Business Culture *Awards*

Business Culture *Connected*

From insight to impact:

Rethinking how organisations measure, understand and act on culture

Research sponsored by

Deltabase

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Foreword

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Co-Founder,
Business Culture Awards and
Business Culture Connected

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CEO & Co-Founder, Deltabase

I'm pleased to introduce this whitepaper, which reflects our commitment at Business Culture Connected to supporting organisations in leading culture with greater intent, honesty and accountability.

As organisations gather ever more insight about how work is experienced, the real challenge lies in how that insight is interpreted, prioritised and acted upon. Culture is shaped less by the data we collect, and more by the choices leaders make when that data surfaces uncomfortable truths. When feedback is acknowledged but not meaningfully addressed, it can quietly undermine trust and credibility.

This paper focuses on that leadership moment. It explores how organisations are currently making sense of culture insight, where decision-making often stalls, and what helps translate understanding into sustained action. At its heart is a simple proposition: culture insight only has value when it informs clearer judgement, shared ownership and visible follow-through.

We are grateful to everyone who contributed their time and perspective to this research, and to Deltabase for sponsoring the work. We hope it supports leaders to act with greater confidence – and care – in shaping culture.

Culture has never been more critical to business performance. In an environment defined by economic uncertainty, shifting workforce expectations and rapid technological change, culture is increasingly the differentiator between organisations that adapt and those that fall behind.

Yet, despite growing investment in employee listening and engagement tools, many organisations still lack the clarity needed to act with confidence.

Drawing on insights from over 150 organisations, alongside expert perspectives, this paper explores that gap. It examines how culture and engagement are being measured today, and where current approaches are falling short.

We are delighted to sponsor this research as an important contribution to the conversation on how culture measurement must evolve to better support employees and to drive outcomes for organisations and their stakeholders.

The opportunity now is clear: to move from passive measurement of engagement to active management of culture; treating culture not as an abstract concept, but as a measurable, actionable driver of performance.

Acknowledgments

Business Culture Connected would like to thank the members of our community who shared their time and insight for this report via surveys and interviews. This report was written by workplace and business journalist Katie Jacobs.

Business Culture Connected would like to thank Deltabase for sponsoring this research.

Summary of key insights

- **Engagement surveys are the most commonly used method of gathering employee feedback.** They are used by 78% of respondents, with the most common cadence being annually. But many organisations are increasingly taking a more blended approach. More than half (55%) of organisations are using pulse surveys, 50% use always-on employee listening methods, and 41% use employee focus groups.

- **Organisations lack visibility on risks related to people and culture.** While 60% are confident their data gives them insight over how culture aligns with company values, only 35% believe they have visibility over key culture and engagement risks. And 50% do not have a clear visibility over leadership effectiveness or the extent to which their culture aligns to corporate strategy.

- **Organisations don't have a clear picture of how they stack up against their competitors.** In a competitive talent marketplace, culture matters when it comes to attracting the best candidates. Yet, only 17% of respondents said they have a clear view on the strengths and weaknesses of their company culture versus competitors, and less than half (42%) engage in any form of external benchmarking.

- **There is work to do on closing the loop from insight to action.** Around half (46%) of respondents say their current approach to measuring culture and engagement only helps identify what needs to change to some extent, and doesn't offer clarity on priorities or actions. One in five (21%) say their approach provides limited or no insights into what should change. For 44% of organisations feedback through surveys only sometimes leads to change, while for 18% it rarely or almost never leads to change.

- **While leaders see investment in engagement as delivering real value, challenges remain.** Two-thirds (67%) of respondents are either very or somewhat confident that the time, effort and investment put into engagement and employee listening delivers real value. However, respondents also highlight challenges, most notably around moving from feedback to action and leadership accountability and commitment.

- **Organisations are not yet harnessing the power of AI in measuring, understanding and acting on culture and engagement.** Only 5% of respondents report that their organisation is extensively using AI to analyse culture and employee engagement data, while 17% say it is being used in limited pilots. About a third (34%) of organisations are not there yet, while 6% have no plans to use AI in this space. AI's ability to analyse open-ended employee feedback is seen as the most value-adding use of the technology, followed by the ability to use real-time or faster insight to support quicker action and decision-making.

Introduction:
Engagement is big business – is it delivering?

It has never been easier for employers to find out what their people are thinking and feeling – in theory, anyway. The employee engagement and culture measurement market is big business. Market research firm Grand View Research states that the global employee engagement software market was valued at $1.05 billion in 2024. Its growth shows no sign of slowing: the market is projected to reach $2.61 billion by 2030.

And although culture is about more than employee engagement, measuring engagement has become something of a proxy for understanding an organisation's culture. As of 2022, around a third (36%) of CEOs had employee engagement built into their LTIP or bonus packages, according to PwC. Ongoing research tracking people metrics by the CIPD has found that employee engagement is the most common people-related metric, aside from health and safety, to influence CEO pay (base and bonus).

And yet despite the investment in engagement and culture more widely, and moves to more frequent measurement in many organisations, engagement globally remains stubbornly low. Gallup's latest annual State of the Global Workforce report found that global employee engagement had fallen to 21% in the last year. This, Gallup estimates, represents a global loss in productivity of $438bn.

So, while investment in employee engagement and culture tools may be rising, the gap between measurement and meaningful impact persists. Surveys may be more frequent, data richer and new technologies promise faster and deeper insight, yet leaders and employees alike would be forgiven for questioning whether this effort truly reflects everyday experience, or leads to meaningful change.

Business Culture Connected wanted to find out more about how this paradox is playing out in practice, and explore how organisations are currently measuring culture and engagement, as well as investigate the gaps that most commonly prevent insight turning into meaningful action. So, we surveyed more than 150 members of our community. You'll find the results, supplemented by additional interviews with people and culture leaders, over the rest of this paper.

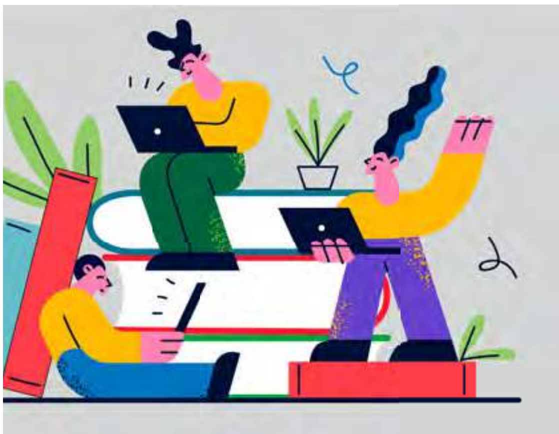
Measuring employee engagement and culture

The employee engagement and culture measurement markets continue to evolve at pace, with advances in technology (specifically AI capability) offering organisations increasingly sophisticated ways of listening to their people. We find a range of tools and methods gaining in popularity, although the traditional engagement survey still reigns supreme, used by 78% of organisations.

Alongside the engagement survey, more than half (55%) of respondents said their organisation uses pulse surveys, while 50% are using real-time employee listening methods. And for 41% of organisations, online surveys and listening are supplemented by talking to people in real life, via employee focus groups.

As for the frequency with which employers are measuring culture and employee engagement, the most common cadence is annually, with 16% increasing this to twice a year. Some 15% measure quarterly, while 13% opt for continuous or always-on measurement.

There is a balance to be struck here between listening effectively and wearing people out. As Amy Taylor, Chief People Officer of accountancy firm PFK Francis Clark points out, asking people to fill in surveys too regularly can result in survey fatigue and give employers limited time to deploy action plans before going into the next feedback round. This reflection caused her firm to reduce survey frequency from quarterly to bi-annually.



How organisations are measuring culture and employee engagement

Which of the following are used in your organisation to understand culture and employee engagement?

78% Engagement surveys

55% Pulse surveys

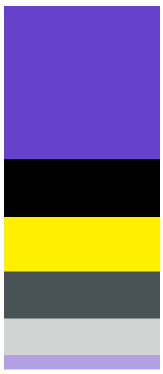
50% Real-time employee listening

41% Employee focus groups

13% Other (responses include culture surveys, anonymous feedback, external benchmarks, trade union engagement)

How frequently does your organisation measure culture and employee engagement?

- Annually: **42%**
- Twice a year: **16%**
- Quarterly: **15%**
- Continuous/always on: **13%**
- We do not formally measure engagement: **10%**
- I'm not sure: **4%**



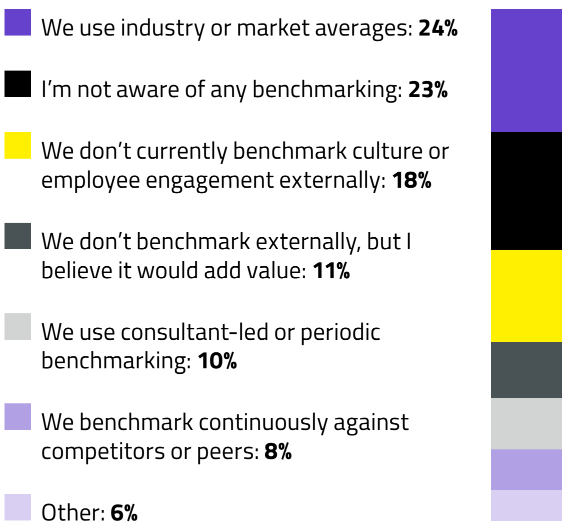
When it comes to the areas leaders feel they have visibility of within their organisation (beyond engagement scores), culture alignment with company values comes out on top, cited by 60% of respondents. This is followed by leadership effectiveness and culture alignment with strategy, both cited by 50%. While this is encouraging, that does mean that half of companies do not have a clear visibility over leadership effectiveness or the extent to which their culture aligns to corporate strategy, a major risk.

Companies also fall down in areas more explicitly linked to risk – fewer respondents feel they have insight over the pain points that lead to attrition (39%) or visibility over key culture and engagement risks (35%). People may be any organisation's biggest asset, but they also tend to be your biggest cost: a lack of clarity over people and culture related risks is a potentially dangerous oversight.

The ability to externally benchmark can bring a richness of insight beyond the boundaries of the organisation, but only 17% of respondents said they have visibility over their culture's strengths and weaknesses in comparison to their peers and competitors. In a competitive labour market, where top talent with the most in-demand skills, often has its pick of where to work, company culture can be a key differentiator. Developing a clear understanding of how they stack up against competitors becomes even more important. Some form of benchmarking is taking place within 42% of organisations (either using industry/market averages, consultant-led or periodic benchmarking, or a continuous benchmarking approach).

Beyond engagement scores, which of the following do you have clear visibility on in your organisation today?

How does your organisation benchmark culture and employee engagement?



"Draw a line of sight between the results and what they mean for business performance"

Rachel King
Experienced Chief People Officer

"Last year, we started using a platform that meant we could align our data across our people and customers. People sentiment and insight is a proxy for measuring culture, but grounded in business performance. We looked at different parts of the business and how they performed on culture and engagement, and what that meant for business performance and output. Some customer team members looked at our people data, seeing the correlation between engagement and internal experience and the customer.

When it comes to engagement, it's about how good we are at listening, so that people feel their views will be taken on board. Some of that is old fashioned – going out, doing staff forums, asking people questions and listening to their answers, being human and tuned into what's happening on the ground.

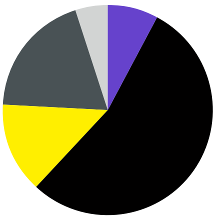
'Explainers' can get in the way of the action plan. You have to accept this is what people feel as that's what they've told you. You can try and explain it, but you are probably going to be wrong. Rather than trying to explain it away, lean into it. HR teams should be joining the dots, drawing a line of sight between the results and what they mean for business performance, and why leaders should listen and engage. Because people and culture data is telling you about the health of the workforce and therefore your business."

The insight-impact gap: Is data really driving change?

With the majority of organisations collecting data on employee engagement and culture at least annually, how confident do leaders feel in the insights generated – and how likely is it to actually lead to meaningful change? Most respondents feel either very (8%) or somewhat (54%) confident that their organisation's approach to measuring culture and engagement reflects what is happening day-to-day in their organisation. However, there remain more than a third (38%) who are either not very confident, not confident at all or unclear on whether their approach to measuring culture and engagement is reflective of the reality in their organisation.

How well do you feel your organisation's approach to measuring culture and engagement reflects what is actually happening day to day?

- Very confident: **8%**
- Somewhat confident: **54%**
- Neutral: **14%**
- Not very: **19%**
- Not confident at all: **5%**



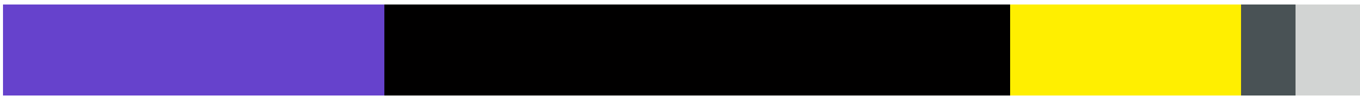
When it comes to the role of culture and engagement measurement in highlighting what needs to change, leaders feel the data helps, but there is room for improvement in drawing that golden thread: from highlighting an issue to creating and deploying an effective action plan. While over a quarter (28%) of respondents say their current approach clearly highlights the main issues and priorities for change, about half (46%) say their approach only does so to some extent, pointing to issues without offering clarity on priorities or actions. And one in five (21%) are more damning, believing their culture and engagement measurement approach provides limited or no insights into what should change.

And while it is encouraging that in more than a third of organisations (35%) the feedback shared through engagement surveys usually leads to visible change, for 44% of organisations the answer is only sometimes. And in 18% of organisations, feedback either rarely or almost never leads to change. This is not to say that all feedback must lead to tangible change – sometimes employee requests are simply not feasible. But organisations must use the feedback to shape communication as well as action, explaining why any action is or isn't taken and sensemaking from the signals.

It is also telling that in 21% of organisations, action taken off the back of engagement survey feedback can take more than a year to 'go live'. While sustainable, intentional change is rarely quick, at a time when employee expectations are higher than ever, is it good enough for change to take this long to effect – or are there quicker wins that could be realised for employee and employer alike?

How does insight drive impact?

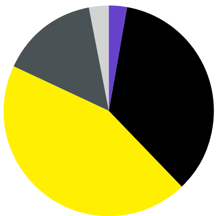
From what you see, does your organisation's approach to culture and engagement measurement help identify what needs to change?



- Yes, it clearly highlights the main issues and priorities for change: **28%**
- To some extent – it points to issues but doesn't always make priorities or actions clear: **46%**
- Limited – it shows engagement levels but not why things need to change: **17%**
- No – it doesn't provide useful insight into what should change: **4%**
- I don't see or receive enough insight to tell: **5%**

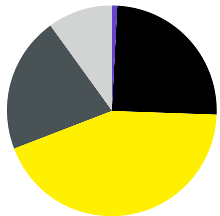
In your experience, does feedback shared through engagement surveys lead to visible change in your organisation?

- Always: **3%**
- Usually: **35%**
- Sometimes: **44%**
- Rarely: **15%**
- Almost never: **3%**



When feedback is shared through engagement surveys, how quickly do you typically notice change happening?

- Within a week: **1%**
- Within three months: **25%**
- Three months to a year: **44%**
- Over a year: **21%**
- Never: **10%**



When feedback drives change: Success stories

Respondents were asked to share examples of where feedback was gathered, and the organisational impact this did – or didn't – have. Success stories shared fell into three categories: structural fixes (rosters, tools or recognition, for example); cultural embedding (such as updating behavioural competency frameworks); and access and visibility (leader communications or working groups). Changes include...

Tool and process improvement

"We onboarded a better tool, so we immediately saw an improvement in manager enablement and empowerment for owning the action areas because they had the clarity they needed."

Policy changes

"We acted upon suggestions to improve policy to support specific employee groups. In one country... we enhanced benefits to increase retention."

Retention impact

"Attrition reduced based on some relatively small changes."

Day-to-day working conditions

"Rosters changed and staff were happier."

Tackling poor performance

"Focusing on poor performers who were letting teams down, as we realised how much it was affecting strong performers."

Recognition redesigned

"Creation of a reward/recognition mechanism that covers all employees and specifically generates a monthly winner of a substantive prize for staff NOT from Sales teams. Previously seen as unfair/negative that successes of staff from supporting departments were not recognised enough."

Executive access opened up

"Increased access to the CEO and executive team."

Listening embedded into performance management

"The listening and acting on feedback capability was added into core competency framework used to assess performance."

"It's about helping people to see the bigger picture"

Amy Taylor
Chief People Officer, PKF Francis Clark

"We survey engagement twice a year, alongside external accreditation. With engagement, we find drilling down to department and team level drives more meaningful changes. Firm-level results tend to stay quite static: at a team level you see more variation. It's where you can make the most changes, using data to have open discussions about areas to focus on and improve.

We used to do surveys quarterly but people started getting survey fatigue, so we reduced to bi-annually. And we've become more intentional about when we do surveys, looking at specific events or changes. We are adding in more lifecycle surveys, for example during onboarding or around family leave.

At a firm level, reward used to be one of our lowest scoring areas. We looked at the data and saw it wasn't just about rate of pay, but the total reward dimension. It was about how transparent our processes were, the perception of fairness and how much people could have discussions about pay.

As a result of the feedback, we went on a pay transparency drive. We introduced a handbook to explain processes, a grading matrix, career pathways and trained partners in having good quality pay discussions. We also put on webinars about the pay review process, including how we benchmark and arrive at pay awards, and began to include talk about pay in road shows and colleague comms calls. It was about getting people to think more about the total reward package, including the flexibility and work-life balance we offer, and helping people to see the bigger picture."

Data-driven decision-making

There is little point collecting data on culture and engagement unless it is used to support confident decision-making in the organisation, and therefore drive tangible business outcomes. But while 10% of respondents are very confident this happens in their organisation and a further 29% believe it often happens, 44% say it only happens sometimes, and 14% that it is a rare occurrence.

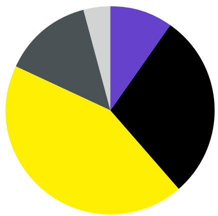
Despite this most employers remain confident (67% are either very or somewhat so) that the time, effort and investment put into engagement and employee listening delivers real value, with only 19% not confident about this.

But the responses to the open ended question 'what is the one change or improvement that would most strengthen how your organisation understands and improves culture and employee engagement?' tell a different story, revealing where – however confident leaders are in their overall approach – challenges and gaps remain (see p12 for more). And when respondents were asked to consider the last time culture or engagement feedback was gathered, more people raised examples of where things didn't change (feedback disappearing into a void, action lagging, and leadership behaviour remaining the same, for instance) than those who gave examples of change driven by insight.

Many leaders are bullish that engagement culture does lead to impact – should they be?

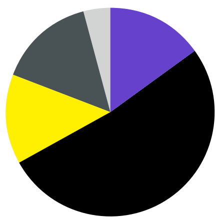
To what extent does culture and engagement data support confident decision-making in your organisation?

- Very well: **10%**
- Often: **29%**
- Sometimes: **44%**
- Rarely: **14%**
- Not at all: **4%**



How confident are you that the time, effort and investment put into engagement and employee listening delivers real value?

- Very confident: **15%**
- Somewhat confident: **52%**
- Neutral: **14%**
- Not very confident: **15%**
- Not confident at all: **4%**



When asked what one change or improvement would most strengthen how their organisation understands and improves culture and employee engagement, responses fall into six themes. In order of commonality, they are:

1. Closing the loop from feedback to action

The need isn't simply for better listening mechanisms, it's for visible and honest evidence that feedback actually leads to change. Respondent frustration centred not just on inaction, but on leaders substituting platitudes for genuine listening and reflection, or retrofitting existing activity as feedback-driven change.

"The organisation could strengthen culture and employee engagement by creating a clearer feedback loop. Employees should see how their feedback leads to real actions through regular 'You said – We did' updates. This would build trust, encourage honest feedback, and show that employee voices genuinely influence decisions."

2. Leadership accountability and commitment

Many respondents pointed to leadership rather than tools or processes as the primary blocker of meaningful action on employee engagement and culture.

"Our CEO actively blocks actions that are needed to address culture survey findings."

3. Survey frequency

While there was some divide over the ideal regularity for employee surveys (some respondents wanted more frequent pulse surveys, a few advocated for less), the most dominant call was for more continuous, timely listening mechanisms.

"Continuous pulse surveys to measure ongoing engagement. We operate in dynamic and agile environments that require high levels of commitment and engagement so knowing how engaged our employees are will help mitigate employee flight."

4. Manager capability

Several respondents flagged the critical – often overlooked – role of middle managers in translating survey insight into team-level action. Local ownership often drives the most meaningful impact.

"Team managers more skilled in discussing and addressing culture at team level"

5. Transparency over results

Beyond acting on the feedback, many respondents advocated for more open and transparent communication of the results themselves – and rationale for what will and won't be addressed.

"Clarity on which areas of feedback we have an interest in prioritising and communicated rationales for why others will not be addressed in the short-term"

6. Improving data quality

Some respondents pushed for improvements in how data is gathered, segmented and interpreted, including concerns about question design and statistical validity.

"Granularity and nuance of data collected... More open questions and the capacity to analyse lots of qualitative data."

How International SOS harnesses employee insight across a dispersed workforce

"Focus less on measuring culture and more on acting on what you learn. When employees see that feedback leads to real action, participation, trust and engagement improve significantly."

JJ Thakkar
HR Director, International SOS

With 13,000 people across 90 countries providing 24/7 assistance and emergency response to more than 9000 organisations, leading medical and security risk services company International SOS can't take a one-size-fits-all approach to how it collects and harnesses insights around engagement and culture. Its toolkit includes engagement surveys, external benchmarking through an accreditation body, employee focus groups and ad-hoc pulse surveys.

"Given our decentralised operating model and highly dispersed, multinational workforce, and because we operate in high-risk environments, culture feedback also comes through operational systems and crisis management reviews," explains JJ Thakkar, HR Director for the Government Services business line. "The challenge in enterprise engagement measurement software is disaggregating information to make it useful – what works in providing insurance administration for US military, veterans and their families won't work in guarding refugee camps in Africa."

Feedback from employees deployed in complex environments is used to improve areas including safety procedures, communication protocols and workforce resilience programmes. Engagement feedback often leads to rapid operational adjustment, not simply annual HR initiatives. Survey feedback highlighting stress and workload pressures in operational roles led to the expansion of mental health resources and resilience training for employees in high-risk environments.

Another example of feedback driving tangible change was collecting data for a top employers for veterans ranking. Comments from the

veteran workforce led to the introduction of a guaranteed interview scheme for UK veterans (any qualified veteran that applies is guaranteed an interview) and doubling unpaid leave for reservists from five to 10 days. "It was a simple thing to do and didn't cost us anything, but it is highly valued and recognised," says Thakkar.

For Thakkar, insight into culture adds the most value "when it explains the behaviours driving organisational performance." "It is particularly important for operational safety and service quality, where culture influences whether employees speak up and follow critical procedures," he adds.

When it comes to designing feedback mechanisms, he recommends starting with an outcome in mind: "What is the purpose of doing the survey? It's easy to get lost in the data, without having a sight of that North Star of why you're doing something. Think about what other data you can pull in to create the narrative. Run focus groups to bring stories to life." And his top tip? "Focus less on measuring culture and more on acting on what you learn. When employees see that feedback leads to real action, participation, trust and engagement improve significantly."

Building a full picture of culture at UST

“Surveys alone do not fully capture culture. We complement surveys with continuous listening through genuine human interactions across multiple platforms.”

Sunil Balakrishnan
Chief Values Officer, UST

At global digital transformation company UST, which employs more than 30,000 associates across more than 30 countries, understanding culture and engagement has evolved from measuring both to running culture as an organisation-wide system. “A cookie-cutter approach is not effective for people-centric topics such as employee engagement and culture,” explains Chief Values Officer Sunil Balakrishnan. “Surveys alone do not fully capture culture. We complement surveys with continuous listening through genuine human interactions across multiple platforms.”

The organisation has built a multi-signal, continuous listening system that combines data from a wide range of sources including (but not limited to) surveys, human listening channels such as town halls and ‘ask me anything’ sessions, programme participation data (including in UST’s extensive volunteering schemes and in UST’s landmark global employee engagement framework Colors of UST), leadership interaction, innovation and learning activity, and external employer brand indicators. Traditional tools including annual engagement surveys and pulse surveys have their place, but are enriched through a wide range of other sources.

As well as keeping a firm finger on the pulse of organisational culture internally, UST benchmarks externally through a combination of industry recognition (including Business Culture Awards), academic validation via business school collaboration, and employer brand signals, such as how employer brand is resonating with talent in the marketplace via social media platforms.

UST’s culture data drives action. Monthly tracking of new joiner engagement helps identify locations where onboarding interest is lower, prompting targeted ambassador outreach and local leadership intervention. Data around participation in and outcomes driven through Colors provides a powerful cultural indicator for the whole organisation. For instance, year-on-year analysis has highlighted geographic participation gaps, helping drive the expansion of Colors of UST beyond India.

Balakrishnan sees culture insight as adding value in three key ways. “First, it helps leaders understand what behaviours are actually taking place inside the organisation beyond formal policies,” he says. “Second, it provides early signals of potential risks such as disengagement, burnout or reduced collaboration. Third, it helps unlock discretionary effort.”

Executive sponsorship and leadership accountability are key, with cultural metrics a standing agenda item for leaders. “Confidence in culture insights increases when leaders see a clear connection between engagement insights and business outcomes such as collaboration, innovation and retention,” Balakrishnan says. “We encourage leaders to view culture as a shared leadership responsibility rather than something owned by HR alone.”

Looking ahead, Balakrishnan is clear that “human empathy” must remain at the heart of employee listening and culture strategy, even with advances in machine intelligence. And when it comes to starting the measurement journey, his advice is to “Keep It Short and Simple… rather than trying to boil the ocean”, combining technology-driven and human-interaction-driven measurement from the outset.

The role of AI in culture and engagement insight

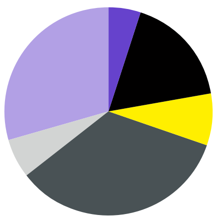
As with HR more widely, AI has the potential to change the game when it comes to understanding and acting on insights around engagement and culture. The opportunity ranges from efficiency gains in analysing unstructured data at scale to drive better, faster understanding of feedback, to using sentiment analysis to predict risks like attrition or burnout, to AI agents that nudge managers to check in with team members at moments that matter most.

Yet despite the possibilities, only 5% of respondents report that their organisation is extensively using AI to analyse culture and employee engagement data and only 17% that it is being used in limited pilots. About a third (34%) of organisations are not there yet, while 6% have no plans to use AI in this space.

When asked where AI could add the most value in improving culture and employee engagement in their organisation, 37% of respondents point to AI's ability to analyse open-ended employee feedback, while 27% highlight being able to use real-time or faster insight to support quicker action and decision-making. Value-adding areas like predicting risks of attrition, burnout or cultural drift or clearer insight into what is driving engagement or disengagement appear so far to be receiving less attention.

Is your organisation using AI to analyse culture and employee engagement data?

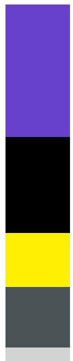
- Yes, extensively: 5%
- Yes, in limited pilots: 17%
- Exploring options: 8%
- Not yet: 34%
- No plans: 6%
- Not sure: 29%



> *"AI also has the potential to combine signals from multiple organisational systems to give leaders a broader view of employee sentiment and collaboration"*
>
> **Sunil Balakrishnan**, Chief Values Officer, UST

Where do you believe AI could add the most value in improving culture and employee engagement in your organisation?

- Better analysis of open-ended employee feedback (comments, sentiments, themes): **37%**
- Real-time or faster insight to support quicker action and decision-making: **27%**
- Clearer insight into what is driving engagement and disengagement: **15%**
- Predicting risks such as attrition, burnout or cultural drift: **17%**
- Other: **4%**



While Sunil Balakrishnan, Chief Values Officer at UST, caveats that no-one can really know the true future impact of AI, he can see the technology's potential in supporting engagement and culture activities as it continues to evolve. "AI may help organisations move toward more predictive insights by identifying early signals of disengagement or burnout before they escalate," he says. "It may also enable more personalised engagement approaches by better understanding what motivates different employee groups."

He adds: "AI is beginning to play an important role in employee listening and interpretation. Tools using natural language processing can analyse large volumes of open feedback and identify patterns and themes faster than traditional methods. AI also has the potential to combine signals from multiple organisational systems to give leaders a broader view of employee sentiment and collaboration." For example, UST's internal social media and engagement platform, Square, includes cultural analytics capabilities that assess sentiment based on the data from conversations.

But alongside embracing the power and potential of AI, Balakrishnan remains mindful of the risks related to privacy, transparency and over-reliance on AI outputs. "Culture is ultimately about people and relationships," he emphasises. "While AI can strongly support data collection and interpretation, it is not a replacement for human intervention."

Culture intelligence: From blind spot to competitive advantage

Culture has always been a critical enabler of business performance. It shapes how decisions are made, how teams execute, and ultimately how organisations compete. Yet, despite its importance, culture has historically been one of the least understood and least effectively managed drivers of performance.

Today's CFO, meanwhile, operates with near real-time visibility across both leading and lagging indicators of business health. Financial performance is continuously benchmarked against competitors, with clear signals guiding decision-making. Variance is quickly identified, interrogated and acted upon.

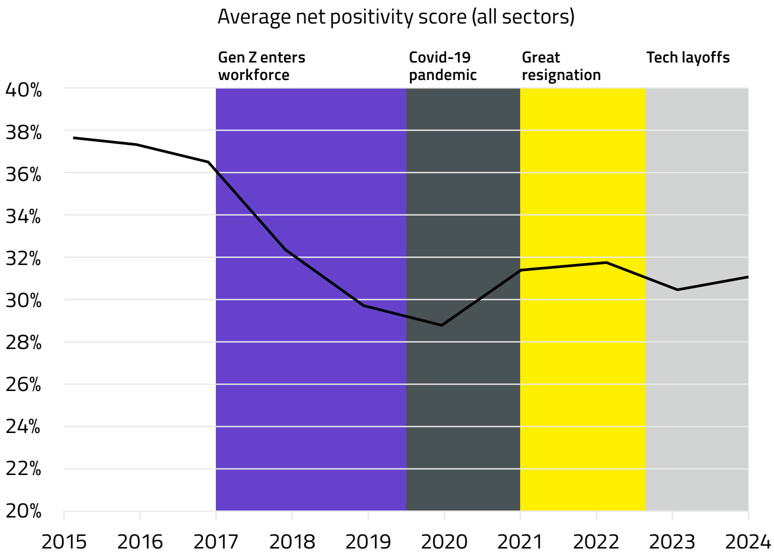
By comparison, CHROs have been operating with a far less complete picture, often reliant on annual surveys, lagging indicators, and limited external benchmarks. In many cases, people and culture have been managed without the same level of precision, context or competitive visibility. In effect, they have been flying blind. This gap matters more than ever.

Deltabase culture intelligence data, spanning millions of employee data points since 2015, reveals just how sensitive workforce sentiment is to both macroeconomic and structural shifts. Engagement fell sharply during the Covid-19 pandemic in 2020, before rebounding in 2021 as investment and growth returned. Since then, volatility has persisted, driven by the 'Great Resignation', widespread layoffs and the cost-of-living crisis.

But the most significant shift predates all of this. Between 2017 and 2019, global engagement declined markedly, coinciding with the arrival of Gen Z into the workforce. This was not a cyclical shock, but a structural one. It exposed a growing misalignment between traditional workplace practices and a new generation's expectations.

Legacy approaches to measuring and managing culture are no longer fit for purpose. Many organisations are already seeing this in declining survey participation and increasing

Global trends in employee sentiment



scepticism toward traditional listening methods.

A new category of AI-powered culture intelligence platforms that move beyond episodic surveys to continuous, multi-signal insight is emerging. These approaches not only address issues of survey fatigue and trust, but crucially provide leaders with faster, more actionable and more contextualised understanding of their workforce.

For the first time, culture can be measured and managed with the same rigour as financial performance.

The organisations that recognise this shift early will not just understand their culture better, they will outperform because of it.

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Deltabase

Moving from insight to impact: 11 takeaways for people and culture leaders

1. Consider the appropriate listening cadence

Balance the need for insight with the challenge of survey fatigue and organisational overwhelm. Be intentional about why and when you survey your people, connecting to key moments that matter in the employee lifecycle or organisational change. Many organisations are moving towards a blended model, combining a core annual survey with lighter touch pulse surveys. Supplement surveys with AI-enabled always-on listening methods.

2. Target your population

In complex, large or multi-site organisations, one size rarely fits all. Develop a common set of tools and questions which can be deployed as appropriate to different workforce populations. Personalisation and tailoring can help boost engagement. Consider demographics, for example engaging effectively with the Gen Z workforce is becoming increasingly important for many organisations.

3. Collate feedback from a range of sources

While engagement surveys are often viewed as a proxy for culture overall, build a richer picture of workforce health by collating data from a wide range of sources and people processes (for example, L&D, performance management, wellbeing, talent attraction and retention, and so on).

4. Don't neglect face-to-face engagement

Engagement, listening and culture platforms are evolving at pace – but that doesn't mean in-person interaction loses its value. If anything, in a digital era, the signals that can be picked up through face-to-face engagement are more powerful than ever. Don't neglect walking the floor and holding in-person (or virtual) events and focus groups to hear what people really think.

5. Create the conditions, not just the mechanism, for honest feedback

Any feedback mechanisms are doomed to failure if people don't feel comfortable being honest. This is not simply a design issue, people need to feel that giving feedback is both worth it and safe. Creating the conditions for trust and psychological safety matters more than any tool, no matter how slick.

6. Invest in external benchmarking

Looking beyond the internal picture is vital for considering how your organisation stacks up against peers and competitors. Investing in external benchmarking can help organisations understand their strengths and weaknesses versus competitors, and can support employer brand, talent attraction and retention too.

7. Harness the power of AI – responsibly

AI could transform employee listening, helping HR and people managers spot insights, trends and risks quickly and at scale. People and culture leaders should engage with the opportunity, through the lens of responsible and people-centric usage. Privacy concerns, potential bias and AI being perceived as surveillance all pose cultural risks. AI must support rather than replace human judgement.

8. **Connect people and culture metrics to business outcomes**

Culture and engagement are key drivers of performance. HR leaders need to prove this is the case, joining the dots and creating a clear line of sight between people and culture interventions and business outcomes. Identify two or three metrics leadership cares about (retention cost, customer satisfaction or productivity, for instance) and work backwards to the cultural drivers likely to influence them. Draw a link between internal people data and external business outcomes, such as customer behaviour.

9. **Focus less on measurement, more on acting on insight**

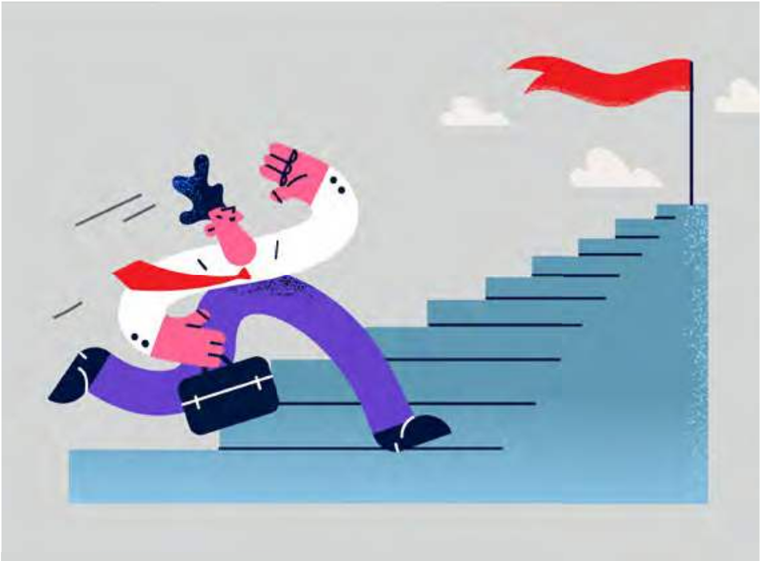
Many organisations are not short of rich engagement data, yet fail to act on what they have learned. Rather than measuring everything, narrow in on a smaller number of cultural drivers, measure them consistently and hold leaders accountable for responding to the insights. When employees see feedback leads to action, trust grows.

10. **Explain why – but be wary of defensiveness**

It isn't feasible to take action on every piece of employee feedback. Focus on what overarching signals are telling you: what trends can you uncover? Where action isn't commercially or strategically viable, be open and transparent in communicating why, helping employees see the full picture. But be wary of leaders appearing defensive or dismissive.

11. **Make leaders at every level accountable**

Leaders at all levels (including often overlooked middle managers) have an outsized influence on engagement and culture. Drill down into data at department and team level, where meaningful change can often be most easily and effectively applied. Tying metrics to reward and giving leaders executive sponsorship for people and culture programmes drives accountability.



Conclusion: Rethinking how you measure, understand and act on culture

Increased investment in and focus on understanding culture and employee engagement signals a meaningful shift in how organisations value their people. However, investments in the latest technology or a commitment to the annual engagement survey are not enough. That effort must genuinely reflect everyday experience, and lead to meaningful change. As tools become more advanced, so too must the strategies organisations use to shape how they gather, engage with and act on employee feedback. Because ultimately, it is not the sophistication of a tool that determines success: it is the quality of the conversation it enables, and the action that follows.