Exploring psychological safety experiences of investment banking employees in hybrid work environments

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Graduation: May 2026

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The reader is reminded of the following:

- The editorial style of this mini-dissertation adheres to the format required by the Industrial and Organisational Psychology Programme at the North-West University, Vanderbijilpark Campus.
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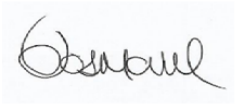

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ETHICS CLEARANCE



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ETHICS APPROVAL LETTER OF STUDY

Based on approval by the **Economic and Management Sciences Research Ethics Committee (EMS-REC)** on, **01/10/2024** the Economic and Management Sciences Research Ethics Committee hereby **approves** your study as indicated below. This implies that the North-West University Senate Committee for Research Ethics (NWU-REC) grants its permission that, provided the special conditions specified below are met and pending any other authorisation that may be necessary, the study may be initiated, using the ethics number below.

Study title: Exploring psychological safety experiences of investment banking employees in hybrid work environments

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Application Type:
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Expiry date: 01/10/2025
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Yours sincerely,



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Certification of Co-coding

This letter serves to confirm that B. B. V. Magwentshu submitted transcribed interviews to myself for co-coding. For the study titled: "Exploring psychological safety experiences of investment banking employees in hybrid work environments".

The co-coding process consisted of:

Co-coding all transcribed interviews
Identifying preliminary themes
And, having a discussion on the identified themes and the similarities and differences in the codes identified by the two co-coders

Should you have any further queries, please do not hesitate to contact me.
Kind regards
Jené Pretorius



DECLARATION OF LANGUAGE EDITING

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TO WHOM IT MAY CONCERN

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27 November 2025

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SUMMARY

Title: Exploring psychological safety experiences of investment banking employees in hybrid work environments

Keywords: Psychological safety, hybrid work environment, flexibility, Social Exchange Theory, investment banking

The global shift to hybrid working, combining remote and onsite work, has been widely adopted by investment banking institutions in South Africa. While this model provides employees with ample benefits, including increased flexibility, autonomy, and work-life balance, it also presents challenges like a potential decrease in team cohesion and spontaneous collaboration, which leads to more complex employee management. As the workplace continues to evolve, psychological safety has become a crucial construct in organisations. Psychological safety is defined as the shared belief that an environment allows individuals to take interpersonal risks, such as asking questions, sharing concerns, or voicing ideas, without fear of punishment or humiliation. As a collective experience, psychological safety creates a workplace climate marked by trust, open communication, innovation, and collaboration. Leaders support psychological safety through active listening, encouraging dialogue, and maintaining transparency, all of which help build a secure environment for employees. The investment banking sector is known for its high-pressure, fast-paced, and high-stakes environment, which frequently causes significant stress and anxiety among employees. With a strong reliance on collaboration, cross-functional teams, strict deadlines, and rapid decisions, psychological safety becomes essential. In this inherently risk-averse environment, psychological safety is key to managing risks, supporting innovation, and achieving long-term success.

This study was anchored in the Social Exchange Theory (SET), which interprets workplace behaviour through the principle of reciprocal exchanges of resources and the expectation of mutual benefit. Centring on the principle of reciprocity, where trust and positive action from one party are typically returned by another, the research explored how interactions among colleagues, leaders and the wider environment influence psychological safety. This exploration began with a comprehensive literature review. While studies of psychological safety in hybrid working remain limited, existing research underscores that positive interactions are critical for psychological safety, fostering behaviours like speaking up, knowledge sharing, and collaboration. Secondly, in the exploration of psychological safety experiences, the study adopted a qualitative research approach guided by the interpretive

social construction paradigm to explore the subjective experiences of employees. Using a descriptive research design, data were collected through virtual semi-structured interviews with 11 participants from South African investment banking institutions operating within hybrid work models, and analysed using an inductive thematic analysis approach, meaning making.

This study identified four main themes detailing how psychological safety is experienced within this context. The *Flexibility-Trust Dynamic* theme highlights that the autonomy to decide when and where to work positively influences psychological safety by fostering a feeling of trust from leaders. While a lack of trust leads to reduced psychological safety and sometimes results in the productivity paradox. Secondly, the *Leadership Approaches and Psychological Safety* theme illustrates the importance of management style in fostering psychological safety, with leaders who demonstrate supportive and inclusive behaviours enhancing psychological safety, while inherent hierarchical dynamics were linked to compromised psychological safety and a hesitancy to speak up. Third, *Relationships and Team Culture* highlights the fundamental role of interpersonal connections in fostering psychological safety. The study found that strong relationships with colleagues and leaders, and a supportive team culture, are factors that contribute to psychological safety experiences. Conversely, the reduction in spontaneous interactions and team bonding may have negative effects on the sense of belonging and psychological safety. Finally, the study concluded that psychological safety is influenced by factors beyond policy and leadership. The identification of the *Organisational and Environmental Factors* theme highlighted that participants view generational, experiential, gender, and parenting dynamics as influencing psychological safety experience.

In conclusion, the study offered practical recommendations for organisations, leaders, and people practitioners, such as Human Resources (HR) and Industrial and Organisational Psychologists (IOPs), to implement in order to foster psychological safety.

CHAPTER 1

INTRODUCTION

1.1 Contextualisation

The last few decades have seen major shifts in the world of work, propelled by global events and advancements in technology. Organisations and employees have been granted unprecedented flexibility in where, when, and how they work, with a growing emphasis on achieving better work-life balance (Davis et al., 2024; De Kok, 2016; Hogarty, 2021). With the emergence of these shifts, organisations have been challenged to change and adapt the way they organise their work and employees (Davis et al., 2024; De Kok, 2016).

As illustrated by Kaiser et al. (2022), remote working has been linked to various trends that confronted organisations over the years due to, among others, the digitalisation of work. In the wake of the Coronavirus 2019 (COVID-19) pandemic, these trends have continued to accelerate as organisations have integrated remote working practices into their standard operations (Kaiser et al., 2022). The call for mass business and industry shutdowns across the world resulted in a disruption and shift in how and where work is performed, requiring a move from onsite work environments to remote and virtual environments (McKinsey Global Institute, 2021). As predicted by the McKinsey Global Institute (2021), this impact on the work, the workplace, and the workforce has continued post the global health crisis, with most organisations and industries, including the financial services (FS) industry, having adapted to remote or hybrid ways of working. This prediction is supported by BruntWork Chief Executive Officer (CEO), Winston Org, who believes that organisations will continue implementing the hybrid model as it allows both the organisation and its employees the flexibility of work-life integration (Stantly, 2022), and Jeetu Patel, Cisco Executive Vice President (EVP) and General Manager (GM) of Security and Collaboration, who emphasises that companies must design workplaces that accommodate hybrid working with the assumption that future meetings will have at least one remote participant (Meister, 2024).

A hybrid working model integrates both remote and onsite working, providing employees with the flexibility to choose their preferred work location, encompassing a blend of office-based and remote work within organisations (Kaiser et al., 2022). This shift has provided employees with various benefits, including enhanced work-life integration, autonomy over working hours and location, as well as a more efficient and effective use of time, among others (Wigert & White, 2022). Moreover, the Microsoft (2021) Work Trend Index Report also found that the COVID-19 restrictions and the need to integrate employees' home and work lives resulted in more genuine interactions between employees, therefore fostering higher levels of authenticity, improved collaboration, enhanced productivity, and employee satisfaction, as well as the renewed value of socialising with colleagues in office (Koeva, 2023; Meister, 2024).

Conversely, potential challenges associated with the shift from onsite to fully remote and to a hybrid work model include the minimisation of inclusion, interpersonal connections, and opportunities to meaningfully contribute to discussions that occur across onsite and virtual platforms (Microsoft, 2021). Additionally, Wigert and White (2022) identified challenges such as a sense of detachment from the organisational culture, decreased team collaboration and impaired relations with co-workers. Amidst the challenges posed by evolving work dynamics, ensuring psychological safety is crucial. Issues such as detachment from organisational culture and decreased collaboration can impact psychological safety in the workplace profoundly (Edmondson & Mortensen, 2021).

Psychological safety, having been first explored by organisational scholars like Kahn in the 1960s, has been identified as a critical determinant in gaining an understanding of teamwork, collaboration, and organisational performance (Edmondson & Lei, 2014). Psychological safety has been defined as the perception of how others will respond to and the consequences of taking interpersonal risks in the workplace by proposing innovative ideas, asking questions, raising concerns, seeking feedback, or reporting mistakes (Edmondson, 2004; Jha, 2019). Psychological safety enables employees “to feel safe at work in order to grow, learn, contribute, and perform effectively in a rapidly changing world” (Edmondson & Lei, 2014, p. 41). More recently, Edmondson and Mortensen (2021) illustrated the importance of psychological safety in fostering healthy group dynamics and interpersonal relationships in the hybrid work environment.

Central elements of psychological safety include the opportunity to contribute meaningfully, ask questions, seek feedback, be authentic, and provide innovative ideas (Edmondson & Mortensen, 2021; Frazier et al., 2017; Kahn, 1990). Despite the increase in psychological safety research, most research has largely focused on traditional team dynamics, such as onsite work environments, with limited research delving into remote or hybrid work environments, particularly in investment banking. As such, Edmondson and Bransby (2023), in their review of contemporary psychological safety research, recommend further research exploring the experiences of psychological safety within the hybrid work environment.

Traditionally, the FS industry depended on in-person interactions to build and maintain meaningful customer relationships, leveraging their refined interpersonal skills to cultivate trust, nurture client relationships, and facilitate deals (Socratous, 2022). As such, investment banks, known for their highly collaborative and customer relationship-driven approach, have traditionally relied heavily on in-office work arrangements, creating high-pressure and

demanding environments (Kelly, 2024; McCarty Carino, 2021; Ross, 2022). However, the aftermath of the COVID-19 pandemic and its widespread impact on various sectors, including investment banking, has resulted in a significant transition towards hybrid working (Damyanova, 2022). As lockdown restrictions eased, employers in investment banking expected the workforce to return to the office full-time (Nawrat, 2022; Socratous, 2022), with notable firms advocating for a return to five-day office presence (Hossain, 2024). Despite this expectation, the growing preference for the flexibility of remote work has led investment banks to introduce hybrid working (Damyanova, 2022; De Kok, 2022; Ebrahim, 2022).

Recognising that offering employees the flexibility of hybrid working not only fosters retention, but also serves as a prerequisite for talent attraction and competitive advantage, many organisations have increasingly embraced this approach (Bainton, 2022; Pourhossein, 2022). Addressing core issues arising in the shifting world of work, Pourhossein (2022) emphasises the urgency of addressing the challenges emerging in the evolving work landscape, encompassing concerns such as declining employee engagement, and the deterioration of company culture. Central to addressing these concerns is cultivating a psychologically safe and secure environment, empowering individuals to thrive amidst ongoing changes.

Considering these factors, including the historical inclination toward in-person and in-office working, this researcher found valuable to investigate the psychological safety experiences of investment banking employees, with a particular focus on those working within a hybrid environment. As some investment banks, known for their demanding nature in the industry (Ross, 2022), continue to operate within a hybrid model, understanding the influence of psychological safety on employee collaboration and organisational performance is crucial, as it fosters innovation and drives overall organisational success. By exploring the intricacies of psychological safety experiences in this context, this study aimed to provide insights that could inform strategies for fostering inclusive, supportive, and thriving work cultures in hybrid work environments.

1.2 Literature Review

Post COVID-19, the pandemic and subsequent mass shutdowns around the world have led to a sustained acceleration of remote working trends (Kniffin et al., 2020). The ease to lockdown restrictions in December 2021, however, required organisations to develop and implement hybrid working models to provide their employees with the continued flexibility of dictating how and where work is performed (Chan et al., 2023). As illustrated earlier, this is also evident within investment banking (Damyanova, 2022; Ebrahim, 2022). The shift to hybrid

working affords the employee and employer several benefits; however, as with most things some challenges may arise. Edmondson and Mortensen (2021) indicate that an aspect that needs to be understood in the new way of working is psychological safety, a factor that can influence the effectiveness of the hybrid workplace. The following literature provides insights into the hybrid work model and psychological safety, shedding light on some of the dynamics in the investment banking sector, and the relationship between psychological safety and hybrid working, according to current literature.

Hybrid Work Model

The post COVID-19 implications, along with significant advancements in technology and the digitalisation of work, have led organisations across the world to find a new normal in adopting the hybrid work model (Chan et al., 2023; De Kok, 2016; Kaiser et al., 2022). Hybrid work combines remote and onsite work in a flexible manner, allowing employees to work from home or a location outside of the traditional office, while also maintaining some level of in-person collaboration, connection, and engagement (Wigert & White, 2022).

According to Mäkitalo (2021) and Socratous (2022), the benefits of migrating to a hybrid model include improved employee engagement and satisfaction, increased productivity, and improved team relationships, among others. In addition, Koeva (2023) identified enhanced collaboration, increased employee satisfaction, opportunities for continuous learning, and building trust as some of the benefits of hybrid working. Chan et al. (2023) also noted that the opportunity to work from home has resulted in employees having the ability to attend to both work and non-work obligations while maintaining an increased level of autonomy in their work.

On the other hand, the hybrid work model also introduces its own challenges for the organisation and its employees. Andrews (2022) aptly notes that with the hybrid model, leaders need to focus on human connection in the workplace, indicating that culture and connectedness, as well as the ability to provide constructive feedback may prove to be a challenge that organisations face. In a study conducted by Gallup, Wigert and White (2022) also identified weakened relationships with colleagues, fewer opportunities for feedback, and a diminished connection to the organisation or team culture as some of the major challenges that employees may encounter in the hybrid model. According to Edmondson and Mortensen (2021), in addition to the challenge of managing remote teams, potential reduction in trust, and a new power dynamic in the workplace, hybrid work arrangements may have a significant impact on employee psychological safety. Effective collaboration requires elements such as trust, communication, and knowledge sharing; however, trust can be difficult to build in a virtual

environment, therefore potentially hindering individuals' willingness to share knowledge with others (Alsharo et al., 2017).

According to Lenka (2021) and Vidhyaa and Ravichandran (2022), with the combination of remote and onsite work, various types of hybrid work models have emerged. These include the remote first model, the office occasional model, the office first, remote allowed model, the flexible model, and the fixed hybrid model (Lenka, 2021; Vidhyaa & Ravichandran, 2022). The remote first model refers to employees and leadership teams primarily working remotely, occasionally meeting in coworking spaces or offices for essential and in-person activities, with the company possibly foregoing having a permanent office space (Lenka, 2021; Vidhyaa & Ravichandran, 2022). The office occasional model refers to when employees and leaders occasionally work from the office, usually with a requirement of two to three days in the office, with those who are unable to go into the office working remotely (Lenka, 2021). The office first, remote allowed model uses a combination of the remote first and office occasional model where the workforce primarily works from the office with employees having the option to work remotely (Lenka, 2021). The flexible model refers to employees having the flexibility to choose their work location and hours based on their daily priorities, working from home, a coffee shop or the office (Vidhyaa & Ravichandran, 2022). Lastly, the fixed hybrid model refers to when organisations designate specific days for remote work or in-office attendance, such as assigning certain teams to the office on particular days or allowing everyone to work from home on pre-determined days of the week (Vidhyaa & Ravichandran, 2022).

As illustrated above, the shift to the hybrid work model may have favourable and adverse effects on either the employee, the employer, or the organisation itself. LinkedIn News UK (2023) indicate that hybrid work in investment banking has presented a mixture of employee sentiments, with some who want and prefer the flexibility of hybrid working while others find it somewhat lonely as new joiners struggle to connect with both their colleagues and superiors. According to Varma et al. (2022), the leader-member exchange (LMX) theory, a form of social exchange theory, offers insights into how the supervisor-subordinate relationship may have altered as a result of the shift to remote working. It is suggested that the new way of working, compared to the traditional in-person arrangement, has potentially altered the frequency of leader-subordinate engagement or interactions, employee perceptions of their work, and their sense of obligation or accountability (Ashley, 2022; Varma et al., 2022). Leader-subordinate engagements are pivotal for establishing psychological safety, by fostering shared goals, knowledge sharing, and mutual respect, therefore enabling effective collaboration within the organisation (Carmeli & Gittell, 2009). This led the researcher to their question of psychological safety experiences in the hybrid workplace.

Psychological Safety

With the state of flux and increasingly complex dynamic in which the world of work finds itself; psychological safety is a construct that has gained increasing attention in research for both its conceptual and practical importance (Edmondson & Bransby, 2023; Frazier et al., 2017). This is a construct that has been conceptualised in various ways since its conception in the 1965 seminal work of Edgar Schein and Warren Bennis, who described it as “the extent to which individuals feel secure and confident in their ability to manage change” (Newman et al., 2017, p. 523). Edmondson recently defined the construct as a climate of comfort and authenticity in which individuals can express their thoughts, feelings, and ideas without fear of negative consequences such as humiliation or rejection (Edmondson, 1999; Edmondson, 2019).

Kahn (1990), who investigated the conditions that encourage employees to personally engage or express themselves in their roles, found that people are more willing to personally engage in situations they deem to be psychologically safe and therefore identified interpersonal relationships, group dynamics, leadership styles, and organisational norms as factors that influence psychological safety. In their systematic review of psychological safety literature, Newman et al. (2017) identified five organisational practices that foster psychological safety at an individual, group, and organisational level. These include supportive leadership behaviours, organisational practices, relationship networks, team characteristics, as well as individual and team differences. In addition, Newman et al. (2017) illustrate that an increase in interpersonal communication, knowledge sharing, voice behaviour, and learning behaviour has been linked to psychological safety at individual and team levels. More recently, Edmondson and Bransby (2023) indicated that creating an environment that encourages employees to share ideas, speak up, and ask questions fosters psychological safety within teams. They also identified that fostering psychological safety could unlock inherent potential, overcome barriers to team performance, foster learning behaviour, as well as creativity and innovation in organisations.

The shift to hybrid work models has resulted in an alteration to organisational norms, group dynamics (Kahn, 1990), relationship networks, and team characteristics (Newman et al., 2017), raising the question of how employees in investment banking experience psychological safety when operating in a hybrid model.

Psychological Safety and Hybrid Working

Psychological safety fosters healthy group dynamics and interpersonal relationships, drives decision-making, promotes innovation, as well as positively influences team and organisational effectiveness (Edmondson & Mortensen, 2021). As organisations continue to evolve in their hybrid working arrangements, the importance of psychological safety has

become even more pronounced. Hybrid work necessitates an evaluation of the role of psychological safety in the workplace, emphasising the renewed responsibility of leaders to foster psychologically safe work environments (Moore, 2022).

In the world of work, trust is of the utmost importance. Lee (2021) illustrates that social support presented through open communication, trust, and empowerment creates a stable and safe feeling, therefore resulting in higher levels of psychological safety. On the contrary, where this social support is not present, Lee (2021) found that low levels of psychological safety and negative emotions start to develop within the team dynamic. In addition to this, existing research indicates that perceptions of psychological safety have decreased during the implementation of hybrid work (Gurchiek, 2022). Among workers in the United States of America (USA), Gurchiek (2022) found that onsite workers perceive lower psychological safety than their colleagues in hybrid work environments; while Horton International (2022) found that one-fifth of employees have expressed feeling ignored and having difficulties speaking up during online/hybrid meetings.

The transition to a hybrid work environment comes with its benefits and potential challenges. As a result, this research explored psychological safety within a hybrid work environment, focusing on understanding the experiences of investment banking employees.

1.3 Research Questions

Primary question:

- How do employees in investment banking experience psychological safety in a hybrid work environment?

Secondary questions:

- What aspects contribute toward employees' experiences of psychological safety in the context of their hybrid work environment?
- What aspects compromise employees' experiences of psychological safety in the context of their hybrid work environment?

1.4 Theoretical Framework

To investigate the psychological safety experiences of employees in investment banking in a hybrid work environment, this study was anchored in the Social Exchange Theory (SET). The SET offers a conceptual paradigm for interpreting workplace behaviour, emphasising rational decision-making and the exchange of resources between individuals (Cook et al., 2013; Cropanzano & Mitchell, 2005). It highlights the importance of mutual interactions and the development of trust between employees and employers, which are essential elements in

understanding psychological safety (Dunne & Greenwald, 2014).

Reciprocity is a central, and well-known, concept within the SET, whereby an individual will likely reciprocate the actions, whether good or bad, of another (Cropanzano et al., 2017). There are three types of reciprocity: *as interdependent exchanges, as a folk belief,* and *as a moral norm* (Cropanzano & Mitchell, 2005). *Interdependent exchanges* highlight how outcomes in interactions are influenced by individuals' actions and the actions of others, encouraging cooperation, and reducing social exchange risks (Molm, 1994). *Reciprocity as a folk belief* encompasses the expectations of balanced exchanges over time and the consequences for failing to reciprocate assistance that has been received (Gouldner, 1960). *Moral norms,* on the other hand, dictate the social standards of how people are expected to behave in interactions shaping reciprocal actions (Cropanzano & Mitchell, 2005; Gouldner, 1960).

Psychological safety in the workplace encourages employees to freely share knowledge, seek feedback, voice ideas, and collaborate (Alsharo et al., 2017; Newman et al., 2017). Drawing from the SET, we understand that psychological safety fosters trusting, loyal, and mutually committed relationships, helping us to understand the dynamics of interpersonal relationships and their role in psychological safety experiences (Cook et al., 2013; Cropanzano & Mitchell, 2005). The researcher explored how these reciprocal interactions influence employee experiences of psychological safety in the hybrid work environment.

1.5 Aims and Objectives

Primary objective:

- To explore how employees in investment banking experience psychological safety in a hybrid work environment.

Secondary objectives:

- To explore what aspects contribute to how employees experience psychological safety in the context of their hybrid work environment.
- To explore what aspects compromise employee experiences of psychological safety in the context of their hybrid work environment.

1.6 Research Methodology

1.6.1 Research Approach and Design

This research study followed a qualitative research approach. Qualitative research is an exploratory research method that provides insights into a particular phenomenon to understand the varying experiences, opinions, and concepts that individuals attach to it

(Bhandari, 2020; Tenny et al., 2022). As an exploratory method, qualitative research allowed the researcher to investigate the intricacies of individual experiences, actions, and behaviours related to psychological safety (Cypress, 2015). Qualitative research emphasises the importance of context and is therefore also aligned to understand employee experiences of psychological safety in a hybrid work environment (Leedy et al., 2020).

A descriptive research design was followed, as this offered clear accounts of peoples experiences as they occurred (Kim et al., 2017). Informed by the interpretive social construction paradigm, this study recognised that reality is subjective, highlighting the importance of individual interpretation. Within this framework, psychological safety, despite having a conceptual definition, can be understood differently by each person based on their unique experiences (Alharahsheh & Pius, 2020). From an epistemological perspective, this approach establishes a close relationship between the researcher and participants, assuming that individuals cannot be separated from their experiences and that their experiences inform their knowledge (Alharahsheh & Pius, 2020). By using these paradigms, the researcher was able to explore employees' experiences of psychological safety in a hybrid work setting.

1.7 Research Designs

1.7.1 Literature Review Design

This research study involved a rigorous scientific review of the literature on the main concepts discussed above, namely psychological safety and hybrid work. The sources that were consulted to obtain the relevant information included Google Scholar, EBSCOhost, Web of Science, ScienceDirect, Emerald Insights Journals, JSTOR, John Wiley & Sons, SAGE, Taylor & Francis, electronic books, and other relevant internet sources predominantly focusing on the years 2010 to 2024. The literature review was conducted before data collection to provide the researcher with ample theoretical understanding of the phenomenon to guide and contextualise the study. The following keywords were used when searching for relevant information: psychological safety, hybrid work, remote work, the impact of COVID-19 on organisations, and the new normal.

1.7.2 Research Context

The researcher conducted this study in the investment banking sector in South Africa. As a sector that is characterised as providing its employees with some flexibility and high-income potential, it can also be described as a highly stressful environment (Ita, 2025; Ross 2022). Traditionally reliant on in-person interactions with both their colleagues and clients, many organisations in the investment banking sector have adopted a type of hybrid work model as a result of the COVID-19 pandemic, technological advancements, the digitalisation of work,

and employees preferring the flexibility that this model provides (Chan et al., 2023; De Kok, 2016; Kaiser et al., 2022; Pourhossein, 2022; Socratous, 2022).

1.7.3 Participants

According to Morse (2020), sampling is a strategy that should be handled with caution and consider various project-specific factors. The researcher used non-probability sampling to select the participants for this study. Non-probability strategy uses predetermined criteria such as accessibility, geographical location, or experience to select participants to investigate and answer a specific topic or research question (Nikolopoulou, 2023). The researcher intended to explore and understand the psychological safety experiences of investment bankers within a hybrid work environment by aiming to recruit 10 to 20 participants (Bekele & Ago, 2022) and conclude data collection/sampling once data saturation has been reached.

To ensure the selection of an appropriate sample, the researcher made use of a combination of convenience and quota purposive sampling methods. Convenience sampling occurs when individuals are invited to participate in the study based on their convenient availability to the researcher in terms of access, location, and willingness to participate (Lopez & Whitehead, 2013). This sampling method was suitable for the study and the researcher because it simplified the sampling process by selecting participants based on their ready availability. Purposive sampling, on the other hand, involves inviting participants based on predetermined criteria relevant to the topic (Lopez & Whitehead, 2013). The use of quota purposive sampling allowed the researcher to indicate a set of inclusion criteria within which participants need to fall to be eligible to participate in the study (Lopez & Whitehead, 2013). The combination of these sampling methods enabled the researcher to invite participants who were easily accessible while ensuring that they met the required criteria. This combination also served as a buffer to effectively mitigate any limitations of each method. Table 1, presented below, illustrates the inclusion and exclusion criteria that were applicable during the sampling process.

Table 1

Inclusion and exclusion criteria

Inclusion Criterion	Reasoning
Works in investment banking	Employees in investment banking are the population of this study
Has a minimum of 6 months' tenure	Employees, within their first year of working, are likely to pick up on behaviours and how these influence their experience of psychological

	safety. The minimum tenure has been limited to 6 months to allow for the difference between new joiner jitters and employee experiences.
Works in either the occasionally, the office first remote allowed, the flexible, or the fixed hybrid model	These four hybrid types involve more of a combination of in-office and remote working, therefore providing the appropriate context to explore employee experiences

Exclusion Criterion	**Reasoning**
Has a relationship, professional and/or non- professional, with the interviewer	To avoid any biases or the participant feeling uncomfortable divulging personal information, opinions, or feelings
Non-English speaking	To avoid misunderstandings that may occur due to language barriers and/or translation issues

1.8 Procedure

The researcher engaged with the North-West University's Optentia colloquium, the School of Industrial Psychology and Human Resource Management (IPSHRM) scientific committee, and faculty ethics committees to seek ethical clearance to commence with the study. Once formal approval had been received from all the necessary committees the researcher:

- The researcher made use of her professional network to access investment banking firms in South Africa that are currently operating within the required hybrid work models, to discuss whether they would be interested in forming part of the research study.
- The researcher then engaged the organisations to select an appropriate gatekeeper who would be involved in the research process and responsible for liaising with potential participants.
- To equip the gatekeeper, the researcher shared a pamphlet containing details regarding the research topic, purpose, participation criteria, and the researcher's contact information. The gatekeeper needed to communicate that willing and interested individuals use the contact information to contact the researcher.
- Once interested individuals contacted the researcher to participate in the study the researcher shared a consent form via the preferred channel of communication, outlining the research topic, data collection methods, ethical considerations, and their right to withdraw from the study.
- Once the consent form was returned to the researcher, the researcher scheduled an onboarding discussion with the participant to agree on the preferred location, date, and time of the interviews to ensure that both parties were comfortable and available.

- The interview ran for approximately one (1) hour, allowing room for probing questions which might have result in a longer session. The interview setting, whether in-person or virtual, maintained the privacy and confidentiality of the participant and discussion(s).
- All interviews were audio recorded, omitting identifiable information such as names, with the explicit permission of the participant. Upon completion of the interviews, the interview audio recordings were transcribed, coded, and analysed by the researcher. Each transcript was password-protected, and audio files were kept, only on the researcher's computer. A password-protected copy of the data files, transcripts, and audio files were stored on Google Drive with access only reserved for the researcher.

1.9 Data Collection

Data collection is a crucial element of the research process; it complements the sampling method by gathering information directly from the identified participants within the population (Lopez & Whitehead, 2013). In this study, the researcher made use of direct data collection methods, capturing verbal communication which were transcribed into written work, observable actions such as body language, and the overall interaction (Lopez & Whitehead, 2013).

Semi-structured Interviews

The researcher used semi-structured interviews conducted online and face-to-face, as applicable, for data collection in this study. Lopez and Whitehead (2013) describe interviews as a spoken narrative gained through an interaction between researcher and participant to gather comprehensive information about a phenomenon. An interview provided the researcher with the most straightforward and direct approach to collecting the data required to understand employee experiences of psychological safety in a hybrid work environment (Barrett & Twycross, 2018), to delve into the varying perspectives, beliefs, and/or experiences of individuals (Gill et al., 2008).

To provide the researcher and participant the freedom to discuss the topic freely, the researcher conducted semi-structured interviews to allow the researcher the opportunity to ask individually tailored probing questions to seek clarity or elaboration (Leedy & Ormrod, 2005; Lopez & Whitehead, 2013). Semi-structured interviews involve a set of questions that serve to outline the areas under investigation but also permit deviations to allow room for the researcher to probe and delve deeper into certain ideas or responses. This type of interview was well suited for the study in question as it offered the necessary flexibility to elaborate on information that was significant to the participants while maintaining some structure to the interview (Gill et al., 2008).

The participants' responses were used to gain insights into their experiences with additional probing questions being asked for clarification or elaborative purposes. The interviewer began the session by checking the participants' understanding of what psychological safety is, then once an appropriate description was discussed and agreed upon, the researcher lead with an initial open-ended question such as: "Can you describe your experiences of the transition to working in a hybrid environment". This was followed by subsequent probing questions outlined in the semi-structured interview guide. These questions included:

- When reflecting on your experience, what aspects have or would make you feel at ease with your colleagues? Can you give practical examples to illustrate your answer?
- When reflecting on your experience, what aspects have or would make you not feel at ease with your colleagues? Can you give practical examples to illustrate your answer?
- If possible, could you give examples of situations where you felt comfortable to speak up during hybrid meetings?
- If possible, could you give examples of situations where you felt uncertain or even scared of speaking up during hybrid meetings?
- How has the hybrid work model impacted your ability to communicate openly with your colleagues and supervisors? Can you provide specific instances to illustrate your answer?
- Based on your experiences, what organisational practices can you recommend to promote psychological safety in the hybrid work environment?

1.10 Data Analysis

An inductive thematic analysis method, with the support of the Atlas.ti platform (version 24.1.1 or later), was used to analyse the qualitative data gathered for this research study. Inductive thematic analysis, specifically, refers to a process where the researcher allows themes to emerge as a result of the data gathered instead of being driven by their (the researcher's) preconceptions or themes they have gathered in literature (Dawadi, 2020). Using thematic analysis, the researcher examined the data closely to identify the patterns or common themes, topics, and ideas of meaning that captured the essence of the narrative gathered during the data collection process (Caufield, 2023; Dawadi, 2020).

Terry et al. (2017) identified a six-phase, iterative, thematic analysis process where the researcher periodically moves back and forth between phases to ensure adequate application. These phases include *(1) Familiarisation, (2) Coding, (3) Theme Development, (4) Reviewing Themes, (5) Defining Themes,* and *(6) Report* (Terry et al., 2017).

Familiarisation: provides the researcher with an entry point to the analysis process by

providing them with the opportunity to gain a comprehensive overview of all the data that has been collected (Caufield, 2023) by engaging and immersing themselves in the data (Terry et al., 2017). This phase aims to gain preliminary analytical thoughts by potentially re-reading or re-listening to the data to absorb as much of the detail as possible (Terry et al., 2017).

Coding: involves the comprehensive process of assigning meaningful labels to segments of the dataset based on their relevance to the research question(s) and whether they capture the essence of the data (Terry et al., 2017). The codes, or labels, allow the researcher to have a summary of the common meanings in the data (Caufield, 2023).

Theme Development: themes represent recurring patterns identified within the data, which are significant for describing, organising, or interpreting aspects of a topic (Lincoln, 2018). This is an active identification process where the researcher explores the codes, and associated data, to combine similar codes to form larger more substantial patterns (Terry et al., 2017).

Reviewing Themes*:* to ensure that the themes are an accurate and meaningful representation of the data (Caufield, 2023). As a quality control exercise, this phase required the researcher to check their themes to ensure that they: relate to the coded data, capture the meaning, and whether the insights gathered through the themes answer the research question(s) (Terry et al., 2017).

Defining Themes: moving away from the summative point of view, the researcher enters into an interpretive position where they will be tasked with ensuring cohesion, clarity, consistency, and quality of the analytic narrative (Terry et al., 2017).

Report: this analytic process encompasses writing throughout the phases; however, at this stage the researcher's focus is on incorporating the data, analysis, and themes into a literary output that answers the intended research question(s) (Terry et al., 2017).

1.11 Trustworthiness

Much like its counterpart quantitative research, qualitative research needs to ensure the reliability and validity of the data it has gathered, interpreted, and discussed. To this end qualitative researchers ensure trustworthiness (Korstjens & Moser, 2018). The purpose of trustworthiness is to assure the researcher and reader that their research findings are worthy of consideration (Lincoln & Guba, 1985). To support researchers in ensuring trustworthiness Lincoln and Guba (1985) introduced the credibility, transferability, dependability, and confirmability criteria. According to Elo et al. (2014), the authors added an additional criteria of authenticity, formally known as reflexivity. Table 2 below provides an explanation of each

criteria as well as the strategies that were employed by the researcher.

Table 2

Trustworthiness criteria

Criterion	Description and Applicability
Credibility	As one of the most important criteria for trustworthiness, credibility looks at whether the research findings are an accurate interpretation of a participant's opinions (Korstjens & Moser, 2018). To ensure and strengthen credibility, the researcher used persistent observation to identify the most relevant characteristics and themes and focus on understanding them in greater detail (Korstjens & Moser, 2018). In addition, the researcher used a co-coder to ensure accuracy and confirm findings (McGill et al., 2023).
Transferability	Transferability looks at whether the research findings can be transferred to another research setting, context, or population (Stenfors et al., 2020). The researcher ensured transferability by providing descriptions about the research setting, context, and participants (Shenton, 2004, Stenfors et al., 2020).
Dependability	Dependability is known as the "the stability of data over time and under different conditions" (Elo et al., 2014, p. 2). The researcher ensured dependability by following a logical and traceable research process that clearly documented (Nowell et al., 2017). An audit trail was kept, articulating each step of the research process, from start to finish (Korstjens & Moser, 2018). The audit trail was maintained by documenting data collection and sampling decisions, refinements made to the interview guide, as well as the coding and theme development process.
Confirmability	Confirmability deals with ensuring that the interpretations and findings are a clear result of the data that has been collected (Nowell et al., 2017). The researcher needs to ensure that the interpretations are not based on their point of view but objectively as a result of the data (Korstjens & Moser, 2018). To this end the researcher maintained an audit trail and conducted supervisor debriefing session as well as applying appropriate labelling of themes.
Reflexivity	Reflexivity refers to the researcher's accurate depiction of the

variety of experiences and realities presented during data collection (Elo et al., 2014), the process of self-reflection about oneself and the relationship to the participants and how this can affect the participants' inputs (Korstjens & Moser, 2018). To mitigate the risks, the researcher kept a diary to reflect consistently on preconceptions, biases, assumptions, or values that may affect research decisions (Korstjens & Moser, 2018).

1.12 Ethical Considerations

Ethical considerations involve safeguarding the rights of research participants, obtaining their informed consent, and the process of receiving ethical approval through the institutional review process (Klopper, 2008). According to Pietilä et al. (2019), qualitative research ethics has two distinct branches, those that aim to protect the participant, as well as the professional standards that strive to ensure sound scientific conduct with public accountability. Due to the in-depth nature of this qualitative study (Arifin, 2018) the researcher was guided by and maintained research ethical principles before, during, and after the study.

1.12.1 Procedure

Before initiating this study, the researcher submitted and presented this proposal to the North-West University's Optentia Colloquium, the IPSHRM scientific committee and the ethics committee to obtain the required approvals and ethical clearances necessary to start the data collection process.

1.12.2 Informed Consent and Voluntary Participation

Participation in this study was entirely voluntary, and only those who were willing to participate were required to sign a consent form. This form outlined the research topic, as well as the rights and responsibilities of the participant and the researcher. By signing the consent form, the participants acknowledged their understanding of the study's purpose and procedures and gave their informed consent to participate in the research. The consent form also emphasised the fact that participation was entirely optional and that they were free to withdraw from the study at any time without consequence.

1.12.3 The Right to Privacy, Anonymity and Confidentiality

The anonymity and confidentiality of research participants are crucial elements of the research process (Pietilä et al., 2019). The researcher ensured that the participants were aware of their right to privacy, anonymity, and confidentiality through the consent form process, as well as

during the onboarding discussions. All the data collected, including biographical information, will be kept private and will not be shared without written consent. The researcher will adhere to all regulations and guidelines of the Protection of Personal Information Act (POPIA) (South African Government, 2013), ensuring that all personal identifying information (for example demographics) was handled in line with the rules formulated in the POPI Act (Act 4 of 2013). The data collected from the interviews was password-protected and will be securely stored for a period of 5 years on the researcher's computer and at the University. Only the researcher and their supervisors will have access to the data, and it will not cross the borders of South Africa.

1.12.4 Non-maleficence

Non-maleficence is the ethical duty of a researcher to minimise harm and risk to both the participants and society at large, emphasising the researcher's responsibility to maximise benefits while minimising any negative impact of research (Pietilä et al., 2019). To ensure that the researcher caused no harm to the participants, the researcher clearly communicated the purpose, procedures, and benefits of the study; adhered to the relevant ethical guidelines to ensure safety and well-being during the interviewing process and continuously monitored the research process to ensure consistency.

1.12.5 Risk and Mitigation

Risk for participants: None. The participants only had to share their experiences, and those needing assistance were referred to a counsellor. In addition, participants were not identifiable in the study.

Risk for the researcher: None. The researcher collected, analysed, and reported on the data gathered.

Risk for organisations: None. Organisations in the sector were not in the study.

1.13 Expected Contribution of the Study

A qualitative study on the experiences of psychological safety in a hybrid work environment has the potential to make significant contributions to the individual, the organisation and existing literature.

Individual

By investigating these experiences, the participants of this study had the opportunity to explore and reflect on their experiences of psychological safety in their hybrid work environment. This

research aimed to cultivate a sense of awareness and understanding of psychological safety, particularly within the framework of hybrid workplaces.

Organisational

An understanding into psychological safety in the context of the hybrid work environment will provide organisational leaders with insight into what factors promote and potentially detract from a psychologically safe work environment, particularly in the hybrid setting. Psychological safety is increasingly becoming important in the workplace (Newman et al., 2017), and as organisations continue to settle into the new normal of hybrid working, the importance of understanding psychological safety and how it is fostered is of paramount importance. This study aimed to provide organisations with the insights into psychological safety experiences that can contribute to the development and implementation of interventions that can promote psychological safety in investment banking.

Literature

Psychological safety research is on an upward trajectory with ample research providing insights into findings related to team dynamics, performance, learning or leadership. There is a gap in the literature with regard to the shifting ways of work and team dynamics, in particular the hybrid work model. This study will, therefore, provide insights and input into this gap by providing an account of employee experiences of employees operating in this setting.

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CHAPTER 2

RESEARCH ARTICLE

ABSTRACT

Title: Exploring psychological safety experiences of investment banking employees in hybrid work environments

Purpose: This study explored the psychological safety experiences of investment banking employees working in hybrid environments. Hybrid working models are common now, particularly in South African investment banking, bringing flexibility but also challenges like reduced team cohesion and more complex management. Psychological safety, where employees feel safe be authentic and to express themselves, is increasingly vital for teamwork, innovation, and performance in these environments. This study had the intention of understanding psychological safety experiences among investment banking employees working in hybrid settings, to better understand the contributing and hindering factors.

Method: To explore these experiences, this study adopted a descriptive qualitative research approach and design guided by the interpretive social construction paradigm. Using a combination of convenience and purposive non-probability sampling approaches, the researcher selected participants based on specific pre-determined inclusion and exclusion criteria. The researcher conducted 11 semi-structured interviews, exploring participants' experiences of psychological safety as well as their experiences of contributing and hindering factors. The interviews with recorded, transcribed verbatim, and subsequently analysed using thematic analysis. This involved familiarisation with the data and systematically coding it to identify recurring themes related to psychological safety experiences and influencing factors.

Findings: Four main themes, with subsequent sub-themes, were identified. Firstly, the *Flexibility-Trust Dynamic* emerged as a theme highlighting the fact that psychological safety experiences are enhanced by greater autonomy and work-life balance and undermined by a lack of trust. Secondly, the *Leadership Approaches and Psychological Safety* theme illustrated that management behaviours and practices have a major influence over psychological safety experiences. Third, the *Relationships and Team Culture* theme highlights interpersonal connections, team culture and cohesion, mentorship and knowledge sharing as factors that contribute to psychological safety, while reduced collaboration and team bonding are seen as hindering factors. Lastly, hybrid working has highlighted the impact of *Organisational and Environmental Factors,* such as social, generational, and gender dynamics, on experiences of psychological safety.

Implications: The implications of this study are multi-layered. For individuals, it provides an opportunity to reflect and assess their experience of psychological safety and the factors that

may be contributing to or hindering these experiences. For organisations, it provides insights into the factors contributing to psychological safety and proposed recommendations to activate and enhance these experiences. For literature, this study adds insight to the global body of knowledge around psychological safety in hybrid workplaces and adds to the literature gap on the subject in the South African context.

Keywords: Psychological safety, hybrid work environment, flexibility, Social Exchange Theory, investment banking

INTRODUCTION

While flexible work arrangements, such as remote or hybrid work, are not new concepts, technological advancements have enabled organisations to adopt and scale these models more effectively (Davis et al., 2024; Iqbal et al., 2021). Although the past 20 years have seen a discernible trend towards more virtual and digital work environments, reflecting a broader shift in how, where, and when work is done, the transition did not take hold strongly (Newman & Ford, 2021).

The unexpected emergence of the COVID-19 pandemic represented a crucial turning point, altering what was previously a gradual evolution into a swift and essential transition for numerous organisations globally (Haan, 2023; Kaiser et al., 2022; Newman & Ford, 2021). In response to global lockdowns and social distancing mandates, organisations rapidly transitioned to remote and subsequently hybrid work arrangements. As we progress into the fifth year of this paradigm shift, hybrid working has established itself as the prevailing norm (Cohen, 2025). This transition to flexible working models has emerged as one of the most significant and lasting changes in the workplace, reflecting employees' growing preference for more flexible arrangements (Rattray, 2025). According to Fraser (2024), although a fully remote workweek may not be widely practised, the notion of spending an entire week in the office has become obsolete. Many organisations have since implemented customised hybrid models tailored to their specific organisational needs (Desmarais, 2025; Fraser, 2024).

The large-scale and unplanned transition to hybrid work has acted as a real-time test of the effectiveness of these models, demonstrating their viability while also highlighting both the advantages and challenges that can emerge (Chan et al., 2023; Newman & Ford, 2021). As noted by Krajcik et al. (2023), hybrid work integrates in-office and remote work arrangements, offering employees flexibility in choosing when and where they perform their tasks. This model has reshaped the organisation and management of work, influencing both organisational structures and the boundaries between work and personal life (Hopkins & Bardoel, 2023; Krajcik et al., 2023). The transition to hybrid work presents numerous benefits for both employees and employers, including improved work-life balance, enhanced time management by reducing commuting time, greater flexibility, and increased autonomy, all of which contribute to heightened focus and productivity (Newman & Ford, 2021; Sokolic, 2022). Furthermore, it fosters better collaboration, greater employee satisfaction, and a greater appreciation for connecting with colleagues (Koeva, 2023; Thorley, 2023).

In contrast, Iqbal et al. (2021) indicate that although hybrid work encourages individual autonomy and focus, it may gradually weaken team cohesion, spontaneous collaboration, and

proactivity due to a reduction in in-person interactions. Over time, this decline can lead to communication breakdowns, feelings of marginalisation, and a lack of motivation, ultimately challenging team dynamics, culture, and productivity (Harter & Wigert, 2025; Iqbal et al., 2021; McKinsey & Company, 2023b). Newman and Ford (2021) add that hybrid working can result in employees experiencing less trust and support from leadership, as well as a weakened corporate culture and diminished team norms. In light of the challenges presented by the continually evolving workplace, the concept of psychological safety has become increasingly vital. Establishing a psychologically safe work environment is essential for promoting the overall well-being of employees (McKinsey & Company, 2023a).

Psychological safety has emerged as an important concept within the expanding movement focused on mental health awareness. First explored by organisational scholars in the 1960s, psychological safety refers to the belief that a team environment allows for interpersonal risks to be taken without fear (Lee, 2021). As a crucial attribute for highly effective teams, it encompasses the assurance that individuals will not experience embarrassment, rejection, or punishment for voicing their thoughts, sharing ideas, asking questions, or acknowledging their mistakes (Bless & Velazco, 2022; McKinsey & Company, 2023a). According to Ravishankar (2022), individuals are ten times more likely to leave an organisation due to a toxic work culture than for reasons such as compensation or work-life balance. Therefore, creating a supportive environment that embraces mistakes, avoids blame, celebrates achievements, promotes diversity, and encourages thoughtful communication is essential. McKinsey and Company (2021) highlight that leaders who demonstrate supportive and consultative leadership styles are crucial in cultivating a climate of psychological safety. In addition, the research conducted by McKinsey and Company (2021) highlights that the most significant driver of psychological safety is a positive team environment, one where team members value each other's input, show genuine care for one another, and feel empowered to contribute to how the team functions. According to Bless and Velazco (2022), the shift to hybrid working has created challenges concerning psychological safety, especially in ensuring everyone has a voice and in building trust within teams. While many employees have adjusted to hybrid working, the dynamics of remote and in-office collaboration continue to develop.

Investment banking is known for its high-pressure, fast-paced environment, demanding collaboration, speed, and precision. Employees often face intense workloads, tight deadlines, and significant responsibilities to both clients and their organisations, leading to considerable stress and anxiety (Chib et al., 2025; Smollan & Mooney, 2024). The sector prioritises real-time problem-solving and complex, high-stakes transactions, relying on cross-functional teams and rapid decision-making (Newlands, 2025). Amid this collaborative culture, there is a

global push to return fully to the office, though many professionals are resistant (Newlands, 2025; Thesing, 2023). Conversely, South Africa still favours a hybrid work approach, even among top financial services firms (Financial Mail, 2024; Fraser, 2024).

In the inherently risk-averse environment (Newlands, 2025), psychological safety does not mean encouraging mistakes. Rather, it plays a critical role in managing risk and the long-term success of a team by creating a climate where employees feel enabled to raise concerns, question assumptions, and share observations without fear of negative consequences. In environments where rapid decision-making and adaptability are critical, fostering a psychologically safe work environment is vital (Ip et al., 2025). An individual who feels enabled to raise concerns, near misses, and difficult issues can help minimise the incidence of high-stakes errors. Psychologically safe environments encourage innovation and improvement, addressing issues at their source rather than resorting to undisclosed workarounds, as well as the ability to speak up and learn from failures (Grailey et al., 2021). Conversely, environments lacking psychological safety tend to foster silence, disengagement, and reluctance to speak up, which increases the risk of errors (Ip et al., 2025).

Consequently, an exploratory study is warranted to understand how individuals, particularly within the investment banking sector, experience psychological safety. By exploring the nuances of psychological safety experiences, this study aims to provide insights that can inform strategies to cultivate a thriving workplace environment.

LITERATURE REVIEW

Before the COVID-19 pandemic, business leaders anticipated that employees would spend over 80% of their time in physical offices; however, this has changed dramatically. A McKinsey & Company survey of 566 participants revealed that only 10% of employees now work on-site, while the remaining 90% have adopted various hybrid work models, allowing them to work remotely for part or most of their time (McKinsey & Company, 2023b). To gain some insights into hybrid working and psychological safety, the following literature review explored current literature regarding these topics and the relationship between them.

Hybrid Work Model

The concept of hybrid work is not a novel one, having its roots in earlier visions of a more flexible and decentralised work environment (Iqbal et al., 2021). As early as 2011, Cohen (2025) illustrated that the vision of the future of work involved the traditional office no longer being the central hub for work, but instead evolving into a space primarily used for collaboration and connection.

The hybrid work model has emerged as a dominant form of flexible working that blends on-site and remote work, allowing employees to alternate between physical office spaces and virtual environments (Hopkins & Bardoel, 2023; Vij et al., 2022). This arrangement offers individuals greater control over when and where they complete their tasks, which will likely enhance flexibility, autonomy, and overall work-life balance (Hopkins & Bardoel, 2023). By integrating the benefits of both traditional and remote work arrangements, hybrid models aim to support employee well-being while maintaining productivity and collaboration. With the combination of remote and on-site working, hybrid models can be implemented in various ways, such as having some employees work remotely while others are in the office or allowing the same individuals to alternate between on-site and remote work on specific days and hours (Iqbal et al., 2021). Developed with the needs of the organisation and employees in mind, various types of hybrid work models have emerged. These include the *office-centred model,* the *fully flexible model,* the *remote first model,* the *split weekly model,* and the *week sharing model* (Çiftçi, 2022; Lenka, 2021; Vidhyaa & Ravichandran, 2022). With the *office-centred model,* organisations prioritise in-office working, requiring their workforce to primarily work from the physical office, although employees may have the option to work remotely once or twice a week (Jay, 2025; Lenka, 2021). The *fully flexible model* refers to a structure where employees have the flexibility to choose when they prefer to work from the office or remotely (Vidhyaa & Ravichandran, 2022). The *remote-first model* is characterised by employees and leadership primarily working from home, with occasional meetings in coworking spaces or offices for essential in-person activities (Jay, 2025). The *split weekly model* involves remote work for several days and in-office work for others, with different departments alternating their office and remote working days (Çiftçi, 2022). Lastly, the *week-sharing model* describes an environment where months are divided into weeks according to teamwork, and tasks that need to be completed, alternating which departments will be in the office weekly (Çiftçi, 2022).

This shift presents distinct benefits and challenges in managing productivity, employee morale, and organisational culture. In the context of hybrid work models, it is imperative for leaders to emphasise the importance of human connection. Andrews (2022) underscores the challenges faced by organisations in this environment, particularly in terms of culture, connectedness, and providing constructive feedback. Mason (2025) elaborates on the evolving perception of hybrid work, initially regarded as a necessary compromise, but now subject to scrutiny by investment banks assessing its long-term implications on productivity, organisational culture, and employee satisfaction. Furthermore, Edmondson and Mortensen (2021) argue that hybrid work arrangements can negatively impact employees' psychological safety, a situation exacerbated by diminished trust and altered team dynamics. To operate

and collaborate effectively as a team, there needs to be trust, communication, and knowledge sharing; however, Alsharo et al. (2017) noted that the hybrid environment can complicate the trust-building process, potentially impeding knowledge exchange. Therefore, as outlined by Vij et al. (2022), understanding and addressing the psychological aspects of this model is vital for fostering an inclusive, engaging, and balanced work environment.

Psychological Safety

Amid ongoing changes and growing complexity in the world of work, psychological safety has gained increasing attention in research due to its conceptual and practical significance (Edmondson & Bransby, 2023; Frazier et al., 2017). Tracing back to early studies of organisational change, psychological safety was conceptualised in the 1965 seminal work of Edgar Schein and Warren Bennis, who found that psychological safety was an essential factor in making people feel secure and capable of change (Edmondson & Bransby, 2023). More recently, psychological safety has come to be described as a shared belief within a team or organisation that individuals can openly express ideas, take interpersonal risks, and ask for help without fear of embarrassment or punishment; it fosters a climate of trust and is linked to a range of positive outcomes including improved communication, learning, innovation, job satisfaction, engagement and commitment (Edmondson, 1999; Edmondson, 2019; Plester & Lloyd, 2023). “Feeling psychologically safe allows people to perform their best at home, school, and work” (McKinsey & Company, 2023a, p. 1). Having explored the conditions that promote employee engagement and self-expression, Kahn (1990) found that when individuals experience psychological safety in the workplace they are more likely to engage and freely express themselves, identifying (1) interpersonal relationships based on mutual trust and support, (2) group dynamics with clear roles, (3) clear and supportive leadership styles, (4) and consistent organisational norms as factors that influence psychological safety.

Psychological safety is a collective experience influenced by the work environment shaped by leaders and team members, as well as the surrounding cultural climate (McClausland, 2023; Plester & Lloyd, 2023). This collective experience is vital for fostering open communication and collaboration within teams. It plays a crucial role in how individuals feel and experience the workplace. A growing body of research highlights several key factors that contribute to fostering psychological safety in the workplace (Lee, 2021; McClausland, 2023; Mishra, 2025; Singh, 2023) . Leadership, particularly when characterised by empowering and supportive practices, plays a vital role in reducing stress and fostering a psychologically safe work environment. Leaders who demonstrate active listening, empathy, encourage team participation and show openness are essential in building trust, which serves as a foundation for psychological safety (Lee, 2021; Mishra, 2025; Singh, 2023). Additionally, Lee (2021) notes that open and transparent communication, coupled with consultative

decision-making, further enhances this sense of safety, as employees feel their voices are valued and their contributions acknowledged. Furthermore, the approach to handling mistakes is crucial; leaders must find a balance between promoting learning and maintaining accountability, ensuring that discussions about errors do not undermine confidence or cause embarrassment (Bless & Velazco, 2022).

Conversely, when psychological safety is lacking, fear of negative consequences can hinder employees from taking interpersonal risks, suppressing communication, innovation, and collaboration (Bless & Velazco, 2022; McCausland, 2023; Patil et al., 2023). Consequently, knowledge-sharing declines, silos form, and team effectiveness suffers due to a lack of trust and difficulty adapting to challenges. Leaders may also start to notice employees hesitating to admit to their mistakes or seek feedback, leading to stagnation in both individual and team development and errors going unresolved (McKinsey & Company, 2021; Patil et al., 2023). Moreover, according to Edmondson et al. (2022), a lack of psychological safety fosters distrust among colleagues and between employees and leadership, and it can deter reporting of misconduct and therefore allow issues to go unaddressed. If not addressed and rectified, environments lacking psychological safety can lead to stress, anxiety, and burnout over time (Lee, 2023). In high-pressure environments, such as investment banking, the absence of psychological safety can have especially severe consequences, potentially compromising both the banker and the client (de Lisser et al., 2024).

According to Bless and Velazco (2022), the transition to hybrid working has posed challenges regarding psychological safety, particularly in ensuring that everyone has a voice and in fostering trust within teams. Although many employees have adapted to the hybrid way of working, the dynamics of remote and in-office collaboration continue to evolve. Consequently, an exploratory study is warranted to understand how individuals, particularly within the investment banking sector, experience psychological safety in this new normal.

Psychological Safety and Hybrid Working

Psychological safety has been identified as a pivotal factor in understanding teamwork, collaboration, and overall organisational performance (Edmondson & Lei, 2014). Despite the increasing volume of research on the topic, the predominant focus centres on traditional team dynamics within on-site work environments. This focus has led to a significant gap in the literature regarding remote or hybrid work settings. Consequently, further research into the experiences of psychological safety within hybrid work environments is essential for advancing our understanding of team dynamics in the continuously evolving landscape of work (Edmondson & Bransby, 2023; McKinsey & Company, 2021).

Interaction plays a critical role in building connections and relationships, particularly in the workplace. In an environment where team members alternate between remote and in-office settings, the potential for informal connections and spontaneous communication is often diminished (Waizenegger et al., 2020). This reduction in interaction can hinder an employee's sense of safety in voicing opinions, particularly when they feel disconnected from leadership or team discussions due to their physical absence (Mortensen & Haas, 2021). Therefore, leaders are integral in cultivating a sense of belonging and psychological safety within the team dynamic. They must ensure that the experiences of both in-person and remote employees are acknowledged, reinforcing psychological safety as a foundation for a supportive community (Vij et al., 2022).

Trust and mutual respect are essential components of psychological safety (Lee, 2021; Newton-John, 2023). According to Lee (2021), trust encompasses the belief that others' actions align with one's interests, thereby encouraging vulnerability in workplace interactions. In environments where trust is established, individuals are empowered to express their thoughts openly and engage in constructive conflict, with the assurance that challenging one another will not compromise their relationship (Newton-John, 2023). Nevertheless, Mason (2025) observes that the enforcement of return-to-office mandates within investment banking creates a perception of leadership's distrust in their teams, thereby undermining their autonomy. Consequently, open communication and trust serve as forms of social support that foster stability and safety, enhancing one's psychological safety. Conversely, the absence of these elements can diminish one's sense of psychological safety (Ip et al., 2025).

Nevertheless, hybrid work can also offer avenues to enhance psychological safety when approached intentionally. Kniffin et al. (2021) suggest that structured communication practices like regular check-ins, collaboration, and transparent decision-making can foster inclusive team cultures that appreciate diverse contributions. Similarly, Newman et al. (2017) highlight the importance of leaders in establishing psychological safety by fostering open, inclusive, and collaborative environments, whether in physical or virtual settings. As organisations continue to adapt to the hybrid working landscape, this research aims to provide valuable insights into the psychological safety experiences of investment banking employees within such environments.

THEORETICAL FRAMEWORK

In recent years, the body of research on psychological safety has expanded significantly; however, many studies have predominantly concentrated on conventional team dynamics

within in-office environments. There remains a scarcity of research addressing the nuances of psychological safety in hybrid work settings (Edmondson & Bransby, 2023). Therefore, this study aimed to explore the psychological safety experiences of employees in the investment banking sector who operate within a hybrid work environment, utilising the Social Exchange Theory (SET) as the foundational framework for this exploration. According to Cook et al. (2013), SET theorises that individuals establish social relationships through the reciprocal exchange of resources, engaging in interactions with the expectation of mutual benefit. As a fundamental principle of the SET, reciprocity provides a lens into the process of giving and receiving resources such as trust in leadership or organisational support within the workplace (Davlembayeva & Eleftherios, 2025; Rajâa & Mekkaoui, 2025).

This theory was pertinent to the study as it provided an appropriate lens to understand how psychological safety can be influenced by interactions between colleagues and leadership, as well as the maintenance of trust between individuals (Kyambade et al., 2024; Mitterer & Mitterer, 2023). When individuals recognise that their contributions are appreciated and reciprocated, they are more inclined to experience a sense of psychological safety, which subsequently fosters open communication, the sharing of diverse perspectives, and the willingness to take risks without the apprehension of adverse consequences (Basit, 2021; Kyambade et al., 2024). Conversely, in the absence of psychological safety, SET justifies that individuals may exhibit a reluctance to engage, resulting in an inhibited environment that impedes collaboration and progress (Kyambade et al., 2024).

RESEARCH OBJECTIVES

Primary objective:

- To explore how employees in investment banking experience psychological safety in a hybrid work environment.

Secondary objectives:

- To explore what aspects contribute to how employees experience psychological safety in the context of their hybrid work environment.
- To explore what aspects compromise employee experiences of psychological safety in the context of their hybrid work environment.

RESEARCH METHODOLOGY

Research Approach and Design

A descriptive, qualitative methodology guided by the interpretive social construction paradigm was employed in this study. Through this lens, the researcher assumes that reality is subjective and shaped by individual interactions, interpretations, and contexts. In relation to this study,

this assumption informed the design and conduct of the research, with the focus on exploring how participants interpret their experiences of psychological safety within their unique organisational environment. The researcher adopted a reflexive position, recognising her influence on the research process. The descriptive research approach is appropriate for exploring individual experiences of psychological safety in hybrid work environments, as it accounts for the subjective nature of these experiences, as acknowledged by the research paradigm (Alharahsheh & Pius, 2020; Kim et al., 2017). This methodology facilitated an exploration of the diverse experiences, perspectives, and behaviours pertaining to psychological safety within the hybrid context, tailored to the unique circumstances of each participant (Bhandari, 2025; Cypress, 2015; Tenny et al., 2022). Anchored in the interpretive social construction paradigm, the researcher inherently recognised the subjective nature of psychological safety, emphasising the significance of individual meaning-making associated with the experiences explored (Alharahseh & Pius, 2020).

Research Context

The study focused on the expansive investment banking sector in South Africa, specifically exploring employees within entities that are operating within a hybrid work model. This sector is known for its high-pressure environment that emphasises collaboration and cross-functional teamwork, which has sparked global debate regarding the shift to hybrid work settings and its impact on productivity, employee engagement, and job satisfaction (Hossain, 2024; Newlands, 2025; Thesing, 2023). Contrary to the global trend of returning to traditional office arrangements, the South African market has consistently embraced the hybrid work model. Many investment banking organisations have adopted configurations that best suit their specific contexts (FinancialMail, 2024).

Participants and Sampling

In this study, which examined the expansive South African investment banking sector, the researcher used purposive sampling, a non-probability sampling approach based on specific inclusion and exclusion criteria. Purposive sampling, also known as selective sampling, is the deliberate selection of participants based on specific characteristics and their relevance to the study (Tajik et al., 2024). Although this sampling method enabled the purposeful selection of participants who met the inclusion criteria, it is limited by its inherent vulnerability to researcher bias and selection (Nikolopoulou, 2023; Tajik et al., 2024). This method ensured that only participants meeting the specific inclusion criteria were eligible to participate in the study. These criteria included: (1) works in investment banking, (2) has a minimum of 6 months tenure, and (3) works in either the office occasionally, the office first remote allowed, the flexible, or the fixed hybrid models. While the study initially aimed to recruit 10 to 20 participants, the final sample consisted of 11 employees, as data saturation was achieved and no new themes were

emerging from the existing interviews. The 11 participants consisted of eight (8) males and three (3) females, aged 28 to 40, with tenures ranging from 10 months to 11 years. These 11 participants represented a variety of backgrounds, roles, and investment banks in South Africa, contributing to the breadth of perspectives captured in the data gathered. By gathering data from a diverse participant group, the researcher reduced the risk of a skewed perspective and rather enhances the richness of the data and enhances the transferability of the data (McLeod, 2024). The table below provides an outline of the relevant participant data:

Table 3

Participant data

Gender	Age	Job Title/Role	Remote vs In-office
Male	29	Associate, Energy & Infrastructure Finance	3-4 days in, 1-2 days remote
Male	28	Corporate Finance Executive	3 days in, 2 days remote
Male	37	Corporate Finance Director	3 days in, 2 days remote
Male	31	Corporate Financier	4 days in, 1 day remote
Male	30	Corporate Finance Senior Executive	3 days in, 2 days remote
Female	35	Group Operations Manager	4 days in, 1 day remote
Male	30	Investment Executive	3-4 days in, 1-2 days remote
Female	31	Vice President: Corporate Investment Banking	4 days in, 1 day remote
Male	35	Trader: Vice President	3 days in, 2 days remote
Male	33	Active Portfolio Management Specialist	3 days in, 2 days remote
Female	40	Associate Director: Corporate Finance	3-4 days in, 1-2 days remote

Data Collection Methods

Virtual semi-structured interviews were used for data collection, allowing researchers to explore the topic using a set of guided questions, with the flexibility to follow up based on participants' responses (Ruslin et al., 2022). An interview guide was prepared in advance to keep the conversations on topic while remaining adaptable. The interviews, conducted on Microsoft Teams and averaging 20 to 40 minutes each, provided convenience and flexibility for both researchers and participants, accommodating various schedules and locations (Lobe et al., 2020; Oliffe et al., 2021).

The interview began with an open-ended question: “Can you describe your experience of the transition to working in a hybrid setting?” This was followed by probing questions about their

experiences of psychological safety in the hybrid environment, which included: (1) When reflecting on your experience, what aspects have or would make you feel at ease with your colleagues? Can you give practical examples to illustrate your answer? (2) When reflecting on your experience, what aspects have or would make you not feel at ease with your colleagues? Can you give practical examples to illustrate your answer? (3) If possible, could you give examples of situations where you felt comfortable to speak up during hybrid meetings? (4) If possible, could you give examples of situations where you felt uncertain or even scared of speaking up during hybrid meetings? (5) How has the hybrid work model impacted your ability to communicate openly with your colleagues and supervisors? Can you provide specific instances to illustrate your answer? (6) Based on your experiences, what organisational practices can you recommend to promote psychological safety in the hybrid work environment?

To maintain ethical standards, the researcher provided participants with a consent form prior to the session, informing them of their voluntary participation and obtaining consent for recording and secure data storage. At the start of each interview, participants were reminded that the session would be audio- and video-recorded solely for research purposes. The recordings and Microsoft Teams transcriptions were then securely stored on Google Drive, with access restricted to the researcher. Once transcribed verbatim, the transcripts were available for analysis by the researcher and co-coder.

Data Analysis

Inductive thematic analysis was utilised to analyse the data, allowing themes that capture the essence of the narrative to emerge (Caufield, 2023; Dawadi, 2020). The iterative process included familiarisation with the data, coding, developing themes, reviewing and defining those themes, and writing the final report. (Terry et al., 2017). During the data familiarisation stage, the researcher relistened to the interview recordings while transcribing the data verbatim. This process enabled a thorough immersion in the data and facilitated the initial identification of high-level codes. After transcription, and to ensure accuracy and rigour, the researcher shared the data with the co-coder and together they discussed the approach for coding and theme development. The co-coder's role was consultative, providing input and perspective to the analysis process. Both the researcher and co-coder independently coded and developed themes from the data, before coming together to compare and the researcher refining the interpretations. No qualitative data analysis software was used, all coding and theming were conducted manually.

Trustworthiness is a critical element in establishing the credibility and reliability of a qualitative

study. To do this, Ahmed (2024) outlines the four elements of trustworthiness as credibility, transferability, dependability, and confirmability. To ensure the trustworthiness of this study the researcher addressed these four elements. Credibility was enhanced through the involvement of a co-coder who has extensive experience in qualitative data analysis. Transferability was addressed by providing description of the research setting, context and participants, allowing readers to assess applicability to other contexts. Dependability was maintained by following a logical research process and maintaining an audit trail documenting key decisions made. Lastly, confirmability was ensured by reflecting on personal assumptions and potential biases, as well as the collaborative coding and theming process.

FINDINGS

The primary objective of this study was to explore how employees in investment banking experience psychological safety in a hybrid work environment. To expand on this, the study also intended to identify what aspects contribute to and compromise employee experiences of psychological safety. Although the research was guided by specific research objectives, during analysis, it became evident that themes overlapped across the objectives rather than aligning neatly with each one. Instead of presenting the findings separately for each objective, which would result in repetition, the themes are discussed more holistically to reflect their interconnected nature. Four main themes, with subsequent sub-themes, were identified: (1) The Flexibility-Trust Dynamic, (2) Leadership Approaches and Psychological Safety, (3) Relationships and Team Culture, and (4) Organisational and Environmental Factors. Each participant was assigned a pseudonym for ease of reference; for example, P1 refers to the first participant interviewed.

The Flexibility-Trust Dynamic

This theme captures how flexibility in hybrid environments fundamentally shapes psychological safety through trust relationships, autonomy, and work-life integration, while acknowledging the productivity paradox many participants experienced.

Autonomy and Empowerment: The ability to make decisions about when and where to work enhances psychological safety. Participants consistently reported that the flexibility of hybrid work arrangements positively impacted their sense of psychological safety by providing autonomy and demonstrating trust from their employers. *"I fully believe hybrid workspaces … cultivate more psychological safety because there is a feeling of trust because of the autonomy" (*P1). They reported enjoying the autonomy to decide how to spend their working hours, for example, having a slower afternoon and catching up in the evenings, which they appreciated. *"…So, this has allowed flexibility. Even on days that you're supposed to be at the office, the new normal is flexibility. So, if I need to step up for two hours, no one cares; just go*

do your thing" (P1).

Trust as a Foundation: The relationship between organisational trust and psychological safety emerged as a central theme among participants. *"But also you've got to create an environment where you trust your employees and believe that they're gonna get their work done wherever they are"* (P4). They consistently raised the importance of fostering trust within the hybrid environments, noting that leadership must not only demonstrate trust but also empower employees to accept and reciprocate that trust. Employees play a critical role in exhibiting trustworthy behaviours, therefore actively enabling a culture of mutual trust and confidence. "*I think there's trust and also safety to speak up when you aren't able to even come to the office during the required days that we now have in place."* (P8). Conversely, overly prescriptive work arrangements were seen as a sign of a lack of trust, which leads to reduced psychological safety. When leaders show resistance to accommodating requests for more flexible work arrangements, this has been linked to a disruption in experiences of psychological safety. *"I tried to ask for some more flexibility and yeah, I was kind of shut down. So yeah, it was it was. Caused me quite a little quite a bit of grief."* (P11).

Work-life Integration: Hybrid work enables better management of personal and professional responsibilities, giving participants the chance to find a harmonious balance between their work and personal lives. *"The fact that I can do my life on other days, as realistically we know as things happen during work days, right? So yeah, if you need to go see municipality because there's issues at your home…"* (P1). As a result, participants expressed experiencing improvements in productivity, as well as a greater sense of psychological safety, all while enjoying the benefits of a healthier work-life balance*"… you have more flexibility to fit in life with that work"* (P5).

Productivity Paradox: In hybrid environments, blurred boundaries can make maintaining work-life balance somewhat of a challenge. *"So you saw a sharp increase in productivity because now you want to prove that we can work from home"* (P10). *"… you know, there's blurred lines, especially now when you work from home as well"* (P7). Many participants point out an interesting paradox where they often work longer hours at home, despite having more flexibility, illustrating the tension between increased productivity and longer working hours in hybrid settings. *"It was like your office is now in your house and you don't switch off"* (P10).

Leadership Approaches and Psychological Safety

This theme outlines how leadership behaviours and practices can have a direct influence on employee experiences of psychological safety in hybrid work environments.

Mistake Tolerance and Learning Culture: The way in which leaders respond to mistakes impacts psychological safety experiences. *"So they created a space where you could ask questions, you could admit your mistake"* (P6). In environments where mistakes are treated as learning opportunities rather than failure, psychological safety tends to be experienced positively. *"Initial mistakes and the freethinking definitely are encouraged…"* (P2).

Communication Practices: Transparent and proactive communication from leaders plays a vital role in building psychological safety. Fostering open and honest communication, particularly regarding difficult conversations, is essential, although it can be especially challenging in a hybrid environment. *"Well, I would say it's very important to understand what your employees want and as an employer be open and amenable to listening"* (P4). Leaders must set clear expectations for hybrid work and model the desired behaviours to ensure engagement and trust. *"It was more the sort of the subtle communication in that it was working... 'you don't have to respond to me immediately. We just need to get the ball rolling on XYZ'"* (P5).

Hierarchical Dynamics: The hierarchical nature of investment banking tends to have a negative impact on experiences of psychological safety. *"I think people do not feel fully psychologically safe if I may say. By function of the hierarchy"* (P9). Participants linked the hierarchical nature of the sector to have compromised psychological safety, as this tends to create a hesitance to speak up *"There's a lot of hierarchy, let me say, right. And ultimately you build experience to have a worthy say"* (P9) in certain scenarios or take risks to innovate. *"Banking is quite hierarchical, right? So usually when you go to a client, you would expect the most senior person to be speaking"* (P7).

Inclusive and Supportive Leadership: Participants shared that various leadership behaviours, such as supportive leadership and fostering trust, enhance their experiences of psychological safety. *"… my bosses… make sure that everyone still feels like… they're part of a broader team"* (P9) When leaders are supportive and encourage open sharing of questions or concerns, it contributes to their sense of psychological safety. *"… before I voice how I think we should approach it, I ask the execution team to... share their ideas, share their thoughts"* (P5).

Relationships and Team Culture

This theme discusses how relationships and social connections in the workplace form the foundation of psychological safety, highlighting both the challenges experienced and the enablers of connection.

Interpersonal Relationships: "I think relationship building is good to sort of get that psychological safety" (P6). Strong relationships with both leaders and colleagues emerged as a fundamental contributor to psychological safety. Having personal connections with leaders and colleagues gives employees a sense of security, making them more comfortable asking questions, sharing concerns, and exchanging knowledge. *"… so all of those relationship building steps happen in office that enabled us to kind of move into the hybrid space with more comfort*" (P2). Participants emphasise how leadership style and relationship quality significantly impacted their comfort in speaking up. *"So I built up a relationship with him and started engaging one-on-one until I felt comfortable to, you know, on a screen of 10-11 people start asking, you know, questions in the group"* (P6). *"I've been fortunate in that I've grown quite quickly in the team. And, and that's obviously driven by my sort of relationship with the directors"* (P5).

Team Culture and Cohesion: Team dynamics play a fundamental role in shaping psychological safety, with regular social interactions, *"So I think our mixture yeah team events and just a friendly culture within the office and a lot of banter are thrown around light hearted environments, guys laughing all the time"* (P3), smaller team creation, *"I think definitely smaller groups tend to interact more… also in smaller groups there tends to be a lot more safety…"* (P8), and a supportive team, *"Let's ensure that we've got one-on-one meetings with each and every individual, every single week... Let's ensure everyone is engaged"* (P10), culture significantly contributing to fostering psychological safety. Additionally, having the ability to lean on pre-existing team and interpersonal relationships has helped sustain psychological safety over time, *"Where they make sure to maintain the interpersonal connections within our team…"* (P2).

Mentorship and Knowledge Sharing: Mentorship and knowledge sharing were recognised as key factors in psychological safety, as they help build the confidence needed to speak up in the workplace. *"… gaining some experience and knowledge from your mentors"* (P6). This increased confidence has been associated with positive experiences of psychological safety. *I feel mentorship is super important because it gives you that confidence."* (P6). However, participants expressed concerns that hybrid work arrangements may negatively affect the learning and development of junior staff members. *"… the second-hand learning you get just by sitting in a room and hearing other conversations"* (P3).

Reduced Collaboration and Team Bonding: The hybrid work model has reduced spontaneous interactions and team bonding opportunities, negatively impacting employees' sense of belonging and psychological safety. *"The collaboration element is something that I personally miss to the pre-COVID days. So, I definitely think in terms of just feeling a sense of belonging*

and the whole cultural element and cultural fit to the organisation is something that has significantly decreased" (P8). *"And I think from even a collaboration point of view, yes, it's easy to collaborate online, but sometimes you do want that interaction"* (P3). Participants noted that virtual meetings can decrease participation and engagement, with individuals more likely to "hide" rather than actively contribute to the conversation. *"I think a lot of the time people now shy away when they dial into certain engagements and I guess it's yeah it's significantly impacting the collaboration element that we used to have"* (P8),

Organisational and Environmental Factors

This theme highlights the organisational and environmental factors that have an influence on experiences of psychological safety in the investment banking field.

Demographic Considerations: There is a complex interplay of social, generational, and gender dynamics in hybrid work environments, suggesting that psychological safety is influenced by more than just organisational policies and leadership. Factors such as generational differences in the workplace have shown varying experiences of psychological safety. Participants highlighted noticeable differences between the struggles of the older generation and the hesitation of the younger employees entering the workforce. One highlighted that, "*There are some, let's say, older individuals who it's harder to it's harder to interact with, uhm outside of in person, but then it becomes a little bit challenging…"* (P4). While another commented on how younger employees tend to prefer being in a physical space with the team before sharing their opinions, providing them the opportunity to not only understand who their audience is but also be able to read non-verbal communication ques. *"…juniors, I think they're more inclined to voice out what they believe or what they thinking when they can understand who's in the room."* (P9). Additionally, the amount of experience "… *and ultimately you build experience to, to have a worthy say, right"* (P9), or time in the role has also been highlighted as influencing one's psychological safety, *"For me it was a new industry as well because I had moved from a mining industry where I was a commercial manager into, you know, into the finance world. Everyone that are CAS and I'm sitting with the BAC, so it was a bit daunting."* (P6). Suggesting that having less experience may compromise one's confidence and psychological safety. Lastly, a participant highlighted that the male dominance in investment banking was a contributing factor to psychological safety experience, making it more difficult for the women in the environment to effectively speak up, out of fear of looking aggressive or not feminine enough*""… I do see it more with the ladies that are a bit more reserved to actually speak up in a forum like this… because as I might be seen as not feminine enough for whatever the case may be"* (P6).

Parenting in the Hybrid Environment: Two female participants discussed the unique

challenges and opportunities of parenting in a hybrid work environment. Participant 6 emphasised its particular relevance for women. The introduction of hybrid work enables parents to integrate their professional and home lives, highlighting the need for a supportive culture and environment to help maintain a delicate balance between parenting and professional responsibilities. *"Having kids as well. I mean, my child is hidden under my desk... It's not in every office space where, I mean the CEO would quickly knock on the door and just say, hey, have a good weekend and like sort of just respect that I'm still doing my work even though I have a child under my desk"* (P6). *"… to be able to. Make sure like my family commitments were met"* (P11).

DISCUSSION

This study aimed to explore how employees in investment banking experience psychological safety within a hybrid work environment, focusing on the factors that enhance or hinder their sense of psychological safety. The analysis identified four main themes that shed light on the multifaceted nature of psychological safety, highlighting the overlapping experiences, fostering factors, and hindrances present in this context. The findings reveal the complex social, generational, and gender dynamics at play in hybrid work environments, suggesting that psychological safety is influenced by more than organisational policies and leadership approaches alone.

The *Flexibility-Trust Dynamic* emerged as a central theme in experiences of psychological safety within the investment banking hybrid work environment. This theme illustrates that the freedom to choose when and where to work can enhance employees' reciprocal trust dynamics, autonomy, and work-life integration, while conversely, a lack of trust results in employees having fewer boundaries and diminishes their psychological safety. Looking at the positive side of the dynamic, Gasper et al. (2024) found that hybrid working can be associated with increased autonomy, flexibility, and illustrates employee trust in their ability to complete work timeously. Consistent with this, participants described how the inherent flexibility of hybrid working fostered feelings of empowerment and trust from their employers. Several participants observed that having greater control over their schedules represented a positive return on relational investment, leading them to feel valued, respected, and trusted by leadership.

Conversely, on the negative side of the dynamic, some participants also reported that the lack of leadership trust and inherent flexibility resulted in blurred and diminished boundaries between work and personal life, where they ended up working out of fear of people thinking they're being less productive while working from home. This imbalance in the relational exchange relationship has led to what is now known as the productivity paradox. The

productivity paradox describes how employees may appear more productive, often working longer hours, starting their days earlier, and ending them later, with this increased output stemming from pressure rather than efficiency (Maguire, 2025). In hybrid environments, Maguire (2025) found that as a perceived obligation, employees tend to feel compelled to overcompensate to signal that they are working and can be trusted, leading to a culture of overwork, weakened boundaries, and misaligned expectations about what productivity looks like. For investment banking, this suggests that while flexible work arrangements can enhance psychological safety, they must be accompanied by support systems to prevent overwork. One participant described how their organisation addresses this by making it a requirement for employees to take 10 consecutive days of leave within 18 months, ensuring that they have the time to truly disconnect.

While the *Flexibility-Trust Dynamic* emerged as fundamental to psychological safety, the significance of leadership was equally prominent in shaping employees' experiences. The theme of *Leadership Approaches and Psychological Safety* highlights how management styles, behaviours, and practices can directly influence employee experiences and reciprocal behaviours. According to Højgaard (2025), leadership behaviours are the most critical factors in determining whether psychological safety thrives or not. Leadership approaches were consistently identified as shaping psychological safety within hybrid teams. Participants reflected on how leaders who encourage open dialogue and accept mistakes as part of the learning process created environments where employees felt safe to contribute and take risks, highlighting how ongoing exchanges contribute to a positive team environment. Transparent and proactive communication from management was frequently mentioned as essential, particularly in the hybrid context where uncertainty can easily arise. Consistent with Plester and Lloyd's (2023) findings that leadership plays a critical role in fostering psychologically safe cultures, leaders must create environments that encourage collaboration, support risk-taking and learning, and promote trust and transparency.

While some participants expressed experiencing positive psychological safety due to deliberate communication approaches and supportive leadership practices, others face challenges related to the hierarchical nature of investment banking. According to Liu et al. (2023), hierarchical dynamics inherently create power and relationship imbalances, causing some employees to be fearful of speaking up or sharing ideas as they often receive negative responses or feel too inexperienced. Conversely, consistent with previous research (Ip et al., 2025), participants agreed that inclusive and supportive leadership strategies, such as actively seeking input from team members, were associated with stronger feelings of psychological safety.

In addition to the themes discussed above, participants highlighted the crucial role of *Relationships and Team Culture* in fostering psychological safety. Many emphasised the value of in-person interactions for building camaraderie, encouraging informal knowledge sharing, and strengthening team cohesion. The transition to hybrid working was particularly challenging for new employees and junior staff, who often struggled to integrate and form genuine relationships without regular face-to-face interaction. One participant described how starting as a new hire without any existing connections made it more difficult to be their authentic self at work. Creating opportunities for teams to connect, socialise, and engage in ongoing exchange was seen as essential for relationship building within the workplace. Such initiatives help ensure that, even as employees move into hybrid settings, they feel comfortable being themselves and collaborating effectively. This aligns with findings that leaders and organisations that intentionally prioritise building relationships that foster belonging and social connections in the hybrid workplace are more likely to see greater team integration, as well as increased experiences of psychological safety and employee engagement (Hartley, 2024; Hyrynsalmi et al., 2025). Mentorship and interpersonal strategies, such as regular team socials and scheduled touchpoints, were highlighted as effective ways to maintain social connections and support.

Participants also observed that virtual environments often lack the spontaneity of in-office interactions and collaboration, which can lead to feelings of isolation. Previously, colleagues could easily gather in person to brainstorm ideas and engage in lively discussions, fostering a natural sense of teamwork. In contrast, leaders noticed a decline in participation during larger virtual meetings, with cameras often turned off and contributions limited to brief remarks like “nothing from my side.” Conversely, participants reported that participation is more likely when the groups are smaller, consistent with Morse’s (2022) finding that smaller groups promote psychological safety in virtual meetings. Additionally, spontaneous social interactions, such as social gatherings after work, have diminished since COVID-19 and the transition back to in-person work, as many of these facilities have since closed.

Lastly, the findings indicated that a complex interplay of *Organisational and Environmental Factors* shapes psychological safety in investment banking. These influences, whether stemming from formal policies or leadership intentions, reveal how context-specific experiences can shape how safe employees feel to speak up, share ideas, or ask for help. Demographic considerations such as generational differences, time in the role, experience and gender were noted as factors influencing psychological safety experiences within the hybrid work environment. Exploring experience and generational gaps, participants highlighted that junior staff and those newer to the field often feel less empowered to speak up, despite leaders’ efforts to encourage open dialogue. Participants observed that junior staff

may hold back from speaking up, particularly in virtual environments, for fear of making mistakes, and not being able to read and understand their team's body language appropriately. This tension highlights the ongoing need to foster a culture where all voices are encouraged and valued, regardless of seniority (McKinsey & Company, 2023a). Participants also highlighted the noticeable struggles faced by older employees in adapting to hybrid work, observing that remote interactions are often more difficult for them, which may impact their sense of inclusion. According to Hardie (2022), there is a stark difference in how generations view their interpersonal connections at work, with 70% of Gen Z (1997 – 2007) indicating that the hybrid environment has improved their connections, while 70% of Baby Boomers (1946 – 1964) report feeling increasingly isolated, unheard, and pessimistic.

From a gender perspective, investment banking is known to be a male-dominated industry, which can compromise women's psychological safety. Participants mentioned that this often causes some women to hold back at work, with the purpose of not appearing aggressive or not feminine enough. Female participants also discussed the challenges and opportunities they experienced around balancing work and parental commitments while navigating the male-dominated environment. While hybrid work offers parents greater flexibility, it also underscores the importance of building a supportive culture, one that maintains reciprocal trust and truly values family commitments. As illustrated by Osborne (2025), this level of flexibility is no longer just a perk; it is a necessity to support the well-being and productivity of working parents. When organisational structures fail to support these needs, psychological safety can quickly erode. This highlights that psychological safety in hybrid investment banking environments is not determined by a single factor. Rather, it emerges from the dynamic interaction of organisational practices, cycles of reciprocity, environmental conditions, and the diverse backgrounds of employees. Building inclusive and psychologically safe workplaces requires organisations to recognise and address these intersecting influences, adapting policies, leadership approaches and support structures to meet the varied needs of the workforce.

Implications

These findings provide valuable insights into the experiences, contributors, detractors, and reciprocal nature of psychological safety among South African investment banking employees in a hybrid work environment. As anticipated, the findings illustrated that psychological safety is maintained through the reciprocal exchange of relational resources in the workplace. Throughout the data collection process, participants consistently discussed the importance of relational resources such as trust, both within teams and from leadership, social connection, interpersonal relationships, and knowledge sharing, as factors that can either enhance or hinder their experiences of psychological safety.

From a practical perspective, these results provide insights for leaders and HR practitioners to foster or enhance psychological safety experiences in investment banking. Effective leadership plays a central role in this, though enabling flexibility, autonomy and interpersonal relationship building, while actively expressing and demonstrating trust in team members. By embodying these behaviours, leaders shape a team culture that values collaboration, growth mindsets, mentorship, support, and inclusion (Plester & Lloyd, 2023). Though the sector remains hierarchical, it is the leader's responsibility to ensure all members feel included and valued. Facilitating opportunities for in-person team interactions, both for work and social bonding, was a consistent finding. Purposeful design of hybrid teams should aim to promote inclusion, collaboration, trust, and knowledge sharing.

LIMITATIONS AND RECOMMENDATIONS

The main limitation of this study was the gender participation ratio being heavily skewed to male perspectives and experiences, with only three of the 11 participants being female. Although there is some insight gathered from the female perspective, it would be beneficial to have the opportunity to gather additional female perspectives to achieve a more balanced view of the experiences, contributors, and hindrances of psychological safety in the investment banking context. To explore the topic further, and potentially gain more of a balanced perspective, it is recommended that future researchers collaborate directly with investment banks or financial institutions with Corporate and Investment Banking functions when recruiting participants to help achieve a balance of male and female perspectives. Although this researcher attempted this strategy without success, working closely with banks remains a valuable way to ensure a balanced account of psychological safety experiences. In addition, it would be beneficial to further the topic by including the question around parenthood with male participants to provide a more comprehensive understanding of parental experiences beyond just mothers' perspectives.

Recommendations for practice

Organisational practices, leaders, and people practitioners, such as Human Resources (HR) and Industrial and Organisational Psychologists (IOPs), all play a crucial role in creating a hybrid workplace that promotes psychological safety. Leaders play a role in setting the tone and modelling the right behaviours, while people practitioners support with the implementation of the appropriate organisational practices and processes to create and maintain a psychologically safe work environment.

According to McCausland (2023), leaders at all levels are responsible for creating a positive team climate, demonstrating supportive and consultative behaviours, and encouraging team

members to share knowledge, ask questions, and challenge ideas. Research highlights that proactive communication, building reciprocal trust dynamics, and fostering a learning culture are essential leadership behaviours for psychological safety (Ngubane & Mbokota, 2025). By promoting open communication and diverse perspectives, leaders support inclusion and enable openness about mistakes, which can become learning opportunities for everyone (Liu et al., 2023; Ngubane & Mbokota, 2025). Creating intentional spaces for connection and communication enables team members to openly share opinions, express concerns, contribute ideas and build meaningful connections. In addition, creating a culture of trust is fundamental and requires leaders to actively counter fear and cultivate supportive workplace relationships (Singh, 2023). To proactively ensure leadership behaviours model and promote psychological safety, HR practitioners should incorporate psychological safety indicators into managerial KPIs and performance management processes to set clear expectations enable ongoing evaluation and effective implementation of psychological safety behaviours (Van Vulpen, 2025).

The findings also highlight that knowledge sharing and mentorship contribute to employee psychological safety. Organisational leaders and people practitioners play a crucial role in fostering a culture of learning by leveraging both formal and informal opportunities, such as mentorship programmes and digital collaboration tools (Ogunsola et al., 2023). Knowledge sharing can be promoted through collaborative teams, sharing best practices via documentation, digital platforms, or informal conversations. HR can explore incentivising knowledge sharing by recognising and rewarding both employee and leader contributions to knowledge transfer (Gardner, 2025). By implementing a well-structured recognition programme that motivates employees to actively participate in knowledge sharing activities, HR can foster a learning culture. Additionally, when introducing mentorship programmes, IOPs should select and tailor the most appropriate model for the organisation and team context, whether it is the traditional senior-to-junior mentoring, reverse mentoring, or peer-mentoring groups (Chaundhuri et al., 2022; Nokkala et al., 2022; Pachut, 2025).

With five generations now working together, multigenerational workforces are the norm. It is up to organisations, people practitioners, and leaders to create an environment that promotes a cohesive workforce dynamic. Truncale (2025) and Hardie (2022) highlight various strategies that support multigenerational workforces, including a focus on collaboration, upskilling, promoting flexibility, and encouraging interpersonal connections. Leaders can break down generational and organisational siloes by intentionally creating opportunities for employees across generations to share their unique knowledge and experiences, promoting knowledge sharing and informal learning within teams (Ogunsola et al., 2023; Truncale, 2025). In the hybrid workplace, it remains critical for leaders to ensure all employees, regardless of age,

have the flexibility to balance personal and professional commitments, while also fostering an environment that supports the building and maintaining of social and professional connections (Hardie, 2022). With a deep understanding of group dynamics, the IOP should focus on developing targeted interventions that focus on fostering collaboration and inclusion among the generations (Hanslo, 2024). These interventions can include challenging implicit generational bias workshops, reverse mentoring, team building, or leader vulnerability coaching (Gardner, 2025; Stanchak, 2024).

The productivity paradox was identified as a detractor of psychological safety within the investment banking environment. Shifting to remote and hybrid work has led some employees to feel compelled to appear constantly productive, often due to a perceived lack of relational reciprocity from leadership. Maguire (2025) outlines strategies for managers to address this paradox, recommending a shift from focusing on time spent to a focus on trust and outcomes. Rather than measuring how busy employees appear, managers should evaluate the results delivered and the value created. This approach not only reduces the pressure to be visibly active but also fosters a culture of trust (Mitterer & Mitterer, 2023). As custodians of the performance management process, HR practitioners play a key role in addressing this psychological safety detractor. To do this, HR should review, design, and implement results-oriented performance management frameworks, evaluating employees based on the quality of the output and instead on how the result was achieved (Van Vulpen, 2025). Additionally, the IOP should design targeted leadership programmes and interventions (Pachut, 2025), tailored for managing hybrid teams, helping managers adopt output-based performance management practices.

CONCLUSION

Psychological safety and hybrid working are not new concepts when considered separately. However, since 2020 and the increase in hybrid working environments, the concept of psychological safety has raised important questions for both organisations and individuals, ranging from “how do we create it?” to “do I experience it?” This study aimed to explore psychological safety experiences within the hybrid context of investment banking and the insights gathered, using an interpretation of psychological safety based on SET, provided a comprehensive view of how psychological safety is experienced and what factors enhance or hinder these experiences.

The study revealed several findings influencing psychological safety in investment banks using hybrid work models. Beyond policies and leadership, social factors also play a key role in fostering psychological safety. The findings indicated that although flexible work arrangements can foster and create cycles of reciprocity and autonomy within a team, if there is a lack of

boundaries or perceived distrust, psychological safety can quickly erode. Leadership, HR practitioners, and IOPs play a key role in fostering psychological safety, from supportive and inclusive practices to promoting knowledge sharing and growth mindsets. In environments where hierarchy or exclusionary behaviour persists, psychological safety is likely to deteriorate. Lastly, with a multigenerational workforce, there are various experiences when it comes to psychological safety, organisations, leaders, and people practitioners need to foster inclusive workplace practices.

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CHAPTER 3

SUMMARY, CONCLUSIONS, LIMITATIONS, AND RECOMMENDATIONS

3.1 Introduction

This chapter provides a summary of the research, highlighting the key findings and insights that emerged from the study. It outlines the main conclusions drawn from the data and discusses the relevance and implications of these results. The chapter reflects on both the theoretical and practical implications, considering how the findings may inform future work and real-world practice. Lastly, the chapter concludes by offering recommendations for future research and practice to support continued development in this field and organisational practice.

3.2 Summary of Study

3.2.1 Overview of the Problem and Purpose

The world of work has seen significant changes, all of which have led to the widespread adoption of hybrid working models, reshaping how work is organised and managed, and providing employees with greater flexibility, work-life balance, and autonomy (Hyrynsalmi et al., 2025; Sokolic, 2022). While there has been a global push for a return to the office, the South African investment banking sector, which has traditionally relied on in-person collaboration and is known for its demanding and high-stakes environment (Kelly, 2024), continues to operate in the hybrid model. While this model brings benefits such as autonomy, flexibility, and improved work-life balance, it also presents challenges like potentially diminished team cohesion and connection, reduced spontaneous collaboration, and complicated employee management (Harter & Wigert, 2025; Hyrynsalmi et al., 2025; Iqbal et al., 2021). In this context, psychological safety, the shared belief within a team or organisation that individuals can freely express ideas, take interpersonal risks, and seek help without fear of embarrassment or punishment (Plester & Lloyd, 2023), has become increasingly important.

The transition to hybrid work has highlighted the importance of psychological safety, which is crucial for enabling innovation, collaboration, and performance. In investment banking, where rapid decision-making and risk management are essential, psychological safety enables employees to speak up, share concerns, and learn from mistakes without fear of negative consequences (Grailey et al., 2021). Understanding how psychological safety is experienced in this evolving context is crucial for developing appropriate strategies to support employee well-being, engagement, and organisational success. The study aimed to explore this and fill research gaps by exploring psychological safety among investment banking employees working in hybrid environments.

3.2.2 Theoretical Overview

To explore the psychological safety experiences of employees in investment banking operating within a hybrid work environment, this research is anchored in the Social Exchange Theory (SET). Aryee et al. (2002) explain that the SET describes the idea that one person's actions are a direct response to another's, based on the exchange of resources and an implicit expectation of reciprocity. As a core mechanism of SET, reciprocity is the expectation that mutually rewarding relationships are established when positive actions are reciprocated, fostering reliable connections based on trust and mutual commitment (Davlembayeva & Eleftherios, 2025). The SET provided an appropriate lens for interpreting the research findings, showing how psychological safety is influenced by an enabling environment of trust, reciprocity, and specific leadership behaviours (Detert & Burris, 2007; Rajâa & Mekkaoui, 2025).

3.2.3 Summary of the Research Method

This qualitative research study was guided by the interpretive social construction paradigm, acknowledging the subjective nature of the topic and emphasising the individual meaning-making process associated with individual experiences (Nickerson, 2024). This methodology allowed the researcher to explore the diverse experiences, behaviours, and perspectives of each participant (Alharahseh & Pius, 2020; Bhandari, 2025; Cypress, 2015). Focusing on the expansive and hybrid working environment of the investment banking sector in South Africa, the researcher used a combination of convenience and purposive non-probability sampling approaches, guided by specific inclusion and exclusion criteria, to source the appropriate participants. Initially, the researcher approached individuals within her professional in an attempt to collaborate directly with Corporate and Investment Banking functions. However, after this process proved unsuccessful, the researcher was able to source participants through word of mouth and further contact with individuals in her network.

To gather data in the flow of conversation, the researcher conducted virtual semi-structured interviews using a pre-determined interview guide. This allowed for set questions as well as follow-up probing questions based on the participant's feedback (Ruslin et al., 2022). Following data collection, an inductive thematic analysis process was used to analyse the data. This process of data familiarisation, coding, theme development, and reviewing and defining themes was crucial in allowing the central themes of the narrative to emerge naturally (Caufield, 2023; Dawadi, 2020; Terry et al., 2017).

3.2.4 Summary of Key Findings

While the research was guided by specific research objectives, the data analysis process illustrated the overlap in themes across the objectives rather than themes aligning to each objective.

The study revealed a complex interplay between flexibility and trust. When employees had the freedom to choose when and where to work, their psychological safety improved due to the greater autonomy and work-life integration they experienced. Conversely, a lack of trust undermined these benefits, negatively affecting their psychological safety. Leadership behaviours and management approaches influence these dynamics. Supportive, communicative, and transparent leadership enhanced psychological safety, while the hierarchical nature of investment banking often hindered open communication and reduced psychological safety. Several participants highlighted the value of relationships and team culture in creating psychological safety. Environments promoting connection, interpersonal relationships, and opportunities to learn from one another contributed, while reduced in-person collaboration and team bonding opportunities detracted from these experiences. Finally, the transition highlighted the impact of demographic considerations. For instance, as junior staff and those newer to the field reported reporting a hesitancy to speak up, particularly in virtual forums, while older workers have experienced some difficulty adjusting to the new way of work, it is important for leaders to actively support these groups of employees. This could involve implementing programmes such as reverse mentoring or peer mentoring groups to create opportunity to facilitate small group engagements that encourage participation. Navigating the balance between work and family, the female participants raised the additional barriers they experience in a male-dominated workspace, highlighting the importance of flexibility and inclusion in enhancing psychological safety.

3.3 Conclusions

This study explored the psychological safety experiences of investment banking employees working in hybrid environments. While the transition to hybrid work has offered advantages such as increased flexibility and improved work-life balance, it has also posed challenges like reduced interpersonal connections and altered team dynamics (Koski, 2023). Using the SET as the theoretical framework, the study explored how psychological safety is influenced by these shifts and the interactions among team members and leadership. The study set out to explore how investment banking employees experience psychological safety, with the intention of identifying factors that contribute to and compromise this experience. Although guided by specific objectives, the data analysis revealed that the themes overlap instead of aligning precisely with each objective. Therefore, the following is a discussion of each theme,

capturing the interconnectedness of the findings.

The *Flexibility-Trust Dynamic* theme illustrates how hybrid work environments can enhance psychological safety by offering employees greater autonomy, control, and trust in managing their work. However, consistent with Joo et al. (2023), when organisational trust is lacking, the same flexibility can become a source of pressure and blurred boundaries as employees overwork to prove their productivity and commitment. This refers to what has come to be known as the productivity paradox, where employees appear more productive because of relational signals from leadership, creating uncertainty in teams. Through the lens of the SET, this theme highlights how employees respond to the trust dynamic and trust signals from their leaders. When flexibility is accompanied by trust, exchanges feel balanced, and employees can reciprocate with engagement (Joo et al., 2023). However, when it is paired with ambiguity, employees perceive the exchange as unbalanced, increasing their interpersonal risk of not being visibly productive and weakening their psychological safety (Ahmad et al., 2023).

The *Leadership Approaches and Psychological Safety* theme, consistent with Plester and Lloyd's (2023) findings, describes the critical role of leaders in shaping psychological safety experiences for employees in investment banking. The study found that open communication, acceptance of mistakes, and active inclusion by leaders enhance psychological safety. However, although leadership may encourage open dialogue, the hierarchical nature of investment banking can reduce employees' willingness to share and engage. Similar to the first theme, this clearly highlights how leaders set the temperature, and their relational signals determine the balancing act of exchanges between employees. This theme highlights that when leaders rely on power dynamics, employees are less willing to speak up. However, consistent with Ip et al. (2025), inclusiveness and support from leaders, along with low perceived interpersonal risk, lead to enhanced psychological safety among employees. This demonstrates that the willingness to voice concerns is shaped by both perceived risk and the power relationship between employees and leaders.

Thirdly, the findings highlighted the important role of *Relationships and Team Culture* in psychological safety experiences. Relationships and team culture are essential for psychological safety in the workplace, particularly as hybrid working makes in-person interactions less frequent. Participants described that strong interpersonal connections, mentorship, and deliberate team-building efforts supported feelings of psychological safety and inclusion. Conversely, limited in-person interactions and larger virtual meetings were indicated as hindering employees, especially new or junior staff, from integrating and fully participating. Smaller interactions were highlighted as fostering more engagement and reinforcing smaller team cohesion, suggesting that relational dynamics are key to employee

experiences of psychological safety. With this view, it can be deduced that ongoing reciprocal exchanges within teams can enhance psychological safety. The team culture acts as a structural facilitator or barrier to team exchanges, shaping the overall climate of psychological safety.

Lastly, *Organisational and Environmental Factors* also shape psychological safety experiences in investment banking. This theme demonstrates that psychological safety is not only shaped by leadership or team culture, but also by organisational structures and environmental conditions such as demographic factors. Participants highlighted that junior staff, newcomers, and older staff experience unique challenges in hybrid work settings. Participants observed that junior staff often hesitate to speak up in virtual environments, preferring face-to-face interactions to better read and understand non-verbal cues. Conversely, older staff were reported to experience challenges adapting to remote work, which, consistent with Hardie (2022), can lead to feelings of isolation. These tensions underscore the importance of fostering psychologically safe workplaces that encourage inclusion and open communication (McKinsey & Company, 2023a). Gender dynamics also influenced experiences, as women in a male-dominated environment frequently experienced the challenges and opportunities of balancing work and personal life. In the workplace, there was a hesitancy to express opinions, while personally, they experienced enhanced flexibility and support to manage personal responsibilities. Across these diverse contexts, organisational support and inclusive leadership remain essential in fostering psychological safety. These findings illustrate that when employees perceive reduced reciprocity as a result of structural or demographic factors, they experience higher interpersonal risk, leading to hesitancy in contribution or engagement. However, when leadership is supportive and inclusive, strengthening the relational exchange balance, employees are encouraged to engage, trust and participate.

Across the four themes, the findings highlight that psychological safety in investment banking operating in hybrid environments is shaped by the complex interplay of flexibility and trust, leadership approaches, interpersonal relationships and culture, as well as organisational and environmental factors. Employees continuously assess and evaluate the balance and reciprocity of their interactions with leaders and colleagues, identifying where scenarios enhance interpersonal risks or psychological safety.

3.4 Practical Recommendations

3.4.1 Recommendations for the Organisation

To enhance psychological safety in investment banks that work within hybrid work models, there are several actions that organisations and leaders should take. They play a key role in addressing key factors that hinder psychological safety experiences, with organisational cultures and practices being central to addressing and overcoming these barriers and enabling psychological safety. By fostering a culture that promotes inclusivity, flexibility, personal connection and open communication, organisations encourage teams to build trust and collaborate (Vij et al., 2022; Wiatr & Skowron-Mielnik, 2023). Organisations need to actively invest in leadership development programmes that immerse and engage leaders in introspection, vulnerability, and empathy they can take back to their teams to further enhance team psychological safety (McKinsey & Company, 2023a). Leaders should create formal opportunities for employees across the organisation to connect, share their unique knowledge and experiences, build, and maintain interpersonal relationships, and communicate openly (Ogunsola et al., 2023; Wiatr & Skowron-Mielnik, 2023). Finally, to establish a culture of trust, organisations need to review management practices and actively shift from measuring input to an outcomes-based measurement system (Maguire, 2025; Mitterer & Mitterer, 2023).

3.4.2 Recommendations for the Practice

People practitioners, such as HR and IOPs, have a crucial role in supporting the business to enable psychological safety. Aligned to their scope of practice (HPCSA, 2019), IOPs will need to engage with teams to understand the most suitable knowledge transfer and mentorship programme that'll enable an inclusive and engaging process for all staff. Additionally, HR has a key role to play in exploring and implementing structured recognition programmes that will motivate employees and leaders to participate in knowledge sharing activities. Creating an environment where everyone is acknowledged and celebrated for their contributions demonstrates to them how important and valued each of their efforts is (Ravishankar, 2022). A growth mindset culture is key to fostering psychological safety. Leaders set the temperature of the team; therefore, leaders across the business are responsible for fostering psychological safety (McCausland, 2023). Leaders need to promote open communication with their teams by intentionally creating opportunities to connect with teams either individually or as a group. To proactively drive leadership presence, HR practitioners need to review and redesign managerial KPIs to speak to psychological safety measures and behaviours (McKinsey & Company, 2021; Ngubane & Mbokota, 2025).

Group dynamics are a key element in fostering and maintaining psychological safety. Leaders need to actively shift their management styles from traditional authoritative leadership, which focuses on input, to a more supportive leadership style that emphasises output (McKinsey & Company, 2021). As above, HR needs to have an active role in driving this by reviewing, redesigning, and implementing results-driven performance frameworks that evaluate employees based on the quality of their output over their input. IOPs also need to play a key role in contributing to leadership programmes and intervention design, to equip managers with the right skills and competencies to manage hybrid teams inclusively, to embed a psychological safety culture, and to adopt performance management practices that enhance psychological safety (Pachut, 2025). Lastly, although psychological safety and hybrid work have been widely researched, this specific area remains relatively unexplored. Therefore, IOPs should strive to conduct further research, possibly focusing on different industries or gaining deeper insights into investment banking.

3.5 Limitations of the Study

To explore the topic and secure adequate participants, the researcher started by reaching out to contacts within her network who are affiliated with investment banks and financial institutions, to collaborate directly with the Corporate and Investment Banking functions within those institutions when recruiting participants. Unfortunately, this method was unsuccessful, and the researcher only managed to source participants through word of mouth, resulting in only 11 viable participants. In addition to this, the gender participation ratio was heavily skewed to the male perspective and experiences, with only three of the 11 participants being female. While the findings indicate that the field is male-dominated, trying to gather a more balanced perspective would help prevent the minority perspective from being overshadowed by the majority. This approach supports a more holistic view of employee experiences by ensuring that the heterogeneity of the sample group is reflected in diverse findings (Robinson, 2014).

As the interviews progressed, parenting responsibilities surfaced as having a meaningful influence on participants' experiences of psychological safety. As this was observed and discussed with female participants, it may be worthwhile to explore parenting responsibilities in relation to psychological safety experiences further in future studies. Although there is extensive research on psychological safety and hybrid working, both separately and together, there is a limited body of knowledge examining this phenomenon in the South African context. Most existing studies on psychological safety and related workplace experiences have been conducted in global and non-financial settings, which limits the extent to which current

theoretical insights can be directly applied to the South African environment. The lack of local research highlights the need for future research.

Qualitative research is inherently subjective in nature, relying on the researcher's interpretation of data gathered to identify and interpret themes (Mwita, 2022). Although a co-coder was used to enhance reliability and reduce individual bias, decisions regarding theme development and narrative construction remain influenced by the researcher's perspectives. Unlike in quantitative research, where data collection and analysis are more structured and less dependent on the researcher's judgment, subjectivity is unavoidable in qualitative research. To mitigate this, future research could adopt a mixed-methods approach.

3.6 Recommendations for Future Research

Psychological safety is increasingly discussed in organisations and organisational literature. As experiences of psychological safety are inherently subjective, it is crucial to understand individual perspectives and behaviours in the ever-changing world of work. Several recommendations can guide future research in this field. Firstly, it would be worthwhile for future researchers to intentionally collaborate with investment banks or financial institutions with Corporate and Investment Banking functions for the sampling process. Not only would this aid in participant sampling, but this would also enhance awareness and interest in psychological safety among business leaders. Second, although this is a male-dominated field, future research efforts should try to gather more female participants in an attempt to provide a holistic view and understanding of the "minority" experiences of psychological safety in this environment. Third, to deepen understanding of how parental responsibilities influence psychological safety, it would be worthwhile for future research to explore this further. Fourth, there is a need to address the literature gap in South Africa by conducting more studies in this context. Lastly, using a mixed-methods approach could enhance the robustness and credibility of the findings by integrating objective quantitative data gathered with qualitative findings to further explore the factors influencing psychological safety (Sharma et al., 2023).

3.7 Chapter Summary

This chapter offers a comprehensive overview of the study's findings, providing insights into how investment bankers experience psychological safety in hybrid work environments. By exploring and reporting these experiences, this research aims to make a valuable contribution to psychological safety and hybrid working literature. The findings from this study will not only contribute to existing literature, but also offers organisations and individuals with an opportunity to explore the various factors identified by participants as contributors and

detractors. Although the research focused on psychological safety in investment banking, these insights can still provide valuable insight to other industries that may have the same question.

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