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# The Employee Experience Disconnect

## Why Business Leaders Are Focused on the Future While Employees Struggle with the Present

# Executive Summary:

In corporate circles, employee experience (EX) has become the phrase everyone uses. It shows up in board presentations, CEO speeches, and strategy documents. Ask a senior executive and they will insist it is a priority. But if you sit with employees and listen to how they describe their workday, and watch how they navigate the tools they're given...the story sounds different. The words don't match the reality.

Our EX20 Global Study makes that mismatch visible.

More than half of leaders, **56.6%** **say they are increasing their focus on EX,** but just **36.6%** **say it is prioritized right now.**

Leaders and employees agree on only one area, communication, and disagree on almost everything else.

**93%** of leaders believe EX is a company-wide focus. **Yet only...** **58%** of employees say the same.

**88%** of leaders describe EX as a source of competitive advantage, **but just** **1 in 3** back it with meaningful investment.

This is not a trivial gap. Each time leaders speak confidently about EX but employees see little change, credibility erodes. And once skepticism takes root, it spreads quickly. Teams start to question whether other initiatives will be any different. Productivity slips. Innovation slows. People stop engaging with surveys and town halls because they no longer expect the promises to materialize.

# From Initiative to Infrastructure

Part of the problem is how organizations frame EX. In many places it is still approached like a campaign — a slogan, a few quick wins, a pulse survey to show progress.

## Those activities generate activity, but they rarely fix what employees find broken.

Employees notice the gap right away. A manager announces a new commitment to the “employee journey,” but later that day a finance analyst is still wrestling with an expense management system that requires multiple layers of approval. A CEO highlights investment in well-being, while employees in procurement wait weeks for basic vendor contracts to be signed because workflows remain outdated.

## The message and the reality do not line up.

That difference between initiative and infrastructure is decisive. Initiatives are episodic. They flare, attract attention, and then fade into the background. Infrastructure is constant; it shapes the way people work every day. Until EX is treated as infrastructure — baked into systems, processes, and accountability structures — employees will continue to see the gap. And once people decide those promises are fragile, it doesn’t matter how polished the next campaign looks. The belief is already gone.

# The EX20 Framework

To cut through the rhetoric, we built the EX20 framework. It identifies 20 recurring friction points that undermine employee experience, **organized into five categories.**

## Perceptual Gaps

Where leadership's views of performance don't match employee's lived reality.

## Communication and Engagement Gaps

Where messages miss the mark, personalization is absent, or segmentation is poor.

## Operational Gaps

Where processes, integration, and service design create unnecessary complexity.

## Technological Gaps

Where readiness for automation or AI is overstated, or where human-technology balance isn't managed.

## Data and Analytics Gaps

Where measurement and feedback systems fail to capture what really matters.

These are not abstract labels. They describe the places where productivity slows down, where collaboration becomes harder, and where attrition starts to take shape. By looking at EX through this lens, leaders can move past sentiment and diagnose the structural issues that hold organizations back.

# About the Study

The 2025 EX20 Global Study was conducted in Q2 across 14 industries, with input from 1,020 employees and 355 business leaders. Unlike traditional engagement surveys, which tend to measure satisfaction in broad strokes, this study was designed to surface friction. Employees were asked not just how they feel but where work actually breaks down. Leaders were asked to identify their priorities and investments.

By layering these perspectives together, the analysis shows both alignment and divergence. It also makes visible the risks that sentiment surveys alone often mask.
An employee may rate their engagement as “satisfactory,” yet spend hours every week working around outdated systems. A leader may proudly describe AI readiness, while employees remain untrained and hesitant to adopt the tools. Without mapping both sides, these gaps stay hidden until turnover spikes or productivity drops.

# Two Realities, One Workplace

When asked to name their top five gaps, leaders and employees agreed on only one: communication. Beyond that, their lists split in ways that reveal very different realities.

## Employees pointed to:

| | | |
|---|---|---|
| Process inefficiencies | → | **Process Gap** |
| Perception of EX itself | → | **EX Perception Gap** |
| Communication failures | → | **Communication Gap** |
| Lack of automation | → | **Automation Gap** |
| Limited segmentation | → | **Segmentation Gap** |

## Leaders emphasized:

| | | |
|---|---|---|
| Communication | → | **Communication Gap** |
| AI readiness | → | **AI Readiness Gap** |
| Talent strategies | → | **Talent Gap** |
| Trust | → | **Trust Gap** |
| Future expectations | → | **Expectation Gap** |

The split is telling. Leaders are looking forward, preparing for AI adoption, reshaping talent pipelines, planning for long-term trust. Employees are still stuck in today's friction,  approval chains that slow them down, manual reporting, systems that don't talk to each other. Without a shared view, investment gets channeled into future-facing projects while employees struggle with basics that leadership assumes are already solved.

# Priorities in Conflict

Both groups agree that EX should enable performance and collaboration. Beyond that, the priorities diverge. Leaders look at outcomes: retention, acquisition, and productivity. Employees look at conditions: culture, engagement, and operational efficiency.

## This divergence matters. It drives where budgets go and what gets called "strategic." Leaders pour resources into high-visibility outcomes. Employees ask for functional basics.

Consider a financial services firm that launched a major AI program for client servicing. The board celebrated it as proof of transformation. Employees, however, were still filing compliance documents manually and waiting days for approval on basic reporting workflows. The new tools looked advanced, but the day-to-day friction remained. Performance was promised; employees saw more complexity.

# Leaders See Progress. Employees See Friction.

The study shows how wide this perception gap has become.

## Talent Retention

GAP 23%

65% Employees

88% Leaders

## Engagement and Morale

GAP 21%

67% Employees

88% Leaders

## Operational Efficiency

GAP 22%

70% Employees

92% Leaders

## Culture and Values

GAP 17%

73% Employees

90% Leaders

## Operational Efficiency

GAP 19%

73% Employees

92% Leaders

The gaps are consistent and significant. Leaders believe systems are working.

## Employees say they are not.

A global telecom provider illustrates the point. Executives highlighted a new AI-driven self-service platform as a breakthrough. Yet call center agents reported little training and continued to use manual workarounds.

## To leadership, the company had made a leap. To employees, little had changed.

Retail offers another example. A major chain rolled out autonomous stores to showcase innovation. Customers saw futuristic checkout experiences. Employees, still scheduling shifts in legacy systems and managing inventory by hand, experienced more stress, not less.

## For them, the future was on display... but the present was still broken.

When this cycle repeats, employees stop believing the announcements. They assume the next initiative won't make a difference either.

# Delivering Performance—But at a Cost

Leaders often cite performance as evidence that EX strategies are working. In our study, nearly a third — **32.4 percent** — said performance was the primary reason they focus on EX, and more than **95 percent** said they were satisfied with delivery.

Employees tell a more complicated story. Performance is being achieved, but often through overextension. Teams stay late, fill gaps manually, and invent their own workarounds. The work gets done, but at a cost.
The symptoms are visible: projects take longer than they should, collaboration slows instead of speeds up, and burnout builds quietly until people resign. To leaders, strong outcomes validate the system. To employees, those outcomes prove they are carrying the system.
**Only one of those views is sustainable.**

# 1 The Investment Gap

## This contradiction carries over into budgets.

**88%** **of leaders say EX is critical to advantage**

but only **33.3%** **treat it as a current investment priority.**

### The fallout is measurable.

- Global engagement dropped to **21 percent** in 2024, according to Gallup.
- In the U.S., that equates to **$438 billion** in lost productivity every year.
- Worldwide, disengagement costs are estimated at **$8.8 trillion,** or about 9 percent of GDP.
- Disengaged employees are **61 percent** more likely to burn out and 48 percent more stressed daily.

The cost to retention is equally sharp. According to SHRM, employees with strong EX are **68 percent** less likely to consider leaving their organization. Companies that prioritize EX also report higher rates of innovation, stronger customer satisfaction, and lower turnover. The financial case is unambiguous: disengagement is not only a morale problem. It is a margin problem.

# 2 AI as the Breaking Point

## No area reveals the disconnect more starkly than AI.

### Employees are not hostile to the technology. In fact, 58.2 percent told us they are excited to use generative AI. But that excitement is tempered by doubt.

Only 38 percent believe leaders are being transparent about how AI is used. Nearly 47 percent say they lack training. Their top request is practical: eliminate repetitive, time-consuming tasks that add little value.

Leaders, however, frame AI as transformation. Employees see another initiative layered onto an already difficult environment. Even as companies spend heavily, only 1 percent describe themselves as mature in AI adoption. The problem is not access to technology. It is trust and enablement. Employees do not innovate with systems they don't understand.

AI doesn't just raise the stakes. It exposes every credibility gap already in play.

# 3 What Needs to Change Now

## Employees aren't pushing back on transformation itself; they're pushing back on being sidelined by it.

The gap won't close with more vision statements or another round of surveys. It will close only when leaders demonstrate credibility in execution. That means tackling the bottlenecks employees face every day… the outdated systems that slow decisions, the integration gaps that force manual work, the handoffs that create churn.

Managers need to be equipped as the first line of credibility. They translate strategy into lived experience, and if they lack the tools or authority to lead through change, even the best-designed initiatives stall. Equally important, systems must be designed with employees at the center. When tools are intuitive and processes are streamlined, performance follows naturally.

This is the shift: EX cannot stay in the category of "campaign." It has to be treated like core infrastructure, funded with real budgets, measured against clear outcomes, and managed with the same rigor applied to customer experience or financial performance. Organizations that make that pivot will build resilience and trust. Those that don't will continue to see employees disengage, quietly but decisively.

# 4 Closing

## The divide between leaders and employees is no longer about awareness — it's about belief.

Employees want to see evidence that promises translate into better tools, simpler processes, and less friction in their work. When they don't, they quietly disengage.

The costs are already visible: slower execution, stalled innovation, and the steady erosion of trust. AI adoption magnifies the risk. Without credibility, even the most advanced tools will fail to deliver, becoming symbols of frustration rather than progress.

The choice in front of leadership is simple. Treat EX as a line item to communicate, and watch credibility continue to slip. Or treat it as infrastructure — resourced, measured, and owned at the highest level. Companies that make that shift will not only retain talent but convert trust into performance and growth. Those that don't will discover that the real competitive gap isn't technology. It's belief.