



The Impact of Hybrid Working on Employee Performance : A Study on Startup Companies in Surabaya

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Abstract: This study aims to analyze the effect of Hybrid Working and Work-Life Balance on Employee Performance in startup companies in Surabaya. In addition, this study also explores the role of additional variables (YM) in the relationship. The approach used in this study is quantitative with survey method. Data was collected through questionnaires from 100 respondents who are employees at various startups in Surabaya that implement a hybrid working system. Data analysis was conducted using multiple linear regression method with two test models (Model 1 without additional variables and Model 2 with additional variable YM). The results showed that in Model 1, Hybrid Working and Work-Life Balance had a positive and significant effect on Employee Performance (p -value < 0.05). This model has an R Square of 44.2%, which means that the two variables explain 44.2% of the variation in Employee Performance. However, in Model 2, after adding the YM variable, the effect of Hybrid Working and Work-Life Balance on Employee Performance became insignificant (p -value > 0.05). Nonetheless, the overall model remains significant ($F = 26,081$, $p = 0.000$) with an increase in the R Square value to 44.9%. Hybrid Working and Work-Life Balance have a significant impact on Employee Performance, but this relationship may change when other variables are included in the model.

Keywords: Employee Performance, Hybrid Working, Startup, Work-Life Balance

1. INTRODUCTION

The COVID-19 pandemic has accelerated the adoption of hybrid work models, particularly in the startup ecosystem of Surabaya, Indonesia. These flexible work arrangements combine on-site and remote work, allowing employees to improve their work-life balance and productivity (Khanna et al., 2025). The shift towards remote work has been significant, as companies leverage digital technologies to maintain connectivity and operational efficiency (Sakal, 2024). In this context, flexible work arrangements are critical, allowing employees to have greater control over their schedules and locations, which in turn increases job satisfaction and well-being (Jangid, 2024). Surabaya startups prioritize employee well-being by implementing this hybrid model, recognizing that a happy and healthy workforce is critical to continued innovation and productivity (Arevin et al., 2024). Overall, the integration of hybrid work arrangements in Surabaya reflects a broader trend toward adaptability and resilience in human resource management within the startup sector (Ashwathi et al., 2025).

Hybrid work models present a double-edged sword for both organizations and employees. On the one hand, it improves work-life balance and offers flexibility, allowing employees to manage their schedules more effectively, which can lead to increased job satisfaction (Padma, 2025). However, this model also introduces significant challenges, especially in team collaboration and employee engagement. The lack of face-to-face

interaction can result in communication breakdowns and feelings of isolation, which can hinder team cohesion and overall effectiveness (Kusumawati, 2024). Furthermore, performance monitoring becomes more complex in a hybrid setting, as managers must adjust their approach to ensure employees receive adequate feedback and support (Angreni & Mahyuni, 2024). Thus, while hybrid work can reduce operating costs and increase employee autonomy, organizations must proactively address these challenges to maintain productivity and engagement within their teams (Padma, 2025). In the context of startups in Surabaya, implementing a hybrid work arrangement presents both opportunities and challenges that significantly impact employee performance. Startups thrive on a collaborative work culture, which is essential to foster innovation and creativity (Safitri et al., 2024). However, hybrid work can pose remote work challenges, such as communication breakdowns and social isolation, which can hinder effective teamwork and decision-making (Judijanto, 2024). To evaluate the effects of hybrid work on employee performance, it is essential to use employee performance metrics that measure productivity and efficiency (Rozas & ER, 2024). In addition, innovative problem solving is critical in this environment, as startups must adapt quickly to complex challenges (Wenats, 2024). Therefore, research on how hybrid work affects these dynamics is needed to ensure that startups in Surabaya can maintain their competitive advantage while navigating the complexities of modern work arrangements.

2. LITERATURE REVIEW

Hybrid Working

Hybrid working is a work model that combines remote and on-site work, allowing employees to have flexibility in determining their work location. This model has gained traction due to the rapid digitization of business processes, which facilitates remote collaboration and connectivity between teams (Wikansari et al., 2025). The COVID-19 pandemic has further accelerated this shift, leading to a post-pandemic work environment that prioritizes employee safety and well-being while emphasizing flexibility in work arrangements (Kusumawati, 2024). As organizations adapt to these changes, hybrid working is becoming essential across sectors, especially in startups that require high levels of efficiency and innovation (Krishnan et al., 2024). The ability to balance work and personal life through flexible schedules and locations not only increases employee satisfaction but also increases productivity, making the hybrid model a strategic choice for modern businesses.

Several studies have shown that hybrid working can improve work-life balance, reduce stress, and increase employee motivation (Bloom et al., 2015). However, other studies have highlighted challenges in terms of communication, team coordination, and employee engagement in a hybrid work environment (Bailey & Kurland, 2002). Therefore, further understanding is needed regarding its impact on employee performance, especially in the startup sector that relies on teamwork and creativity.

Employee Performance

Employee performance is the level of effectiveness and efficiency of an individual in carrying out their duties and responsibilities in the workplace (Robbins & Judge, 2019). Employee performance can be measured through several indicators, such as productivity, work quality, innovation, and employee engagement (Bakker & Demerouti, 2007). In a startup environment, employee performance is greatly influenced by work flexibility, organizational culture, and the technology used to support productivity (Garg & Van Weele, 2012). In the context of hybrid working, factors such as job autonomy, connectedness with coworkers, and support from the company are important elements in determining employee performance (Parker et al., 2020).

The Effect of Hybrid Working on Employee Performance

Several previous studies have examined the relationship between hybrid working and employee performance. Bloom et al. (2015) found that implementing hybrid working can increase employee productivity by 13% due to the flexibility in completing tasks. However, research from Parker et al. (2020) states that hybrid working can also lead to decreased communication effectiveness and lower work engagement due to limited direct interaction with coworkers and superiors. In the context of startup companies, research from Spataro (2021) shows that the success of hybrid working is highly dependent on the effective use of technology, a supportive work culture, and an adaptive management system. In addition, a study from Choudhury et al. (2021) states that hybrid working that is not properly managed can lead to burnout, lack of team coordination, and difficulty in building employee loyalty.

3. METHOD

This study uses a quantitative approach with a survey method to test the effect of hybrid working on employee performance in startup companies in Surabaya. The quantitative approach was chosen because it allows objective measurement of research variables and analysis of the causal relationship between hybrid working and employee

performance (Creswell, 2014). The population in this study were startup employees who work with a hybrid system in Surabaya. The sample will be selected using a purposive sampling technique, the number of samples will be determined using the Slovin formula or other appropriate methods to ensure data validity. The target sample is estimated at 100 from several startup companies in Surabaya. The variables in this study use Independent Variables (X): Hybrid Working, Dependent Variables (Z): Employee Performance, Moderator Variables: Digital Competency (M), Intervening Variables: Work-Life Balance (Y)

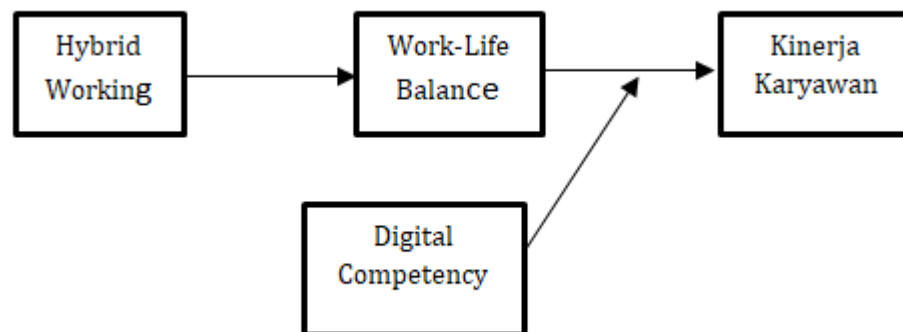


Figure 1 Framework: The Influence of Hybrid Working on Employee Performance

4. RESULTS & DISCUSSION

Validity & Reliability Test

Table 1 Validity Test

Correlations		
	Sig. (2-tailed)	Information
Hybrid Working	0,000	Valid
Work-Life Balance	0,000	Valid
Digital Competency	0,000	Valid
Employee Performance	0,000	Valid
**. Correlation is significant at the 0.01 level (2-tailed).		

a. Interpretation

All items in this study have a significance value of 0.000 (<0.005), thus the items in this study are declared valid.

Table 2 Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
0,834	4

b. Interpretation

All items in this study produced a Cronbach's Alpha value of 0.834 (>0.70), thus the items in this study were declared Reliable and could be continued.

Multiple Linear Regression Test

a. Model 1

Table 3 T Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7,821	1,526		5,127	0,000
	Hybrid Working	0,640	0,152	0,370	4,198	0,000
	Work-Life Balance	0,694	0,155	0,394	4,468	0,000

a. Dependent Variable: employee performance

b. Interpretation

1) Hybrid Working (B = 0.640, p = 0.000, t = 4.198)

The calculated t-value = 4.198 is greater than the t-table, and the Sig. value = 0.000 <0.05 , so the effect of Hybrid Working on Employee Performance is significant. A positive coefficient means that the higher the implementation of Hybrid Working, the higher the Employee Performance.

2) Work-Life Balance (B = 0.694, p = 0.000, t = 4.468)

The calculated t-value = 4.468 is greater than the t-table, and the Sig. value = 0.000 <0.05 , so the effect of Work-Life Balance on Employee Performance is significant. A positive coefficient indicates that the better the Work-Life Balance, the higher the Employee Performance.

Table 4 F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	485,676	2	242,838	38,471	,000 ^b
	Residual	612,284	97	6,312		
	Total	1097,960	99			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Work-Life Balance, Hybrid Working

c. Interpretation

F-count value = 38.471, indicating the strength of the regression model in explaining the variability of Employee Performance. Sig. value = 0.000 (<0.05), meaning the model is statistically significant.

Tabel 5 Coefficienten Determinan

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,665 ^a	0,442	0,431	2,512
a. Predictors: (Constant), Work-Life Balance, Hybrid Working				

d. Interpretation

Coefficient of Determination (R²) Value = 0.442 This means that the Hybrid Working and Work-Life Balance variables have a 44.2% influence on Employee Performance, while the rest (55.8%) is influenced by other factors not included in the model.

Multiple Linear Refression

a. Model 2

Table 6 T Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,202	6,999		2,172	0,032
	Hybrid Working	-0,143	0,741	-0,083	-0,193	0,847
	Work-Life Balance	-0,040	0,696	-0,023	-0,057	0,955
	Digital Competency	0,076	0,071	0,761	1,080	0,283
a. Dependent Variable: Kinerja Karyawan						

b. Interpretation

1) Hybrid Working (-0.143, Sig. = 0.847)

The T-value (-0.193) and Sig. 0.847 (> 0.05) indicate that Hybrid Working does not have a significant effect on Employee Performance in this model. The negative coefficient (-0.143) indicates that Hybrid Working has a negative relationship with Employee Performance, but it is very small.

2) Work-Life Balance (-0.040, Sig. = 0.955)

The T-value (-0.057) and Sig. 0.955 (> 0.05) indicate that Work-Life Balance does not have a significant effect on Employee Performance in this model. The negative

coefficient (-0.040) indicates a very small and negative relationship between Work-Life Balance and Employee Performance.

3) Digital Competency (0.076, Sig. = 0.283)

The T-value (1.080) and Sig. 0.283 (> 0.05) indicate that YM does not have a significant effect on Employee Performance in this model. The positive coefficient (0.076) indicates that YM has the potential to improve Employee Performance, but with a small effect.

There are no independent variables that have a significant effect on Employee Performance in this model, because all Sig. values are > 0.05 . Hybrid Working and Work-Life Balance do not have a significant effect on Employee Performance in this model condition. Digital Competency also does not function as a significant mediator or moderator, because the Sig. value of 0.283 is still above the significance limit of 0.05.

Table 7 F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	493,032	3	164,344	26,081	,000 ^b
	Residual	604,928	96	6,301		
	Total	1097,960	99			
a. Dependent Variable: Kinerja Karyawan						
b. Predictors: (Constant), YM, Work-Life Balance, Hybrid Working						

c. Interpretation

- 1) F-Statistic value: 26.081, shows the extent to which the model shows that the model is good enough in explaining the variability of Employee Performance. The greater the F value, the stronger the overall influence of the independent variables in explaining the dependent variable.
- 2) Significance (Sig.) = 0.000, This value is much smaller than 0.05, so it can be stated that Hybrid Working, Work-Life Balance, and YM together have a significant influence on Employee Performance.

Table 8 Coefficien Determinan

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,670 ^a	0,449	0,432	2,510
a. Predictors: (Constant), YM, Work-Life Balance, Hybrid Working				

d. Interpretation

R Square Value = 0.449 (44.9%). Thus, the variables in this study together have an influence of 44.9% on Employee Performance, the remaining 55.1% is influenced by other factors outside this model.

5. CONCLUSION

Based on the results of the regression analysis on two research models regarding the influence of Hybrid Working and Work-Life Balance on Employee Performance in startup companies in Surabaya, several main findings can be concluded as follows: Model 1 (Without YM Variable) shows that Hybrid Working and Work-Life Balance have a positive and significant influence on Employee Performance. This is evidenced by the results of the t-test, where both independent variables have significant t-values (p-value <0.05). In addition, the results of the F test show that the overall model is significant in explaining the dependent variable (Employee Performance) with an F value = 38.471 and p-value = 0.000. From the results of the R Square test ($R^2 = 0.442$ or 44.2%), it can be seen that almost half of the variability in Employee Performance can be explained by Hybrid Working and Work-Life Balance, while the rest is influenced by other factors. Model 2 (With YM Variable as an additional variable in the model) shows that after adding the YM variable, the influence of Hybrid Working and Work-Life Balance on Employee Performance becomes insignificant. This can be seen from the results of the t-test, where Hybrid Working (p = 0.847) and Work-Life Balance (p = 0.955) no longer have a significant effect on Employee Performance. Meanwhile, the YM variable also does not show a significant effect (p = 0.283). However, from the results of the F test, the overall model remains significant (F = 26.081, p = 0.000), which indicates that there is a simultaneous relationship between the independent variables and Employee Performance. The R Square value increased slightly to 0.449 or 44.9%, which means that this model explains the variability of Employee Performance slightly better than Model 1, although the increase is not too significant. Implications and Recommendations: 1. The Hybrid Working and Work-Life Balance variables are proven to have a significant impact on Employee Performance in Model 1, so companies need to consider work flexibility strategies that can improve the balance between employee life and work. 2. Meanwhile, in Model 2, after adding the YM variable, the effect of Hybrid Working and Work-Life Balance on Employee Performance weakened and became insignificant. This suggests that

digital competency may act as a mediating or moderating variable that actually changes the direct relationship between the independent and dependent variables.

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