

Company culture as a cornerstone of long-term success and the metrics that really matter

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A growing body of global research has linked a healthy company culture to key performance metrics such as profitability, productivity and talent retention. The Covid-19 pandemic brought issues related to employee wellness front and centre, further emphasising the direct correlation between company culture and business success. Now, in a post-pandemic world, more leaders need to take up the mantle of fostering better workplace environments. The return on this investment can reap long-term and far-reaching benefits.



Kgomotso Ramoenyane, executive general manager of HR at Business Partners Limited

Advocating for the compelling business case for strong company culture is Kgomotso Ramoenyane, executive general manager of Human Resources at specialist small- to-medium-sized enterprise (SME) financier, Business Partners Limited. Her functional specialist and SME knowledge and experience supports her belief that better workplace cultures make for more successful businesses.

A recent study conducted by PwC saw senior leaders from companies in over 40 countries credit much of their success during the pandemic years to the strength of their companies' culture. It was found to be a major contributor to a company's competitive advantage. This was due to its ability to foster better internal and customer communication, higher rates of innovation and a healthier sense of community among employees.

“Happy, fulfilled employees are the most effective brand ambassadors for any company.”

– Kgomotso Ramoenyane, Business Partners Limited

As Ramoenyane explains: “Company culture permeates the way employees communicate and behave. It also concerns factors such as how good work is celebrated and rewarded, how people are recognised and how important decisions are made. Ultimately, company culture sets the standard for how work gets done. This in turn affects the quality of client relations as well as how the organisation is perceived both internally and within the broader world of business.”

Productivity levels

For Ramoenyane, one of the key advantages of fostering better workplace culture is its ability to output higher levels of productivity. According to data compiled by Top 500 Elite, the annual cost of soaring levels of absenteeism in South African businesses currently amounts to R15bn. This equates to 280 million days per year – an estimated 18.8 days per employee.

When quantified in this way, the cost of high levels of absenteeism becomes apparent. Conversely, cultural factors such as better job satisfaction, more employee engagement and improved team performance have a direct and favourable effect on productivity. As Ramoenyane says: “More productive teams are the cornerstones of more profitable businesses.”

Retaining better talent for longer

The implications of a healthier company culture in terms of talent attraction and retention are also hugely positive. One of the biggest human resource expenses involves the cost of recruiting and onboarding new employees. This can prove costly

for companies with high staff turnovers.

However, in workplaces with cultures that enable employees to perform optimally within their roles and prioritise their wellbeing, recruitment costs can be dramatically reduced. Furthermore, as Ramoenyane says: “The quality of talent that is attracted to companies with positive cultures has proven to be substantially better than in companies with poor public reputations.”



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Brand power

The strength of a company’s brand is also closely correlated with its internal culture. Companies with a people-first approach can reap immensely positive reputational benefits. This could in turn serve as a source of investor confidence and customer attraction.

“Happy, fulfilled employees are the most effective brand ambassadors for any company. Company culture is an accurate reflection of what a brand represents in the marketplace and what matters most to the company. So, when employees feel appreciated and nurtured, they will share their experience with others. Given that word of mouth marketing continues to be one of the most effective means of building a strong brand reputation, with time, it can become a company’s most valuable asset,” says Ramoenyane.

A boost in profitability as the ultimate objective

According to research conducted by PwC, companies who implemented culture change enablers like development and training, more efficient technology and constructive feedback during the pandemic, gained a significant competitive advantage.

All these factors have the ability to culminate in higher levels of profitability. The positive impact of better company culture on the bottom-line is often at the crux of what convinces leaders that it is a powerful ally.

As Ramoenyane concludes: “Going forward, as the world adapts to the mainstream adoption of remote and hybrid teams, value-based and purpose-driven policies that uplift and empower employees will become the most effective ways to build businesses that last for the long haul.”

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