

4.0 Redefining the Culture Code

How culture
drives sustainable
performance in
the new era of
transformation

Foreword

Right now, many organisations find themselves in a continuous state of change, responding to external factors and adapting to the needs of their customers, the market, and their people.

Through this change, **having a strong and effective culture is the key to success**, and one of the most important factors behind sustainable growth and organisational success. This is proven by our latest research.

People drive organisations. Business leaders that care about culture understand that it helps harness talent, unite teams, and unlock performance, creating long-term value for all stakeholders.

High performing organisations demonstrate strong alignment between their brand (vision, strategy, purpose, values and behaviours), their customers and their people.

The difference in alignment between high and low performing organisations is 182%. This percentage difference means that companies must be both intentional in how they improve and strengthen the links between Brand, Customer and People, and sustain this improvement. The chasm is not insurmountable.



Introduction

Context and landscape: disruption is the name of the game

As we approach the mid-2020s, disruption has taken many forms. From the pandemic and the Russo-Ukrainian war, supply chain disruptions, and the cost of living and energy crisis, to the rise of AI, people and corporations globally are navigating challenging times. Geo-political unrest, conflict and unrest in the Middle East, and the shift to right-wing politics across Europe add ambiguity and volatility. The United States is more divided from a political and ideological perspective than ever before. Societal changes, labour shortages, an ageing population, and shifting expectations contribute to complexity. Amid this backdrop, the drive to achieve net-zero decarbonisation goals continues.

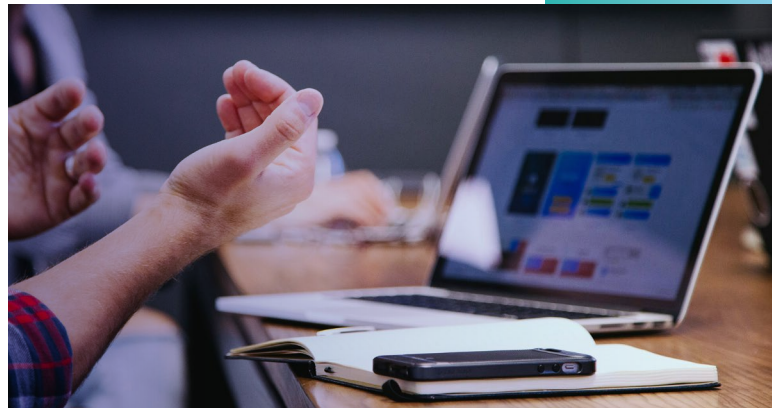
Sustainable growth for many corporations remains an ongoing challenge and opportunity.

The CEO context

Trust in brands and organisations now exceeds that in governments and media. People seek moral leadership from admired institutions. CEOs are pressed to respond to disruption proactively. With 45%¹ of CEOs believing their company won't be viable in 10 years on their current path, there's a push to reinvent business models for sustainable, multi-dimensional value creation.

Whilst expectations from customers, consumers and investors are increasing, the needs of employees are evolving too. Employee Experience (EX) has risen in importance, demanding wellbeing and human-centred solutions that bridge AI effectively. This includes upskilling and reskilling the workforce and elevating EX with empathy at its core.

Amidst this disruption, CEOs aim to grow and realise their businesses' potential by leveraging generative AI for efficiencies, focusing on leadership, and elevating EX to impact CX.



1. Thriving in an age of continuous reinvention, PWC's 27th Annual Global CEO Survey, 2024

“

We are living, working, and leading organisations in an exceptional era - a clear vision and the right strategy should now be a given, but the strength and adaptability of its culture will separate the winners from the laggards.”

Framing culture - what it is and how it drives performance

Given the global business context, organisations are in a constant state of change, responding to external factors and adapting to customer and market needs. Through this change, having a strong culture to drive high performance is crucial for sustainable growth and success.

What does this mean for organisations? It's time to rethink how to define, shape, build and evolve high-performing organisations. An organisation's true value lies in its inherent make-up, ecosystems that comprise human-driven ambition, goals, intentions, priorities and experiences.

A strong culture is influenced by the experiences of people, and people drive organisations. Business leaders who value culture understand it harnesses talent, unites teams, and unlocks potential and performance, creating long-term stakeholder value.

What is culture, really?

Culture is often described as 'how things get done,' the workplace experience, employee happiness or even 'what happens when no one is looking.' We see culture as the holistic and interconnected ecosystem of an organisation - shaped by vision (where), strategy (what), purpose (why), and values and behaviours (how). It's reflected in the everyday experiences of your people, customers, and stakeholders. When your brand, people, and customers are aligned, culture becomes a competitive advantage, driving change, innovation and improvement. We believe culture can be intentionally shaped, measured and managed.

A new culture first era

Embracing a new culture first era is where culture and strategy work together in harmony. Organisational strategies encapsulate ambition, vision, goals, and targets. Strategy responds to and navigates local and global challenges, setting intentions and capitalising on opportunities and risks. Understanding context is crucial for framing culture within corporate strategies.



Culture is not just the backbone of strategy; it is the strategy, shaping how people think, feel, and behave.

Properly implemented, culture aligns and unifies the workforce behind vision, goals, and purpose. In a global context, it drives integration of diverse perspectives, improving collaboration, innovation, and problem-solving. A strong positive culture places human experience at its centre, boosting morale, productivity, and acting as leverage for attracting and retaining talent and investors.

We are living in an exceptional, culture first era. In this era, culture must evolve as the world evolves.

Rethinking transformation

Companies won't survive the next decade without significant changes, highlighting the urgent need for strategic transformation to adapt to evolving markets and technologies. Unlocking cultural potential is key to successful transformation. Ongoing transformation is essential due to shifts in customer preferences, technological advancements, regulations, competitor actions, climate change, supply chain instability, and demographic changes. Culture needs to adapt to these external forces.

There is an enduring imperative to reinvent. Reimagining ongoing transformation with a focus on culture and the holistic 'people experience' is crucial. Aligning organisational culture with strategic goals fosters engagement, innovation, and agility, crucial for navigating complex changes and driving sustainable growth.

This is why our new consultant led culture diagnostic solution 'Lumin' is enabling companies to objectively measure their cultures and create impactful culture transformation plans that leverage proven best practice and unite their companies.

How well we lead, manage, and support this work has become mission critical. Effective leadership and management are vital for steering transformation efforts. Inspiring, supporting, and guiding teams through change ensures successful transformations, fostering a resilient and adaptive organisational culture.

Our research Journey - Cracking the Culture Code

The dragonfish culture alignment model has evolved since 2017 as an ongoing research programme involving Academics, an Industry Advisory Panel, and over 6,000 organisations from across 27 Sectors.

1.0 - Alignment matters

1.0 (2017) aimed to unravel the intricate relationship between culture and performance.

It revealed that whilst job satisfaction and emotional commitment are important in laying the strong culture foundations, the real difference between average and high performing organisations could be seen in:

- Brand Alignment - having well defined, inclusively shaped and effectively embedded vision, purpose, values and behaviours aligned to strategy and goals
- Customer Alignment - customer centricity at the heart of the organisation

In essence, our 1.0 study built our belief that alignment is key to high performance, success comes from harnessing the links between an organisation's people, brand and customer.



A healthy culture both protects and generates value. It is therefore important to have a continuous focus on culture, rather than wait for a crisis.²

~ Sir Winfried Bischoff, former FRC Chair

Cracking the culture code

High-performing organisations have **four** things in common



2 frc.org.uk/library/standards-codes-policy/corporate-governance/corporate-culture

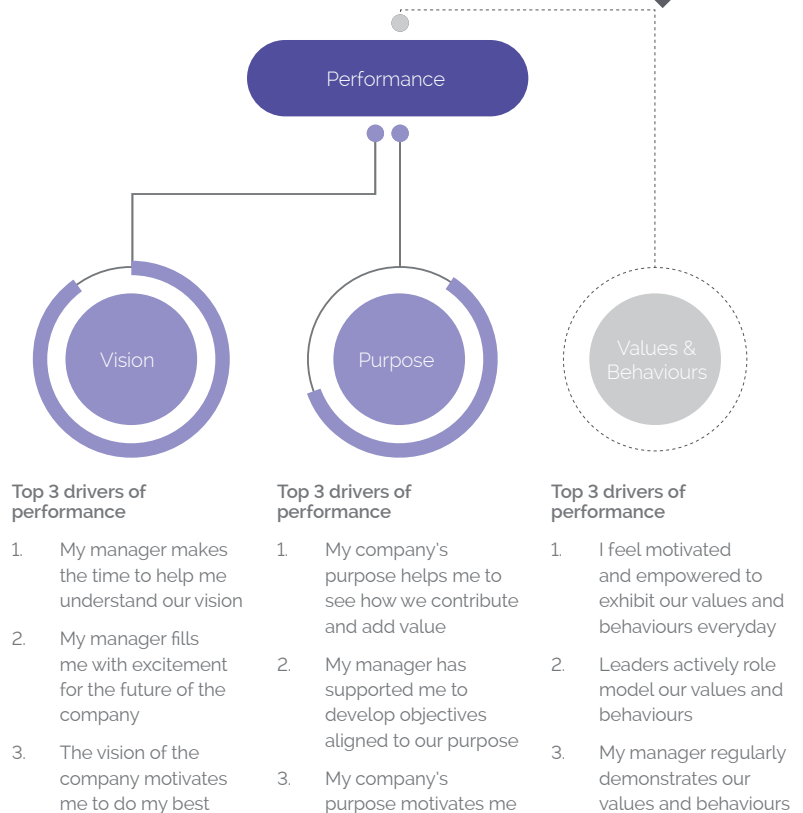
2.0 - Culture ecosystem

2.0 (2018) a deep dive into brand alignment and impact on performance.

It uncovered the significant importance of vision in guiding and steering organisational performance, followed very closely by purpose. The role of values, whilst present, was more nuanced.

The key 2.0 study observation was that culture needs to be viewed as an ecosystem of parts that all need to work harmoniously together in a connected way.

The study also highlighted the role of managers in creating an environment where the desired culture can thrive, where everyone understands the active role they play.



3.0 - Customer as the hero

3.0 (2019) the focus was on CX as a key differentiator for competitive advantage.

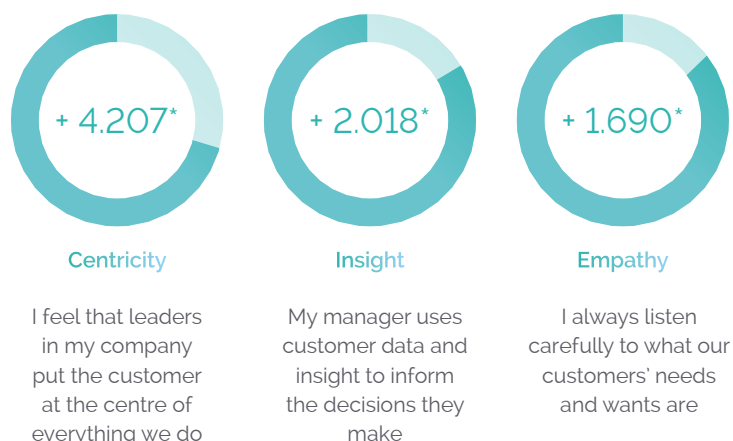
It highlighted 3 key factors with the highest correlation to performance:

- Customer centricity - customer is central to how people think, act and make decisions
- Customer insight - customer data is shared widely and turned into actionable insights to improve the CX
- Customer empathy - high levels of customer empathy are nurtured to build a stronger emotional connections

The 3.0 study concluded that harmonising the links between your employee experience and customer experience will drive sustainable performance and growth.

Culture Code 3.0

Our latest 2019 ground-breaking research into the links between customer alignment and performance showed that out of 6 key factors, customer centricity, customer insight, and customer empathy had the strongest correlation to business performance.



Validating our research

Alongside our Cracking the Culture Code research study series, we worked closely with industry regulators to understand the ways that organisations define, manage and embed culture.

Our Financial Reporting Council (FRC) research (2021) involved us speaking to CEOs and Chairs from FTSE 100 companies to explore their culture challenges, including how listed companies framed and measured culture. Then in 2023, the Consumer Council for Water (CCW) commissioned us to undertake research with the Water Sector to produce a best practice guide for how to shape, measure, embed and sustain customer centric cultures.

These unique insights, along with our culture consulting experience across multiple sectors has validated our view that culture is everything - it's more than a transformation workstream or a HR initiative. Culture is the foundation for sustainable performance and growth.



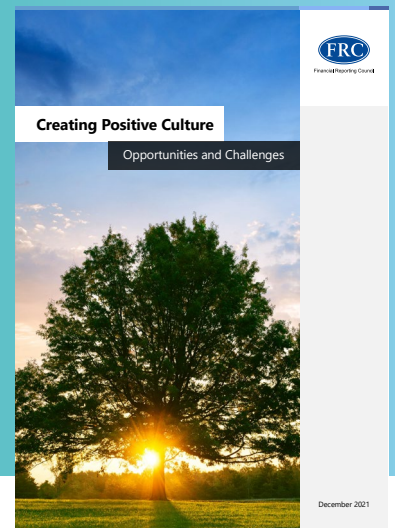
"We are immensely pleased with the groundbreaking research conducted by dragonfish on the topic of Customer-Centric Culture. The report not only provides valuable insights into industry best practices but also offers a practical framework for measuring, monitoring, and enhancing customer-centricity. This work has the potential to set industry standards and foster a culture of customer-first thinking within the water sector."

[Read more >](#)



"We would also like to thank dragonfish Consulting for the considerable work it carried out on our behalf which fed into this report. This includes conducting 24 interviews with company Chairs, CEOs and NEOs, and also contributing significantly to the conceptual analysis contained in the report."

[Read more >](#)



Cracking the Culture Code 4.0 - today's problems need tomorrow's solutions

With the new and exceptional world we find ourselves in, in 2023, we made the decision to refresh our Cracking the Culture Code research. Building on our previous studies, we refreshed our question set to ensure relevance today, incorporating topics such as ethics, change and transformation, psychological safety, belonging, wellbeing, EDI and ESG. In addition, we expanded the research to include small, medium and large organisations to ensure the data was relevant to even more organisations from a benchmarking perspective. We also enriched the demographic and job profile questions to enable deeper segmented views that also reflect new working locations and patterns.

What we set out to prove and achieve

Our 4.0 research hypothesis set out to prove that culture alignment is more important than ever in driving sustainable high performance and that drivers of high performance are universal regardless of the size of organisation or sector. Our fundamental aim through the research was to strengthen our understanding of the impact culture has on high performance to inform our diagnostic tool and better support organisations to define, shape, measure, embed and sustain high performing culture.

Our methodology and approach

The research was conducted with 1,656 participants who worked for UK organisations and those with a global footprint across 27 industry sectors. The research brief ensured a good representation of small (75-250 employees), medium (250-1,000) and large (1,000+) organisations, with participants from various levels within an organisation and with different working patterns.

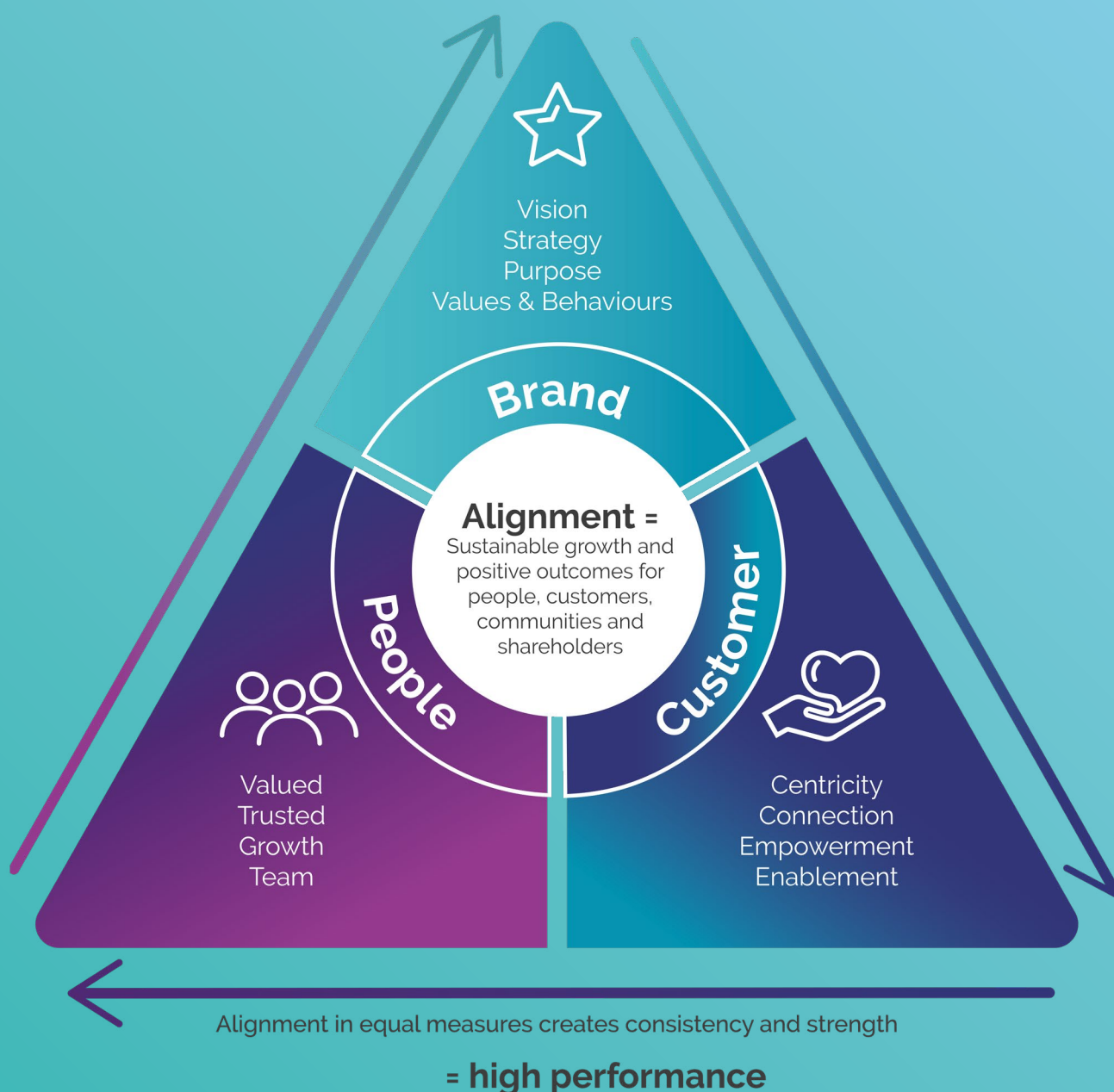
The research itself was based on our refreshed survey with 100 culture questions using a 10-point likert scale from 'strongly disagree' to 'strongly agree'. The questions were across three dimensions: brand, customer, and people and were correlated with 6 performance sentiment questions (linked to performance confidence, advocacy and commitment) to identify the key drivers of high performance. We have also used other methods such as factor analysis and multiple regression analysis to dive deeper and unearth the insights held in the data including the key drivers of performance.

Performance sentiment outcomes

Confidence	Future Confidence	I believe my organisation will be successful in the future
	Financial Confidence	I believe my organisation's financial performance is strong
Commitment	Brand Commitment	I would recommend my organisation's products and/or services to people I know
	Employee Commitment	I am committed to staying with my organisation for the next 12 months
Advocacy	Employee Advocacy	I would recommend my organisation to people I know as a great place to work
	Customer Advocacy (perceived)	Our customers would recommend my organisation's products and services

The dragonfish culture alignment and performance model[©]

High-performing cultures show strong alignment between people, brand and customer in equal measures.





Key findings

High performing organisations have one thing in common, and that is consistency in cultural alignment. Cultural alignment creates the conditions for consistency in the behaviours experienced by customer and employees alike. When this happens it supports sustainable high performance.

What the data shows

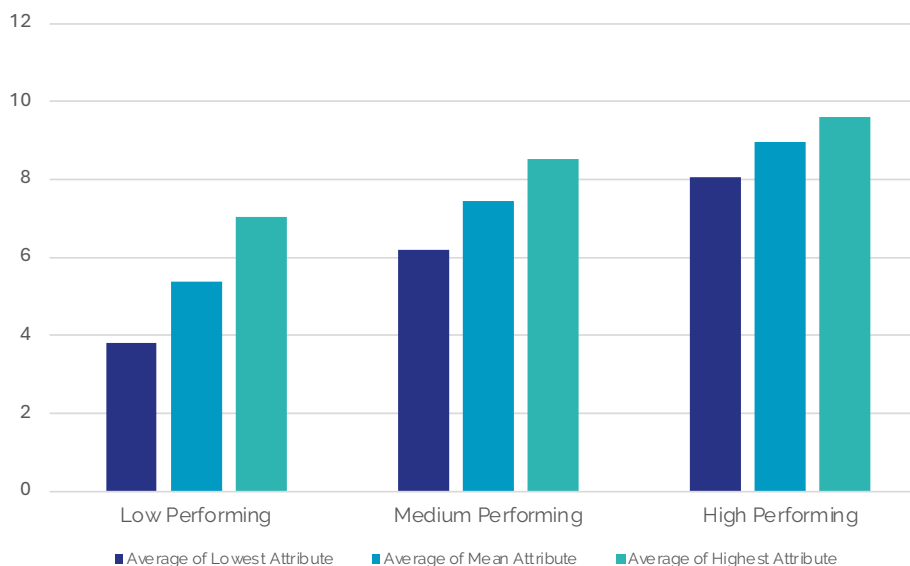
We took all the respondent scores across all of the attributes measured and calculated the average attribute scores for high, medium and low performing organisations.

What we found was that when we compared high with low performing organisations, the biggest difference was consistency in focus across Brand, Customer and People attributes. High performing organisations

score consistently well. In comparison, there is less consistency for low performing organisations - with a much bigger range between their lowest and highest attribute (see Graph 1, below).

Low performing companies when working at their best (av 7.03), are still under performing when compared to the highest performing companies working at their lowest performance average (8.05).

Consistency is key to High Performance



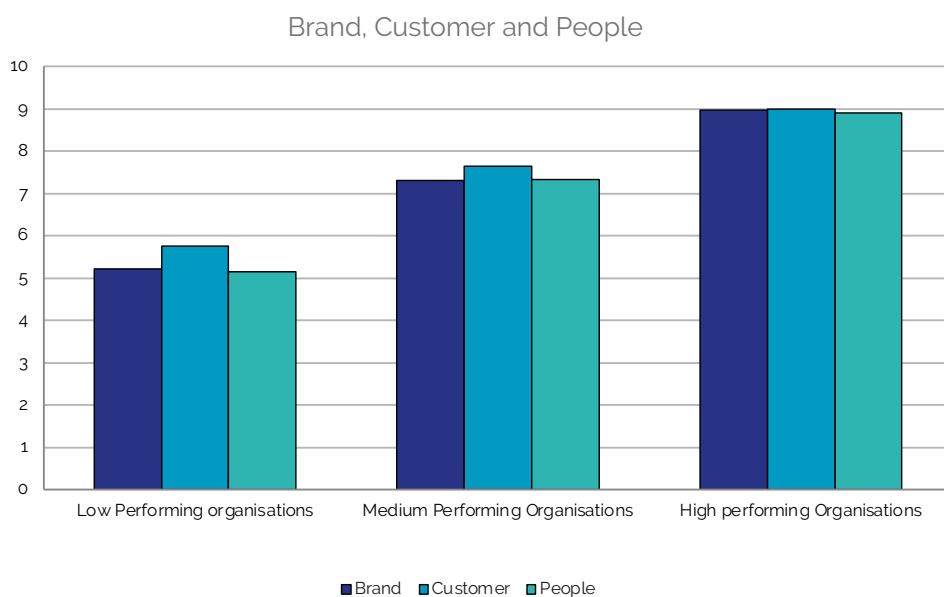
< Graph 1 shows:

- High performing organisations score consistently well.
- Low performing organisations score less consistently - with a much bigger range between their lowest and highest attribute.



Brand, customer and people

We organised the data (Graph 2, below) across the three dimensions that support cultural alignment: Brand, Customer and People.



< Graph 2 shows:

Customer has the biggest impact on overall performance (out of Brand, Customer and People).

Focus on CX

The 20-year+ focus on CX is working and Customer has become the strongest dimension for everyone, even low performing organisations (out of Brand, Customer and People). We have seen this change since starting our research in 2017 when People was the foundation, now it is Customer and People has fallen back to its relative level of performance.

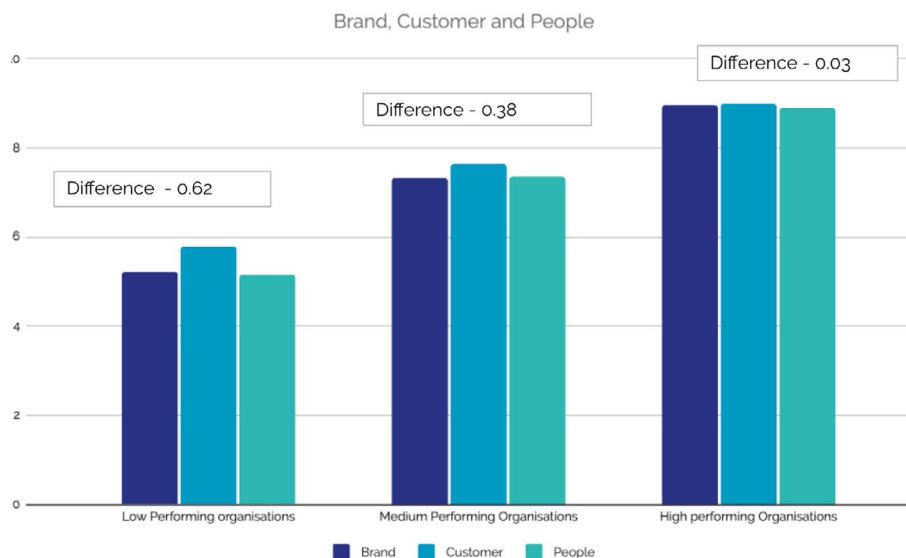
The Customer comes out on top

Customer has the biggest impact on overall performance (out of Brand, Customer and People), but do not forget that consistency of focus and alignment across Brand, Customer and People matters to sustained performance over time.



The power of alignment

When looking at the average scores for Brand, Customer and People dimensions across the high, medium and low performing organisations, we found that alignment between the three dimensions was highest for high performing organisations. The biggest gap in alignment was for low performing organisations.



< Graph 3 shows:

- Low performing organisations exhibit more variability in their performance across brand, customer and people (0.62).
- Medium performing organisations show moderate variability (0.38).
- High performing organisations demonstrate a high consistency in their performance across all dimensions (0.03).

There is a 182% difference in consistency in cultural alignment between high and low performing organisations.

A step change in the People dimension is the key between low and mid performing brands with the culture attribute of **'Valued'** being the most impactful.

A step change in the Brand dimension is the key between mid and high performing brands with the culture attribute of **'Vision'** being the most impactful.





Six culture signatures

Through factor analysis we were able to identify the strongest cultural traits that exist within high performing cultures.

There are six cultural traits (called 'culture signatures'). These signatures positively impact and enable high performing cultures and support organisations in the new era of transformation:

Customer centricity as a key focus ensuring the customer is at the heart of how your organisation thinks, acts and makes decisions, with the customer at the heart of your brand story or your transformation narrative.

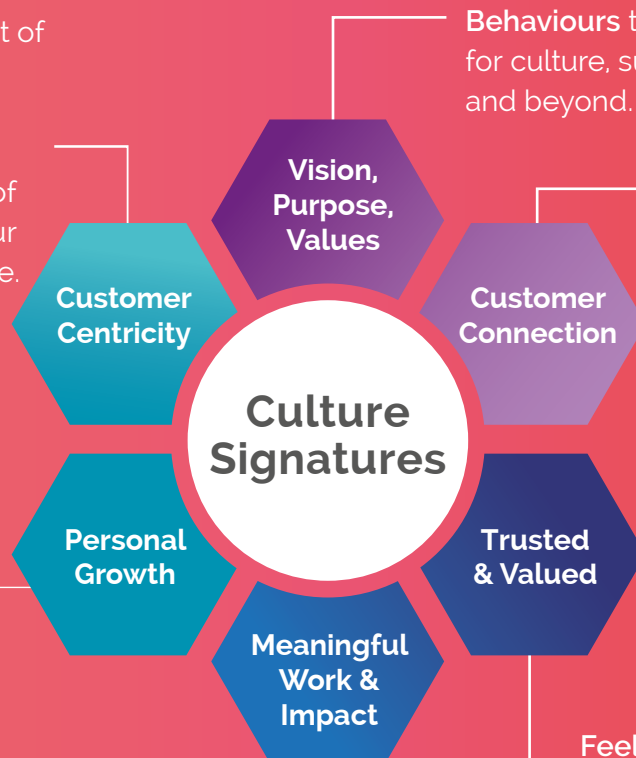
Personal growth fuels fulfilment and is a key driver of performance taking engagement to the next level.

Meaningful work stems from role clarity and personal impact - understanding how everyone is an active ingredient in the culture and can contribute to organisational success drives productivity and performance.

Well defined, aligned and embedded Vision, Purpose, Strategy, Values & Behaviours that form the foundations for culture, supporting transformation and beyond.

Customer connection for all, regardless of role, everyone feels connected to the customer through a focus on sharing customer insight and nurturing empathy

Feeling trusted and valued; creating an environment of high trust and empowerment where people are genuinely valued for the contribution they make.



We will now explore each of these culture signatures individually, extracting key insights from the research and supported by real world experience and examples from our consulting practice.

Culture signature 1:

Well defined, aligned and embedded Vision, Purpose, Strategy, Values & Behaviours

Vision, purpose and values are the culture components that guide an organisation's trajectory. They encompass an organisation's ambitions and aspirations, the underlying purpose for why it exists and a core set of beliefs that drive behaviours and actions. A motivating purpose is critical for success, but it doesn't stand alone, organisations need to ensure it is supported by a strong vision and strategy that enables employees to make it more tangible. Sustainable growth comes when purpose gives meaning to your vision and direction to your values.

What we mean by 'well defined, aligned and embedded'

Reaching a well defined vision, purpose and values requires organisation's to invest in a process which takes all stakeholders on a journey, is informed by context, driven by data and insight and puts the customer at the heart of the story. Key to being well defined is clarity - clarity of language around culture to ensure shared understanding and clarity of the components themselves. Clarity requires making the complex simple to provide direction.

Cracking the Culture Code 4.0 has validated the importance of aligning brand, people and customer to drive high performing cultures. Alignment is multi-dimensional across an organisation - alignment of leaders, alignment across sites and geographies, alignment across functions and teams and alignment of managers and individuals. Alignment is underpinned

by people feeling inspired and motivated with a strong belief in the why, what, where and how of an organisation.

But it's not enough for an organisation's vision, purpose and values to be merely well defined and aligned, time, energy and resource needs to be invested in truly embedding them into the experience employees and customers have everyday. People need to feel inspired by the vision, motivated by the purpose, enabled and empowered to deliver the goals through clear and actionable values and behaviours.

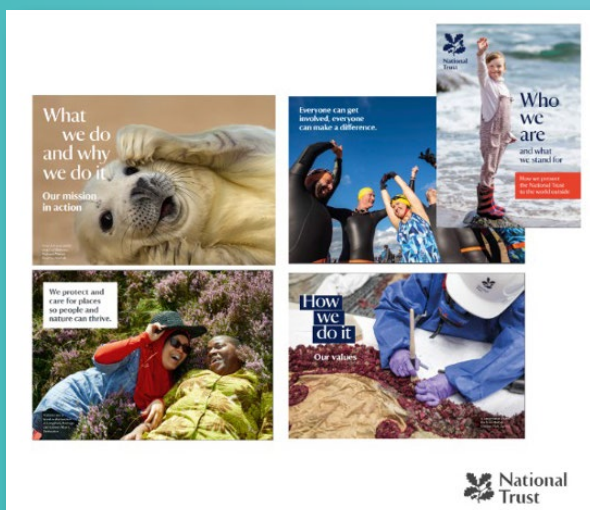
Our 4.0 research has elevated the importance of the role of leaders in driving culture alignment and commitment, role modelling the values and behaviours.

People who are motivated by their organisation's **Purpose** were almost **2x** more likely to recommend their organisation's products and services.

Employees who are motivated by their company's purpose are 93% more likely to recommend their organisation's products and/or services to people they know.

49%

93%



“

Strategy should not be focused on in isolation from Vision, Purpose, Values and Behaviours. They each have a critical role to play in aligning and driving the right culture. ”

~ Dragonfish

< **National Trust - the importance of one shared view:** The National Trust needed help to shape a narrative that would articulate who they were and what they stood for. With our help, we were able to create a one shared view which became the foundation for all communication.

A decorative graphic consisting of several teal and dark grey dots and lines scattered across the page.

Customer has emerged as a key focus throughout our 4.0 research as a fundamental attribute of performance and advocacy. The key drivers identified through the research that elevate the customer are leaders who genuinely care about the customer experience and put customers at the centre of their vision, strategy, goals and decisions.

When high performing organisations are focused on the customer, they are **enabled** to:

- Deliver upon customer promises
- Invest in systems and process that support the optimum customer experience
- Have an organisation that truly reflects the customer and communities it operates in
- Embed customer service standards across the organisation

- Understand how everyone's role impacts the customer experience
- Recognise and celebrate people for customer excellence
- Nurture a culture of customer empathy
- Give everyone the opportunity to improve the customer experience

Irrespective of organisation size, the central driver of high performance is having a focus on the customer. Culture therefore needs to start and end with the customer in mind, with brand and people designed around the needs and wants of your customer.

A Customer-Centric Culture is an organisational culture that puts the customer at the heart of decisions and actions with the aim of delivering exceptional customer experiences and increasing customer loyalty, trust and advocacy. Customer-Centric Cultures aim to build close, meaningful connections between a company, its employees, and its customers, and in doing so, fuel sustainable business growth. (CCW report³)



Culture signature 3: Customer connection for all

This culture signature is focused upon ensuring every employee is connected to customer and customer success, regardless of their role. So often in organisations we find the employees who are two or three times removed from the customer, have little understanding of the customer, their motivations and needs. Yet everyone within an organisation, regardless of role, contributes in some way, shape or form to the customer experience and customer success. Through our 4.0 research, we have identified that high performing organisations focus on customer connection regardless of role.

What do we mean by customer connection?

Customer connection is the ability of employees to feel emotionally connected to customers with an understanding of who the customer is, their motivations and needs and how the customer experience is designed to support this. Nurturing empathy is key to creating positive and memorable customer experiences. Our 4.0 research again has highlighted customer empathy as a top driver of customer alignment (the organisation's overall cultural readiness to meet customer expectations). But nurturing empathy for the customer takes time, you can't switch empathy on overnight, you have to invest to build it.

4.0 research has highlighted the importance of customer data and insight as a key driver of customer empathy. People on the frontline can feel empowered to adapt their decisions, approach and style to provide more personalised and empathetic experience if customer information such as universal truths are shared widely and embedded into learning and development and into the everyday employee experience.



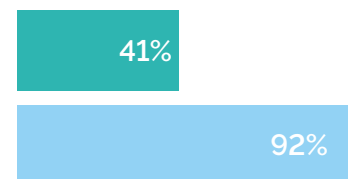
Customer-centricity means that every decision is made by understanding what the customer wants and needs and making the decision in the best interest of the customer.”

~ Katy Taylor, CEO Wightlink Ferries⁴

The key drivers of performance that lead to heightened customer connection include the ability of the organisation to attract and retain the right customers, the role of managers to share customer insights within teams, with the focus on delivering excellent customer experiences and listening to customer wants and needs.

Customer understanding is vital to employee belief in future success as employees who believe 'their organisation knows how to attract and retain the right customers to sustain long term success' are 2.4 as likely to believe 'their customers would recommend their products and services' than those who do not (92% vs 41%)

Employees who believe their organisation knows how to attract and retain the right customers to sustain long term success are 92% more likely to believe their customers would recommend their products and services.



Consistent across low, medium and high performing organisations 'customer connection' is on average the lowest performing attribute across the customer dimension.

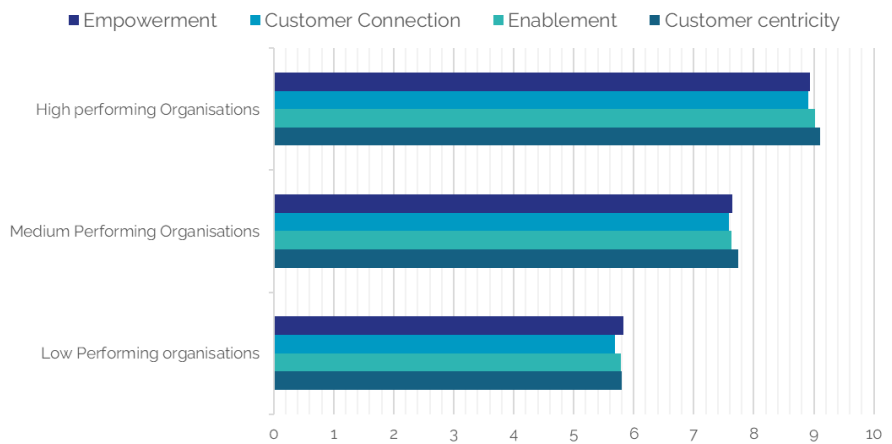
4. ccw.org.uk/publication/company-customer-centric-culture/

Customer centricity:

Graph 4 shows >

Our findings reveal that within the Customer dimension, customer connection is the weakest link, and the greatest opportunity across low, medium and high performing organisations. Focusing on nurturing empathy for the customer in order to build a stronger emotional connection between the employee and customer is key.

Customer Dimension



Connecting the EX and CX - Fitness First

Fitness First's market position was disrupted by the onset of budget gym operators. They recognised the need to differentiate their offer and they did this through their greatest assets - their people and member experience. With our help and through segmentation analysis, Fitness

First gained a deeper understanding (needs and motivations) of their different member groups. With this rich understanding, we were able to create learning and development programmes and behavioural nudges that enabled a more individualised member experience.

Support the Gym Daunted

TODAY...

I'll let a less confident member know I've seen the progress they're making

They find it a bit of a struggle. Recognising their effort will give them the confidence to keep going.

Be inspirational

Fitness First

Inspire the Gym Bold

TODAY...

I'm going to introduce one member to another just like them

They're sociable and love people. Introduce them to other members, they'll thank you for it.

Be inspirational

Fitness First



Culture signature 4: Meaningful work stems from role clarity and personal impact

Culture is more personal than ever; it's no longer a compromise between 'I live to work' or 'I work to live'. The lines are blurred and they are both critical for wellbeing. The 4.0 research has highlighted a clear correlation between role clarity, the contribution individuals make, the impact they have on customer success and as a result their work being more meaningful with a profound sense of fulfilment.

In high performing cultures, organisations help individuals to have a line of sight to the vision and purpose. People feel not only connected to the culture, but are an active ingredient in an organisation achieving its vision and goals and living its purpose everyday. Meaningful work and personal impact go hand in hand, making culture more personal. It's about the sum of parts, the role everyone plays, the connected power of influence and impact.

Personal accomplishment drives employee advocacy with 88% of employees whose 'work gives them a feeling of personal accomplishment' being willing to 'recommend their organisation as a great place to work', compared with only 34% of employees who do not have a feeling of personal accomplishment (that's 2.58x more likely).

34%

88%

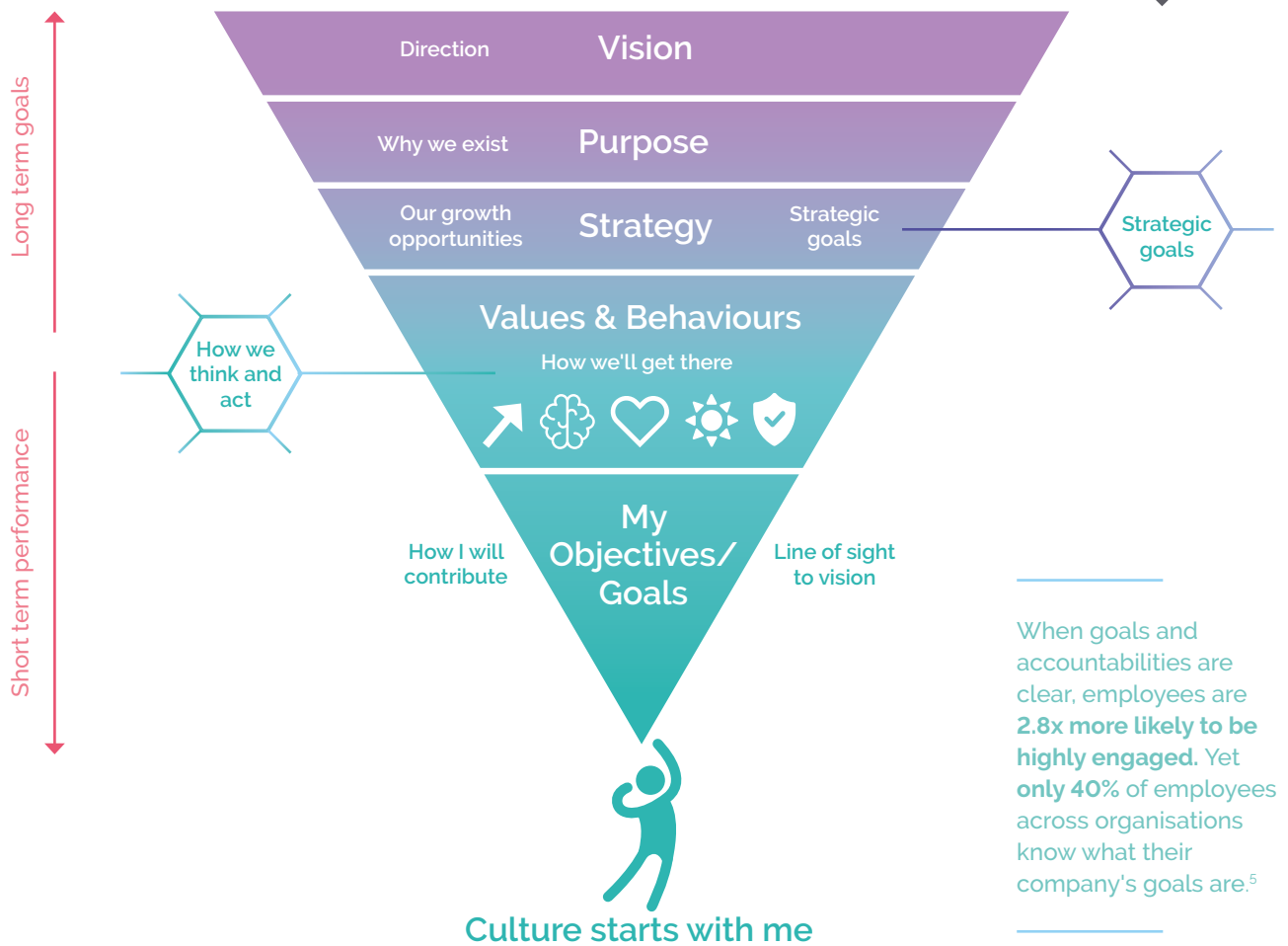
In summary, the 4.0 research has clearly shown that two of the key drivers of high performing cultures are role clarity and personal accomplishment. The role of managers in supporting teams to better understand their collective and individual contribution, celebrating the impact both teams and employees have is key. A focus on impact and meaningful work needs to be part of everyday conversations within teams to encourage heightened levels of fulfilment, driving performance.

Culture starts with me

The 'Culture starts with me' model is about the role everyone plays in organisational culture and success. It starts with role clarity, showing how an individual's objectives and goals are aligned to the strategy, vision and purpose to drive both short-term performance and deliver long-term goals.

It's about everyone taking ownership for the culture, and actively living the values in the way they act, interact and work together.





Having a clear 'line of sight' for individuals is important as it shows the role everyone has to play in organisational success, and the contribution they make. It ensures they:

- **Understand it** - they have an understanding and appreciation of the culture and the role they play
- **Learn it** - ensure they develop the knowledge, skills and experience to deliver it
- **Live it** - they make it happen, deliver everyday

Once everyone knows how their individual objectives contribute to the organisational goals, the true potential of the whole organisational culture is unlocked and performance enhanced.



5. Harvard Business Review 2015.

Culture signature 5: Personal growth fuels fulfilment

Culture signature 5 highlights the importance of skill development, learning and positive experiences. This not only leads to the attainment of meaningful goals but also increases the value that an individual can bring through their contribution, nurturing a profound sense of fulfilment.

Our 4.0 research shows that fulfilment matters to people and this has many dimensions - doing meaningful work, the role I play in supporting my company's purpose, being supported in learning and skills development.

Culture has become more personal, people want and expect more from their employers, and it has become even more important to recognise that everyone has a role to play.



There really seems to be much more depth to employee engagement – no longer is this just about the basic, but with an increasing element of purpose, belonging and being/feeling valued. ”

~ Dragonfish Client Advisory Panel, member reflection

Above all, people value personal growth at work - this shows they are trusted and valued, gives them the sense they are invested in and that can drive a feeling of personal accomplishment, which in turn can increase motivation, productivity and resilience.

When my work gives me a feeling of personal accomplishment, I am 2.6x more likely to recommend my company as a great place to work.

There is a growing body of research that shows fulfilment matters:



More than anything else we measured, personal fulfilment had the most decisive impact on an employee's choice to stay in their job, do great work, and define their organisation as a great place to work⁶ ”

~ OC Tanner, Finding Fulfilment (2023)



Sixty-three percent of people we surveyed said they want their employer to provide more opportunities for purpose in their day-to-day work...; the starting point should be opportunities that help employees find more personal meaning in their day-to-day work. By doing your part to help employees live their purpose at work, you will enable them to feel more fulfilled. ”

~ McKinsey, Help you employees find purpose – or watch them leave (2021)⁷

6. octanner.com/en-gb/global-culture-report/2023-finding-fulfillment.

7. mckinsey.com/capabilities/people-and-organizational-performance/our-insights/help-your-employees-find-purpose-or-watch-them-leave

Culture signature 6: Trusted and valued

Culture signature 6 underscores the importance of feeling trusted and valued within the organisation. It signifies that if individuals feel trusted in their roles and are valued for their contributions, this creates an environment conducive to optimal performance and employee and customer loyalty.

When we break this down, it means that when people feel valued and trusted, the culture ecosystem reflects psychological safety, fairness, employee wellbeing, and integrity.

'Trust' as a behaviour has risen in importance in the world, it is linked to integrity and ethics (Engelbrecht, Heine, & Mahembe, 2015⁸), acting as the 'ultimate currency' in relationships. Research shows that trust in institutions and business is in decline (Edelman's Trust Barometer, 2024⁹) and we have heard and experienced through our own client base the need for ethical practices in organisations, from diversity and inclusion practices to doing right by customers.

People want to feel valued – this is equally true for Gen Z workers as well as Gen X, but how people feel valued varies by generation.

So feeling trusted and valued, like personal growth fuels fulfilment, is multi-dimensional and can impact both employee and customer loyalty.

Our 4.0 research shows that when people believe their organisation acts ethically, they are 2.6x more likely to stay with their organisation. This increases to 3x more likely when they feel valued. What we can also see (and perhaps is surprising) is that when people believe that their organisation acts ethically and with integrity, they are 1.7x more likely to believe that customers would recommend their products and services. Feeling trusted and valued matter to both employee and customer loyalty.

Our 2023 research for the water sector showed that when there is a low trust environment, these create hidden employee and operational costs.

“

Trusted organisations are 6x more likely to benefit from customer loyalty, 7x more likely to command a premium price, and 8x more resilient.

~ The 2024 Edelman Trust Management

”

Hidden employee costs amount to difficulty in recruiting and retaining talent, lower productivity and higher levels of stress. Disengaged employees are more likely to leave, and higher levels of stress can lead to increased absenteeism, illness and burnout. A poor employee experience in turn can impact trust from a customer perspective.

Hidden operational costs amount to lower quality, increased customer complaints and lower levels of innovation. Trust is essential for high quality, innovation and risk taking.

Low organisational trust can have a significant impact on an organisation's bottom line; an important step forward for companies is to understand their organisation context and culture today – whether and where low trust exists, and what may be the root cause(s) and impacts.



8. Engelbrecht, AS, Heine, G, Mahembe, B, The influence of integrity and ethical leadership on trust in the leader, Management Dynamics: Journal of the Southern African Institute for Management Scientists, January 2015

9. edelman.com/trust/2024/trust-barometer



A Call to Action

There are 4 opportunities to use the latest insights from Cracking the Culture Code 4.0 to drive change in your organisation.

1. Use data and insight to help align and drive action

Employee engagement measurement is not culture measurement - we see many organisations say we measure culture in an annual survey, what they are actually talking about is employee engagement or experience. These are still important to measure, but are only one part of the whole picture.

Our research and experience has shown us that there is a huge opportunity to rethink or evolve the way that culture is measured and helps deliver all the outcomes (transformation, CX, EX, risk, good governance).

To measure culture differently we first need to align on what we mean by it including understanding how impact is captured (the long-term perspective), which is not always easily distilled into key performance indicators (short-term perspective).

3. Futureproof through culture change readiness

Leaders rank leadership as the #1 driver when successful, but only #10 when the transformation underperforms. Workers rank leadership #1 regardless.

If culture is to evolve, so does leadership. Resilient Leadership is human-centred and transformational - all pointing to the need to understand and lead culture effectively.

Our latest research has confirmed that people are looking to leaders to deliver a successful organisation that goes beyond profit.

We also know that there are a lot of burned out leaders (leaders are human too!) who need help to shape, lead and manage culture.

2. Strengthen and simplify your culture blueprint

The time and effort that goes into strategy, planning, transformation and managing EX and CX everyday, it makes sense to get your culture blueprint right. Yet too many leadership teams fail to spend the time needed to review, simplify, strengthen and evolve their culture blueprint.

For many leaders a blueprint is a 'one and done' job, developed top down (the classic executive away day event) and doesn't leverage the collective human perspective or even have robust data and insight.

Whilst you can't have consensus on vision and strategy, you can get bottom-up views on behaviours, ways of working and sentiment/ perspective that will enable purpose to be lived and vision to be achieved.

4. Activate, Embed and Sustain

Effectively activating, embedding, and sustaining culture is where most organisations struggle. It takes time and maintaining momentum is critical and cannot be underestimated.

Our recommendations are to think beyond awareness and understanding, recognise the long-game, become advocates of culture, build groundswell in teams, mobilise and activate networks so that everyone is a culture champion.

We are dragonfish

Dragonfish is a multi-award winning culture and performance consultancy (part of the Global Lawton Group) with offices in Southampton, London, LA and Sydney.

We partner with ambitious clients on transformation journeys - unlocking performance by strengthening the links between your Brand, People and Customers to deliver sustainable growth. Powered by research and using inclusive evidence-based practice and healthy pragmatism, we make the complex simple and help ensure genuine behavioural change.

We are a diverse team bringing together expertise from the fields of Strategy, Organisational Effectiveness, Customer and Brand, Employee Experience and Behavioural Science.

Our Purpose is to help make work more meaningful. Our values are Make an Impact, Be Bold, Never Stop Learning & Thrive Together. We are our own culture experiment.



dragonfish [drag-uh n-fish], Noun

1. A unique fish that survives in the depths of the ocean where there is no light.
2. Bioluminescent, creating their own light often described as nature's infrared to help with communication
3. Able to swim deeper and see things other fish can't.

Dragonfish beliefs:

#1 Culture is ultimately about focus, alignment and empowerment

#2 Culture is inclusive of everyone and shows up in the experiences of your people and customers

#3 Culture can be shaped, measured and managed

#4 Culture is not a project, it's an ongoing sustained focus

#5 Leaders set the tone for culture, whilst managers enable the experience

We believe that culture is a wraparound blueprint for successfully leading, evolving and transforming organisations through volatile, uncertain, complex and ambiguous times.

Culture is not only the backbone to strategy, it is the strategy for enabling successful transformation, high performance and long-term sustainable growth.

Fundamentally, culture is an ecosystem or nervous system of the organisation - the who, why, what, where and how that shows up in your people, customer, stakeholder and partner experiences.

We now live in a culture first era.

Our approach has delivered outstanding results across a range of sectors for brands such as Popular Bank, World Resources Institute, Toyota Financial Services UK, The Crown Estate, IFRS Foundation, UK Hydrographic Office, The Royal British Legion, First Bus, Ordnance Survey, Specsavers, Public Health Wales, Southern Water, National Trust; V&A, 10x Banking; Costa, Financial Reporting Council, Consumer Council for Water and many more.

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