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Employee Engagement, Productivity and Workforce Retention

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Abstract

Employee engagement has emerged as a major focus point for organizations as it links employees' psychological attachment to their job with their performance, well-being, and intentions to stay with their employers. This paper reviews the literature on the association between employee engagement and productivity and workforce retention and applies it to a review of recent activity from the international and national workforces. Engagement is viewed as a work-related condition and is represented by one's energy, commitment, involvement, and discretionary efforts. The review reveals that employees who feel their leaders are supportive, that their work is meaningful, recognized, that they have opportunities for advancement, that their work demands are manageable, that they are receiving fair rewards, that their leadership is clear in communication and that they have work-life support are more engaged. There is also a general positive work engagement-job performance relationship, and a general negative relationship between organizational support and negative organizational climate/attitude and turnover intentions that is supported by meta-analytic evidence. Global engagement is still relatively low, despite recent workplace shifts in hybrid working and digital tools and the changing expectations of employees. The paper also demonstrates that compensation is not solely responsible for retention as management quality, development opportunity, flexibility, well-being and organizational culture have a significant effect on employees' retention intentions. The overall takeaway: In the end, organizations must think about engagement, productivity and retention as an integrated system and not distinct human-resource results. Organizations that foster employee voice, learning opportunities, flexibility, and credible recognition of performance and linking to clear goals and accountability are more likely to achieve sustainable performance.

Keywords: employee engagement; employee productivity; workforce retention; job satisfaction; organizational commitment.

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1. Introduction

More and more organisations are using knowledge, high quality service, adapting to changes and changes over time instead of relying on human resources. Their employee experience is directly affecting their productivity and being a threat to job security there. Employee engagement is more than just satisfaction with the job. It symbolizes the mental state, energy and efforts of workers to dedicate themselves to their jobs. The modern concept of "vigor" and "dedication and absorption" has focused on the traditional concept, and the term is also used in organisational practices for the concept of commitment, enthusiasm, discretionary effort and relationship to organizational purpose. Although the definition varies, the common denominator is that organizations are interested in having employees who understand what they are doing, will be competent at doing it and feel that their contribution is valued and they will be willing to do it for the long term.

The current work is a more challenging position. There are now hybrid teams, digital collaboration systems, distributed work, rapid ability transformation and growing AI usage in organizations. In the interim, a great many employees are looking for flexibility, development opportunities, and a sense of psychological safety, understanding, and appreciation of the importance of their work to them. Traditional employment relationship has been changed by these changes. It is not just about boosting morale anymore, but has become a reflection of the nature of the work, the behaviours of managers, workload, opportunity to develop a career and the quality of communication on a day to day basis. In fact, the research area of employee engagement and communication and trust in leadership has been a field of extensive research by Microsoft (2023) and Gallup (2026), and there are indeed regional, job level and working arrangement differences in employee engagement.

The economic and working aspect of relationship comes in the form of productivity. Productivity of employees is the utilization of the labour resources to get valuable output in an effective and efficient manner. It can be at the individual level and it can be task accomplishment, service quality, sales, innovation, error reduction, contextual performance and reliable execution. Also, beyond the individual level, technology and capital, process design and management systems, are important factors that determine labour productivity, meaning that engagement can't be solely attributed as a productivity driver. However, there are always a group of engaged staff that are on average less likely to take time off and much more likely to perform well. Corbeanu and Iliescu (2023) determined the overall

relationship between work engagement and job performance to be r = .37 (based on 166 independent samples in total). In a similar study, Neuber et al. (2022) discovered a positive corrected correlation between engagement and task performance, whereas there was a negative correlation between engagement and absenteeism.

Retention is the third aspect of the relationship. Workforce retention is the ability for an organization to retain employees who have value to the organization. While personal factors may impact retention in the labor market, there are many more factors that can influence an organization's retention. Employees take care of themselves to get a fair, consistent and profitable return from their work. Low pay, poor work life balance and poor cultural atmosphere, poor growth opportunities may lead employees to consider leaving their jobs, whereas career opportunities, supportive supervisor, meaningful work and flexibility may lead to intentions to stay. SHRM's global workplace-culture research found that there was a strong link between positive culture, retention and that employees were significantly more likely to remain with their employer in a positive culture (SHRM, 2024a).

The need for an integrated approach is readily seen in the real world. Too much engagement but not a lot of work can be exhausting, too much work but not a lot of engagement can be exhausting for retention and too much retention but not a lot of work can be exhausting for competitiveness. Organizations must have a plan that will make engagement an enabler of productive behaviors; productive behaviors are not a burden on people's wellness; and wellness retention is not an impediment to productivity. This paper explores that integrative perspective on engagement by exploring the conceptual definition as well as antecedents and consequences of engagement, existing workforce developments as well as new workplace practice.

2. Conceptual Understanding of Employee Engagement

Employee engagement is more of an attitude in practice, than one in theory. Generally, the construct of work-engagement is defined in terms of vigor, dedication and absorption in research. Being important, enthusiastic and feeling good about what you are doing is the dedication part of the equation; energy, persistence and resilience is vigor; and being deeply involved and concentrated on what you are doing is absorption. These dimensions can be utilized as separate from job satisfaction and engagement. A satisfied employee may feel good about their job but not necessarily invest a lot of cognitive, emotional, and

behavioral energy into it; but an engaged employee is more likely to invest a lot of cognitive, emotional and behavioral energy into their job. Mazzetti et al. (2023) conducted a meta analysis that included 113 independent samples and more than 119,000 people to investigate the relationship between engagement and job resources, personal resources, job satisfaction and commitment. In addition, there is some evidence that there is a relationship between organizational resources and engagement climate with employee engagement (Albrecht et al., 2018; Motyka, 2018).

One of them is motivation. When an employee feels there are meaningful relationships between his or her work, his or her level of competence, his or her freedom, and the significance of the outcomes, he or she will be more likely to be engaged. This intrinsic motivation is particularly crucial, because it can keep them focused and working energetically even in the absence of external supervision. The importance of the use of extrinsic rewards is also crucial but the effect on the behaviour of the employees will depend on whether they think that they are fair, understandable and connected to their contribution. This is important because it helps to inform the children that they are trying and that this is being recognized. Reward systems are, therefore, more effective when they offer a mix of fair material and social rewards such as recognition, feedback and meaningful tasks that enhance engagement.

Job satisfaction and job engagement differ from each other. Satisfaction is a judgements of the job and conditions, engagement is a motivational state which affects the way that employees put themselves in the job. It's a means for a worker to be happy with their wage and convenience, but work less. Engaged employees, on the other hand, might also be dissatisfied with some policy or reward. This is important as it is often assumed that a lack of dissatisfaction is equal to engagement when it is not. More is required for engagement: Clarity around expectations, resources, meaningful contribution, supportive relationships and progress.

Organizational commitment extends the commitment to the organization to the longer-term. Engagement is the relationship of the employee with the job – commitment is the relationship of the employee with the organisation. They overlap but do not necessarily do so. It is possible to be very active in a field and not be linked to the current employer, especially if the employer doesn't provide development opportunities. The results of the meta-analysis conducted by Mazzetti et al. (2023) showed that the correlations between work engagement and commitment are positive, and they have

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obtained a large number of meta-analytical correlations. Positive organizational bonds are more likely to be formed when employees are involved in their work, are involved in meaningful work, and have resources at their disposal.

The Job Demands-Resources (JD-R) framework is relevant in understanding these relationships. Job resources like autonomy, feedback, supervisor support, development opportunities and role clarity can energize engagement, while too much or mismanaged demands and can exhaust energy and lead to strain. Other personal resources that can increase engagement are self-efficacy and resilience. The bottom line principle is that you don't go asking for engagement outright. It has been argued to take place when employees have sufficient resources, realistic job goals, and a realistic view of the likelihood that their actions will lead to a desired individual or organizational reward.

Table 1. Selected Quantitative Evidence on Employee Engagement and Work Outcomes

Evidence source	Scope / sample	Selected quantitative finding	Implication
Mazzetti et al. (2023)	113 independent samples; N = 119,420	Development resources r = .45; personal resources r = .48; job satisfaction r = .60; comitment r = .63	Resources and positive work attitudes are strongly associated with engagement.
Neuber et al. (2022)	179 unique correlations; N = 139,182	Engagement-task performance rho = .483; engagement-absenteeism rho = -.171	Engagement is associated with stronger task performance and lower absence.
Corbeanu & Iliescu (2023)	166 independent samples for overall relation	Overall engagement-job performance r = .37	The engagement-performance relationship is consistent across a large evidence base.

Björk et al. (2021)	31 intervention studies; 24 in meta-analysis	Small but promising intervention effect on engagement	Engagement can be influenced through structured resource-building interventions.

3. Factors Influencing Employee Engagement

Immediate supervisors are the most influential on engagement as they are the ones who enact organizational policies within their work. Staff are aware and know their supervisor(s) PRIORITIES, FAIRNESS, RECOGNITION & SUPPORT. Providing direction, support and delegating tasks to staff that allow them to do their work well can improve staff skills and morale. All in all, the results reported for positive leadership styles suggest that there is a strong correlation between engagement and positive leadership styles, whereas for transformational leadership there are studies that claim that the information, opportunity and support might explain some of the correlation between the two. The most crucial aspect of the matter is behaviour and establishing clear expectations, listening, setting up barriers on how employees work, providing feedback, treating them with credibility and respect. Furthermore, from the evidence of the hospitality industry – engagement is also a direct determinant of individual performance (Harter, 2003) – and from the longitudinal evidence that engagement can directly be linked to performance through engagement-related mechanisms (Carter et al., 2018; Buil et al., 2019).

Rewards and recognition relate to engagement both on an economic and social basis. The first challenge is to reward accordingly based on the ideas of equity, of market sufficiency, or if it is an effort of engagement, then one idea of inequity may defile it. There is a compensation there, but there are signs of contribution there as well that are apparent. Specific and meaningful recognition is better than mechanical and dispersed recognition and is done in a timely manner. The negative impact can, however, be seen if the recognition program isn't designed well and there's a sense of favouritism or inconsistencies. Therefore, the competitive compensation, explicit measures of performance, the appreciation and recognition of managers, ownership of projects, learning and internal mobility are good systems.

Employees are interested in their careers growth – engaged employees not only are thinking about their career but also the future

of the company. Employees' vision of a future within the organisation is enhanced by learning opportunities and clear promotion policies, mentoring and skill development. But if that is not clear, it's more interesting to find opportunities that are available outside. Besides, technology has been advancing rapidly and the workers have to evolve so as to be able to compete in the labour market. Development is, thus, an engagement practice and a retention practice. It is an investing in the employee and enhances the capability of the organization.

It is possible to have a physical, social and/or digital work environment. Employees are looking for the tools to work, processes they can handle, interactions which are respectful and enough freedom to work without adding additional clutter. Overload of digital knowledge is becoming a major issue for knowledge work. According to Microsoft (2023), it's hard for workers to find any time to themselves, and poor meeting agenda transparency and lack of efficiency in meetings are among the reasons that people don't get productive. The results indicate that it is necessary to make sure that engagement efforts are well aligned to the operating design. Too many administrative hassles, meeting and communication problems can cause an employee to become frustrated with the company if they feel that nothing is being done and the company may be losing a great employee.

Work-life balance is the other condition. It's important to have a daily outlook because if you can't get back to work, you won't have vitality for the long haul. The results of Žnidaršič and Bernik (2021) conclude that there is a positive link between the work-family balance and work engagement, which means that work engagement can be improved with the implementation of family-friendly policies. Being flexible is good, but flexibility should be well planned and structured, and shouldn't make it appear that staff are always on call or there are no limits. This reading aligns with conceptual research which took place on the subject of engagement – employee productivity and employee discretionary effort (Sainger, 2019).

The impact of Organizational Communication on engagement is through the lenses of Clarity, Trust and Belonging. Staff to be aware of goals and objectives of an organisation, how they prioritise goals, decision making process, and if feedback is taken on board or not. Communication is not the same as "over-communication". Excess information can be distracting and lack of information can make things more confusing. High engagement companies were more likely to be seen as quality communicators, whilst poor communication was associated

with higher likelihood of leaving (Microsoft, 2023). Clear and involves legitimate 2 way communication for employee's voice..

4. Employee Engagement and Productivity

One would expect there would be a direct link between engagement and productivity but that's not the case. The more enthusiastic, persistent and focused the staff members, the more engaged they are. All of the following are connected with improved performance on tasks, customer relations, learning and adaptive performance. The systems that create value can also have a positive impact on engagement: if they see that they are making progress and achieving something, it can help to build engagement. Competence and engagement equals well designed work and performance and meaningful achievement equals engagement and more engagement etc.

Meta-analytic research results provide the best evidence of the general relationship. Corbeanu and Iliescu (2023) reviewed and plotted 174 studies that indicated that there was a correlation between engagement and performance ranging from .36 to .38 with a mean correlation of .37 between engagement and job performance. The corrected correlation for engagement and task performance was even higher in the study conducted by Neuber et al. (2022) and the absenteeism was linked with a negative correlation with engagement. However, the findings suggest that engagement doesn't automatically lead to increased productivity; in a certain context, engagement is legitimate behaviour and psychology.

One of the reasons that engagement and performance are correlated is due to motivation. Getting employees engaged makes them more likely to persevere when they have challenges, request information, collaborate with others in the workplace, and do more than required. Motivation has to be directed, however. The trick is to be busy but not productive, which is a result of unclear priorities. Therefore, it is important to establish clear goals and feedback and have sufficient resources. Hence, the communication and work design are always mentioned as engagement reasons – because they make intentions come true.

Good job satisfaction probably doesn't have a straightforward and direct link to active performance, but rather an indirect link through the reduction in distracting negative thoughts of dissatisfaction and the promotion of positive thoughts. In Motyka's (2018) systematic review, the majority of the peer-reviewed research conducted in the literature reviewed found significant links to the various components of performance. The difference is vital for measurement purposes. A high satisfaction score does not necessarily go with a high score for performance, so must be used alongside other measures of

satisfaction, such as role clarity, workload etc., as well as measures of objective performance including measures of engagement.

Provide support in the organization is also important. People are more likely to be involved and react positively if they feel the organisation values them and cares for them. Support can be offered in the form of resources, fair procedures, availability of managers, learning opportunities and practical support, as necessary when high demand occurs. Research on POS indicates that this relationship with engagement and other states (such as thriving and flourishing) is a positive relationship. In this message, the word support is not a program, it's a condition.

Productivity needs to be sustained and well-being a prerequisite. Sometimes there are short periods of exertion required, but these can result in a decrease in productivity and can even jeopardize recovery, health and later performance. The challenge should be challenging enough to draw in participation and not too difficult that participants "go under. Global engagement dropped to 20% in 2025, as place-based demands keep changing, according to Gallup's report for 2026. This is not only an ethical issue, but a capacity issue – being well. In the short run, activity can be stimulated by overstressing employees, and in the long run reduce productivity and employee retention.

The official productivity statistics also lead the researchers to consider the productive effort of individuals and of macro-level productivity. The U.S. Bureau of Labor Statistics also reports on these results with the private nonfarm labor productivity rising by 3.0% in 2024 and 2.2% in 2025, in addition to the effects of output, capital, and hours (BLS, 2026a). Factors such as technology and capital intensity, sectoral change and others will determine the economy-wide productivity, although engagement can have an impact on performance within organisations. So, a balanced interpretation should involve the engagement as a part of a more comprehensive productivity system. This is the same for public sector, semipublic and private sector and longitudinal meta-analytic studies indicate a positive relationship between work motivation and subsequent job performance (Borst et al., 2020; Wang et al., 2024).

Table 2. Selected U.S. Private Nonfarm Productivity Indicators

Indicator	2024	2025	Interpretation
Private nonfarm labor productivity growth (%)	3.0	2.2	Positive growth continued, but at a slower rate in 2025.
Private nonfarm output growth (%)	3.0	2.6	Output grew in both years.
Private nonfarm hours worked growth (%)	-0.1	0.4	Hours were nearly flat in 2024 and increased modestly in 2025.
Private nonfarm total factor productivity growth (%)	1.5	0.8	Broader efficiency gains moderated in 2025.

Source: U.S. Bureau of Labor Statistics (2026a), selected annual growth rates.

5. Employee Engagement and Workforce Retention

The retention depends on the positive characteristics that employees know about the employment relationship, and his contribution in the employment process. Engagement is used to reinforce retention in the presence of meaningful work, supportive relationships and credible future opportunity. Commitment is crucial because the first experience is the first that can carry over to an ongoing interest in staying. Mazzetti et al. (2023) discovered a strong meta-analytic link between engagement and organizational commitment: employees who are engaged to the organization are more likely to engage in the organization in the long term.

But there are many reasons for turn-over and the problem of differentiating between those outside the family and those within the organization needs to be addressed. The reason for an employee to leave may be because of a relocation, family responsibilities and/or a significant work change, even if they are in a new job. But many leaves are related to management, work environment, salary, workload, flexibility and mobility. According to SHRM's 2024 reporting on employee retention, based on the data from the iHire Talent Retention Report,

the top reasons for employees leaving a company include toxic or negative work environment, poor leadership and dissatisfaction with managers, while work-life balance and flexibility are factors that are important in keeping employees from leaving (SHRM, 2024b). The present study refutes the notion that compensation is always one of the most important reasons for an employee to leave an organization.

However, compensation continues to be essential as maintaining low pay disparities can have a negative impact on trust and retention. Internally, employees make comparisons of their wages to their peers; externally, they make comparisons of their wages to other labor-market options. Compensation then has not only a symbolic meaning but an economic one too. But businesses that use just compensation such as a paycheck to improve employee engagement often overlook the very real reasons why people are going away. If there is poor management, too much workload and not enough development, it may be possible to simply say "no" to a future exit until it is decided to give the employee a raise but don't do it if they don't commit to it. The best retention tool will be compensation and good supervision, meaningful work and future opportunity.

Career Development is particularly pertinent for early career and high potential employees. Often staff members leave a workplace because they don't like the organisation because there is nothing for them to do. The problem is solved by means of internal mobility, skills and clear promotion policies, since what employees think of their futures in the company is a result of such elements. Development is also a retention tool as people feel they are investing in the development of others and therefore, they are willing to invest in themselves in order to remain longer.

These factors are melded into a company's culture. Culture is experienced as repeated patterns of behaviour; how managers deal with mistakes; are treated fairly by the employees; are able to cope with workloads; are listened to by leaders; have values consistently upheld. Of all those who said they had a positive culture, a significant number stayed on, and significantly more of those who felt they had a positive culture were also highly motivated to produce high-quality work than those who felt they had a negative culture (SHRM 2024a). Culture is therefore an influence on both sides of the core relationship that is examined in this paper – productive motivation and willingness to remain.

Labor-market indicators indicate that recent conditions also have an impact on turnover behaviour. The average quits rate for total nonfarm employment in the U.S.

went down from 2.8% in 2022 to 2.0% in 2025 (BLS, 2026b). The less people quit does not necessarily mean the more people are engaged, but it may mean that it is less opportunities elsewhere or more uncertainty. Use of retention rates is therefore not recommended to interpret the data if employee-attitude data is not available. In some situations, a low turnover rate is accompanied by low levels of engagement, and there are situations where there are fewer alternatives available. There are several useful metrics that can be used when looking at employee turnover, such as regrettable turnover, actual turnover, intent to stay metrics, employee engagement and reasons for turnover/exiting and internal mobility..

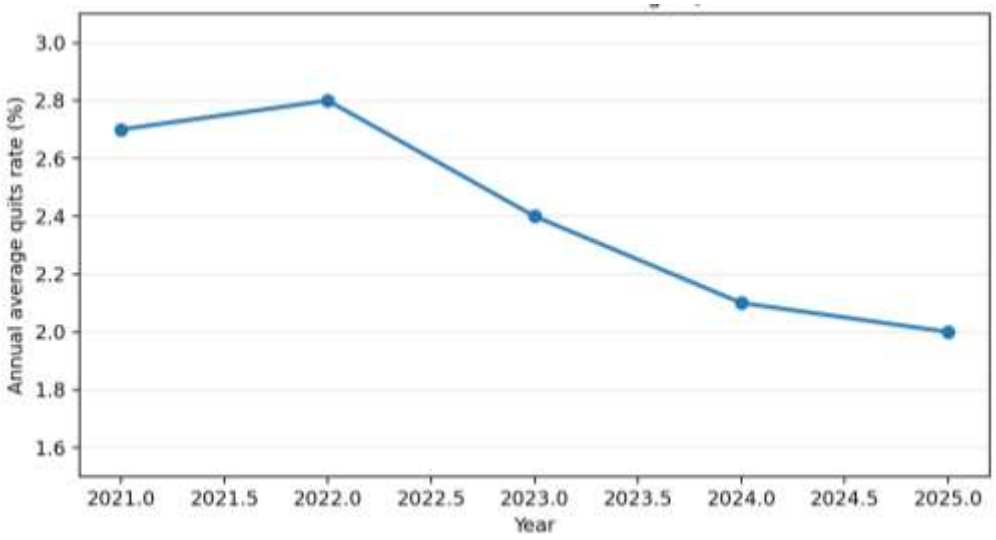


Figure 1. U.S. Total Nonfarm Annual Average Quits Rate, 2021-2025 Empirical studies also

Source: U.S. Bureau of Labor Statistics (2026b).

6. Employee Engagement and Retention Trends

Recent engagement data shows that over the past several years, as the number of employees who are engaged grows, the number who are not engaged grows larger, leading to a huge difference in participation. Gallup reported global engagement of 19% in 2018, rising to 23% in 2022 and 2023 before declining to 21% in 2024 and 20% in 2025 (Gallup, 2026). It is significant, given that it followed the highest engagement rate ever. It suggests that new work approaches in the workplace and the stresses of management have not led to increased work attachment. It is not just from a regional point of view. The United States and Canada are the leading regions with 31%, followed by Latin America and the Caribbean with 30%, Southeast Asia and post-Soviet Eurasia with

25%, Australia and New Zealand with 21%, and South Asia with 19%.The United States and Canada are at the top, with 31%, followed by Latin America and the Caribbean with 30%, Southeast Asia and post-Soviet Eurasia with 25%, Australia and New Zealand with 21%, South Asia with 19%, the Middle East and North Africa with 14%, and Europe with 12% (Gallup, 2026). In fact, regional averages do not provide explanations for the level of engagement, but instead show that there are differences in the labor market, management, institutional context and expectations of employees.

For example, India's average is significant, in addition to the worldwide averages. Gallup's country data show India at 22% engaged in 2018, increasing to 33% in 2022, then easing to 32% in 2023, 30% in 2024 and 23% in 2025. The value for 2025 is higher than the world average but lower than the previous years. These data are a trend indicator and should not be interpreted to represent any one employer at any given time (Gallup, 2026). The standards of the industry are also differing and unique from that of Job Design. It's emotional labour, availability of quality in customer service, the safety and discipline of the manufacturing process, the high requirements of the job, and the team support required in healthcare and the skill obsolescence, pressure for innovation and expectations for flexible working in technology. The common themes are: engagement practices need to be relevant to the work environment; and should not rely on a single programme.

Man and machine is a more and more influential combination influencing productivity trends. Digital systems can help to minimize repetition, enhance the access to information and enable to work collaboratively, but can also distract. According to Microsoft's 2025 Work Trend Index, the workday is getting more fragmented; the number of messages and meetings is increasing; and Microsoft's 2024 research revealed that workers are using generative AI as a time saver to focus and create (Microsoft, 2023). Digital employee experience has been transformed to productivity management. Rather than a question in the work place, friction is now the issue of whether it will be added to the demands of the job.

The trend of retention rates has also stayed the same as there had been an unusual level of job turnover during the pandemic period in some markets. There is a definite downward trend after 2022 in the U.S. quits-rate data. However, low external mobility doesn't necessarily mean low risk of the student leaving. They may lose out on some very valuable capability even if they have no intention of firing employees and keep the ones who aren't mentally engaged on the job.

The focus should be on quality than on turnover in terms of retention.

Flexibility, development, fairness and meaningful work are areas where employees' expectations have come under change. A number of occupations are now working hybrid days as part of their normal working week. The overall pattern of engagement is similar across the various types of work location, with the highest level among respondents who work only remotely (30%) and the lowest among on-site, but not-remote-capable (17%) respondents. These are not causation links between working remotely and engagement as the occupations do not necessarily equate with the types of workers. However, they do highlight the strong link between work arrangement and employee experience, which should always be taken into account when determining the strategy for employee engagement. Further, studies on teleworking have shown that working conditions do not have a separate influence on outcomes like engagement and intention to leave, but rather are intertwined (Parent-Lamarche, 2022).

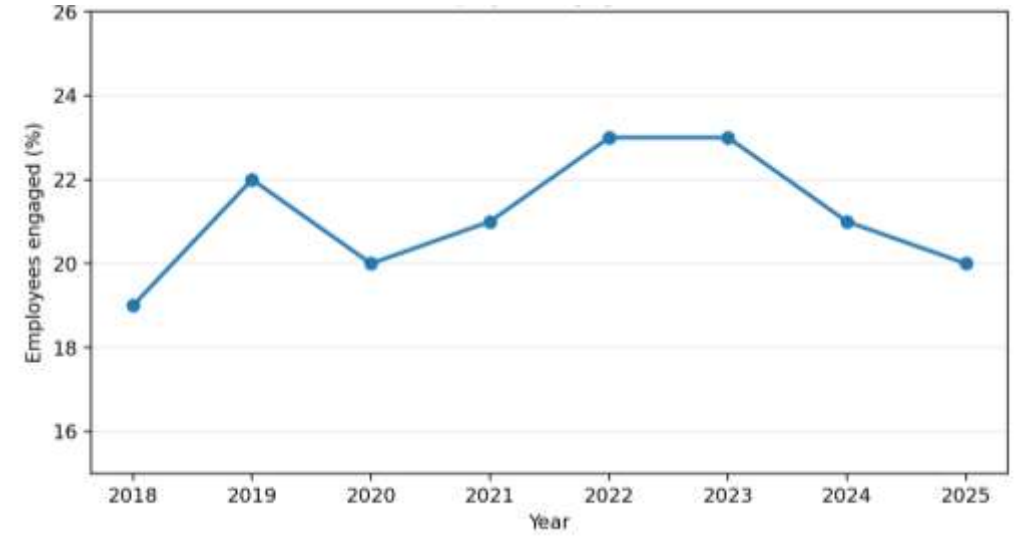


Figure 2. Global Employee Engagement Trend, 2018-2025

Source: Gallup, State of the Global Workplace: 2026 Report.

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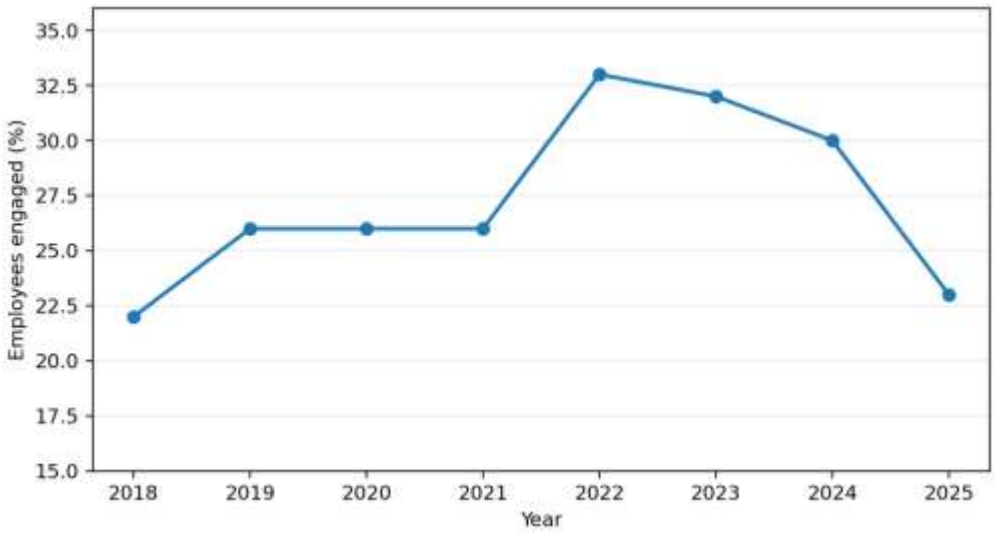


Figure 3. Employee Engagement in India, 2018-2025

Table 3. Global Employee Engagement by Region, 2025

Region	Employees engaged (%)
United States and Canada	31
Latin America and the Caribbean	30
Southeast Asia	25
Post-Soviet Eurasia	25
Australia and New Zealand	21
South Asia	21
Sub-Saharan Africa	19
East Asia	18
Middle East and North Africa	14
Europe	12

Source: Gallup (2026). Values are regional engagement percentages for 2025.

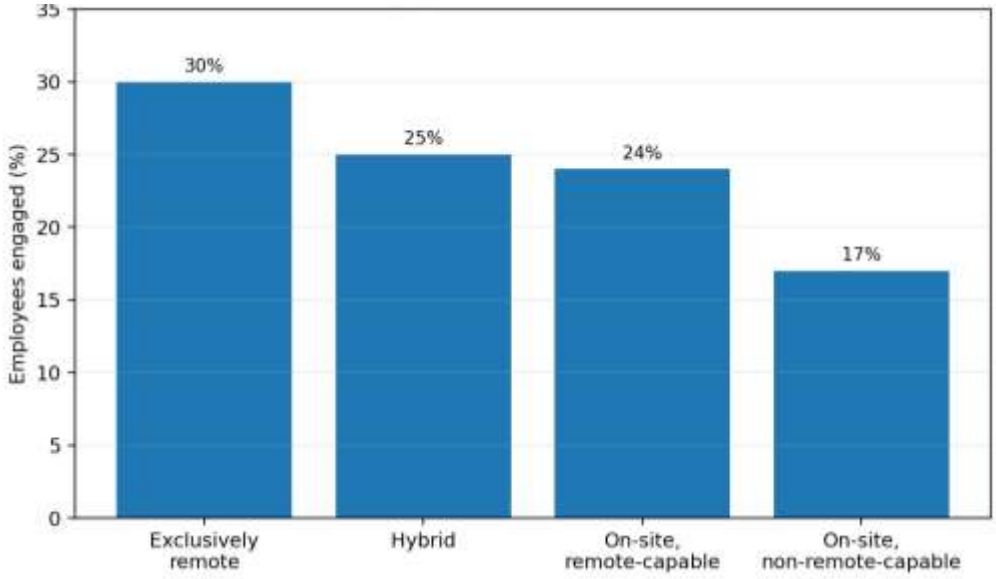


Figure 4. Global Employee Engagement by Work Location, 2025

Source: Gallup (2026).

7. Emerging Workplace Practices

The use of hybrid and remote working isn't something that's only done when there's an emergency anymore, but is increasingly being embraced as a working method. Not only does it have the best evidence as far as employee preference, but the study of causal effects as well. Bloom, Han and Liang (2024) conducted a randomized controlled trial (RCT) of a hybrid work arrangement that involved two days of remote work per week, which found no negative effects of such a work model on measures of work performance or coding output, but did increase job satisfaction and reduce quitting rates by about 33% in a tech company with 1,612 participants. What is important is that flexibility and performance can go hand-in-hand if it is done well in a hybrid working environment, as this study shows. The pandemic has also been the impetus for home-working research which found links between home-working conditions and workload and social support and productivity, engagement and stress (Galanti et al., 2021).

You don't necessarily need to have flexible options in your place of work. By arranging things like start/finish times, a compressed working week, part-time working or flexibility over when the focused working is completed, this can be helpful to

the employee. While flexibility is a positive aspect of motivating employees, it can become a coordination cost and indistinct boundaries if not properly managed. The challenge for the organization is to create a minimum amount of collaboration requirements and stay independent wherever possible. This means to have a clear outcome and expectation of response, and be able to be with team members, and not take it for granted that team = productivity.

There are also other worker wellness programs in flux. While traditional wellness benefits are not enough, if the root cause of the job is still unrealigned or overloaded. Workload and staffing, psychological safety and the time to recover, and managers' behavior, are all good wellbeing practices. This holistic strategy is supported by engagement research findings; resources that assist employees in dealing with demands are linked to greater engagement. Therefore well-being should be measured via participation in programs, as well as via the following well-being indicators: risk of burnout, sustainable workload, absenteeism, recovery, quality of working environment. Improving organizational practices in order to increase the employee resources and meaningfulness of the employee's organizational activity is likely to lead to an increase in engagement (Björk et al., 2021; Khusanova et al., 2021) in the case of engagement.

Digital employee experience is a crucial component of employee engagement and productivity. The employees talk to the organization via collaboration platforms, HR systems, communication platforms and increasingly through AI assistants. If the systems are not connected, work is duplicated, disruptions and frustration take place. Better systems can help to reduce administrative time and increase time dedicated to higher priority activities. According to Microsoft's 2024 Work Trend Index, numerous knowledge workers report using AI to save time, work on relevant tasks, and boost their creativity. The question for management is how to incorporate these new technologies and training, governance and redesign of work processes in a way that ensures gains in productivity do not result in an extra burden.

As the need for skills is changing rapidly, learning and development practices are increasingly becoming continuous. Engagement can be driven by development through mastery and opportunity for career progression and development can also help to keep employees on board by offering them a place to develop. The most effective development systems are those that link learning to real work, internal mobility and future jobs. If an employee is unable to use

the new skill or no gain is realized as a result of any training, then these basic training catalogs are unlikely to make a lot of difference to engagement. More recently, there has been evidence of links between work-life balance and cultural intelligence, on the one hand, and employee engagement and performance and intentions to remain in the organization, on the other (Alnagbi et al., 2025; Presbitero et al., 2025).

These practices, which evolved from traditional employee programs to work system design, can be observed in this trend. In fact, it is becoming more and more possible to claim that all of the above are mutually dependent in the hybrid working environment, with the use of digital tools, well-being, learning and engagement. A bad digital environment can lead to a counterproductive flexibility; one development program can succeed without time to learn, another development program can fail without an adequate amount of time to learn, a well being program can't offset chronic understaffing. The employee experience should thus be treated as a system: a policy, tech, leadership and job design system. There are also emerging examples of the significance of human capital, and, consequently, a need to re-design work, leadership and capability systems as engagement is not a programme in isolation.More human-capital evidence also suggests the need to re-design work, leadership and capability systems in tandem rather than engage in a programme on stand-alone (Deloitte, 2025).

Table 4. Emerging Workplace Practices and Their Relevance to Engagement, Productivity and Retention

Workplace practice	Evidence / indicator	Likely organizational relevance
Hybrid work	Randomized trial: quit rates reduced by about one-third, with no detectable performance damage (Bloom et al., 2024)	Can support retention and satisfaction when work is suitable for hybrid design.
Communication clarity	Highly engaged organizations show stronger communication and goal clarity (Microsoft, 2023)	Helps convert effort into focused productivity.

Positive culture	Workers in positive cultures show stronger motivation and retention (SHRM, 2024a)	Links engagement, quality of work and intention to stay.
Resource-building interventions	Systematic reviews/meta-analyses report positive engagement effects (Björk et al., 2021; Mazzetti et al., 2023)	Supports structured interventions rather than one-off morale activities.
AI-enabled work	Employees report time-saving, focus and creativity benefits, alongside implementation concerns (Microsoft, 2024)	Requires work redesign, training and governance to translate technology into sustainable productivity.

8. Key Findings

Based on the evidence reviewed, the conclusions of this paper are consistent with the evidence. The first is that it is not one thing "employee engagement," but rather a feeling of motivation, a feeling of energy, dedication and involvement. It is influenced by the resources from the job and organization such as supportive leadership, autonomy, feedback, learning opportunity and fair treatment. Secondly, there are sizable metanalytic evidence bases that support the engagement-performance relationship. However, the impact is real, but not determinative, if the worker is not engaged, he/she will not be more productive, but if the worker is engaged, then the technology, skills, capital and process design, and the obvious priorities will. Third, engagement is highly related to organizational commitment and organizational commitment is highly related to retention but turnover is not synonymous with retention because people could stay in the organization during a downturn and engage but not commit to the organization. Moreover, the empirical evidence recently collected in the field in Indian Hospitality has shown that meaningful work is an important pre-condition for engagement, and a process of engagement, respectively.

Fourth: Leadership and culture are connections between the three outcomes. Clearly, the setting of expectations, support and acknowledge achievement can impact on engagement, setting priorities and removing barriers can impact on productivity and being

fair, growing others and the day to day environment of the workplace can impact on retention. The employment contract is flexible in the fifth place. The best evidence indicates that implementation of well-designed hybrid working can enhance satisfaction and retention without impacting on performance, but that this is not applicable to jobs that cannot be done remotely. Sixth, employee wellbeing should be considered a dimension of sustainable performance as opposed to a piece of a benefit package. An agreement based upon overwork is not going to stand the test of time.

Engagement in the world has been low recently, with the world's engagement rate falling since its engagement peak in 2022-2023. There's a risk that newer ways of working won't necessarily improve the employee experience if not managed correctly. 8, Opportunities and risks of using digital tools and artificial intelligence. They can reduce repetitive work, support focus but can also enhance the intensity of work, amount of focus and focus dispersion. This is not likely to be a result of simply more technology, but more likely a result of the organizational benefits that can be gained by re-thinking work with the use of technology. Last but not least, the engagement, productivity and retention should be measured as a whole. For organizations, combinations of employee attitudes, objective performance, absence rate and intention to stay and internal mobility should be used as they have potentially misinterpreted results if used individually.

9. Conclusion

Employee engagement and employee retention are closely related to productivity and there is a significant correlation between the two, but they are different. Engagement means a mental state of a employee on his/her job, while productivity is the effectiveness of efforts and resources in producing valuable products and the continuation of the employment relationship is called retention. The work that is presented here demonstrates that positive leadership, purposeful work, resources, recognition, development, fair treatment and clear boundaries of the work space at work and home are all important to improving engagement. It also shows a positive association between engagement and job performance and/or organization commitment and how low culture, and poor management, can raise the odds of turnover. The new labour market information includes yet another warning: engagement across the globe is still low and even a change of job or to a new technology is not thought of as a step towards a positive relationship with the employer. Organisations need to have clear systems of work and not simply one campaign to which to engage. Clear goals and goals that give autonomy and resources;

goals that give accountability and fair recognition; goals that are flexible and coordinated; goals that are implemented with digital tools and job redesign and skill development. Retention needs to be viewed more as developing work for the employee that he/she can do effectively, and sustain over time, than as a reduction in turnover. When these qualities are all taken together, they can help to make engagement a real asset to improve employee health, productivity and retention.

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