Digital culture

What is it and how can you build your own?

We partnered with the Centre for Economics and Business Research (Cebr) to report on 'The economic and social benefits of digitalisation'. This report uses data from a survey of 1,000 UK decision makers, working within small to large sized organisations across public and private sectors, to explore the rise of digital culture in an increasingly digital-first society and what it means for business.

Here's what we found.

Digital technology is increasingly integral to UK organisations.

70% of companies are using digital technology more frequently now than in **2021**

77% have increased spending on digital technology

99% have experienced operational benefits from digital technology

88% say they have a **'strong digital culture'**

On the face of it this suggests most companies are well prepared for new digital challenges and opportunities.

But we also found that perception doesn't match reality.

Fewer than

50%

of respondents had regular digital skills training programmes

Fewer than

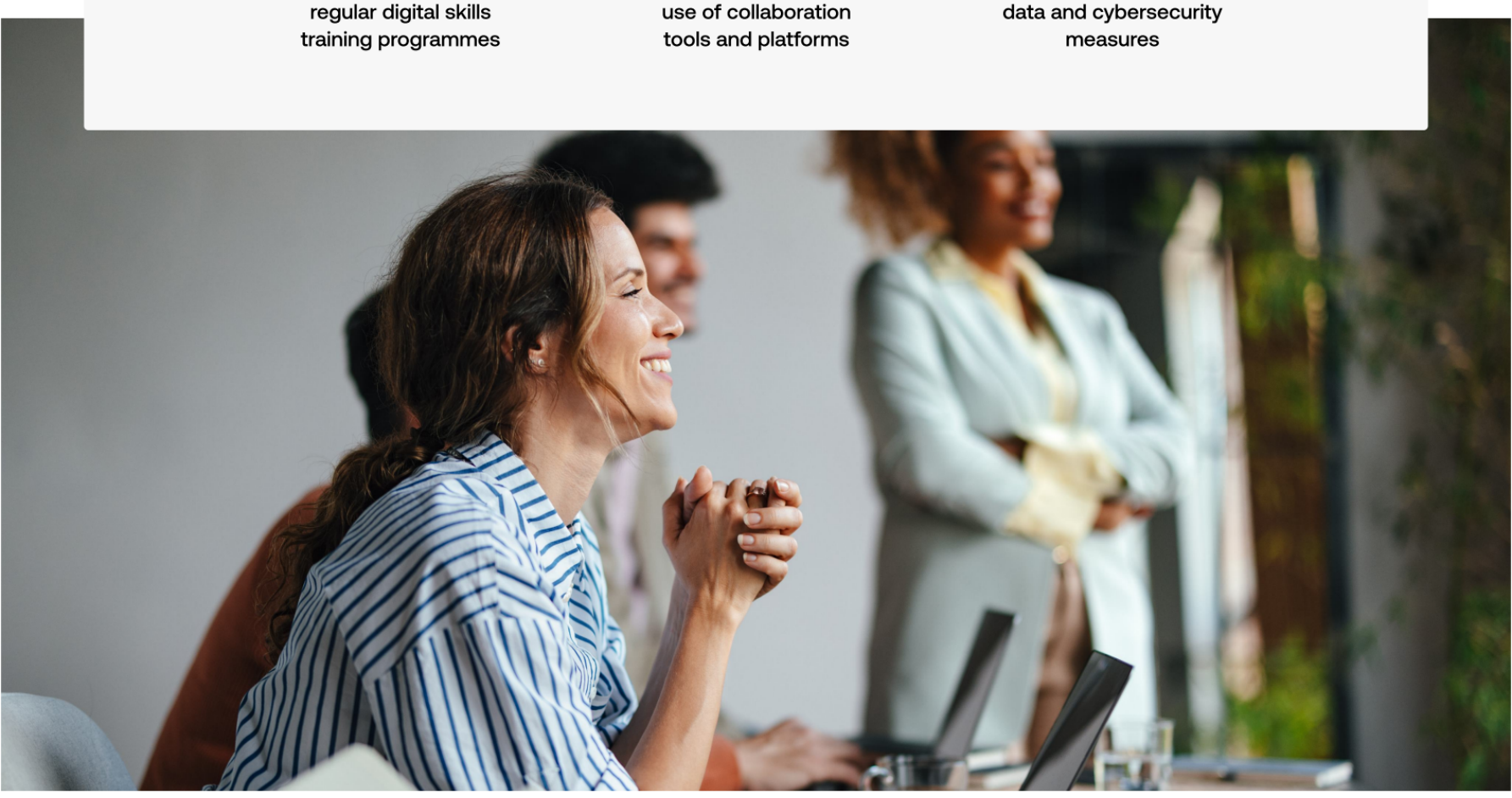
35%

are increasing their use of collaboration tools and platforms

Fewer than

40%

are implementing better data and cybersecurity measures



While investment in digital technology is high, there's room for improvement when it comes to embedding digital culture across organisations.

So what is digital culture?

Digital culture describes the overall approach that organisations take to adopting and using digital tools and technology in the workplace.

A strong digital culture looks at digital investment holistically as part of wider business decision-making, and can deliver powerful benefits to an organisation, its staff and society.

> **There's a question about whether digital strategy is about leading or following. Is it something that drives the way the organisation works? Or is it something that enables the organisation to work in the way that it wants to work? An organisation with a really strong digital culture would see it as both.**
>
> Mark Blakeman, Director of Information Systems and Infrastructure, NHS England

How can your organisation benefit from a strong digital culture?

When companies invest in digital strategy, they unlock benefits across the business.

Digital culture creates financial value

49%
of organisations who invested in digital tech reduced operational costs between 2021 and 2023

53%
of these organisations also improved revenue

Rising to **77%**
for private companies identified as 'digital leaders'

Customers benefit from investment in digital culture

43%
of companies improved their customer experience

40%
expanded their customer base

And the right approach empowers employees

46%
of companies improved hiring practises

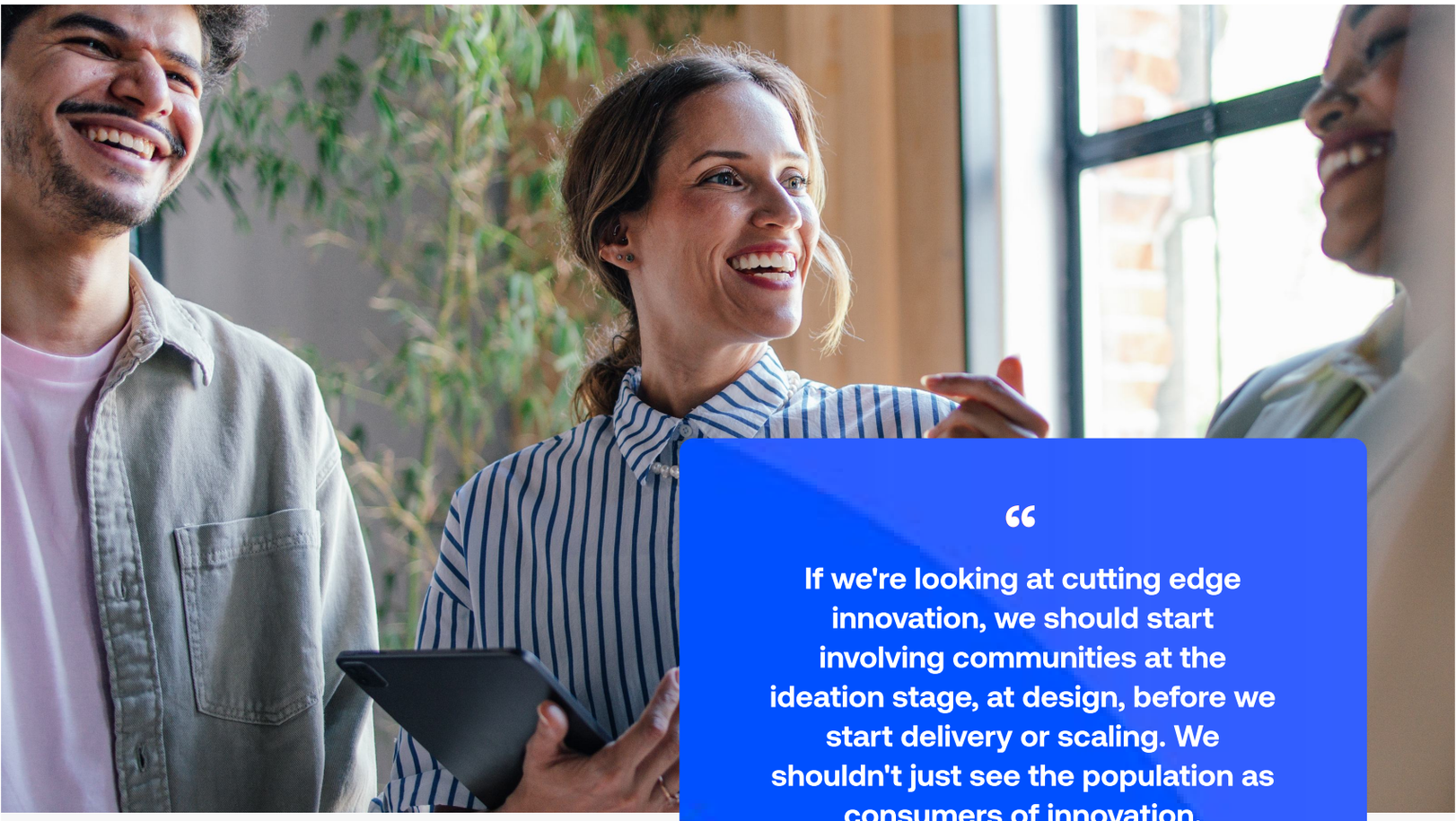
46%
placed greater emphasis on learning and training

> **It's all about removing friction from the employee experience. That's how we become more efficient, happier and better set up to deliver great customer service. That's the philosophy behind the role of digital in our large transformation programmes.**

Nigel Watson, CIO, Northumbrian Water Group

Strong digital cultures are good for society too

Digital tools have the potential to create significant social benefits, like increased job opportunities, improved healthcare delivery and broader access to services.



> **“If we're looking at cutting edge innovation, we should start involving communities at the ideation stage, at design, before we start delivery or scaling. We shouldn't just see the population as consumers of innovation.”**
>
> Abdul Rahim,
> Chief Innovation Officer, SHIFT

What are the barriers to building a strong digital culture?

93%

of companies said they faced barriers to building a strong digital culture.

34% 31% 30% 29% 28%

said data privacy concerns stood in the way of digital change

felt that digital technologies were too expensive

cited lack of digital skills from employees as a major barrier

said that a cultural change was needed for their organisation to develop digitally

struggled to integrate new digital solutions with legacy systems

How can you unlock progress?

Building a digital culture needs strong leadership and good governance. Companies that make intentional moves to set clear structures and responsibility for digital transformation see significant benefits.

In companies where the decision-maker for technology purchasing had recently changed:

44%

saw the speed of technology adoption increase

39%

said this reorganisation led to better alignment of business needs

39%

reported better budget management and cost control

39%

pointed to clearer accountability and responsibility

> **There's no such thing as an IT project. It's a business project with a technology component. As a decision-maker you have to take accountability for the business change.**
>
> Simon Goodman, Director IT Operations, Network Rail

Organisations need to understand both the technical and broader business implications of digital change.

Digital projects should be seen as business projects with technological elements and they need buy-in from the top levels of management.

Want to build your own successful digital culture?

Contact us or explore more insights in our Digital Culture Insider blog series.

Data points sourced from 'The economic and social benefits of digitalisation' report produced by the Centre for Economics and Business Research (Cebr) for Virgin Media O2 Business, September 2024.

Virgin media O2 Business