

PARADIGM DATA INSIGHTS

# Unlocking the Potential of Your Workforce: The Benefits of Belonging





## Unlocking the Potential of Your Workforce: The Benefits of Belonging

For individuals, belonging is a feeling: a sense that you're connected to others and a valued member of the group. It's a fundamental human need, and when people have it, the benefits are clear: people feel safe, they are more engaged, and they're bought into the group's success. When people don't have it, they're disengaged, constantly question themselves, and are likely to seek that feeling of acceptance elsewhere.

For organizations, creating a culture of belonging means fostering an environment in which every employee can experience that feeling of belonging, and as a result, can do their best work. Achieving this at scale doesn't just happen, even with all the best intentions. It takes focus and effort. At a high level, it requires building representative teams so that when people look around, they intuitively understand "people like me can be successful here." (In other words **diversity**.) It takes building fair processes and practices, so that people's identities don't limit or predict their ability to be successful. (In other words, **equity**.) And it takes standing up the policies, practices, and norms that allow people to thrive at work. (In other words, **inclusion**.)

A wealth of research has shown the business benefits of creating a culture of belonging. According to the [Harvard Business Review](#), a high sense of belonging is "linked to a whopping 56% increase in job performance [and] a 50% drop in turnover risk... For a 10,000-person company, this would result in annual savings of more than \$52 [million dollars]."





# What Does a Culture of Belonging Feel Like?

In organizations where employees feel a strong sense of belonging, people are:



**10x**

more likely to  
be engaged

**14x**

more confident  
in the company's  
decisions





## What Does a Culture of Belonging Feel Like?

To understand what employees experience in cultures of belonging, we analyzed survey data from more than 38,000 employees across 53 organizations. We found belonging is strongly correlated with productivity, motivation, performance, and job satisfaction. It's also a marker of workplaces where people speak up with ideas, take risks, and innovation can thrive.

In organizations where employees feel a strong sense of belonging, people are:

- Nearly 10 times more likely to be engaged at work.
- More than 7 times more likely to feel respected at work.
- Twice as likely to find purpose in their work.
- Nearly 5 times more likely to feel psychologically safe at work.
- 11 times more likely to feel like they have a voice at work.
- Nearly 14 times more likely to feel confident in the company's decision making.
- More than 8 times more likely to feel like their company is fair and objective.

Organizations that want to unlock the potential of their workforce should be highly motivated to create a culture of belonging. To do this well, organizations should start by asking “for whom is this not true today?” In other words, who is not experiencing a sense of belonging in our organization now, and why?



Employees' likeliness to feel like they have **psychological safety** when they feel like they belong.

When employees don't feel like they belong, they can't do their best work. They're less likely to share their ideas, take risks, and ask questions.





# Who is Most Likely to Feel Like They Belong?

People from underrepresented backgrounds are less likely to feel like they belong than their majority group counterparts



Non-binary employees are 26% less likely to feel like they belong compared to men.



Disabled employees are 16% less likely to feel a sense of belonging than non-disabled employees.

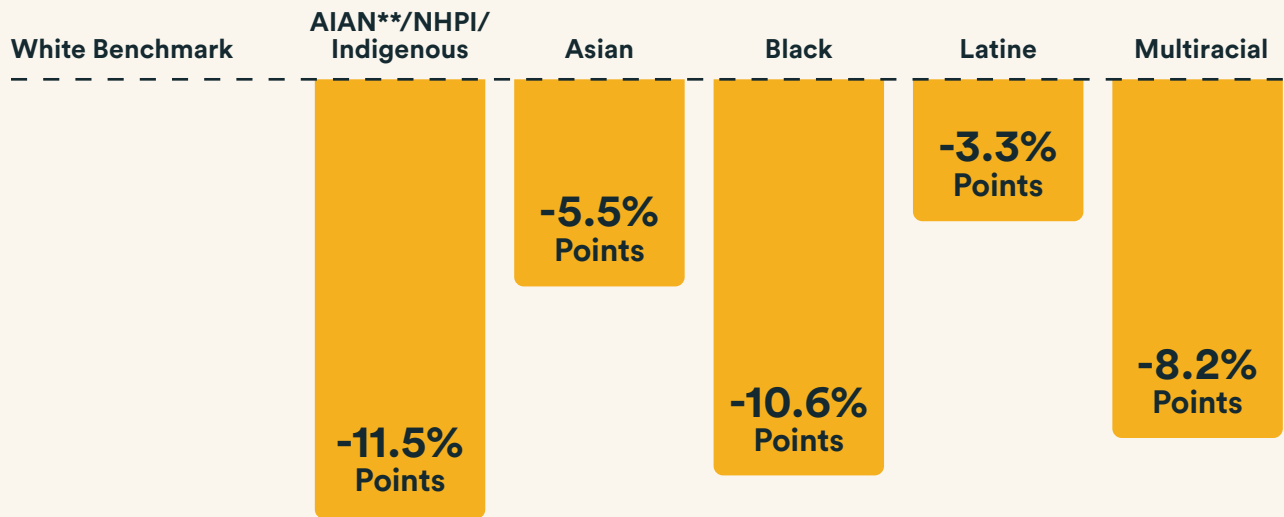


## Who is Most Likely to Feel Like They Belong?

Paradigm’s survey data show that people from underrepresented backgrounds are less likely to feel like they belong than their majority group counterparts. This is true across a number of demographic groups. Some of the largest differences include:

- Non-binary employees are **26% less likely** to feel like they belong compared to men.\*
- LGBTQ+ employees are **10% less likely** to feel like they belong compared to non LGBTQ+ employees.
- Disabled employees are **16% less likely** to feel like they belong compared to employees who are not disabled.

We also saw significant differences across racial groups, with employees of color generally experiencing a lower sense of belonging than White employees.



*Feelings of Belonging (measured in percentage points)*

\* Women are 2% less likely to feel like they belong compared to men.  
 \*\* AIAN is an acronym for American Indians and Alaska Natives and NHPI is an acronym for Native Hawaiian and Pacific Islander.



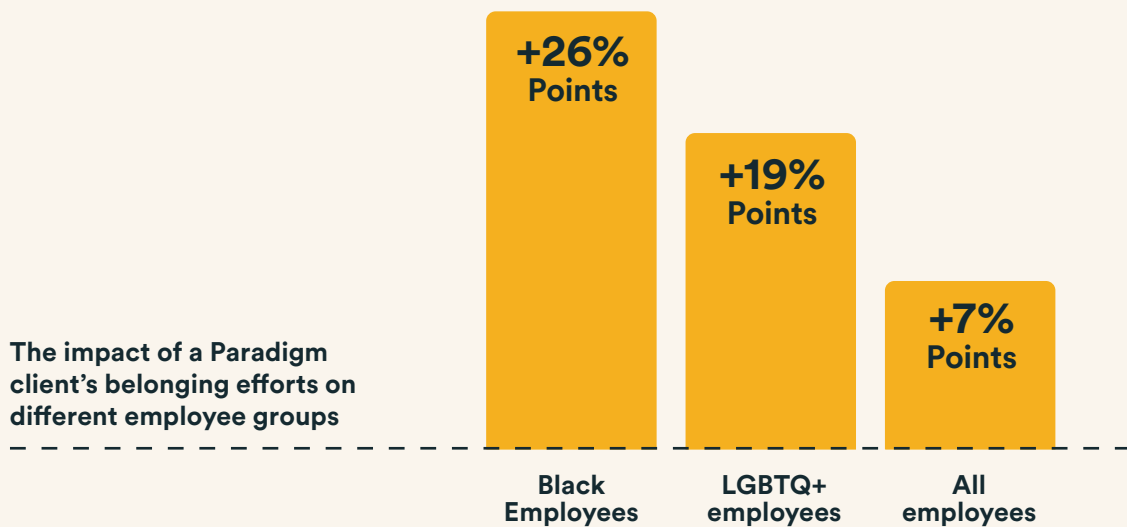


These demographic gaps in the employee experience are important for companies to keep in mind as they design belonging strategies. While it might be tempting in this climate to pursue strategies that ignore difference, and instead appeal, in theory, to as many employees as possible, that approach is unlikely to close critical gaps.

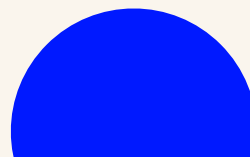
Instead, to close these gaps and create cultures where everyone can do their best work, organizations need to understand for whom belonging gaps exist, uncover why they exist, and design initiatives to close gaps for the groups having the least positive experiences.

 **The Good News?**

Our data also show that when companies focus on closing belonging gaps for people who are having the worst experiences, everyone benefits. For example, one organization we partnered with found that there were notable differences between Black and White employees’ sense of belonging, as well as LGBTQ+ and non-LGBTQ+ employees. After instituting a holistic strategy to address those challenges, in two years they not only increased Black and LGBTQ+ employees’ sense of belonging by 26 and 19 percentage points, respectively, they saw all employees’ sense of belonging increase by 7 points.



**In short: while focusing efforts on everyone typically doesn’t help the groups who face the biggest barriers, focusing efforts on those groups does tend to help everyone.**





# What Can Organizations and Employees Do To Foster Cultures of Belonging?



## How Common Are Belonging Practices?







## What Can Organizations and Employees Do To Foster Cultures of Belonging?

Creating a culture of belonging requires effort at both the organizational and individual level. A few of the things we've seen work best include:

- **Creating meaningful, trusting relationships**

Meaningful relationships at work are fundamental to belonging — they're required for fostering that feeling that someone is connected to the group.

For organizations, one of the biggest places they can make an impact is in the onboarding process. [Research shows that belonging is particularly important when someone is new](#), we found the majority of organizations aren't harnessing that potential.

For example only 47% intentionally include opportunities for new hires to connect socially with colleagues during the onboarding process, and 46% include opportunities to share and learn about others' experiences. Creating opportunities for new hires to build relationships early is an easy way for organizations to set the right tone.

As an individual employee who wants to create a sense of belonging for your colleagues, it's important to be deliberate about who you build relationships with. It's easy to gravitate towards the people we work with most, or those who are similar to us. By intentionally building relationships with people who are outside of those circles, you can help create cultures where everyone feels welcomed.

- **Showing that you value difference**

Another way companies can facilitate a sense of connection is through Employee Resource Groups (ERGs). These groups also convey that an organization values difference and wants to create a culture where people with a range of identities can thrive. Fortunately, we've found that many organizations are embracing that potential: in 2024, 62% of organizations in our dataset have ERGs, a 9 percentage point increase from last year.

At the individual level, when leaders communicate that they value diversity — for example, by reinforcing the organization's commitment to diversity, or by highlighting the contributions of team members who may bring different perspectives to the table — this can be a powerful signal that helps foster belonging.



- **Building a culture of growth**

Communicating a commitment to diversity is just one part of the much larger role leaders play in creating a culture of belonging. For most employees, the person who has the biggest impact on their sense of belonging, and their performance, is their manager. By empowering leaders with the competencies they need to help employees thrive, companies can drive powerful organizational change.

For individual leaders, one of the most effective skills to develop is the ability to create and reinforce a culture of growth. This starts with giving growth-oriented feedback. When someone who is already uncertain about their belonging receives critical feedback, it can lead to defensiveness or further undermine belonging. Research shows that when managers clearly express confidence that the person can use the feedback to improve, recipients are more likely to trust and act on the feedback. For example, instead of giving critical feedback without explanation, managers can try saying something like, “This is a really difficult type of project, and I’m giving you this feedback because I know it’s something you can take on and do well.”

While organizations can help managers with this type of training, individual managers can only do so much. Employees also want to be confident that they have the chance to progress in the organization, and that people from all backgrounds have the opportunity to succeed. They want to be confident that the company is making fair decisions, and they want to see people like them advance, which requires an organizational commitment throughout the talent development process.





## Conclusion

The benefits of belonging are clear: it drives engagement, innovation, and overall organizational performance. While it's in every organization's best interest to create a culture of belonging, many organizations fall short, especially for employees from underrepresented backgrounds.

Fortunately, intentional, data-driven efforts can make a difference. By identifying which groups feel the most disconnected and focusing on closing those gaps, organizations can create more inclusive, equitable workplaces where all employees, regardless of background, can thrive. The ripple effect is clear: when organizations improve the experiences of the most marginalized, the entire workforce benefits.

Both organizations and the people within them play a critical role in cultivating environments where everyone feels they belong. With intentional actions — from building meaningful relationships to showing they value differences to fostering growth cultures — everyone can unlock the full potential of a workforce.





## Need help building a culture of belonging?

Learn more [here](#), or email us at [contact@paradigmiq.com](mailto:contact@paradigmiq.com)



### About Paradigm

Paradigm offers an end-to-end suite of products and consulting services that help organizations build more diverse, inclusive cultures where everyone can do their best work. We have worked with more than 1,500 organizations around the world to design representative teams, fair talent systems and processes, and inclusive cultures that boost engagement, performance, and retention.

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