

Enhancing Talent Retention through Psychological safety and Employee Engagement in Hybrid Workplaces

Deri Alan Kurniawan, Intan Tenisia Prawitasari, Dioka Muhammad Akbar *, Sity Rohmah

Garut University, Indonesia

*Corresponding author. Email: dioka@uniga.ac.id

ABSTRACT

The transition to a hybrid work paradigm in the post-pandemic era offers significant flexibility and autonomy, but also presents complex challenges in talent retention due to the risks of communication fragmentation and emotional distance. This report is a Systematic Literature Review (SLR) aimed to analyze the role of psychological safety and employee engagement as fundamental mechanisms in strengthening talent retention. Through a systematic selection using the PRISMA 2020 protocol of literature from 2015-2025, 10 key articles were selected for thematic synthesis. The analysis revealed that psychological safety acts as a key antecedent stimulating employee engagement (employee engagement). This involvement serves as a mediating mechanism that significantly reduces turnover intentions (turnover intention). The integration of findings confirms that talent retention in hybrid ecosystems is strengthened by structured work design, inclusive leadership, and social connectedness. The study concludes that effective retention strategies should prioritize creating psychologically safe workspaces to mitigate the risk of isolation and increase organizational loyalty.

Keywords: *psychological safety, talent retention, hybrid work, employee engagement, systematic literature review.*

1. INTRODUCTION

The fundamental transformation of the post-pandemic employment landscape has made hybrid work a widely adopted new norm. This model, which integrates office work with remote work, promises greater autonomy and work-life balance (*work-life balance*). However, this phenomenon gives rise to a "Hybrid Paradox": while flexibility increases, there is also the risk of fragmented communication, weakened social connectedness, and emotional distance between employees and the organization. In an environment with minimal physical interaction, the social signals that typically build trust become blurred, potentially triggering professional isolation and reducing long-term commitment.

Retaining quality talent is a strategic priority because talent is human capital that is difficult to replicate. The loss of key employees not only carries a financial burden due to high recruitment and retraining costs, but also results in the erosion of organizational knowledge (*organizational knowledge*), disruption to team stability, and a decline in collective performance. In a competitive hybrid ecosystem, where job transitions are logistically easier, organizations must be able to build psychological attachment beyond financial compensation to encourage talent to stay.

This research uses a framework *Job Demands-Resources (JD-R) Theory* (Bakker & Demerouti, 2017) as an analytical lens. In JD-R theory, psychological safety (*psychological safety*) is categorized as *job resource* (work resources) are crucial and are able to mitigate stress (*job demands*) from an isolated remote work environment. Psychological safety is defined as the collective belief that the work environment is safe for interpersonal risk-taking without fear of negative consequences. Joseph & Seshadri (2025) assert that psychological safety is crucial in linking the need for connectedness to employee engagement (*employee engagement*). Furthermore, employee engagement—which reflects energy, enthusiasm, and commitment—acts as a key driver of productivity and satisfaction. Bloom et al. (2024) demonstrated that the right hybrid arrangement can significantly reduce attrition rates without sacrificing performance, strengthening engagement's position as a mediator of retention.

This report was developed to address two primary research objectives: To analyze the role of psychological safety as a driver of employee engagement in hybrid environments, and to analyze how employee engagement serves as a mediating mechanism that strengthens talent retention by reducing turnover intentions.

2. RESEARCH METHOD

This research applies the method Systematic Literature Review(SLR) with a thematic synthesis approach. This approach allows researchers to integrate findings from multiple high-quality studies to generate comprehensive theoretical propositions regarding retention in hybrid contexts.

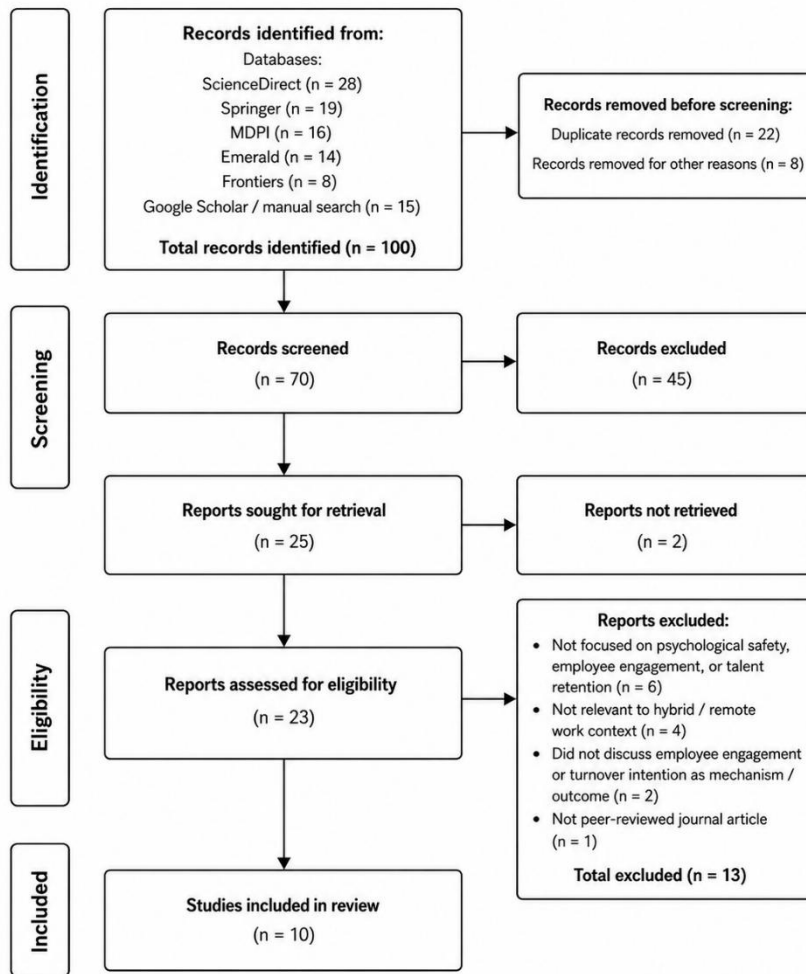


Figure 1. PRISMA 2020 Diagram of the Article Selection Process

Source: Processed by the author based on the 2020 PRISMA guidelines, literature search results

The data was analyzed using thematic coding techniques to identify recurring patterns in the literature. This process yielded six key themes explaining talent retention dynamics, which were then synthesized into a coherent conceptual model.

3. RESULTS AND DISCUSSION

Based on the literature selection process conducted through the PRISMA stages, ten articles were identified that align with the research focus. These articles were selected because they discuss the relationship between psychological safety, employee engagement, hybrid or remote work, talent retention, and turnover intentions. These ten articles were

then analyzed to determine how psychological safety can support talent retention through the role of employee engagement in a hybrid work environment.

To provide an overview of the characteristics of the articles analyzed, Table 1 presents a summary of the literature by author and year, article title, journal publication, research method, and key findings relevant to the study topic. The articles used comprise quantitative, qualitative, experimental, and systematic literature reviews. This diversity of methods helps strengthen the understanding that talent retention in hybrid work is influenced not only by flexible work policies but also by psychological experiences, social relationships, and employee engagement levels.

Table 1. Articles Synthesized in the Systematic Literature Review

No	Author & Year	Article Title	Journal	Method	Key Findings
1	Joseph & Seshadri (2025)	<i>Is connection the key?</i>	<i>Acta Psychologica</i>	Quantitative (n=304)	PS mediates the relationship between connectedness and employee engagement.
2	Bloom et al. (2024)	<i>Hybrid working improves retention...</i>	<i>Nature</i>	Experiment/RCT (n=1,612)	Hybrid work increases satisfaction and reduces resignation by 1/3.
3	Singh & Sant (2025)	<i>The Moderating Role of Workplace...</i>	<i>ER&R Journal</i>	Quantitative	Engagement is negatively related to turnover intention in hybrid/remote systems.
4	Eng et al. (2024)	<i>Hybrid workers describe aspects...</i>	<i>Cogent Psychology</i>	Qualitative (n=33)	Structured collaboration and communication support health and engagement.
5	Shi et al. (2024)	<i>Connecting work teams...</i>	<i>Eur. J. of Work & Org. Psych.</i>	Dual Study	<i>Identity leadership</i> Supervisors help remote employees feel connected to the organization.
6	Petrilli et al. (2024)	<i>LMX and Adjustment to the Work Mode...</i>	<i>Sustainability</i>	Quantitative (n=257)	LMX relationship quality reduces burnout (<i>exhaustion</i>) and exit intention.
7	Mohase et al. (2025)	<i>Inclusive leadership, psychological safety...</i>	<i>S.A. Journal of Psych.</i>	Quantitative (n=146)	PS mediates inclusive leadership towards the courage to express opinions (<i>voice</i>).
8	Urrila et al. (2025)	<i>Sense of belonging in hybrid work...</i>	<i>J. of Vocational Behavior</i>	Qualitative (n=16)	Hybrids impact sense of belonging; the risk of job loneliness requires active mitigation.
9	Kızrak et al. (2024)	<i>How psychological safety influences...</i>	<i>Current Psychology</i>	Quantitative (n=218)	PS is negatively correlated with intention to leave through <i>relational job crafting</i> .
10	Luna Sinisterra et al. (2024)	<i>Connecting organizational incomes...</i>	<i>Frontiers in Psych.</i>	SLR (43 Studies)	Good talent management increases engagement which leads to retention.

Source: Processed by the author

Synthesis of 6 Main Themes

1. Psychological Safety as a Prerequisite for Hybrid WorkIn a hybrid ecosystem, psychological safety isn't just an "add-on," but an operational prerequisite. Without a consistent physical presence, the risk of misinterpretation of digital communications increases. Joseph & Seshadri (2025) emphasize that a sense of security and trust fosters

engagement because employees feel valued even when working from different locations. For HR managers, this means building a culture where mistakes in remote coordination are viewed as learning opportunities, not personal failures.

2. Employee Engagement as a Retention Mediating Mechanism Employee engagement is the "emotional anchor" that binds talent to an organization. Singh & Sant (2025) demonstrated that in a hybrid environment, turnover intentions are drastically reduced when employees exhibit high levels of enthusiasm and commitment. Psychological safety creates a secure environment, but engagement is what energizes employees to stay and contribute optimally.

3. Job Design: Balancing Autonomy and Structure Retention effectiveness depends on the clarity of the hybrid work design. Bloom et al. (2024) showed that the autonomy to work from home increases retention by one-third when accompanied by maintained performance. The practical implication is that organizations should avoid over-control (*micromanagement*) and switch to data-based management outcomes supported by inclusive technological infrastructure (Eng et al., 2024).

4. Social Connectedness and Isolation Mitigation Hybrid work carries the risk of "professional loneliness" (Urrila et al., 2025). Sense of belonging (*sense of belonging*) is a key component of retention that is often overlooked. Organizations need to create meaningful collaborative moments—both virtual and physical—to build team identity. Without social connectedness, employees tend to feel alienated, which is a major predictor of turnover.

5. Inclusive Leadership and LMX Quality Leadership is a catalyst for psychological safety. Mohase et al. (2025) explicitly linked inclusive leadership to increased psychological safety in hybrid teams. Open and supportive leaders build quality *Leader-Member Exchange* (LMX), which according to Petrilli et al. (2024), acts as a protective factor against job burnout (*exhaustion*) and intention to leave. The supervisor's role has now shifted from being a supervisor to being a safe space facilitator.

6. Well-being and Sustainability Talent retention is unsustainable without attention to well-being. Failure to manage the boundaries between work and personal life (*work-life blurring*) in a hybrid system can trigger burnout Eng et al. (2024) noted that personal strategies and organizational support for mental health are important predictors of ensuring employees not only "exist," but also "survive" productively.

Retention Mechanism Summary

Table 2. Summary of SLR Synthesis Results Themes

Synthesis Theme	Result	Key Practices	Retention Mechanism	Supporting Sources
Psychological Safety		A safe space for opinions	Improve trust & communication	Mohase et al. (2025)
Employee Engagement		Emotional commitment	Reduce turnover intentions	Singh & Sant (2025)
Hybrid Work Design		Autonomy & clarity of expectations	Improve satisfaction & performance	Bloom et al. (2024)
Social Connectedness		Team identity & collaboration	Reduce isolation & alienation	Shi et al. (2024)
Inclusive Leadership		Leadership support (LMX)	Reduce work fatigue	Petrilli et al. (2024)
Work Wellbeing		<i>Work-life balance</i>	Ensuring long-term loyalty	Eng et al. (2024)

Source: Processed by the author

Based on this synthesis, psychological safety is positioned as a key resource that mediates the influence of hybrid work design on engagement. In accordance with JD-R theory, psychological safety acts as a buffer (*buffer*) which reduces the negative impact of social isolation (work demands). When employees feel safe, they are willing to do *relational job crafting* (Kızrak et al., 2024), which increases their emotional engagement. This engagement ultimately reduces turnover intentions, creating a positive retention cycle in hybrid organizations.

4. CONCLUSION AND SUGGESTIONS

This research confirms that talent retention in a hybrid environment is determined by the fulfillment of basic psychological needs. Psychological safety is the foundation that enables employee engagement to thrive; without a sense of safety, hybrid flexibility policies become mere administrative arrangements lacking emotional depth. Employee engagement acts as a crucial mediator that transforms positive work experiences into real organizational loyalty.

For organizational leaders and HR practitioners, it is recommended to: 1. Institutionalize Psychological Safety: Train managers to encourage *employee voice* and value input from remote employees to prevent “proximity bias” (*proximity bias*). 2. Designing Adaptive Structures: Providing clear autonomy while still providing a structured communication framework to maintain social connectedness. 3. Focusing on Inclusive Leadership: Building supportive LMX relationships to mitigate cognitive burnout in a hybrid environment.

This study has limitations as a qualitative literature review that has not been empirically tested in specific industries. Future researchers are encouraged to conduct longitudinal quantitative studies to test this mediation model across various industry sectors and explore the role of other moderating variables, such as digital competencies and specific technology support, on hybrid talent retention.

BIBLIOGRAPHY

- Bakker, A. B., & Demerouti, E. (2017). Job demands-resources theory: Taking stock and looking forward. *Journal of Occupational Health Psychology*, 22(3), 273-285. <https://doi.org/10.1037/ocp0000056>
- Bloom, N., Han, R., & Liang, J. (2024). Hybrid working from home improves retention without damaging performance. *Nature*, 630(8018), 920-925. <https://doi.org/10.1038/s41586-024-07500-2>
- Eng, I., Tjernberg, M., & Champoux-Larsson, M.-F. (2024). Hybrid workers describe aspects that promote effectiveness, work engagement, work-life balance, and health. *Cogent Psychology*, 11(1), 2362535. <https://doi.org/10.1080/23311908.2024.2362535>
- Hanzis, A., & Hallo, L. (2024). The experiences and views of employees on hybrid ways of working. *Administrative Sciences*, 14(10), 263.
- Hincapie, M. X., & Costa, P. (2024). Fostering hybrid team performance through inclusive leadership strategies. *Organizational Dynamics*, 53(3), 101072.
- Joseph, E. R., & Seshadri, V. (2025). Is connection the key? The mediating role of psychological safety in the relationship between relatedness to employee engagement. *Acta Psychologica*, 260, 105607. <https://doi.org/10.1016/j.actpsy.2025.105607>
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692-724.
- Kızrak, M., Çınar, E., Aydın, E., & Kemikkıran, N. (2024). How psychological safety influences intention to leave? The mediation roles of networking ability and relational job crafting. *Current Psychology*, 43, 9485–9503. <https://doi.org/10.1007/s12144-023-05028-8>
- Luna Sinisterra, L. S., Peñalver, J., & Salanova, M. (2024). Connecting the organizational incomes and outcomes: A systematic review of the relationship between talent management, employee engagement, and turnover intention. *Frontiers in Psychology*, 15, 1439127. <https://doi.org/10.3389/fpsyg.2024.1439127>
- Mohase, K., Donald, F., & Israel, N. (2025). Inclusive leadership, psychological safety, and employee voice in remote and hybrid work employees. *South African Journal of Psychology*, 55(3), 432–446. <https://doi.org/10.1177/00812463251365484>
- Page, M. J., et al. (2021). The PRISMA 2020 statement: An updated guideline for reporting systematic reviews. *BMJ*, 372, n71.
- Petrilli, S., Giunchi, M., & Vonthron, A.-M. (2024). Leader–member exchange (LMX) and adjustment to the work mode as protective factors to counteract exhaustion and turnover intention. *Sustainability*, 16(23), 10254. <https://doi.org/10.3390/su162310254>
- Rich, B. L., Lepine, J. A., & Crawford, E. R. (2010). Job engagement: Antecedents and effects on job performance. *Academy of Management Journal*, 53(3), 617-635.

- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600-619.
- Shi, J., Feenstra, S., & Van Vugt, M. (2024). Connecting work teams in a remote workplace: An identity leadership perspective. *European Journal of Work and Organizational Psychology*, 33(5), 643-657. <https://doi.org/10.1080/1359432X.2024.2362460>
- Singh, S., & Sant, S. (2025). The moderating role of workplace (hybrid/remote) on employee engagement and employee turnover intention. *Employee Responsibilities and Rights Journal*, 37, 433-448. <https://doi.org/10.1007/s10672-023-09480-3>
- Urrila, L., Siiriäinen, A., Mäkelä, L., & Kangas, H. (2025). Sense of belonging in hybrid work settings. *Journal of Vocational Behavior*, 157, 104096. <https://doi.org/10.1016/j.jvb.2025.104096>
- Uru, F. O., Gozukara, E., & Tezcan, L. (2022). The moderating roles of remote, hybrid, and onsite working on the relationship between work engagement and organizational identification. *Sustainability*, 14(24), 16828.
- Vartiainen, M., & Vanharanta, O. (2024). True nature of hybrid work. *Frontiers in Organizational Psychology*, 2, 1448894.
- Wang, B., Liu, Y., Qian, J., & Parker, S. K. (2021). Achieving effective remote working during the COVID-19 pandemic: A work design perspective. *Applied Psychology*, 70(1), 16-59.