

Employee Experience and Employee Outcomes: A Multi-Group Analysis of Generation Z and Millennials

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Abstract—This study examines the relationship between employee experience and employee outcomes among Generation Z and Millennials. Using data from 772 employees, the study employs PLS-SEM and multi-group analysis to assess differences between the two generations. The findings indicate that employee experience significantly influences employee performance, turnover intentions, and discretionary behaviour, with stronger effects observed among Generation Z than Millennials. The study highlights the importance of recognising generational differences when designing employee experience and human resource practices. These findings suggest that tailored workplace strategies may strengthen positive employee outcomes across a multigenerational workforce.

Index Terms—Employee Experience, Gen Z, Millennials, Multi-group Analysis.

1. Introduction

The meaning of work is undergoing a fundamental transformation. For many employees, employment is no longer evaluated solely in terms of financial security or career progression; rather, the quality of the experience associated with work has become increasingly important. This shift is particularly visible among Generation Z and Millennials, who are entering and reshaping contemporary workplaces with expectations that extend beyond conventional employment outcomes. This changing orientation creates an important challenge for organizations. When employees' expectations are not adequately reflected in their workplace experiences, dissatisfaction may extend beyond a temporary decline in job satisfaction and influence how employees perform, contribute and decide whether to remain with the organization. Recent evidence illustrates the magnitude of this expectation–experience gap. Deloitte's 2025 India findings indicate that although Gen Z and Millennials place considerable importance on career development and managerial support, many perceive a gap between what managers should provide and what they actually receive. Younger employees are often characterized as being more willing to change jobs when their expectations are not met. However, viewing such mobility merely as job-hopping or organizational instability may provide an incomplete understanding of the phenomenon.

When employees actively evaluate whether their work provides purpose, development, well-being, recognition and balance, movement between organizations may also represent an attempt to seek a more compatible employment environment (Pangallo et al., 2022). In this sense, employee mobility can be understood not only as an organizational retention problem but also as a potential response to the quality of the experience employees receive. The question, therefore, is no longer simply why younger employees leave, but whether organizations are providing experiences that give them sufficient reasons to stay.

This question becomes more complex in today's multigenerational workplace. Organizations increasingly comprise employees belonging to different generational cohorts, each shaped by distinctive social, technological and economic circumstances. The presence of multiple generations within the same workplace contributes to diversity in values, attitudes, expectations and approaches to work (Podsakoff, 2017). The literature commonly identifies Baby Boomers, Generation X, Millennials or Generation Y, and Generation Z as major cohorts represented in contemporary workplaces (Gibson et al., 2010; Kaifi et al., 2012). These cohorts have developed under different historical and technological conditions, which may influence how they perceive work, organizational relationships and career expectations. Among these cohorts, Generation Z and Millennials warrant particular attention. Millennials entered employment during a period marked by increasing globalization, digitalization and changing career structures, whereas Generation Z represents a cohort that has grown up with pervasive digital technologies and is entering organizations at a time of rapid technological transformation. Their expectations concerning flexibility, learning, purpose, well-being and work-life balance have therefore become central to contemporary discussions of workforce management. Consequently, understanding the contemporary workforce requires attention not only to the general quality of employment but also to the possibility that employees belonging to different generations may respond differently to similar workplace conditions.

The present study addresses this gap by examining whether employee experience influences three outcomes that are central

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to both individual and organizational sustainability: employee performance, retention and discretionary behaviour. More importantly, the study investigates whether these relationships differ between Generation Z and Millennials using multi-group analysis. Rather than treating generation merely as a demographic characteristic, the study examines whether generational membership is associated with meaningful differences in the strength of the employee experience–outcome relationships.

This approach shifts the focus of the generational debate from “What do Generation Z and Millennials want from work?” to a more consequential organizational question: “Does employee experience translate into employee outcomes differently for Generation Z and Millennials?” This question is particularly relevant in the Indian context, where organizations must manage an increasingly diverse workforce while simultaneously responding to changing expectations surrounding purpose, development, well-being and work-life balance. Both cohorts are actively developing new skills, increasingly using generative AI at work, and placing importance on career growth and workplace well-being, while also reporting concerns related to financial security, stress and managerial support. These developments reinforce the need to understand not merely what younger employees expect, but how the experiences organizations create are translated into employee behaviour and organizationally relevant outcomes.

Accordingly, this study contributes to the emerging employee experience literature in three ways. First, it examines employee experience in relation to multiple employee outcomes rather than limiting the discussion to satisfaction or turnover intentions. Second, it introduces a generational perspective by comparing Generation Z and Millennials and testing whether the relationships between employee experience and employee outcomes differ significantly across these cohorts. Third, by examining employees across multiple sectors within the Indian context, the study provides evidence relevant to organizations attempting to develop sustainable workforce strategies in a rapidly changing employment environment.

The remainder of the paper reviews the relevant literature and develops the conceptual framework and hypotheses. The subsequent section describes the research methodology and multi-group analytical approach, followed by interpretation of the empirical findings. The paper then discusses the theoretical and practical implications of the findings before concluding with the study's contributions, limitations and directions for future research.

2. Literature Review

Age has become a critical aspect of workforce management. It is societal in nature as it builds on organisational hierarchy, as the privileges, authority, and exchanges in the organisation are social in nature (Dencker *et al.*, 2017). Notably, although not every person in a generation cohort, but majorities share many of their generation's qualities, characteristics, and beliefs (Busch *et al.*, 2008). An interplay of organizational culture, employee experience, and job satisfaction affects retention of Gen Z employees (Dwidienawati *et al.* (2024). It does not exert

a direct effect on turnover intention, instead, organizational culture plays a more decisive role in reducing turnover intent, with job satisfaction acting as a crucial mediator.

Retention, work-life balance and motivation are positively affected by transformative leadership differently for Gen X, Gen Y and Gen Z (Lee *et al.*, 2022). These different generations reinforce the effect of employees and organisational determinants (autonomy, rewards, and meaningful work) on corporate venturing (Guerrero *et al.*, 2019). Such differences in experience, motivations, culture, work values and resource sharing creates difference at workplace and (Parry & Urwin 2011).

Engagement and meaningful work is uniquely different for generations (Hoole & Bonnema, 2015). Physical workplace options, values and workplace fun strongly effects generation Z than millennials (Lamm & Meeks, 2009). Gen Z expressed that due to workplaces with more multiple physical options, flexibility and value based structure led to stronger intent to stay in the same organisation and easily get frustrated due to lack of opportunity to work for personal goals. Millennials also showcased the similar trends but weaker than Gen Z as they seek growth, learning and rapid advancements (Aggarwal *et al.*, 2020). Gen Z opts quiet quitting when feels dissatisfied with the organisational practices and lacks meaningful work (Zhong *et al.*, 2023).

Furthermore, Harari *et al.* (2023) supported the results by stating that Gen Z are less resilient than millennials. Millennials are more emotionally robust and practice conscientiousness than Gen Z (Jonson *et al.* 2024). The existing studies suggests that bad culture, poor leadership, unproductive and unfavourable work environment forces Gen Z to leave the organisation (Sanjaya & Daniel, 2024). Satriawan *et al.*, (2025) stated that low engagement levels result in quiet quitting which increases turnover intentions among Gen Z employees. Job embeddedness and work-life balance helps to retain Gen Z employees. Similarly, meaningful work, and task identity makes Gen Z to stay longer by enriching its experience (Popaitoon, 2022).

3. Methodology

The authors employed purposive sampling technique and snowball sampling technique, wherein former ensured that respondents had at least six months' experience and from selected industry sectors, meanwhile latter helps to collect the larger data set from similar respondents, gathered through a self-administered online survey. The target population comprised of Millennials (born between 1980-1996) and Generation Z (born between 1997-2012). Out of 916 questionnaires, 772 (401 males and 371 females; 382 Generation Z and 390 Millennial) were found to be suitable for analysis after excluding the incomplete responses and missing value cases. The sample size was justified by the prior studies, making it adequate for generalising the results. For instance, Ng and Feldman (2012) tested the relationship between job satisfaction and turnover intentions among Generation X and Y employees with 288 participants, while Lee and Shin (2018) examined the relationship between transformational leadership

and employee engagement among the same generational cohorts using 322 responses. These studies justify a sample size of approximately 200–300 per generation as fulfilled in this study (Figure 1).

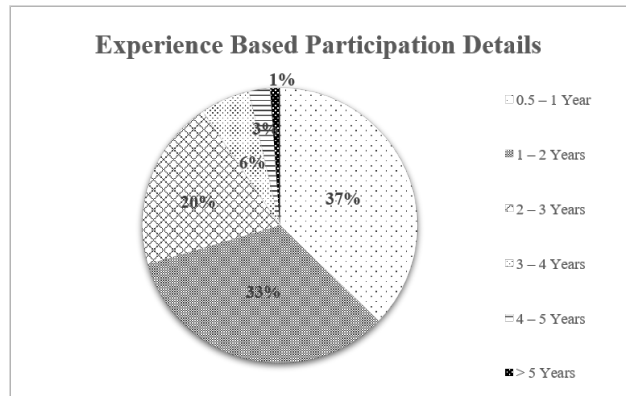


Fig. 1. Participation details of respondents (Author's Creation)

Furthermore, the authors in this study have revalidated the existing scales for all constructs, namely employee experience (EX), employee performance (EP), turnover intentions (TIS) and discretionary behaviour (DB) using content validity index and inter-rater agreement scores of Scott's pi (Fleiss, 1971). The authors finalised 29 contextually relevant items out of 45, having substantial level of acceptance (≥ 0.6). The data was collected through professional platforms like LinkedIn, after taking their consent through a message, and by following ethical standards, with non-disclosure of any information of the respondent. SmartPLS, was used for PLS SEM modelling. Generation differences were checked through multi-group analysis.

The figure 2 shows the conceptual framework consisting independent variable employee experience hypothesised to be having positive correlations with employee performance and discretionary behaviour, however negative relationship with employee's turnover intentions.

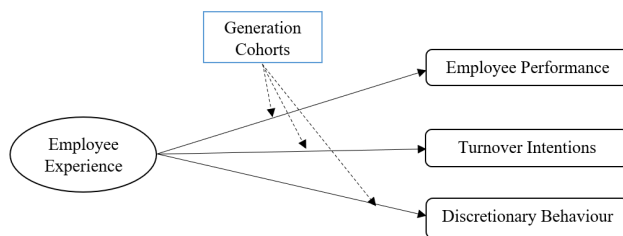


Fig. 2. Conceptual framework (Author's Construct)

4. Results

To initiate the process, the data was refined and coded. After which, the common method bias/variance was checked through Harman's single factor test, and variation inflation factor (VIF). While, the total variance explained by the first factor stood at 33.151%, below the threshold limit of 50%, the highest variation inflation factor (VIF) value stood at 3.3, which was less than threshold limit of 5.0 indicating absence of CMB in the present model (Podsakoff et al., 2003). The data was

approximately normal, with skewness and Kurtosis values within respective threshold limits at 95% significance level.

For measurement model assessment, the construct validation was examined through Cronbach Alpha, Principal Component Analysis (PCA), PLS model of estimation and cross loadings (Hair et al., 2019; Cronbach & Meehl, 1955). The reliability testing for employee experience, employee performance and turnover intention showed values above 0.90, categorized as Great level of internal consistency except for discretionary behaviour having the Cronbach Alpha value > 0.80 , demonstrating a good level of internal consistency (George and Mallery, 2003). The principal component matrix showed factor loadings more than 0.7 and variance extracted (AVE) was greater than 60%, indicating variance explanation power of the model (Table 1).

Table 1
Summary of measurement model assessment

Constructs	Items	Outer Loadings	CR	AVE	Indicator Reliability
Employee Experience	EX_1	0.913	0.947	0.718	0.833
	EX_2	0.899			0.808
	EX_3	0.917			0.841
	EX_4	0.906			0.821
	EX_5	0.909			0.826
	EX_6	0.905			0.819
	EX_7	0.909			0.826
	EX_8	0.906			0.821
	EX_9	0.919			0.845
Discretionary Behaviour	DB_1	0.919	0.947	0.664	0.845
	DB_2	0.910			0.828
	DB_3	0.916			0.839
	DB_4	0.920			0.846
	DB_5	0.901			0.812
	DB_6	0.906			0.821
	DB_7	0.927			0.859
Employee Performance	EP_1	0.916	0.919	0.653	0.839
	EP_2	0.902			0.814
	EP_3	0.898			0.807
	EP_4	0.915			0.837
	EP_5	0.907			0.823
	EP_6	0.902			0.814
	EP_7	0.916			0.839
Turnover Intentions	TIS_1	0.890	0.946	0.714	0.792
	TIS_2	0.898			0.807
	TIS_3	0.880			0.774
	TIS_4	0.891			0.794
	TIS_5	0.898			0.807
	TIS_6	0.891			0.794

Source: Author's compilation in PLS software

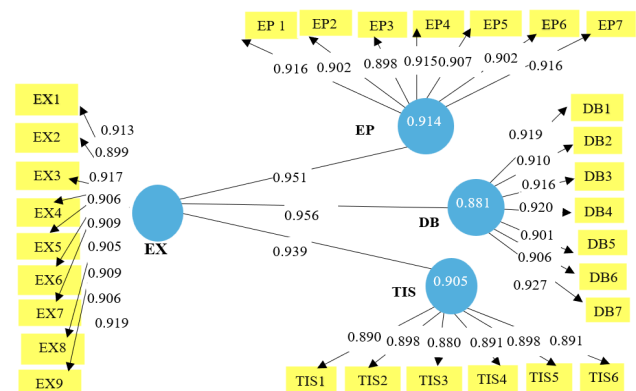


Fig. 3. Basic PLS model of estimation (Author's Construct)

R^2 values exhibited high degree of effect of independent variable (EX) on dependent variables (EP, TIS, DB) as shown in figure 3, in addition to the outer loadings of the items for each constructs. Composite reliability (CR) were within the acceptable range (> 0.7). Moreover, the indicator reliability scores were greater 0.9 for all the four constructs namely, employee experience, employee performance, turnover intentions and discretionary behaviour. The cross-loadings across various constructs, fornell-larcker criterion, exhibited adequate discriminant validity, as the square root value of AVE were greater than the correlation of the constructs. The HTMT (Heterotrait-Monotrait Ratio) matrix represented the correlation values below the threshold limit (< 0.8), marking differences across the constructs. chi-square statistic was significant ($\chi^2 = 1149.025$, $df = 374$, $p < .001$), and other model fit indices displayed a good model fit. The Chi-square/df ratio was 3.072, which is within the acceptable range (< 5) for model adequacy (Wheaton et al., 1977). The Root Mean Square Error of Approximation (RMSEA) was 0.052 at 90% confidence interval, ranging between 0.048 to 0.055, indicating a close fit of the model (Browne & Cudeck, 1993). The Standardized Root Mean Square Residual (SRMR) was 0.020, well below the acceptable threshold of 0.08 (Hu & Bentler, 1999), suggesting a good fit between the observed and predicted model.

Furthermore, multi-group analysis (MGA) revealed the moderating effect of generation cohorts. This test provides group specific outcomes in the model. Pre-requisites to MGA is Measurement Invariance of Composite Models (MICOM). It includes visual glancing the data to ensure that both generations have same indicators, measurement scales of responses, as a part of configural Variance. For compositional invariance, weights are checked. Test of equal means and equal variance ensure that these exhibit insignificant differences (> 0.05), so that the actual difference in the structural model assessment is not a result of measurement bias or error. Table 2 provides generation specific differences for the selected employee outcomes.

Table 2 presents the generation or age based differences in employee outcomes. Employee experience positively effects employee performance (Gen Z $\beta = 0.669$, Gen Y $\beta = 0.382$), and discretionary behaviour (Gen Z $\beta = 0.688$, Gen Y $\beta = 0.274$); meanwhile, employee experience is negatively effecting the turnover intentions of the young workforce (Gen Z $\beta = -0.647$, Gen Y $\beta = -0.339$). The p values for all the interactions in the model are less than 0.01 at 95% of significance level, indicating that impact of employee experience on employee performance, discretionary behaviour and turnover intentions, is significantly different for Gen Z and millennials. The results fulfil the hypotheses generated at the beginning of this research. The hypothesis H_1 is accepted as there was a significant difference between Gen Z and

millennials in how employee experience effects employee performance. For turnover intentions, it was observed that employee experience significantly reduces the turnover intentions of both the generations (H_2). Lastly, it was revealed that discretionary behaviour of the generation cohorts is been effected differently by employee experience, eventually rejecting the third null hypothesis.

5. Discussion

The present study reveals that for generation cohorts, it is visible that how employee experience effects employee performance, discretionary behaviour and turnover intentions of Gen Z and millennials is significantly different, largely rejecting one-size fits all approach in HR policies in modern workforce. The HR practitioners need to capture experiences of the generations with personalised lenses, rather than with common yardstick. Notably, it also unveiled which generation is more sensitive towards positive and negative experiences at workplace, while positive experience effects employee outcomes for both generations, Gen Z emerged as more touched and quick decision maker in employee turnover than millennials. For them, growth, learning & development and opportunities are crucial, at the same time experience can hold them for longer duration. Generation Z and millennials are very similar in terms of ambitions and growth, but differ in priorities (Deloitte, 2025).

To answer the second research question - the practitioners and HR managers must take the generational differences into consideration while creating employee engagement strategies and other related policies, so that the employee may feel comfortable and good about the organizational activities and values. Furthermore, generational differences cannot be neglected due to its significant impact as a moderator between employee's experience at work and its performance, discretionary behaviour and intent to stay in the organization. Gen Z and millennials both acts as ambitious generations and very slight differences across these young generations can be seen. For instance, digital skills like AI, GenAI and soft skills matters for both, they want to learn and excel at work, but work-life balance, sense of purpose, meaningfulness of work and physical workspace, flexibility matters for Gen Z more than millennials.

6. Conclusion

The study overall emphasised on employee experience and its impact on employee performance, employee turnover intentions and discretionary behaviour of employees. It can be concluded that employee experience is a critical driver of key employee outcomes, particularly employee performance, discretionary behaviour, and turnover intentions, for which it provides empirical evidences on how generational diversity at

Table 2
Multi-group analysis results for generation cohorts

Model Path	Gen Y (β)	Gen Z (β)	Original difference	Permutation p value	Results
EX->EP	0.274	0.688	-0.415	0.000	Significant difference
EX->TIS	-0.339	-0.647	0.308	0.000	Significant difference
EX->DB	0.382	0.669	-0.287	0.000	Significant difference

Source: Author's compilation – based on data statistics

workplace can vary due to workplace flexibility, culture, physical workspace, and technology.

The present study recommends HR practitioners to employ personalised and customised experience design, in order to provide positive employee experience. Young generation, unlike their preceding generations, seek more flexibility, appropriate work life balance, and career advancement opportunities. Regardless of regions ethnicities, demographic differences, employee experience has become a universal tool for employee retention.

Future researchers can incorporate longitudinal research design in order to capture employee experience better. Furthermore, larger sample size can help to generate a universally acceptable model. Additionally, existing scales of employee experience rarely cover complete employee lifecycle from pre-employment to exit. Therefore, researchers can employ self-developed employee experience scale to capture employee experience comprehensively.

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