

Why communication practices are important in the workplace

Communication practices in the workplace



Good communication practices are at the heart of every successful business. Communication serves two essential functions in every organisation. It disseminates the information needed by employees to get things done and builds relationships of trust and commitment.

Workplace communication is vital to an organisation's ability to be productive and operate smoothly.

Workplace communication improves worker productivity.

Research shows that effective lateral and work group communication leads to an improvement in overall company performance¹. It has also been discovered that employees who were graded as highest in work productivity had received the most effective communication from their superiors¹. Furthermore, the EY Australian Productivity Pulse™, found a strong link between organisations who were communicating effectively and the productivity ratings of their people.

Workplace communication can increase employee job satisfaction.

Employees feel empowered if they are able to receive upward communication. This type of communication is when information flows upward in an organisation and usually consists of feedback. If employers or managers are able to listen to employees and respond, this leads to an increase in employee job satisfaction. In addition, employees are also happy if there is strong downward communication, which is information flowing down from superiors or managers, to direct reports.

Workplace communication can also have a positive effect on absenteeism and turnover rates.

Communication flow is very important to workers. Employees need to feel secure that they are receiving truthful and updated information from superiors. They also want to have the ability to share ideas, thoughts and concerns within the company. Studies have shown that even after a period of downsizing, companies that have excellent communication are able to retain the surviving employees.

The business impact of poor communication

Staff morale plummets when communication is ambiguous, unfocused, lacking in important details and does not allow for genuine two-way dialogue². Critically, the impact of poor communication hits customers and suppliers. They begin to feel disenfranchised and take their business elsewhere.

Source:

1. Workplace Communication: Importance, Strategies & Examples, <http://education-portal.com/academy/lesson/workplace-communication-importance-strategies-examples.html>, Accessed January 23, 2014

2. Business Performance, <http://www.businessperformance.com/workplace-communication/poor-communication-costs.html>, Accessed January 23, 2014

In today's rapidly changing business climate, good communication is important for everyone, from top level executives to client facing employees. Organisations that fail to convey clear strategies and do not engage employees in shared goals, are likely to lose to companies with more effective communication practices. Some of the effects of poor communication are:

Increased employee turnover

People voluntarily leaving is a significant cost to any employer. Employee replacement costs can be as high as three times the person's annual salary. A Watson Wyatt study found that companies that communicate most effectively are at least 50 percent more likely to report turnover levels below the industry average compared with only 33 percent for the least effective communicators. This can have a substantial impact on the bottom line.

Increased absenteeism

Inadequate, inefficient and insensitive communication severely impacts employee motivation. This in turn drives the employee's decision to come to work each day. Poor communication is also associated with rising stress levels in workplaces leading to absenteeism.

Poor customer service

Poor communication with employees leads to unsatisfactory communications with customers. Employees who lack guidance from management and are locked out of genuine dialogue about their job, struggle to know how to satisfy customers and lose the commitment to do so. As a result the bottom line could be affected.

Greater incidence of injuries

Occupational health and safety accidents and stress related illnesses cost organisations and taxpayers billions of dollars each year. Inadequate communication is a major factor in many of these incidents³.

Decrease in employee morale

Employees feeling the stress from poor relationships at work are a key driver to decrease in employee morale. A study states the proportion of employees suffering relationship stress at 16 percent⁴. Putting in place collaborative communication systems and processes for resolving conflict can greatly assist in minimising the impact to an organisation.

Other factors impacting companies include dampened innovation and lower employee productivity.

Communicating effectively internally and externally can have positive impacts on cash flow and revenue. It is also integral for organisations to improve their safety record, staff engagement, productivity levels, as well as improving staff and customer retention.



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Source:

3. Business Performance, <http://www.businessperformance.com/workplace-communication/poor-communication-costs.html>, Accessed January 23, 2014

4. Shepell fgi, <https://www.shepellfgiservices.com/research/stats.asp>, Accessed January 23, 2014