

A Study on Digital Leadership and Employee Satisfaction: Fostering Well-Being in Hybrid Workplaces

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Abstract—This study examines the critical role of digital leadership in enhancing employee satisfaction and fostering psychological wellbeing within hybrid work models. It investigates how digitally competent leaders can bridge the physical-virtual divide to maintain high engagement, reduce technostress, and ensure employee well-being. The study contributes to emerging research on hybrid work by highlighting the importance of human-centric digital leadership strategies.

Index Terms—Digital leadership, Hybrid workplace, Employee Satisfaction, Well-Being, Employee Engagement, Technostress, Remote Management.

I. INTRODUCTION

Research on digital leadership has primarily focused on leaders' technical competencies digital communication processes, and data-driven decision making. However, empirical findings on the direct relationship between digital leadership and employee wellbeing remain varied. Some studies emphasise the importance of virtual presence, empowerment through digital tools, and the amplify stressors, reduce social connection and weaken employee morale. These inconsistencies illustrate the need for a more integrated examination.

Hybrid work has become a dominant organisational model in the post-pandemic era. It blends remote and physical workspaces, offering flexibility while introducing challenges such as digital fatigue, communication barriers, and work-life imbalance. In the context of leadership is no longer confined to physical supervision but requires digital competence, empathy and adaptability. Digital leadership plays a pivotal role in ensuring employee engagement, satisfaction and well-being.

Employee engagement has become a central focus in contemporary human resource management due to its

critical role in enhancing organisational performance increasing productivity and reducing employee turnover. It encompasses cognitive, emotional, and behavioural dimensions that reflect and individual's investment in their work and alignment with organisational goals in today's work environment especially with increasing digitalisation employee engagement is influenced by not only personal motivation but also the structural context of work. Reduced face to face interactions unclear job expectations and weekend team cohesion have been reported as factors contributing to a decline in employee engagement in remote or hybrid work environment understanding the factors that influence engagement is essential, particularly among the millennial workplace which now represents the majority of global employees and exhibits distinctive workplace expectations.

This research contributes to the evolving literature on the future of work by offering empirical insights into 2026 hybrid workplace dynamics. It provides a strategic framework for leaders to cultivate "digital empathy" and effective communication, enabling organisations to build sustainable, high-performing hybrid teams. For practitioners this study offers actionable, evidence-based recommendations on balancing technological demands with psychological needs to maintain both productivity and employee satisfaction.

II. RESEARCH OBJECTIVES

This study aims to investigate the direct and indirect impact of digital leadership on employee satisfaction and well-being within hybrid work environment. Specifically, it seeks to analyse the role of digital leadership behaviour, examine the relationship

between digital leadership, employee satisfaction, and the moderation of digital stressors and to explore the mediating role of organisational trust and digital readiness in this dynamic.

RO1: to identify the Key digital leadership behaviours and competencies that foster employee well-being in hybrid workplaces.

RO2: to evaluate the impact of digital leadership on employee job satisfaction and psychological well-being.

RO3: to explore how digital leadership influences work-life balance and reduces digital stressors.

RO4: to examine the mediating role of trust, communication, and digital readiness in the relationship between digital leadership and employee satisfaction.

RO5: to develop actionable strategies for leaders to enhance team cohesion and employee engagement in a hybrid environment.

III. LITERATURE REVIEW:

Digital leadership has emerged as a central construct in complementary organisational research particularly as work environments transition toward hybrid models that blend physical and virtual collaboration (Cortellazzo et al., 2019). The concept generally refers to a leader's capacity to leverage digital tools, data driven decision processes, and technology enabled communication to guide teams effectively in dynamic and distributed environments (Rai & Selnes, 2019).

Scholars describe digital leadership as a multidimensional capability that integrates technological proficiency, strategic vision, and human centred relational skills (Kraus et al., 2022). These capabilities enable leaders to navigate accelerated technological change, maintain workflow continuity, and support employees who face increasing demands in digitally mediated work settings (AI-Maroo et al., 2023).

Hybrid organisations require theoretical insights from both leadership studies and digital work frameworks. Sociotechnical systems theory provides a foundation by emphasising that effective organisational outcomes arise from the alignment between technological systems and human needs (Wang et al., 2021; Zoonen et al., 2021).

When applied to hybrid work, the theory suggests that leaders must not only implement digital infrastructure but also balance it with psychological and social conditions that enable employee wellbeing. Complimentary to this perspective, self-determination theory highlights that employee's sense of autonomy, competence and relatedness contributes strongly to wellbeing, especially when digital work conditions threaten meaningful connection or disrupt work boundaries. These combined theoretical perspectives illustrate that digital leadership must extend beyond technology management to include behaviours that sustain intrinsic motivation and psychological resilience (Cui et al., 2023; Sarker et al., 2022).

Hypotheses Development:

H1: Digital leadership positively influences employee satisfaction in hybrid workplaces.

H2: Digital leadership has a significant positive effect on employee psychological well-being.

H3: Effective digital leadership reduces technostress and improves work-life balance among employees.

H4: organisational trust mediates the relationship between digital leadership and employee satisfaction.

H5: Digital readiness strengthens the positive relationship between digital leadership and employee engagement.

H6: Communication quality positively mediates the relationship between digital leadership and employee well-being.

This study proposes that digital leadership acts as the independent variable influencing employee satisfaction and employee well-being in hybrid workplaces. Organisational trust, communication effectiveness and digital readiness function as mediating variables while technostress and work-life balance operate as moderating factors. The framework assumes that leaders who demonstrate technological competence, empathy, adaptability, and transparent communication are more capable of fostering engagement, reducing stress, and improving employee in hybrid environments.

IV. RESEARCH METHODOLOGY:

This study adopts a descriptive and explanatory research design to examine the relationship between digital leadership and employee satisfaction in hybrid

workplaces. A quantitative research approach is employed to obtain measurable and statistically analysable data regarding employee perception, leadership practices and workplace well-being. The secondary data is gathered from journals, research articles, books, organisational reports and online databases related to digital leadership, employee well-being, and hybrid work models.

The growing importance of digital leadership in contemporary organisations. In hybrid work environments, leadership effectiveness extends beyond operational management and increasingly involves emotional intelligence, virtual communication competence, and employee support systems. The study confirms that leaders who establish trust, encourage collaboration, and demonstrate digital empathy can significantly improve employee satisfaction and well-being.

The research also highlights that technological advancement alone cannot guarantee organisational effectiveness. Employees require psychologically safe and socially connected work environments to remain productive and engaged. Excessive digital workload, continuous online availability, and communication overload may increase technostress if not managed appropriately. Therefore, organisations must adopt human-centred leadership strategies that balance technological efficiency with employee welfare.

The rapid acceleration of digital transformation has reshaped organisational structures and redefined the nature of work, particularly through the rise of hybrid work models that integrate virtual and onsite collaboration. This shift requires leaders to adopt more adaptive, technology enabled, and human centred approaches to ensure effective coordination, sustained performance, and the well-being of employees, existing studies highlight that digital leadership plays a crucial role in creating flexible work environment facilitating technology driven collaboration and managing digital workload pressures that often trigger technostress and emotional fatigue. These insights indicate that the hybrid workplace expands leadership responsibilities beyond task management to include the safeguarding of psychological resilience and employee engagement.

The hybrid work model is a flexible working method that blends remote and office work. Essentially, it lets employees choose where they feel work best-some prefer home, others prefer the office, and many prefer

a combination of both. This approach is attractive for its flexibility, but it also brings some challenges, such as fewer chances for spontaneous conversations that happen naturally in an office setting.

The hybrid work research highlights how important leadership is in making hybrid work effective. Leaders need to use transformative approaches, communicate well, and provide plenty of support to enhance team cooperation, employee engagement, and overall well-being. They must also adapt their leadership styles to manage remote teams successfully promoting a culture of trust, inclusiveness and responsibility. A survey conducted by zoom identified six different types of hybrid work models used across the world.

Scheduled Hybrid:

Employees have specific days or times designated for remote or office work.

Flexitime Hybrid:

Employees can choose their working hours but need to be in the office for certain meetings or collaborative sessions.

Outcome-based Hybrid:

Employees can work remotely if they meet certain performance goals or project deadlines.

Rotational Hybrid:

Different teams or departments alternate between remote and office work.

Role-based Hybrid:

Remote work options are available only to employees in specific roles, depending on job responsibilities.

Location-based Hybrid:

Employees in specific geographic regions or metropolitan areas can work remotely.

V. FINDINGS OF THE STUDY

1. Digital leadership positively influences employee satisfaction in hybrid workplaces.
2. Leaders who demonstrate empathy, adaptability, and transparent communication significantly improve employee morale.
3. Effective digital leadership reduces technostress and digital fatigue among employees.

4. Organisational trust and communication quality mediate the relationship between leadership and employee satisfaction.
5. Hybrid employees value flexibility but require emotional and technological support to maintain work-life balance.
6. Digital readiness enhances employee confidence and engagement in technology-driven work environments.
7. Lack of interpersonal interaction and unclear communication remain major challenges in hybrid work systems.

VI. SUGGESTIONS:

1. Organisations should provide leadership development programmes focused on digital communication and emotional intelligence.
2. Leaders must encourage transparent communication and regular virtual interactions to maintain employee trust.
3. Hybrid work policies should include clear guidelines on work hours and digital availability to reduce burnout.
4. Companies should invest in digital wellness initiatives such as mental health support, counselling, and stress management workshops.
5. Organisations should strengthen digital readiness through employee training and technology support systems.
6. Team-building activities and collaborative digital platforms should be used to improve social connection among hybrid employees.
7. Leaders should adopt flexible and inclusive management practices that accommodate diverse employee needs.

VII. LIMITATIONS:

1. The study is limited to employees working in hybrid organisations and may not represent fully remote or traditional workplaces.
2. The research relies primarily on self-reported responses, which may involve subjective bias.
3. Time and resource constraints may limit the sample size and geographical coverage.

VIII. CONCLUSION:

The transition toward hybrid workplaces has fundamentally transformed organisational leadership practices and employee experiences. This study demonstrates that digital leadership plays a vital role in enhancing employee satisfaction, psychological well-being, and organisational engagement in digitally mediated work environments. Effective digital leaders combine technological competence with empathy, adaptability, and transparent communication to create supportive and inclusive workplace cultures.

The study concludes that employee well-being should remain a strategic priority in hybrid organisations. Leaders who successfully balance digital productivity with emotional and social support are more likely to foster resilient, motivated, and high-performing teams. As organisations continue to embrace digital transformation, the integration of human-centred leadership approaches will become increasingly essential for sustainable organisational success.

Scope for future research:

- Comparative analysis between remote, hybrid, and traditional workplaces
- Industry-specific digital leadership practices
- Cross-cultural perspectives on hybrid leadership and employee well-being
- The role of artificial intelligence in employee engagement and leadership effectiveness
- Longitudinal studies on digital fatigue and psychological resilience.

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