

Driving communication to a better bottom line

From a HR point of view, open communication between senior management and employees is key to employee engagement and productivity

If employees make up part of the workings of an organisation, communication between management and staff is the lubricant an organisation needs to run efficiently and effectively. Today, work has become more intricate; knowledge and innovation are the main drivers behind an organisation's sustainability. And with an increasing global workforce, communication technologies and networks become crucial for a company to realise their strategies.

According to a 2008 Job Satisfaction survey by Society for Human Resource Management (SHRM), communication between staff and senior management ranks among the top five very significant aspects of employee job satisfaction. Organisational communication, both internal and external, may often be within the compass of the corporate communications department, but it also makes up part of HR's people management responsibilities.

Shifting gears

The responsibilities of Human Resource personnel today have expanded from being mere custodians of standard people management processes to strategic business partners that help steer growth and innovation of an organisation. As an integral feature of every business function's purpose, HR is expected to be knowledgeable about the design of work systems in which people contribute to and succeed in. Several HR services would be impacted – from devising work positions to hiring practices to reward and recognition schemes.

Such extensive HR functions require strong organisational communication to promote active participation and cooperation from staff from all levels, particularly during tough times. Yet, an online poll by The GMP Group revealed that only 21% of respondents said their organisations were improving staff engagement during the current recession with more regular communication from senior management.

HR should recognise the important role it plays in facilitating open and consistent internal communication as it has a direct impact on employee engagement.

Communication is a two-way street

Communication skills of organisational leaders are especially critical during tough times or when there are organisational upheavals. Top-down directives might amplify existing barriers between management and staff, who desire opportunities for their views to be heard. In this respect, two-way communication is essential to encourage innovation and spur greater employee engagement, loyalty and productivity.

Two-way communication persuades expression of opinions, ideas and interests of organisational practices, policy and strategy from employees. And entwined with employee engagement, employee voice calls for acknowledgement and responsiveness of HR and management. Management and HR can create opportunities for staff thus by encouraging upward communication and involving staff in company decisions.

As professionals in people management matters, HR should develop and nurture a culture of open communication between management and employees. Effective communication, however, should also be combined with just policies, systems and management behaviour to establish positive ties between staff and organisation.

Communicate to engage

Studies have shown communication to be significant in encouraging good employee-organisation relationships. It clearly demonstrates the transparency and fairness of the company's corporate practices – a boon, surely, to its best employer branding efforts.

There are several ways for HR to promote active communication within the organisation:-

Keep it regular. Consistent updates signal to employees that management acknowledges their role as stakeholders in the company who should be kept abreast of recent developments and happenings that may affect their part in the organisation.

Creative communication. Establish multiple routes of communication such as user-generated staff magazine, online discussions and intranet updates.

Build a feeling of community and involvement. During an economic downturn, employees can be hit by low morale. Communication helps to inform and safeguard the workforce as well as protect the organisation's reputation.

Make giving feedback easy. Keep lines of communication open for staff to air their views and offer suggestions. Companies can go a step further to show how problems will be identified and addressed.

Measure and benchmark engagement. Measure and benchmark employee engagement regularly so that HR is able to address areas for concern. HR is able to catch dissatisfaction early and a chance to counsel affected staff as well.

A better bottom line

Research suggests that effective organisational communication has significant impact on financial performance. Watson Wyatt's 2008/2009 WorkUSA Report said companies enjoy 26% higher employer productivity, in addition to lower turnover risk and are more likely to attract top talent when their staff are highly engaged. Companies also gain 13% total returns to shareholders over the last five years.

In today's highly competitive business milieu, management and departments cannot stand as silos. Close collaboration is needed not only across different functions but also between management and staff to solve organisational challenges and achieve agreed objectives. Transparency in communication as well as adoption of suitable communication tools are some of the critical factors which contribute to effective organisational communication, and thus, employee engagement and productivity.

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