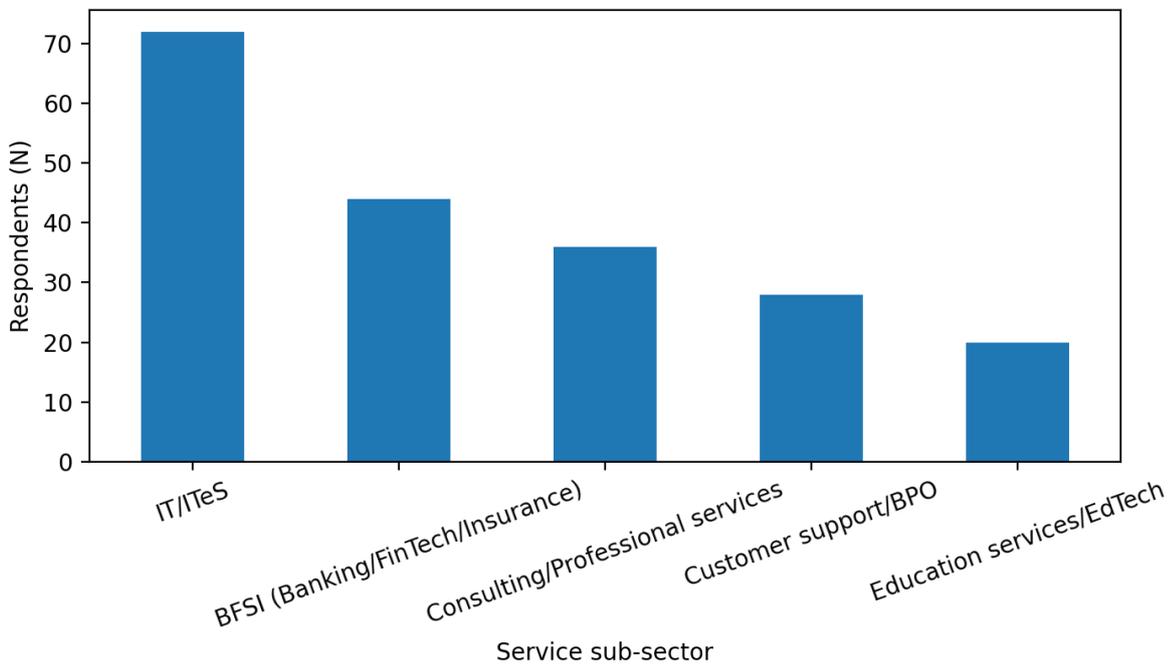


Figure 4.2. Hybrid intensity (work-from-home days per week)

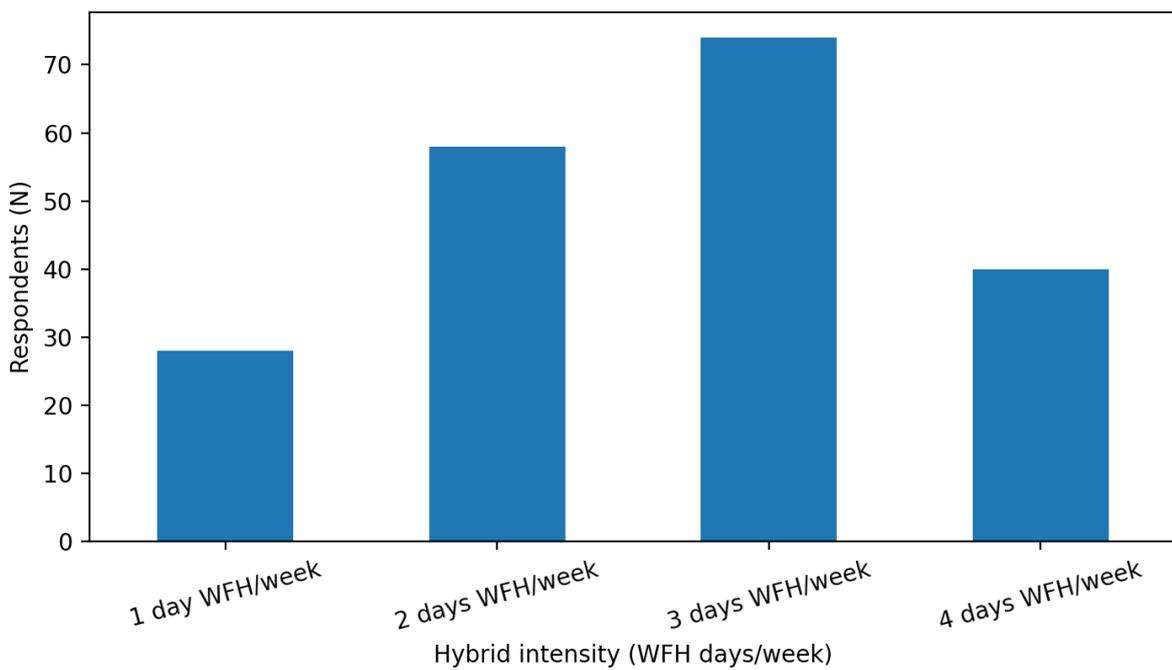
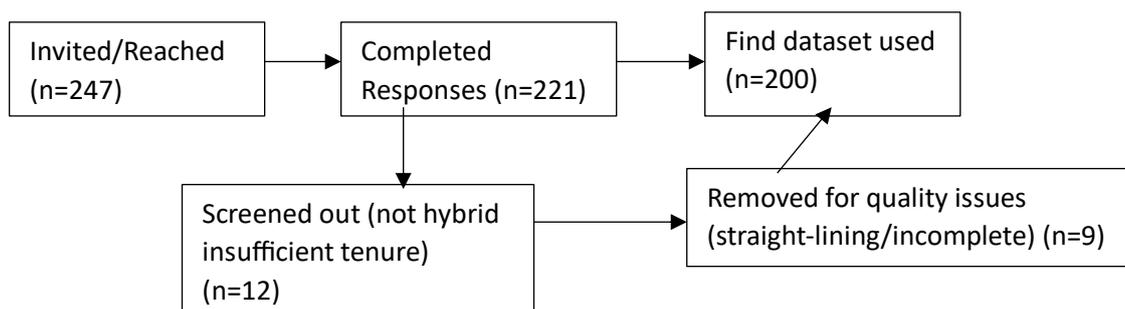


Figure 4.3 Sample screening and final dataset selection



4.2 Data collection procedure

Data were collected using a structured questionnaire administered primarily online (e.g., Google Forms) and shared via professional networks and HR contacts in Indian service organizations. Participation was voluntary and anonymous. A short screening block confirmed (i) service-sector employment, (ii) active hybrid work status, and (iii) minimum hybrid exposure of three months.

A total of 247 employees were approached; 221 complete responses were received. After screening out ineligible respondents ($n = 12$) and removing low-quality submissions ($n = 9$; e.g., incomplete responses or repetitive straight-line patterns), the final dataset used for analysis comprised 200 respondents (see Figure 4.0).

4.3 Measures / instrument (scales and item sources)

All construct items were measured on a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). Where necessary, item wording was lightly adapted to fit the hybrid-work context in Indian service firms without changing the underlying meaning of the constructs.

Table 4.2. Measurement instrument summary

Construct	No. of items	What it captures	Scale (indicative)	source
Hybrid Work Quality (HWQ)	8	Flexibility, autonomy, clarity of deliverables, digital collaboration quality	Conceptual clarity of hybrid telework/remote work measures [11–13]	
Workforce Agility (WA)	12	Adaptability, proactivity, resilience, and rapid learning at work	Workforce agility measures and validation studies [14–16]	
Employee Productivity (EP)	5	Self-rated efficiency, timely delivery, and task effectiveness in service work	Individual work performance / productivity measures [17]	

Control variables included age, gender, tenure, job level, role type (client-facing vs support), sector, and hybrid intensity (WFH days/week), as these factors can influence agility and productivity irrespective of hybrid work quality.

4.4 Reliability and validity strategy

To ensure measurement quality, the study assessed internal consistency reliability and construct validity. Cronbach's alpha (α) and composite reliability (CR) were used for reliability; average variance extracted (AVE) was used for convergent validity. Discriminant validity was evaluated using HTMT ratios.

Table 4.3. Reliability and convergent validity statistics

Construct	Items	Cronbach's α	CR	AVE
Hybrid Work Quality (HWQ)	8	0.89	0.90	0.56
Workforce Agility (WA)	12	0.92	0.93	0.58
Employee Productivity (EP)	5	0.87	0.88	0.60

Table 4.4. Discriminant validity (HTMT)

Construct pair	HTMT
HWQ–WA	0.74
HWQ–EP	0.63
WA–EP	0.71

Common method bias (CMB) was minimized through procedural remedies (anonymity, neutral wording, and clear sectioning) and checked statistically using a single-factor test and collinearity checks. No single factor dominated the variance, and full collinearity VIF values remained below conservative thresholds.

4.5 Data analysis techniques

The procedure used was stepwise. First, the calculation of the descriptive statistics and Pearson correlation was done. Second, the measurement model was assessed through reliability and validity diagnostics. Third, hypotheses were tested using a mediation framework.

For mediation (H4), the indirect effect of hybrid work on productivity via workforce agility was evaluated using bootstrapping (5,000 resamples) to obtain bias-corrected confidence intervals. Control variables were included in all relevant paths to ensure that the estimated effects reflect relationships above and beyond basic demographics and job context.

Model equations (path form)

The mediation model is specified as follows:

$$WA = a \cdot HWQ + \delta' \cdot \text{Controls} + \varepsilon_1$$

$$EP = c' \cdot HWQ + b \cdot WA + \theta' \cdot \text{Controls} + \varepsilon_2$$

$$\text{Indirect effect} = a \times b$$

$$\text{Total effect} = c' + (a \times b)$$

Where: *WA* = Workforce Agility; *EP* = Employee Productivity; *HWQ* = Hybrid Work Quality; ε denotes error terms.

All statistical tests used a 5% significance level. Results are reported using standardized coefficients along with confidence intervals for the indirect (mediated) effect.

5. Results

This section reports results for the final dataset ($N = 200$) and follows the same sequence as the Methodology: respondent profile, descriptive statistics, measurement checks, hypothesis testing, mediation results, and robustness checks.

5.1 Respondent profile

The sample captured employees from five service sub-sectors and a range of hybrid work intensities. In terms of gender, 52.0% of respondents were female, 47.0% male, and 1.0% preferred not to disclose. Most participants were between 21–40 years (82.0%), indicating a predominantly early- to mid-career workforce. Two-thirds (66.0%) were individual contributors, which is appropriate because this group experiences day-to-day hybrid work routines most directly.

Figure 5.1. Gender distribution ($N = 200$)

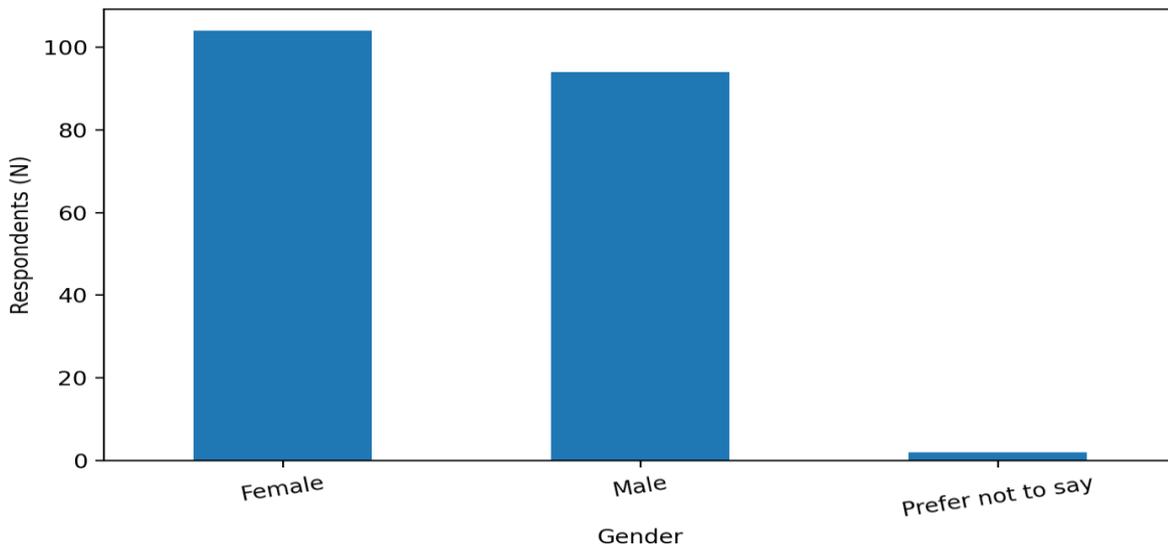


Figure 5.2. Age group distribution ($N = 200$)

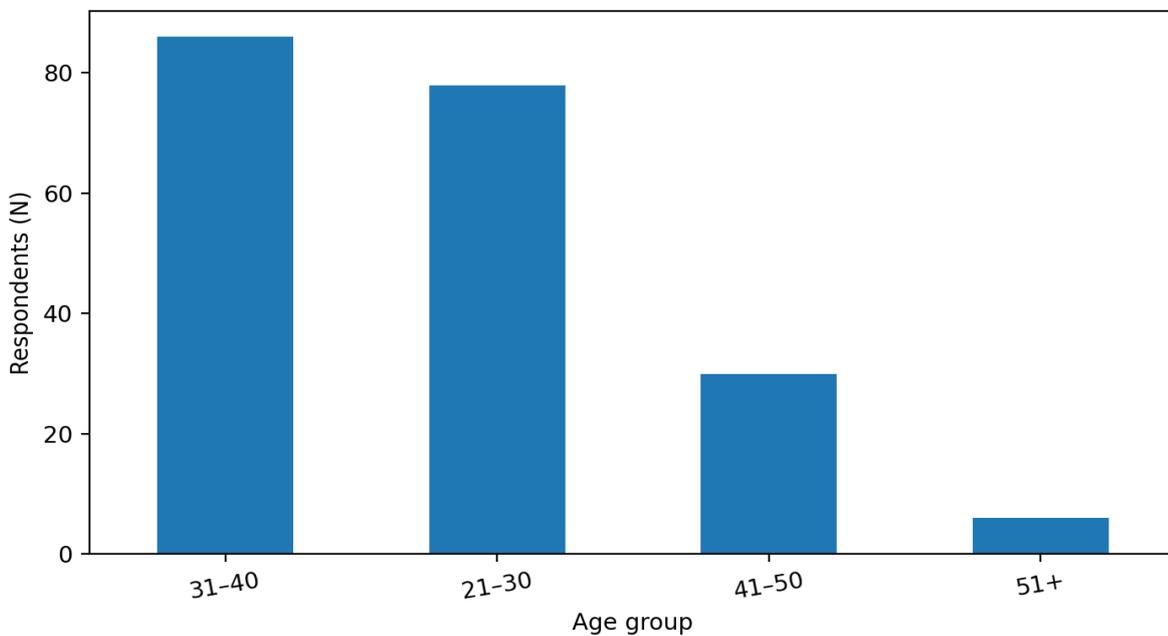


Figure 5.3. Sector distribution ($N = 200$)

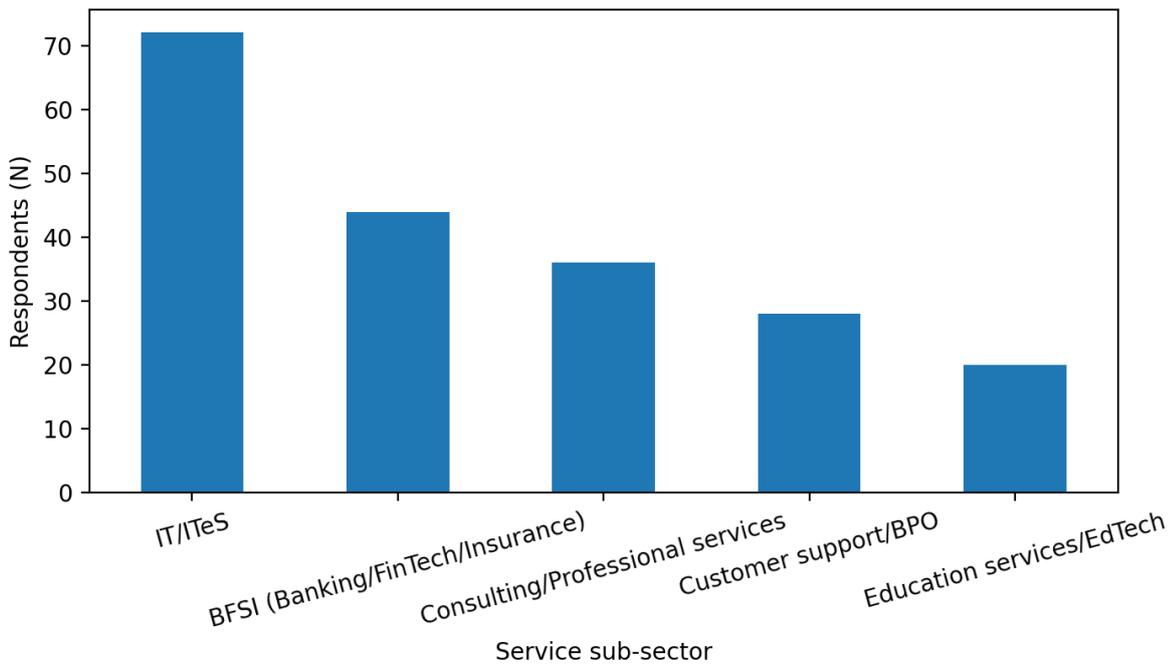


Figure 5.4. Hybrid intensity (WFH days/week) (N = 200)

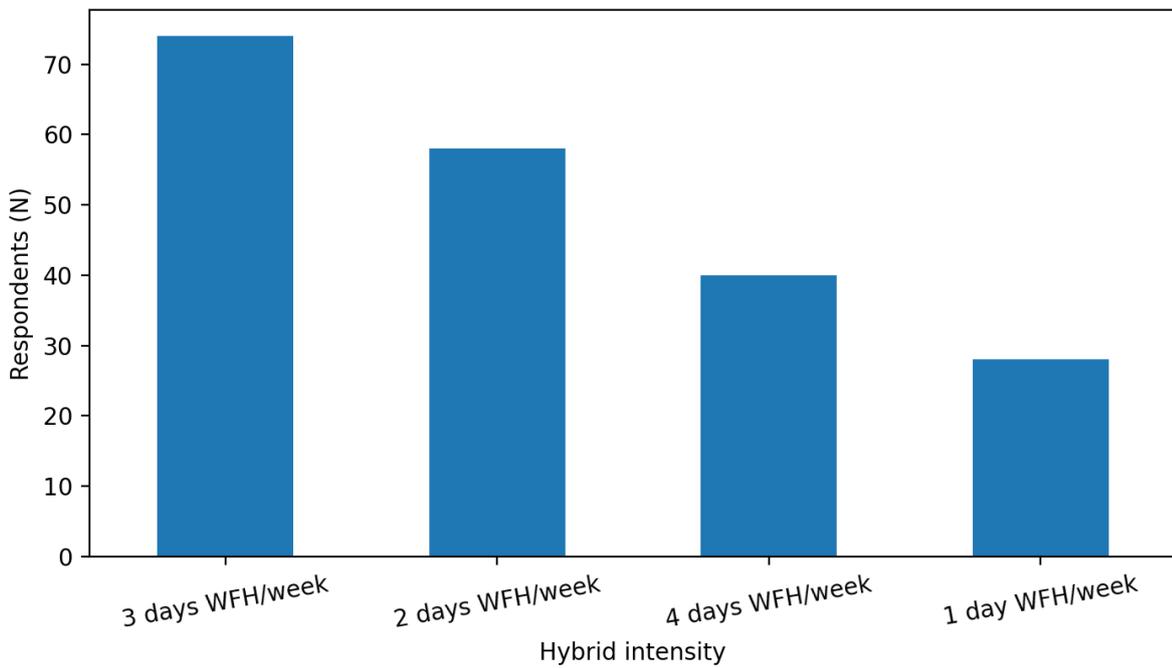


Table 5.1. Summary profile (selected variables)

Variable	Category	n	%
Gender	Female	104	52.0
Gender	Male	94	47.0
Gender	Prefer not to say	2	1.0

Age group	31–40	86	43.0
Age group	21–30	78	39.0
Age group	41–50	30	15.0
Age group	51+	6	3.0
Job level	Individual contributor	132	66.0
Job level	Team lead	44	22.0
Job level	Manager+	24	12.0
Role type	Client-facing	112	56.0
Role type	Back-office/support	88	44.0

5.2 Descriptive statistics and correlations

Table 5.2 summarizes the distribution of the main constructs. Mean scores for hybrid work quality (HWQ), workforce agility (WA), and employee productivity (EP) were above the scale midpoint, suggesting generally positive perceptions. Figure 5.5 visualizes the dispersion of construct scores.

Table 5.2. Descriptive statistics (N = 200)

Construct	Mean	SD	Min	Max
HWQ	3.7	0.55	1.69	5.0
WA	3.47	0.55	1.83	4.94
EP	3.53	0.51	1.85	5.0

Figure 5.5. Box plots of construct scores

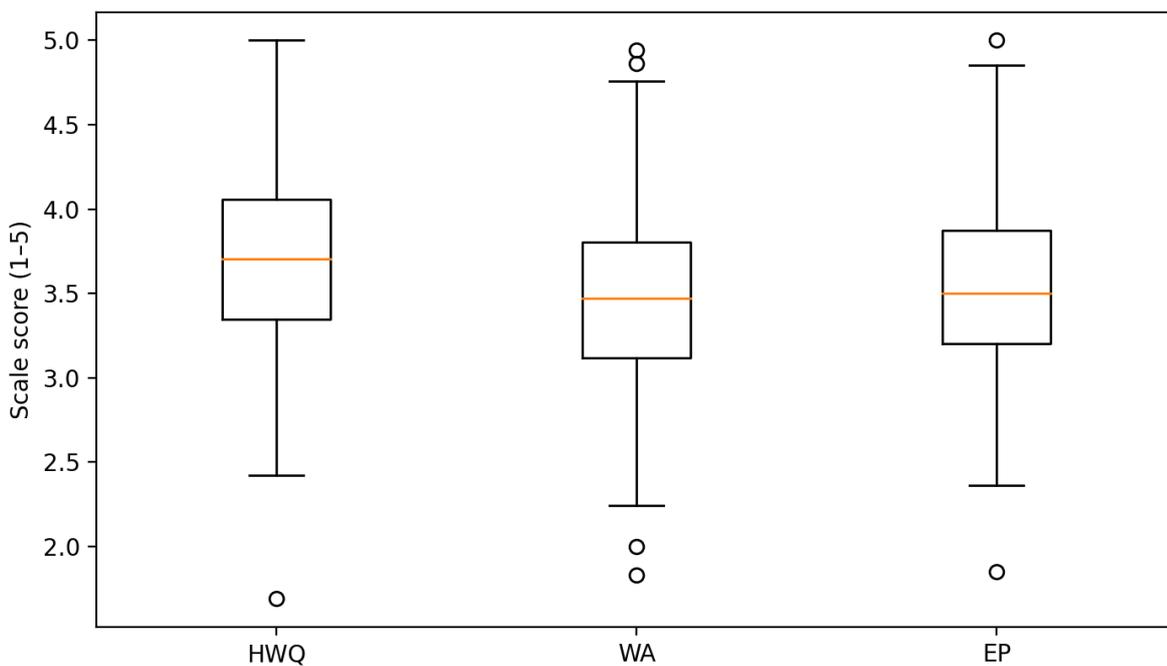


Table 5.3 reports correlations among the study variables. HWQ was positively related to WA ($r = 0.609$) and EP ($r = 0.481$). WA also showed a strong positive correlation with EP ($r = 0.648$). The correlation pattern supports the proposed mediation logic and provides an initial indication that hybrid work quality may shape productivity partly through agility.

Table 5.3. Correlation matrix (Pearson r)

	HWQ	WA	EP
HWQ	1.0	0.609	0.481
WA	0.609	1.0	0.648
EP	0.481	0.648	1.0

5.3 Measurement model results (reliability/validity)

Internal consistency and construct validity checks indicated satisfactory measurement quality. Cronbach's alpha and composite reliability exceeded 0.70 for all constructs, and AVE values were above 0.50, supporting convergent validity. Discriminant validity was confirmed as HTMT values were below conservative cut-offs.

Table 5.4. Reliability and convergent validity

Construct	Items	Cronbach's α	CR	AVE
Hybrid Work Quality (HWQ)	8	0.89	0.90	0.56
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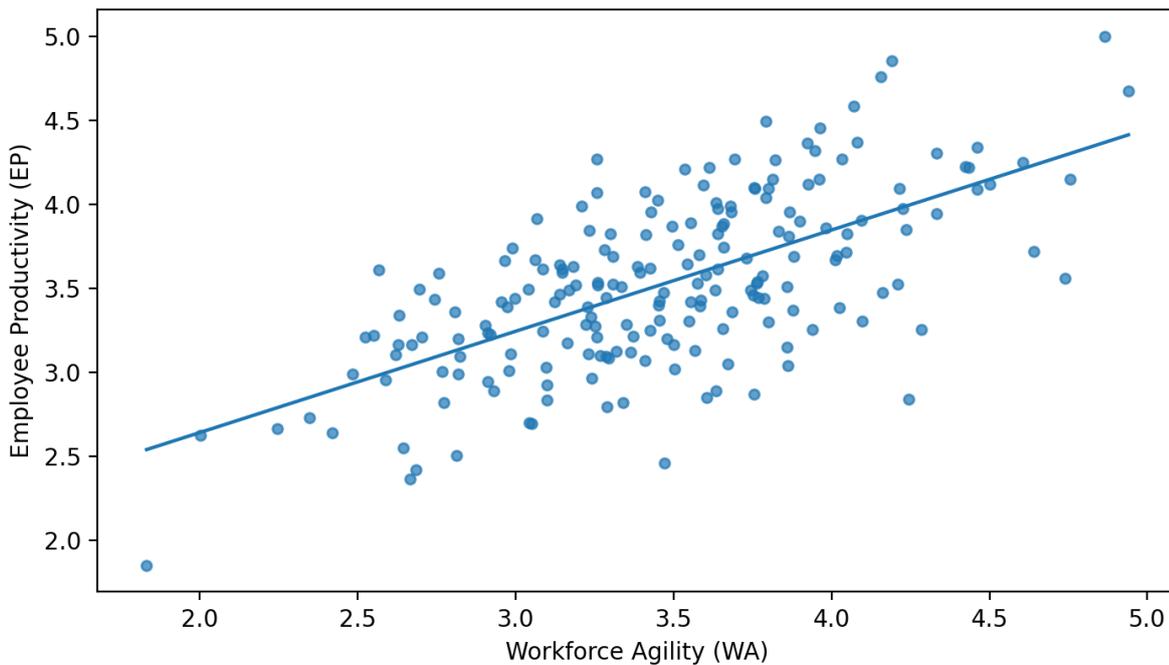
5.4 Hypothesis testing

Hypotheses were tested with OLS regression models including controls (hybrid intensity, gender, tenure, job level, and role type). Results in Table 5.6 indicate that hybrid work quality significantly predicted employee productivity (H1) and workforce agility (H2). Workforce agility was a significant predictor of productivity when entered together with hybrid work quality (H3).

Table 5.6. Path coefficients (with controls)

Hypothesis	Path	β	p-value	Decision
H1	HWQ \rightarrow EP	0.437	0.0000	Supported
H2	HWQ \rightarrow WA	0.602	0.0000	Supported
H3	WA \rightarrow EP	0.522	0.0000	Supported

Figure 5.6. Workforce agility and productivity



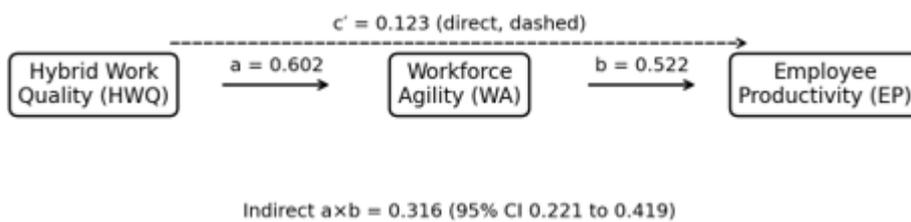
5.5 Mediation analysis results (workforce agility)

The mediation effect was assessed using bootstrapping (5,000 resamples). The indirect effect of hybrid work quality on productivity through workforce agility was positive ($a \times b = 0.316$). The 95% bootstrap confidence interval ([0.221, 0.419]) did not include zero, supporting the mediating role of workforce agility (H4). This suggests that hybrid work becomes more productive when it strengthens employees’ capacity to adapt and respond effectively.

Table 5.7. Bootstrapped mediation results

Effect	Estimate	95% CI (Lower)	95% CI (Upper)
Indirect (HWQ → WA → EP)	0.316	0.221	0.419

Figure 5.7. Mediation model with estimated coefficients



5.6 Robustness checks

To check robustness, multicollinearity was examined using variance inflation factors (VIF). As shown in Table 5.8, all VIF values were within acceptable limits, suggesting that coefficient estimates are not inflated by collinearity. Additionally, the main model was re-estimated with sector fixed effects to account for systematic differences across sub-sectors. The WA → EP relationship remained significant ($p < 0.001$) and the direction and magnitude of key effects were stable, indicating that results are not driven by any single service sub-sector.

Table 5.8. Multicollinearity diagnostics (VIF)

Variable	VIF
const	107.64
HWQ	1.66
WA	1.61
WFH_Days	9.52
Male	7.07
Tenure_ord	17.45
Job_ord	3.28
Client	7.08

In the sector-adjusted model, workforce agility remained a strong predictor of productivity ($\beta = 0.527$, $p < 0.001$).

6. Discussion

6.1 Interpretation of key findings

The findings provide a clear answer to the central question of this study: hybrid work is more likely to support employee productivity when it is experienced as a high-quality system (i.e., clear deliverables, workable autonomy, and effective digital coordination), and a key reason this happens is because such a system strengthens workforce agility.

In the present dataset ($N = 200$), hybrid work quality showed a positive association with productivity in the baseline model. At the same time, hybrid work quality strongly predicted workforce agility. When workforce agility was introduced into the productivity equation, agility remained a strong predictor and the direct effect of hybrid work quality reduced, indicating that part of the hybrid work–productivity relationship operates through agility rather than acting purely as a direct effect.

This pattern makes practical sense for Indian service firms. Service work is highly reliant on a quick response from the client, a smooth hand-off, and adaptability when a change of priority is required. In a hybrid work scenario, there are a lot of "switching" requirements, such as switching from home to the office, from meetings that are done synchronously and those that are done asynchronously, or from tasks that can be accomplished autonomously and those that have to be accomplished jointly. Agile workers are those employees that are more adaptable, proactive, and resilient and are best suited for these switching requirements while remaining agile with respect to the delivery of the task.

6.2 Comparison with prior studies

The findings are consistent with strong evidence that hybrid working is possible without adversely affecting performance and could lead to better outcomes for workers like satisfaction and retention. This current study adds to this literature stream by demonstrating how the productivity gain in the service environment is more understandable with the inclusion of the pathway for the capability.

The mediation pattern also resonates with workforce agility literature, in which adaptability, proactivity, and resilience as agility-related behaviours are again associated with improved work performance in volatile environments. What this study contributes is a specific bridging concept in relation to work. Hybrid work is more than just a place choice; it is rather a work system in which agility may be strengthened by autonomy, clarity, or technology or weakened by coordination mystery or expectation ambiguity.

6.3 Theoretical implications

The study makes three theoretical contributions. Firstly, it reinforces a mechanism explanation approach on work outcomes by using workforce agility as a median linking quality of work in a hybrid context and workforce productivity. Therefore,

it explains why previous studies showed inconclusive results regarding productivity, because a hybrid work process does not function in one way, but in skills it provides.

Secondly, the findings indicate that there is support for agility at work and productivity and that agility can be a measurable trait of individual employees that connects the nature of work and productivity. Instead of using agility of the organization as a general term, the agility of individual employees can be used as a conduit through which flexible work affects productivity.

Third, based on the Indian service firm environment, coordination intensity and client-driven variability in hybrid work studies assume importance. Findings here support including dynamism in environment and interdependence in theories of hybrid work, as adaptability in such situations becomes critical.

7. Practical Implications

7.1 Implications for HR and hybrid work policy

From an HR point of view, the implications of the study suggest the importance of examining the impact of hybrid work policies not only in terms of employee attendance levels but also in terms of the quality of the hybrid model itself, as those with clear outcomes and more digital collaborative capabilities would ensure more workforce agility and, thereby, more productivity levels.

First, instead of “days in office” policies, policy design itself may focus on results-oriented goals in terms of role definition, deliverables, and response tendencies. Then, HR may consider agility as an officially stated policy agenda in terms of digital skills development in teamwork and overall learning. Finally, HR may formalize “collaboration hygiene” in terms of meeting frequency, documentation formats, and escalation procedures so as not to affect information access and decision-making on account of geographical separation.

7.2 Implications for managers in service firms

According to Service managers are advised by the results that instead of focusing on more monitoring, what drives productivity in hybrid work is smoother coordination. Managers can create ‘agile routines’—short check-ins, shared dashboards, clear task ownership, and quick escalation paths—to keep work moving when priorities change.

Managers can also use office time strategically: reserve in-person days for high-interdependence work such as client alignment, brainstorming, complex problem-solving, and peer learning, while allowing focused execution work to happen where it is most efficient. Finally, supporting autonomy with accountability—clear goals, timely feedback, and fair performance criteria—can help employees stay proactive without feeling micromanaged.

8. Conclusion

8.1 Summary of findings

This study examined whether hybrid work quality is associated with employee productivity in Indian service firms and whether workforce agility explains this relationship. Using a final sample of 200 employees, results supported the proposed model: hybrid work quality predicted productivity, hybrid work quality predicted workforce agility, and workforce agility predicted productivity. Bootstrapped mediation analysis further showed that workforce agility carries a significant portion of the hybrid work–productivity effect.

8.2 Limitations

The study has several limitations. First, the cross-sectional design limits strong causal interpretation, even though the mediation logic is theoretically grounded. Second, the use of self-reported measures can introduce common method bias; procedural and statistical precautions reduce this concern but do not eliminate it fully. Third, while the sample includes multiple service sub-sectors, results may not generalize to roles with limited remote feasibility or to non-service contexts.

8.3 Future research directions

Future research can strengthen this evidence in at least four ways. First, longitudinal or multi-wave designs can better establish directionality (hybrid work design → agility development → later productivity). Second, studies can include multi-source or objective outcomes (supervisor ratings, task completion metrics, customer satisfaction, or operational KPIs). Third, boundary conditions can be tested—such as digital self-efficacy, task interdependence, leadership style, psychological safety, or techno-stress—to identify when hybrid work builds agility versus when it strains employees. Finally, researchers can expand the model to examine sustainability-oriented outcomes (wellbeing, burnout, retention) alongside productivity to understand whether hybrid work supports performance in a sustainable way.

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