



# Employee Experience as a Driver of Engagement and Retention: Insights from the IT Sector

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**Abstract.** HR ecosystem is witnessing a shift to employee experience. This paper is aimed to augment the comprehension of employee experience as a novel discipline in the human resource management landscape, and to investigate its impact on organizational engagement level and the employee turnover intentions. The study also investigates the mediating role played by employee engagement on the relationship between employee experience (EX) and turnover intentions (TI). The descriptive study employs quantitative analysis to assess the interrelations between the variables. Data of 370 IT-ITES employees was used for analysis. The SEM model using PLS-SEM quantified the measurement, the structure, and the hypothesis. The study reported that employee experience had a significant and positive impact on employee engagement. The relationship between EX and TI is unsupported in this study. However, the study revealed negative significant connection between EE and TI of the employees. This study represents the total mediation exhibited by employee engagement (EE) between the interaction of employee experience (EX) and TI.

**Keywords:** Employee experience, employee engagement, turnover intentions.

## 1 Introduction

The current business landscape is witnessing myriad of considerable challenges and it is imperative for the businesses to remain competitive. The most prominent of these is the ever-evolving nature of Complexity and Ambiguity (Sharma & Sharma, 2020). As the war for talent has intensified it becomes pertinent for the organizations to design employee experience. As the war for talent has intensified it becomes pertinent for the organizations to design employee experience. Morgan (2017) suggests that organizations can improve customer service by emphasizing employee experience, along with attracting and retaining best talent, and building increased brand value. Organizations investing in employee experience reap higher ROI.

The development of an employee journey map is an essential strategic tool to gain a comprehensive understanding of an employee's identity, needs, and interactions at key touchpoints of a company (Basaran, 2021) highlighted that as the workplace and workforces become increasingly complex, it is essential to recognize that Moments that Matter occur not only at predetermined career milestones, but throughout the day. Employees experience significant moments on a regular basis, in physical, human and digital dimensions. Employee experience begins with an in-depth understanding of employees' relationship with the organization (Plaskoff, 2017).

Juxtaposed to this is employee engagement which is an individual's contribution, contentment, and fervor for the work they do. According to multiple research papers from top engagement research firms namely, Gallup, Aon Hewitt, Mercer, Willis Towers Watson, Bersin, engagement scores have been declining for decades. So, focusing on engagement doesn't seem to deliver business value. There is disappointment with traditional ways of engaging employees, and employers' need for ways of engagement that align with the reality of the modern workplace (Tucker, 2020). Some studies have pointed out that investing in employee experience could deliver manifold benefits including advancement of employee engagement and customer experience (Patama, 2021).

Employers and leaders must rethink their policies and devise innovative, tailored measures based on data-driven analysis to recruit and retain talent in a challenging time (Cook, 2021). McKinsey report on Great Attrition (2021) highlighted that most employees in the United States (40%) reported having terminated their former employment without a new job. Intention to quit starts with an employee's self-evaluation of their contemporary circumstances. Creation of an empowering atmosphere at workplace where employees can take constructive, logical decisions foster loyalty and reduces intent to quit (Sattar et al., 2017). Thus, it becomes essential to deeply understand employees and design employee journeys based on the foundations

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of employee experience to reduce their intent to leave the organization. This makes it significant to gauge the impact EX has on TI.

In 2017, the cognitive era of Human Resources began, with Employee Experience is the prospect of transformation of people management in organizations (Barrett, 2018). Previous studies on EX either coined the term or began to explore the various environments that contributed to its growth (Gartner, 2020). However, not many scholarly papers are available on the topic of employee experience. (Itam & Ghosh, 2020) and relating it to other HR constructs like employee engagement. Also, most of the research and papers available are from business organizations or consultants (Deloitte, 2016; IBM, 2016). Furthermore, there are a few empirical studies that link employee experience, EE, & TI. Therefore, it is extremely decisive to look at how employee experience impacts turnover Intentions and mark the intervention of EE as the mediating variable.

After assessing the various gaps, the empirical study was carried out with following objectives:

- Examine the association between employee experience (EX) and employee engagement (EE)
- Analyze the connection between employee experience (EX) and the turnover intentions (TI) of employees in the workplace.
- Investigate the interaction between employee engagement (EE) and intentions to leave the workplace.

## **2. Background of the study and hypothesis**

### **2.1. Employee Experience (EX)**

EX has gained much attention and importance in recent years; more specifically in consultants. Employee Experience draws its fundamental concepts from context of customer experience (CX) (Maylett & Wride, 2017), who argue that CX is achieved only and only if employers focus on EX primarily. Abhari (2008) gave the first explanation for employee experience and provided a novel insight on the innovative idea of Employee Experience. Morgan (2017) conducted interview of 189 CEO's and practitioners and conceptualized the three environments of EX Physical, Cultural and Technological. This played a significant role in a global perspective and EX is regarded as future of HR (Barrett, 2018). The Harvard Business Review report (2017) stated that focus on employee engagement programs acts as an adrenaline shot and thus most companies fail to score high on employee engagement surveys. Employee experience initiatives may fail to provide ROI including engagement and employee satisfaction in some cases. The Arnold (2018) stated that Employee experience (EX) mentality is more in demand today than ever before because of the expectations of today's workers who aren't afraid to switch jobs when looking for better opportunities. L. Rasca (2018) pointed out EX is now considered as indispensable constituent of HR in retaining talent and driving performance.

### **2.2 Employee Engagement (EE)**

Kahn (1990) coined the term and provided its initial definition as mentioned in first chapter Schaufeli et al. (2002) took this concept further and related it to employee satisfaction with his/her work and remained in the organization for a long time. In the study by Shuck et al. (2011), antecedents and resultants of employee engagement were studied. In this study it was empirically found that job fit, psychological climate, affective commitment had strong correlation with employee engagement. EE was also associated with unrestricted effort and TI. Engaged employees are committed, and result-oriented thus successful (Bakker et al., 2011). It has achieved consideration from both practitioners and academics world over (Kim et al., 2016). disengaged employees cause an increase in turnover rate, manipulation, diminution leading to harmful consequences on other employees as well which in turn are veiled expenses connected to disengaged worker (Landells & Albrecht, 2019). Hazelton (2014), focused on fostering positive emotions in the organization environment

which results in physical and mental health, positive memories and creativity and better relationships. Experiencing new things has a profound impact on creating positive memories. Bhatnagar & Biswas (2012) argued EE results from experiences, and positive attitude resulting from experiences provided by organizations. EE results in increased commitment, expertise, lower turnover and absenteeism, thus exceptional performance (Lu et al., 2016). Accordingly, McKinsey (2019), suggested diverse generations of today portray different intensity of engagement, thus should be investigated on priority.

### 2.3 Turnover Intentions

Turnover intention is a determinant of an employee's probability of leaving a company over a period of time. Voluntary turnover is a natural part of business operations. Turnover has a direct impact on a business's profitability (Harrison & Gordon, 2014). Many human resource professionals are concerned about employee retention. Turnover intention is a determinant of an employee's likelihood of leaving a company over a certain period. Voluntary turnover is a natural part of business operations.. Many human resource professionals are concerned about employee retention. Sengupta & Gupta (2012) identified the major causes of attrition being: hostile organizational climate, uncongenial organizational support, type of work, discouragement due to unmet expectations, low self-fulfillment, discontented personal factors, unfavorable working conditions mystified career paths. All this leads to stress among employees.

### 2.4 EX and EE

Earlier studies pertaining to EX published around or before 2016 either developed the definition of the phrase or initiated and examined the numerous perspectives in which the initiative can start off (Gartner, 2020). As EX has its foundation on CX it becomes pertinent to study the interaction EX has with EE. There is a deficiency of research and data on the association between EX on EE more prominently in the information technology industry of India (Itam & Ghosh, 2020). This includes the ITES (BPO) sector. However, not many academicians have thought of it as just a one-dimensional idea. Myriads of terminologies along with scales have been developed to evaluate the same (Margherita et al., 2023). Most of the world's research on EX dynamics has been carried out by research advisory firms and consultancy firms (Volini, 2019), and there is dearth of studies pertaining to this linkage and thus falls short of academic research support as shown by IBM and Globo force (2016). The majority of EX info and concepts are found in white papers and business publications, with only a small amount of academic research (Itam & Ghosh, 2020). The research conducted by Goswami (2021) showed a weak correlation between EX and EE in the hospitality sector. It is therefore necessary to examine the impact of EX on EE. This led to formulating the first hypothesis as follows:

**H1a: There is a significant influence of employee experience on engagement of the employees.**

### 2.5 EX and TI

Employee retention is now a top priority for HR Management. This is especially true for millennial workers. Chew & Wong (2008), in their study on career mentoring and its relationship with intention to leave amongst small sample of hotel employees revealed career mentoring has medium correlation with TI but it did not predict TI significantly. As career mentoring is pertinent part of EX at all stages of employee life cycle and coaching is emphasized by all advocates of EX it becomes pertinent to study the association EX has in other service industry and with bigger sample size. Achieving a high level of Employee Experience (EX) helps organizations to recruit and retain talent. They also add that it improves customer experience. Research by Tran & Smith (2020), focused on designing EX framework to approach teacher retention. They emphasized creating EX keeping in mind the persona and employee lifecycle based on literature and theory primarily Herzberg's motivation theory. The results need to be verified empirically as the study provided a conceptual base. Thus, considering the above argument, the current research tries to analyze the impact employee experience might have on turnover intentions. Based on this logic, the second hypothesis of the study was formulated as:

**H2<sub>a</sub>: There is a significant influence of employee experience on turnover intention of the employee****2.6 EE and TI**

Radda et al. (2015), advocated that according to management consultant organizations like Gallup Blessing White, CIPD and Tower, EE is positively linked to organizational results such as customer retention, revenue, productivity, employee turnover, employee shrinkage, safety incidents, employee absences, safety incidents, safety incidents and quality of production. Since turnover intention is the most significant forecaster of actual turnover the impact needs to be studied. Findings of Bhattacharya (2015) showed that engagement is related with retention and higher level of employee engagement guides employees to lower quitting intentions. Babajide (2010) reported that the existing literature on EE and TI brought very few strong generalizations. Study by Shuck et al., 2011 revealed a significant relationship between EE & TI. The intention to turnover model was also highlighted in the study. Using hierarchical regression analysis, affective commitment combined with employee engagement was linked to lesser intention to quit. Sibiya et al. (2015) surveyed 2276 participants working in South Africa Information and Technology communication organizations. The study highlighted a negative correlation between employee engagement and turnover intentions. Studies in the past mostly focused on the impact of EE on good emotions and efficiency (Bakker & Schaufeli, 2008) and efficacy. There are relatively a small number of studies that focus on pessimistic emotions such as TI. As a result, it is a necessary requirement for further research and a solid literature base on the impact of EE & TI as TI is a soaring issue. Based on above literature the third hypothesis of the study was framed as:

**H3<sub>a</sub>: There is a significant influence of employee engagement on turnover intention of the employee.****2.7 EE as mediator between EX and TI.**

Study by Shuck et al. (2014) investigated the relation between HRD practices, EE and TI in the healthcare sector. They found HRD practices and EE were negatively impacting TI. The study established that the link between Human Resources Development practices and Turnover Intent (TI) was partially mediated by Employee Engagement (EE). From a conceptual point of view, Itam and Ghosh (2020) demonstrated a link between EX and EI. Some scholars and academicians have advocated that addition of mediating or moderating variable to the study contributes to explaining and exploring new constructs (Boekhorst et al., 2017). EX is a concept that is relatively new in organizational psychology and therefore requires more academic support. Mediation is more effective when the researcher is introducing a new concept into the field. This is why it is important to look at how employee experiences relate to turnover intentions and the mediating impact of employee engagement and the fourth hypothesis of the study was thus framed as:

**H4<sub>a</sub>: Employee engagement mediates the relationship between Employee experience and Turnover Intentions significantly.**

Based on the above hypotheses a conceptual model was developed as displayed in figure 1.

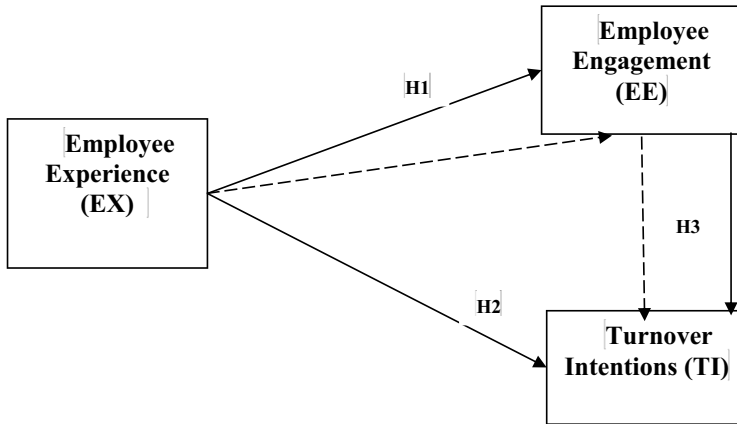


Figure 1; Conceptual Model

### 3. Methodology

#### 3.1 Sample and data collection

The data for the current study were collected from the IT/ITES sector of India. The survey was done using convenience sampling approach and contacting personal network. Both offline and online modes were used to collect data. A google link for the questionnaire was created and shared with the HR for online survey and a pilot study was conducted on 106 respondents. The results revealed that there was no problem in understanding the questionnaire and the reliability of the study was also established using Cronbach alpha value. analysis. Sample size of 380 was taken to carry out this study. Data collected was analyzed using SPSS and Smart PLS software. VB-SEM was preferred over CB-SEM because it is capable to handle complex relationships and manage a larger number of variables, factors, and indicators. Complex models requiring mediation and moderation analysis can be handled more effectively using PLS-SEM techniques; VB -SEM doesn't mandate a normality assumption for testing hypotheses and applies bootstrapping to test outer model. Table 1 shows respondents' demographic profile.

Table1; Demographic Profile of the Respondents

Demographic Factor	Description	Frequency	Percentage
Gender	Male	226	59
	Female	154	41
Age (in years)	18-22	42	11
	23-27	148	39
	28-32	109	29
	33-37	51	13
	37-43	22	6
	43 &above	8	2

<b>Tenure in Job (in years)</b>	0-1	79	21
	1-3	145	38
	3-5	79	21
	5-7	43	11
	More than 7	34	9
<b>Marital Status</b>	Unmarried	204	53.7
	Married	174	45.8
	Others	2	0.5
<b>Educational Qualification</b>	Senior Secondary	15	4
	Undergraduate	92	24
	Graduation	160	42
	Postgraduate	106	28
	Ph.D.	7	2
<b>Designation in the Organization</b>	Entry Level	102	27
	Supervisory Level	149	39
	Managerial Level	121	32
	Top Management	8	2

### 3.2 Instruments

The survey instrument for the study was divided into four parts. This includes demographic information, Cultural Employee Experience (EX), Employee Engagement (EE), Turnover Intentions (TI). The 1<sup>st</sup> part of the questionnaire comprised of collecting demographic information of the respondents such as gender, age group, work experience in years, educational qualification, marital status. The second part collected responses on cultural employee experience. This was adapted from Jacob Morgan (2017) 10 items that measure cultural environment from employee experience index were used in the study. The modification of the scale was in wording of some questions. Each item was measured on 05-point Likert scale. Employee Engagement measurement was in the 3<sup>rd</sup> part using Gallup's Q-12 which was developed by Gallup in the 1990's. It is a 12-item scale measuring each item on 05-point Likert Scale. The scale was developed by Gallup organization and has been tested for over 30 years. It has been administered to more than 17 million employees. The 4<sup>th</sup> part of the questionnaire aimed at measuring TI of human resources. It was measured using Turnover Intention Scale (TIS6) developed by G. Roodt, 2004. It is a 6-item scale having 05- point Likert Scale. The scoring weights assigned to each item of the construct in the second, third and fourth part ranged from 1. Strongly disagree, 2. Disagree, 3. Neither agree nor disagree, 4. Agree, 5. Strongly agree.

## 4 Result & Analysis

### 4.1 Reliability & Validity Analysis (Measurement Model)

The internal consistency or reliability was tested first i.e., Cronbach alpha value's composite reliability which was followed by the evaluation of convergent validity i.e., outer loadings and AVE (average variance extraction values) secondly and thirdly discriminant validity i.e., cross loadings, Fonell-Larcker criterion, Heterotrait Monotrait (HTMT) values.

Table 2 shows the internal consistency, composite reliability, and average variance extracted for the variables in the study.

**Table 2: Reliability Test Values**

Construct	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
EE	0.720	0.721	0.812	0.521
EX	0.768	0.783	0.842	0.517
TI	0.701	0.71	0.850	0.739

The discriminant validity was also examined. The concept of convergent validity, which measures how much variance in a construct is due to its indicators, The outer loadings displayed in table 3 establishes convergent validity. In table 3 the factor loadings above 0.6 were retained because a construct in a reflective measure scale achieves an average variance explained (AVE) of 0.50 or more, then items within that construct with factor loadings above 0.60 can be retained. This is because a fundamental characteristic of reflective scales is that the items of each construct should, on average, account for at least 50% of the variance.. In studies that have assessed discriminant validity, two primary methods have been utilized: the Fornell–Larcker criterion (displayed in table 4) and the Heterotrait–Monotrait ratio (HTMT). However, the Fornell and Larcker criterion (1981) has been criticized for not being sensitive enough in addressing the issue of discriminant validity. To overcome this deficiency, a novel strategy has been proposed, incorporating the HTMT ratio and deriving discriminant validity from the correlations among the constructs' indicators. Table 5 displays the outcomes of discriminant validity assessments using the HTMT ratio. For a conservative approach, the recommended threshold for HTMT is below 0.85, whereas for a more liberal approach, it is recommended to keep it below 0.90. The current study adopted a conservative approach for the HTMT values to assess discriminant validity. The results show that there is no issue of discriminant validity as all construct values are less than 0.85. The data was analyzed further to check issues of multicollinearity. Common Method Bias (CMB) is analyzed through variance inflation factor (VIF) values. VIF technique is a method to check multicollinearity issues in the data. Collinearity signifies the group of points in straight line and portray how two or more variables are intercorrelated. The collinearity statistics measured by VIF values of the study's dataset is shown in table 6. The model is free from multicollinearity issue as VIF values are less than 5. In conclusion, there are no issues of reliability, validity, or multicollinearity.

**Table 3: Outer Loadings of the Constructs**

Construct	Item	Outer Loadings
Employee Experience	EX7	0.659
	EX8	0.729
	EX9	0.754
	EX10	0.770
	EX11	0.676
Employee Engagement	EE2	0.624
	EE6	0.684

	EE7	0.782
	EE8	0.785
<b>Turnover Intentions</b>	TI2	0.873
	TI6	0.846

**Table 4: Fornell–Larcker Criterion**

<b>Construct</b>	<b>EE</b>	<b>EX</b>	<b>TI</b>
<b>EE</b>	<b>0.721</b>		
<b>EX</b>	0.427	<b>0.688</b>	
<b>TI</b>	-0.275	-0.140	<b>0.860</b>

**Table 5: HTMT Values**

<b>Constructs</b>	<b>EE</b>	<b>EX</b>	<b>TI</b>
<b>EE</b>			
<b>EX</b>	0.519		
<b>TI</b>	0.403	0.188	

**Table 6: VIF values of the Constructs**

<b>Constructs</b>	<b>VIF</b>
EX7	1.618
EX8	1.674
EX9	1.457
EX10	1.600
EX11	1.472
EE2	1.059
EE6	1.291
EE7	3.535
EE8	3.335
TI2	1.297
TI6	1.297

**4.2 Structural Model Analysis**

Hypothesis testing, for this study employed structural equation modeling to assess the impact of EX on TI through the mediating role of EE practices. The bootstrapping process was used with 10000 sub samples for calculating collinearity statistics. The bootstrapping procedure presented the t- statistics and p values and  $\beta$  values. The results of the structural model analysis are displayed in Tables 7, 8.

**Table 7: Results of Hypothesis Testing ( Direct Effect)**

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values	Results (Supported / Not supported)
H3 <sub>a</sub> :EE→TI	-0.262	-0.265	0.052	5.075	0.000	Supported
H1 <sub>a</sub> : EX→EE	0.421	0.430	0.042	10.010	0.000	Supported
H2 <sub>a</sub> :EX→TI	-0.030	-0.032	0.052	0.582	0.560	Not Supported

**Table 8: Total Indirect Effect: Indirect paths tested for analysis (N=380) Independent Variable: EX, Mediating Variable: EE, Dependent Variable: TI**

Path	Coefficient	T -statistics	p-value	Significant	VAF Value
EX → EE → TI	-0.110	4.520	0.00	YES	0.84

In the direct path analysis as depicted in Table 6, the results show that EX has a significant and positive impact on EE and EE has a negative significant influence on TI. With this, the researcher can claim that H1<sub>a</sub> is supported. In fact, EX has the largest impact on EE with strength of value 0.42. This signifies that a unit change in EX can enhance the engagement level of employees by 0.42, which is a substantial influence. Employee engagement is now viewed as being of utmost importance and Employee Experience effecting engagement can help HR managers to curate experiences that will enhance engagement. The findings regarding the positive impact of EX on EE are consistent with the existing literature (Plaskoff, 2017).

Moreover, the significant negative impact of EE on TI supports H3<sub>a</sub> for this study. The path coefficient ( $\beta$ ) in this case was -0.262 with  $p < 0.05$ . This means that the higher the engagement level of the employees, the lower the turnover intentions. Thus, pointing out that a unit increase in EE will diminish TI of the employee by 26.2%. The result is in tune with few previous on the association between EE and TI (Sibiya et al., 2014). Moreover, an engaged employee has an affective and vigorous connection to the work and thus can handle the demands of work (Kahn, 1990).

The research study found the direct impact of EX to be insignificant on Turnover Intentions of the employee leading to non-acceptance of H2<sub>a</sub>. Though the relation between EX and TI was negative with path coefficient ( $\beta$ ) of EX on TI was -0.030, it was insignificant with  $p > 0.05$  ( $p=0,560$ ). It implies lower the EX, higher is the intentions to quit but the direct relation is in significant in this study. Although EX is related to

business outcomes as shown by previous studies , it might not be leading to intent to leave the organization directly. This calls for a further analysis and indirect effect for mediation was thus conducted.

To assess the role of EE in the relationship between EX and TI mediation analysis was conducted on Smart PLS. In the indirect path as shown in Table 7 the results established that EX was a significant predictor of EE,  $\beta = 0.421, t = 10.010$  at  $p < .05$ , and EE was a significant predictor of TI,  $\beta = -0.262, t = 5.075, p < .05$ . These results thus support the mediation hypothesis. EX was not found to be a significant predictor of TI after controlling the mediator, EE,  $\beta = -0.030, t = 0.582, p > .05$  i.e., the direct relation between EX and TI was not significant. Bootstrap estimation with 10000 samples was used to validate the indirect effect. The results showed the indirect coefficient to be significant with  $\beta = .110, t = 4.520$  at  $p < .05$ .

Hair et al. (2017) have recommended the calculation of Variance Accounted For (VAF) value to further analyze mediation. VAF value is the standardized total value given by  $VAF = (a*b) / (a*b + c')$ . Here a and b are the indirect effect and c' is the direct effect. As stated by Hair et al. (2017), for mediation to occur the VAF value should be greater than 0.20. A VAF value of more than 0.80 signifies full mediation. Full mediation is defined as the mediator (M) fully explains the relationship between the independent variable (X) and the dependent variable (Y). The effect of X on Y operates almost entirely through the mediating variable M . The VAF value for the mediation in this research was calculated to be 0.84 which implies full mediation.

Thus, the above analysis indicates the complete mediating role of EE in the relationship between EX and TI. Hence H4<sub>a</sub> was supported. Although EX did not show any direct impact on intent to leave of the employees, the mediation association of EE between EX and TI was empirically proven in this study. Since the direct effect was insignificant but the total indirect effect was significant along with VAF value more than 0.80 indicating full mediation. Various researchers have projected the relationship of EE taken as mediator with different HR constructs (Biswas & Bhatnagar, 2013), such as supervisory support (Pattnaik & Panda, 2019) and organizational commitment (Gupta M., 2017). EX being a novel concept in organizational psychology (Itam & Ghosh, 2020) calls for studies on how it is related to other constructs. Moreover, the study points out the impact of investing in EX might not show visible results in TI of employees instantly but will increase their engagement and thus their intent to leave will diminish gradually.

The assessment of a structural model includes the calculation of the coefficients of determination (R<sup>2</sup>) of endogenous constructs which indicates the explanatory power of the model. This value calculates the relation of explained variances in latent variable to its total variance. Table 9 depicts R<sup>2</sup> values of the endogenous variables.

**Table 9: Coefficient of Determination (R<sup>2</sup>) values**

	<b>R<sup>2</sup>Values</b>	<b>R<sup>2</sup> Values Adjusted</b>
<b>EE</b>	0.177	0.175
<b>TI</b>	0.076	0.072

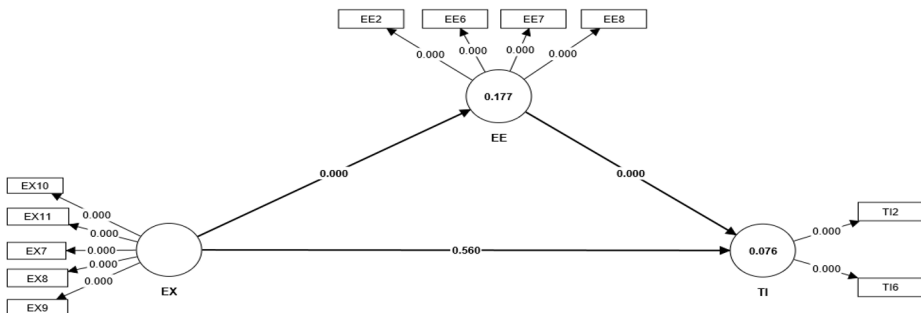
Cohen (1988) suggested R<sup>2</sup> values for endogenous variables indicate 0.26, 0.13 and 0.02 as (substantial), (moderate) and (weak) respectively. Accordingly, R-square value is acceptable and shows moderate influence.

The predictive relevance of the model was established by calculating  $Q^2$  values and calculated with blind folding procedure.  $Q^2$  is predictive relevance and ascertains that endogenous constructs have predictive relevance.  $Q^2$  above zero are indicative of the robustness and the predictive utility of the model. The  $Q^2$  values of the study are shown in table 10. All the estimated  $Q^2$  values are greater than 0 thus establishing the predictive relevance of the model in the study.

**Table 10:  $Q^2$  Predict Values based on Blindfolding Technique**

Endogenous Constructs	$Q^2$ Predict
EE2	0.148
EE6	0.053
EE7	0.03
EE8	0.042
TI2	0.019
TI6	0.003

The final path model is depicted in figure 2.



**Figure 2: Structural Model**

*Source: Based on Primary data analysis on Smart PLS 4*

## 5. Discussion and Implications

The present study brings out the significance of employee engagement as a mediator in the relationship between employee experience and turnover intentions on information technology employees in India. Few research in the area in the past has revealed the influence of employee experience on engagement. Most organizations have included the employee experience into their employee engagement strategy. A study by Tucker (2020) stated that exceptional EX are depicted by those companies where leadership and human resources are collaborative. Chacko & Conway (2019) stated that EX and in person interactions between individuals and employers create a positive EE and enhance proficiency. PwC in their study titled "The Benefits of Investing in People" in 2022 inferred that a positive employee experience (EX) boosts

organizational efficiency while decreasing absenteeism and turnover. However, the analysis of this study did not support hypothesis 2 and direct relation between EX and TI was not established in the study. To understand why employee experience (EX) might not directly impact turnover intentions, one must consider the intricate dynamics of organizational behavior and human resources. Firstly, the effect of EX is often indirect, operating through mediating variables such as job satisfaction, organizational commitment, or engagement. For example, a positive EX might foster higher engagement, which in turn reduces an employee's likelihood of leaving. Secondly, external opportunities, such as better job offers or relocation, can frequently outweigh the influence of internal EX efforts on turnover decisions. Finally, the impact of EX might manifest over the long term, meaning an employee could have a positive experience yet still plan to depart due to longer-term personal or professional aspirations like further education or career changes, which is very frequent in the IT sector.

EE was found to have a significant negative influence on TI of the employees. EE is linked to lower employee turnover costs, reduction in cost of products sold and lower faults in production thus improving quality of products.

With the aim to attain improved insights of the affiliation amongst constructs, a number of researchers have advocated that the insertion of mediator and/ or moderator variables in studies may be beneficial (Boekhorst et al., 2017). Scientific literature points out that the connection existing between EE and a variety of Human Resources structures (Biswas & Bhatnagar, 2013), such as work motivation, employee performance, employee respect, mission fulfillment, turnover, human resource practices, job satisfaction and performance, person- organization fit, turnover intention (Memon et al. 2014), and Corporate Social Responsibility, and Employee's Organizational loyalty (Gupta M., 2017), supervisory support (Pattnaik & Panda, 2019). The mediating impact of EE on the relationship between EX and TI was empirically tested in the present study. The results revealed a significant indirect effect of EX on TI through EE (H4:  $\beta = -0.110$ ,  $t = 4.520$ ,  $p < 0.001$ ). The Total effect of EX on TI was significant ( $\beta = -0.141$ ,  $p < 0.001$ ) This proves a complete mediating role of EE between EX and TI. Since the direct effect was insignificant but the total indirect effect was significant along with VAF value more than 0.80 indicating full mediation.

### Theoretical implications

- There is a dearth of conceptualization and knowledge of the components of employee experience in the literature to date. Employee experience research and its components are reflected in less academic literature and publications. Given that cultural, physical as well as technical environments are all components of employee experience, this study added to the current body of knowledge. The study explored the applicability of the Jacob Morgan's (2017) scale in Indian cultural setting with special emphasis on Indian IT industry. Reliability and Validity of the scale was established. The findings can have major implications for future research in the field with other samples. The research provides empirical evidence that employee experience impacts employee engagement significantly. There are few pre-existing literatures that support employee engagement is a powerful tool in creating engagement. Previous studies by Morgan (2017), Shenoy (2021), and Tucker (2020) have discussed the association between employee experience and engagement. This study adds to the growing field of study and proves empirically that employee experience is a major enabler in creation of employee engagement. The study establishes a direct significant relationship between EX and EE. The importance of employee experience, particularly in the post-pandemic period, as well as the great resignation along with quiet quitting age shows that it plays role in reducing turnover intent amongst employees. Although no direct impact between EX and TI was observed in the current study nevertheless, the study established that EX does impact TI by complete mediation of EE. Full mediation of EE on the association between EX and TI of Indian IT employees was observed in this study. This has enabled us to gain a better comprehension of the interaction between new constructs, EX, EE and TI.

### Practical implications

This study addressed the dimension of employee experience that could help HR professionals incorporate appropriate elements into their HRM strategy to make the organization more advantageous to a positive environment. Concentrating on providing the employees with a conducive physical, cultural, and technological environment would help in the long-term growth of the organization.

- Several studies conducted by leading research organizations in the field of engagement, namely, Aon Hewitt, SHRM, Mercer & Willis Towers Watson, have reported that the engagement score is declining over a number of decades. Engagement levels have barely grown over the last 10 years, according to Mann & Harter (2016). It does not appear, therefore, that there is a business value by focusing primarily on engagement (Kennedyfitch report, 2019). According to the findings of the study employee experience is a significant driver of employee engagement and the organization who focus on co-creating EX, which calls for deeper insights into the “moments that matter” for the employees. This would aid employers to gather significant payback in the form of advancement in the engagement level of the employees. Although the association between employee engagement and turnover intentions has recently been studied (May et al. 2004), the prediction of turnover intentions using employee engagement as not been much investigated. The study thus guides organizational policy makers to focus on antecedents of employee engagement to retain talent. The study goes a step further and analyses the mediation impact of employee engagement between the interplay of EX and TI completely. This makes it pertinent for the business organizations to prioritize employee experience as a long –term solution to attract and retain talent which in turn provides competitive advantage in this volatile and highly dynamic business ecosystem.

## 6. Limitations, Future Work & Conclusion

The current study was based on Indian IT sector. It would be worthwhile to conduct such research in other sectors like retail, banking and finance, telecommunication, manufacturing etc. Only a few articles were included in the study due to unavailability or non-indexing in recognized and reputed sources. In future studies could be conducted on more research articles. The data collected for the investigation in this research was confined to a particular point of time and the study does not include the developmental impact of employee experience. Therefore, study in future may endeavor into longitudinal impact of employee experience implementation in the organizational development and benefits. Further extension of the study could be analyzing other variables along with employee experience and broadening the conceptual framework of the relationships. Interrelationship of employee loyalty, satisfaction, performance and commitment, personality could be studied along with employee experience. Also the influence of culture, inclusive leadership may be studied in future to comprehend their influence on the interaction of EX, EE and TI.

EX is a relatively novel concept, and its effective understanding is essential for further advancement of the topic. There is a dearth of conceptualization and knowledge of the components of EX in the literature to date. The study focused on grasping the concept of EX and its affiliation with engagement and turn-over intentions in the employees of Indian IT sector. The research provides empirical evidence that EX impacts EE significantly and the cultural component of employee experience plays an important role in EE which fully mediates and thus impacts TI of the employees. Companies need to pay special attention to employee perception and expectations in today’s rapidly evolving disruptive business environment to create positive cultural employee experiences and therefore enhanced employee engagement and diminished turnover intent.

### Disclosure of Interests.

The authors have no competing interests to declare that are relevant to the content of this article.

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