

# How Enhancing Communication Skills Improves Bottom Line Results



This white paper will examine ways to upgrade communication skills so you can improve your organization's bottom line. By empowering employees and investing in your team's communication skills, you can build a more profitable and successful organization.

## Contents

- 5** Importance of improving communication skills
- 6** Communication: Why is something so simple, so difficult?
- 8** The importance of investing in employees
- 10** The cost of poor communication
- 12** Uncovering the common barriers to communication
- 14** Benefits of communication skills training online
- 17** ServiceSkills.com: A proven solution for improving communication

# Communication is defined as:

“The act or process of using words, sounds, signs, or behaviors to express or exchange information or to express your ideas, thoughts, feelings, etc., to someone else.”<sup>1</sup>

That sounds simple enough, but effective communication is more complex and elusive. **Employees spend about half their workday communicating<sup>2</sup> with much of that communication happening digitally<sup>3</sup>. That explains why organizations around the country are allocating funds to teach their staff how to communicate more effectively.** Harnessing the power of communication is the key to the success of any organization, from office interactions to increasing revenue.

<sup>1</sup> Merriam-Webster

<sup>2</sup> Loom

<sup>3</sup> Forbes

AMOUNT OF TIME  
SPENT  
COMMUNICATING:  
**20 hours/  
week**

How much time do people spend on the phone, responding to emails and using other digital communication tools? At many companies, the proportion hovers around 50%<sup>1</sup> leaving employees little time for all the critical work they must complete on their own.

AMOUNT LOST TO  
POOR  
COMMUNICATION  
SKILLS ANNUALLY:  
**\$1.2 T**

According to a study from Grammarly<sup>2</sup>, ineffective communication skills cost businesses **approximately \$12,500 per employee per year** - a total of \$1.2 trillion per year across the US.

POOR  
COMMUNICATION  
SKILLS AMONGST  
COLLEGE  
STUDENTS:  
**26.2%**

A report from the Partnership for 21st-Century Skills noted that according to employers, **26.2% of college students had deficient writing skills**. What's more, employers said **more than one-fourth of college graduates** were not only poor writers, but also lacked proper communication skills across the board.<sup>3</sup>

<sup>1</sup>Forbes

<sup>2</sup>Grammarly

<sup>3</sup>Inc.



# Importance of improving communication skills

Companies that are thriving in today's economy all have one thing in common: productive, motivated and excellent employees. The people within an organization make organizations unique. The knowledge and skill of employees are their biggest and most valuable assets. So it's not surprising that an organization's staff is its largest expense, but it's an expense that can yield the highest return on investment (ROI) as long as that investment goes into something that maximizes an employee's potential.

Each organization will need to sort out what the appropriate level of spending on staff might be, but according to the US Department of Labor<sup>1</sup>, organizations usually measure their payroll as a percentage of gross revenue. In service industries the ratio might be as high as 50%. Manufacturing organizations usually have lower ratios (30% or so) due to the capital investments common to manufacturing.

<sup>1</sup>Department of Labor

Shared employee knowledge increases productivity, because when employees share what they know and understand who knows what, these processes contribute to the formation of organizational routines.



# Communication: Why is something so simple, so difficult?

The process of communication is not something that just happens. We all learn and develop communication skills over time. In face-to-face communications, two parties are communicating with one another, sending and receiving messages. But there are subtle communications that go beyond the words that are passed between them, such as gesture and tone of voice. Over the phone and virtual communications are considerably more difficult.

While advances in communication technology have helped companies communicate with their customers, vendors and employees without the need for face-to-face communication, these same advances in technology left employees without access to nonverbal communication cues. Phone, email and video communications make the process of customer service and sales more difficult and remove the personal factors that make communication more natural.

But communication challenges go beyond the outside world. Within an organization, there is a distinct communication gap between employees and management. Information communication technology creates a multitude of opportunities for employee distraction and dips in productivity.



AVERAGE TIME  
SPENT ON PHONE  
PER DAY  
UNRELATED TO  
WORK:  
**2.5 HOURS**

According to a report from Gitnux<sup>1</sup>, **84.4% of people are distracted at work**, and phone calls, texts and Internet use are the top-ranking distractions. In fact, Screen Education<sup>2</sup> reports that employees spend about 2.5 hours per day on their phones for things unrelated to work.

<sup>1</sup>Gitnux

<sup>2</sup>Screen Education

Organizations need to teach their employees how to communicate more effectively with their clients, peers and managers. Finding a training solution that covers these challenges, however, is not easy.



# The importance of investing in employees: Communication training goes beyond a simple ROI



**To win in the marketplace you must first win in the workplace.**

– Doug Conant, CEO of Campbell's Soup

**An organization is only as good as the employees that work for it.**

While people look at a company as a whole, a company is not what generates new ideas - it's the people working for it that do. Organizations pay competitive wages and offer benefits to attract and retain their employees; however, they often don't provide the right training to give their employees a competitive edge or even help them be more productive within their position.

According to Gallup's State of the American Workplace report<sup>1</sup>, employee engagement is lower than ever, with only 32% of workers reporting that they felt engaged with their work, compared to 36% in 2020. It's long been known that engaged employees understand their clients' needs better than disengaged employees<sup>2</sup>, and this increase in disengagement can have drastic consequences for customer satisfaction and retention.

<sup>1</sup>Gallup

<sup>2</sup>Bath University









Most of us in the training and development profession know in our guts that what we do is valuable and worthwhile, we wouldn't have stuck with this job if we didn't believe we were doing good. The problem is that often our clients and customers are highly skeptical, and where there is pressure on resources, we usually get the short end of the budget stick. Customers and senior executives want proof, but most of us can only offer promises.

– Robert Brinkerhoff, Telling Training's Story

Investing in employees' communication skills will improve their ability to communicate with colleagues and customers. The specific business benefits of communication training include:

-  **An increase in client and customer satisfaction and retention**
-  **Higher annual revenue**
-  **Savings from increased employee retention**
-  **Improved quality of work from employees and reduced errors**

To understand the full ROI, a company needs to look at the benefits of improving employee communication skills and the cost of allowing poor communication to continue.

# The cost of poor communication

As you can see from the sources cited throughout this paper, poor communication costs money in terms of employee issues and lost revenue from reduced sales and increased client attrition. While some of the damage can be corrected, most cannot. In our experience with over 30,000 clients, we've observed the following costs of poor communication:

## Time and Effort Considerations

Effective communication between employees or with clients is critical to the success of a business. When communication breaks down, sales and client relationships suffer. Say, for example, you have a sales representative taking an order from a client. The client says they want an adjustment made to the size of the order making it 100 units larger.

Because the employee wasn't actively listening to the client (a basic communication skill), they simply write down '100 units.' The employee then goes ahead with processing the order. The client receives the product, but the quantity is wrong. The client then cancels the order and demands an immediate refund.

Now the time and effort all of your employees put into that sale is wasted.

## Missed Opportunities for the Organization

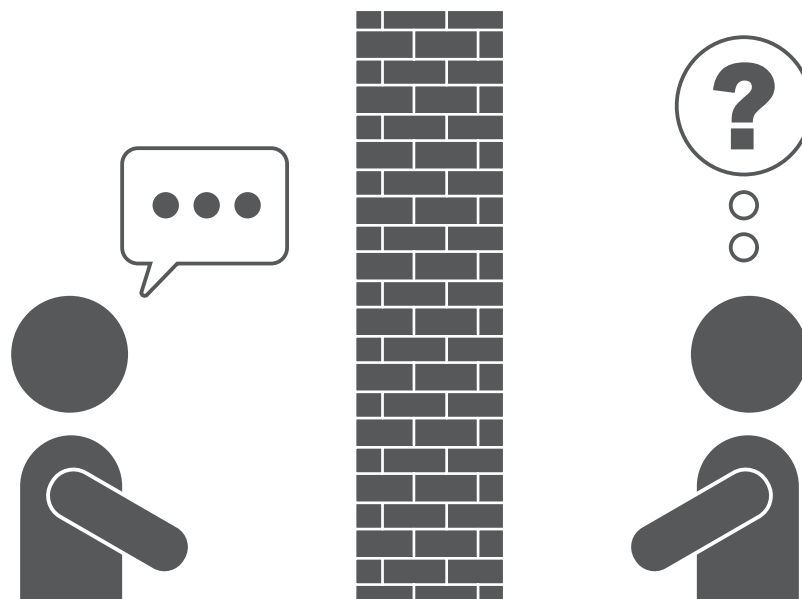
The consequences may go beyond one lost sale. Clients who experience mistakes such as the one described in the above scenario rarely come back or refer new clients, resulting in missed opportunities and loss of revenue. The client that received the incorrect order might have been planning to make a larger, more significant purchase in the future but is now taking its business to a competing company.

## Workplace Tension Considerations

Productivity suffers when there is interpersonal tension in the workplace, and these issues can often be traced back to poor communication. When misunderstandings occur between coworkers, they're not easily forgotten or set aside. Even if both parties want to move past the incident, it frequently spills over into future interactions between the same employees. On top of that, the tension easily spreads to other employees within the same workplace, including employees who were not part of the original incident that lead to the tension. However, with improved interpersonal communication skills, the initial misunderstanding could have been avoided in the first place, or, in the event of an unavoidable situation, the employees could have been equipped with the skills to resolve the problem promptly.

### THE TAKEAWAY

The cost of poor communication can be devastating to an organization's productivity and its bottom line. By using effective communication, companies can improve relationships, seize opportunities and reduce employee tension. Before an organization can effectively correct its communication damages, it must first understand the barriers to communication.



# Uncovering the common barriers to communication

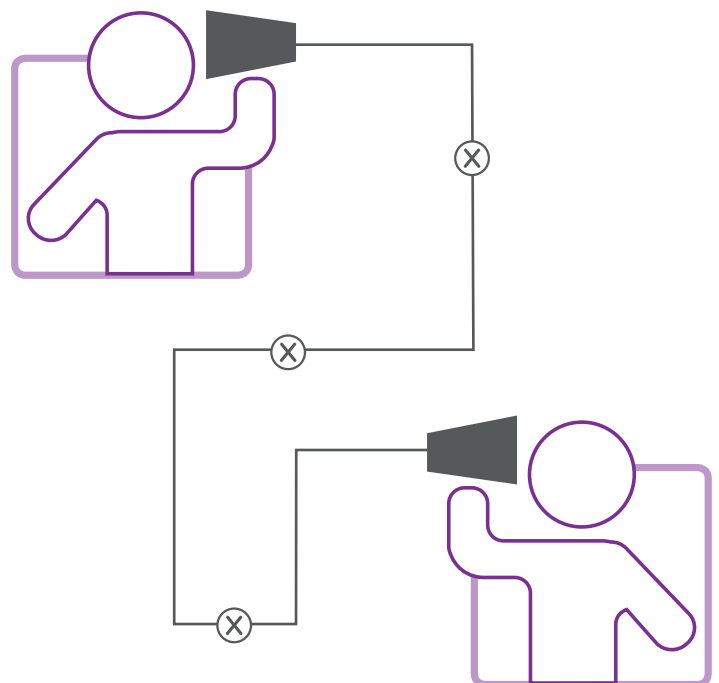
There are numerous reasons why employee communications fail. In some cases, it could be as simple as the individual receiving the message (referred to as the “receiver”) not understanding what the person sending the message (also referred to as the “sender”) is trying to say. Therefore, it is important that the sender learn how to get feedback from the receiver to ensure that their messages are being understood properly. Basic skills like active listening, reflection and clarification can help with these barriers, but if an employee is not aware of the barriers to communication, they may not know how to overcome them and communicate more effectively.

## Common barriers to communication include:

### Jargon (including acronyms) -

Employees who use industry specific or even internal terms with other employees or customers can make communication difficult. While the employee speaking may understand what they’re trying to communicate, the receiver does not, leading to an instant communication breakdown.

**Emotional Barriers** - A person may find it difficult to express how they feel or there may be topics they are uncomfortable talking about, which prevents them from communicating or receiving a message properly.





**Technology** - While we all love our phones, tablets and laptops, these devices present clear opportunities for distraction and miscommunication. How many times have you been in a meeting where someone is looking at a screen and not paying attention? Messaging and email are ubiquitous in business communication today, but they can also cause problems when messages are misinterpreted by the recipient.

**Physical Barriers** - Phone conversations, for example, provide numerous physical barriers. Your employees are unable to see hand gestures or facial expressions while speaking to another employee or client, so they may miss visual clues and elements of interpersonal communication, resulting in less effective communication.

**Expectations** - Sometimes your employees will hear what they want to hear rather than what the sender is trying to communicate - and a receiver will jump to incorrect conclusions.

**Time** - When an organization pressures its employees with time constraints, they may be too rushed to communicate effectively. Time pressure results in cutting corners, too, which means staff may not communicate the entire story to clients or even other peers because they believe they lack the time to do so.

Each of these barriers can be overcome with effective communication skills training. Whether your employee is speaking with management, a client or another employee, understanding the barriers and overcoming them is an important step towards effective communication.



**SERVICESKILLS** eLearning  
AMERICA'S PREMIER SOFT SKILLS TRAINING

# Benefits of communication skills training online

Communication skills training does more than teach your employees how to communicate - it teaches them to think differently too. When employees go through communication skills training, they are taught to organize and express their thoughts more effectively. Active listening is a crucial element of effective communication and employees should learn the skills needed to engage in active listening. But even more importantly, all of the benefits below directly relate to improving your organization's bottom line.

While classroom training is effective, it doesn't offer the same benefits as online training, nor is it as popular for the modern workforce, which is why we will focus solely on the online aspect.

## Reduce employee stress levels

Effective communication provides both parties with clarity. When an employee can accurately communicate what they are thinking or feeling, management can better anticipate and fulfill the employee's needs. The same goes for client relationships, especially in the sales and customer service sectors. Employees that can communicate more effectively with the customer (both as a sender and receiver) will know how to handle customers properly - including hostile customers. When it comes to employee relationships inside the company, you will notice less workplace drama and employee complaints.

Teams with well-developed communication skills are able to communicate and understand one another more efficiently. Employees will experience less workplace tension and, when an incident does occur, everyone involved will be able to overcome the incident faster and easier - which means less of an impact on productivity.

### **Increased customer retention rates**

Giving customers the right amount of attention starts with communication. Dissatisfied customers or customers who feel like they're just a number won't continue to work with your organization. Also, when customers have products and/or services, policies and even payments explained to them clearly, they appreciate the transparency and are more likely to continue doing business with you in the future.

### **Increased success**

Successful people are able to communicate clearly with their peers and customers. They have a firm understanding of interpersonal and organizational communication. With the right interpersonal skills, they are able to connect with other people and relay their messages more efficiently. Interpersonal communication skills, like active listening, will help your employees maintain a positive conversation. Also, by improving organizational communication, management can provide clear and defined policies and procedures, employee expectations and goals within the organization.

### **Increased employee retention rates**

Employees who receive training feel as though they're valued, especially when they're provided with portable skills training. Because employees can use their communication skills anywhere, they appreciate the training more than specific on-the-job training. They can then apply their newfound skills in their personal lives as well as their professional lives.

### **Convenient training for even the largest corporations**

Online training is more convenient than classroom-based training courses and workshops. Your employees can train when it is convenient for them, rather than scheduling a company-wide training date. This is especially helpful if you have employees working multiple shifts (such as day shift, night shift, etc.) or at various branches. All employees will be able to participate in training without loss of productivity by working around their own schedules. You will also avoid the costs of hosting live training sessions and paying for travel expenses.

### Improved self-satisfaction

When people are able to communicate and be understood (as well as understand others), they earn a level of self-satisfaction. Employees can communicate their thoughts, feelings, concerns and emotions in a more effective way. They feel more satisfied because they also understand people better, which leads to healthier relationships. Their newfound satisfaction may also help them negotiate more effectively and gain confidence in their professional and personal decisions.

### Better skill sets for life

Improving communication skills improves an employee's professional value. Communication is often identified as a key growth area for all professionals regardless of how well they currently communicate or think they communicate. It's even more critical for organizations that do a great deal of work in engineering or sciences (areas that traditionally do not put much emphasis on communication).

Communication skills training can improve the chances employees will contribute more to the organization's success by giving them such essential skills as learning how to organize their thoughts, how to appropriately react in high pressure situations and how to take charge of discussions.





# ServiceSkills.com:

## A proven solution for improving communication

**ServiceSkills.com offers an online training solution for organizations that want to improve communication within the workplace.** To give all employees the opportunity to develop and refine the skills necessary to effectively communicate with others, ServiceSkills.com provides the foundation for effective communication through a powerful web-based training platform. The costs associated with poor communication skills alone can bankrupt a small organization.

**The potential issues include:**

- Missed new business opportunities
- Lower client or customer renewal rates
- Increased customer complaints
- Higher levels of interpersonal workplace tension
- Lower productivity
- Mistakes resulting in returned orders
- Wasted time and effort
- Poor execution of managerial and supervisory skills

Fortunately, these costs, both apparent and hidden, can be overcome with effective communication skills training.

# ServiceSkills offers:

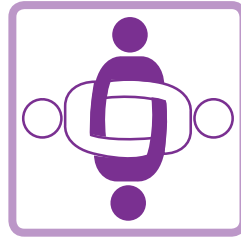
- ✓ **Over 150 performance-enhancing online training videos organized into short, easy-to-digest modules.** This allows your employees to learn at their own pace and find the content they really need.
- ✓ **We provide a management tracking capability** so you can watch as your staff improves their mastery of communication skills.
- ✓ **ServiceSkills.com provides your organization a simple, easy-to-use, one stop solution** to solve your internal communication problems, including the following additional topics areas:



**Customer Service  
Essentials**



**Peer-To-Peer  
Communication**



**Team Building  
Essentials**



**Conflict  
Resolution**



**Helping Employees  
Clarify Their Thinking  
When Communicating**



**Leadership and  
Mentoring**



**Management and  
Supervisor Training  
and Communication**

Each training module comes with course quizzes to ensure employees are retaining what they have learned, as well as a list of key points to reinforce each module's core message. To give employees a sense of accomplishment, certificates of completion are issued when employees complete their course.

## About ServiceSkills.com

ServiceSkills.com is your organization's one-stop solution to poor communication. Improving communication skills enables you to not only reduce preventable losses but also to maximize business opportunities, client satisfaction and employee retention increasing your organization's bottom line results on all fronts.

ServiceSkills.com is a proven, affordable and highly effective online learning system that empowers employees with the relationship skills they need to **raise service levels, improve teamwork and manage more effectively.**

The powerful web-based platform gives your team access to **150 skills-driven communication training modules.**

There's no hardware to buy or software to install. The interactive system features **streaming video chapters, quizzes, post-quiz feedback, key point reminders and certificates of completion.**

A robust administrative management system is included to **allow your managers to monitor performance, recognize gaps and track progress.**

### THE ONLY ONLINE LEARNING SYSTEM OF ITS KIND

**GET STARTED**