CHAPTER 19

Employee communication

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INTRODUCTION

This chapter is about the HR aspects of communication from management to employees and vice versa.

LEARNING OUTCOMES

By the end of this chapter readers should be able to:

- explain the importance of HR's role in communication to employees in their workplace

- explain the growing significance of communication in British organisations in recent years

- describe the appropriate means of communication for different HR issues

- identify optimal communication methods to and from employees, and explain their potential advantages and difficulties.

The chapter is structured in two parts.

After the starter case study we define what exactly we mean by communication and discuss why it is important. Next, we look at the role of HR professionals in communication. Then we present some information on how British companies are making increasing use of communication to employees. We follow this with a section about who is communicating about what and with whom. In a third section of Part 1 we deal with an important new development in HR – that of communicating electronically with employees.

Part 2 discusses the potential advantages and difficulties involved in different forms of communication from employees: suggestion schemes, employee surveys and employee forums. This brings us to our main case study, which is about HR's role in trying to communicate with people doing work for the organisation but who are not directly employed by it.

The case study organisation is a financial services company in the City of London employing several thousand people. The best-paid employees are the salesmen directly involved in selling financial products to consumers, but these only constitute about 30% of the workforce. Most employees are 'back office' staff processing the business initiated by the salesmen; a majority of them are women, almost all of them less well paid than the mostly male salesmen. The company does not find it especially easy to recruit or retain staff in the 'back office' because although they are not especially highly skilled, there are reasonable opportunities for them to move on to work in other central London companies.

On 6 April 2003, working parents in the UK with young or disabled children gained the legal right to request flexible working arrangements; their employers acquired a statutory duty to give these requests serious consideration. The company HR director advised the board's employment subcommittee before the legislation became effective that although the legislation was intended for the parents of young children, this might prove rather divisive and demotivating for non-parents and that therefore consideration should be given to extending the right to all employees. However, this was rejected – operational managers were afraid that this would lead to a flood of requests and the company simply announced in the company newsletter for employees that it would follow the law.

In the event, after April 2003 many parents of young children – concentrated in the 'back office' – requested the right to work flexibly from their operational managers. The applications were dealt with by operational managers in consultation with HR. Several difficulties arose. Operational managers noticed, however, that employees thought that they had a right to work flexibly rather than (in fact, in law) a right to *request* to work flexibly. Secondly, a number of salesmen complained to their managers that they, too, wanted the right to work flexibly because at least parts of their work could be done at home. Thirdly, older people in the 'back office' put the same argument as that put by the salesmen.

The result in the spring and summer of 2003 was increased turnover throughout the central London operation, as employees felt that they were not getting their legal rights or saw that other companies had in fact extended the right to all employees.

Question for discussion

What can be learned from this real-life case study?

Readers should note that there are several important aspects of communication that we do not deal with in this chapter because they are tackled in depth in other chapters. So, for example, we do not deal with communications with prospective employees, nor do we deal with important types of communication with employees such as appraisals (see instead Chapter 12). A third very relevant subject dealt with elsewhere is that of communication to and from employee representatives (see Chapter 17). Nor do we deal with the important but different subject of communication *between* employees – an aspect that is closely related to organisational culture.

Reference sources named within the chapter may be looked up in the *References and further reading* section at the end of the book.

1 COMMUNICATION TO EMPLOYEES

WHAT EXACTLY DO WE MEAN BY 'COMMUNICATION'?

Everyone has their own 'common-sense' definition of 'communication'. But for the purposes of this chapter we must define it more precisely. We therefore define communication as a two-way process: it is communication by management *to* employees, and communication *from* employees to management.

In this chapter, we focus on the first aspect, communication *to* employees (sometimes known as 'downward' communication) in Part 1, and on communication *from* employees (sometimes known as 'upward' communication) in Part 2. Having said that, the distinction between the two is for convenience only because in the end most communication is really two-way. So, for example, briefings to employees about issues often provide opportunities for questions and feedback (Marchington, Wilkinson, Ackers and Dundon, 2001)

Managers have to communicate with employees all the time at work. It is impossible to imagine them doing their jobs without talking to the employees that they work with. Plentiful communication with employees has been shown to be linked to good company performance (Pfeffer, 1998). There are therefore both relatively informal as well as more formal communications to be considered under our general heading of 'communication'. Smaller companies often rely on informal methods and have few, if any, formal methods of communicating with employees, which they may perceive as 'bureaucratic'. In some cases, they prefer to encourage social events such as going to the pub for promoting mutual communication (Marchington, Wilkinson, Ackers and Dundon, 2001). In this chapter, although we do touch on informal channels, we deal mainly with the more formal methods. This does not mean that informal communications are unimportant (which is clearly not the case).

There are two reasons for our focus:

- First, formalised communications practices are linked to a positive 'psychological contract' between organisations and employees (see Chapter 11). This may be why they are also linked to high performance.

- Second, most organisations have a degree of formalisation in their practices, because not everyone wants to go to the pub with their manager.

In addition, we examine HR's role in advising and training other managers in communication – something that is relevant even where there are no formal communications practices.

More formal communication can take different forms, deal with different subjects, and be done by different groups of people and aimed at different groups within the workforce. These differences are an important theme of this chapter.

'Downward' communication (ie from management to employees) spans a number of different practices including:

- workforce briefings for all or part of the workforce on key issues

- quality circles, regular meetings with all or part of the workforce
- appraisal interviews
- newsletters, electronic circulars and DVDs
- electronic communication.

As noted above, some of these 'downward' methods may also involve some 'upward' communication (Marchington, Wilkinson, Ackers and Dundon, 2001). For example, appraisal interviews, workforce briefings or electronic communication may all also involve employees voicing their views.

'Upward' forms of communication (ie from employees to management) also include a number of different practices, such as:

- employee attitude surveys
- suggestion schemes
- employee forums
- project teams.

KEY ISSUES IN COMMUNICATION

There are a number of key issues in communication with employees. We summarise these under six main headings:

- *Subject*: What is communicated is perhaps the most important issue of all. Some information is regarded as sensitive. This is closely related to the issue of 'depth' (see below).

- *Quality*: This can also be subdivided into two aspects:
    - how good the information is, and especially how coherent
    - how credible it is. Bear in mind that some issues are both matters of debate and opinion and also vitally important to employees – information about employees' pensions, for example.

    If you recall the starter case study, you might already have thought that part of the problem was that the company did not really explain either the law or its own policy clearly or convincingly enough to employees.

- *Depth*: How many people in the organisation have access to the information? Many organisations now distribute information quite widely among employees. On the other hand, a lot of information is often distributed on a 'confidential' or 'need to know' basis in British organisations, and they have sometimes been criticised for being too restrictive with much information.

- *Timing*: Information may be released too early or too late for different stakeholders. A good example here is redundancy information. Stock market rules prevent listed companies from making internal announcements on this before the stock market is told, because it is 'price-sensitive' information. On the other hand, employees are themselves sensitive when they read about their own redundancy in the newspapers.

- *Receptiveness*: Employees should feel that they are being listened to. Action on their views may or may not be considered a good idea, but employees need feedback on them.

- *Regularity*: Employees learn to trust the communication if it is regular and tells them the good and the not-so-good news. Regular communication means it is less likely that rumours which are quite incorrect circulate in workplaces.

Let us examine some aspects of these key issues a bit more closely at this point. What problems can we foresee? Below, we raise a few issues under these six headings.

Subject

Organisations can send messages to employees only on subjects which they choose to communicate with them. For example, certain information such as commercially important material may not be passed on to certain employees because the organisations do not trust them with it.

Quality

The information may not be consistent with other information employees have. (For example, they may have read sensational articles in newspapers about employment law.)

Employees may simply not believe the information. (For example, on important matters they might only believe the most senior managers.)

There may be too much information so that employees have problems in digesting it.

The issues being communicated about may not in fact have been made clear to employees. Very often, managers think they have explained something whereas in reality employees are still quite unclear about the issues.

Depth

The information may not be fit for its purpose – for example, it may be too detailed and confusing for those it is aimed at. It may, say, have been initially designed as a management circular, re-worked slightly and then circulated to part-time workers.

Timing

Information may be released when leaked information has already reached employees as rumour, and it may then be treated with contempt.

Receptiveness

Employees may voice their ideas but feel that they are not listened to, creating a negative effect amongst them and actually demotivating them.

Regularity

A balance must be struck between giving people information so regularly that they are swamped with it, and too infrequently so that uncertainty arises.

REFLECTIVE ACTIVITY

What issues can you imagine arising in the subject, quality, depth, timing and regularity of information given by management to employees, or in receptiveness to their ideas?

THE ROLE OF HR PROFESSIONALS IN COMMUNICATION

In one sense, communicating with employees is the business of all managers. As we have already said, all managers have to communicate with employees all the time, and much of the communication is informal. In fact, HR professionals frequently see it as their job to communicate with employees (Croucher *et al*, 2006). But the important issue here is that it is the line manager's job, with help and support from HR (see Chapter 20). This help has to be with important, basic issues, and not just with complex ones.

REFLECTIVE ACTIVITY

So what is HR professionals' *particular* role in communicating with employees? Some important roles for HR professionals in communication are listed below. Read through the list and see if you can add to it.

- At the strategic level, the HR director, advised by other HR colleagues, will seek to influence corporate communications policies by advising on such matters as how and when major policy decisions (eg on family-friendly working practices, training policy, redundancies, etc) affecting employees are communicated.

- At the more day-to-day level, HR professionals will act as advisers to individual operational managers on how to communicate to employees on issues such as their pension or legal rights, or alternatively communicate directly with individual employees on such subjects. These matters are of vital importance to employees, for whom areas like pensions and benefits packages are central issues. Getting communication right in these areas is therefore also at the centre of HR professionals' jobs.

- HR professionals sometimes have to advise both senior and operational managers on employees' feelings on different subjects. It is usually HR professionals who are called on to run or at least to source and oversee employee attitude surveys, for example. To some extent, they may also try to act as employee advocates in order to maintain employee commitment and motivation. However, this role is in many ways difficult for HR professionals also trying to be business partners with senior management – they cannot substitute for elected employee representatives, who have less conflicting roles.

For the exercise above you may have added a number of different roles for HR professionals in communication. For example, one important additional role not listed in the exercise is in sourcing inputs from outside experts and/or themselves directly providing briefings for groups of other managers and groups of employees on a range of issues. Additionally, HR professionals are likely to play an important role in building other managers' presentational and communications skills, since operational managers are often appointed mainly for other skills that they have, such as technical capacities. They may not have thought very much about the nature of their exchanges with other employees and may sometimes need help in developing their interpersonal skills more generally. Some may never have asked themselves the important question 'Do my subordinates have reservations about talking to me?' Further, because HR professionals have people issues at the forefront of their minds, they may advise on where and when sensitive meetings such as appraisals or disciplinary meetings might best be held.

Overall, the role is a very significant one for HR professionals at all levels.

COMMUNICATION AS A KEY PART OF HIGH-INVOLVEMENT MANAGEMENT

Few people would deny that employees are at the centre of any organisation's capacities to operate effectively. Equally, it is one of the themes of this book that HRM should play a strategic role in organisations. There is therefore an important role for policies and practices that seek to involve employees in the organisation in a strategic way.

Intensive communication to employees is an important part of 'high-involvement management' (HIM), which seeks to win competitive advantage for the organisation by involving employees intensively in the organisation. Indeed, intensive communication is the cornerstone of HIM. HIM may include some or all of the following:

- first, increased information ('flow') down the organisation
- second, increased information ('flow') up the organisation
- third, changes in job design
- fourth, financial involvement or participation
- fifth, changes in leadership or management style towards a more participative approach.

For readers who want to know more, HIM is a major topic in Pfeffer (1998).

Intensive communication is important for several key reasons. These include:

- Communication by management to employees on certain key issues (organisational strategy and financial issues) has been shown to be linked to superior organisational performance (see Pfeffer, 1998).
- Communication can increase employee commitment to the organisation. Many employees prefer well-structured situations ('I like to know where I am' is often heard in organisations) to uncertainty. Cutting down on uncertainty helps people feel secure and to perform better.

- Inadequate or poor communication to employees can have a demotivating effect on them. Sending mixed messages (in which one statement apparently contradicts another) to employees is a common problem in organisations and means that employees are unclear as to what it is that the organisation wants of them, and what its priorities are.

- Some large companies may insist on it from small suppliers, anxious to ensure that the suppliers meet demanding quality standards.

- Employers may feel that these practices make it easier for them to make themselves an 'employer of choice'. Employees may feel more committed to the company and less inclined to leave it. In respect of certain highly skilled categories of employee, the costs of their leaving are especially high and employers try to minimise the possibility.

REFLECTIVE ACTIVITY

List any other reasons you can think of for the importance of good communication.

THE INCREASE IN COMMUNICATION IN BRITAIN IN RECENT YEARS

Communication in British organisations has not historically been especially intensive in comparison with organisational communication in some other countries such as Germany (Hall and Soskice, 2001). The increased use of practices to facilitate communication between management and employees in the private sector was, according to a study carried out by Forth and Millward (2002) for the CIPD, one of the more striking developments in employment relations in the 1990s. Table 44 illustrates this by reproducing some of the study's figures. It shows the increased use of different types of communication to employees; two-way communication methods are included, as well as just 'downward' methods. The table highlights a number of quite dramatic developments in the 1990s, in particular a considerable increase in the incidence of workforce meetings. These were meetings where senior management met employees either all together or section by section. It also shows a great increase in the proportion of organisations that were using briefing groups, defined as regular meetings taking place at least once a month between junior managers or supervisors and all the workers for whom they were responsible. The same was true of problem-solving groups – ie regular work-group or team meetings taking place at least once a month to discuss aspects of performance (such as quality circles). These went from zero in the mid-1980s to a situation where almost half of the organisations surveyed reported using them. Even traditional methods of communication with employees, such as the company newsletter, were used more in 1998 than in 1984.

Table 44   The incidence of direct communication methods, 1984–1998

	1984	1990	1998
Two-way communication or consultation:			
Workforce meetings	34	41	48
Briefing groups	36	48	65
Problem-solving groups	–	35	49
Suggestion scheme	25	28	33
Downward communication:			
Management chain	62	60	6
Newsletters	34	41	50

Percentage of organisations employing 25 or more people
Source: Forth and Millward (2002; Table 2, p.4)

Table 45 shows the same developments, broken down by sector. It indicates that the public sector showed the greatest propensity to communicate with employees during the 1990s, although private sector organisations did move in a similar direction. This was true both of the percentage of organisations using any one of five communications practices, and of the number of these practices used. More recent data from organisations shows that the trend has continued since 1998.

Table 45   Use and breadth of direct communication by ownership sector, 1990–1998

	Private sector		Public sector	
	1990	1998	1990	1998
Use: Percentage of organisations using any one of five direct communication methods	74	84	92	94
Breadth: mean number of arrangements where they are used	2.4	2.7	2.6	3.2

Percentage of organisations employing 25 or more people
Source: Forth and Millward (2002; Table 3, p.7)

WHO IS COMMUNICATED TO ABOUT WHAT?

If, as suggested above, the purpose of communication is to increase the understanding and commitment of all who do work for organisations to overall goals, it follows that information about the organisation's strategy should be communicated to all these people. Yet if we look at the data on communication, we see that this is often not the case.

Cranet data shows that there is a hierarchy of information distribution in European organisations. In terms of formal briefings about business strategy and financial performance, managers are top of the information tree, followed by technical and professional workers (see Tables 46 and 47). These receive the best

Table 46 Briefing on business strategy for different employee categories

	UK	Sweden	Germany	Greece	Slovakia
Management	93%	97%	91%	94%	82%
Professional/technical	75%	79%	49%	46%	48%
Clerical	60%	77%	37%	23%	42%
Manual	46%	58%	23%	12%	23%

Source: Cranet-E (2003)

Table 47 Briefing on financial performance for different employee categories

	UK	Sweden	Germany	Greece	Slovakia
Management	93%	98%	93%	95%	80%
Professional/technical	78%	86%	78%	57%	40%
Clerical	64%	86%	70%	42%	48%
Manual	51%	70%	50%	21%	20%

Source: Cranet-E (2003)

information on business strategy, financial performance and work organisation. Next come clerical staff – and manual workers come last.

It is also important to remember here that other people who do work for organisations such as agency and subcontractors are not included in the survey, and almost certainly have even less information than those directly employed.

In many organisations, electronic communication plays an increasingly important role, and we turn now to this subject.

ELECTRONIC COMMUNICATION

What do we mean by 'electronic communication' here? We mean providing employees with information by electronic means. It is not, in other words, the electronic information systems used within HR departments. Its main feature is that the information is directed at employees. Electronic communication typically provides employees with information in the following areas: individual personal records/payroll/benefits/time-keeping and attendance/recruitment and selection/training and development/performance management/career planning/succession planning/work scheduling/health and safety. It is a part of 'e-HRM' (*Personnel Today*, 2005).

Electronic communication systems in HRM can typically take any of a number of different forms. The different forms depend on how interactive they are – in other words, how much employees can affect what information they can obtain from the system and how much they can affect that information themselves by changing it. Take for example 'downward' communication, which is probably the most common form. In this, employees can access some personal information (eg work schedules, current benefits they are entitled to). A more

developed form allows two-way communication. In this form, an employee is able to update simple personal information such as address or bank details.

A third, even more developed form allows two-way communication in a more complex way. In this, the employee is able to perform intricate transactions and select items (such as the composition of benefits) which can be calculated by the system, approved or declined, and confirmed to the employee. So, for example, where 'cafeteria' benefits (ie benefits that award employees points, and allow them to use their points total by choosing whether they prefer to have childcare or health club membership, etc) are provided, the employee can personalise his or her mix of benefits and have it approved online. A few companies' systems allow even more complex transactions.

Why do organisations introduce electronic methods of communicating?

There are several key reasons why organisations do this:

- to reduce the administrative load on HR staff by cutting down on routine inquiries (Ulrich, 2002)

- to make sure that mistake-free, consistent information is given to all employees who ask the same question

- to become more focused on their internal (other managers, employees) and external (outsourced activities, employment agencies, customers) clients

- to cut costs.

These reasons are, of course, real benefits, and some companies have certainly succeeded in realising the first three even if the fourth has proved more difficult to achieve. There are several additional reasons for introducing or extending electronic methods. To take just one: there is an increasing demand from employees for career management information, some of which can be quite complex. But a further reason is especially important: it frees HR staff from more routine tasks and allows them to develop a more genuinely *strategic* role. HR staff can become more focused on the vital issues such as recruitment, staff development and retention or motivation rather than have always to be dealing with relatively routine inquiries.

The reasons for organisations' introducing these methods could be slightly contradictory; improving HR services for managers and other employees is not necessarily compatible with cutting costs. As in many areas, it is important for all organisations to be clear about the priorities they have when seeking to meet multiple aims: what is the order of importance of the different aims? It is often the case that cost savings do not materialise, or at least do not materialise in the medium term. In some cases, costs are effectively shifted within the organisation, so that fewer people are employed in HR and more of operational managers' time is taken up with answering employees' HR enquiries. The argument that savings would occur appears in some cases to have been put simply because it could help 'sell' the idea to senior managers.

What problems can arise with electronic methods of communication?

These methods may in some ways seem like an obvious and 'natural' development: people in society in general are using electronic methods, so why

should employing organisations be any different? But this simple and optimistic view does not recognise that in society in general there are many people with little or no access to computers. In some companies, these people form a majority of the workforce. This means that the 'digital divide' between those with access to electronic information and those with little or none will be reproduced inside employing organisations. This in turn could mean that only part of the organisation's employees feel involved and committed to it. It is a considerable problem in some large manufacturing companies, where manual workers have little or no time or opportunity to use electronic information.

Secondly, many organisations that use these methods do not have a clearly defined strategy on which its introduction can be based. In other words, if organisations do not have clear strategies (including one for electronic communication), this is likely to become more obvious to employees when they are introduced. This is simply because the information will become more transparent to employees and they will see that the organisation is not sending them very clear messages through it.

Thirdly, electronic systems can overburden even the IT-literate employees, many of whom may only make use of a small proportion of the information available.

Fourthly, it can take employees years to catch up with the information that is available to them through electronic sources. In some companies, periods of over three years have been reported. This is not just because people take time to adapt to new things; it is also because line managers often have to pick up responsibilities that were previously those of HR, and have to accept this and learn to deal with it in practice. The problem is likely to be even more acute where people not directly employed by the organisation but who nevertheless need to know its policies and procedures (for example, contractors who need to know health and safety policies and procedures) are concerned (see Chapter 18).

🐾 REFLECTIVE ACTIVITY

List ways in which you think the problems outlined above could be handled.

In answer to the exercise above, we have just three points to make. Firstly, our view is that all of the problem areas show that both the HR strategy and the reasons for introducing electronic communication, and the relationship between the two, need to be thought through thoroughly if electronic communication is to realise its promise. So, for example, if the strategic aim is to increase employee satisfaction rather than to reduce costs, it may be that only small to moderate amounts of key information are put on the website, backed up by a good

telephone enquiry service. Secondly, in relation to the important 'digital divide' issue, it may be that it will have to be recognised in certain organisations that more HR communication will have to be done through conventional methods than they would ideally like. Finally, there is the issue of the uses of and attitudes to email. Many people see email and electronic communication more widely as overloading them. The ease with which emails can be sent probably encourages a huge amount of communication much of which used to be done on the telephone or in person. So the electronic information becomes too heavy, and much of it is ignored or regarded as low-grade information. In other words, increased volume may also have brought at least a perception of information overload of low-grade information much of which can be ignored.

In view of these points, it might be thought worrying that a small minority of organisations reported to the Cranet survey in 2003 that they *only* used electronic methods to communicate to employees. However, in most cases the same survey showed that the great majority of organisations were increasing communication through *every* available channel.

2 COMMUNICATION FROM EMPLOYEES

WHY EMPLOYEE VOICE?

Communication from employees to the organisations they work for (as opposed to day-to-day communication with their operational managers), sometimes called 'employee voice', is often not a conspicuously evident aspect of life in British organisations.

However, effective voice mechanisms can, as suggested at the beginning of this chapter, be a major source of competitive advantage for companies (Pfeffer, 1998) and can help improve service delivery in the public sector (Blumberg, 1976). Employees clearly know a lot about how work is done, and are often in customer-facing roles. They are therefore in a position to help improve efficiency. Sometimes, operational managers can feel that it is they who have to improve efficiency because it is central to their jobs and they may therefore resist 'employee voice'. But the HR professional has to recognise and overcome this resistance; it can be difficult.

In addition to the efficiency argument just made, employees can have valid and useful ideas about the organisation's strategic direction. However, many managers suggest the opposite and argue that employees' ideas are mainly in the operational area. We would suggest that this is in part because many employees have little opportunity to voice ideas about the organisation's overall direction. Good ideas are not necessarily the sole preserve of senior management. Opportunities for employees to voice their ideas on the subject are usually rare, however, and perhaps they should be encouraged.

Finally, for some this sort of communication is also about responding to employees' feeling that the organisation they spend much of their waking time working for should allow at least an element of democracy for employees.

🐾 REFLECTIVE ACTIVITY

Does the notion of democracy really have any place in an organisation that by definition has a hierarchy of authority? If you think it does, list some ways in which democracy might be expressed or made apparent.

One reason for giving all who do work for the organisation an opportunity to give their views on the organisation's strategic direction is that it tends to make employees feel positive about the organisation, and to increase levels of commitment and trust within it.

FORMS OF EMPLOYEE VOICE

Employee voice can take many different forms. Five of the most common forms, and the potential advantages and possible difficulties associated with them, are examined in some detail below. They are:

- 'open door' policies
- suggestion schemes
- employee attitude surveys
- employee forums
- work team, project team and general meetings.

'Open door' policies

Many companies operate 'open door' policies, whereby senior managers invite employees to voice individual concerns to them whenever they feel the need. Formal policies of this sort are particularly common in larger companies but many smaller companies suggest that the practice is common with them too even though it is not enshrined as a formal policy. 'Open door' policies are often advocated by senior managers as an 'ideal' way of dealing with employee concerns – and indeed they may be for them and for some employees – but there are at least three important difficulties to be considered.

First, individual employees often lack confidence in front of senior managers and may feel that if their views are considered 'off-message', they may suffer for them, so they therefore keep them to themselves. This is especially true of temporary staff. Organisations, including small companies, are hierarchies and those lower down the hierarchy are likely to have reservations about what they say to those higher up the hierarchy. Many managers in small companies have limited understanding of this and imagine that everyone speaks to them quite openly.

Second, many organisations have working patterns such as shiftworking that make 'open door' policies difficult to operate in practice.

Third, they can also be an excuse *not* to communicate. 'My door is always open to you' may be further interpreted as '. . . but don't come to me when I am busy

or unless you have something really worthwhile to say' – which will put people off from trying the open door.

Suggestion schemes

Suggestion schemes are a long-standing method of seeking employee views on how savings may be made, or how improvements could be made in work organisation or service delivery. Typically, in formalised systems employees send their suggestions in to a central point, where they are evaluated for their usefulness. Employees are then sometimes rewarded for their suggestions. Organisations which claim to espouse continuous learning are likely to encourage people to suggest improvements rather than using a formal suggestion scheme. Japanese organisations may have more formal schemes but are less likely to pay for suggestions – on the basis that good ideas are part of what they expect/hope for from employees. That view has extended to some other manufacturing organisations.

In some companies, and especially in small ones, such practices may not exist as formal systems but are nevertheless there so that employees who make a good suggestion are given a reward of some type.

Suggestion schemes have obvious advantages for organisations seeking to improve efficiency. They are obviously very limited in that they only deal with ways of improving efficiency in a narrow sense. One potential disadvantage of them is that they can become a source of ill-feeling if a suggestion leads to employees' losing jobs.

Employee attitude surveys

Employee attitude surveys, like suggestion schemes, also have a long history and are becoming increasingly important in many organisations. They can have the advantage of getting a wide range of employee opinions on a range of subjects. There is now much more use of e-surveys as a means of collecting and analysing responses very quickly. These are commonly used where employees have access to email – but shopfloor employees can still join in through email kiosks on assembly lines. In other words, they can allow those people with less confidence to have a voice, and to have one across a wide range of issues.

They also have their problems. It is important to recognise that holding a survey raises employee expectations that something will be done. Also, although they are often used in organisations, they are also frequently only done once, or done irregularly. This means that employee satisfaction cannot be measured over time and particular problems identified. A less common but more serious problem can arise if they are in fact 'one-way' communication because management does not itself feed back the results to employees, or tell them what actions they propose to take on matters of concern. They can be demotivating if this is not done.

Employee forums

Many companies operate employee forums where small groups of employees meet with managers to discuss issues of mutual interest. Their scope can vary, from forums which deal only with production issues and are in reality close in nature to quality circles, to forums where no subject is ruled out of order. A number of these forums sometimes exist in each workplace, and these relate to

an overall workplace forum. In some instances there are national employee forums. Employee forums may include union representatives in their participants (see Chapter 17). Readers can find more about communication with employees through unions and works councils in Brewster *et al* (2007) and Croucher *et al* (2006).

The strength of these methods can be that they allow employees a collective voice so that support can be offered to an individual voicing a general concern that some individuals might feel reticent about raising on their own. The disadvantages can be that some managers may think employees' concerns 'trivial'. Also, if managers do not themselves have the skills required to structure issues in a meaningful way, or to encourage people to speak and make them feel they are being listened to, this can disappoint employees and lead to a degree of cynicism.

Work team, project team and general meetings

This category includes many different types of meeting. Some work and project teams may be asked for their opinions on issues wider than just simple work problems as defined by management. Work teams are in some ways possibly the most important and successful form of employee communications, because this is where employees may be able to have the greatest impact on their daily working lives through chatting with their direct manager and making small suggestions for progress. They depend for their success on the skills of the line managers in drawing out employee suggestions.

General meetings may be held on a regular basis, and indeed in some workplaces are held as often as monthly. These methods have the advantages of collective systems already mentioned, and once again depend for their success to a great extent on the skills of the managers who run them. How well the facilitators can chair a meeting, how clearly they structure issues for discussion, how well they listen and how much feedback on previous discussions they provide are all significant issues.

🔑 KEY ISSUES: COMMUNICATION

We now pull together ten key points about communication raised in this chapter:

- Communication to employees is important because giving information to employees on issues such as business strategy and financial performance is linked to superior organisational performance.

- The subject, quality, depth and timing of information 'cascaded' down within organisations are important issues: information must be fit for purpose.

- In British organisations there has been a steady increase in the information flow to employees in recent years, but there is still a good deal of room for improvement in British organisations' information-giving to employees.

- Many managers in small companies rely mainly on informal communication, which they may or may not be skilled at. Managers may not have all the skills required for effective communication. Employees need to feel that they are being listened to even though their concerns may appear 'irrelevant' or 'trivial' to the manager concerned.

- Many who do outsourced or contracted work for organisations are given relatively little information compared to others who may be directly employed, even in 'lower' positions.

- HR has a key role to play in improving communication, including by providing training and coaching for other managers and workers which can improve their informal and formal communication.

- Electronic communication is playing an increasingly significant role in information-giving to employees. It can enable HR to increase its strategic role in organisations.

- Electronic communication faces the same problem as other forms of communication and indeed runs the risk of exacerbating existing inequalities between different types of worker in terms of the amount and quality of information they receive.

- Communication from employees is frequently done within strict limits imposed by management, and it is therefore important to recognise this and to provide opportunities for more wide-ranging expression of employees' views.

- Employee attitude surveys are often only done once, and how management acts on them is frequently not reported back to employees. This can lead to a negative effect on motivation.

Perhaps there are other key points that you would like to note for yourself.

The main case study now follows. It gives an example of how the increasingly important issue of communicating with people who do work for the organisation but are not directly employed by it can affect a company in practice.

MAIN CASE STUDY

Look at the description of the case set out below. Then decide on the recommendations that you would make as an HR manager for dealing with the issues raised. Try to think beyond the level of a 'quick fix' or simple solutions by developing a longer-term strategy as well as responding to the immediate issue.

The company (which we shall call Company A) is a major US-based data-handling company with a number of sites scattered throughout the UK, employing several thousand people. Its core business is processing data received from its customer organisations. The data arrives at the company in either paper or electronic form, and may (for example) be respondents' completed questionnaires to market surveys. It is then processed by entering it into data files in different forms, providing analyses and reports. In some cases, reports are then printed and bound for the customer companies. There are therefore three main types of employee: data entry clerks, data processing employees, and printers. Much of the data is confidential, some of it is highly confidential, and security of both the raw and processed data is an issue of commercial sensitivity for client companies, government departments and the National Health Service. Work is often carried out to demanding deadlines.

The company has two types of staff, making up about 15% of the workforce, who it does not directly employ. One type is agency staff, employed mainly for only short periods (up to six months) to carry out relatively routine tasks such as data entry. These staff are managed by Company A's managers. Agency staff are mainly employed because the company wants to retain some flexibility for dealing with peaks and troughs in demand, for which the agency staff offer a cheap, responsive and 'no commitment' service. The second type is staff employed by two external companies (Companies B and C), chosen for their technical expertise in their areas – for example, providing computer trouble-shooting services for core staff and other technical support services. Company B's staff are managed by Company B managers working on Company A's premises; Company C's staff are managed by Company C managers on a remote basis (ie they are not on Company A's premises unless they

feel they have to be for some specific reason). The company employs these staff for reasons that are mainly to do with the high quality of their work, their reliability and relatively low costs.

However, a range of difficulties and concerns associated with both agency and contracted-out staff has become increasingly evident.

First, the contractors' staff have sometimes been the cause of complaints recently not because of the general quality of their work (which is high) but rather because they sometimes appear not to understand what is vitally important work and what is of less importance. So they are reluctant to drop a trouble-shooting task of relatively low importance to go to deal with a problem that is holding up a job that is vital for the company. Recently, when a Company X manager approached them as a matter of urgency, two Company B employees asked him to 'hang on for a bit'. When he asked them to drop what they were doing, they told him to approach their Company B manager if he had a problem and wanted help straight away – they said they only had four hands between them. The Company B manager was himself not available at that time, and the delay required Company A employees to have to work late, causing annoyance to the women employees involved and costing the company overtime payments to them.

Second, although relations between agency and contract staff on the one hand and Company A staff on the other are generally good, there have been some problems between established Company A staff and both agency and Company B and C staff. So, for example, some non-core staff do not seem to know about Company A's health and safety policies. One Company C employee recently left a computer cable trailing across a gangway, allegedly causing a Company A employee to trip and bruise his arm. The

Company C employee refused to fill in an accident report form, saying it was not his fault and Company A's forms were nothing to do with him.

Third, fears have arisen among managers where highly confidential work has been involved, that non-core staff do not seem fully to appreciate the sensitivity of the data and how important this is to certain customers. Company B employees have, for example, recently taken highly confidential electronic records belonging to a government department out of Company A's building to work on them at home.

Your task

Imagine you are an HR professional or professionals working in Company A. Prepare a short report based on the facts you have been given above, making recommendations to your colleagues on how the situation can be improved.

EXPLORE FURTHER

FORTH, J. and MILLWARD, N. (2002) *The Growth of Direct Communication*. London, CIPD
This is a short British study of the communications reality in organisations, conducted for the CIPD and written in an accessible style.

HARLEY, B., HYMAN, J. and THOMPSON, P. (eds) (2005) *Participation and Democracy at Work*. Basingstoke, Palgrave Macmillan
This collection of essays discusses questions of 'industrial democracy' in an interesting and accessible way.

KERSLEY, B., ALPIN, C., FORTH, J., DIX, G., OXENBRIDGE, S., BRYSON, A., and BEWLEY, H., (2006) *Inside the Workplace: First findings from the 2004 Workplace Employment Relations Survey*. London, Taylor & Francis
This is the summary version of the most comprehensive survey of communications practices in Britain's private and public organisations. It is probably the best brief summary of what actually goes on in the country's organisations.

MARCHINGTON, M., WILKINSON, A., ACKERS, P. and DUNDON, T. (2001) *Management Choice and Employee Voice*. London, CIPD
This is a CIPD-commissioned report on British managers' use of different channels for employee voice (ie communication with employees through employee representatives).

PFEFFER, J. (1998) *The Human Equation: Building profits by putting people first*. Boston, MA: Harvard Business School Press
This is an important text, giving a US view of the subject in a clear way.