



# UNIT-7 Importance of Effective Communication

## Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Discuss the importance of effective communication in an organisation
- ✓ Discuss how to develop an effective communication strategy

## Unit 7

### Importance of Effective Communication

Service quality cannot happen without communication. Communication is the life-blood of developing and sustaining a service initiative.

An important principle of a service quality philosophy is open and two-way communication. The development of communication media to convey the service philosophy is a vital means of creating an awareness of the investment that an organisation is making in service. There are many methods of communication, and organisations must be wary of not losing the message in the medium.

Surveys show that team briefing is the most common form of employee communication. Verbal communication is immediate and allows participation and interest, but calls for careful preparation and good presentation. Communication skills, such as listening and questioning, are important in encouraging dialogue. The disadvantages of verbal communication can be that the message may not be retained by the listener or that the message is not received in a uniform manner. The AA (Automobile Association) has found, for example, that keeping team-briefing concise and relevant is critical to its success. It also advocates making at least fifty per cent of the content about local issues to generate greater interest and involvement.

The AA uses a variety of media to communicate with its staff, including regular monthly mailshots targeted at patrols, a quarterly audio tape for field staff, a monthly magazine, videos, and an answer phone where staff can phone to leave comments and questions and are guaranteed an answer within twenty-four hours. Its communication objectives are to:

- create a climate where trust is re-established and where open communication is the norm;
- inform, motivate and create a platform for dialogue, aimed at improving quality and reducing cost.

Regular and thorough communication is difficult in a call-centre environment with shift work, part-timers and heavy call volume. Southern Electric communicates on several levels: daily team-talks to review results and targets, monthly team briefs and weekly one-to-ones.

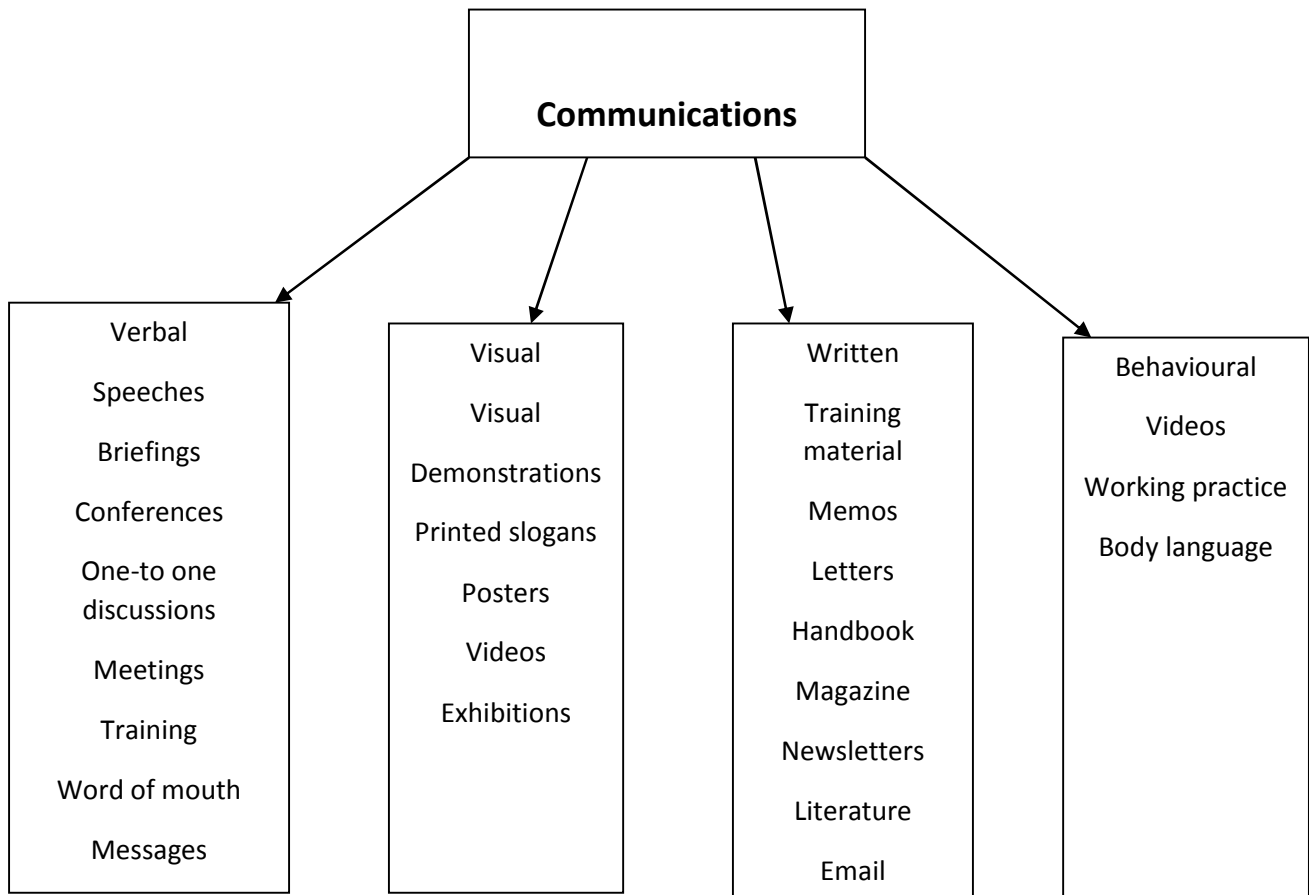
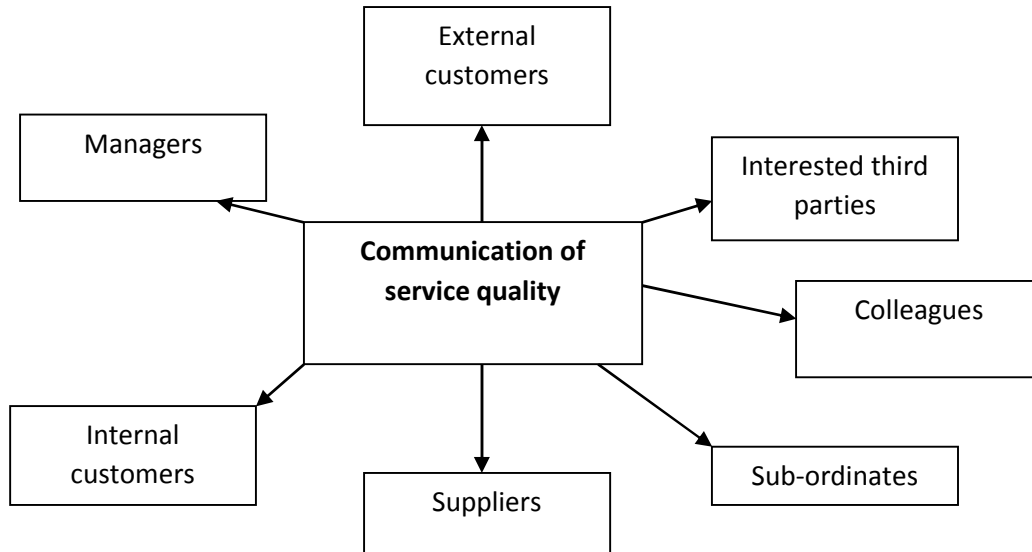


Fig: 7.1 Examples of verbal and non-verbal communication

## Developing A Communication Strategy

At the beginning of a customer service strategy, a communication strategy also needs to be developed to ensure the consistency of the message to all stakeholders (see Fig: 7.2). Lloyds TSB Bank, for example, has developed a communications charter and communications standards to ensure a consistent approach.

It is also useful to debate and agree on a set of communication objectives in the light of each target audience. Then, a plan of action can be developed for how the service philosophy can be disseminated throughout the organisation on a long-term basis and, importantly, how feedback can be generated to ensure that the communication is two-way.



**Figure 7.2** Communication with stakeholders

In developing a communication plan, factors to be considered include:

- How does the communication strategy fit into the overall service programme?
- What are the objectives of communication?
- What are the precise messages to be delivered?
- Who are the target audiences and where are they located?
- What is the current level of understanding of the audience?
- What is the culture in which they work?
- What communication channels are currently being used to communicate to this audience and how effective are they?
- What is the budget for communication overall?
- How should this budget be split?
- How can feedback be generated?

Management needs to consider all these factors before any form of communication design or development is undertaken. The reason for asking these sorts of questions is that it is easy to begin a programme of communication using sophisticated corporate messages which raise the expectations of employees and customers, only to flounder after several months when promises are not met or the messages fade away – if indeed the communication continues at all.

## Communicating Service To External Customers

Research by Bain and Co. reveals that sixty-seven per cent of existing customers will go elsewhere if no one keeps in touch with them. This is substantiated by studies conducted by Nortel Networks, which showed that customers who received frequent communication and feedback from a company were more loyal. The customer's expectations of the standard of service he or she will receive is moulded by the past

experience he or she has of a supplier and also the standards of service which are communicated via other organisations in press and radio, television, advertising, word-of mouth and the internet.

An organisation should carefully consider how its service quality is communicated to its customers so that it does not 'over-promise and under-deliver.' Many retail outlets, banks and financial institutions place mission statements, customer charters or customer policies in their outlets extolling 'the customer as king.' It is disconcerting to the customer, therefore, if the service he or she receives in that particular outlet does not match the standards of service that have been promised. A useful practice is to read customer-communication material or visit your organisation's website to discover what customers are being told.

### **Charters and Service Guarantees**

Many businesses create customer charters or service guarantees which they advertise to their customers. Alliance & Leicester, for example, has set service standards such as, 'all correspondence will be auctioned within 48 hours of your enquiry' and 'we will send out policy documents within 48 hours.'

Some organisations are more cautious in publishing their standards by defining tighter measures. Sureway Parking, for example, states that: 'At our parking shop we aim to deal with 95% of personal customers within 10 minutes of arrival' and '95% of postal applications will be dealt with within one day.'

### **Tone of Message**

Organisations can show that they care for their customers by conveying a message in a helpful and caring tone. British Airways used customers' endorsements (verbatim comments from the visitors' book) to publicize its Heathrow and Gatwick arrival lounges.

Other organisations ensure that their communication material is easy to follow, well laid out and written in easy to understand terms. Virgin Direct, the financial services company, is a good example of an organisation that produces clear communication material.

## **Communication of Service Quality to the Internal Customer**

Employees should be the prime target audience of an organisation's communication plan. Undertaking an employee audit will provide managers with a better perception of how well communication policies are succeeding and help identify areas for improvement. Managers at one company discovered that almost fifty per cent of people disagreed with the statement, 'I can express my opinion without worrying about getting into trouble,' which was included as part of an employee attitude survey. As a result, a communications Quality Action Team was formed whose task was to change employees' poor perceptions. A customer charter for communications was developed. This included such items as:

- holding regular participative meetings of work groups (minimum standard: one per month with communications as a permanent agenda item)

- updated organisational charts/telephone directories and key departmental contact persons/points will be accessible to all (minimum standard: updated quarterly).

The result was that a far more open and responsive style of communication has been developed throughout the organisation.

### **Awareness, Comprehension, Conviction, Action**

At the initial stage of a service quality programme, communication with employees should be aimed at creating awareness and comprehension of the need to change, to thus convince employees that they must take action which mirrors the desired vision and values of the organisation. Managers have a key role to play in the communication process.

### **Sell don't Tell**

People's attitudes to service quality within an organisation can be influenced by the way in which the message is conveyed. We have spoken earlier of the need to develop a mission statement and set of values which is evident to all employees and other stakeholders. We also outlined methods of involving all employees in the development of this mission. Service missions and visions are often communicated to employees via written statements. These statements must be seen to emanate from senior management. A personal letter from the chief executive to all employees explaining the importance of service philosophy, for example, endorses senior management's commitment to the concept, but is not sufficient in itself. To encourage awareness and comprehension, discussion and debate must take place. Managers need to explain a service philosophy in person via presentations and participatory sessions and make time for two-way conversations. At financial services organisation Egg, directors run quarterly communication sessions at all sites. They also hold staff breakfast communication sessions and are available to contact through the Internet.

### **Face-to-Face is Best**

The experience of many organisations undertaking service initiatives demonstrates that verbal communication which promotes discussion, rather than a one-way imparting of messages, is the most effective means of communication. Team briefings and meetings form an important part of the communication of customer service, as do training and staff events where an *interchange* of views is encouraged.

There is a trend away from the 'sheep-dip' type of road shows, often used by companies where large groups of staff gathered to hear presentations on customer service, towards more two-way dialogue. Nationwide Building Society ran a series of 'Talkback' sessions where groups of employees attended forums with senior managers to ask questions and put forward ideas. This encouraged greater dialogue. Importantly, the agenda was set by the employees, not the managers.

Managers at Marriott Hotels in the United States hold fifteen minute reviews before every shift for customer-contact staff. The reviews focus each day on one of the twenty basics of service that the hotel has identified and committed to as standards – from appearance to handling customer concerns.

### **Involve Employees in Developing Internal Standards**

As the importance of internal service quality is recognised, many organisations involve employees in the development of internal standards and charters which are then communicated throughout the business.

Below is an example of an organisation’s charter.

**HMV CUSTOMER SERVICE STANDARDS**

***HELPING CUSTOMERS***

***Customers will always feel they receive polite, helpful, friendly and efficient service in HMV Stores.***

***In all our contacts with customers we will:***

- *Give customers priority over other tasks.*
- *Make eye contact and greet each customer.*
- *Focus attention on the customer, and be polite, friendly and interested throughout.*
- *Respect individual customer tastes and preferences.*
- *Apologize for any delay in giving service and advice of actions we are taking to help.*
- *Thank each customer, and end the contact in an appropriate way.*

***HELPING CUSTOMERS AT THE TILL***

***Customers will always feel they are given polite, efficient and friendly service at the till.***

***We will:***

- *Never leave a customer waiting unattended at a till.*
- *Ensure that customers do not feel they have been delayed unnecessarily.*
- *Handle the transaction at a speed appropriate to the individual customer.*
- *Point out offers, campaigns and other useful information where appropriate.*
- *Only interrupt a member of staff who is serving a customer when it is to offer help.*
- *Treat products and payment with care, and hand goods to the customer.*

### **Videos/DVDs**

Some companies use corporate videos and DVDs in which the chief executive plays a leading role in explaining the need for enhanced customer service. This cannot replace personal contact but the

advantage of the visual medium is that pictures and sounds can quickly and effectively put across key customer service messages in a memorable way.

To say, for example, that 'it is important that we differentiate from the competition which poses a threat to our survival and service; this is the means which we have adopted to implement this strategy' is a strong, straightforward message. To produce a video which actually shows the threat of the competition has far more impact and the subsequent retention of this message will be higher. FedEx, for example, provided a video following the journey of a parcel through the organisation. This brought to light areas where improvements could be made. FedEx also has a quarterly news update chaired by the CEO which is broadcast on its own satellite network.

News programme-type videos are used by many organisations to update employees on the progress of service strategies.

### **Intranets**

Intranets are also a good way to provide opportunities to share knowledge and best practices in customer service.

### **Reinforcing the Message**

The development of material which imparts key messages as part of employees' working lives is also a useful means of reminding members of staff about customer care. When a logo or slogan is developed for a customer service strategy this can successfully be applied to such items as:

- screensavers
- letterheads
- message pads
- pens
- mugs
- tee-shirts
- key rings.

These can be used in the employees' workplace and act as useful reminders. They can also be used as prizes for suggestions of service improvements.

### **Training Material**

Training material which is consistent with the customer care message can also be produced to reinforce the quality message. House of Fraser produced a video to review the progress of its service quality programme. It was to be the central part of a training session to be run for groups of staff by the manager of each store. The video presentation box, managers' desk-top presenters, training guide and staff certificates were specially designed using the company's service quality logo and sent to each store in a high-quality presentation package.

A further impactful idea is to produce a special welcome pack for all employees attending customer care training courses which is personalised to each participant and contains a letter of encouragement from the chief executive, together with training material and other information on the service quality initiative.

### **Notice Boards and Posters**

It is also useful to provide notice boards, conveniently located around the company, where information relating to customer service and customer service activities can be displayed, either as separate boards or as part of overall staff notices. Special notice boards for customer service tend to create more impact. Location is important. At Body Shop, for example, posters are often pinned on the toilet doors as this is one location all employees will visit.

Many posters are also available reminding employees of the importance of service quality. These posters serve only as reminders to members of staff of the service philosophy and must be seen as an 'add on' – they are not the key to effect changes of attitude but are used to reinforce the message.

Likewise, organisations often place notices in reception areas declaring their commitment to customers. Unless the behaviour of the receptionist or those employees who come into contact with visitors to the company uphold the beliefs outlined in such statements, the notices are often empty promises.

### **Staff Directories**

Improvements in internal service quality can also be brought about by employees understanding who does what. Organisational charts which are regularly updated can ensure that employees have a better understanding of the different roles and functions of the company and how each individual fits into the whole. Pictorial charts with diagrams and photographs beside them also help to break down communication barriers. These, of course, must be kept up to date. Likewise, telephone, intranet and internet directories and directories of services which are current and regularly updated help improve communications.

### **Newsletters and Newspapers**

Many organisations integrate a section on customer service into existing newspapers and bulletins. It is often useful to develop a special newspaper or newsletter to communicate the progress of customer service initiatives in which the activities of the employees, together with achievements to date, can be communicated. Barclaycard, for example, developed a quality newspaper as part of its quality initiative. This proved a useful means of recognising achievements. Service newspapers can also be used to invite feedback and monitor the progress of service improvements. Readers can be invited to send in examples of good service and new ideas. The London Borough of Sutton, for example, publicised success stories as part of its service quality initiative to demonstrate positive examples of standards of service to all

employees. At manufacturer of home improvement group, Cego, a special newspaper called *Quest* publicised achievements and progress in service quality.

Management should also take advantage of photo opportunities to advertise the success of service improvements. The intranet is also a useful medium for sharing ideas.

Competitions and suggestion schemes are also a successful means of communicating service initiatives and results can be published in newsletters. One company, for example, ran a competition where members of staff were asked to identify what aspect of service was most in need of improvement, from a customer's point of view. The results, which were published in the newspaper, also provided useful feedback to managers on staff perceptions of the areas of the business most in need of change.

### **Feedback**

As communication is a two-way process and requires both a receiver and a transmitter, management must remember to invite feedback on all communication activities. This can be done in both an informal and formal fashion, inviting comments on a one-to-one basis, holding discussion groups on the effectiveness of communication media and via formal questionnaires.

### **An Ongoing Process**

Effective communication is an ongoing process. The temptation is to put a lot of effort into communicating service quality at the introduction of a service strategy and then to let it fade as time goes on. Just like training, communication needs to be constantly renewed or refreshed.

### **Tips on Effective Internal Communication**

Too little communication can lead to staff de-motivation. Too many messages can lead to confusion. Alan Mitchell, a journalist working for *Marketing Business*, has some tips for effective internal communication.

1. Lead from the top. If the chief executive and the board are not committed it's unlikely to succeed.
2. Conduct an audit. Like all good marketing, understand what the target market needs and thinks.
3. Communication is two-way. Listening is harder than talking. Proving you have listened is even harder.
4. Don't get captivated by media. Internal communications is not the same as the production of an employee magazine or video. Choice of communication channel should be determined by the message and the circumstances.
5. Face-to-face is best. Employees usually want to hear the news from their own managers and supervisors.
6. Have something to say. If the board is not clear about where the business is going, why, and what employees' role in this future is going to be, it has little of substance to communicate.

7. Constantly measure how well the messages are being received and how the process of communications is viewed by staff.
8. If your external and internal messages don't coincide and reinforce each other, you've got a problem. If they do, you may have a competitive edge.
9. Communication is an integral part of the management process. It is not an afterthought.

### Further Reading:

- ✓ *Effective Communication in Organisations, (2006 Third Edition), By Michael Fielding*
- ✓ *Effective Leadership and Management In The Early Years (2006), By Moyles, Janet*
- ✓ *Communication Skills in the Workplace: EBook Edition (2008), By Perry MCINTOSH, Richard A. LUECKE*