

Antecedents of Employee Retention in Chinese Hybrid Work Models: The Mediating Role of Job Satisfaction

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Abstract: This study explores the factors that determine employee retention in China's hybrid working environment from the mediating perspective of job satisfaction. Through a quantitative survey of 299 employees from various industries, this study identified four main factors influencing employee retention, including work boundaries, supervision and collaboration, occupational anxiety, and cultural background. The results of multiple regression analysis showed that career anxiety and cultural adaptation were the strongest predictors of retention rate, explaining high levels of the variance of retention rate. The results show that job satisfaction significantly mediates the relationship between remote work characteristics and retention, among which supervision and collaboration play almost all mediating roles. Industry heterogeneity analysis reveals clear industry-specific patterns: the financial industry prioritizes clear job boundaries and cultural fit, while manufacturing emphasizes regulatory quality and anxiety-driven commitment. Therefore, this study concludes that Chinese organizations should establish digital work boundaries, use clear career paths to transform moderate career anxiety into motivation, and design localized human resource management frameworks. These findings offer some practical guidance for local human resource practitioners who are implementing hybrid work models in digital transformation.

Keywords: Hybrid Work; Remote Work; Job Satisfaction; Retention; Industry Heterogeneity.

1. Introduction

The global pandemic of COVID-19 has changed the way organizations operate and the logic of their human capital management. One of the most notable examples is that the pandemic has accelerated the spread and normalization of remote and hybrid working models. According to the MGI data, for instance, by autumn 2022, employee's average time spent in the office was just 3.5 days per week - approximately 30% lower than the figure before the pandemic. This situation is no exception in China either. In fact, this new norms and patterns may have played a positive role to some extent: An experiment conducted by Chinese online travel giant Trip, which allowed its employees to work from home, showed that employees' work efficiency increased by 13% and the staff turnover rate also decreased significantly. These changes indicate that human resource practices related to working from home are evolving from a temporary job adjustment to a crucial structural feature of the workplace and an inevitable trend in the future.

However, there are also several challenges in the implementation of the changing human resource management frameworks for Chinese enterprises. According to the job characteristics model (Hackman & Oldham, 1976) and Herzberg's two-factor theory, factors such as autonomy, feedback, and working-conditions remain critical, though remote work complicates them. In China, traditional culture, hierarchical organizational structures and face-to-face norms all lead to the resistance of this transformation. As one new research illustrates, many Chinese employees participating in remote work in the post-pandemic era report longer working hours and unclear work boundaries. Therefore, it is an open question whether Chinese organizations are well prepared for the hybrid arrangements, and whether the effects of this transition are positive across the board.

In recent years, digital transformation is no longer just a technology upgrade, but an inevitable choice at the strategic

level of organizations, which is also fairly influential for HR initiative. Many of the world's leading companies have already adopted remote or hybrid work models that with tangible benefits. In this strategic context, none of organizations can afford a passive waiting posture. In fact, hybrid working arrangements and flexible working policies can enhance employee retention rates, maintain productivity, and offer advantages in both cost savings and talent attraction for the company. From the perspective of human resource management, human resource practitioners must face up to this trend and make corresponding strategic adjustments. For practitioners in China's human resources industry, this means not only adapting to this trend but also developing an application framework suitable for China. During this process, it is necessary to take into account possible influencing factors such as China's high power distance culture, hierarchical communication norms, and the maturity of digital infrastructure. This study employs quantitative methods to examine the relationship between the above-mentioned characteristics and satisfaction and retention rates. The heterogeneity of the industry is analyzed through regression and mediation analysis.

This study mainly focuses on three research questions: (1) In the remote and hybrid working environment of Chinese enterprises, which factors have the greatest impact on employee retention? (2) Does employee satisfaction play a mediating role in the relationship between remote work and employee retention? To what extent? (3) Can the mechanism determined through the aforementioned questions be universally applied in different industries?

The answers to these questions will provide empirical insights to help us understand how the transformation of working methods will shape employee behavior, thereby offering appropriate strategies for human resource management in the context of China's digital transformation.

2. Literature Review

The analysis of employee satisfaction in a remote working environment is based on Herzberg's two-factor theory and the job characteristic model of Hackman and Oldham (1976). Their research emphasizes the significance of working conditions, autonomy and feedback mechanisms in determining job satisfaction. In recent years, research in this field has mainly focused on the digital working environment. For instance, scholars like Golden et al. (2019) demonstrated that employees' satisfaction with remote work depends on aspects such as technological adequacy, management support, and work-life balance. Job satisfaction (including but not limited to employees' level of satisfaction with their job roles, working conditions and the supportive environment provided by the organization) has become quite complex in a virtual work environment.

2.1. Work Boundaries and Organizational Structure

The work boundary refers to the time, space and psychological boundaries between the work and non-work domains. This boundary is becoming increasingly blurred in remote work arrangements and may have direct impact on employee satisfaction. Research by Allen et al. (2021) suggests that unclear work boundaries can make significant effects on employee satisfaction through producing role ambiguity and higher levels of stress, while the remote work contexts typically promote overwork and decreased satisfaction with work-life balance. Unique organizational structure adaptations to remote work pose new challenges to employee satisfaction. In particular, this issue is very relevant for Chinese organizations because the traditional hierarchical structures are usually adapted. According to the studies by Charalampous et al. (2019), organizations that have more rigid hierarchical structures would face more serious challenges in sustaining employee satisfaction during remote work transitions because the efficiency of communication channels during such transitions is significantly lower. The restructuring of new communication methods would have a direct impact on the perception of employees about their role and organizational support, which are among the key components of job satisfaction. Thus, work boundaries and job satisfaction are highly negatively correlated.

2.2. Supervision and Collaboration Challenges

Considering that employees working outside the traditional office must be managed, too, supervision and collaboration in remote mode naturally requires novel ways of monitoring performance, providing feedback, etc. It will also affect employees' perception of negative emotions such as anxiety, burnout and loneliness, as well as communication efficiency, etc. For example, research by Kniffin et al. (2021) indicated that insufficient levels of supervision increase the level of anxiety among employees and decrease job satisfaction due to a lack of understanding of what is expected and how to meet expectations without adequate feedback mechanisms. Meanwhile, there is evidence suggesting that less face-to-face interaction can affect employees' morale and satisfaction, based on the research results of Barrero et al. (2021) show that employees who feel lonelier in remote arrangements have job satisfaction scores that are 23% lower than those of office employees.

2.3. Occupational Anxiety in Remote Work

Occupational anxiety could also be identified as work stress resulting from uncertainties and challenges in a professional context. This can be clarified using Galanti et al. (2021), who discovered that remote workers report significantly higher occupational anxiety compared to office-based employees. Such feelings result from a lack of clarity over their visibility, measurements of performance, and career opportunities. These directly influence employee satisfaction by creating psychological distress and reducing overall job enjoyment. The relationship between occupational anxiety and employee satisfaction in remote work contexts is obvious as well. Taking technological challenges as an example: digital tool proficiency requirements would contribute to occupational anxiety (for instance, experienced employees may have difficulty getting used to new tools / technologies essential for remote working conditions) and subsequently impact employee satisfaction levels.

2.4. Chinese Cultural Context and Hofstede's Framework

Different cultural context would influence employee satisfaction, and this can be analyzed and understood through Hofstede's cultural dimensions framework. Power distance, defined as the degree to which less powerful members of organizations would accept unequal power distribution, is quite high in Chinese culture. The specific challenges related to remote work implementation in China stem from the high power distance inherent in Chinese culture. Research by Hofstede (2011) on cultural dimensions theory demonstrates that high power distance cultures tend to face greater difficulties in adapting to remote work models. This is because traditional hierarchical communication patterns would unavoidably become disrupted in remote working conditions, which affects employee satisfaction with organizational support and leadership accessibility. What's more, the collectivistic nature of Chinese culture is another unique challenge for work satisfaction in remote working conditions. Chinese employees traditionally value face-to-face relationship building, and collective decision-making processes. Such processes become challenging in remote work environments. Song and Gao (2020) found something similar, as employees from collectivistic cultures report different satisfaction patterns with remote work arrangements compared to individualistic counterparts, and the differences are mainly due to reduced opportunities for relationship building and collaborative problem-solving.

2.5. Employee Satisfaction and Retention Implications

Employee retention, defined as an organization's ability to keep its employees from changing jobs after a short time, is significantly influenced by the levels of work satisfaction. Research by Bonacini et al. (2021) indicates that organizations with higher employee satisfaction in remote work settings experience 18% lower turnover rates compared to those with lower satisfaction levels. That is, employees who report high satisfaction show increased organizational loyalty and reduced intention to leave. The fact that work satisfaction becomes more complex to manage in remote work arrangements requires organizations to pay more attention to this field. The relationship between remote work and employee retention is shown through the positive indirect

effect of supervision and collaboration and the negative indirect effect of occupational anxiety and blurred work boundaries. This relationship is further mediated by the satisfaction of team members, that is, higher satisfaction strengthens the indirect effect and leads to greater loyalty and retention, while lower satisfaction weakens this mediation, resulting in less organizational stability.

Significant research gaps still exist in understanding the concept and application of remote work within Chinese organizational contexts despite growing interest in this field, as current studies tend to focus on Western organizational and cultural contexts. The intersection of traditional Chinese management philosophies with modern remote work practices/technologies remains an underexplored area that requires dedicated research attention.

3. Methodology

3.1. Sampling Design

Special purpose sampling approach is going to be used for this study. This is because this approach is suitable for this study, since it can target employees in China's mainland organizations that implemented remote working models.

The target sample size is more than 300 participants and was determined based on power analysis calculations for multiple regression analysis. What's more, both purposive and snowball sampling methods are applied. Starting with initial communications. The communications with potential participants are conducted via professional networking platforms such as LinkedIn and Maimai (Chinese version of LinkedIn). The snowball sampling method involves asking participants communicated initially to recommend colleagues who meet the participants' criteria. It is worth mentioning that the criteria of participants are: (1) current full-time employee of China's mainland organizations, (2) have worked remotely / is working remotely for at least six months, and (3) over 18 years old and willing to participate in this survey. Participants are mainly located in the cities of Beijing, Shanghai, Shenzhen, Guangzhou, and Hangzhou. Such geographic differences ensure that regional differences are captured. Note: The sampling excludes government organizations and state-owned enterprise employees because of the regulatory constraints on working remotely for these organizations.

3.2. Measurement

The measurement is based on established scales from the literature, but adapted for the Chinese context. All instruments use 5-point Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree).

The measurement of the Work Boundaries construct employs an adapted Work-Life Balance Scale, modified to suit the context of remote work. Items will involve statements related to temporal, spatial, and psychological boundaries separating work from life. This approach is in line with boundary theory modified for working remotely (Mellner, 2016). Items measuring Supervision and collaboration challenges may include communication efficiency, feedback mechanisms, and feelings of isolation, among others. As aforementioned, this measure fits findings from Kniffin et al. (2021) and Barrero et al. (2021) that point out the effects of supervision quality and social interaction on employee satisfaction in remote work arrangements. Occupational Anxiety will be measured using a modified version of the Workplace Anxiety Scale (WAS), originally developed by

McCarthy et al. (2016), adapted to remote work arrangements. Power Distance in the Chinese context will be assessed using the Hofstede cultural dimension scale, modified for organizational contexts. This scale will measure how remote workers perceive hierarchical structures in their remote work arrangement. The Employee Satisfaction variable will be tapped through four measures of job satisfaction, including: work itself, supervision, coworkers, and organizational support. Employee Retention can be measured through established turnover intention scales adapted for remote working. The three-item scale includes: "I frequently think about leaving my organization due to remote work arrangements," "I am actively looking for alternative employment opportunities because of remote work challenges," and "I intend to stay with my current organization given the remote work options available."

3.3. Research Design and Execution

A mixed-methods sequential explanatory design that combines the quantitative survey with qualitative semi-structured interviews is applied. This will help in giving comprehensive insights into the remote work experiences within Chinese organizations.

The research method is planned to be adopted is mixed-methods sequential explanatory design, combining quantitative survey with qualitative semi-structured interviews, which will help to gain a comprehensive understanding of the remote working experience of Chinese enterprises.

During the quantitative stage, cross-sectional surveys need to be conducted through online platforms to ensure the accessibility of remote workers in different geographical locations. The survey contains demographic questions, work arrangement characteristics, and the measurement scales described above. Indicators in the questionnaire were designed from prior academic literature and initial qualitative insights obtained through informal interviews with employees; data collection would take place over a period of 6 weeks. In the quantitative analysis, SPSS is used for descriptive statistics, correlation analysis, and multiple regression modelling. Multiple regression analysis was applied in order to test the respective relationships between independent variables (work boundaries, power distance, occupational anxiety) and dependent variables (employee retention). This technique is appropriate for the current study because it can test several hypotheses simultaneously and display the collective characteristics of the sample group. Quantitative methods allow researchers to test theoretical assumptions and capture patterns and trends at the group level, which is particularly suitable for investigations into complex workplace phenomena. The strength and direction of the relationship between variables are assessed based on regression coefficients and their level of significance. Following the first regression modeling, further analyses were performed to test the mediating effect of employee satisfaction and investigate industry heterogeneity by comparing specific patterns observed in the finance and manufacturing sectors. This allows the study to capture sector-specific behavioral tendencies of employees under varying work structures.

The qualitative stage includes semi-structured interviews. Based on the demographic characteristics of the respondents and their responses, a purposeful sub-sample of 30 participants is selected from the respondents to ensure

differences. Interviews are conducted via video conferencing platforms such as Tencent Meeting or Zoom and are approximately 45-60 minutes long. Themes to be explored in these interviews would include specific experiences with work boundaries, supervision challenges, cultural adaptations, and organizational support mechanisms. Occupational anxiety Also, interview questions are designed to complement quantitative findings, such as: "Can you describe a specific situation where cultural expectations influenced

your remote work experience?" and "How do you navigate the balance between maintaining respect for hierarchy and effective communication in remote work settings?" All interviews are recorded with participant consent.

4. Data Analysis

4.1. Descriptive Statistics

Table 1. Descriptive Statistics of Respondents (N = 299)

Variable	Category	Frequency (n)	Percentage (%)
Work Years	0–1 year	83	27.8
	1–5 years	104	34.8
	6–10 years	50	16.7
	10 years and above	62	20.7
Industry	Finance	56	18.7
	IT	40	13.4
	Manufacturing	42	14.0
	Others	161	53.9
Income (Annual)	Below 50,000 RMB	41	13.7
	50,000–100,000 RMB	93	31.1
	100,000–200,000 RMB	102	34.1
	200,000–500,000 RMB	38	12.7
	Above 500,000 RMB	25	8.4

A total of 299 data were obtained as a valid sample of questionnaires, all of which passed the completeness and consistency screening. In terms of working years, respondents with 1-5 years of work experience account for the highest proportion (34.8%), followed by 0-1 years (27.8%), 10 years or more (20.7%), and 6-10 years (16.7%). In the context of remote work in China, hybrid work models and the industries in which they are applied tend to be highly attractive to young labour, and the results distribution is in line with the reality. The samples are evenly distributed among employees in different working years, which can objectively reflect the differences in satisfaction with remote work among employees in different career stages

As shown in the figure, the research involves a total of 15 industries, among which the financial industry and manufacturing industry account for the largest proportion (18.7% and 14.0%), which is also in line with the actual situation in Chinese workplace. The wide distribution and diverse types of industries ensure that the research results have strong universality and comparability.

In terms of income distribution, most samples are concentrated in the range of CNY50,000-200,000: CNY100,000-200,000 (34.1%), CNY50,000-100,000 (31.1%), and less than CNY50,000 (13.7%). The high-income group (CNY200,000-500,000 and more than 500,000) accounted for 21.1%. The overall average income is about CNY120,000, and the median is in the range of CNY100,000 to CNY150,000.

In general, the distribution of samples in industry, income and working years in this study is balanced, which is well representative. Therefore, this dataset can comprehensively reflect the general trend of employee satisfaction and retention in the context of remote work in China.

4.2. Reliability and Validity Tests

4.2.1. Reliability test

Starting with Cronbach's Alpha. This indicator represents the reliability of the entire scale, the stability, and consistency of the measurement. A coefficient above 0.7 can prove that

the questionnaire scale is statistically reliable.

Table 2. Overall Reliability

Cronbach's Alpha	Number of Items
.936	20

The result shows very high reliability, this demonstrates that the questionnaire items are highly consistent in measuring the issues that relate to the study. Then comes the dimension-level analysis. all six dimensions show strong individual reliability.

Table 3. Cronbach's Alpha by Variable

Variable	Cronbach's Alpha	Number of Items
Work Boundary	.766	4
Supervision	.751	1
Occupational Anxiety	.759	4
Culture	.700	3
Job Satisfaction	.746	3
Retention Rate	.800	3

According to the results of SPSS analysis, Cronbach's Alpha of "supervision and control" (questions 11-13) is lower than 0.7, which does not meet the requirements. As a result, the following study is changed to represent the group with question 11 from the questionnaire. Then, we can see that all Cronbach's Alpha are higher than the 0.7, this suggests all dimensions are measuring related but distinct aspects of the same underlying phenomenon of remote work experience. To conclude, the questionnaire demonstrates exceptional internal reliability and measurement quality for measuring remote work experiences and their impact on employee satisfaction in the Chinese context.

4.2.2. Validity Test

In order to test the validity of the data sample, the study needs to test Kaiser Meyer Olkin (KMO) and Bartlett's sphericity. KMO is used to compare the simple correlation

and partial correlation coefficients between variables.

Table 4. KMO and Bartlett Tests

KMO sampling suitability quantity		.939
Bartlett sphericity test	Approximate chi-square	2869.298
	Freedom	190
	Significance	.000

According to the SPSS result, KMO exceeds the 0.7 threshold, indicating that the scale has good convergent validity and demonstrates that the questionnaire design is highly appropriate for measuring remote work phenomena in the Chinese context. Therefore, the study suggests that the data is highly suitable for factor analysis. Then, Bartlett's test of sphericity shows that correlations among variables are sufficient for factor analysis.

Therefore, the design of the improved questionnaire is reliable, the results and scores reflect the questions well, and can be used.

4.3. Correlation Analysis

The study evaluated the correlation between the independent variables including work boundaries, supervision and control, occupational anxiety and culture by Pearson coefficient.

Table 5. Correlation Test Matrix

Variable	1	2	3	4
Work Boundary	—			
Occupational Anxiety	.648**	—		
Culture	.606**	.672**	—	
Supervision	.517**	.530**	.545**	—

According to the correlation coefficients shown in the table, all correlation of each two variables is below 0.7 and no more than 0.8. Each dimension has only a certain statistical correlation, which can be used as a separate factor to explain the variation of the dependent variable.

4.4. Testing Mediating Effect

4.4.1. Multiple Linear Regression Analysis

(1) Total effect model (X—Y): Predicting retention rate directly from four dimensions:

Table 6. Model Summary

Model Summary	R	R ²	Adjusted R ²	Std. Error of the Estimate
Model 1	.751	.564	.558	.62366

Table 7. ANOVA

ANOVA	Sum of Squares	df	Mean Square	F	p
Regression	148.175	4	37.044	95.239	< .001
Residual	114.353	294	.389		
Total	262.527	298			

According to the results of the regression coefficients, the final employee retention rate model constructed by the study is:

$$\text{Retention} = 0.467 + 0.156 * \text{Boundary} + 0.109 * \text{Supervision} + 0.336 * \text{Anxiety} + 0.282 * \text{Culture}$$

Table 8. Coefficients

Model	B	Std. error	β	t	p
Constant	.467	.154	—	3.030	.003
Work Boundary (7–10)	.156	.052	.150	3.008	.006
Supervision (11)	.109	.039	.137	2.830	.005
Occupational Anxiety (14–17)	.336	.061	.318	5.507	< .001
Culture (18–20)	.282	.056	.281	5.008	< .001

The multiple regression model showed a strong relationship between the independent variables and the dependent variable. The adjusted R²=0.558 means that approximately 55.8% of the variance in the dependent variable can be explained by the set of predictors, suggesting that the model fits the data well and that these dimensions are essential determinants of retention outcomes in remote work contexts.

ANOVA results revealed that the model was statistically significant. This confirms that the set of predictors collectively contributes significantly to explaining the variance in the dependent variable.

From the regression coefficients, occupational anxiety and cultural context have the most significant positive impact on employee retention. This shows that in China's hybrid work environment, if employees can appropriately manage job anxiety and actively adapt to the cultural expectations of high power distance and collectivism, they will be more likely to remain loyal and retain their jobs. These two most influential dimensions are also related, nowadays China's workplace culture tends to be highly competitive and compared with each other to a large extent, which is also positively related to the career anxiety of employees under the hybrid system in China.

(2) Mediating effect test (X—M): consider the impact of satisfaction:

Table 9. Model Summary

Model Summary	R	R ²	Adjusted R ²	Std. Error of the Estimate
Model 1	.734	.538	.532	.63697

Table 10. ANOVA

ANOVA	Sum of Squares	df	Mean Square	F	p
Regression	139.135	4	34.784	85.732	< .001
Residual	119.284	294	.406		
Total	258.419	298			

$$\text{Satisfaction} = 0.543 + 0.112 * \text{Boundary} + 0.145 * \text{Supervision} + 0.332 * \text{Anxiety} + 0.260 * \text{Culture}.$$

The adjusted R² = 0.532, meaning that this model explains 53.2% of variance in satisfaction level. This provides empirical support for the theoretical hypothesis, revealing four aspects of the hybrid work models in the study jointly affect employee satisfaction in a remote work environment.

Table 11. Coefficients

Model	B	Std. error	β	t	p
Constant	.543	.157	—	3.447	< .001
Work Boundary (7–10)	.112	.058	.108	1.945	.053
Supervision (11)	.145	.039	.183	3.665	< .001
Occupational Anxiety (14–17)	.332	.062	.317	5.323	< .001
Culture (18–20)	.260	.057	.262	4.532	< .001

While occupational anxiety is the strongest predictor of satisfaction among all. Interestingly, this indicates that a moderate level of work-related anxiety might enhance employee vigilance, goal orientation, and performance awareness. In the Chinese workplace, some stress and anxiety can become a potential opportunity and challenge to improve work performance, which can be regarded as positive motivation, thus indirectly improving job satisfaction in this case.

(3) Direct effect with mediator (M-Y): Predicting retention rate from satisfaction level

Table 12. Model Summary

Model Summary	R	R ²	Adjusted R ²	Std. Error of the Estimate
Model 1	.711	.506	.504	.66089

Table 15. Mediation Analysis Results

Predictor	a (X→M)	b (M→Y)	c (X→Y)	Mediation ratio (A*b/c)	Significance
Work Boundary	0.112	0.717	0.156	51.5%	not significant
Supervision & Collaboration	0.145	0.717	0.109	95.4%	significant
Occupational Anxiety	0.332	0.717	0.336	70.9%	significant
Cultural Context	0.260	0.717	0.282	66.1%	significant

The results indicate that employee satisfaction plays a key mediating role between remote work factors and retention. Supervision & collaboration exhibited an almost full mediation (95%), meaning managerial support, team collaboration, and communication and feedback promote retention rate almost entirely through their influence on satisfaction. This suggests that leadership communication, trust, and interaction are key mechanisms for maintaining employee loyalty and retention intentions in remote environments. Occupational anxiety was found to partially mediate 71%. This reveals that for moderate anxiety, with enhancement of satisfaction, it can be transformed into positive motivation and improve retention. On the other hand, uncontrolled excessive anxiety might reduce satisfaction, hence bringing into light the importance of mental health and stress management in the evolving work model of today. The cultural context also mediates to a large extent: 66 percent of the time, adaptation to collectivism and high power distance norms can increase satisfaction, which in turn drives loyalty and retaining employees. Employees are more likely to remain committed when they identify with the cultural values and interpersonal expectations of the organization. In other words, a higher cultural fit is highly associated with a higher

Table 13. ANOVA

ANOVA	Sum of Squares	df	Mean Square	F	p
Regression	132.807	1	132.807	304.067	< .001
Residual	129.720	297	.437		
Total	262.527	298			

Table 14. Coefficients

Model	B	Std. error	β	t	p
Constant	.979	.142	—	6.889	< .001
Job Satisfaction (21–23)	.717	.041	.711	17.438	< .001

Retention = 0.717*Satisfaction

The adjusted R² = 0.504, meaning that this model explains 50.4% of variance in retention. Among these, Satisfaction has a strong and highly significant effect on retention when controlling for all predictors, confirming its role as a mediator and X1-X4 affects retention through satisfaction.

Based on the three-step regression model (Baron & Kenny, 1986), this study uses regression coefficients to calculate the mediating proportion to test the mediating effect of employee satisfaction on the relationship between remote working characteristics and retention rate. The calculated mediation ratios were as follows:

retention rate.

Overall, the results confirm that employee satisfaction explains most of the effect of remote working conditions on retention, particularly through managerial support, controlling occupational stress, and cultural alignment. The empirical results confirm the inferences of Herzberg's two-factor theory and job characteristics model: in remote work, incentives and support ultimately determine employee retention by improving employee satisfaction. It provides an empirical basis for enterprises to optimize remote management strategy.

4.4.2. Industry Heterogeneity Analysis

To further explore whether the relationship between remote work factors and employee retention varies across sectors, this study performed group-based regression analysis for the finance, information technology and manufacturing industries. In order to extend the robustness of the model, we choose the industry with the largest proportion within the industry: finance and manufacturing to model separately.

The regression model for the finance sector illustrates a moderate explanatory power, the adjusted R² is 0.512, indicating that approximately 51.2% of the variance in employee retention can be explained by the selected

predictors. Among the independent variables, work boundary has a significant positive effect on retention, suggesting that clear and structured work-life boundaries help retain employees in the financial industry.

Table 16. Model Summary (Finance)

Model Summary	R	R ²	Adjusted R ²	Std. Error of the Estimate
Model 1	.744	.547	.512	.61544

Table 17. ANOVA

ANOVA	Sum of Squares	df	Mean Square	F	p
Regression	23.338	4	5.834	15.404	< .001
Residual	19.317	51	.379		
Total	42.655	55			

Table 18. Coefficients

Coefficients	B	Std. error	β	t	p
Constant	.580	.392	—	1.479	.145
Work Boundary (7–10)	.298	.136	.282	2.195	.033
Supervision (11)	.100	.105	.132	.952	.345
Occupational Anxiety (14–17)	.251	.158	.222	1.583	.120
Culture (18–20)	.225	.117	.254	1.927	.060

This finding is practically consistent with the nature of financial institutions, where long working hours and regulatory compliance pressures make boundary management particularly essential. In addition, culture adaption is also an important positive predictor of employee retention, which demonstrates that in hybrid working conditions, employees' alignment with organizational culture and shared values may also foster stronger organizational loyalty, especially under the cultural model of high power distance and collectivism in China.

Table 19. Model Summary (Manufacturing)

Model Summary	R	R ²	Adjusted R ²	Std. Error of the Estimate
Model 1	.918	.843	.826	.45882

Table 20. ANOVA

ANOVA	Sum of Squares	df	Mean Square	F	p
Regression	41.852	4	10.463	49.700	< .001
Residual	7.789	37	.211		
Total	49.641	41			

In terms of manufacturing industry, the regression model shows a very high explanatory capacity (Adjusted R² = 0.826, $p < 0.001$), meaning that over 82% of the variance in employee retention is accounted for by the independent variables. The strong positive impact of supervision indicate that in remote or hybrid environments, effective guidance and

clear feedback from management are critical. Meanwhile, the relatively high positive correlation between career anxiety and retention reflects that instead of purely affective loyalty, the retention of manufacturing employees may partly stems from a binding force due to commitment, that is, a kind of continued retention driven by potential uncertainty or job security.

Table 21. Coefficients

Model	B	Std. error	β	t	p
Constant	-.152	.249	—	-.608	.547
Work Boundary (7–10)	.221	.131	.181	1.683	.101
Supervision (11)	.256	.089	.284	2.867	.007
Occupational Anxiety (14–17)	.523	.115	.489	4.556	<.001
Culture (18–20)	.077	.112	.075	.683	.499

By comparing the results of the analysis in the two industries, it can be found that different job factors are important in different industries. For example, the financial industry attaches importance to clear work boundaries and cultural compliance, which implies that in a compliance-oriented work environment and a rapidly developing emerging industry such as finance, employees are usually highly qualified and well educated. As a result, they are more concerned about the balance and the clear separation between work and life and pay attention to the cultural and normative consistency in hybrid work environment. In contrast, the manufacturing retention rate under hybrid work is more dependent on effective monitoring and anxiety induced commitment, which also shows the role of leadership and job security in traditional labor-intensive industries.

5. Conclusion

This study examines the relationship between remote work characteristics, job satisfaction, and employee retention using a quantitative research design of multiple regression and mediation analysis in the context of accelerating digital transformation and the hybrid work development in China. According to the findings, work boundaries, supervision and collaboration, occupational anxiety and cultural context all influence retention dramatically. Of the factors, job anxiety and culture are most significant, indicating that psychological conditions and cultural alignment with the organization are important features of employee retention in hybrid workplaces. Further, job satisfaction significantly mediates between remote work factors and retention, especially by managerial support and cultural fit. Moreover, additional distinct features were given by industry heterogeneity analysis. Clear boundaries and fit within the corporate culture are very relevant in finance, while the highest impact on employee retention is detected for two factors: the quality of supervision and career anxiety.

From the strategic human resource management perspective, these findings provide three major implications. The results showed that remote and hybrid work have reshaped not just the working mode but also redefined expectations among the employees. Therefore, for Chinese employers: (1) Digital work boundaries, such as policies about working hours, working place, and workload expectations, should be clearly established by employers in

China. The reason is that the always on "996" work culture has made boundary management a structural necessity in this transformation within Chinese organizations. (2) Manage job anxiety and transform the moderate job anxiety into motivation. In remote and hybrid work contexts in China, occupational anxiety and involution are highly symbiotic. Under hybrid office, digital visibility and always-on communication may amplify performance and status anxiety. As moderate occupational anxiety can positively relate to satisfaction and retention, employers should provide transparent performance metrics, career pathways and training and development opportunities, thus helping employees turn anxiety into effort of improvement. For HR managers and practitioners, the mediating role of job satisfaction implies that HR should act as a bridge between workplace structures and positive employee experiences. (3) Based on the empirical findings and China's workplace reality, this study proposes that HR practitioners should develop a localized HRM framework for hybrid work. Instead of simply copying the Western remote culture model such as flexible hours or flat communication, HR practitioners should localize these to the Chinese context. By designing context-appropriate HR frameworks, competitiveness and inclusion of organizations can be improved.

While this study gives meaningful insights, there are also a number of limitations that provide opportunities for future exploration. First of all, the sample size is limited due to the relatively small number of Chinese companies currently implementing remote or hybrid work models. Therefore, these data may not fully represent the diversity of various industries in China. Future research should expand the sampling across sectors and include longitudinal data from more firms to improve external validity. Secondly, the study is based on cross-sectional data and captures only a single point in time. This actually limits the ability to measure the dynamics of employee attitude and behavioural adjustment over time. Future research could employ panel or longitudinal designs so that to capture how employees adapt to the hybrid model and how satisfaction and retention evolve throughout the organizational transformation process. Thirdly, future research can introduce an international comparative perspective to explore how cultural and institutional differences that affect remote work practices in China and other countries. Such research will help to optimize the theoretical model and build strategic human resource management framework based on the Chinese context and with a global perspective, so as to enhance the international relevance and local applicability of the model.

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