

## **Employee Experience vs Engagement: What Really Drives Retention?**

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### **Abstract**

In today's rapidly evolving workplace, employees seek more than just financial security; they expect opportunities for personal growth, flexibility, and a sense of meaning in their careers, making employee engagement (EE) and employee experience (EX) critical for organizational success. Although often confused, EE and EX are distinct yet complementary: engagement refers to the emotional commitment, motivation, and energy that employees invest in their roles, while experience encompasses the holistic journey of employees throughout their lifecycle with the organization, from recruitment and onboarding to career growth and eventual exit. Grounded in Kahn's (1990) theory of psychological meaningfulness, safety, and availability, engagement has been shown to drive productivity and loyalty, whereas employee experience, gaining prominence in the mid-2010s, emphasizes workplace culture, inclusivity, leadership support, and well-being as determinants of retention and satisfaction. Through case examples such as Infosys, TCS, Adobe, and Salesforce, this paper demonstrates how organizations that integrate EE and EX not only foster innovation and resilience but also

strengthen employer branding and reduce attrition costs. Current trends—including AI-driven people analytics, hybrid work models, wellness programs, and Gen Z expectations for purpose-driven work—are reshaping HR practices and challenging organizations to adapt proactively. However, issues such as difficulty in measuring engagement, cultural differences, superficial approaches, and investment challenges continue to hinder effectiveness if not addressed holistically. Evidence suggests that organizations balancing EE and EX achieve 21% higher profitability, improved innovation, and stronger retention, highlighting that surface-level perks alone are insufficient without genuine cultural transformation. This study concludes that EE and EX are not optional but essential HR strategies that must be integrated to build sustainable organizational growth, foster employee trust, and ensure competitiveness in the global talent market.

**Keywords:** Employee Engagement, Employee Experience, Retention, Productivity, Workplace Well-being

## I.INTRODUCTION

In today's workplace people no longer see a job as just a way to earn money. They want something more — personal growth, balance, and meaning in their careers. Organizations are therefore paying more attention to how employees feel and perform. The two ideas that explains this is: employee engagement and employee experience. While both terms sound similar, they focus on two different aspects of an individual's connection with their workplace.

Employee engagement refers to the personal involvement and emotional commitment that an employee shows toward their work. It is not only about completing assigned tasks but also about the level of passion, energy, and motivation an employee brings into their role. A highly engaged employee goes beyond the basic job description, contributes new ideas, supports colleagues, and takes pride in the overall success of the organization. Engagement is often visible through behaviors such as showing initiative, being proactive, and maintaining a positive attitude toward challenges at work.

On the other hand, employee experience is a broader and more holistic idea. It looks at the entire journey of an employee with the organization. This starts from the time they apply for a job, goes through onboarding, daily work, career growth, and continues until they leave the organization. It includes workplace culture, relationships with colleagues and leaders, the tools and support provided, and even work-life balance. Employee experience is shaped by many factors: workplace culture, leadership style, and relationships with peers, physical and digital work environments, access to resources, recognition, flexibility, and even the way the organization supports personal well-being. In simple terms, engagement is a feeling an employee develops, whereas experience is the sum of everything that influences that feeling.

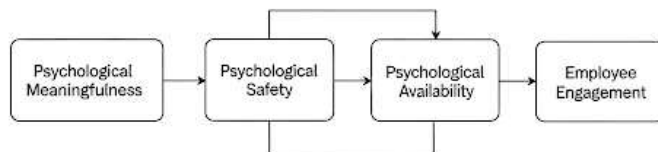
### **Evolution Of Employee Engagement: Kahn's Theory (1990)**

The modern discussion on employee engagement began with the work of William A. Kahn (1990), who is widely regarded as the father of the concept. Before his research, organizations often spoke about job satisfaction, motivation, or organizational commitment, but there was no clear framework to explain why some employees gave their complete energy and passion to work while others held back. Kahn provided this clarity by defining engagement as the simultaneous expression of an employee's physical, cognitive, and emotional self in their job role. In simpler terms, he argued that employees are truly engaged when they are willing to bring their "whole self" to work.



**Fig.1 Kahn's Three Dimensions of Employee Engagement**

Kahn also observed that engagement levels vary — people sometimes withdraw or disengage due to psychological barriers, and other times they commit fully when the environment allows them to. Through his field research with summer camp counselors and architects, he identified three critical psychological conditions that determine whether employees engage or disengage:



**Fig.2 Kahn's Psychological Conditions for Determining Employee Engagement**

1. **Psychological Meaningfulness** – This refers to the sense that work is worth doing. Employees must feel that the tasks they perform are valuable, challenging, and contribute to a bigger purpose. For example, when employees see how their daily activities connect to organizational goals or positively impact others, they experience meaning. Without meaningfulness, employees may perform their jobs mechanically, without enthusiasm.
2. **Psychological Safety** – Engagement also requires a sense of trust and security. Employees should feel safe to express their ideas, take risks, or show their authentic selves without the fear of embarrassment, punishment, or negative consequences. For instance, when leaders create open communication, respect diverse viewpoints, and avoid harsh criticism, employees are more likely to participate actively. In contrast, a culture of fear or excessive control makes people withdraw and hide their real potential.
3. **Psychological Availability** – This condition reflects whether employees have the personal resources — physical energy, emotional stability, and mental focus — to fully invest themselves in work. An employee overwhelmed with stress, fatigue, or personal challenges may find it harder to be engaged, even if the work feels meaningful and safe. Organizations that support work-life balance, provide adequate resources, and encourage well-being increase employees' availability to engage.

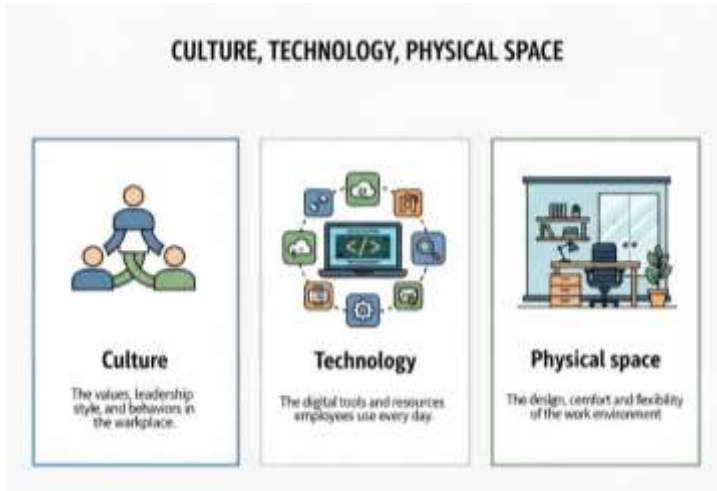
Kahn's theory represented a major shift in organizational psychology. Instead of viewing engagement only as an outcome of pay or job satisfaction, he positioned it as a dynamic state influenced by psychological conditions. His work laid the foundation for later models, including Gallup's engagement surveys, Schaufeli's work on "work engagement," and organizational strategies that focus on culture and leadership.

### **Evolution of Employee Experience**

The idea of employee experience (EX) is quite new compared to employee engagement. While engagement became popular in the 1990s and 2000s, employee experience started to get real attention only in the mid-2010s. Organizations slowly realized that entire journey of the employee in the company matters. This journey includes recruitment, onboarding, training, daily work life, career growth, recognition, rewards, relationships, and exit. Every stage influences how employees feel about the organization.

The concept became more popular when Jacob Morgan, a workplace researcher, wrote the book "The Employee Experience Advantage" in 2017. He explained that companies should not just manage employees through HR policies,

but instead create experiences that make people feel valued and supported. According to him, employee experience is shaped by three main factors:



**Figure 3. Morgan’s Factors of Employee Experience**

This thinking encouraged companies to create new roles, such as Head of Employee Experience (introduced by Airbnb), to treat employees like internal customers. The focus moved from just rules and policies to designing positive and meaningful experiences at work.

Another big reason for this shift was the entry of millennials and Gen Z into the workforce. These generations had different expectations compared to earlier ones. They look for flexible work options, modern technology, diversity and inclusion, opportunities to learn, and meaningful careers, stable salary that connects to their values and gives them personal satisfaction. By the late 2010s, employee experience became a top priority for many companies worldwide. Surveys and HR studies started showing that experience, along with culture and leadership, was a major factor in attracting and keeping talent. Organizations began using methods like employee journey mapping and experience surveys to understand and improve every touchpoint of an employee’s work life.

### Comparing Employee Engagement and Employee Experience

**Tab 1. Comparison of Employee Engagement with Employee Experience**

Aspect	Employee Engagement	Employee Experience
Focus	Motivation and emotional connection	Journey and daily work environment
Scope	Short- to medium-term	Long-term lifecycle
Measurement	Engagement surveys,	Lifecycle analysis, feedback at key

	productivity	touchpoints
<b>Outcome</b>	Productivity, commitment	Retention, employer brand

### Significance In Contemporary Organizations

Today's organizations face many challenges — high employee turnover, changing workforce expectations, and the growing demand for meaningful work. To handle these issues, both employee engagement (EE) and employee experience (EX) have become very important.

Engaged employees are usually more productive, creative, and loyal, while disengaged employees are more likely to leave the organization. At the same time, a positive employee experience builds trust, loyalty, and strong employer branding, which helps organizations attract and retain talent.

Different companies show this in different ways:

- *Infosys* has focused on improving employee experience by introducing wellness programs and digital upskilling so that employees feel healthier and more future-ready.
- *Tata Consultancy Services (TCS)* highlights employee engagement by providing career growth opportunities and recognition, ensuring employees feel valued and motivated.
- At a global level, *Adobe* is known for improving employee experience through flexible working models, while *Salesforce* is celebrated for strong engagement practices that focus on trust, equality, and cultural values.

The focus also varies by type of organization:

- Startups often emphasize employee experience with flexible working hours, casual and open work cultures, and giving employees freedom in their roles.
- Multinational Companies (MNCs), on the other hand, usually adopt structured engagement programs with formal training, performance recognition, and career progression systems.

Both approaches show that in today's competitive world, organizations cannot afford to ignore either engagement or experience. They need to combine both strategies to make sure employees feel motivated in their roles and supported throughout their entire journey in the company

## Current Trends in Employee Engagement (EE)



**Fig. 4 Current Trends in Employee Engagement**

**a. AI and People Analytics**

AI tools are being used to **analyse engagement levels, predict attrition, and personalize recognition programs**. This helps organizations boost motivation and reduce turnover by addressing problems before they escalate.

**b. Quiet Quitting & the Great Resignation**

These highlight what happens when engagement is missing. Employees who feel disconnected either disengage silently (quiet quitting) or leave in large numbers (Great Resignation). This has pushed organizations to focus more on active engagement strategies like recognition, career growth, and trust-building.

**c. Building the “Human Deal”**

According to Gartner, when organizations improve the **core exchanges between employer and employee** — fairness, flexibility, trust, and career growth — engagement levels rise significantly, with up to a **28% increase** in employees recommending their workplace.

## Current Trends in Employee Experience (Ex)



**Fig. 5 Current Trends in Employee Experience**

- a. **Hybrid Work Models** Employee experience today is shaped by the demand for flexibility. Organizations are redesigning their work policies to make hybrid models successful, ensuring both remote and office employees feel connected and included.
- b. **Well-being Programs**  
Well-being is no longer a “perk” but a core part of EX. Companies are investing in mental health support, work-life balance initiatives, and wellness programs to ensure employees feel valued as whole individuals, not just workers.
- c. **Gen Z Workforce Expectations**  
Gen Z employees seek meaningful work, transparency, inclusivity, and flexibility. Their preferences are driving companies to redesign the overall employee journey with a stronger focus on purpose and culture. Deloitte’s 2024 survey confirms that Gen Z places high importance on growth opportunities and balance.

## Challenges and Criticisms

Even though employee engagement (EE) and employee experience (EX) are widely praised, organizations still face many challenges in putting them into practice.



**a. Measuring Engagement is Difficult**

Most companies measure engagement through surveys or feedback forms. However, these tools are often subjective and may not show the real feelings of employees. For example, some employees might hesitate to give honest answers, while others may give positive responses just to avoid conflict. This makes it hard for organizations to truly understand engagement levels.

**b. Superficial Approaches**

Sometimes organizations launch engagement or experience initiatives only for the sake of appearance. For example, they may conduct surveys but then fail to act on the feedback. This actually damages trust, as employees feel their voices are ignored. Similarly, focusing too much on perks (like free snacks or fun events) without offering meaningful opportunities for career growth or skill development can make engagement efforts feel hollow.

**c. Cost and Investment Challenges**

Improving employee experience often requires heavy investment — redesigning workspaces, adopting new technology, or introducing wellness programs. If the deeper cultural problems of the organization (such as poor leadership or lack of trust) are not addressed, these investments do not bring real results. Employees may enjoy the perks but still remain disengaged if their core concerns are not solved.

**d. Cultural Differences**

Engagement and experience also vary across cultures. For example, in collectivist cultures (such as many Asian countries), team-based engagement, collaboration, and group recognition may be more important. In contrast, in individualistic cultures (like the US or Western Europe), personal recognition, autonomy, and individual achievements carry more weight. Companies operating globally often struggle to balance these cultural expectations.

**e. Risk of Employee Skepticism**

Employees are quick to recognize when engagement efforts are not genuine. Over-promising and under-delivering can lead to skepticism. For instance, if management constantly talks about valuing employee well-being but continues to overload staff with work, employees may feel the organization is not serious about its promises

## Impact on Organizational Outcomes



**Fig. 6 Impact of EE & EX on Organizational Outcomes**

### **a. Employee Retention**

Employee engagement (EE) and employee experience (EX) are directly linked to how long employees stay in an organization. Engaged employees feel connected to their work and are less likely to search for other opportunities. According to Gallup (2024), highly engaged employees are 59% less likely to look for new jobs. Similarly, when employees have a positive experience during onboarding, they are more likely to stay with the company instead of leaving early. Over time, strong engagement practices help sustain loyalty, reducing high turnover costs and ensuring stability in the workforce.

### **b. Productivity**

When employees are engaged, they put in discretionary effort — going beyond just the minimum required tasks. When this is combined with a good experience, such as having access to effective digital tools, training, and career development opportunities, productivity naturally rises. Research shows that companies with both strong engagement and positive employee experience achieve 21% higher profitability compared to those that lack these elements. This demonstrates that investing in EE and EX is not only good for employees but also makes strong business sense.

### **c. Innovation**

A supportive employee experience creates psychological safety, where employees feel comfortable sharing ideas, experimenting, and even making mistakes without fear. Engagement ensures that they are motivated to use this freedom to contribute creative ideas. A well-known

example is Google, where a culture of open communication and experimentation has led to groundbreaking innovations. Thus, EX and EE together encourage both creativity and the willingness to act on new ideas.

**d. Employer Branding**

An organization's reputation as a good employer depends heavily on how employees feel about working there. When EE and EX are strong, employees often share positive feedback, which improves employer branding and attracts top talent. According to LinkedIn's 2023 report, companies with high engagement scores enjoyed 41% stronger employer brand perception. This shows that organizations that prioritize employees' experiences and engagement build a competitive advantage in the job market.

## **II. CONCLUSION**

From the above discussion, I understand that employee engagement (EE) and employee experience (EX) are closely connected but not the same. Engagement is about how motivated and emotionally committed an employee feels in their role, while experience is about the entire journey an employee has in the organization — from joining to leaving. This study shows that both EE and EX have a strong impact on retention, productivity, innovation, and even the company's image as an employer. It also highlights that employees today are not just looking for a salary or perks. They expect flexibility, growth opportunities, well-being support, and a sense of meaning at work. At the same time, I realize that if organizations only focus on surface-level perks without addressing real issues like culture, trust, or leadership, their efforts may not succeed. So, what I learn from this analysis is that in today's workplace, EE and EX are not just optional HR ideas — they are essential strategies that help organizations grow and stay competitive

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