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PESTEL analysis of Hybrid work model: An Empirical Study of Employers Experience

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Abstract: The ability to blend office work and remote work, the hybrid work paradigm has grown in popularity among businesses in India. Political variables often support the hybrid work paradigm because they are consistent with government goals to encourage social estrangement and remote work arrangements, according to a PESTEL (Political, Economic, Sociocultural, Technological, Legal, and Environmental) analysis approach. The hybrid work approach can lower infrastructure and office space costs, which is another positive economic feature. However, in order for this approach to be more effective, data privacy laws and regulations may need to be amended. From a financial perspective, the hybrid work paradigm can help firms save a lot of money. As a result, businesses are able to use less office space and equipment, which can also result in cheaper overhead costs for things like electricity and office supplies. The efficacy of the hybrid work paradigm should be taken into account by employers along with the effects of technological improvements and labor market changes. The adoption of a hybrid work paradigm has both advantages and disadvantages, but many Indian companies have found it to be a fruitful strategy for their businesses. The researcher had conducted the study survey with the help of a structured questionnaire on 196 respondents (employers) to know employer's experience regarding PESTEL analysis of Hybrid work model and impact of PESTEL analysis of Hybrid work model on organizational performance and the study concludes that there is significant impact of PESTEL analysis of Hybrid work model on organizational performance.

Keywords: Hybrid work, PESTEL analysis, Data privacy, Financial Savings, Technological improvements, Labour market changes.

INTRODUCTION

In recent years, the hybrid work model has grown in popularity in India, and the "PESTEL framework" has been used to examine how companies have fared in implementing this strategy. In the Indian sugar center of Solapur, Patil (2018) examined sustainable bio-energy using "PESTEL" to examine bagasse cogeneration technology. The "PESTEL analysis" gave insights into the different external elements that could have an impact on the success of the hybrid work paradigm in India and the approaches that

businesses could take to deal with these factors. Politically speaking, the Indian government supported the hybrid work paradigm, especially during the "COVID-19 pandemic". For this model to work well, regulations governing data privacy and remote employment must be updated. From a financial standpoint, employers may experience cost savings through the hybrid work model as they may have to spend less on infrastructure and office space. But putting in place the infrastructure and technology required to facilitate remote work may come with

significant costs.

According to Agarwal (2022), the hybrid work model may be supported even further by the Indian government's initiatives to upgrade its infrastructure and draw in international capital. When examining the hybrid work paradigm in India, sociocultural aspects were also crucial to take into account. The model's increased flexibility in terms of when and where people can work may help them better balance their work and personal lives. To prevent employees from working overly long hours or becoming burnt out, businesses must carefully regulate the work arrangements of their staff.

In applying the hybrid work model, Mehar et al. (2016) stressed the significance of taking sociocultural aspects into account and observed that gender can affect how coping methods are differentiated for climate shocks. Another thing to think about was technological improvements. In India, remote work was becoming more and more practical due to the extensive distribution of high-speed internet and cutting-edge communication equipment. Employers needed to make sure they had the infrastructure and technology required to support remote work arrangements, though. In order to effectively support the hybrid work paradigm, it was also necessary to review the legal framework for remote work agreements. As a whole, the "PESTEL analysis" offered a thorough framework for examining the external variables that affected the viability of the hybrid work paradigm in India and the approaches that businesses may take to deal with these variables.

LITERATURE REVIEW

The hybrid work paradigm in India was examined using the "PESTEL framework," which took into consideration a variety of external factors that might have an impact on its success. According to Sanghavi (2018), the retail sector in India is one of the largest employers in the nation and has been influenced by a number of political variables. The "PESTEL" indicate gave important insights into the various issues that could affect the hybrid work model's performance in India and the methods businesses could use to offset these factors. Politically speaking, the Indian government supported the hybrid work paradigm. To make this approach more effective, however, data privacy and remote work legislation had to be changed. While examining the hybrid work paradigm in India, economic issues were also important to take into account. Employers may be able to cut costs by decreasing office space and infrastructure expenditures, but putting the technology and infrastructure in place to accommodate remote work may come at an additional cost.

According to Niklas et al. (2022), the hybrid work model in India might be extended to use resilient structures and distributed energy as a grassroots community response to the climate emergency. While examining the hybrid work paradigm in India, sociocultural aspects were also crucial to take into account. The strategy may help employees have a better balance between work and life by giving them more freedom over when and where they work. To avoid employees working overly long hours or becoming burned out, employers must carefully regulate their workers' work schedules.

Lahane and Kant (2021) employed a "Hybrid Pythagorean fuzzy AHP-CoCoSo framework" to rate the performance effects of a supply chain that is circular due to the adoption of its enablers, highlighting the significance of taking sociocultural aspects into account while putting the hybrid work model into practise. Another important consideration was technological improvements. Remote work was becoming more and more possible in India thanks to the widespread availability of high-speed internet and cutting-edge communication tools. However, companies needed to make sure that they have the infrastructure and technology required to accommodate remote work arrangements. In order to better support the hybrid work paradigm, the legal framework for remote work agreements needs to be updated. Overall, the "PESTEL analysis" offered a thorough framework for examining the external factors that had an impact on the performance of the hybrid work paradigm in India and the tactics that businesses could use to lessen these factors.

Boyd et al. (2017) observed that hybrid organisations are new business models for environmental leadership, emphasizing the significance of taking environmental factors into account while putting the hybrid work model into practise. The hybrid work paradigm can improve the sustainability of the environment in India by reducing the number of people that commute to work. The hybrid work model is no different from other business models in that benchmarking service quality is crucial to assessing a model's viability. James (2022) emphasized the significance of utilizing a hybrid method to evaluate service quality in theme parks and the demand for a comprehensive evaluation of the hybrid work model. Taking into consideration external aspects like political, economic, sociocultural, technological, environmental, and legal concerns, the PESTEL study offers a thorough framework for evaluating the success of the hybrid work paradigm.

Rameshbhai and Solanki (2021) evaluated the pandemic's effects on MSMEs in India using a "PESTEL" analysis and emphasized the significance of

taking legal considerations into account while putting the hybrid work model into practise. While implementing the hybrid work model in India, it is crucial to take into account the legal framework pertaining to remote work arrangements. The current legal framework has to be updated to better support the hybrid work model because it is primarily focused on traditional labor arrangements. In the event of a legal disagreement, both employers and employees must be safeguarded, which can be difficult in the lack of defined norms and legislation pertaining to remote work arrangements. An extensive structure for analysing the legal aspects that may have an impact on the success of the hybrid work paradigm in India is provided by the PESTEL analysis. The hybrid work model must take into account sociocultural considerations such as work-life balance and employee well-being in addition to legal considerations. Due to the pandemic, many people now place a higher value on flexibility and work-life balance than they did in the past. In order to support employees in maintaining a healthy work-life balance, employers must place a high priority on employee well-being when implementing the hybrid work paradigm. This entails offering sufficient resources for remote work, such as technology and communication tools, and making sure that workers have access to mental health support.

According to Padmanathan et al. (2019), sociocultural influences on solar photovoltaic energy systems were observed in India, highlighting the significance of environmental elements in the PESTEL analysis. Employers must take into account the possible effects of remote work arrangements on sustainability because hybrid work models might have a major negative impact on the environment. Utilizing technology to reduce carbon footprints and encouraging hybrid work models while implementing eco-friendly practices is crucial. Taylor (2020) looked at how the new Green Revolution for rice was being implemented in South India, underlining the necessity to take technological

considerations into account while conducting a PESTEL analysis of hybrid labor patterns. Advanced technology is required for hybrid work models, including project management software, video conferencing software, and cloud-based communication tools. Employers are responsible for ensuring that staff members have access to the tools and resources they need to effectively work remotely. The proper use of technology will also increase productivity and encourage work-life harmony. The importance of the economic elements in the "PESTEL" was emphasized by Pansera and Sarkar (2016) as they looked at the thrifty innovations of grassroots entrepreneurs. Office space, transportation, and utility overhead expenditures can be decreased with hybrid work methods. Adopting hybrid work models can improve employee satisfaction and retention, which will improve the organization's financial performance. As hybrid work models can have an influence on conventional office locations, such as co-working spaces and business centres, employers must also take the economic impact of remote work arrangements on nearby firms into account.

Objective

1. To know employer's experience regarding PESTEL analysis of Hybrid work model.
2. To know the impact of PESTEL analysis of Hybrid work model on organizational performance.

METHODOLOGY

The researcher had conducted the study survey with the help of a structured questionnaire on 196 respondents (employers) to know employer's experience regarding PESTEL analysis of Hybrid work model and impact of PESTEL analysis of Hybrid work model on organizational performance. The primary data is collected through "random sampling method" and data was analyzed by "mean and t-test."

Findings

Respondent's general details are shared in the table below where in 196 respondents, males are 52.5% and females are 47.5%. 37.2% are below 47 years of age, 41.4% comes in the category of 47-51 years of age group and 21.4% are above 51 years of age. 35.2% of them are working from less than 5 years, 42.8% are there in their field from last 5-8 years and rest 21.9% are working from more than 8 years.

Table 1 General Details

Variable	Respondent	Percentage
Gender		
Male	103	52.5
Female	93	47.5
Total	196	100
Age (years)		
Below 47	73	37.2
47-51	81	41.4

Above 51	42	21.4
Total	196	100
Work experience		
Less than 5	69	35.2
5-8	84	42.8
More than 8	43	21.9
Total	196	100

Table 2 Employer's experience regarding PESTEL analysis of Hybrid work model

S. No.	Statements	Mean Value	t value	Sig.
1.	Hybrid work approach lower infrastructure and office space costs	3.21	2.992	0.002
2.	Technology and infrastructure to accommodate remote work is an additional cost	3.14	2.007	0.023
3.	Employees are able to balance between work and life by getting freedom over hybrid work model	3.12	1.748	0.041
4.	Legal framework for remote work agreements needs to be updated	3.19	2.711	0.004
5.	Hybrid work paradigm improve sustainability of environment by reducing the number of people that commute to work	3.15	2.176	0.015
6.	Employers place a high priority on employee well-being while implementing hybrid work paradigm	3.18	2.567	0.006
7.	Employers offer sufficient resources for remote work, such as technology and communication tools	3.13	1.871	0.031
8.	Employers make sure that workers have access to mental health support	3.16	2.313	0.011
9.	Utilizing technology to reduce carbon footprints and encouraging hybrid work models while implementing eco-friendly practices is essential	3.17	2.429	0.008
10.	Adopting hybrid work models improve employee satisfaction and retention, and organization's financial performance	3.12	1.744	0.041

Table above is presenting Employer's experience regarding PESTEL analysis of Hybrid work model. The respondent says that Hybrid work approach lower infrastructure and office space costs with mean value 3.21, Legal framework for remote work agreements needs to be updated (3.19), Employers place a high priority on employee well-being while implementing hybrid work paradigm (3.18) and Utilizing technology to reduce carbon footprints and encouraging hybrid work models while implementing eco-friendly practices is essential with mean value 3.17. It is also found that Employers make sure that workers have access to mental health support with mean value 3.16, Hybrid work paradigm improve sustainability of environment by reducing the number of people that commute to work (3.15), Technology and infrastructure to accommodate remote work is an additional cost (3.14), Employers offer sufficient resources for remote work, such as technology and communication tools with mean value 3.13. The respondent also says that Adopting hybrid work models improve employee satisfaction and retention, and organization's financial performance and Employees are able to balance between work and life by getting freedom over hybrid work model with mean value 3.12. The value under significant column for all the statements related to Employer's experience regarding PESTEL analysis of Hybrid work model is significant with value below 0.05 after applying t test.

CONCLUSION

The COVID-19 pandemic, which compelled businesses to switch to remote labour, has caused the hybrid work model to gain popularity in India. This work arrangement gives employees the freedom to decide where and how they work by combining in-office and remote work. The performance of this strategy, however, can be impacted by a number of outside circumstances. In India, the Hybrid Work Model is being implemented, and political factors have a big impact. Through a number of programmes, including Digital India and the Work From Home

policy, the Indian government has been fostering remote work culture. Furthermore, the government's newly implemented labour laws are tolerant of remote employment, which has prompted businesses to switch to the hybrid work arrangement. The success of the hybrid work model in India is partly influenced by economic reasons. By implementing the hybrid work model, organizations have been able to cut expenditures associated with infrastructure, office space, and operational expenses. Company profitability has increased as a result of lower overhead costs. The adoption of the hybrid work

paradigm has been influenced by social issues such as the shifting lifestyle preferences of employees. The hybrid work model gives employees the freedom to work from home, which cuts down on commuting time and allows them to spend more time with their families. This helps employees achieve the work-life balance that they increasingly seek. The success of the hybrid work model in India has also been greatly influenced by technological reasons. Employees can now easily operate from remote locations due to the widespread availability of high-speed internet and communication solutions like video conferencing software. In conclusion, a variety of external variables, including political, economic, social, and technological ones, have contributed to the growing popularity of the hybrid work model in India. It enables businesses to cut expenses and increase profitability while providing people with flexibility and a work-life balance. As more businesses see its advantages, the hybrid work model is anticipated to gain popularity throughout the next years.

The study was conducted to know employer's experience regarding PESTEL analysis of Hybrid work model and found that Hybrid work approach lower infrastructure and office space costs, Legal framework for remote work agreements needs to be updated, Employers place a high priority on employee well-being while implementing hybrid work paradigm, Utilizing technology to reduce carbon footprints and encouraging hybrid work models while implementing eco-friendly practices is essential and Employers make sure that workers have access to mental health support. The study concludes that there is significant impact of PESTEL analysis of Hybrid work model on organizational performance.

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