

# Workplace Evolution: The Hybrid Work Model and its Impact on Innovation and Employee Well-Being

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Authors: Matilda Groeger & Linnéa Waldehagen Berg

Supervisor: Viktor Ström

# **Abstract**

This thesis explores the impact of hybrid work models on innovation and employee well-being, a subject of increasing relevance in the post-pandemic era. As organizations worldwide adapt to a blend of remote and onsite work arrangements, understanding the dynamics and implications of these models becomes crucial. The research employs a qualitative methodology, involving thematic analysis of interviews with employees from various organizations in Sweden, to examine how hybrid work environments influence innovation and employee well-being.

The findings show that while hybrid models can significantly enhance flexibility and innovation, they also present challenges such as potential isolation and blurred boundaries between work and personal life. These mixed effects underscore the need for organizations to carefully manage the transition to hybrid work settings, balancing operational efficiency with employee health and satisfaction.

The thesis concludes with practical recommendations for organizations looking to implement or optimize hybrid work models, emphasizing the importance of robust technological infrastructure, supportive management practices, and a strong organizational culture that prioritizes both innovation and well-being. Future research directions are also discussed, highlighting the need for longitudinal studies to assess the long-term impacts of hybrid work environments.

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Warm regards,

Matilda Groeger

Linnéa Waldehagen Berg

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# 1. Introduction

This chapter presents an introduction and an overview of the research subject. The introduction first provides the background for why the subject was chosen, followed by a discussion of the problem, the purpose, and the research question. Lastly, delimitations and the disposition are presented.

# 1.1 Background

The workplace has witnessed a profound transformation, markedly accelerated by recent global events that have steered the adoption of hybrid work models. This thesis delves into the implications of such models on innovation and employee well-being, aiming to unravel the complexities and dynamics that these changes introduce to the workplace.

The emergence of hybrid work models has directly responded to the challenges posed by the COVID-19 pandemic, pushing organizations towards a blend of remote and onsite work. (Mauras et al., 2021; Lloyd & Hicks, 2023; Vyas, 2022). The adoption of such models was precipitated mainly by the widespread implementation of quarantine measures, recommended by the World Health Organization (WHO) as a critical strategy to prevent the spread of the virus during its early stages (Feiz et al., 2020). This period of unprecedented restrictions not only highlighted the importance of public health initiatives but also catalyzed a rapid shift in organizational practices, pushing companies towards operational flexibility and the reevaluation of traditional work environments.

Moreover, technological advancements have played a pivotal role in facilitating this transition, enabling collaboration and communication across distances, thereby transforming global work practices. The shift to hybrid work models has facilitated consistent interaction regardless of geographical barriers, fundamentally redefining how organizations operate worldwide (Petani & Mengis, 2023). This transition was not merely a direct response to the pandemic's immediate challenges but also an alignment with the growing trend of digitalization and interconnectedness, marking a new era of business agility where access to resources and talent is no longer confined by physical location (McKinsey & Company, 2021; Bloom, 2021).

By their nature, hybrid work settings foster an environment ripe for creativity and ingenuity. They leverage the diverse perspectives and skills of a geographically dispersed workforce, catalyzing the development of innovative solutions. The drive for continuous innovation is essential for companies to remain competitive, making it a vital area of study within the framework of hybrid work models (Fagerberg et al., 2005). However, this environment has its challenges. Hilberath et al. (2020) posit that while hybrid work is the new work environment, offering unprecedented flexibility and potential for innovation, it also introduces complexities related to maintaining cohesion, communication, and a unified organizational culture. These challenges can sometimes hinder the collaborative synergy essential for innovation, leading to potential productivity dips and a sense of isolation among employees. The ability of organizations to navigate these challenges effectively is critical to unlocking the innovative potential of hybrid work models, ensuring they contribute positively to competitive advantage and organizational growth (Hilberath et al., 2020).

Moreover, the well-being of employees has been brought to the forefront of the conversation on hybrid work. While offering advantages such as improved work-life balance and reduced burnout, there are also concerns about increased isolation and the challenge of delineating boundaries between professional and personal spheres (Biron et al., 2022; Vyas, 2022). Addressing the dual aspects of innovation and well-being, it is essential to incorporate a broader perspective on the impact of hybrid work models. According to Gratton (2021) and Knight et al., (2022), while hybrid models can bolster innovation by facilitating flexible collaboration and a diversity of ideas, they also present challenges such as potential decrease in productivity and feelings of loneliness among employees. Mitigating the negative aspects of hybrid work, such as isolation and the blurring of work-life boundaries, is imperative (Biron et al., 2022; Vyas, 2022). Hence, understanding the impact of hybrid work models on well-being is fundamental to devising strategies that support employee health and engagement.

#### 1.2 Problem discussion

Research on the post-pandemic effects on society has shown that office jobs, which primarily require a computer and internet connection, have significantly changed their daily routines. Some companies already implemented the hybrid work model before the pandemic struck and had some tactics to successfully do it (Vasel, 2021). However, others had to go through it

without any significant preparations beforehand to implement a complete remote office in just a few weeks. The aim of isolating and limiting face-to-face interactions was to limit the spread of COVID-19. Since quarantine is one solution to prevent spreading of a virus in an early-stage pandemic, this was recommended by WHO and most followed the recommended restrictions (Feiz Arefi et al., 2020). With more time spent at home, individuals could manage daily chores during their workday, subsequently freeing up more time to spend with family. However, there were negative effects on individuals, and there was a pressing need to reopen society as soon as it was feasible (Feiz Arefi, et al., 2020).

To sum up, everyday life drastically changed for several years, but the introduction of the vaccines enabled a gradual return to the office. The timeline for this return varied globally, depending on the level of restrictions each country imposed, and many organizations did not allow their entire workforce to return simultaneously (Density, 2021). According to Density (2021), many organizations implemented social distancing measures when portions of the workforce returned to the office. These restrictions were later relaxed, transitioning back to what was considered normal before the pandemic

This study aims to answer whether the implementation of the hybrid work model as an effect of the COVID-19 pandemic had any or will have any effects on innovation and employee well-being and whether there are any connections between these two. Will this new way of working result in individuals being more or less inspired to contribute to innovation within the company and has the employee well-being been affected? Amidst the rapid changes brought about by the pandemic, it is worth investigating how employees' perspectives may have been affected. The goal is to determine whether the pandemic has impacted their well-being and ability to innovate.

The COVID-19 pandemic struck the world unexpectedly and on May 5<sup>th</sup>, 2023, it was declared that the pandemic was over (Pfizer, 2023). Less than a year after this declaration, this study aims to investigate both the pandemic's short-term and potential long-term effects, including the widespread quarantine and isolation measures implemented. Given that the declaration of the pandemic's end occurred less than a year ago when this study was conducted, it is not possible to determine any long-term effects yet. However, the study will

shed light on the short-term impacts of the issues being investigated. The process of returning to the office is still ongoing for some, and the adoption of a hybrid work model has become more prevalent than before the pandemic (McKinsey Global Institute, 2023). The report by McKinsey Global Institute from 2023, stated that the result of a study they conducted showed that only 37% of the respondents go to the office every day of the week, with the rest working at least one day remotely. Most studies conducted on the result of the pandemic focus on the hybrid work model or how it is implemented (Lund et al, 2021; Wigert, Harter & Agrawal, 2023; Rapparini, 2023). Some studies analyze the managerial perspectives, but this study will contribute to the research into the effects of COVID-19 by focusing on employee well-being and innovation and if they can be labeled as connected with the result of the drastic shifts in the work environment due to the pandemic. The current research primarily focuses on implementing hybrid models or managerial perspectives. However, a gap remains in understanding the direct effects of these changes on employee innovation and well-being, particularly from the employee's viewpoint. This study aims to bridge this gap by exploring the pandemic's impact on these critical aspects and their interrelationship.

# 1.3 Purpose and research questions

The purpose of this study is to investigate the impact of organizational strategies in hybrid work environments on innovation and employee well-being in the post-pandemic workplace. Specifically, the study aims to explore how hybrid work models can be effectively implemented to enhance innovation within organizations and assess the influence on the well-being of employees as organizations transition to post-pandemic work settings.

To fulfill the study's objectives, the following research questions form the foundation:

- How does the hybrid work model affect the innovation strategies in the post-pandemic workplace?
- How do hybrid work models impact employee well-being in organizations transitioning to post-pandemic work settings?

#### 1.4 Delimitations

The field of research concerning the effects of the COVID-19 pandemic is relatively nascent, as the pandemic was declared over only recently, in May 2023 (Pfizer, 2023). Consequently, this study will not be able to ascertain the potential long-term effects of the changes that occurred during the pandemic. The focus will therefore be on the visible short-term impacts that have emerged since the end of the pandemic.

Additionally, this study is confined to examining companies in Sweden that adhered to the restrictions imposed by the Swedish government during the pandemic. This includes subsidiaries of international corporations that have local offices in Sweden. Another limitation is that the study only includes interviewees employed before, during, and after the pandemic, specifically those in office jobs impacted by the imposed restrictions.

# 1.5 Disposition

This study is divided into six chapters, each with a different focus. The first chapter is the introduction, which will give the reader the necessary background information they need to understand the research question and why this is relevant to the study. The research questions are also found in the introduction and a short explanation of their purpose. The second chapter is the theoretical framework, which contains relevant literature to help answer the research questions and understand the analysis of the empirical data. The third chapter is the methodology which contains the chosen research method and an explanation of it. This chapter also contains the research strategy, research design, data collection, interview-related methods, data analysis, ethical principles, and research quality. The fourth chapter presents the empirical data collected in the study. It consists of the 12 interviews conducted and the thematic analysis of them. The fifth chapter analyzes the findings made in chapter four, these findings are discussed in relation to the theoretical framework and research questions. The last chapter is the conclusion of the study. Here the answer to the research question is presented along with practical implications and recommendations, recommendations for future research, and research limitations.

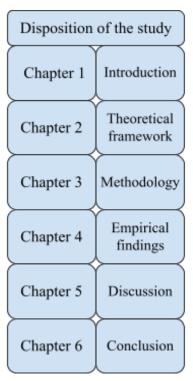


Figure 1. Disposition of the study. Own illustration.

# 2. Theoretical framework

This chapter aims to present the theoretical framework which aims to provide the necessary information to understand the literature that is the foundation for this study. It begins by explaining the hybrid work model, innovation, and then employee well-being. Then, it establishes the relationship between the first three concepts in the following sections: innovation and employee well-being, hybrid work model and innovation, and finally, hybrid work model and employee well-being. This order is chosen because both innovation and employee well-being are both closely related to the hybrid work model. Without innovative and new creative ideas, employee well-being cannot improve and vice versa.

#### 2.1 Hybrid work model

In this section, the hybrid work model is explored in greater depth, highlighting why it has become increasingly relevant in recent years. It also discusses the crucial role of technology in facilitating hybrid work. Finally, this section outlines the various advantages and challenges associated with the hybrid work model.

# 2.1.1 The rise of hybrid work environment

In recent years, the hybrid work model has emerged as a pivotal shift in organizational work arrangements, reflecting an adaptation to the evolving needs of the global workforce and advancements in digital technologies. This model, which combines elements of remote and on-site work, has been increasingly recognized for its potential to offer a more flexible, inclusive, and productive work environment. The hybrid work model's appeal lies in its adaptability, allowing employees to tailor their work locations and schedules to suit individual and organizational needs, thereby fostering a culture of flexibility and autonomy (Krajčík et al., 2023).

Comparatively, traditional and remote work models offer different perspectives on work arrangements. The traditional model emphasizes physical presence in the office during fixed hours, facilitating direct supervision and immediate collaboration. Conversely, the remote work model allows employees to operate entirely outside the office, often from home, leveraging digital technologies to remain connected with their teams and tasks. The hybrid model seeks to bridge these approaches, integrating the flexibility and autonomy of remote work with the collaborative and social benefits of on-site engagement. This blend, tailored to

the specific needs of each organization and its employees, represents a nuanced approach to work that acknowledges the diverse preferences and requirements of the modern workforce (Cooper & Sommer, 2016).

The genesis of the hybrid work model can be traced back to the broader evolution of work practices over the past few decades. Initially, the telecommuting concept introduced in the 1970s marked a gradual shift away from traditional, office-centric models towards more flexible arrangements. This shift was propelled by the digital revolution, which, by advancing internet technology, made remote work a viable option for a considerable segment of the workforce. The COVID-19 pandemic served as a critical catalyst for this evolution, compelling organizations worldwide to adopt remote work practices rapidly. As the immediate impacts of the crisis began to wane, it became evident that employees did not desire a complete return to pre-pandemic norms nor practical for many organizations. Consequently, the hybrid model, which combines the flexibility of remote work with the benefits of in-person collaboration, emerged as a significant milestone in the ongoing evolution of workplace practices, reflecting a thoughtful balance between flexibility and engagement (Krajčík et al., 2023).

## 2.1.2 The role of technology in shaping the hybrid work environment

Digital tools and platforms are crucial in facilitating and shaping the hybrid work model, serving as the backbone of remote collaboration. Technologies such as cloud computing, video conferencing, and project management software have not only made remote work feasible but also efficient and productive. Furthermore, advancements in cybersecurity have alleviated concerns regarding data privacy and protection, supporting the broader adoption of hybrid models. As technology progresses, the introduction of more innovative solutions is anticipated, like the integration of artificial intelligence and machine learning into workflow management and communication tools, which could further refine and personalize the remote work experience (Deng et al., 2023).

# 2.1.3 Advantages and challenges of the hybrid work model

The hybrid work model presents numerous advantages, including an enhanced work-life balance that allows employees to better manage their personal commitments alongside professional responsibilities, largely due to reduced commute times (Garg, 2022). This flexibility has been directly associated with increased productivity, as it empowers employees

to work in environments that are optimally suited to their tasks and personal work styles (De Smet et al., 2021). However, this merging of professional and personal spaces can also introduce challenges, notably the risk of overwork and burnout, as the distinction between work and home life becomes increasingly blurred. These issues highlight the necessity for organizations to develop strategies that help employees maintain a healthy balance between their professional and personal lives (da Silva et al., 2022).

Looking toward the future, the implications of the hybrid work model extend beyond immediate organizational strategies to broader societal and economic trends. The flexibility offered by hybrid arrangements could lead to significant changes in urban planning, as the need for large central offices diminishes and employees seek living spaces that accommodate home offices. Additionally, the hybrid model may influence labor markets, with companies expanding their talent search beyond traditional geographic limitations. However, this shift also presents challenges, such as the potential for increased inequality between those who can access remote work opportunities and those who cannot. As we navigate these complexities, the role of policymakers and organizational leaders will be crucial in ensuring that the benefits of hybrid work are distributed equitably and that the model continues to evolve in a sustainable way (De Smet et al., 2021).

In conclusion, the hybrid work model embodies a forward-thinking approach to employment that reflects the dynamic nature of today's work environment. It offers a promising avenue for organizations looking to enhance flexibility, productivity, and employee satisfaction. However, realizing its full potential requires careful consideration of its challenges, particularly regarding communication and work-life balance. As the world of work continues to evolve, the hybrid model stands as a testament to the adaptability and resilience of both organizations and their employees in the face of changing circumstances. In this context, resilience is demonstrated through their capacity to adapt effectively and recover swiftly from challenges, ensuring continued progress and innovation in the face of change (da Silva et al., 2022).

#### 2.2 Innovation

Most people have encountered innovation at some point in their lives, and this section will clarify the definition this study uses. It will also discuss the different drivers of innovation,

and which could possibly be applied to this study. Lastly, it will briefly explain the different types of ambidextrous organizations and what defines them.

# 2.2.1 Defining innovation

Joseph Schumpeter was the pioneering economist who first highlighted the critical importance of understanding innovation. Although his definition originates from the 1930s, it includes five components that remain pertinent today (Shumpteter, 1934). These components are:

- 1. A product or good that is new to customers or alternatively, a good with increased quality than previously.
- 2. A new method of production, it does not require new scientific discoveries, but be new to that particular branch of industry.
- 3. Finding new markets that previously did not exist
- 4. Using a new source of supply
- 5. A reconstruction of the industry as a cause of new forms of competition

Schumpeter (1934) highlighted the entirety of innovation and not just focusing on the invention of a new product, he meant that the manufacturing process could also be innovative and be viewed as part of what innovation was.

Another take on innovation was made by OECD/Eurostat (2018), which composed the Oslo manual for 2018. The definition of innovation made in the Oslo Manual 2018 is relevant for both an activity and the outcome of that activity. The definition made in the Oslo Manual 2018 is that innovation, or more specifically, an innovation is the following:

An **innovation** is a new or improved product or process (or combination thereof) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process). (OECD/Eurostat, 2018, p. 20)

The definition can be compared to the one made by Schumpeter (1934) and some similarities can be noted, such as the improvement or novelty of the product. The definition made by OECD/Eurostat (2018) is more recent and will be used as a base for the definition of

innovation in this study. Schumpeter's (1934) definition is also relevant for this study, but since the Oslo manual from 2018 is more recent it will be the definition used in this study.

This is a broad view of what innovation means and its possible forms, however, at this point the continued definition of innovation will be separated into the three degrees of innovation there are. The three degrees that will be explained are incremental, breakthrough, and radical. The terminology for these degrees is not generally accepted but these are common and are the terms this study will be based on. IThis study will refer to the terminology set by Goffin and Michell (2005) if the topic of degrees of innovation is relevant. For the third degree of innovation, radical innovation, the definition by Christensen et al. (2015) will be discussed and conclude some similarities and explored if it is relevant to include Christensen's et al. (2015) definition.

# 2.2.2 The three degrees of innovation

There are different varieties of the different types of innovation but this study chose the definition made by Goffin and Mitchell (2005). However, there are other types of categorization of innovation. For example, one is open innovation, presented by Henry Chesbrough (2003), which focuses on combining internal and external ideas. Another example is architectural innovation, which Rebecka Henderson and Kim Clark (1990) explained as the shifts in the architectural parts of a product without changing its components.

However, open innovation is not a relevant innovation type for this research project since the focus will not be on the methods used to create new ideas and neither is architectural innovation since its primary focus is on the product's architecture. The focus will mainly be on the degrees of innovation which Goffin and Mitchell (2005) have composed. Why their definition is chosen is due to it being suitable for understanding what degree of innovation employees are innovative in terms of improving the company or coming up with new ideas.

Goffin and Mitchell (2005) explains that incremental innovations are not the type of innovation that creates a completely new product, one can say this is the lowest degree of innovation when it comes to revolutionizing the market. Incremental innovation is improvements on already existing products, services, or manufacturing processes, and mainly targeted to the companies' most loyal customers that just seek improvements on products they already like. (Goffin & Mitchell, 2005).

The next degree of innovation, Goffin and Mitchell (2005) ), is called breakthrough innovations, and it is when the products or services go through substantial changes and are perceived as new to the customer. Breakthrough innovation is the next degree of innovation when it comes to difficulty and acceptance of the new addition by the market. This degree holds a far greater difficulty to enter the market since customers must, to a larger degree than with incremental innovation, understand the benefits of the greater change in a known product or service and why it is suitable for them. Goffin and Mitchell (2005) gives the example with a two-drawer dishwasher, instead of a regular one, which allows the user to either wash smaller amounts of dishes or larger depending on their need. For a bigger household this innovation to the regular-sized dishwasher is not relevant since they most likely need to wash a larger number of dishes daily, but to a smaller household, this could be a great way to, for example, reduce water usage.

Lastly, the third degree of innovation is radical innovations. This is the degree of innovation where an entire new business or market is created (Goffin & Mitchell, 2005). Goffin and Mitchell (2005) explain that these developed products do not yet have an established target market that they aim to please, but they are more focused on creating new consumer demands. To simplify, the markets that the products are aimed for still need to be created. This is the most difficult degree of innovation to achieve and even if most strive to accomplish radical innovation, it mostly ends up being an incremental innovation, and it gets more difficult as the years go by (Goffin & Mitchell, 2005).

Goffin and Mitchell (2005) definition of radical innovation can be paralleled with Christensen et al. 's (2015) concept of disruptive innovation, which is a transformative process introducing entirely new products to the market, targeting low-end or new market segments. The distinction lies in the emphasis on market effects and consumer behaviors that drive the shift towards disruptive innovations (Christensen et al., 2015). This can be explained by the example where people using DVDs did not immediately shift to Netflix or similar streaming services, because they needed to see the improvements it would give them as movie consumers.

In Christensen et al. 's (2015) description of disruptive innovation the focus is more on the effects on the market and what makes customers shift to the disruptive innovation instead of

staying with the incumbent business. In comparison with Goffin and Mitchell (2005), where the focus in the explanation of radical innovation is more than the products creating new markets, they are similar in terms of the targeting of new markets and reasons why consumers shift from incumbent to the new business. This study will mostly use the definition by Goffin and Mitchell (2005) of radical innovation, but since they align in many terms, one can argue that both are used.

In conclusion, innovation is categorized into three degrees, each impacting society and consumption differently. Incremental innovation involves enhancements to existing products; breakthrough innovation significantly alters existing products to serve new functions; and radical innovation, the most challenging to achieve, creates entirely new market segments. While radical innovation closely aligns with disruptive innovation, the latter focuses more on consumer behavior changes (Goffin & Mitchell, 2005; Christensen et al., 2015).

#### 2.2.3 Drivers of innovation

Goffin and Mitchell (2005) has stated that there are different drivers of innovation that drive the need for innovation. They have categorized them into five different drivers, four of which are external factors, such as changes in the competitive environment, and one that is internal, where the company itself seeks the possibility for improvements (Goffin & Mitchell, 2005). The first of the four external drivers is technological advances, which implies the number of new technologies launching and thereby being adapted by others and forcing companies to adapt as well. Goffin and Mitchell (2005) use the example of Big Data in the IT industry that all major companies are using in some way more increasingly.

The second driver of innovation is the changing customers and needs. This driver focuses on the change in what market segments are outdated or irrelevant for today's society (Goffin & Mitchell, 2005). This can for example be the production of VHS tape recorders, which was relevant over 15 years ago but are not as sought after in todays' society.

The third driver is competition and is mainly about the shifts in competition and how it has grown to a larger extent than one could ever imagined 100 years ago. Nowadays, foreign companies are common sight to consumers but are also relatively new competitors in the

home market. Greater competition also means that products that are competitive when they launch to the market might not be so for as long as companies previously could keep it competitive and does not likely increase in value after they first launch (Goffin & Mitchell, 2005).

The fourth and last of the external drivers is the changing business environments. This area is always undergoing changes and might be the area most companies most certainly counts on to change regularly as well. One part of the business environment is the constantly shifting trade groupings, such as NAFTA or the European Union (Goffin & Mitchell, 2005).

Lastly, the internal driver which is strategic intent or the need for innovation internally. The reasons for companies to on their own try to achieve some degree of innovation can be for reasons such as improving their security, reducing their environmental impact, or growing in general (Goffin & Mitchell, 2005).

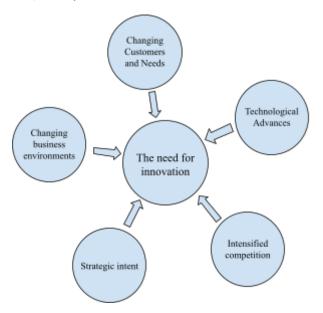


Figure 2. Drivers of the need for innovation. Own illustration.

To summarize, Goffin and Mitchell (2005) state five drivers of innovation, most of which are external. The drivers mainly result from companies trying to stay competitive and relevant in the market and possibly win more market shares.

#### 2.2.4 Ambidextrous organization

When discussing innovation in organizations, there are different ways that an organization can proceed to be innovative and different ways for the organization to exploit existing knowledge as well as explore potential new ones. There are different ways a company can combine the two in order to combine and work with exploring and exploiting. This is called an ambidextrous organization. An ambidextrous organization uses its resources to be innovative in different ways as well as exploiting the current knowledge within the organization (Lund Stetler, 2015). According to Lund Stetler (2015) there are four different types of ambidextrous organization. Structural separation is a complete separation of exploiting and exploring, meaning that a separate unit handles the innovation and the other unit handles the daily tasks. Temporal separation is when the focus is either on exploitation or exploration; employees can shift whenever, but it usually correlates with having exploitation during stable times and exploration during turbulent times. With domain separation, the exploration is focused on certain alliances such as a shift in suppliers, and exploitation in the rest. Lastly, contextual ambidexterity is when the organization focuses on exploration and exploitation at once, often having the effect that all units are constantly alert for change, but the risk for one aspect taking over is prominent (Lund Stetler, 2015).

# 2.3 Employee well-being

Employee well-being is a multifaceted concept encompassing various aspects of an individual's psychological, physical, and emotional health. According to Page and Vella-Brodrick (2009), employee well-being involves the 'what,' 'why,' and 'how' of achieving positive health, happiness, and prosperity in the work environment. It is not merely the absence of negative attributes such as stress or dissatisfaction but includes positive attributes like engagement, job satisfaction, a sense of accomplishment, and overall happiness.

One crucial aspect to understand is what cannot be stated as employee well-being. It is not a static state of being happy or content at work but a dynamic condition that encompasses the overall quality of an employee's experience and perception of their work life (Wright, 2006). It goes beyond physical health or job satisfaction to include psychological states such as self-esteem, optimism, and the feeling of contribution to one's work and community.

Measuring employee well-being can be challenging due to its multifaceted nature. However, researchers have developed various methods to assess it effectively. These include subjective measures such as self-report questionnaires, which ask employees to rate their satisfaction, happiness, and psychological well-being, as well as objective measures that may include assessments of workplace accidents, absenteeism rates, and turnover rates (Van De Voorde et al., 2012). Additionally, psychological assessments can measure constructs related to well-being, such as positive psychological capital, which encompasses self-efficacy, optimism, hope, and resilience (Avey et al., 2010).

Leadership behaviors also significantly impact employee well-being. Inceoglu et al. (2018) highlight the importance of supportive, transformational, and authentic leadership styles in fostering an environment that promotes employee well-being. Leaders who engage in behaviors that support employee autonomy, competence, and relatedness can enhance employees' psychological well-being, leading to improved performance and reduced stress levels.

Furthermore, the impact of employee well-being on performance is profound. Krekel et al. (2019) have demonstrated a direct link between employee well-being and productivity, as well as firm performance. Well-being acts as a strategic asset that enhances productivity and creativity, contributing to the overall success of an organization. Employees with high levels of well-being are more engaged, motivated, and healthy, leading to reduced absenteeism and presenteeism, and better coping mechanisms for challenges and change. This fosters a dynamic work environment conducive to innovation and collaboration, further amplifying productivity and performance. In addition, Bakker (2015) advocates for a multilevel approach to employee well-being, suggesting that individual, group, and organizational-level interventions are necessary to enhance well-being in the workplace effectively. This comprehensive approach acknowledges the complex interplay between various factors at different levels of the organization that contribute to well-being.

In summary, employee well-being is a broad and dynamic concept that extends beyond simple happiness or job satisfaction to include a wide range of psychological, physical, and emotional components. Measuring and improving employee well-being requires a multifaceted approach, incorporating both individual and organizational strategies and considering the significant impact of leadership behaviors. Enhancing employee well-being is

not only ethical but also beneficial for organizational performance, making it a critical area of focus for research and practice in organizational psychology and human resource management.

#### 2.4 Innovation and employee well-being

The interplay between innovation and employee well-being within organizations is complex, reflecting a dynamic relationship that holds the potential for mutual enhancement. Understanding how these two critical aspects influence each other is vital for fostering a work environment conducive to both creativity and employee satisfaction.

As a driving force for organizational growth, innovation often necessitates a departure from conventional working patterns and thought processes. Huhtala and Parzefall (2007) underscore the positive impact of employee well-being on innovativeness, suggesting that well-being can foster an environment where creativity and innovation flourish. Employees who feel valued, secure, and supported are more likely to engage in innovative behaviors, contributing to a culture of continuous improvement and creativity (Huhtala & Parzefall, 2007).

Conversely, pursuing innovation can also have significant implications for employee well-being. Zhou et al. (2020) explore the nuanced relationship between workplace dynamics and innovative work behavior, highlighting the mediating role of employee well-being. In environments where innovation is highly valued, the pressures and challenges associated with developing new ideas can impact employees' mental and emotional health. Thus, organizations must navigate the fine line between encouraging innovation and ensuring that the drive for creativity does not adversely affect employee well-being.

Athota and Malik (2019) provide insight into managing employee well-being and resilience as key factors for sustaining innovation, particularly in knowledge-intensive service industries. They argue that fostering a resilient workforce, capable of adapting to the demands of innovative tasks, is crucial for both individual well-being and organizational success. This resilience, coupled with a supportive work environment, enables employees to engage in innovative activities without detriment to their well-being.

However, Kalliath and Kalliath (2012) introduce the changing work environments as a backdrop for discussing employee well-being, noting that adaptability to these changes is integral to maintaining a positive work-life balance. The move towards more innovative work environments requires organizations to be mindful of the potential stressors and to adopt strategies that support employee well-being amidst change.

In summary, the relationship between innovation and employee well-being is bidirectional, with each influencing the other in significant ways. Organizations that successfully cultivate a culture of innovation while prioritizing employee well-being are likely to see enhanced productivity, creativity, and overall job satisfaction. Balancing these aspects requires thoughtful leadership and a commitment to creating work environments that support both the innovative ambitions of the organization and the well-being of its employees.

## 2.5 Hybrid work model and innovation

Previously, the hybrid work model and innovation have been explained in detail separately, but in this section the focus will be on connecting them and finding potential correlation or effect on each other. The definition of innovation does not address the requirements under which innovation is created which leaves the possibility that innovation can be created both under the circumstances that were before the pandemic, but also during and after, regarding the definition.

Regarding the advantages of hybrid work environments in terms of increased productivity and creativity (Huhtala & Parzefall, 2007), it's important to note that creativity often leads to innovation. Jason Andrews (n.d.) emphasizes that during the initial shift to hybrid work at the beginning of the pandemic, companies had to innovate to succeed. Andrews (n.d.) also argues that the hybrid work model is just as conducive to innovation as traditional office settings, provided the necessary technological conditions are met.

Lynda Gratton (2021) explains something similar to Andrews (n.d.), meaning that it will require more from the company to be successful and keep an innovative environment. Gratton (2021) means that organizations must prioritize the individual's needs and make it possible for each employee to adapt in the way they choose to continue being successful. One example was that an employee that commutes for a longer period of time to get to work and

has worked for the company for an extended period of time does not have the same need to be in the office to be innovative since this employee already has the connections needed within the company. This was compared to a newer employee living close to the office and therefore preferred to be more days of the week at the office to learn as much as possible and it was not as big of a hustle for them in comparison to the senior employee (Gratton, 2021).

These two articles agree that innovation can be created under both traditional and hybrid work models as long as the right tools for creativity and innovation are available. They claim that it does not have either a positive or a negative impact on innovation as long as the right technological tools are available to enable it.

Chuck Leddy (2023) goes into more depth about the effects of having these technological tools that enable hybrid work; it becomes clear that innovation is affected in a positive way. By letting the employees work in a more flexible environment, they can collaborate with other employees who may not be part of their team or are located in the same country much easier. Having meetings online enables collaboration across time zones or country borders without having to travel. However, it is pointed out here as well, that the availability of the right technology is a necessity for it to succeed (Leddy, 2023).

#### 2.6 Hybrid work model and employee well-being

The transition to hybrid work models represents a significant shift in the post-COVID-19 workplace landscape, introducing a nuanced blend of remote and on-site work arrangements. This model leverages technological advancements to offer unprecedented flexibility, significantly impacting employee well-being and the dynamics of labor markets (Vyas, 2022).

#### 2.6.1 Aspects of hybrid work models on employee well-being

Hybrid work models have been praised for enhancing work-life balance, allowing employees to tailor their schedules and work environments to better suit their personal and professional needs (de Leede & Fisher, 2022). This flexibility can lead to increased job satisfaction, reduced stress, and higher overall well-being. Moreover, the ability to work remotely can decrease commute times, offering employees more time for personal activities and family, further contributing to an improved quality of life (Vyas, 2022). However, the shift towards hybrid work environments also introduces several challenges that can adversely affect

employee well-being. Social downsides, such as feelings of isolation and loneliness, have emerged as significant concerns in hybrid settings. The reduced face-to-face interaction can hinder the development of strong workplace relationships and diminish the sense of community and belonging among employees (Allen, 2021). Additionally, the blurring of boundaries between work and home life can lead to increased work-life conflict, where employees struggle to disconnect from work, potentially leading to burnout and mental health issues (Albreiki et al., 2023).

# 2.6.2 Addressing the challenges

To mitigate these challenges, organizations must adopt proactive strategies that foster a sense of community and support among their workforce. This includes creating opportunities for in-person interactions, implementing clear guidelines to maintain work-life boundaries, and providing resources to support mental health and well-being (Franzen-Waschke, 2021). Leadership plays a crucial role in navigating the complexities of hybrid work models, with a focus on maintaining open lines of communication and ensuring all employees feel valued and included, regardless of their physical work location (Rahmatullah et al., 2024).

In conclusion, hybrid work models present both opportunities and challenges for employee well-being. While offering greater flexibility and potential for a better work-life balance, they also raise concerns related to social connections and mental health. Addressing these issues requires a thoughtful approach that balances the benefits of flexibility with the need for community and support within the workplace.

#### 2.7 Theoretical framework

The purpose of this study is to provide the reader with a deeper understanding of how the hybrid work model affects innovation and employee well-being. To accomplish this, the study presents a theoretical framework developed from the literature review and previous research summarized above. The framework is structured from the foundation of the hybrid work model, explaining what it is and its history. Within the area of a hybrid work model, the study researched two aspects: innovation and employee well-being. The subject of innovation is defined broadly and divided into three degrees, also the drivers of innovation are included to understand what makes innovation move forward. The employee well-being describes what it consists of and how to measure it potentially. It also provides the reader with an understanding of what the results of high employee well-being can be. The framework also

presents the linkages between the three parts. The hybrid work model is the foundation for both innovation and employee well-being in the study, as well as how innovation and employee well-being can be connected.

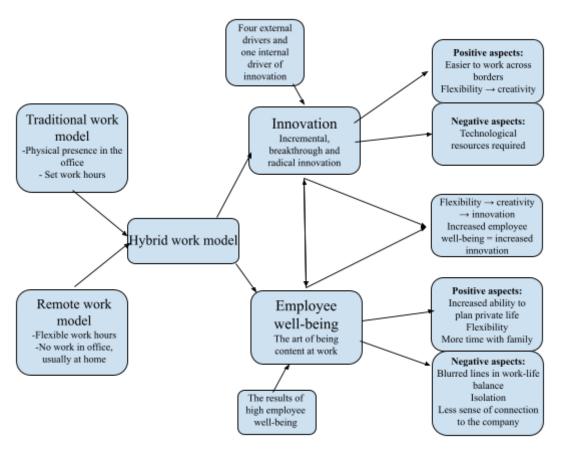


Figure 3. Theoretical framework. Own illustration.

# 3. Methodology

This chapter aims to present the research method used in this study. Here, the methodological choices made are presented in the order of research strategy, research design, data collection, data analysis, research quality and ethical considerations.

#### 3.1 Research strategy

Addressing the complex social phenomenon of optimizing hybrid work environments for innovation and employee well-being necessitates a methodological approach that is both comprehensive and adaptable. Consistent with the recommendations of Bell et al., (2022), Eisenhardt (2021), and Gehman et al., (2018), this study adopts a problem-driven methodology, leveraging a qualitative research strategy enhanced by an abductive approach to navigate the complexities inherent in our research question.

As explained by Bell et al. (2022), a qualitative research strategy is highly appropriate when the goal is to comprehend a phenomenon from the perspective of those experiencing it. This approach enables researchers to delve into the realities of respondents, understanding their experiences and interpretations (Gioia et al., 2012). Qualitative methods are beneficial for their depth and richness in data collection, providing flexibility in both the design of the research and the gathering of data. This is in contrast to quantitative research, which may not capture the nuanced perceptions, feelings and thoughts of respondents as effectively. The qualitative approach is particularly suitable for this study, which seeks to explore how employees experience and interact within hybrid work environments, thus answering the research question more comprehensively (Bell et al., 2022).

The current study leverages existing literature on organizational innovation and employee well-being as a foundational theoretical framework. However, the post-pandemic transition to hybrid work environments presents a novel context, one where existing literature may not fully address the new dynamics at play. This gap in theoretical and empirical insights necessitates an abductive approach. This approach, as Bell et al. (2022) describe, is iterative and involves switching between empirical data and theory. It allows for an open-minded exploration of the hybrid work phenomenon while drawing upon and extending existing literature (Gehman et al., 2018).

The focus of this research is to understand how employees experience the hybrid work setting and its impact on innovation and well-being. The abductive methodology, in this context, facilitates a deep understanding of the hybrid work environment, moving iteratively between empirical findings and theoretical frameworks. Given the limited theoretical and empirical insights into the hybrid work setting in a post-pandemic world, an abductive approach is particularly fitting for this study.

# 3.2 Research design

This report is based on a multiple case study research design, which is ideally suited for the in-depth exploration required by the study's purpose and research questions (Eisenhardt, 2021). This approach allows for deep delving into specific examples of hybrid work environments in their real-world settings. Given the intricate and multifaceted nature of these environments, especially regarding their effects on innovation and employee well-being, such an in-depth method is crucial. Case studies, with their capacity to delve into the complexities of real-world contexts, are indispensable for uncovering the multifaceted influences on innovation and employee satisfaction (Eisenhardt & Graebner, 2007; Eisenhardt, 2021).

Our choice of a multiple case study approach is essential for understanding the varied impacts of hybrid work models across different organizational settings and industries. This methodology allows us to compare and contrast hybrid work strategies in distinct companies, illustrating a broad spectrum of adaptation processes and outcomes. This diverse case selection, which includes different companies from varied sectors, enriches our study by highlighting unique and common themes across various forms of organizational structures and sizes, which are critical for a nuanced understanding of hybrid work environments (Eisenhardt, 2021; Eisenhardt & Graebner, 2007).

A pivotal component of our research design is the comparative analysis that it enables. In investigating multiple cases, we can identify both unique and shared elements across different organizational settings (Gehman et al., 2018). Such an approach not only aligns with the principles of qualitative rigor but also enriches our understanding by identifying patterns and deviations across different case studies (Bell et al., 2022).

#### 3.3 Data collection

This project will contain both primary data and secondary data, but both have different purposes for the study. The primary data will be collected by conducting semi-structured interviews and used to answer our research questions. The secondary data will primarily be used to explain the background to why this project is relevant and why we see a need for this to be researched about.

#### 3.3.1 Primary data

The primary data was gathered through interviews. These interviews were conducted with employees deemed relevant to this project. The selected profile for participation in the study comprised individuals who had been employed at an office-based workplace before the pandemic and then had to shift from working at the office to working full-time from home. One crucial aspect was that they did not transition back to a traditional work model, but instead chose to have a hybrid work model. This hybrid work model could differ between the workplaces but should consist of a combination of working remotely and at the office.

# 3.3.2 The interview process

The interviews were conducted using a semi-structured format, which, according to Bell et al. (2022) and Eisenhardt and Graebner (2007), allows for follow-up questions while adhering to a predefined interview guide (see Appendix A). Bell et al. (2022) and Eisenhardt and Graebner (2007) explain that a semi-structured interview is a great way to get the interviewee's answers in a more nuanced way; by letting the interviewer ask appropriate follow-up questions, the interviewee can further explain their answer given and thereby also give the project a better foundation for its conclusions later on. We chose to analyze the interviews using a thematic analysis method, which will be explained later on, but in order to use that analysis method, the interviews were conducted with some structure to make it easier to find the different themes

When conducting a qualitative research method using interviews there are different types of interview formats. Here are some examples of different types and why this study did not use these specific types. Bell et al. (2022) explain unstructured interviews as a research interview type where the interviewer does not have any predetermined questions to ask the interviewee or have any form of prepared structure for how they plan the interview to proceed. The

analysis will be more challenging, but each response is more open-ended and thereby provides a richer and nuanced answer and gains a more in-depth view from the interviewee (Bell et al., 2022). Eisenhardt and Graebner (2007) means that the unstructured interviews are best suited for the initial part of the study to explore the subject, to help capture different angles or aspects. For the thematic analysis method chosen for this study, an unstructured interview is not a suitable method.

The other research interview type that we want to contrast is the structured interview. According to Bell et al. (2022) the structured interview follows a highly organized and predetermined set of questions. This is good when doing many interviews and you want to be able to analyze them as easily as possible and enhance the comparability of responses between participants (Bell et al., 2022). However, this study has chosen to do semi-structured interviews because the structured interviews are limiting the response we get from the interviewee. The semi-structured interview method allows for follow-up questions or clarifications of the questions (Bell et al., 2022; Eisenhardt and Graebner, 2007). Additionally, after comparing the structured and unstructured interview methods with each other, we concluded that the most suitable method for this study was the combination of both. The flexible yet structured way of interviewing using the semi-structured method was the most suitable for answering our research questions.

#### 3.3.2.1 Respondents

When choosing the respondents for this study, it was based on the guidelines from Bell et al. (2022) that the respondent must be directly relevant to the research questions. In this case, we made the limitation that the most relevant criteria were that they had worked for the company during, before, and after the pandemic to ensure they had insight into how it had changed over the past years. Another important criterion was that the company had applied a hybrid work model after the pandemic and that, during the pandemic, it was mostly working remotely. The criteria were more on the companies than on the respondents, but the aim was to have a variety of respondents of different positions and ages. Our aim was also to include at least two people from each industry to give a broader representation of that industry than just one person's answers.

It was attempted to choose interviewees from different industries to aim to see similarities or differences between the industries. The size of the company did also matter in terms of seeing potential differences between different sized companies. The sizing measurements are based on the European commission's definition of small and medium-sized enterprises (European Commission, 2005).

Table 1. Respondents

	Industry	Company size 0-49, 50-249, 250>	Age group respondent	Format	Date	Interview length
L1	Logistics	0-49	40-50	In person	2024-03-15	31:05
L2	Logistics	0-49	40-50	Online	2024-03-11	26:09
B1	Banking	250 >	30-40	In person	2024-03-12	25:35
B2	Banking	250 >	40-50	In person	2024-03-12	15:34
В3	Banking	250 >	50-60	In person	2024-03-12	26:38
B4	Banking	250 >	30-40	In person	2024-03-19	38:03
B5	Banking	250 >	20-30	In person	2024-03-12	19:51
A1	Automotive	250 >	30-40	Online	2024-03-14	22:05
A2	Automotive	250 >	30-40	Online	2024-03-22	29:10
P1	Pharmaceutical	250 >	50-60	Online	2024-03-11	37:51
P2	Pharmaceutical	250 >	30-40	Online	2024-03-25	31:26
Р3	Pharmaceutical	250 >	50-60	Online	2024-03-25	22:02

## 3.3.3 Systematic Literature Review

Conducting a systematic literature review was a foundational step for this study, aimed at understanding existing knowledge within the realms of the hybrid work model, innovation, and employee well-being. This process involved a meticulously planned review to explore research methodologies, strategies, and key theories that intersect our primary areas of interest. After the interviews were conducted, it was not necessary to research additional articles or information from what was found during the interviews.

Initially, the scope of our research was defined in collaboration with participating organizations, focusing specifically on how the hybrid work model influences innovation and employee well-being. This led to the establishment of our research field, specifically targeting the interplay between physical and digital work environments and their impact on different types of innovation and aspects of employee well-being.

To ensure a comprehensive and impartial literature review, we adhered to Bell et al.'s (2019) guidelines by specifying clear research questions and outlining the context, interventions, mechanisms, and outcomes of interest. This structured approach facilitated a targeted yet expansive exploration of the subject matter.

Table 2. Key words

Hybrid work model	Innovation	Employee well-being
Physical work model Digital work model	Degrees of innovation Disruptive innovation Drivers of innovation Creativity	Work-life balance Social well-being

These keywords, utilized both individually and in combination, guided our search through various academic databases and ensured the review's unbiased nature and replicability.

#### 3.3.3.1 Databases and Collection

We sourced our data from reputable online databases accessible through the University of Gothenburg, ensuring the academic integrity of the articles selected for our study. Predominantly, we utilized Scopus and Business Source Premier for their extensive collections of peer-reviewed journals. Additionally, we leveraged the "Supersearch" service also offered by the University of Gothenburg library. These services proved invaluable, granting us access to an expansive array of resources and databases that the institution subscribes to, thus facilitating a comprehensive literature review.

#### 3.3.3 2 Inclusion and Exclusion Criteria

The credibility of our review was upheld by exclusively consulting peer-reviewed literature. Given the rapid evolution of our key concepts, particularly in the context of the post-pandemic workplace, publication dates were considered critical. We prioritized

academic articles published after 2010 to ensure the relevance and currency of our sources, especially concerning the modern hybrid work model and its implications. We also included some reports made by larger organizations/institutions to widen the definitions. The literature used was solely in English to ensure the risk of translation issues was limited and language barriers avoided.

Table 3. Inclusion and exclusion criteria

Criteria Type	Criterion	Description
Inclusion	Peer-Reviewed Literature	Only articles from peer-reviewed journals were included to ensure academic rigor.
	Publication Date Post-2010	Selected studies published after 2010 to capture the most recent developments related to the hybrid work model.
	Focus on Key Themes	Literature that explicitly explores the hybrid work model, innovation, and its impact on employee well-being.
	English Language Publications	Limited sources to those published in English to avoid translation inaccuracies and ensure consistency.
Exclusion	Non-Peer-Reviewed Sources	Excluded articles from magazines, blogs, and non-academic publications to maintain scholarly integrity.
	Publications Before 2010	Omitted older studies to focus on current and relevant data.
	Non-English Literature	Excluded to simplify the review process and avoid potential inaccuracies from translations.

By meticulously adhering to the criteria outlined in Table 3 above, we aimed to construct a comprehensive and current foundation for our analysis. The process involved a multi-stage selection mechanism, beginning with a broad search using our key terms, followed by the application of our inclusion and exclusion criteria to filter the search results. This was complemented by a manual screening of abstracts to ascertain relevance to our study's objectives, further narrowed down by full-text reviews for final selection.

This strategic and detailed approach enabled us to curate a highly relevant set of literature that forms the backbone of our investigation into the hybrid work model, its innovation-driven facets, and its implications for employee well-being. Each step of our

selection process was designed not only to capture the most pertinent and up-to-date insights in these fields but also to ensure the reliability and validity of our sources. Through this meticulous methodology, we endeavored to provide a solid, evidence-based foundation for our study, contributing to a deeper understanding of the modern workplace and its impact on organizational and employee dynamics in the post-pandemic era.

In summary, this systematic literature review aims to lay a solid foundation for our investigation into the hybrid work model, innovation, and employee well-being. By adhering to stringent criteria for source selection and focusing on specific, relevant keywords, we sought to capture the most pertinent and up-to-date insights in these fields.

#### 3.5. Data analysis

In this study, thematic analysis was selected as the primary methodological tool for dissecting the qualitative data collected. This decision aligns with Nowell et al. (2017), who underscore thematic analysis's utility in qualitative research for its flexibility and systematic approach to identifying patterns within data. This method is particularly apt for parsing through complex datasets, like those derived from interviews in varying hybrid work contexts, enabling researchers to distill meaningful insights from dense information.

The thematic analysis process began with a deep engagement with the interview transcripts, ensuring a comprehensive familiarization with the data. This initial engagement is crucial for generating initial codes, which are concise labels summarizing key points and ideas from the interviews. These codes serve as the foundation for identifying significant patterns within the data. As the analysis progresses, these initial codes are grouped into potential themes. Each theme covers a significant pattern or issue relevant to the research questions, providing insights into the strategic optimization of hybrid work environments in the post-pandemic era as illustrated in Appendix B. The identification of themes is an iterative process, involving continuous refinement to ensure they accurately reflect the nuances of the data and align with the study's objectives (Bell et al., 2019).

The richness of the data collected from various organizational settings allows for a nuanced understanding of the phenomena under study. This diversity is crucial for a comprehensive analysis, as it provides a fertile ground for a detailed exploration of how hybrid work

environments are perceived and experienced by employees and management, as well as the strategies employed by organizations in this context.

In summary, by utilizing thematic analysis, this study aims not just to map out the landscape of hybrid work environments but also to offer insightful and practical recommendations for organizations striving to enhance innovation and employee well-being within these models. The systematic and iterative approach of thematic analysis, grounded in the data while being methodically organized, ensures a clear and coherent summary of the main findings, aligned with the study's objectives.

# 3.6 Research Quality

Ensuring the quality and trustworthiness of our qualitative research is paramount. Drawing from Lincoln and Guba (1985), we evaluate our study on hybrid work models, innovation, and employee well-being using four criteria: credibility, transferability, dependability, and confirmability. These criteria offer a comprehensive approach to assessing the reliability and validity of our qualitative findings, emphasizing the study's naturalistic inquiry where interpretations play a central role.

# 3.6.1 Credibility

The credibility of a study refers to how believable the results of the study are, and how good the quality of the research practice is (Bell et al., 2022). To make sure our findings were credible, we ensured that the participants understood the motives and goals of the study. We also chose participants who had been with their company for an extended period, which includes pre-pandemic times. The method used to ensure credibility was triangulated data sources, including interviews and document analysis. Dual interviewers were present to ensure impartiality and consistency, adopting strategies suggested by Lincoln and Guba (1985) to mitigate biases and enhance the believability of our study. Further, respondent validation was employed to affirm the authenticity of our findings, aligning with recommendations for ensuring credibility in qualitative research (Lincoln & Guba, 1985)

#### 3.6.2 Transferability

Acknowledging the specificity of our context, we aimed for rich data collection to enable transferability. Detailed descriptions of the research setting and participant experiences were provided, allowing readers to assess the applicability of findings to other contexts. Strategic

selection of participants and confirmation of data saturation ensured the representativeness of our sample, facilitating the potential extension of our insights to similar environments (Lincoln & Guba, 1985).

#### 3.6.3 Dependability

Our study's dependability was bolstered through comprehensive documentation of the research process, including interview transcriptions and methodological rationales. An audit trail was maintained, detailing all decisions and changes throughout the study, ensuring that our research process is transparent and repeatable (Lincoln & Guba, 1985). In addition to saved transcripts and previous drafts of the study, the feedback on the thesis from the supervisor and other students involved, including those in our seminary group, has been kept.

# 3.6.4 Confirmability

Confirmability was addressed through external audits and the use of reflexive journals, minimizing researcher bias and enhancing the objectivity of our findings. The involvement of multiple researchers and regular peer debriefings contributed to a balanced interpretation of data, adhering to Lincoln and Guba's (1985) guidelines for ensuring research integrity.

#### 3.7 Ethical consideration

To ensure the study respects the ethical perspective, it adheres to the guidelines presented by Bell et al. (2022). The ethical principles will be adhered to uppermost when conducting the interviews. The interviewees will be informed about the means by which the study handles their integrity and privacy and their answers. Each interviewee will be offered the option to remain anonymous both with their name and the company where they work. The suggestion will be that they remain anonymous to ensure their privacy and freedom of their opinions about their workplace; instead, each respondent will be coded, and the description of their workplace will be limited to what area of business their organization operates within (Bell et al., 2022). The respondents were also offered to partake in the questions beforehand to ensure they could prepare and inform if there were questions they would not be allowed to answer. If wished for, the interviewees could take part in the transcription to ensure they felt rightfully represented.

# 4. Empirical findings

This chapter aims to present the empirical findings of this study. The findings derive from the interviews conducted during the study and are analyzed thematically. The thematic analysis of the interviews conducted within various organizational settings illuminated several pivotal themes. These themes underscore the multifaceted experiences and perceptions of employees navigating the hybrid work model, especially in the context of innovation and employee well-being. The chapter is organized into the following sub-headings: The hybrid work model (the transition to hybrid work, technological advancements, and opportunities and challenges of the hybrid work model), innovation and the hybrid work model (innovation and process improvement, and impact on innovation strategies), employee well-being and the hybrid work model (adjustment and flexibility, and organizational culture and engagement), and lastly, innovation and employee well-being.

## 4.1 Hybrid work model

The hybrid work model represents a pivotal shift in organizational work arrangements post-pandemic, blending remote and in-office work. This section explores the intricacies of this transition, emphasizing the technological advancements that supported it and the multifaceted challenges and opportunities it unveiled.

#### 4.1.1 Transition to Hybrid Work

The transition to a hybrid work model signifies a substantial departure from conventional office-centric work arrangements, characterized by a combination of remote and in-office operations. Many respondents across industries underscored the multifaceted adaptation process to this new model, often reflecting a duality of challenges and opportunities presented by the evolving work landscape.

As organizations navigated this paradigm shift, the necessity for operational agility and digital proficiency was thrown into sharp relief. A prevalent sentiment among respondents was the crucial role that technological infrastructure played in facilitating this transition, highlighting a forced acceleration in digital adoption. This widespread digital transformation was not merely a reaction to the immediate challenges posed by the pandemic but also reflected a strategic realignment with long-term benefits for organizations. The adoption of digital tools and platforms, previously utilized in more limited capacities, became central to

daily operations, signaling a profound shift in how work is conducted and managed. This change underscored the importance of digital proficiency and infrastructure as foundational elements for contemporary organizational resilience and agility.

"The transition to a hybrid work model has precipitated a marked shift towards digitization, which I believe is truly advantageous for our organization. Previously a singletask might occupy a substantial portion of the workday, but now it is often completed within an hour.

This enhancement in procedural efficiency is immensely valued." (B2)

The sentiment shared among respondents reflects a broader narrative: the pandemic-induced pivot to digital-centric operations catalyzed a reevaluation of technological strategies and investments. This accelerated embrace of digital tools, necessitated by the pandemic, has been recognized not just as a necessary adaptation but as a strategic opportunity to enhance efficiency, flexibility and innovation in work processes. The experience of navigating through this period has laid the groundwork for a more integrated and strategic approach to digital technology, with implications extending far beyond the immediate crisis. Many organizations, including those where respondents like A1 work, have swiftly transitioned to remote operations, now routinely using digital tools such as Microsoft Teams to maintain daily collaboration and operational efficiency.

Moreover, respondents frequently noted the importance of agility and responsiveness during the initial phases of transitioning to hybrid work. The immediate need to ensure connectivity and access to digital resources underscored the broader theme of resilience. This reflection captures the essence of the transitional challenges, emphasizing the need for organizational flexibility and robust support systems. Specifically, the challenge was ensuring that everyone could stay connected and maintain productivity, a situation that not only tested organizational resilience but ultimately led to a stronger, more adaptable organization.

In the face of logistical complexities, the advent of a hybrid model also presented an opportunity to rethink and refine work culture and practices. This testimony underscores the underlying cultural shift towards greater autonomy and trust, highlighting the evolution of work dynamics within the hybrid model framework.

"Adapting to hybrid work has cultivated a deeper sense of trust and independence among our teams. It's reshaping how we approach work and collaboration." (L1)

Furthermore, the transition to a hybrid work model necessitated a reevaluation of managerial practices across various sectors. A recurrent theme has been the need for management to foster environments that support both remote and in-office work. This shift reflects a significant managerial recalibration, moving away from traditional oversight towards a more empowering leadership approach. In practice, respondents noted that this evolution in leadership has involved balancing the need for oversight with granting employees the autonomy required to thrive, marking a strategic shift in how organizations empower and trust their workforce.

To conclude, the empirical data paints a complex picture of the transition to hybrid work—a journey marked by initial logistical challenges, a rapid embrace of digital tools, and a profound reimagining of organizational culture. This transformation transcends physical workspaces, prompting a deeper discussion about autonomy, managerial evolution and the long-term implications for work-life integration in a post-pandemic era. The aggregate of these narratives forms a cohesive understanding that while the path to a successful hybrid model is fraught with challenges, it also opens up a vista of opportunities for innovative work practices and organizational growth.

#### 4.1.2 Technological advancements

The rapid transition to a hybrid work model has been significantly underpinned by technological advancements that enabled businesses to digitize operations within a short timeframe. As various sectors moved away from traditional paper-based systems, the agility of organizations in adopting new technologies became a defining feature of this era.

The rapid digitization of previously manual, paper-based processes signifies a critical response to the challenges posed by remote work. This transition, expedited by the pandemic, illustrates how technological advancements became more prioritized leading to the adoption of digital tools that not only facilitate remote work but also contribute to environmental sustainability through reduced paper usage. It reflects a broader trend towards digitalization across industries, underscoring the pandemic as a catalyst for technological adoption.

"Before, we had bookkeeping on paper. Now, we have it digitally, which has considerably eased our work... The pandemic hastened it a bit" (B1)

Additionally, the transition from traditional paper-based processes to digital workflows represents more than a mere operational update; it signifies a profound transformation in the conduct and perception of work within contemporary organizations. This shift, emblematic of the broader digital transformation era, has redefined the essence of workplace efficiency, collaboration, and information management. As enterprises adapt to the hybrid work model, this evolution has proven to be both a necessity and a strategic advantage, fundamentally altering the operational landscape.

"We've seen a drastic reduction in our reliance on physical documents. It's not just about saving paper; it's about streamlining our entire workflow, making information more accessible, and enhancing collaboration." (P1)

This observation underscores the multifaceted benefits of digital adoption, emphasizing not only the environmental advantages but also the operational efficiencies gained through streamlined workflows and improved accessibility of information. This change fosters a more collaborative environment by removing physical barriers to information sharing and team interaction, which is crucial for the success of hybrid work models.

Collectively, the data illustrate a period of intense technological transformation catalyzed by the demands of the hybrid work model. The shift to digital platforms facilitated by this urgency has not only supported the immediate needs of remote work but has also laid the groundwork for long-term operational sustainability and efficiency. The insights shared by respondents depict a transition that is not just reactive but also proactive in embracing a future where technology-driven processes are at the heart of organizational growth and innovation.

#### 4.1.3 Opportunities and challenges of the hybrid work model

The hybrid work model has presented a complex array of challenges and opportunities that organizations have had to navigate. This dynamic work setting has compelled a reevaluation of management practices and communication strategies to sustain operational efficacy and foster a cohesive work culture.

#### 4.1.3.1 Opportunities

The adaptation to a hybrid work model, while presenting its unique set of challenges, also opens up a vista of significant opportunities. It provided employees with greater flexibility, contributing to improved work-life balance and, for many, enhanced job satisfaction. Many respondents noted that the transition to a hybrid work model has fostered greater trust between managers and employees. Furthermore, it has led to increased individual responsibilities, which, in turn, have spurred more motivation and creativity.

"Adapting to hybrid work has cultivated a deeper sense of trust and independence among our teams. It's reshaping how we approach work and collaboration. The hybrid model, by its nature, requires a level of autonomy that was previously unseen, pushing us to place more trust in our employees to manage their schedules and deliver on their responsibilities without constant oversight." (L1)

Several respondents mentioned that the hybrid work model creates opportunities, especially in the realm of cross-functional collaboration. The respondents' insight was that the hybrid environment acts as a catalyst for enhancing interaction among diverse teams within the organization, thereby broadening the scope for collaborative innovation and more informed decision-making processes. This nuanced shift in operational dynamics is attributed not just to the flexibility of work locations but also to the integration of digital tools that facilitate seamless communication across different functional areas.

"...the hybrid work environment allows us to interact cross-functionally way easier which creates opportunities for innovation. It also significantly boosts our efficiency by reducing barriers to communication and collaboration, making our team more dynamic and agile in responding to changes." (L1)

To conclude, the shift to a hybrid work model is replete with complexities. It is a landscape where strategic management, communication, and an embrace of both challenges and opportunities pave the way for innovation and a robust organizational culture. The experiences shared by the respondents reflect a recognition of the delicate balance required to navigate this new model effectively, signaling a need for continued adaptability and innovation in leadership strategies.

#### 4.1.3.2 Challenges

Many respondents reported the inherent challenges in transitioning to a hybrid setup. These included logistical hurdles in coordinating between in-office and remote work, maintaining consistent communication across distributed teams, and ensuring that all employees feel included and valued regardless of their physical location. Moreover, the blurring lines between work and home life emerged as a concern, with some employees struggling to establish clear boundaries.

"The complexity of coordinating a hybrid team cannot be understated. We had to develop new strategies for tracking progress and supporting our staff, irrespective of their physical location." (B3)

Furthermore, many respondents mentioned that another challenge of the hybrid work model also included maintaining the spontaneous interaction that often leads to breakthrough ideas. The traditional office setting naturally fosters these moments of serendipity—those unplanned conversations by the water cooler or the impromptu brainstorming sessions that occur when colleagues gather informally. These interactions have historically been breeding grounds for creativity, allowing for the free exchange of ideas in a relaxed environment, which can lead to significant insights and innovative solutions.

"One challenge has been maintaining that spontaneous interaction that often leads to breakthrough ideas. You know those 'aha' moments that happen over a casual coffee break. We're still exploring ways to replicate that serendipitous innovation digitally." (A2)

#### 4.2 Innovation and the hybrid work model

The innovative processes, as reported by a majority of the respondents, got a quick upswing when the pandemic hit, and they were ordered to work from home. The effects can still be seen today and the respondents recognized this shift in the innovative tempo of their workplace. They also reported on some changes in the level of awareness for innovation within their company.

## 4.2.1 Innovation and process improvement

The innovative measures that had to be taken at the beginning of the pandemic to rapidly go from a traditional work setting to a completely remote one had effects on many aspects of the daily work tasks for many. One of the more prominent aspects that became clear after the interviews was the issue with the paperwork. When in the traditional work setting, they did not have an issue with requiring employees to be at the office to physically sign off on decisions or accounting reports, but when not allowed on site, it required them to think innovatively. For example, one respondent explained that a process they thought needed to use physical papers was one of their biggest challenges, and it required them to change rapidly.

"...since we handle various securities and accounting, the big challenge was to get this digitally as we were not allowed to see each other in the office, so digitizing a process that we "thought" was physical, getting it over digitally quite quickly was a challenge." (B4)

Not only did the accounting on physical papers become an issue when transitioning to a remote and then hybrid work model, but the overall methods used to gather information during meetings or during innovative processes had to change. Prior to the pandemic, when everyone was required at the office, it was only logical to keep the important information gathered physically. Employees would be able to see the necessary information during their work hours and secrecy was not an issue since documents did not need to leave the site. However, when adapting the hybrid work model, they needed to access the notes and documents remotely as well. Digitalizing was required for this aspect as well and one respondent explained how their organization did it.

"...the company then created this digital board where you can follow up on different matters... I believe that it is easier to have an overview of improvements when they are on a list that everyone can access. You don't have to go past a place where everything is on a board, but it is available digitally. So I would probably say that it is rather that it has become more easily accessible for everyone actually and see what we are working on for improvements so that I think it has become better." (P2)

Another prominent aspect was the reviewing of the tasks that the respondents did prior to the pandemic. Some tasks were taken for granted and thought to be impossible to do digitally, as mentioned earlier, so everyone had to rethink the tasks and their nature. The respondents started questioning their work tasks, and they asked themselves if it was necessary to execute some tasks manually, or was it possible to automate them, or was it even necessary to begin with.

"...during the pandemic, you had to do certain things in a different way and then you have to think, is this how the task needs to be done? Do we need to do it this way? How can we make it better? So, I believe that quite a few processes and tasks have been reviewed". (B1)

In conclusion, many respondents feel like their ordinary work tasks and methods to execute them have changed with the implementation of the hybrid work model. Not only to include an almost exclusively digital standard for completing the tasks but also more accessible information, regardless of where you work that day. Due to the digitalization of an increased amount of work tasks, the dependence on the computer has increased, and both employees and companies as a whole have adapted to the new normal. The results of the innovative processes that occurred during the transition to a hybrid work model continue; the new normal is constantly changing.

"It would probably have been done even if the pandemic hadn't come, but it felt like the pandemic is speeding it up a bit like before we had bookkeeping on paper. Now it is digital, so quite a lot has happened with my work tasks since then and during the pandemic." (B1)

## 4.2.2 Impact on innovation strategies

One of the greater impacts of the hybrid work model was the increased responsibility it generated for each employee. It also gave them a new independence most have never had before which in some terms had a positive effect on innovation. It was recognized that the hybrid work model could result in increased innovation due to independence.

"The hybrid model has revolutionized our approach to innovation in the workplace. By combining remote work with work in the office, we have achieved a unique balance that encourages creativity and new ideas in a way we have not seen before. (...) We have noticed that this encourages responsibility and independence, which is conducive to innovative processes." (L1)

Furthermore, with the increased responsibility and independence the hybrid work model generated, which the respondent stated has led to increased creativity and innovation, some respondents also stated the need to steer employees to be innovative. Even if the ideas are present, there might not be enough time there and then to prioritize when the need to complete orders or tasks is prioritized. In common, respondents concluded that it could be necessary to set aside time to be creative and innovative, especially as a manager to make sure the team takes the time to be innovative.

"I think you have to simply schedule time for innovation, otherwise it's not certain that it will come automatically when priority one is always to deliver. It is important to find that, "if we do nothing and have a very difficult time, then we will have it that way because we do not work on improvements" so that it is a balance." (P2)

Another aspect of the strategies of being innovative was that many respondents stated that they not only need to set aside time for innovation, but it could also be in your favor to utilize the hybrid work model to ensure the team is most effective when you actually set aside time to be innovative. Sometimes it could be wise to set aside time for prep sessions as well.

"To have a remote session as prep sessions and the actual innovative time at the office is a good combination. I think that the combination is the important part here." (P1)

The "prep sessions" were also present in other companies but could look a bit different. Following is a quote from a respondent that explains the ability to be more creative and innovative even when working remotely. Leading to better discussions when actually at the office, but during official meetings instead.

"This has given room for creativity and innovation, even if we work remotely. Then, of course, it's easier to develop ideas when you sit and discuss together during lunches/meetings etc on site, but I still think we managed to keep them in other ways." (A1)

As mentioned earlier, some respondents agreed that it was in everyone's favor to take time when everyone is in the office, either on certain days or order them in, for the more intense development and innovative sessions to provide the best conditions for their employees. This was especially important when workshops were done when it was not applicable to join in remotely, but you had to be present on-site to participate.

"But we have also said when we run workshops and the like, then it is physical that applies and then it is not always possible to call in and be remote because there may be certain meetings or workshops that are more suitable to do physically on-site and that can be difficult with group work when half of them are on the phone and not on site." (P3)

## 4.3 Employee well-being and the hybrid work model

When adapting the hybrid work model after the pandemic, most companies were faced with a new work setting that they previously had not encountered. Some mentioned that there were opportunities prior to the pandemic when they were allowed to work remotely, but mainly being required at the office. This new flexibility to work remotely some days of the week required many to rethink how they did their everyday tasks to optimize them both from home and from the office. This also required employees and managers to highlight the effects of not being at the office five days a week in terms of employee well-being.

#### 4.3.1 Adjustment and flexibility

One prominent aspect of how the hybrid work model affected innovation and employee well-being that was agreed on with several respondents was that the hybrid work model gave the employees an increased sense of independence and increased responsibility for each employee.

"Another important aspect is that the hybrid model has encouraged increased responsibility and independence among employees. When the teams do not always work side by side, the individual's ability to independently drive and develop ideas becomes even more important. This, in turn, has led to us seeing employees who initiate innovations and improvements in a way that was less common in a completely location-bound model." (L1)

The increased independence also resulted in increased flexibility for the employees and managers. With the option to be flexible and work outside the regular working hours, many respondents stated that the freedom to make more room for a balanced personal life came. Many, especially parents of younger children who had issues with sickness or closed preschool, could now work from home and did not have to take a day off. This could also be applied to the days when you wake up with a slight cold or feeling a bit ill. Previously, most would have forced themselves to the office anyway and risk infecting their colleagues to avoid taking a sick day. With the hybrid work model, employees are allowed to work remotely if they feel sufficient to work, and thereby, it is a win both for themselves in monetary aspects but also for their employer that has a working employee a day they would not have before.

"My manager is very keen on one's well-being being high priority...there's rarely anything strange about working from home if you feel like you haven't slept at all or are slightly sick"

(B1)

Additionally, many respondents highlighted that their life has become much easier since their workplace adapted a hybrid work model. The flexibility has eased the life puzzle for many, they now have the option to leave the office early and continue their work later in the afternoon or work half days at the office and half from home.

"I've received a lot of feedback from the group that many really appreciate the flexibility that is now, that it is much easier to have their life puzzle under control" (P3)

In conclusion, the flexibility has increased a lot according to the respondents after implementing the hybrid work model. The effects are that they perceive that they have an

increased independence that comes with increased responsibility over their work. At the same time, it has resulted in a higher employee well-being in terms of reduced stress since they are able to manage their everyday life better.

## 4.3.2 Organizational culture and engagement

The organizational culture is something that many deem to be an important factor affecting employee well-being. A good organizational culture often goes hand in hand with higher employee well-being. However, the grounds for the organizational culture shifts when the employees are not present at the office as much as prior to the pandemic. The respondents explained that the solution to revive the organizational culture after the pandemic and completely remote work was to focus on implementing set days when everyone on the team should be present at the office.

"...we are finding our way back to our old organizational culture. I believe in our mandatory

Wednesdays at the office where we shift who is responsible for the mutual breakfast, that

helps a lot." (L1)

In terms of how much their company prioritizes their employees well-being at the time, the majority of the respondents highlighted that their employer or organization prioritized the well-being of their employees highly and there was a focus on that each individual should feel seen and well.

"The well-being is incredibly prioritized; we have a philosophy on my team that you need to take care of each and every employee (...) I want to highlight that there are also days when you feel bad mentally and can't bear to be around people, that you just need a little space and then it's also okay to work from home." (B4)

The pandemic and the remote workplace made many realize the importance of prioritizing employee well-being. Some organizations implemented new initiatives or focused on initiatives implemented prior to the pandemic. The work with employee well-being is

something that needs continuous work to stay on top and make sure that the employees are satisfied with their workplace.

"We have wellness days where people take time off from work to take care of themselves...also, recognition teams that recognize colleagues for doing a great job" (P2).

One respondent highlighted that having the possibility to work remotely is in itself a method for creating well-being amongst employees. The increased flexibility and freedom are for many enough to feel like their everyday life gets much easier to manage.

"Having a hybrid workplace is also creating well-being. You have time to achieve a balance in your everyday life" (L2)

In conclusion, organizational culture is prominent in most organizations. The importance of meeting the team on-site on a weekly basis, even if there are optional days where the employees are allowed to work remotely, is something that most companies have applied to ensure the organizational culture is kept alive. The majority of respondents also agreed that employee well-being and different initiatives are prioritized within their organization, especially after the pandemic and the implementation of the hybrid work model.

#### 4.4 Innovation and employee well-being

Many respondents highlighted that while the hybrid work model has introduced various logistical and communication challenges, it has simultaneously fostered a fertile ground for innovation, particularly through enhanced flexibility and employee well-being. The flexibility inherent in the hybrid model has not only allowed employees to tailor their work environments and schedules to their personal needs, thereby reducing stress and burnout, but it has also indirectly cultivated a culture of creativity. Employees, feeling happier and less stressed due to the improved work-life balance, have become more engaged and open to creative thinking and innovative problem-solving. This shift towards a more satisfied workforce is crucial, as happy employees are inherently more creative. By providing the necessary flexibility, organizations have inadvertently set the stage for innovation to thrive.

"I think that innovation and employee well-being are deeply interconnected. You can't really have one without the other. For innovation to thrive, you need a team that's not just technically skilled but also motivated, engaged, and healthy, both mentally and physically."

(A2)

Moreover, the transition to a hybrid model has underscored the importance of setting aside dedicated time for creativity and innovation. In traditional office settings, the hustle of day-to-day tasks often leaves little room for creative thinking. However, with the hybrid model's flexibility, employees and management alike have found new ways to allocate time specifically for brainstorming and innovation, whether remotely or in person. This deliberate allocation of time to focus on creativity without the immediate pressures of operational tasks has proven beneficial in fostering an environment where innovative ideas can flourish.

## 5. Discussion

This chapter presents the analysis of the empirical findings made in the previous chapter. It aims to analyze and compare the empirical findings with the theoretical framework as well as reflect on the findings made. The chapter will give the reader a deeper understanding of the empirical findings and how they are connected with the final conclusion. First, it will analyze the empirical findings of the hybrid work model and the theories from Chapter 2; this is what is done with the following as well. We will analyze innovation and the hybrid work model, then employee well-being with the positive and negative aspects of it, and lastly it will present the analysis of innovation and employee well-being and the symbiotic relationship and sustaining innovation and well-being in hybrid work environments.

#### 5.1 Hybrid work model

The emergence of the hybrid work model marks a significant evolution in organizational practices, propelled by digital advancements and shifting workforce expectations (Krajčík et al., 2023). The hybrid work model reflects an adaptive response to the modern work environment's complexities. The empirical findings echo this sentiment, revealing an organizational shift towards operational agility and digital proficiency. This transformation aligns with Cooper & Sommer (2016), who emphasize the hybrid model's capacity to balance flexibility with the inherent collaborative and social benefits of office engagement.

The COVID-19 pandemic, as highlighted in the literature, catalyzed the transition to hybrid work, underscoring the model's resilience and adaptability in times of crisis (Krajčík et al., 2023). Respondents' experiences further illustrate this point, noting the accelerated digital adoption that facilitated a seamless shift to hybrid arrangements. This strategic embrace of technology not only addressed immediate logistical challenges but also heralded a long-term reevaluation of work practices. Reflecting on this, one might consider how this strategic transformation could lead to increased resilience within organizations. As businesses become adept at navigating disruptions, they might find themselves better positioned to tackle future challenges, potentially leading to a competitive edge in attracting and retaining top talent who value flexibility and innovation.

Furthermore, a general result from the empirical data is that technological advancements have been instrumental in the hybrid model's success, providing the infrastructure for effective remote collaboration. The adoption of digital tools, such as cloud computing and video conferencing software, has transformed operational processes, enabling efficiency and productivity regardless of physical location (Deng et al., 2023). This resonates with the empirical data, where respondents acknowledged the critical role of technology in transitioning to hybrid work, enhancing both procedural efficiency and environmental sustainability. While the integration of advanced digital tools has undeniably made remote collaboration more feasible and efficient, it invites reflection on the potential drawbacks of such heavy reliance on technology. For instance, could the efficiency gained in operational processes come at the cost of personal interaction and employee privacy? Organizations must weigh the benefits of these tools against the risks of creating an overly surveilled or impersonal work environment. However, these technological advancements also open up new opportunities for innovation and deeper integration across global teams, fostering a more inclusive and diverse workplace culture. This balance is crucial for maintaining a culture of trust and ensuring that technological advancements enhance rather than hinder the human aspects of work.

In addition, the hybrid model offers a spectrum of benefits, including improved work-life balance and increased productivity, as employees tailor their work settings to individual needs (Garg, 2022; De Smet et al., 2021). These advantages are reflected in the empirical findings, where respondents highlighted the model's role in fostering trust and autonomy. However, this transition also introduced challenges, notably the blurring of work-life boundaries and the potential for burnout (da Silva et al., 2022). Our data confirmed these concerns, with professionals noting difficulties in maintaining clear distinctions between personal and professional spaces. Reflecting on the potential for increased autonomy to lead to blurred work-life boundaries, organizations might consider how to implement safeguards that prevent burnout and ensure that employees can maintain a clear separation between their professional and personal lives. This could involve more than just policy changes—perhaps a cultural shift towards valuing well-being as much as productivity.

Looking ahead, the evolution towards hybrid work necessitates a thoughtful consideration of how current adaptations will shape future work practices. As organizations learn from their experiences during the pandemic, they are likely to encounter new challenges that require innovative solutions. For instance, maintaining the balance between flexibility and structure will be crucial as the novelty of hybrid work wears off and its long-term implications become

more apparent. Strategic foresight in this area could involve continuously evolving work policies to address emerging trends and employee feedback, ensuring that the hybrid model remains beneficial and sustainable.

In conclusion, the hybrid work model offers a comprehensive view of its multifaceted impact on the future of work. This model, characterized by flexibility, technological integration, and a blend of remote and onsite work, represents a significant shift in organizational culture and practices. While the transition to hybrid work offers considerable benefits, including enhanced flexibility and productivity, it also presents challenges that require careful management and strategic foresight. As organizations continue to adapt to this evolving work paradigm, the insights gained from both literature and empirical findings underscore the importance of fostering a supportive, inclusive, and innovative work environment. This approach not only addresses the immediate challenges associated with hybrid work but also positions organizations to leverage their full potential for sustainable growth and employee well-being in the post-pandemic era.

#### 5.2 Innovation and the hybrid work model

With the hybrid work model comes potential increase in productivity and creativity (Huhtala & Parzefall, 2007). Connected to this is increased freedom of time management, and respondents have noticed the creativity that can arise from seeing a need that previously was not there when working full hours at the office. The respondents mentioned that their work tasks have shifted from before the pandemic, and some part of that is the execution of them. This can be a result of the digitalization made during the pandemic and the increase of influence of the work tasks the respondents mean they had. This insight from the respondents was not something that was reflected upon before conducting the study and, thereby, is not part of the theoretical framework. Reflecting on this, the shift in work tasks was mainly due to the digitalization, which made them quicker to accomplish. However, this could lead to a feeling of having wasted time before when doing it manually for example.

A prominent aspect of the hybrid work model and innovation is how it does not always come naturally when there is no crisis or immediate need for it (Gratton, 2021). During the pandemic it was required to digitalize some processes to make it possible for employees to

work remotely. Digitalization was possible due to the innovative processes that occurred during the transition. When a functional everyday work life is settled, there will be a need to set aside time to be innovative (Gratton, 2021). Gratton (2021) also mentioned that this is an aspect that is required to continue to be a successful company. Respondents' answers were aligned with this opinion that it is necessary to set aside time to be innovative and not lose yourself in the busy workdays.

When reflecting on the paragraph above, it is clear that a pattern shows that there are different types of innovation at different locations. The radical innovations are focused on being conducted physically when all relevant employees are at the office and not working remotely. The more time-consuming innovations that are radical usually require the involved to be on-site to enable the best conditions for them all. However, employees are able to be innovative at home as well, though those innovations are more likely to be incremental - improvements in their daily tasks for example. Breakthrough innovations, though, do not clearly show a pattern after looking at this study. They are most likely the ideas that emerge at the office but are completed remotely in a more quiet setting than the office is, but it could be another way as well.

This combination of balancing time between using existing knowledge and exploring new possibilities for the organization is a way of being an ambidextrous organization (Stetler, 2015). Stetler (2015) states the four examples of how the organization can be ambidextrous and with her explanation in mind and looking at the prominent aspect found in the empirical data, the importance of setting aside time for innovation, this is an example of an organization that realized that the contextual ambidexterity was not working for them. The organization is using a temporal separation to actually focus on innovation and not only let the employees decide for themselves. You could also argue that there is a level of domain separation as well, with a focus on being innovative in certain areas. A reflection on this focuses on different ways an organization is ambidextrous or setting aside time to be innovative. For most organizations, the main goal is to be ahead of changes. The pandemic might have made organizations realize that changes can come quickly and the more ready you as an organization are for those shifts, the better chances you have to survive them. To be on the front edge of change will likely always be favorable to organizations.

Leddy (2023) explains that the technological advancements made during the pandemic played an important part in making the transition to a remote work model possible. It also made it possible to transition to a hybrid work model that allowed for remote work and traditional work. Leddy (2023) means that it was necessary to have the right technological advancements to succeed with the hybrid work model and continue the innovative aspects of the organizations. The respondents' answers were aligned with this theory that the technological advancements made were necessary to continue innovation even during the pandemic and in a hybrid work environment where it is not required for the employees to be at the office five days a week.

One aspect that was not accounted for in the theoretical framework was the importance of being at the office for some days a week to be the most creative and to be able to have spontaneous thoughts or ideas arise. The combination of meeting the colleagues and discussing something over a coffee could lead to ideas that would not arise otherwise. It also highlighted the importance of being able to on your own develop the ideas further, but in a more peaceful environment such as the one at home.

In conclusion, the hybrid work model and innovation are closely correlated, and with the right tools and approach, it is an effective way to be innovative and continue the work forward within the organization. Innovation should be something the organization prioritizes but it does require the organization to set aside time for it, especially during more hectic periods. The hybrid work model is not a hindrance to innovative processes, and digitalization has made it possible to process ideas at home without interruptions, as well as meet in person and brainstorm potential ideas. This importance of informal meetings was also included in the empirical findings which was not part of the original theoretical framework.

#### 5.3 Employee well-being and the hybrid work model

During the interviews, it was noted that the respondents could see both a lot of positive aspects of being able to work remotely and their well-being as well as their daily life. However, there were also some aspects that were not all great and this section of the analysis

will highlight the positive and negative aspects that became visible during the interviews and how they correlate with the appurtenant section of the theory chapter.

#### 5.3.1 Positive aspects

The connection between employee well-being and the hybrid work model is a matter that was suggested to have a positive effect on employees' personal life. The effects were thought to have more freedom and more easily schedule their personal and professional life to make it fit both much better (de Leede & Fisher, 2022). With the empirical findings made in this study, it has been proven that it is clearly indicated to be correlated. Respondents clarified the importance and the relief a hybrid work model has been for them when it comes to managing their personal and professional life. The empirical findings align with the theory by de Leede & Fisher (2022) and show that the employee well-being has benefitted in terms of scheduling from applying the hybrid work environment. However, when reflecting on these findings, the opportunity to work remotely on certain days and have a more flexible work environment has become a normality to many. This could be viewed as the new normal and looking ahead, the company's hybrid work policy might become a dealbreaker to many when applying for a job. Could this potentially be an issue in the future when looking at the labor market as a whole, and how will it potentially affect the priorities of the younger generation when it is time for them to apply for work?

Vyas (2022) also had a theory that the hybrid work model would allow for more personal time since hybrid work can result in a reduction in commute times. This theory was in line with the empirical findings made, where the respondents gained more independence and responsibility for their own time. The option to work outside regular work hours to manage their personal life better during the daytime was a relief for many. Not having to take a sick day or a holiday because of a dentist appointment or having a sick child meant more time to be on holiday when taking a day off.

## 5.3.2 Negative aspects

A less positive aspect was the risk of a decrease in the sense of belonging and the community within the organization (Allen, 2021). However, this theory has not been as aligned as the two

previous ones. The respondents did notice an effect of not seeing each other at the office every day, but it was more in terms of creativity than loneliness. Some respondents highlighted that they preferred to have the hybrid work model over the strictly remote, but nothing clearly indicated that the sense of belonging was affected by the hybrid work model. The respondents highlighted that they had seen a certain increase in initiatives to maintain a sense of belonging to the company. When reflecting on this aspect, a theory could be that when the employees first were forced to work completely remotely for an extended period of time, they were relieved when they were allowed back to the office, but at the same time had adapted their everyday life to working remotely. By having the luxury of perhaps doing laundry during the day and having the evenings free, most felt that the idea of having a hybrid workplace and being able to keep some of the advantages of remote work while at the same time being able to meet their colleagues was a perfect balance. If it had not been a pandemic and a company decided to force their employees to work from home for two days a week, perhaps to save money on coffee, the result might not have been the same.

As explained by Albreiki et al. (2023), the hybrid work model can potentially lead to blurring lines between work and personal life boundaries. This blurring of personal and professional life could lead to potential burnout (da Silva et al., 2022). In the empirical findings, it was clear that the boundaries are, in fact, more blurred in the sense that you are allowed to work different hours or continue your work after hours if wished for, but none of the respondents indicated that there are any issues with disconnecting from work. This might be an effect that will not be visible in the short term and will require a longer period of time to be noticeable.

In conclusion, the empirical study shows that some of the theories are in line, but others are not. The positive effects of the hybrid work model on the employee well-being seems to be the largest part compared to the more negative aspects. The hybrid work model and its connection to the employee well-being are clear and the positive aspects are the most prominent. However, all effects might not yet be visible and therefore the hybrid work-model and its effects on employee well-being should continue to be monitored.

### 5.4 Innovation and employee well-being

This section explores the complex and dynamic relationship between innovation and employee well-being within the framework of the hybrid work model. It examines how these two critical aspects of modern organizational life influence each other and discusses the implications of this interplay for fostering a healthy and innovative workplace.

#### 5.4.1 The symbiotic relationship

The relationship between innovation and employee well-being is inherently complex, characterized by a mutual influence where each aspect can significantly impact the other (Huhtala & Parzefall, 2007). In the context of the hybrid work model, this interplay becomes even more pronounced. The empirical findings indicate that the flexibility afforded by hybrid arrangements has not only mitigated stress and burnout but also engendered a conducive environment for creativity and innovation. This observation aligns with the assertion by Huhtala and Parzefall (2007) that well-being fosters an environment ripe for creativity and innovation, as employees feeling valued and supported are more inclined to engage in innovative behaviors.

Furthermore, while innovation drives organizational growth, it demands a departure from traditional work patterns, potentially straining employee well-being. Zhou et al. (2020) highlight the delicate balance organizations must strike between promoting innovation and safeguarding employee well-being. The empirical data reflect this balance, with respondents noting the hybrid model's role in alleviating traditional work pressures, thereby fostering a healthier, more innovative workforce. This aligns with Zhou et al.'s (2020) findings on the mediating role of well-being in the relationship between workplace dynamics and innovative work behavior.

#### 5.4.2 Sustaining innovation and well-being in hybrid work environments

Athota and Malik (2019) emphasize the importance of resilience and a supportive work environment in sustaining innovation without compromising well-being. The shift towards hybrid work, as evidenced in the empirical findings, necessitates adaptability from both employees and organizations. Respondents' experiences of dedicating time to creativity within flexible work arrangements underscore the need for strategies that foster innovation while ensuring employee well-being (Kalliath & Kalliath, 2012).

In addition, the shift to more innovative and flexible work environments necessitates a mindful approach to potential stressors associated with change. Kalliath and Kalliath (2012) discuss the importance of adaptability in maintaining a positive work-life balance in changing work environments. The empirical data suggest that the hybrid model, by enabling employees to tailor their work settings, has facilitated this adaptability, thereby contributing to a culture where the potential for innovation is enhanced alongside well-being.

In conclusion, the intricate relationship between innovation and employee well-being within the hybrid work model presents both challenges and opportunities. Organizations that successfully navigate this relationship can foster a culture of innovation while ensuring the well-being of their employees. This requires a strategic approach that values creativity, supports employee well-being, and promotes resilience and adaptability in the face of change. Balancing these elements is crucial for sustaining innovation and achieving organizational success in the evolving landscape of work.

#### 5.5 Revised theoretical framework

After analyzing the empirical data and reflecting on its aspects and revelations, the theoretical framework had to be revised to more accurately reflect the study's findings. Below, you can see the revised and summarized version of the theoretical framework for this study. It aims to give the reader an adequate overview of the findings made in the analysis of the empirical data.



Figure 4. Revised theoretical framework. Own illustration

## 6. Conclusion

This chapter aims to shortly summarize the findings and present the final conclusion to the research questions. It will be followed by practical implications and recommendations, then the limitations that occurred during the study, and lastly it will present suggested future research.

6.1 The effects of the hybrid work model on innovation strategies and employee well-being

This thesis has explored the significant impact of the hybrid work model on both innovation and employee well-being in the post-pandemic workplace. The research has demonstrated that while hybrid work arrangements offer numerous benefits, they also present unique challenges that can affect both organizational innovation and the well-being of employees.

The first aim of the study was to research whether the innovation strategies shifted when adapting a hybrid work model. To answer this, the following research question were formulated:

How does the hybrid work model affect the innovation strategies in the post-pandemic workplace?

The findings show that the innovation strategies have shifted after organizations adapted to a hybrid work model. The major shifts have been the digitalization of processes and, in turn, the tools used in innovative processes. With a team that spends some days at home and not all at the office, planning has become a major aspect of the manager's work, to make sure there are people on-site when needed.

The second aim of the study was to research whether the employee well-being was impacted by the transition to the hybrid work model. To answer this, the following research question were formulated:

How do hybrid work models impact employee well-being in organizations transitioning to post-pandemic work settings?

The findings show that the employee well-being mostly has benefitted from the transition to the hybrid work model. The general thought from the majority of interviewees is that they have greater flexibility and more freedom as well as responsibility at work. However, the transition to hybrid work is not without its difficulties. Challenges such as the potential for decreased cohesion among teams and the risk of burnout due to poorly managed work-life boundaries have been highlighted. These issues call for careful management and strategic foresight to ensure that the benefits of hybrid models are realized without compromising the health and engagement of the workforce.

Additionally, the findings show that the flexibility and autonomy provided by hybrid models can lead to enhanced employee well-being, which in turn fosters an environment conducive to innovation. Employees who experience higher levels of job satisfaction and lower stress are more likely to engage in creative processes and innovative thinking. This relationship underscores the importance of well-designed hybrid work environments that not only cater to operational efficiency but also prioritize the mental and emotional health of employees.

Ultimately, the success of hybrid work models in fostering innovation while supporting employee well-being hinges on the ability of organizations to balance flexibility with structure. This balance is not static but requires ongoing adjustment and customization to fit the changing needs of both the workforce and the organization. The insights gained from this study contribute to a deeper understanding of these dynamics, offering a foundation for future research and practical applications in organizational development post-pandemic.

#### 6.2 Practical implications and recommendations

This study investigates the effects the hybrid work model had on innovation strategies and employee well-being, which contributes to broadening the academic literature on the subject, but also the empirical data with interviews in many different fields of work. The COVID-19 pandemic was the start of normalizing the hybrid work model for many, but it is still in its early stages of the effects of it. This study contributes with a ground for future research in more narrow aspects, as well as the more long-term effects that are yet to see. It also contributes to managers' understanding of how they should manage the hybrid work model, innovation, and their employees in the future.

Our general recommendations for organizations that have adapted the hybrid work model and want to have an insight in how to work with innovation and their employees' well-being can be summarized into three main points. Firstly, many agreed that to be creative and innovative, you must focus on the employee well-being as well as the actual innovation. When asking the employees to be innovative, they must have the resources to do so, and the most valuable resource for the majority is time. By setting aside time to be innovative it is easier to create an innovative environment.

The recommendations as per the employee well-being, there are two aspects that are intertwined. The managers need to focus more on the employee well-being in general and make sure that their employees are satisfied with their daily work setting. Each individual will most likely require more focus and attention from their manager when not seeing them at the office every day.

Finally, organizations must consider both the short-term adaptations and the long-term implications of hybrid work models. As this mode of work continues to evolve, it is crucial for businesses to remain agile, continuously assessing and refining their approaches to support both innovation and employee well-being effectively.

#### 6.3 Research limitations

This study faced certain limitations, which will be presented in this section. Fortunately, the limitations were few and could be handled without them having major effects on this study. Firstly, we were faced with a few difficulties when beginning to conduct the interview. Planned interviews that were thought to be decided on were not obvious to the intended interviewee, and thereby, we had to shift the interviewee and choose another one suitable for the study.

Secondly, as mentioned before, the topic of the hybrid work model and its effects post-pandemic is a relatively new subject. This meant that there was only a limited amount of existing literature on the subject when researching academic literature for the theoretical framework. Lastly, the variety of interviewees and their line of business were limited due to the limited amount of time we had for the study. This sort of study could have benefitted from having a broader spectrum of industries that adopted the hybrid work model.

#### 6.4 Suggestions for future research

As the landscape of work continues to evolve, particularly with the increasing adoption of hybrid work models, there remain several areas where further research could provide deeper insights and refine our understanding of the best practices for implementing and managing these models. This study has laid a foundational analysis of the hybrid work model's impact on innovation and employee well-being, yet it also opens the door for numerous exploratory paths that future researchers could pursue.

Future investigations could benefit from longitudinal studies that track the long-term effects of hybrid models on productivity and employee satisfaction. Such research would help determine how the perceived benefits or challenges of hybrid work evolve over time and could clarify the sustainability of these models. Additionally, comparative studies across different industries could shed light on sector-specific variables that influence the success of hybrid work environments, offering a nuanced understanding that could inform industry-specific implementations.

Moreover, exploring the role of cultural differences in the adoption and effectiveness of hybrid work models is another promising area for research. Given the global integration of these models, studies could examine how varying cultural norms regarding work-life balance, communication styles, and organizational hierarchy impact their effectiveness. This could help tailor hybrid work strategies to fit diverse cultural contexts more effectively.

Further research could also focus on the implications of technological advancements in hybrid work settings. Investigating how emerging technologies, such as artificial intelligence and machine learning, are reshaping collaborative tools and platforms could provide insights into their potential to enhance or complicate the hybrid work experience. Moreover, studies examining the balance of employee autonomy and managerial oversight in hybrid models could reveal optimal strategies that promote employee empowerment while ensuring productivity and accountability.

Lastly, an in-depth look at the psychological and health impacts associated with hybrid work models would be invaluable. Research focusing on mental health, stress levels, and overall life satisfaction related to hybrid work could offer comprehensive insights into how these models affect employee well-being. This would be particularly crucial as organizations strive to create work environments that support operational efficiency and the health and happiness of their workforce.

By addressing these topics, future research can build on the initial findings presented in this study, offering richer, actionable insights that can help organizations refine their hybrid work strategies to benefit both innovation and employee well-being.

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# Appendix

## Appendix A. Interview guide

#### **General Information**

- Is it okay that this interview is recorded and later on transcribed to be used in our master thesis? Do you want to remain anonymous?
- Can you please introduce yourself and provide an overview of your role and responsibilities within the organization?
- How long have you been working at your company?
- How would you describe your workplace after the pandemic in terms of the work model used? (Traditional, hybrid, or remote)
  - In what way has it changed from before the pandemic?
  - How did your workplace act during the pandemic?

### **Hybrid Work Model**

- How has your organization approached the implementation of a hybrid work environment post-pandemic?
- What is your perception of strategies or initiatives that your organization has adopted to foster innovation within this hybrid work model?
- How would you describe the organizational culture within your workplace, especially in the context of the hybrid work environment?
- Were there any major challenges your organization faced while transitioning to a hybrid work model, and in that case how were they addressed?

#### Innovation and hybrid work model

- From your perspective, how has the hybrid work model influenced innovation within your organization? Are there particular practices that have been particularly effective or ineffective?
- Have you noticed any increase or decrease in innovation within your company, after applying a hybrid work environment compared to before?

#### Employee Well-being and hybrid work model

- How is employee well-being currently prioritized within your organization?
- Can you share any specific programs, policies, or initiatives that have been implemented to enhance employee well-being in the hybrid work environment?

#### **Innovation and Employee Well-being**

- From your perspective, how are innovation strategies and employee well-being interconnected within the organizational framework?
- Are there specific examples where initiatives aimed at fostering innovation have also positively impacted employee well-being or vice versa?
- To what extent do you think the organizational culture influences the ability to strategically optimize the work environment for both innovation and employee well-being?

#### **Challenges and Opportunities**

- In your experience, what challenges has the organization/ the leadership faced in balancing innovation and employee well-being in the hybrid work model?
- Can you identify any opportunities or successful leadership practices that have emerged from the efforts to optimize the work environment for innovation and well-being simultaneously?

#### **Future Outlook**

- Looking ahead, what changes or improvements do you foresee in the leadership strategies for optimizing the hybrid work environment in your organization, especially concerning innovation and employee well-being?
- How do you anticipate external factors such as technology advancements or economic changes to influence your organization's approach to the hybrid work model?
- In your opinion, is there anything else that I have not asked you, that you think is important?

# Appendix B. Data structure

#### First codes Second codes **Themes** Office environment Physical work model In-person collaboration Hybrid work model Remote working tools Workspace setup Digital work model Telecommuting practices Idea generation Degrees of innovation, Problem-solving techniques creativity Innovation workshops Innovation Creativity thinking exercises Strategies in innovation Research and Development Flexible working hours Work-life balance Mental health support Employee Employee engagement well-being Stress management Social well-being, burnout Wellness programs