E-ISSN: 3026-3239
Vol. 2, No. 2, July - December (2023), pp. 394-406

Hybrid Work System Transformation and Its Impact on Employee Welfare and Company Productivity at PT. Citra Niaga Abadi

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Submited : 20-08-2023, Accepted : 21-09-2023, Published : 20-10-2023

Abstract

In addition, innovative performance measurement approaches must be developed to accurately assess employee contributions in both remote and in-office settings. Comprehensive research is needed to address this gap and tailor solutions to the unique context of the Indonesian workplace. This study uses a quantitative approach to obtain comprehensive data on the impact of hybrid work systems on employee welfare and organizational productivity. The results of this study are: The Effect of Hybrid Work System on Employee Welfare, The Effect of Hybrid Work System on Company Productivity, The Effect of Employee Welfare on Company Productivity, Indirect Effect: Mediation by Employee Welfare, Moderation Role of Type of work.
Keyword : Hybrid, System, Transformation

Introduction

The COVID-19 pandemic has accelerated the adoption of hybrid work models, which combine on-site and remote work, giving employees greater flexibility and improving their work-life balance (Lucian Sfetcu, 2024). This shift is particularly appealing to millennials and Generation Z, who prioritize personal fulfillment and autonomy in their work environment (Anastasia Hanzis, 2024). These generations are tech-savvy and expect organizations to leverage digital communication tools to facilitate seamless collaboration and maintain productivity, regardless of location (Matti Vartiainen, 2024). As organizations adapt to this new dynamic, prioritizing work-life balance becomes essential to attracting and retaining top talent, ultimately leading to increased job satisfaction and lower turnover rates (Ayşe Aslı Yılmaz, 2024). Additionally, the flexibility offered by remote work not only reduces commute time but also addresses concerns about isolation, making it a critical component of a modern workforce strategy (Marcela Vitória Sartori, 2024). Thus, embracing a hybrid work model is critical for organizations aiming to thrive in the evolving work landscape.

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The transition to a hybrid work model presents both opportunities and challenges for employees and organizations. For employees, the shift can negatively impact their well-being due to factors such as uncertainty, reduced social interaction, and technological hurdles, which can lead to fatigue and cognitive stress (Adrielly Maíze Alfaia Lima,2024). On the organizational side, maintaining productivity and fostering team collaboration in a distributed work environment is becoming increasingly complex (Roya Gorjifard,,2024). Effective productivity management strategies are critical to mitigating these challenges and ensuring that the benefits of hybrid work, such as flexibility and autonomy, do not come at the expense of employee health or organizational efficiency (Asriandi Asriandi,,2024). Ultimately, the success of a hybrid work system depends on balancing employee well-being with the need for continued productivity, which requires a thoughtful approach to individual and collective work dynamics (Pardomuan Pardosi,,2024).

The adoption of hybrid work systems by around 60% of global companies presents significant challenges, especially in communication management, performance measurement, and employee empowerment (R. Suganya, 2024). In Indonesia, where work cultures and digital readiness vary, understanding the impact of these systems is critical. Poor employee well-being, exacerbated by blurred boundaries between work and personal time, can lead to decreased motivation and increased risk of burnout (T. Saritha, 2024). Therefore, it is important for organizations to implement effective strategies that promote work-life balance and improve employee well-being, which are critical to maintaining motivation and performance in a hybrid environment (Hasyim Hasyim, 2024). In addition, innovative performance measurement approaches must be developed to accurately assess employee contributions in both remote and in-office settings (Sukandi, 2019). Comprehensive research is needed to address these gaps and tailor solutions to the unique context of the Indonesian workplace.

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Methods

This study uses a quantitative approach to obtain comprehensive data on the impact of hybrid work systems on employee welfare and organizational productivity. This method was chosen because it allows researchers to analyze data statistically while exploring the subjective experiences of respondents. The population and sample in this study were employees of PT. Citra Niaga Abadi and its subordinate entities. The sample in this study was 100 respondents who were IT and Marketing divisions. The variables in this study include Independent Variables, Hybrid Work Systems (X), Intervening Variables, Employee Welfare, Dependent Variables, Company Productivity, Control Variables Type of Work.

Results And Discussion

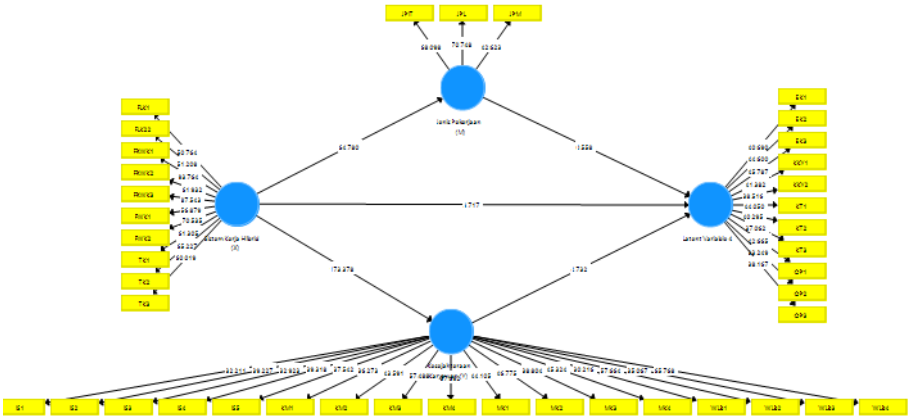

Figure 1. Research Model

1. Measurement Model Test

1.1. Composite Reliability and Validity

Table 1. Composite Reliability & Validity

	Cronbach's Alpha	rho_A	Composite Reliability
Type of work (M)	0,880	0,882	0,926
Employee welfare(Y)	0,979	0,979	0,981
Company Productivity	0,962	0,962	0,967
Hybrid Working System (X)	0,977	0,977	0,980

Source: SmartPLS3 Data Processing Results.

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Interpretation

1. All Cronbach's Alpha values are above 0.8, even approaching or exceeding 0.9, indicating that: All constructs (Type of work, Employee Welfare, Company Productivity, and Hybrid Work System) have very good internal consistency. The research instrument can be relied upon for use in measurement.

2. All Rho_A values in the table are above the threshold of 0.8, even approaching or exceeding 0.9, indicating that all constructs have very good reliability. The measurement model has very high reliability, so the research results based on these constructs can be considered valid and reliable.

3. All variable values in the Composite Reliability test in the table above are above the threshold of 0.7, even approaching or exceeding 0.9, indicating very good reliability for all indicators in the research model. Thus: The indicators on all constructs (Type of work, Employee Welfare, Company Productivity, and Hybrid Work System) can be relied on to measure each construct. Thus, the constructs in this study can be continued to the next stage.

1.1. Convergent Validity

Table 2. AVE values

	Average Variance Extracted (AVE)
Type of work (M)	0,807
Employee welfare(Y)	0,750
Company Productivity	0,726
Hybrid Working System (X)	0,827

Source: SmartPLS3 2025 Data Processing Results

Interpretation

1. Type of work (M)

AVE: 0.807, This value indicates that 80.7% of the variance of the indicators in the "Type of work" construct can be explained by the construct. This value is far above the threshold of 0.5, which indicates very good convergent validity.

2. Employee welfare (Y)

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AVE: 0.750, This value indicates that 75% of the variance of the indicators in the "Employee Welfare" construct can be explained by the construct. This value also indicates good convergent validity.

3. Company Productivity

AVE: 0.726, This value indicates that 72.6% of the variance of the indicators in the "Company Productivity" construct can be explained by the construct. This is also good convergent validity.

4. Hybrid Work System (X)

AVE: 0.827, This value indicates that 82.7% of the variance of the indicators in the "Hybrid Work System" construct can be explained by the construct. The convergent validity of this construct is very good.

Thus, this measurement model can be stated as feasible in terms of convergent validity.

2. Structural Model Test

2.1. Inner VIF

Table 3. Inner VIF

	Type of work (M)	Employee welfare(Y)	Company Productivity	Hybrid Working System (X)
Type of work (M)			1,000	
Employee welfare(Y)			1,000	
Latent Variable 4				
Hybrid Working System (X)	1,000	1,000	1,000	

Source: SmartPLS3 2025 Data Processing Results

Interpretation

1. Type of work (M)

VIF (Company Productivity): 1.000, This value indicates that there is no multicollinearity between "Type of work" and other variables in the model. This means that "Type of work" is not highly correlated with other independent variables, so it does not affect the stability of the model.

2. Employee welfare(Y)

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VIF (Company Productivity): 1.000, This value indicates that there is no multicollinearity between "Employee Welfare" and other variables in the model. This means that this construct is independent of other variables and can be used in the model without high correlation problems.

3. Hybrid Work System (X)

VIF (Type of work): 1.000,VIF (Employee Welfare): 1.000,VIF (Company Productivity): 1.000, These VIF values indicate that "Hybrid Work System" does not have multicollinearity with other variables. This construct can be safely used in the model, without the risk of multicollinearity affecting the estimation results. With the VIF test results above, it can be concluded that there is no multicollinearity in the research model. All VIF values are 1,000, which is an ideal value and indicates that there is no excessive relationship or high correlation between independent variables in the model.

1.2. Significance of Path Coefficient

Table 4. Direct Relationship

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Type of work (M) -> Employee welfare(Y)	0,239	0,233	0,056	4,251	0,000
Type of work (M) -> Company Productivity (Z)	-0,034	-0,041	0,072	0,468	0,640
Employee welfare(Y) -> Company Productivity (Z)	0,608	0,614	0,123	4,957	0,000
Hybrid Working System (X) -> Type of work (M)	0,906	0,907	0,015	61,249	0,000
Hybrid Working System (X) -> Employee welfare(Y)	0,750	0,758	0,053	14,200	0,000
Hybrid Working System (X) -> Company Productivity (Z)	0,399	0,405	0,109	3,661	0,000

Source: SmartPLS3 2025 Data Processing Results

Interpretation

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1. Type of work (M) to Company Productivity (Z)

Original Sample (O): -0.040,T Statistics (|O/STDEV|): 0.558,P Values: 0.577,

The relationship between "Type of work" and "Company Productivity" is negative (-0.040) but not significant (P > 0.05). This shows that changes in Type of work do not have a significant effect on company productivity.

2. Employee welfare (Y) to Company Productivity (Z)

Original Sample (O): 0.591,T Statistics (|O/STDEV|): 4.732,P Values: 0.000 The relationship between "Employee Welfare" and "Company Productivity" is positive (0.591) and very significant (P < 0.001). This shows that Employee welfare has a major effect on company productivity. With T-Statistics > 1.96 and P-Value < 0.05, this relationship is acceptable. Any increase in Employee welfare will significantly increase company productivity.

3. Hybrid Work System (X) on Type of work (M)

Original Sample (O): 0.906, T Statistics (|O/STDEV|): 64.780, P Values: 0.000, The relationship between "Hybrid Work System" and "Type of work" is positive (0.906) and very significant (P < 0.001). This shows that the hybrid work system has a very strong influence on Type of work. With T-Statistics much greater than 1.96 and P-Value < 0.05, this relationship is very strong and relevant in the model.

4. Hybrid Work System (X) on Employee Welfare (Y)

Original Sample (O): 0.968, T Statistics (|O/STDEV|): 173.378, P Values: 0.000, The relationship between "Hybrid Work System" and "Employee Welfare" is positive (0.968) and very significant (P < 0.001). This shows that the hybrid work system has a very strong impact on employee welfare. With a very high T-Statistics value and P-Value < 0.05, this relationship is the strongest in the model.

5. Hybrid Work System (X) on Company Productivity (Z)

Original Sample (O): 0.428, T Statistics (|O/STDEV|): 3.717, P Values: 0.000

The relationship between "Hybrid Work System" and "Company Productivity" is positive (0.428) and highly significant (P < 0.001). This shows that the hybrid work system directly contributes to increasing company productivity, although its influence is not as strong as the path through employee welfare.

Table Indirect Relationship

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	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Type of work moderates the relationship between hybrid work systems and employee well-being. (Y)	0,044	0,047	0,029	1,499	0,134
Type of work moderates the relationship between hybrid work systems and company productivity	-0,034	-0,020	0,033	1,021	0,308

Source: SmartPLS3 2025 Data Processing Results

Interpretation

1. Type of work Moderates the Relationship between Hybrid Work System and Employee Welfare(Y)

Original Sample (O): 0.044, T Statistics (|O/STDEV|): 1.499, P Values: 0.134, The moderation coefficient value (0.044) indicates that Type of work has a very small positive moderating effect on the relationship between Hybrid Work System and Employee Welfare. However, the T-Statistics value (1.499) is less than the threshold of 1.96, and the P-Value (0.134) is greater than 0.05, so this moderation effect is not significant. Thus, the variable, Type of work does not significantly affect the strength of the relationship between hybrid work system and Employee Welfare in this model. Hybrid work system affects Employee Welfare in a relatively uniform manner, regardless of Type of work.

2. Type of work Moderates the Relationship between Hybrid Work System and Company Productivity

Original Sample (O): -0.034, T Statistics (|O/STDEV|): 1.021, P Values: 0.308, The moderation coefficient value (-0.034) indicates that Type of work has a very small negative moderating effect on the relationship between Hybrid Work System and Company Productivity. However, the T-Statistics value (1.021) is less than the threshold of 1.96, and the P-Value (0.308) is greater than 0.05, so this moderation effect is not significant. Thus, the Type of work variable does not significantly affect the strength of the relationship between the hybrid work system and company productivity. The hybrid work system affects company productivity in a way that is not too dependent on the Type of employee work.

2. Evaluation of Model Goodness of Fit and Model Suitability

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Table 5. R Square

	R Square	R Square Adjusted
Type of work (M)	0,822	0,820
Employee welfare(Y)	0,937	0,936
Company Productivity	0,949	0,947

Source: SmartPLS3 2025 Data Processing Results

Interpretation

1. Type of work (M)

R Square value: 0.822, The R Square value of 0.822 indicates that 82.2% of the variance in the Type of work variable can be explained by the Hybrid Work System as an independent variable. This is a very strong value.

The Adjusted R Square value (0.820) which is close to R Square indicates that this model is stable and does not experience overfitting.

2. Employee welfare (Y)

R Square value: 0.937, The R Square value of 0.937 indicates that 93.7% of the variance in Employee welfare can be explained by the Hybrid Work System and other variables in the model. This is a very high value, indicating that the model is very strong in explaining employee welfare.

The Adjusted R Square value (0.936) indicates that the model remains stable even though there are adjustments for the number of variables.

3. Company Productivity (Z)

R Square Value: 0.949, The R Square value of 0.949 indicates that 94.9% of the variance in Company Productivity" can be explained by the independent variables, including Hybrid Work System, Employee Welfare, and Type of work. This is a very strong value and indicates that the model is very effective in explaining the factors that affect company productivity.

The Adjusted R Square value (0.947) which is close to R Square indicates that the model is not biased or overfitting.

3. Hypothesis Testing

H1: Hybrid work system (X) has a positive and significant effect on Employee welfare (Intervening Variable).

The relationship between hybrid work system and Employee welfare is positive and significant. With T-Statistics far above 1.96 and P-Value <0.05, hypothesis H1 is accepted.

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H2: Hybrid work system (X) has a positive and significant effect on company productivity (Dependent Variable).

The relationship between hybrid work system hybrid and company productivity is positive and significant. With T-Statistics > 1.96 and P-Value < 0.05, hypothesis H2 is accepted.

H3: Employee welfare (Intervening Variable) has a positive and significant effect on company productivity (Dependent Variable).

The relationship between Employee welfare and company productivity is positive and significant. With T-Statistics > 1.96 and P-Value < 0.05, hypothesis H3 is accepted.

H4: Hybrid work system (X) has a positive effect on company productivity (Y) through Employee welfare as an intervening variable.

The hybrid work system has a direct and indirect effect on company productivity through employee welfare. With these results, hypothesis H4 is accepted,

H5: Type of work moderates the relationship between hybrid work system and company productivity.

Type of work does not significantly moderate the relationship between hybrid work system and company productivity. With T-Statistics < 1.96 and P-Value > 0.05, hypothesis H5 is rejected.

H6: Type of work moderates the relationship between hybrid work system and employee well-being.

Type of work does not significantly moderate the relationship between hybrid work system and employee well-being. With T-Statistics < 1.96 and P-Value > 0.05, hypothesis H6 is rejected.

Conclusion

1. The Effect of Hybrid Work System on Employee Welfare

The results of the study show that the Hybrid Work System has a positive and significant effect on Employee Welfare. The implementation of a hybrid work system improves the balance between work life and personal life, mental health, work motivation, and employee social interaction. This shows that the flexibility of time and work location offered by the hybrid work system has a significant impact on improving employee welfare.

2. The Effect of Hybrid Work System on Company Productivity

The Hybrid Work System also has a positive and significant effect on Company Productivity. By providing flexibility and utilizing supporting technology, the hybrid work system allows employees to work more efficiently and achieve organizational

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targets. This confirms that the implementation of a hybrid work system is not only beneficial for individuals but also for the overall performance of the organization.

3. The Effect of Employee Welfare on Company Productivity

Employee welfare has a positive and significant effect on Company Productivity. Employees who feel physically, mentally, and socially well-off tend to be more motivated, efficient, and collaborate better in achieving organizational goals. This shows that Employee welfare is an important factor that must be considered in increasing company productivity.

4. Indirect Effect: Mediation by Employee Welfare

The results of the analysis show that Employee welfare mediates the relationship between Hybrid Work System and Company Productivity. In other words, the influence of hybrid work system on company productivity becomes stronger when Employee welfare is also taken into account. This confirms that Employee welfare is a key element in the successful implementation of hybrid work system to increase company productivity.

5. Moderation Role of Type of work

The results of the study show that Type of work does not significantly moderate the relationship between Hybrid Work System and Employee welfare or Company Productivity. This means that the influence of hybrid work system on Employee welfare and company productivity is relatively consistent in various Types of work, be it administrative, technical, or managerial work.

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