

“Impact of Hybrid and Remote Work on Employee Productivity and Retention”

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ABSTRACT

The workplace is undergoing a significant transformation, as traditional measures of job performance are being reshaped by advancements in remote work technologies and artificial intelligence. The concept of hybrid work, which combines remote and in-office work arrangements, has gained significant attention in recent years, largely due to technological advancements and the growing demand for flexible work environments. Remote working, defined as performing job responsibilities outside the traditional office setting using digital tools and communication technologies, has become an integral part of this shift. While flexible work arrangements—such as work from home (WFH), hybrid, or fully remote setups—are not entirely new, their relevance and adoption were greatly accelerated during the COVID-19 pandemic, particularly during the lockdowns that began in March 2020.

This period highlighted the critical role of remote work in maintaining business continuity and reshaping traditional workplace practices. . Both managers and employees are required to adapt to these changes, embracing new ways of working and evaluating performance in a more flexible, technology-driven environment. This paper explains how remote and hybrid working arrangements influence employee productivity, engagement, and retention, examining the benefits, challenges, and emerging trends in flexible work practices.

Keywords: “hybrid work,” “remote work,” “productivity,” “employee retention.” “Employee Engagement”, “Work-Life Balance”, “Employee Satisfaction”.

INTRODUCTION

The current period is witnessing many changes, not only in terms of technology but also in terms of how individuals approach their jobs. In the current environment, it has become possible for people to work from home, away from the traditional office setting, because of technological progress and the changing nature of work..ⁱ (*Allen et al., 2015*)

Hybrid working is an innovative form of employment whereby people may choose in-office working, remote work, or mobile work. It gives workers the ability to determine how and where they will complete their work most efficiently, making them more productive while balancing their personal and professional lives.

Remote work is a flexible form of employment whereby individuals are able to do their work from places other than the traditional offices. There are a number of benefits associated with remote working, such as better balance between personal and professional life, expanded career paths for employees, and reduction in cost of transport among others. Employers will also benefit because they will be able to have more satisfied and loyal employees, enhanced production, and reduced cost of resources. Remote work may be adopted in different ways depending on whether it is temporary, full or part-time, and occasional or regular.

The COVID-19 pandemic brought a profound shift to the global work landscape, forcing organizations to implement flexible work arrangements on an unprecedented scale. Initially adopted as a response to the crisis,

these arrangements—particularly hybrid and fully remote models—have continued in many sectors, becoming part of the “new normal.” Remote work, where employees carry out their responsibilities entirely outside the traditional office, has been lauded for increasing flexibility, reducing commuting time, and providing greater autonomy. In contrast, hybrid models blend remote and on-site work, seeking to combine flexibility with the collaborative and social benefits of in-person interactionⁱⁱ (**Gajendran & Harrison, 2007**). As organizations plan for the future of work, examining the effects of these arrangements on employee engagement and productivity has become an essential area of focus.

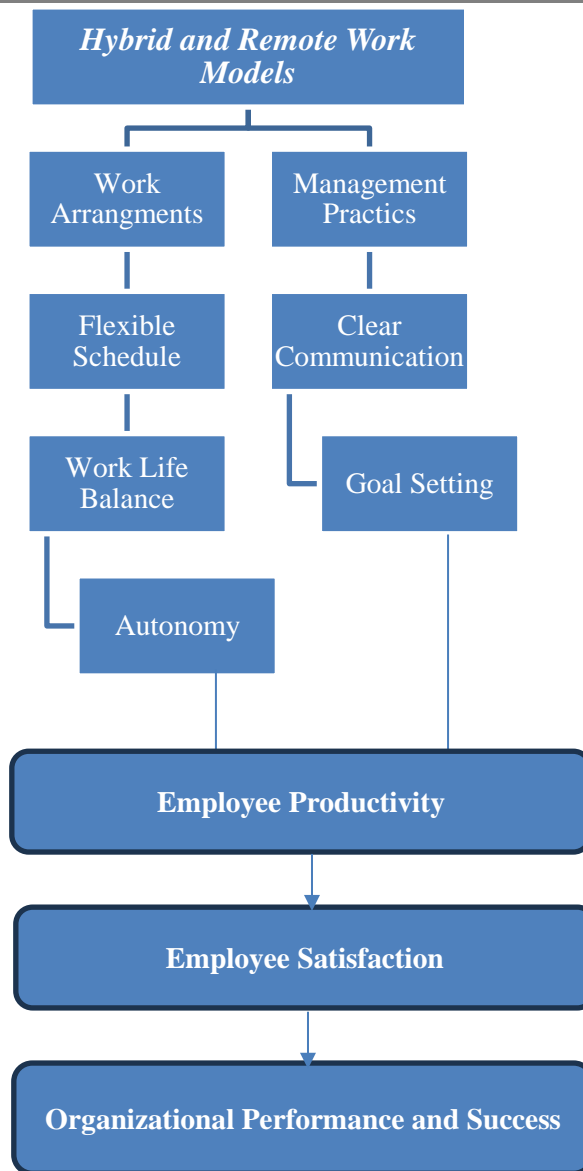
The ability to retain skilled staff in any organization is essential, particularly in industries with labor shortages. High turnover rates can prove costly, negatively impacting productivity levels and leading to the loss of knowledge. Flexibility at the workplace such as hybrid and remote working contributes immensely in boosting retention through autonomy, good work-life balance, and creation of a healthy working environment.

Productivity management is a business strategy which helps businesses accomplish their objectives through increased effectiveness and reduction of waste across various aspects such as sales, service, marketing, and finance, among others. The key aim of productivity management in any organization is the provision of maximum value to the customers by keeping the costs under control and maximizing productivity. Productivity management is very crucial in any business because it helps the company achieve its objectives and maximize profits. Notably, productivity and employee retention share a strong connection. Where employees are involved, supported and offered flexible work options like hybrid and remote working, they will be productive and will retain their jobs hence ensuring productivity within the organization.

In today’s hybrid and remote working world, the link between productivity, management, and retention of employees becomes particularly important. Good management techniques – such as openness in communication, goal setting, and monitoring performance – play a critical role in ensuring productivity when the employees are working beyond the boundaries of an office. At the same time, flexibility in working schedules, which helps to improve employee life quality and provide personal freedom, may contribute to their satisfaction, thus increasing retention rate. Companies that combine the focus on productivity through effective management techniques with policies that prioritize employee satisfaction are more likely to retain valuable personnel because employees value effectiveness and well-being.

According to the **Cisco Global Hybrid Work Study 2025**, there is an evolution in work culture with the percentage of hybrid work falling from 62 percent in 2022 to 45 percent in 2025, while 72 percent of the businesses are using return-to-office policies. However, on the other hand, there is an increase of 19 percent in the productivity of employees (seven extra hours per week), as reported by 69 percent of the employers. (**Cisco, 2025**)ⁱⁱⁱ.

Aspect	Remote Working	Hybrid Working
Definition	Employees work entirely from a location outside the office, often from home.	Employees split their work between the office and remote locations.
Work Location	Fully remote; home or any external location.	Partly office, partly remote; flexible schedule.
Flexibility	High flexibility in timing and location.	Moderate flexibility; office days may be fixed.
Collaboration	Relies heavily on digital tools; less face-to-face interaction.	Combines virtual collaboration with in-person meetings.
Supervision	Managed remotely via online tools and performance tracking.	Supervision is shared: in-office oversight and online monitoring.
Work-Life Balance	Often better due to eliminated commute, but may blur boundaries.	Balance can improve, but office days may reduce flexibility.
Employee Engagement	Risk of isolation; engagement relies on virtual connection.	Better engagement due to mix of in-person interaction and remote autonomy.
Productivity	Depends on self-discipline and home environment.	Can be optimized by leveraging office resources and remote focus time.
Retention Impact	Positive if employees value flexibility; risk of disengagement if isolated.	Generally positive; provides balance, fostering loyalty and satisfaction.



Research Questions

1. What is the effect of hybrid working on an employee’s decision to either stay or leave the organization?
2. What effect does remote work have on keeping experienced and knowledgeable employees in organizations?
3. What aspects in the structure of hybrid and remote working make employees committed and minimize turnover?
4. How does flexibility in the work environment affect employee satisfaction and loyalty?
5. What steps should organizations take in order to retain and improve their employees' productivity in remote/hybrid work environments?

Objectives for the study

1. To examine how hybrid work arrangements influence employee retention.
2. To analyze the effect of remote work on retaining skilled employees.
3. To identify the factors within hybrid and remote work that enhance employee commitment and reduce turnover.
4. To evaluate the role of flexible work arrangements in improving employee satisfaction and loyalty.
5. To provide recommendations for organizations to design effective hybrid and remote work policies to boost retention.

LITERATURE REVIEW

Moretti et al. (2020)^{iv} found that remote work does not always lead to improved performance, as 39.2% of remote employees reported feeling less productive, while 41.2% experienced back pain and 23.5% reported neck pain associated with this work arrangement. These findings suggest that managers need to take proactive measures to safeguard the physical and mental well-being of remote workers. This includes ensuring workloads remain manageable, offering adequate technological support, and creating informal opportunities for social interaction and networking to reduce stress and isolation.

Ingusci et al. (2021)^v highlight that an increased workload among remote workers is positively associated with higher levels of behavioral stress. To mitigate such stress, the concept of *job crafting* has been proposed as an effective strategy. Job crafting involves employees taking proactive and personal initiatives to reshape their work experience, which may include fostering a more enjoyable approach to tasks, building meaningful collegial relationships, and maintaining a positive outlook toward their professional roles. Furthermore, the "fake-it-first principle" suggests that cultivating a positive mindset, even by consciously reinforcing optimistic thoughts about productivity and satisfaction, can enhance one's attitude toward work. This indicates that psychological inputs, such as self-affirmation and positive framing, can significantly contribute to reducing stress and improving remote employees' overall job satisfaction and engagement.

Choudhury, Khanna, Makridis, and Schirmann (2022)^{vi} examined the effects of hybrid work on productivity through a field experiment in Bangladesh, where employees were randomly assigned different numbers of office and remote workdays over nine weeks. The study found that an **intermediate hybrid schedule** increased productivity, email communication, and novelty of work outputs, while also improving **work-life balance** without causing social isolation. These findings suggest that hybrid work may offer the "best of both worlds," combining the benefits of in-office collaboration with remote work flexibility.

Grobelny (2023)^{vii} found that hybrid and remote work models have a positive impact on employee well-being. Employees working in virtual settings, who reported higher satisfaction with their workstations, often have greater autonomy in designing their workspace compared to on-site workers, where limited decision-making opportunities can make routine tasks monotonous. The study also highlighted that clear communication and effective leadership play a significant role in promoting well-being among virtual team members. In contrast, employees sharing the same office space were more affected by traditional workspace constraints, which, despite being compliant with occupational regulations, can limit comfort and flexibility. Overall, the research concluded that flexibility is a key factor driving employee well-being in modern work environments.

Wohner (2023)^{viii} found that working from home and having flexible work hours encourage greater physical activity among employees. The study indicates that remote workers tend to walk more for leisure or errands and are more likely to engage in recreational biking compared to office-based employees. Flexible work schedules, particularly those with core hours, provide employees with opportunities to stay active throughout the day, which can positively influence cognitive functioning and overall well-being. The research also highlights that individuals with higher BMIs generally engage in less physical activity, including walking and biking, and are less likely to achieve at least 30 minutes of movement per day, underscoring the health benefits of flexible and remote work arrangements.

Bartik et al. (2023)^{ix} examined the rise of remote work using surveys of small business owners and employees, highlighting the significant shift in work arrangements following the onset of COVID-19. Their study found that remote work adoption was rapid and widespread in jobs suitable for telework, leading to a lasting change in work patterns. Business leaders' perceptions of productivity also evolved, with many initially reporting declines in early 2020 but later observing positive impacts by 2021. Additionally, the study revealed that while a minority of workers were willing to accept pay cuts to continue remote work, most valued maintaining their compensation over the flexibility of telework. The findings suggest that both perceived productivity benefits and employee preferences contributed to the sustained adoption of remote work in the post-pandemic period.

Arul Karthikeyan and Kavitha (2024)^x conducted a comparative study on remote, hybrid, and in-office work modes in the IT sector, revealing that remote work is both the most common and most preferred option among

employees. Based on a survey of 120 professionals, the study found that productivity and job satisfaction remained stable across different work modes, while the hybrid model offered flexibility and reduced commuting time. However, remote work posed challenges such as distractions at home. The researchers concluded that the IT sector is moving toward a hybrid model that balances flexibility with efficiency, recommending clear organizational frameworks for smooth adaptation.

Sahu and Singh (2024)^{xi} examined the impact of remote and hybrid work arrangements on employee productivity and well-being, highlighting how these models have transformed traditional workplace practices, especially in the wake of the COVID-19 pandemic. The study notes that remote work offers flexibility and autonomy, which can enhance productivity, but may also lead to challenges such as social isolation and blurred boundaries between work and personal life. Hybrid work arrangements, combining remote and in-office work, are presented as a balanced approach that fosters collaboration while mitigating some of the drawbacks of full-time remote work. The research underscores the importance of understanding how different work models affect employee outcomes and emphasizes the need for organizations to design policies that promote both productivity and overall well-being.

Author	Mehod	Sample	Major findings
Moretti et al. (2020)	Survey	Remote employees	Stress and health issues affected productivity
Choudhury et al. (2022)	Field Experiment	Bangladesh employees	Hybrid work increased productivity
Bartik et al. (2023)	Survey	Firms and workers	Remote work adoption remained high
Karthikeyan & Kavitha (2024)	Survey	120 IT employees	Hybrid model balanced flexibility and productivity

Research Gap

Despite extensive research on remote and hybrid work models, several gaps remain in understanding their nuanced effects on employees. Most studies, such as those by Moretti et al. (2020) and Ingusci et al. (2021), emphasize physical and psychological well-being, yet they focus largely on short-term outcomes or specific stressors without examining long-term adaptation strategies. Similarly, while Choudhury et al. (2022) and Arul Karthikeyan & Kavitha (2024) highlight productivity and hybrid work benefits, there is limited investigation into sector-specific differences beyond IT and office-based roles. Research by Wohner (2023) and Grobelny (2023) points to physical activity and workspace autonomy as critical for well-being, but the interaction between personal lifestyle, organizational support, and hybrid scheduling remains underexplored. Additionally, Bartik et al. (2023) show widespread adoption post-pandemic, yet they do not sufficiently analyze employee preferences versus organizational constraints over time. Overall, there is a lack of comprehensive, longitudinal studies that integrate productivity, well-being, social interaction, and sectoral differences, particularly in non-IT sectors and diverse cultural contexts, which could inform more adaptive and inclusive work policies.

RESEARCH METHODOLOGY

This study follows a systematic literature review approach, aiming to analyze and synthesize existing research on the impact of hybrid and remote work on employee productivity and retention. The design is descriptive, highlighting trends, patterns, and key findings from previous studies. Keywords such as “hybrid work,” “remote work,” “employee retention,” “employee productivity,” “flexible work arrangements,” and “employee engagement” were used to identify relevant studies. Only studies published in the last ten years and available in English were considered, while those unrelated to employee outcomes or flexible work were excluded.

The study also includes a comparative perspective across industries and organizational types to highlight best practices and gaps in existing research. The outcome provides evidence-based insights and recommendations for designing effective hybrid and remote work policies to enhance employee productivity, satisfaction, and retention.

To ensure the relevance and quality of the reviewed literature, only peer-reviewed journal articles, books, book chapters, industry reports, and government publications published in English during the period 2015–2025 were included. Studies that did not focus on employee outcomes or flexible work arrangements were excluded from the review.

The selected literature was analyzed using a thematic approach. The findings were categorized into major themes, including employee productivity, employee retention, job satisfaction, organizational commitment, work-life balance, and challenges associated with remote and hybrid work environments. Particular attention was given to identifying common findings, contradictions, and research gaps within the existing literature.

This Review is rely on secondary sources, including:

- *Peer-reviewed academic journals on HR management, organizational behavior, and workplace productivity.*
- *Books and e-books on modern work arrangements and employee engagement.*
- *Industry reports and white papers from consulting firms and HR organizations.*
- *Government and organizational reports providing statistics on hybrid and remote work adoption.*
- *Online research databases: Google Scholar, Scopus, JSTOR, ResearchGate, etc.*

"As this study is based entirely on secondary data, the findings are limited by the scope and quality of existing literature. Future research may employ primary data collection methods such as surveys, interviews, and case studies to validate and extend the findings."

DISCUSSION

In order to comprehend how remote and hybrid work arrangements affect employee retention, productivity, and satisfaction in contemporary firms, the current review examined the body of existing literature. The results show that traditional work arrangements have been redefined by flexible work models, which present both opportunities and difficulties for both companies and employees.

1. Influence of Hybrid Work on Employee Retention

By providing flexibility and autonomy while preserving chances for social interaction and teamwork, hybrid work arrangements are essential for improving employee retention, according to several research (Choudhury et al., 2022; Arul Karthikeyan & Kavitha, 2024). Because they experience less stress from commuting and have a better work-life balance, employees in hybrid settings frequently report higher levels of commitment and job satisfaction. These advantages, however, are highly dependent on efficient management and communication techniques. Long-term retention may be impacted by businesses that do not establish established hybrid rules because they run the danger of inconsistent workloads, misunderstandings, and a diminished sense of teamwork.

2. Effect of Remote Work on Retaining Skilled Employees

According to studies by Moretti et al. (2020) and Ingusci et al. (2021), working remotely can offer flexibility and autonomy, but it can also result in stress, loneliness, and a blurring of work-life boundaries. Although skilled workers typically like flexibility, retention may suffer in the absence of adequate support networks, including inclusive leadership, psychological resources, and technical aid. Therefore, while remote work might help retain talent in the short term, ongoing communication and a positive virtual work culture are necessary for continued engagement.

3. Factors Enhancing Commitment and Reducing Turnover

The examined research highlight the importance of trust-based management, flexibility, autonomy, well-being, and effective communication in raising employee commitment (Grobelny, 2023; Sahu & Singh, 2024). Workers are more likely to remain loyal to their company if they feel empowered and have control over their schedules. On the other hand, turnover may rise as a result of social isolation, unclear goals, and lack of acknowledgment. In order to maintain employee loyalty, companies must place a high priority on developing remote and hybrid work environments that are transparent, inclusive, and psychologically safe.

4. Role of Flexible Work Arrangements in Employee Satisfaction and Loyalty

In today's workplace, flexibility has become a key component of job happiness. According to studies, remote and hybrid models help employees' physical and mental health by letting them manage their schedules and partake in healthy activities (Wöhner, 2023). Autonomy, technology assistance, and acknowledgment all work together to improve job happiness and cultivate enduring loyalty. Diverse talent is also drawn to flexible arrangements, particularly professionals and working parents who want to improve their work-life balance.

5. Industry-Specific Differences in Remote and Hybrid Work

The impact of remote and hybrid work arrangements varies significantly across industries. Knowledge-based sectors such as information technology, finance, consulting, and professional services have demonstrated greater success in implementing flexible work models because their tasks can be performed through digital platforms. In contrast, industries such as manufacturing, healthcare, retail, and hospitality continue to face challenges because many job functions require physical presence. Consequently, the relationship between flexibility, productivity, and employee retention differs according to industry requirements, technological readiness, and operational characteristics. Organizations should therefore adopt industry-specific strategies rather than relying on a universal approach to flexible work.

6. Demographic Variations in Employee Experiences

Employee experiences with remote and hybrid work differ across demographic groups. Working parents often report higher satisfaction due to increased flexibility and improved work-life balance. Younger employees and newly hired staff may face challenges in developing professional networks and receiving mentorship in virtual environments. Employees residing in rural areas may also encounter technological barriers that influence productivity and engagement. These differences suggest that organizations should design flexible work policies that accommodate the diverse needs of their workforce.

7. Emerging Challenges in Remote and Hybrid Work

Despite the numerous benefits of flexible work arrangements, several challenges continue to affect organizational effectiveness and employee well-being. Employee burnout remains a significant concern due to extended working hours and difficulties in maintaining clear boundaries between professional and personal life. Social isolation may reduce collaboration, organizational commitment, and psychological well-being. Furthermore, digital inequality can create disparities among employees with varying levels of access to technology and internet connectivity. Organizations also face growing cybersecurity risks associated with remote access to organizational networks and confidential information. Additionally, the increasing use of artificial intelligence-based monitoring systems has raised ethical concerns regarding employee privacy, workplace surveillance, and trust. Addressing these issues is essential for the long-term sustainability of remote and hybrid work models.

8. Recommendations for Organizational Policy and Design

It is clear from the literature review that clear policies, flexible leadership, and technology integration are essential to the success of remote and hybrid work models. Clear performance metrics should be set up,

communication systems should be purchased, team-building activities should be encouraged, and remote workers should receive ergonomic and mental health support. To keep hybrid teams cohesive, leadership development in empathy and digital communication is equally important. By doing this, businesses may increase the productivity and engagement of their skilled workers while also retaining them.

Role of the Study

Consolidating the disparate collection of knowledge on remote and hybrid work is a major function of this review. A comprehensive understanding of the effects of flexible work arrangements on employee productivity and retention is provided by integrating findings from various studies and scenarios. The necessity for companies to go beyond short-term fixes and create long-term, research-based hybrid and remote work plans that strike a balance between worker satisfaction and organizational effectiveness is also emphasized. Thus, the study forms the basis for upcoming empirical investigations and the creation of useful policies in the area of human resource management.

CONCLUSION

The current review comes to the conclusion that remote and hybrid work arrangements have drastically changed the organizational environment of today, altering how workers see loyalty, productivity, and satisfaction. The results show that although remote work gives flexibility and autonomy, hybrid models frequently offer a well-balanced framework that blends independence and social engagement, improving long-term commitment and retention. Effective communication, flexibility in leadership, work-life balance, and organizational trust are important factors that determine success.

Employee engagement is still impacted by issues like social isolation, unequal workload distribution, and a lack of organizational cohesion. Therefore, companies must build up clear regulations, encouraging leadership styles, and strong digital infrastructures that promote cooperation and performance in both virtual and hybrid environments before the full potential of flexible work systems can be achieved.

The findings of this review should be interpreted in light of certain limitations. As the study is based exclusively on secondary data, its conclusions depend on the scope and quality of existing literature. Future empirical investigations involving primary data collection may provide a more comprehensive understanding of employee productivity, engagement, and retention across different organizational and cultural contexts.

Implications for the Future

Future studies should try to fill in the gaps by:

- carrying out longitudinal and comparative research to evaluate the long-term effects of hybrid work on productivity and retention.
- investigating regional and industry-specific variances to comprehend how economic and cultural factors affect the effectiveness of flexible work arrangements.
- examining the motivational and psychological processes that connect employee engagement and loyalty to flexible work arrangements.
- analyzing how corporate culture, leadership, and digital competencies support productivity in remote and hybrid teams.
- Future studies should employ empirical approaches such as surveys, interviews, case studies, and longitudinal research designs to validate the findings of literature-based studies and provide deeper insights into employee experiences in remote and hybrid work environments.

At its core, the shift to remote and hybrid work represents a fundamental development in employment practices rather than a passing fad. To maintain productivity and retention in the workplace of the future, it calls for data-driven decision-making, empathy-driven management, and constant innovation.

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