EJSIT
European Journal of Science, Innovation and Technology
ISSN: 2786-4936
www.ejsit-journal.com
Volume 5 | Number 4 | 2025

The TriAxis Culture Index (TAC Index): A New Paradigm for Organizational Culture

Akshay Dipali
CEO, Elrin.ai, USA

ABSTRACT

For years, companies have measured workplace culture using tools like annual surveys and eNPS scores. These methods were simple, but often too slow, too shallow, and too disconnected from business outcomes to drive real change. This paper introduces the TriAxis Culture Index (TAC Index) as a new approach, one that treats culture not just as an HR concern, but as a strategic system that can be measured, managed, and improved in real time.

The TriAxis Culture Index (TAC Index) is built around three core cultural indicators: Feedback Loop Velocity (FLV), Sentiment Resilience Score (SRS), and the Employee-Generated Revenue Index (EGRI). Each metric captures a distinct dimension of how people experience work from how quickly feedback is acted upon, to how effectively teams recover from stress, to how much employee-driven innovation and effort contribute to revenue. By combining these indicators with AI-powered analysis, the TAC Index delivers an integrated scorecard that connects culture directly to performance, risk, and engagement.

This paper explores how the TAC Index addresses the limitations of traditional surveys, and how it offers both HR and executive leaders a clearer way to understand and act on culture. Drawing from industry case examples and academic insights, we show how organizations using the TAC Index can detect early signs of disengagement, improve decision-making, and align culture with long-term business goals. In a world where workforce sentiment shifts quickly, this framework helps organizations stay adaptive, resilient, and grounded in data.

Keywords: Culture, Employee Engagement, Organizational Culture

1. INTRODUCTION: RETHINKING CULTURE MEASUREMENT

1.1 The Problem with How We Measure Culture Today

Across industries, workplace culture is now widely recognized as a powerful driver of performance. But the tools we use to measure it haven't kept up. Most companies still rely on annual engagement surveys or one-line indicators like the Employee Net Promoter Score (eNPS) to understand what their people are thinking. These methods were designed for stability but modern workplaces are anything but stable.

The cracks in these legacy metrics are becoming harder to ignore. Participation rates are declining, with many employees seeing surveys as meaningless exercises. A study by Reflektive (2023) found that 77% of employees either rushed through or skipped surveys altogether, while over 80% doubted whether managers would take action based on the results. This creates a cycle of disengagement: feedback is collected, little changes, and trust erodes further.

Even when data is gathered, it's often too generic or delayed to drive meaningful action. Tools like eNPS offer a single score with no insight into what's working, what's failing, or why people feel the way they do. It's like reading a patient's temperature but having no diagnosis. And when these static snapshots are reviewed months after the fact, they're already outdated.

In short, traditional tools fail on three fronts:

- ***Frequency****: Annual check-ins miss the pace at which culture changes.*
- ***Depth****: Single-question scores lack context and nuance.*
- ***Actionability****: Reports rarely translate into operational changes.*

This leaves leaders flying blind. While culture is named as a top priority by executives, most cannot track it in real time or tie it directly to business outcomes. That gap is what the TAC Index is designed to close.

1.2 Toward a New Model: The TriAxis Culture Index (TAC Index)

The TriAxis Culture Index (TAC Index) proposes a simple but transformative idea: if culture is the invisible operating system of an organization, then it should be measurable, observable, and improvable just like any other critical system.

Rather than collecting static sentiment data, TAC Index functions as a live dashboard. It aggregates signals from multiple sources real-time feedback, team interactions, behavioral cues, and outcome metrics and processes them using AI to produce clear, actionable insights. This approach moves away from static reporting and instead offers a living culture score that evolves with the organization.

At the core of the TriAxis Culture Index (TAC Index) are three strategic metrics:

1. **Feedback Loop Velocity (FLV)**: Measures how quickly employee input moves through the organization and results in action.
2. **Sentiment Resilience Score (SRS)**: Tracks how well morale bounces back after stress, change, or setbacks.
3. **Employee-Generated Revenue Index (EGRI)**: Estimates the share of business value created directly through employee-led initiatives and innovation.

These metrics are not just theoretical. Each connects to a business outcome that matters to executives:

- **FLV** impacts agility, speed of decision-making, and trust.
- **SRS** reflects emotional endurance and signals early burnout.
- **EGRI** links culture to revenue generation and ROI.

By designing a system where culture becomes a set of dynamic, operational signals, the TAC Index enables leaders to manage culture with the same discipline as finance, operations, or marketing.

1.3 From Sentiment to Strategy

This approach aligns with a broader shift in how organizations think about culture not as a soft or secondary concern, but as a core lever of performance and strategy. Studies show that organizations with strong cultures perform better across a wide range of indicators, from innovation to retention to stock price (Evidence Investor, 2023).

Boards and investors are also paying closer attention. ESG frameworks increasingly include social metrics like engagement, equity, and employee voice. Regulatory guidance, such as the IFRS S1 and S2 standards, is starting to push for more structured human capital disclosures. In this landscape, culture is becoming quantifiable and accountable.

The TAC Index is built for that future. It treats culture not as a one-time diagnostic but as a continuous system to observe, manage, and align with strategic goals. Instead of asking how employees feel once a year, it asks how culture is functioning every day and what leaders can do to improve it.

2. FEEDBACK LOOP VELOCITY (FLV): MEASURING THE SPEED OF TRUST

One of the most overlooked elements of culture is the speed at which information moves within an organization. In many workplaces, employees offer feedback through formal channels, suggestion boxes, anonymous surveys, exit interviews but rarely see any change resulting from their input. This delay not only frustrates employees but also signals a lack of responsiveness, damaging trust in leadership.

Feedback Loop Velocity (FLV) is designed to measure just that: how quickly feedback flows from employees to decision-makers and how fast it turns into visible action. It captures both the **input speed** (how frequently and easily feedback is given) and the **response speed** (how promptly that feedback is acknowledged and addressed). Together, these create a dynamic indicator of communication health inside the organization.

In simple terms, FLV asks:

1. *How fast do teams raise concerns or ideas?*
2. *How quickly do managers act on them or even acknowledge them?*
3. *Are outcomes of feedback communicated back to the original source?*

2.1 Why FLV Matters

Organizations with a high FLV score operate with greater agility. When feedback moves freely, teams can adapt in real time, solve problems before they escalate, and make continuous improvements. From a leadership standpoint, FLV reveals how well managers are listening and how empowered employees feel to speak up.

- **For HR**: A drop in FLV could suggest bottlenecks in communication systems, outdated tools, or a fear-based culture where people hesitate to be honest.
- **For CEOs**: High FLV means teams are agile and transparent, giving leadership early visibility into risks and opportunities.
- **For CFOs**: Faster feedback means faster course corrections, leading to operational cost savings and reduced turnover.

Unlike static survey metrics, FLV can be tracked weekly or monthly. It works particularly well when integrated with tools like digital suggestion platforms, manager nudges, or AI-based conversation analysis.

In essence, FLV becomes a leading indicator of adaptability. Companies that listen faster, learn faster and that often means they outperform.

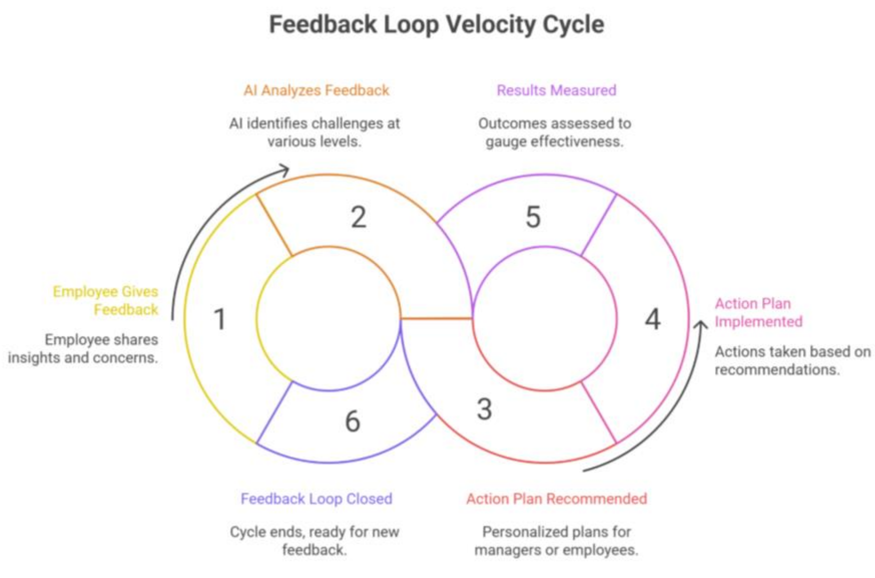

Figure 1: Feedback Loop Velocity Cycle

3. SENTIMENT RESILIENCE SCORE (SRS): CULTURE UNDER PRESSURE

Most culture metrics are taken during stable periods but what really defines a strong culture is how it holds up under pressure. Whether it's a missed deadline, a market downturn, or a wave of restructuring, emotionally resilient teams are those that can bounce back quickly, without long-lasting dips in morale or performance.

The **Sentiment Resilience Score (SRS)** is designed to measure that bounce-back. It captures how quickly collective sentiment recovers after a negative event, such as layoffs, leadership changes, product failures, or periods of high stress. Rather than simply measuring baseline morale, SRS focuses on recovery: what happens to trust, engagement, and confidence in the aftermath?

SRS answers questions such as:

- *How long does it take for morale to return after a disruption?*
- *Do teams regain optimism or does disengagement persist?*
- *Are recovery times getting shorter or longer over time?*

3.1 What Makes SRS Powerful

Resilience is increasingly being recognized as a key organizational capability. But resilience is not just a matter of individual toughness, it's a systemic trait shaped by leadership, communication, psychological safety, and shared values.

SRS brings structure to what has previously been anecdotal:

- **For HR teams**, a falling SRS may signal burnout, cynicism, or emotional fatigue, especially after periods of intense change.
- **For executives**, it provides a way to track whether cultural investments like wellness programs, coaching, or leadership training are helping people rebound faster.
- **For risk managers**, SRS acts as a social stability metric. When employees recover quickly from setbacks, the risk of attrition, disengagement, and internal conflict is much lower.

SRS can be tracked using data from internal communication tools, feedback platforms, or even tone shifts in employee comments. With AI models analyzing sentiment over time, organizations can get a pulse on how emotional energy rises and falls and what drives those changes.

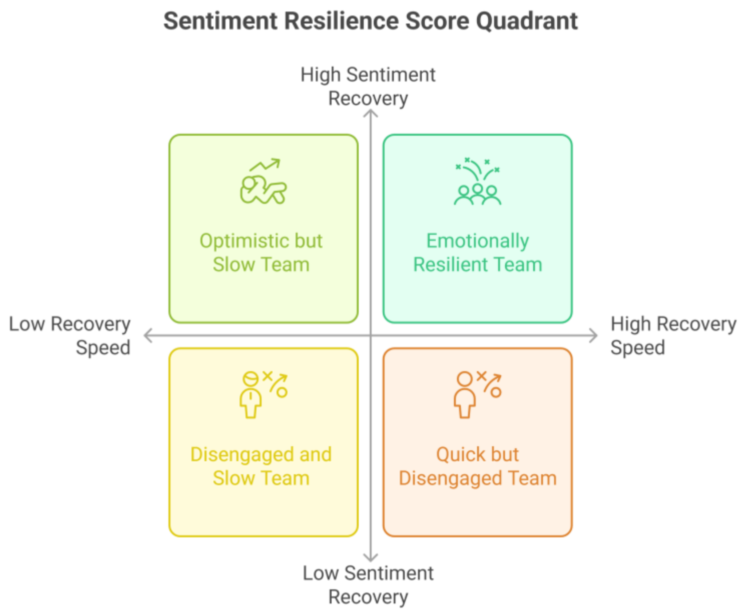

Figure 2: Sentiment Resilience Score Quadrant

4. EMPLOYEE-GENERATED REVENUE INDEX (EGRI): MEASURING CULTURE IN BUSINESS TERMS

One of the biggest criticisms of culture metrics is that they are often disconnected from financial outcomes. While engagement and sentiment are useful indicators, they don't always convince CFOs or boards to invest in cultural initiatives. To bridge that gap, the TAC Index introduces a new metric: the **Employee-Generated Revenue Index (EGRI)**.

EGRI estimates the proportion of a company's revenue or value creation that is directly attributable to employee-led activities such as innovation, relationship-building, problem-solving, and continuous improvement. In doing so, it translates culture into tangible business value.

Unlike traditional financial metrics, which focus on outputs, EGRI highlights the *human drivers* behind those outputs. This allows leaders to better understand how culture contributes to performance.

4.1 What EGRI Measures

EGRI is not limited to sales teams or customer-facing roles. It includes contributions across all functions, such as:

- **Innovation**: Ideas that result in new products, services, or efficiencies
- **Retention**: Employee-driven efforts that keep clients or reduce turnover
- **Process improvement**: Suggestions or initiatives that cut costs or boost productivity
- **Customer experience**: Actions taken by employees that enhance loyalty, NPS, or referrals
- **Revenue-linked impact**: Any measurable change in revenue that can be traced back to employee input

In short, EGRI answers the question: *To what extent is our revenue being driven by engaged, empowered people, not just strategy or systems?*

4.2 Why EGRI Is Critical

This metric helps shift the conversation around culture from "feel-good" to "bottom-line." It allows companies to benchmark how much of their success is people-powered and where they may be leaving value on the table.

- **For CFOs**, a high EGRI makes the financial case for investing in leadership, training, and team experience.
- **For HR leaders**, it validates development and engagement programs in ROI terms.
- **For executives**, EGRI provides early signals of cultural drift. If the index drops, it may indicate declining motivation, poor incentive alignment, or even risk of attrition.

EGRI also creates internal accountability. If one department consistently shows high EGRI, it reflects a strong link between its cultural health and business contribution. Conversely, a low EGRI in another team can prompt conversations about leadership quality, clarity of purpose, or barriers to innovation.

4.3 Making Culture Quantifiable

Traditionally, executives have struggled to connect people metrics with business metrics. EGRI solves that by creating a financial "bridge" between culture and performance.

It offers a framework for answering questions like:

- *Which teams are consistently translating engagement into revenue?*
- *Are our innovation programs actually driving measurable results?*
- *Where is the return highest on employee empowerment initiatives?*

In organizations with strong cultures, EGRI becomes a flywheel: the more empowered and engaged the workforce, the more revenue they generate leading to further investment in culture.

Figure 3: EGRI bridges the gap

5. STRATEGIC AND FINANCIAL IMPACT OF CULTURE MEASUREMENT

Culture has often been described as the "soft stuff" of business, important but intangible. Yet over the last decade, a growing body of research has shown that culture is not just a reflection of company values; it is a leading driver of performance, resilience, and profitability. When measured effectively, culture becomes a tool for strategy, a lens for risk, and a lever for financial outcomes.

The TAC Index treats culture not as a background variable, but as a system of measurable forces that influence how decisions are made, how people behave, and how organizations perform. By translating *sentiment, alignment, and engagement* into structured indicators, TAC Index allows culture to be part of the executive dashboard alongside revenue, headcount, and operational KPIs.

5.1 Why Culture Matters to the C-Suite

Executives today face increasing pressure to link human capital decisions to financial performance. From workforce planning to transformation efforts, the ability to measure cultural strength helps leaders plan more effectively and reduce costly surprises.

Several key reasons make culture measurement a strategic and financial priority:

- **Culture drives performance**: Studies show that companies with highly engaged employees outperform their peers in revenue growth, customer loyalty, and innovation capacity (Gallup, 2023).
- **Culture reduces risk**: Toxic work environments lead to higher turnover, compliance issues, and brand damage. Measurable culture metrics allow early intervention.
- **Culture improves planning**: Culture trends help CFOs forecast workforce costs, while CHROs use the data to shape leadership development and well-being strategies.
- **Culture supports transformation**: In change initiatives, understanding where teams are aligned or resistant helps avoid delays and accelerates adoption.

In short, if culture is not being measured, it is not being managed and what is unmanaged tends to become a liability.

5.2 Making Culture a Capital Asset

The shift toward treating culture as a form of capital is already underway in leading organizations. Research shows that firms with strong cultures consistently outperform benchmarks over time. For example:

- Firms ranked high in employee satisfaction delivered stronger long-term returns to shareholders (Evidence Investor, 2023).
- Gallup reported that clients focusing on cultural improvement saw an 85% increase in net profit within a few years (Gallup, 2023).
- Mercer found that organizations that embedded culture metrics into executive scorecards had higher talent retention and resilience during crises (Mercer, 2023).

TAC Index supports this transformation by offering a structured model that allows culture to be:

- ***Benchmarked*** *across teams or time periods*
- ***Monitored*** *for early-warning signals (such as burnout or misalignment)*
- ***Linked*** *directly to outcomes (such as innovation, productivity, or risk)*

This creates accountability and ensures culture is not just aspirational it becomes a practical management input.

5.3 A Tool for CFOs, CEOs, and Boards

Perhaps the most powerful value of the TAC Index is its ability to align culture with financial strategy. **When integrated into planning cycles and executive reviews, it helps leaders answer questions like:**

- *Are our most profitable teams also the most culturally aligned?*
- *Can we predict attrition or burnout based on cultural trends?*
- *How do changes in leadership or policy impact culture and, in turn, performance?*

Boards are also beginning to demand clearer reporting on people and culture metrics, especially as ESG standards evolve. With tools like TAC Index, organizations can meet those expectations with data that is both rigorous and real-time.

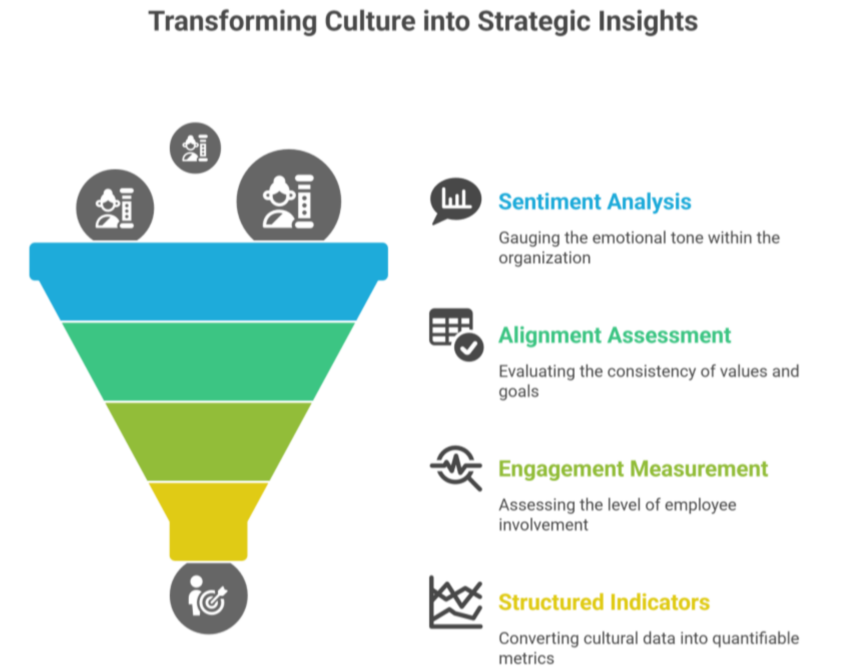

Figure 4: Transforming Culture into Strategic Insights

6. BEYOND LEGACY METRICS: HOW TAC INDEX COMPARES

For decades, organizations have relied on legacy tools like annual engagement surveys and the Employee Net Promoter Score (eNPS) to monitor cultural health. These tools served a purpose during a time when organizations were more hierarchical, less digital, and moved at a slower pace. Today, however, their usefulness is increasingly limited. The speed of work, the rise of hybrid teams, and the growing demand for meaningful employee experience have rendered these tools reactive at best and misleading at worst (Reflektive, 2023).

At their core, traditional metrics tend to focus on sentiment without context. A single eNPS score, for instance, may indicate low engagement but fails to reveal why it is low, where the breakdown is occurring, or what action should be taken. Similarly, annual surveys often suffer from low participation, "recency bias," and delays in analysis and action. In one study, 77% of employees admitted to skipping or rushing through engagement surveys, while 80% reported that their managers did nothing in response to the feedback (Reflektive, 2023). The outcome is a cycle of disengagement: employees stop offering feedback, leaders stop trusting the data, and cultural issues fester unnoticed.

These tools also lack integration with business performance. They may measure how people feel, but rarely show how those feelings affect outcomes like revenue, retention, or innovation. As Zensai (2023) argues, tools like eNPS are too narrow and unspecific to serve as meaningful indicators of organizational performance. Despite their popularity, these metrics offer little clarity or predictive value for executive decision-making.

6.1 Moving from Passive Metrics to Active Diagnostics

The TAC Index is designed as a response to these limitations. It does not aim to be a better survey tool, it represents a different philosophy entirely. Instead of collecting occasional snapshots, TAC Index functions as a **culture operating system**: it continuously ingests data, interprets patterns, and recommends real-time actions.

Unlike legacy tools that operate in isolation from daily workflows, TAC Index integrates with existing business systems, communication platforms, and team-level dynamics. It transforms cultural measurement from a passive process into an ongoing diagnostic one that connects people's insights with organizational performance.

Key differences between traditional metrics and TAC Index include:

- **Measurement Frequency**
  - *Traditional Tools*: Annual or quarterly
  - *TAC Index*: Continuous or weekly data flow, aligned with business velocity
- **Data Structure**
  - *Traditional Tools*: Sentiment-focused, self-reported
  - *TAC Index*: Multimodal (behavioral signals, real-time feedback, performance correlations)
- **Interpretability**
  - *Traditional Tools*: Static reports with limited context
  - *TAC Index*: Dynamic dashboards with drilled-down dimensions (e.g., trust, autonomy, alignment, burnout risk)
- **Actionability**
  - *Traditional Tools*: No follow-through loop
  - *TAC Index*: AI-powered nudges, automated alerts, and clear ownership pathways for response

- **Business Linkage**
    - *Traditional Tools*: No direct correlation to business metrics
    - *TAC Index*: Culture metrics tied to revenue, churn, innovation, and strategy execution

These differences are not simply technical improvements; they change the role of culture in the enterprise. TAC Index shifts the function of culture from soft measurement to strategic infrastructure.

TAC Index vs. Traditional Metrics

Characteristic	Traditional Tools	TAC index
Measurement Frequency	Annual or quarterly	Continuous or weekly
Data Structure	Sentiment-focused, self-reported	Multimodal
Interpretability	Static reports, limited context	Dynamic dashboards, drilled-down dimensions
Actionability	No follow-through loop	AI-powered nudges, automated alerts
Business Linkage	No direct correlation	Tied to revenue, churn, innovation

Figure 5: TAC Index vs Traditional Tools

6.2 From Sentiment to Strategic Feedback Systems

Most legacy tools were created for a different era of work, one where employees sat in the same office, team dynamics were stable, and leadership had months to respond to problems. Today's organizations are more fluid, diverse, and distributed, and they require cultural insight that can move at the same speed as the business itself.

The TAC Index operates as a **feedback flywheel**. Each cultural signal whether a decline in psychological safety or a rise in alignment triggers a recommended response. This builds a self-correcting environment where culture becomes adaptive. Managers are alerted early, interventions are targeted, and employee feedback doesn't just get acknowledged it shapes outcomes.

As Innerlogic (2024) suggests, the future of culture measurement lies in turning employee experience into "quantifiable, continuous data that guides strategic decision-making." TAC Index fulfills that vision by making culture visible, actionable, and accountable at every level from frontline teams to boardrooms.

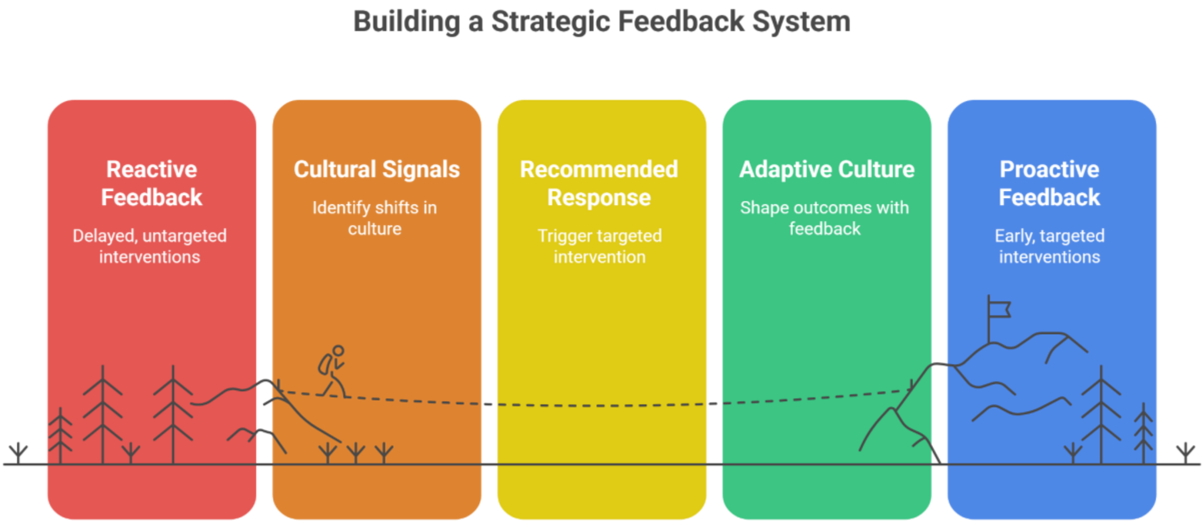

Figure 6: Building a Strategic Feedback System

6.3 Cultural Metrics That Matter to Everyone

Perhaps the most important transformation is that the TAC Index makes culture relevant to the entire C-suite, not just HR. For example:

- **CHROs** use TAC Index to monitor well-being, trust, and team cohesion in real time.
- **CFOs** see the financial risk of disengagement, turnover, or burnout before they impact performance.
- **CEOs** use culture data to align leadership teams around shared values and track whether strategy execution reflects cultural health.

Even boards benefit from this shift. With ESG frameworks calling for more visibility into social capital, TAC Index allows organizations to report not just employee satisfaction but culture integrity and to do so with rigor, not guesswork.

The outcome is a new kind of measurement system: one that closes the loop between **how people feel**, **how they behave**, and **what the business achieves**.

7. EXECUTIVE DECISION-MAKING: CULTURE AS CAPITAL

In today's environment of constant change and uncertainty, executive decision-making cannot rely solely on financial reports or market data. Culture is long considered a soft, intangible factor that has emerged as a critical input into how decisions are made, especially during moments of ambiguity. As leaders face the pressure to pivot, retain talent, manage risk, and lead transformation, understanding the state of the organization's culture is no longer optional. It is foundational.

The TAC Index positions culture as **strategic capital**: a measurable, dynamic asset that influences decision-making at every level of the organization. By turning culture into real-time, actionable data, it enables executives to make faster, more confident decisions that are grounded in the emotional and behavioral health of the workforce.

7.1 Why Culture Belongs in the C-Suite

Culture influences how people behave when no one is watching and those behaviors collectively shape execution, innovation, and ethics. In high-performing organizations, executives no longer treat culture as an HR-only concern. They want to understand which teams are aligned, where friction is building, and what leadership behaviors are helping or hindering progress.

Traditional decision-making models relied heavily on lagging indicators: quarterly revenue, exit interviews, annual survey summaries. But these don't provide early-warning signals or directional feedback. In contrast, TAC Index functions like a cultural radar helping executives detect subtle shifts before they become visible problems.

Consider the following scenarios:

- A **Chief Operating Officer** sees a sudden decline in psychological safety scores within a high-performing product team. Instead of waiting for turnover data months later, they can immediately initiate a leadership check-in or restructure team incentives.
- A **Chief Financial Officer** observes that burnout risk scores are rising across a region. They proactively adjust headcount forecasts and training budgets before productivity drops.
- A **CEO** monitors value alignment trends across departments. If a division begins drifting from stated cultural principles, the CEO can address it through narrative reinforcement, leadership changes, or restructuring.

In this way, the TAC Index provides a **forward-looking cultural forecast** that executives can integrate directly into financial planning, strategic reviews, and change management processes.

7.2 Making Culture Measurable and Accountable

One of the most profound shifts the TAC Index introduces is the ability to **track culture like any other KPI**. Just as companies monitor safety incidents, customer satisfaction, or sales conversion rates, they can now monitor trust levels, feedback velocity, or resilience trends by team, function, or geography.

This creates a new model of accountability:

- ***Executives*** *can tie their performance to cultural metrics, making leadership behaviors part of the organizational scorecard.*
- ***Boards*** *can review cultural health as a core risk indicator, especially when culture is linked to regulatory compliance, innovation speed, or retention.*
- ***Investors****, especially ESG-conscious ones, can see how the company's social capital is managed and how it correlates with long-term value creation.*

Boards are already evolving to meet this demand. Many have created people and culture committees, and some include cultural indicators in executive compensation packages. As Harter, Schmidt, and Hayes (2002) point out, firms with high employee satisfaction significantly outperform their peers on key business outcomes, suggesting that culture is not just a feel-good initiative, it's a financial asset.

7.3 From Culture Narratives to Culture Governance

One of the persistent problems in boardrooms has been the **gap between cultural aspiration and cultural reality**. Executives talk about values, mission, and purpose but until now, there has been little structure around how those ideals are monitored or acted upon.

The TAC Index fills this gap by formalizing culture governance. It enables organizations to:

- *Benchmark cultural health across departments and time periods*
- *Report culture metrics alongside financial and operational data*

- *Establish governance mechanisms (like red flags or score thresholds) that trigger specific executive actions*

This allows boards and CEOs to treat culture with the same rigor they apply to financials. They can spot deteriorating alignment, track recovery after crises, and audit leadership impact all using real data, not anecdotes.

According to Launchways (2023), "Executives cannot make accurate forecasts if they don't have a strong understanding of the people's side of the business." The TAC Index delivers that understanding in a structured, ongoing format that fits seamlessly into enterprise planning systems.

7.4 Culture as a Decision-Making Infrastructure

When used effectively, the TAC Index becomes part of the infrastructure of decision-making. **It transforms culture from a background concern into a living system that:**

- *Surfaces issues before they become risks*
- *Guides leadership behaviors*
- *Supports faster, values-aligned decisions*
- *Demonstrates the ROI of culture to all stakeholders*

This is particularly vital in crisis situations. During the COVID-19 pandemic, for example, organizations with stronger cultures adapted faster, made quicker decisions, and retained trust across stakeholder groups (Mercer, 2023). The TAC Index offers a way to institutionalize that kind of resilience making it visible, trackable, and repeatable.

Figure 7: Transforming Culture for Decision Making

8. CASE STUDIES: TAC INDEX IN ACTION

Understanding how the TAC Index works in theory is only part of the picture. The true power of this culture operating system emerges when it is applied in practice within the diverse environments, challenges, and leadership contexts that organizations face every day. To illustrate this, the following case studies provide hypothetical but evidence-aligned examples of how the TAC Index supports strategic decision-making, drives measurable change, and reframes culture as a performance asset.

These cases span industries, organizational sizes, and cultural challenges, and they reveal one central truth: when culture is made visible, it becomes actionable. And when it becomes actionable, it becomes valuable.

Case Study 1: Tech Startup - Accelerating Innovation through Cultural Responsiveness

Context: A 200-person software startup, operating in a fully remote environment, began facing slow product development cycles and internal communication friction. Despite high talent density, the leadership team sensed a decline in collaboration and motivation but lacked structured insight into what was happening beneath the surface.

TAC Index Implementation: The company deployed TAC Index to gather real-time culture signals across its engineering and product teams. Within weeks, the platform identified lagging Feedback Loop Velocity (FLV) and psychological safety scores. Developers were hesitant to share early-stage ideas or flag issues due to fear of negative judgment.

Action Taken:

- Weekly “innovation sprint” sessions were launched to normalize idea-sharing in a low-stakes setting.
- Managers received nudges through TAC Index to praise vulnerability and reward experimentation.

Outcomes:

- Within one quarter, FLV and psychological safety scores rose by 22% and 18% respectively.
- The team reduced average development time by 28% and increased product release frequency by 40%.

Insight: High-performance cultures require psychological safety as a foundation for innovation. The TAC Index helped leadership move from anecdotal awareness to targeted interventions that directly influenced speed-to-market.

Case Study 2: Manufacturing Enterprise - Improving Safety and Retention through Real-Time Culture Monitoring

Context: A global manufacturing company operating multiple plants experienced elevated turnover and safety incidents at one regional facility. HR reports pointed to low morale, but the root causes were unclear.

TAC Index Implementation: The organization integrated TAC Index across its operational and shift-level systems, combining sentiment data, incident logs, and peer feedback. The system revealed that trust in frontline supervisors and alignment with company safety values were significantly lower at this location compared to others.

Action Taken:

- Town hall sessions were introduced with plant leadership, focusing on listening to operator concerns.

- Supervisors were retrained using peer-informed coaching modules generated from TAC Index feedback.

Outcomes:

- Safety incidents decreased by 30% over the following six months.
- Employee turnover in that facility dropped by 21%, while engagement rose by 17%.

Insight: Culture can vary dramatically by location or department. TAC Index localized the problem and enabled surgical responses instead of broad, ineffective engagement programs.

Case Study 3: Global Bank - Embedding Ethical Culture Across Regions

Context: A multinational financial services firm faced increasing regulatory scrutiny around ethical behavior and customer-centricity. Compliance programs were in place, but internal audits revealed cultural inconsistencies across regional branches.

TAC Index Implementation: The bank launched TAC Index in three pilot regions. The score was configured to track dimensions such as accountability, customer focus, and ethical alignment. One branch in Southeast Asia scored notably lower in accountability and transparency, triggering an early-warning flag in the system.

Action Taken:

- The region received targeted support through values-based workshops and local leadership coaching.
- Performance incentives were recalibrated to emphasize customer outcomes and team behavior, not just quarterly sales targets.

Outcomes:

- Over the next year, TAC Index indicators in that region improved by over 25%, and customer complaint rates fell by 33%.
- During a later financial crisis, this branch maintained business continuity and customer satisfaction better than its peers.

Insight: Ethical culture must be measured, not just stated. TAC Index helped the bank identify cultural drift before it became reputational risk, and supported corrective measures grounded in behavioral data.

8.1 Cross-Case Takeaways

While the sectors varied, several themes emerged across these use cases:

- **Granularity matters**: Culture is not uniform. Teams, functions, and geographies often need tailored interventions.
- **Speed is strategic**: Traditional culture metrics often act too late. TAC Index surfaces signals early enough to prevent or reduce negative outcomes.
- **Leadership is local and systemic**: The impact of culture improves when middle managers are empowered with insight, not just executives.
- **Culture drives measurable results**: From innovation to safety, TAC Index linked interventions translated into clear improvements in business performance.

These stories demonstrate that culture, when made measurable, becomes a lever of operational strategy not just an element of internal branding.

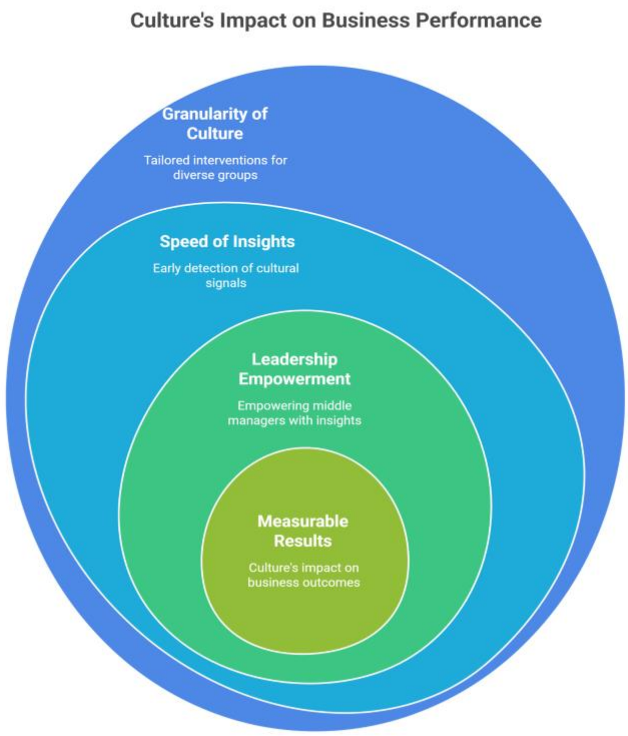

Figure 8: Culture's Impact on Business Performance

9. FUTURE OUTLOOK: TAC INDEX, ESG, AND GOVERNANCE

As the definition of value continues to evolve in the corporate world, so too does the definition of what must be measured and disclosed. It is no longer sufficient for companies to report only on financial performance. Environmental, social, and governance (ESG) metrics are now a growing part of investor, board, and stakeholder expectations. Within this expanded landscape, the social pillar particularly around workforce well-being, diversity, retention, and employee voice has remained the most difficult to quantify with consistency and precision.

This is where tools like the TAC Index are poised to play a defining role. By turning culture into a structured, repeatable measurement system, it offers a way to fulfill ESG obligations with data that is both strategic and reliable. More importantly, it provides leaders with early insight into cultural risks that may otherwise go unnoticed until they materialize as attrition, disengagement, or reputational damage.

9.1 The "S" in ESG: Measuring Social Capital

Unlike environmental or financial metrics, the social dimensions of ESG particularly those relating to internal culture are often seen as abstract or subjective. Many companies issue narrative statements about employee experience, DEI initiatives, or values, but few offer quantifiable evidence of how these values are lived, sustained, or correlated with outcomes.

TAC Index helps fill that gap by generating trackable cultural indicators that:

- Reflect lived experiences at the team level (e.g., psychological safety, autonomy, trust)
- Show movement over time, signaling the effectiveness of DEI or well-being efforts
- Correlate directly with outcome metrics like productivity, turnover, innovation, or customer satisfaction

For example, a company that claims to prioritize employee well-being can use the TAC Index to show how sentiment resilience or burnout risk is trending, which departments are improving, and what leadership actions are influencing those shifts. These cultural insights provide real evidence not just aspiration that can be included in sustainability reports and stakeholder briefings.

As Innerlogic (2024) notes, organizations that track human dynamics with data are better equipped to navigate change and meet stakeholder expectations. In ESG reporting, this translates to stronger credibility and transparency.

9.2 Regulatory Momentum: From Guidance to Mandate

The global regulatory environment is also catching up. In 2023, the International Financial Reporting Standards (IFRS) introduced the S1 and S2 sustainability disclosure standards, which explicitly include expectations for workforce-related disclosures. These standards call for information on employee engagement, representation, training, retention, compensation, and well-being, all areas directly measurable through the TAC Index framework (IFRS, 2025).

Furthermore, institutional investors are demanding more visibility into how companies manage human capital. Reports by firms like BlackRock and State Street Global Advisors have stated that intangible assets such as culture, leadership development, and inclusion now influence capital allocation decisions. In this environment, companies that can quantify and report on cultural performance will have a strategic advantage.

Boards, too, are being asked to monitor people and culture with more discipline. Many have added ethics or sustainability committees, and a growing number are embedding culture-related KPIs into executive compensation plans. With tools like TAC Index, these governance bodies can track trends in culture with the same regularity and rigor as financial indicators.

9.3 Future-Proofing Governance and Strategy

In the years ahead, it is plausible that culture metrics will become a standard part of integrated reporting, ESG indices, and even corporate rating systems. Just as carbon footprints are now audited and disclosed, culture footprints may soon follow especially in sectors with high exposure to human risk (e.g., healthcare, finance, retail, and tech).

Companies that adopt culture analytics early position themselves not just for compliance, but for differentiation. High TAC Index may serve as signals of organizational health, resilience, and ethical leadership factors increasingly valued by talent, customers, and investors.

Some strategic applications of TAC Index in the ESG context include:

- **Scenario planning**: Predicting cultural risks during M&A or restructuring
- **Board-level dashboards**: Monitoring real-time culture trends alongside risk and compliance data
- **ESG impact assessments**: Connecting workplace culture initiatives to sustainability goals
- **Investor reporting**: Demonstrating the link between engagement, innovation, and long-term returns

Ultimately, TAC index enables organizations to move beyond slogans and statements. It empowers them to prove, with data, that culture is not just an ideal, it is a working system that can be designed, measured, and improved.

Figure 9: Strategic Applications of TAC Index

10. CONCLUSION

For decades, organizational culture has been acknowledged as important yet treated as intangible, a powerful but mysterious force influencing performance, morale, and ethics without a clear way to measure or manage it. Leaders referenced culture in strategy decks and annual letters, but rarely treated it with the same seriousness or structure as financial, operational, or customer metrics. This disconnect has become increasingly untenable in a business landscape defined by uncertainty, talent mobility, and the need for resilience.

This paper has argued for a fundamental shift: from seeing culture as an abstract concept to managing it as a measurable system. The TAC Index provides the infrastructure to make this shift possible. Unlike legacy engagement tools that rely on infrequent, surface-level sentiment data, the TAC Index enables continuous cultural diagnostics linking employee experience to business outcomes through dynamic, actionable metrics. It transforms qualitative insights into quantifiable signals that are timely, trustworthy, and tied directly to performance.

Throughout this work, we have demonstrated how core dimensions of the TAC Index such as Feedback Loop Velocity, Sentiment Resilience, and the Employee-Generated Revenue Index provide a structured and strategic lens on the hidden drivers of organizational success. These metrics allow leaders not just to observe culture, but to shape it with intention. From innovation sprints in tech startups to safety improvements in manufacturing plants, from ethical realignment in global banks to ESG-ready culture dashboards in boardrooms, the TAC Index equips executives with the intelligence needed to lead through complexity and change.

What makes the TAC Index distinct is not only its methodology but its mindset. It reframes culture from being reactive to proactive, from being passive to participatory. It gives executives the foresight to intervene early, the language to discuss culture rigorously, and the tools to connect people metrics with strategic outcomes. Most importantly, it gives employees evidence that their voice, experience, and trust truly matter and that culture is not just something spoken about, but something leaders are accountable for in real time.

In the years ahead, culture will increasingly be viewed not as a soft metric, but as a form of capital. Boards will review cultural health alongside financial performance. Investors will ask to see data, not declarations. And organizations that can measure and manage their culture with clarity will be those best equipped to adapt, perform, and lead. The TAC Index does not claim to have all the answers, but it offers something that has long been missing in the conversation: a way to make culture operational.

REFERENCES

Edmondson, A. C. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, *44*(2), 350–383. https://doi.org/10.2307/2666999

Evidence Investor. (2023). *Corporate culture as intangible asset*. Retrieved from https://www.evidenceinvestor.com/post/corporate-culture-as-intangible-asset

Gallup. (2023). *Build a Company Culture That Improves Performance*. Retrieved from https://www.gallup.com/workplace/229832/culture.aspx

Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, *87*(2), 268–279. https://doi.org/10.1037/0021-9010.87.2.268

IFRS Foundation. (2025). *IFRS S1/S2: General Requirements for Disclosure of Sustainability-related Financial Information*. Retrieved from https://www.ifrs.org/content/dam/ifrs/meetings/2025/march/issb/ap4d-current-state-disclosure-hc.pdf

Innerlogic. (2024). *Culture metrics that drive change, not just measurement*. Retrieved from https://innerlogic.com/blog/culture-metrics-how-to-measure-organizational-culture-for-lasting-success/

Launchways. (2023). *The CFO's guide to high-impact HR metrics*. Retrieved from https://info.launchways.com/hubfs/The+CFO's+Guide++to+High-Impact++HR+Metrics.pdf

Li, N., Kirkman, B. L., & Porter, C. O. L. H. (2014). Toward a model of work team altruism. *Academy of Management Review*, *39*(3), 468–491. https://doi.org/10.5465/amr.2011.0169

Mercer. (2023). *Culture: Your most valuable intangible asset.* Retrieved from https://www.mercer.com/insights/talent-and-transformation/attracting-and-retaining-talent/culture-your-most-valuable-intangible-asset

Reflektive. (2023). *3 reasons why engagement surveys are broken*. Retrieved from https://reflektive.com/blog/engagement-surveys-broken/

Zensai. (2023). *Is eNPS a good measure of employee engagement?* Retrieved from https://zensai.com/articles/is-enps-a-good-measure-of-employee-engagement/