

The Business Case for Belonging Report

Strategies to cultivate connection and care for the Australian workplace



This report is presented by



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Introduction

How connected do your employees feel? Do your people feel that their manager cares? Do your employees feel a sense of belonging at work?

These kinds of questions may feel subjective or hard to quantify, but they have very real ripple effects on business performance and employee productivity and retention.

Visionary HR and business leaders that we work with across Australia are combatting disconnection and improving employee engagement through innovative initiatives and tools that effectively cultivate connection, care and belonging.

In this report, we'll be exploring some successful strategies Australian organisations can use to build belonging and create connection, supported by exclusive data from our [recent survey](#) of 1,000 HR managers and 1,000 employees across Australia.

We'll be exploring these findings and examining how Australian employees are feeling, how they're connecting and where the key opportunities lie for HR and business leaders.

We hope you find these insights thought-provoking and helpful. Please [contact our team](#) if you'd like to discuss anything in greater detail.



Kylie Green
Managing Director, APAC

Cultivating connection, empathy and belonging

The Australian workforce is undergoing significant change. Over the last few years, emerging technologies have transformed the way we communicate and create; global events provided a heightened awareness of the importance of mental as well as physical health; and social movements have led to individuals reassessing purpose and priorities. We've also seen an increase in casual, part-time, remote and job-sharing arrangements and a growing gig economy.

While these have been welcomed by many as big wins for flexibility, work-life balance and inclusion, it doesn't come without challenges. For increasingly diverse and distributed teams to do their best work, every organisation has needed to shift how it connects and builds cohesion.

These trends have contributed to changing social expectations and workplace norms. They have also contributed to our heightened awareness of belonging and social connection as a fundamental need in both our personal and professional lives. Without a sense of belonging and psychological safety, your employees will struggle to engage with their colleagues and their work and may pose a serious retention risk.



Creating an environment that prioritises compassion and support can improve employee engagement, satisfaction and success. Reward Gateway's Workplace Engagement Index found that 61% of employees believe having an inclusive environment where every team member feels a sense of belonging and acceptance, regardless of background, experiences or perspectives is a crucial must-have.



When employees feel safe, cared for and supported, they are more likely to thrive both personally and professionally, contributing to a positive and productive work environment.

Cultivating a real sense of community and belonging has so many positive outcomes for your organisation, it doesn't just feel good on a personal level, it also makes real business sense.

Harvard Business Review's [The Value of Belonging at Work](#) found that employees who feel they belong are 56% more likely to be high performers and 50% less likely to leave the company. They also experience a 75% reduction in sick days, receive double the raises and are 18 times more likely to be promoted.



56% of Australian employees say that a feeling of belonging at work is more important than a 10% pay rise; and employees that feel a sense of belonging at work are 1.5x more likely to recommend their employers to friends and family, according to Reward Gateway research.

Sadly, Aussie businesses have a long way to go before we've addressed this widespread and fundamental need. When asked how often they feel a sense of belonging, about half of employees (53%) frequently feel it, while one third (32%) occasionally feel it. Of the 15% of employees who say they rarely or never feel a sense of belonging, they attribute this to either a lack of social engagements, experiences of being excluded or undervalued, experiences of discrimination, high levels of work stress and negative workplace cultures such as poor management and toxic leadership.

Here’s what Aussie employees had to say about why they rarely feel a sense of belonging:

“ [My workplace is] **not very diverse**, so I feel like I have difficulty relating to my coworkers.

Gen Z

“ The company is quite large. **People who are very extroverted are seen** whereas anyone else who isn’t as extroverted isn’t.

Early Millennial

“ In my workplace, the **absence of an inclusive culture, poor communication and a lack of social interaction** left me feeling disconnected. Leadership style, inadequate onboarding and a mismatch in values further contributed to my sense of not belonging. It’s **crucial for organisations to address these issues** and create an environment where every employee feels valued and integrated into the team.

Early Millennial

“ The ability to **clearly communicate** what you think and **how you feel** goes a long way toward helping you feel accepted and welcome.

Late Millennial

“ I don’t feel connected to **the organisation I work for**. I do feel connected to my team and division, but not the company.

Gen X

“ As an LGBTQI+ employee, I often feel **isolated**.

Gen X

“ Feel overworked, underpaid and **not supported or appreciated**.

Baby Boomer

“ There is **NO recognition from management** on anything that we do... we’re treated as a number only.

Baby Boomer

Being able to share their struggles and challenges alleviates the burden on employees, reducing their stress and mental load and strengthening connections between teams and managers. It's no surprise then, that 60% of Aussie employees say that having a culture of empathy and colleagues who are supportive during challenging times is a must-have.

When asked whether they feel comfortable sharing their personal struggles and feelings, 53% of Aussie employees feel comfortable sharing with their manager, while 49% feel comfortable sharing with their colleagues.

Worryingly, our research found employees likely need that support: one in three Australian employees frequently experience burnout and another third occasionally experience it. Beyond excessive workload and insufficient resources, respondents also pointed to more intangible elements that contributed to their burnout, including:



When we think about cultivating a culture of empathy and belonging, all of these elements play a pivotal role from supportive colleagues and managers to a positive and productive company culture; open communication and transparency; trusted leadership; and continuous, meaningful recognition. To delve into this a little further, let's examine some initial steps your organisation can take to start cultivating a culture of empathy and belonging:

Practise empathetic leadership

Leaders play a crucial role in shaping organisational culture. By leading with empathy, compassion and humility, they set the tone for how individuals interact within a community. Empathetic leaders listen to their team members, understand their needs and support their growth and development. They prioritise creating an inclusive environment where everyone feels empowered to contribute their unique talents and ideas.

- 37%** Lack of recognition
- 29%** Unsupportive manager
- 28%** Unhealthy company culture
- 27%** Lack of trust in leadership
- 27%** Lack of open communication and transparency
- 21%** Unsupportive colleagues

Foster empathy through education

Education is a powerful tool for promoting empathy and understanding. By incorporating lessons on empathy, emotional intelligence and social justice into your organisational curriculums at all levels, we can equip workers with the skills they need to navigate an increasingly diverse and interconnected world. Teaching empathy not only helps employees develop stronger relationships but also cultivates a sense of social responsibility and global citizenship.



Build bridges across differences

Empathy allows us to bridge the gap between individuals who may have different backgrounds, beliefs or experiences. By actively seeking common ground and finding ways to connect with others, we can build bridges across divides and strengthen our sense of community. This might involve participating in intercultural exchanges, engaging in community service projects or simply reaching out to someone who may be feeling isolated or misunderstood.

Recognise progress not perfection

Recognising and rewarding people for their successes helps link their efforts into the success of the organisation as a whole and makes work more meaningful.

Don't wait until the end of a project to appreciate your people, celebrate the wins along the way! By encouraging a continuous culture of recognition where people feel seen, valued and appreciated, you can effectively enhance that sense of community and belonging, while acknowledging the progress individuals and teams have made.



60% of employees say having a sense of purpose in their roles and feeling valued for their contributions is a must-have.



62% say that their work wellbeing would improve if they were simply thanked more for their hard work.

Here’s what Aussie employees had to say about the impact of recognition:

“ I do believe that once you are rewarded for your endeavours, your happiness level goes up... **happiness is everything when it comes to employment**, in my opinion. Feeling recognised is the key to having a stress-free job and a healthy life.

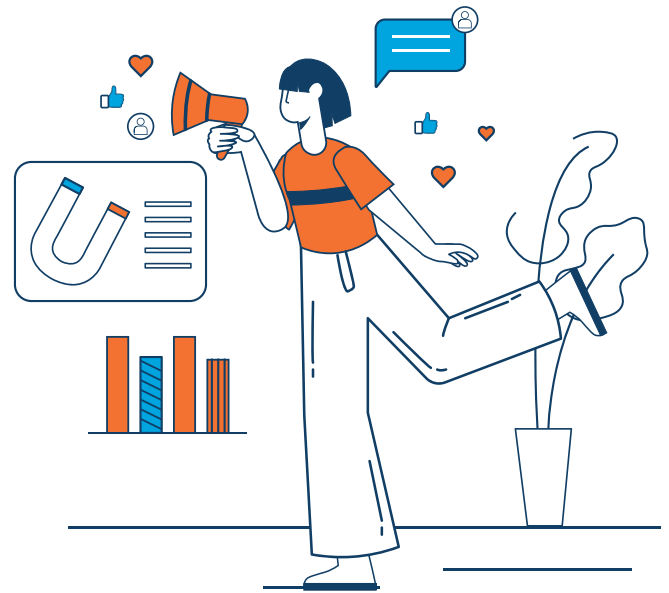
Gen Z

“ It’s not something that is done well in my company and **it can drastically improve output and productivity** if there is reward and recognition regularly.

Early Millennial

“ It’s always nice to be recognised for the work you do. And I believe **if you feel valued, you are more motivated** to do what’s needed and more.

Late Millennial



“ Nothing motivates like recognising good work. It’s **good for the organisation to have motivated employees** who work towards a common goal.

Gen X

“ Reward and recognition is **a great morale booster for employees**. The level of satisfaction and the unity of the team helps with the overall production and joint efforts of all levels.

Baby Boomer



Create safe spaces for vulnerability

Empathy flourishes in environments where individuals feel safe to be vulnerable and authentic. Creating spaces where people feel comfortable sharing their struggles, fears and insecurities fosters deeper connections and mutual support. Whether it's through support groups, counselling services or informal gatherings, providing avenues for people to express themselves without judgement is essential for cultivating empathy and belonging.

Lead by example

Ultimately, cultivating a culture of empathy and belonging starts with each one of us. We must lead by example, embodying the values of empathy, compassion and inclusivity in our daily interactions. Whether it's through small acts of kindness, standing up against injustice or simply lending a listening ear to someone in need, we all have the power to create positive change in our workplaces.

Rewiring businesses for a culture of connection and open communication

As business and HR leaders, we all want to create company cultures and workplace communities that are positive, productive and high-performing. Unfortunately, this is often easier said than done. Our recent research uncovered that:

We know that this disconnection has huge implications for engagement, productivity and retention. Around one in two Aussie employees say they have considered leaving their job in the last six months, with a significant portion citing disconnection as a key driver:

- 27%** of Aussie employees are concerned about their company culture
- 22%** are concerned about their manager and their management style and communication
- 22%** are concerned about their relationship with teammates and colleagues

- 28%** Poor company culture
- 22%** Poor relationship with manager
- 17%** A lack of open communication and transparency
- 13%** Poor relationship with teammates and colleagues

When considering the ripple effects of these workplace concerns, one in four Australian employees say they feel disconnected from their teammates and co-workers.

It's clear that HR and business leaders have an important role to play in actively and creatively fostering connection and community across their workplace. So, where can you start, particularly if you're serving a dispersed, hybrid or remote workforce?

Our strategies for connection will help you discover how to inspire and deepen connections across your workforce to improve the employee experience, build resilience and boost productivity.



Create connections and community, no matter your workforce

Many people leaders may attribute their recent disconnection issues with the upheaval of the last few years and the rise of hybrid and remote working. But this might not be the case with our research uncovering that working model doesn't significantly impact key connection metrics like:

	Office-based employees	Hybrid employees	Fully remote employees
Feel disconnected from their colleagues	26%	27%	22%
Concerned about their work scope and responsibilities	38%	36%	27%
Concerned about their relationship with colleagues	25%	23%	9%
Comfortable sharing their personal struggles and feelings with colleagues	51%	50%	50%

We can see that hybrid and remote employees are less concerned about their work scope and relationships with colleagues, while remote employees in particular feel less disconnected from their teammates and are significantly less concerned about those relationships.

Additionally, approximately one in two employees across the survey group feel comfortable sharing their personal struggles and feelings with their co-workers, so the workplace setting seems to have no impact on that.



67% say they can effectively collaborate and build connections with their colleagues, regardless of the work arrangement (remote or face-to-face).

This is heartening to see, showcasing that strong connections and community building is possible no matter what workforce your organisation employs. Take the time to consider how your people connect and communicate and how these bonds can be strengthened through systems and tools that work with their current working style, not against it.

Prioritise open communication in your systems and strategies

Promoting open communication channels is crucial for fostering connection in the workplace. Encouraging feedback, both upward and downward, creates a culture of transparency and trust, enabling employees to voice their opinions and concerns freely. This can be facilitated through regular team meetings, suggestion boxes, [pulse surveys](#) or other anonymous feedback mechanisms, allowing employees to feel heard and valued.



65% of Australian employees state that leadership that supports open and honest communication is a must-have.

In addition to formal channels, informal interactions play a significant role in building connections among colleagues. Providing communal spaces such as break rooms or designated collaboration areas encourages spontaneous conversations and idea-sharing, fostering a sense of camaraderie among coworkers. Recognising and celebrating achievements, whether big or small, further strengthens bonds within the workplace, reinforcing a culture of appreciation and support.

Add connection to the agenda

Connecting with someone on a personal level is almost always enjoyable. But it's also an effective (and free) way to combat disconnection. Setting aside time and space for non-work-related conversations with colleagues and prioritising regular face-to-face contact with your team is a great way to build connection and community.

Connecting can be personal or professional; light or more in-depth; across roles, levels and departments. A simple first step is to encourage managers to start meetings with a few moments of light conversation or a story. Chatting for five minutes is not a waste of time, it's an investment in relationships.

At Reward Gateway, we encourage employees to set up one-on-ones with people within and outside their departments. These check-ins focus on personal and professional topics to build relationships and make working together easier and more fun.



Nurture community through mentoring

Mentoring programs help mentees gain new skills, insight into work culture and guidance from an experienced professional. But mentors benefit from these programs as well, gaining leadership experience, recognition of their expertise and new learnings from their mentees.

Whether you focus on connection between departments and roles, or multigenerational support (younger employees gaining insight in their first workplace or older employees re-entering the workforce), mentor/mentee relationships are a great way to build connections on a deeper level.

Create a digital space to share both professional and personal progress

By designating a ‘digital campfire’ that can act as a [one-stop shop or hub](#) for all employees, you’re not only ensuring communication is accessible and consistent but showing your people that the things they’re excited about and working towards are valuable for both them and their company.

This link can help your people understand the company’s goals and how their work contributes to that shared vision. Our research found that 27% of Aussie employees say that seeing the contribution of their work makes them feel more productive, so help them see that connection.

Success story: Story House Early Learning

Story House Early Learning is an Australian early education provider operating across approximately 40 sites and employing over 1,200 staff in total – 97% of whom are offline workers, and largely women under 40.

After a period of rapid growth, Story House needed to find ways to minimise staff turnover and maximise retention. With employees fearing a loss of personal connection between leadership, management and the frontline workers delivering its services, Story House began its search for a solution that would appeal to a completely dispersed and primarily Millennial demographic.

Story House partnered with Reward Gateway to create a platform – called ‘Main Street’ – a comprehensive, approachable hub that puts all internal communications and peer-to-peer recognition in one place, while also seamlessly linking to the other systems and information staff rely on as part of their everyday jobs.

Three months after launch, Story House has seen:



A big **uplift in response rate** to its staff survey



More than **1,300 eCards** sent between staff



Quick increases in its **eNPS rating**



300 company blogs published



4% increase in staff happiness



17,000 page views



11% increase in staff recognition



A **90%** active user base



“ We feel more connected to our teams out in the field than we ever have before. We get an instant, transparent sense of what’s going on every time we log in. It’s become the barometer for culture that we always wanted.

**Head of People & Culture,
Story House Early Learning**

Fostering care and connection between managers and your people

When we focus on connection and belonging in the Australian workplace, a key component of that is the relationship between your people managers and their direct reports.

At Reward Gateway events, the stickers and merchandise that get the most comments and often run out first contain the phrase “Bad Bosses Ruin Lives”. Everyone seems to understand the significance of a poor relationship between an employee and their manager. Not only do employees share their experiences, managers share how they experience pressure from all angles to deliver more than they may be equipped for.



“ It’s a real challenge when we consider how managers have to directly address evolving employee expectations. Individual involvement in ‘traditional’ social circles has waned, while a greater awareness of the importance of psychological safety and mental health means work is playing an increasingly important role in our sense of identity and belonging.

Additionally, there is mounting pressure for businesses to raise productivity and boost performance, so it’s the perfect storm and managers are stuck in the middle trying to deal with increased expectations from both organisations and their people.

**Kylie Green, Managing Director,
APAC at Reward Gateway**

Our findings show that 59% of employees say having a manager that cares about them is a must-have in a new employer. And it’s not just about talent attraction; ensuring your people managers care about their people can also lead to greater productivity and retention. Our research found that 83% of Aussie employees agree that they feel more motivated and productive at work if they have a manager who cares, jumping to a whopping 87% for Gen X and 94% for Baby Boomers.

As HR leaders, how can you support your people managers to develop connections, demonstrate care and retain top talent?



Encourage managers to check in on employee wellbeing

Leading organisations are setting the expectation that wellbeing check-ins are part of a manager's role. Managers don't need to play the role of therapist; simply listening, asking questions and recommending available EAP resources to help with mental wellbeing is extremely helpful.

The question is: Are your managers trained to comfortably speak with their employees about mental health issues? Preparing managers to address issues and ask questions is crucial to the wellbeing of employees.



35% of Aussie workers are concerned about their mental health.

Support manager wellbeing

It's hard to help others when you need help yourself. Because healthy, happy, confident managers have an untold positive effect on the workplace, in terms of both wellbeing and productivity, it's critical to focus on managers' wellbeing. Make it clear that it's okay to talk about mental health issues, and ensure managers understand that support programs are there for them as well.

Centre care and empathy

It's so important that managers show empathy towards their employees' challenges and struggles. They need to understand that everyone faces obstacles at some point, and actively acknowledge the impact these challenges may have on their people's work.

Encouraging people managers to offer words of encouragement, support and reassurance is essential. Small gestures of kindness, such as sending a supportive message or expressing gratitude for their people's efforts, can show that they care.



Conclusion

By creating a workplace culture where employees feel connected to their colleagues, cared for by their employers and a sense of belonging in the organisation, Australian businesses can foster a psychologically safe environment conducive to innovation, collaboration and improved wellbeing.

Moving forward, leading Australian workplaces will invest in strategies that promote connection, care and belonging amongst their people. This may involve implementing initiatives such as mentorship programs, diversity and inclusion training, recognition and reward initiatives, flexible work arrangements and mental health support services.

Our research has demonstrated the long-term business impact, most notably to engagement, productivity and retention, when leaders invest in connection and belonging initiatives and champion values of trust, transparency and empathy.

We would love to hear your thoughts on this research and what employee connection and belonging looks like at your organisation. [Get in touch](#) with our team today.

Looking for more strategic insights and actionable tips? Check out our other resources:

- **Research report:** [The Workplace Engagement Index](#)
- **Research report:** [The Australian Talent & Engagement Report](#)
- **eBook:** [6 Steps to Boosting Employee Recognition ROI](#)
- **eBook:** [Your Guide to Designing a Multigenerational EVP](#)

About Reward Gateway

Improving employee engagement to build better, stronger and more resilient organisations.

Reward Gateway is culture- and client-driven. Since 2006, we've been right by the side of the world's most innovative HR people, giving them the tools and products they need to engage their people and drive company success. We empower more than 8 million employees to connect, appreciate and support one another to make the world a better place to work.

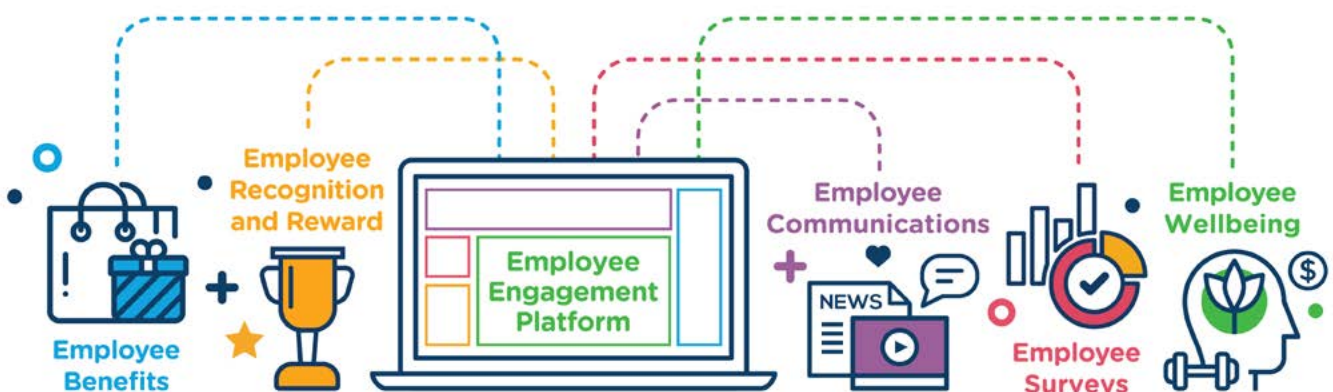
8m+ employees
use our employee
engagement
solutions

4,500+ clients
trust us with
their employee
engagement
strategy

We're in
6+ offices
around the
world

Our RG team is
700+ strong
and growing

Our unified employee engagement hub provides the best of recognition, reward, wellbeing, surveys, benefits and discounts that support talent acquisition, retention and values-driven growth.



This report is presented by



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