



# Analysis of the Enhancement Paths of Employee Sense of Belonging in Enterprises

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**Abstract.** Employee sense of belonging is of vital importance to the success of an enterprise. It influences employees' job satisfaction, initiative and efficiency, and subsequently affects the enterprise's reputation and performance. This paper contrasts the significant measures for enhancing employee sense of belonging implemented by the renowned enterprise Microsoft, indicates the deficiencies existing in the management of employee sense of belonging in some enterprises, and proposes enhancement strategies starting from the theory of psychological contract, to improve the competitiveness and sustainable development capacity of the enterprises.

**Keywords:** Employee Sense of Belonging, Enhancement Paths, Psychological Contract.

## 1 Introduction

In the present highly competitive business milieu, the success of an enterprise is not merely contingent upon the quality of its products or services but also hinges on the loyalty and sense of belonging of its employees.[1] Relevant research indicates that employees with a high sense of belonging exhibit a high level of satisfaction with the enterprise and their work, demonstrate strong work initiative, and achieve relatively higher efficiency.[2][3] For instance, renowned enterprises like Microsoft have significantly enhanced the sense of belonging of their employees by fostering a favorable corporate culture and work environment, resulting in an employee turnover rate that is conspicuously lower than the industry average. In contrast, employees with a low sense of belonging adopt a negative attitude towards work and might even cause a reduction in customer satisfaction, thereby influencing the enterprise's reputation and performance.

The formation of employee sense of belonging is affected by multiple factors, including the enterprise's management system, promotion channels, cultural atmosphere, compensation and benefits, etc. The theory of psychological contract is inextricably linked to the research on employee sense of belonging. Through in-depth studies of these factors based on the theory of psychological contract, it is possible to better comprehend the essence and formation mechanism of employee sense of

belonging and provide targeted management recommendations for enterprises.[4] This research aims to delve deeply into the management of employee sense of belonging in enterprises, analyze the shortcomings in this aspect of management, and propose practical and feasible enhancement strategies to strengthen the enterprise's cohesion and competitiveness.

## **2 Microsoft Employees and Belongings**

Microsoft is a multinational technology enterprise headquartered in Redmond, Washington, USA. It was founded in 1975 by Bill Gates and Paul Allen. As the pioneer of PC software development globally and the largest provider of computer software worldwide, its renowned products encompass the Windows operating system, Microsoft Office series software, Xbox game consoles, etc. These products hold a significant position in multiple domains such as personal computing, application software, games, and intelligent cloud. According to the "Top 500 Global Brand Values in 2024" report released by Brand Finance in 2024, Microsoft ranked second globally with a brand value of \$340.4 billion.

### **2.1 Microsoft Viva's influence**

Microsoft has developed an app named "Microsoft Viva", which utilizes AI to enhance employee participation and facilitate access to information. Microsoft Viva integrates all the functions the company requires, whether communication, analysis, or skill learning for employees. Employees can have a comprehensive understanding of their job upon entering the company. They can search for any information they need during work and communicate with managers more quickly through Microsoft Viva. The convenience it brings makes employees less likely to be confused at work. Data from Microsoft indicates that the creation of Microsoft Viva has reduced 20% of labour turnover. Another contribution of it is that it makes employees' opinions and thoughts tangible. They can post their idea through Viva. This would mentally satisfy employees, making them feel needed and important when offering opinions. At the same time, the company also benefits from this, as it can obtain useful ideas and feedback from employees. Thus, it improves their business performance.

### **2.2 Consideration of the Diversified Workforce**

Early in 2017, Microsoft posted new holiday policies for employees and their families, including a 20-week maternity leave, a 6-week paternity leave, a 6-week adoption leave and a 4-week family care leave, totalling 36 weeks of full paid leave. In this situation, female employees have more time to take care of their children and get accustomed to returning to the job position after pregnancy and the fathers also get holidays to take care of their wives and children. The new policy also provides more time for male employees to share leisure time with their families. This fully demonstrates Microsoft's consideration for its employees. Microsoft also develops

job opportunities for disabled people. The CEO of Microsoft, Brad Smith said, "People with disabilities are one of the largest undeveloped talent groups in the world, and we still need to continue to work hard to help them achieve extraordinary things." Microsoft opened a workplace for the disabled. By providing skill training and working opportunities, they are enabling the society to make better use of their technology. Microsoft introduced the Supported Employment Program to hire diverse employees, including neurodiversity manifestations such as attention deficit disorder (ADD/ADHD), dyslexia, movement coordination disorder, and learning disabilities. This can greatly improve employee loyalty, as Microsoft creates opportunities for them to achieve their career goals. Microsoft also won the second place in the "2023 World's Best Employers List".

### **2.3 Working Environments and Festive Events**

In every building of Microsoft, a constant temperature and humidity are maintained, providing an extremely comfortable working environment for employees. At the same time, free snacks and fruits are offered in the pantry, along with beverage like tea and juice. Additionally, there are some entertainment areas such as the gym, billiards room, games room, and table tennis room, etc. Microsoft provides subsidies to employees every year for their meals and gym exercise, and for training, it offers hundreds of dollars to encourage employees to sign up for any courses they are willing to learn. With such a working environment, employees can enjoy their working hours. Microsoft celebrates almost all festivals, including Halloween and Christmas. Also, they have a special festival which is the Family Day. Microsoft takes employees and their family members on trips, such as to Disneyland. To employees, Microsoft is not just their employer; rather, it is like a family. Microsoft regards its employees as the most crucial part of its business and, by satisfying their mental needs, creates a happy workforce.

## **3 Deficiencies in The Management of Employee Sense of Belonging**

### **3.1 Evidently Irrational Salary Structure**

Most enterprises adopt an egalitarian salary distribution model, and the salary of employees does not vary significantly. It fails to reflect the actual capabilities of employees, causing some employees to question the incentive mechanism of enterprises and resulting in their dissatisfaction. Some enterprises view salary design as a procedural task, leading to an unreasonable salary structure. Even if enterprises establish an incentive mechanism, there is no corresponding evaluation model. The fair salary offered by an enterprise to employees is the prerequisite for their willingness to contribute to the enterprise. The inability to objectively evaluate the achievements of employees' work will also dampen their enthusiasm for work, thereby reducing their sense of identity and belonging to the enterprise. [5]

Out of the consideration of competition within the same industry, enterprises frequently refrain from disclosing their actual salary levels during the recruitment process and sign confidentiality agreements with employees, demanding that they keep their salary levels confidential. Such actions will deprive employees of the opportunity to compare salaries among similar enterprises, and their trust will be significantly undermined. Furthermore, numerous employees are also impacted by gender and racial prejudice, and they are subjected to discriminatory wages pressure. According to a company survey, in some enterprises in the United States, most of the employees are male and white. 62.5% of people of color believe that they are unjustly treated in terms of salary at work, and 22% of female employees are discriminated against in salary and conspicuously marginalized at work. This indicates that some companies have not genuinely exerted efforts to care about the diverse workforce. Caring for employees and preventing stereotypes and racism are crucial tasks that an enterprise must undertake in the process of internationalization. Employees should be respected by enterprises and colleagues and be treated equitably in salary arrangement, to enhance employees' sense of belonging and loyalty to enterprises.

### **3.2 Unsuitable Merger Decision**

In the fierce market competition, enterprise merger can swiftly expand the scale, enhance the strength, and concurrently achieve industry consolidation and financial synergy.[6] However, the strategic objectives and market positioning of the merged enterprise might change, and the alterations of business philosophy and management style may also render it arduous for employees to adapt. Firstly, an ambiguous career development path will also perplex employees. They are oblivious of how their promotion opportunities and growth space will be influenced in the new enterprise structure. The new enterprise management may adjust personnel to integrate resources and enhance efficiency, which instills a strong sense of job insecurity in employees. If the new management approach clashes with employees' original work habits and values, employees will demonstrate resistance, affect their sense of belonging. Secondly, during the merger process, some employees are unaware of the progress of the merger, the impact on themselves and the future planning of the enterprise, which gives rise to anxiety and unease. The dearth of effective communication channels will also exacerbate employees' dissatisfaction. Employees are unable to express their concerns and needs and feel that they have no say in corporate decision-making. Thirdly, in cross-border mergers and acquisitions, employees may have profound sentiments and identification with the original enterprise. After the merger, the corporate culture and business philosophy of the original enterprise may change, and employees need to adapt to the new cultural environment anew, which may result in identity confusion. Employees require time to acquaint with and trust new colleagues and establish a good working relationship. If this process is not smooth, employees will feel isolated and their sense of belonging will diminish. In brief, there are numerous problems in the process of enterprise merger, such as uncertainty and communication impediments, which may cause employees to be concerned about job

stability, be bewildered about the future development of the enterprise, and have an indistinct identity, potentially leading to a lower sense of belonging.

### **3.3 Substitution Risk Posed by Artificial Intelligence**

Currently, a considerable number of enterprises invest in artificial intelligence. Artificial intelligence can process vast amounts of data within a short period, extract valuable information and patterns therefrom, and automatically carry out a considerable amount of repetitive and regular work, saving manpower and time costs, liberating employees from mundane affairs and enabling them to engage in more creative and valuable work, thereby enhancing the overall work efficiency and productivity of enterprises or organizations. Nevertheless, to reduce costs and improve efficiency, enterprises might adopt artificial intelligence technology to replace some employees. This causes employees to confront the threat of unemployment and be concerned that their existing skills cannot meet the new job requirements, and they need to continuously learn new skills to retain their jobs. The worry and uncertainty regarding their future development in the enterprise will make employees feel exhausted and uneasy, reduce communication and interaction among teams, and lower team cohesion, which will affect their sense of belonging to the enterprise.

In addition, as the artificial intelligence system can be involved in all aspects of work, from data collection and analysis to scheme formulation, the focus of some internal projects in enterprises has shifted to the investment and development of artificial intelligence, which has become the innovation engine of new products. However, the original projects are compelled to be adjusted or terminated due to obsolescence, and the work results of employees may be conflated with the output of artificial intelligence systems, making it difficult for employees to clarify their contributions in their work, which will lead to a decline in their sense of work value and have a significant impact on their sense of belonging to enterprises.

## **4 Promotion Strategies of Employees' Sense of Belonging Based on Psychological Contract**

The theory of psychological contract is grounded in psychology and organizational behavior, including the informal beliefs, aspirations, obligations and expectations perceived by both employees and employers, facilitating the establishment of trust and commitment between them.[7] When the psychological contract is honored, employees are likely to feel more satisfied, committed, and proactive at work, which can enhance productivity and performance and lower the risk of staff turnover. Conversely, when either party violates or disrupts the psychological contract, sensations of betrayal, resentment, and disassociation will emerge, exerting a negative influence on productivity and morale. Hence, establishing a robust psychological contract contributes significantly to enhancing the sense of belonging among employees. [8]

#### **4.1 Establishing A Scientific Compensation and Performance Evaluation System**

The transactional psychological contract lays emphasis on the transactional relationship between employees and organizations, highlighting the exchange of specific tasks and rewards. Employees anticipate receiving fair compensation for their efforts and adhering to explicit job requirements. Hence, a scientifically equitable compensation and performance assessment mechanism becomes especially crucial.

Enterprises need to establish a scientific performance assessment mechanism, considering both quantitative and qualitative evaluations. It is necessary to consider not only the employees' current job performance but also to discern their future development potential. The fixed and uniform contractual salary model should be broken, and a diversified welfare program should be established to address the individualized needs of employees, thereby significantly enhancing their sense of belonging and happiness. In the process of salary management, enterprises should guarantee that the labor remuneration of employees in different positions, with different capabilities and achievements, is directly associated with their contributions to the enterprise, to enhance the fairness and rationality of the salary structure and truly make the efforts and rewards of employees proportional. Simultaneously, the salary and performance assessment mechanism of the enterprise should be more openly transparent, allowing employees to understand the principles and criteria of salary distribution within the enterprise and motivating them to explore their own potential to obtain higher remuneration. In this way, employees will acquire a stronger sense of identity and a greater sense of belonging.

#### **4.2 Constructing Harmonious Employee Relations to Enhance Employee Well-Being**

The balanced psychological contract emphasizes fair and impartial communication between employees and organizations. It attaches greater significance to the balance of work and life for enterprise employees, professional development, and job security. This kind of psychological contract is aimed at facilitating mutual commitment, trust, and well-being of both sides. Enterprises need to attach great importance to enhancing the well-being of employees, thereby increasing their identification with the enterprise.

Enterprises need to guide employees to form positive value concepts through the integration of humanistic care and psychological counselling. They should pay heed to employees' emotions, care about the vital interests of employees from the employees' perspective, assist employees in addressing life and work issues. Enterprises should intensify the construction of the working atmosphere and establish a fair and impartial management mechanism, enabling employees to work in a more harmonious environment. Managers should be proficient in listening to employees' opinions and aspirations, smoothen the channels for employees to express their intentions, make scientific and democratic decisions. Furthermore, enterprises should attach significance to enhancing the feasibility of employees' self-value realization,

grant employees greater space to pursue themselves, continuously guide employees to exert their individual values, enhance their creativity, and affirm employees' labor contributions. In this manner, employees will consider the enterprise as an important safeguard for themselves, and the sense of identification and belonging to the enterprise will naturally be guaranteed.

### **4.3 Creating a Multi-Level Employee Promotion Channel**

The relational psychological contract is more concentrated on establishing long-term relations between employees and organizations. It involves tacit expectations, such as job satisfaction, opportunities for growth and promotion, and emphasizes mutual loyalty, trust, as well as the belief that the organization will fulfill employees' career ambitions and provide a supportive working environment.

Owing to the ever-changing environment of market competition, flattened enterprise organizational structures have been adopted in many enterprises. Although this flat organizational structure satisfies the needs of the organization to a certain extent, it implies a narrow promotion space and fewer promotion paths. Hence, enterprises should establish multiple promotion channels, such as management channels and technical channels. Under each promotion channel, enterprises should formulate the basis for job promotion and the evaluation and assessment system. Proceeding from aspects such as performance, educational background, work experience, and length of service, quality assessment tests should be conducted for personnel who meet the development requirements of the enterprise, and detailed analyses of their strengths and weaknesses should be made to select suitable promotion candidates. Additionally, it is necessary to strengthen the career planning of employees, provide one-on-one assessment and career planning guidance for employees, build an employee growth platform, and clarify the qualification conditions for personnel promotion. Through democratic centralized discussions by the management or personnel competition for positions, a benign and fair competition mechanism can be established to enhance the competitive vitality of the enterprise and strengthen the sense of belonging among employees.

## **5 Conclusion**

The enhancement of the sense of belonging among enterprise employees is not accomplished overnight. Instead, it is an extremely strategic and challenging undertaking. Enterprises should consider the transactional, balanced, and relational dimensions in the psychological contract, establish a scientific salary system and performance assessment mechanism, intensify the construction of a harmonious working atmosphere, be concerned about the interests of employees, strengthen career planning, and broaden promotion channels. Thereby, the corporate image can be enhanced, providing impetus for the sustained development of the enterprise.

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