ELEVATING
ORGANISATIONAL CULTURE
Beyond Basic Hygiene to Achieving a Competitive Advantage

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In the first two parts of this 3-part series on leadership and employee engagement, I've dissected the distinctions between employee satisfaction and genuine engagement, emphasising the pivotal role of transcendental leadership in meeting the evolving needs of the modern workforce.

Building on this groundwork, let us now embark on the final chapter of this series, where I will show you how to build a culture that helps you achieve a competitive advantage that is hard to replicate and will achieve significant business benefits.

Given the high level of competition within each industry and increasing consumer demands for not just great products or services, but also great customer experiences, the emphasis on building an effective organisational culture has become increasingly crucial. It is becoming increasingly evident that to create truly engaged customers that are loyal and recommend you to others, you have to create engaged staff first. After all, they are the ones that deliver your planned customer experiences and unique value propositions. The foundation for this lies not just in addressing hygiene factors such as fair pay, job security, and safety in work conditions, but in developing a culture that goes beyond these basic hygiene factors. Crucial to this evolution is the need for a compelling, customer-centric strategy that provides employees with a sense of purpose beyond merely achieving economic outcomes.

Some years ago, I was trying to convince a CEO to embark on an employee engagement program. His response was *"Why should I invest in employee engagement? After all they get paid, don't they?"*. In his defence, he was being deliberately provocative. I then proceeded to share results from our national employee engagement studies that showed that '**engaged' staff were twice as loyal and 2X times more likely to go above and beyond** what was expected of them in their job, in comparison to disengaged staff. Sadly, the number of disengaged staff were also twice as many as engaged staff.

In addition, our studies also found that engaged frontline staff also create engaged customers that are much more loyal and also refer your brands to others. The economic impacts are not well understood and unfortunately do not appear as line items in a typical balance sheet. This explains why these soft measures do not get the attention they deserve.

Finally, in my experience I have found that even if an organisation understands the economic benefits, they are not sure exactly what they should do. This article outlines the ingredients to create a powerful culture that can improve efficiencies, save costs and drive customer loyalty and growth.

This approach is tried and tested as I have utilised principles outlined in this article to take brands from being the worst in their category to the best, achieving record sales results and increasing NPS scores by 80 points.

Crafting a Compelling Brand Strategy: *The Starting Point*

Before delving into the nuances of organisational culture, it is essential to establish a strategy that resonates with both, the marketplace and the workforce. It goes without saying that a brand has to be appealing to customers and staff. You could make a valid case that staff should be engaged first as how can you hope to engage customers to your brand otherwise?

In many employee engagement studies, we have found that the staff are not likely to recommend their own organisation's products and services to others. If a brand cannot convince their own staff to recommend its products and services, then it has little chance of convincing its customers to do so.

The reasons for staff not recommending can mean that your staff don't understand your brand's strategy and direction, its competitive advantage, or worse still, it may mean that your staff have intimate knowledge of your products and services, and this is why they are reluctant to recommend it to others as they don't want to put their reputation at risk for recommending something of poor quality.

A customer-centric approach that looks beyond the mere sale of products and services and aims to build a purpose beyond achieving economic outcomes is of vital importance in improving culture.

Organisations should consider ways to enhance a customer's life or work. As an example, in my experience with transforming a financial organisation, we shifted the emphasis from making sales to 'helping' customers save money, make money, save time and protect their lifestyle. With a wholesaler, it was to shift the mindset from being more than a supplier to being a strategic partner that helps client organisations achieve their business goals. **This approach transcends them from being a supplier to a strategic partner.**

Ideally an organisation should also focus on the delivery and design of a customer experience that is worthy of recommendation. Most importantly staff should be invited to contribute to the design and delivery of the planned experience. This approach not only positions the company strategically in the market, but also provides employees with a clear line of sight to a purposeful and meaningful role at work.

This sense of purpose is fundamental in aligning employees' personal goals with the organisation's objectives, leading to enhanced engagement and productivity. This is especially critical with younger employees who are looking for purposeful and meaningful work.

The Essential Foundation: Hygiene Factors

Hygiene factors such as equitable pay, safety at work, job stability and good terms and conditions form the basic building blocks of employee satisfaction. While these are critical in maintaining a baseline level of contentment, they are merely the initial steps in creating a thriving workplace culture. As an example, I know of organisations that have negotiated an attractive Enterprise Bargaining Agreement, but the overall employee engagement did not improve much at all.

Elevating Employee Engagement: Higher Order Elements

To transcend the foundational aspects of workplace culture, organisations must integrate higher order elements that foster deep employee engagement and loyalty. This includes:

1. **Meeting Core Human Needs:** According to Tony Robbins all humans have core needs regardless of race, gender and creed. These are the need for significance, connection, a sense of certainty, variety and fun, contribution, and personal growth. Organisations should develop initiatives almost like a checklist that meets each of these needs. If a job meets three or more needs, it ensures much higher employee loyalty and encourages additional discretionary effort. The economic impact of both these factors are massive.

2. **Emotional Connection:** Emotions are the critical ingredients in your organisational culture. Cultivating an environment where employees feel valued, supported and cared for is vital for deeper engagement. Though these seem 'soft', they can be planned, delivered and managed, and are extremely powerful in driving strong cultures. Importantly, these are the same emotions that drive loyalty and recommendation from customers. The best way to ensure that your customers feel these emotions is to ensure that your staff feel these emotions first and create a powerful flow on effect to your customers.

3. **Inspiring Leadership:** Leadership should go beyond managing processes; it should inspire, motivate, and connect with employees on a personal level. My favourite leadership quote is from John Quincy Adams - "If your actions inspire others to dream more, learn more and become more, you are a leader". The operative word here is actions, not just rhetoric. In our employee engagement studies, one of the top drivers is leaders being good role models and being trusted by their staff. Trust, of course, is a function of character and competence. Leaders should ask themselves every week – What did I do this week to inspire others with my actions?

4. **Understanding of Organisational Strategy & Commitment to Strategic Alignment and Purpose:** Ensuring that staff clearly understand your organisation's strategy and are personally committed to its success is mandatory. The secret sauce is in building a clear line of sight where staff know how one's work contributes to the organisation's customer-centric strategy and infuses in them a sense of purpose and fulfillment. This is a powerful ingredient in building a powerful culture.

Action and Implementation: The Key to Realizing Higher Order Values

Identifying these higher order elements is only the first step. Each of the above strategic elements need to be measured via strategic and tailored employee engagement surveys that clearly identify key drivers, strengths and pain points. Following this, the true measure of an organisation's commitment to its culture is reflected in its actions — how these insights are translated into strategies, policies, and practices that tangibly affect employees' daily experiences.

Building a Culture That Resonates

The path to building a culture that truly resonates with employees involves a blend of strategy, purpose and engagement. By starting with a compelling, customer-centric strategy and balancing hygiene factors with higher order elements, organisations can create an environment where employees are not just satisfied but are deeply engaged and aligned with the company's purpose. This approach not only fosters a motivated workforce but also drives sustainable success in a competitive business landscape.