

Poor communication costs businesses billions of rands

 By [John French](#)

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Poor communication costs South African businesses billions of rands every year. South Africa has a corporate communication landscape shaped by 11 official languages and a myriad of different cultures with their own ways of communicating and expressing themselves. We also have an educational system that has failed our people. This deadly communication environment creates a communication catastrophe that loses South African businesses billions of rands on an annual basis.

The exorbitant cost of poor corporate communication is indeed a global phenomenon. Recent international surveys reveal that communication is a massive unresolved issue for many businesses.

SIS International Research has discovered that as much as 70% of small to mid-size businesses claim that ineffective communication is their primary problem. The SIS research concluded that a business with 100 employees spends an average downtime of 17 hours a week clarifying communication. This translates in to a staggering annual cost of R3 742 253.

A Towers Watson's communication study reinforced the power of effective corporate communication skills and found that companies with highly effective communication had 47% higher total returns to shareholders between 2004 and 2009, compared with companies with less effective communication strategies and skills.

Corporate communication culprits

Poor communication in businesses is widespread. Here are some of the major poor communication culprits:

- **Management with poor communication skills and low Emotional Intelligence:** These managers are not capable or listening to their staff with empathy and understanding which leads to alienating staff and creates a low morale. Staff members who realise they are not being listened to stop communicating effectively. 80% of office complaints are a result of communication misunderstandings. This creates workplace stress and results in massive losses.
- **Long unproductive meetings without a clear purpose or agenda often reach no conclusions:** Ineffectual meetings result in massive amounts of lost productivity as well as sabotage the collective time management of all meeting attendees. Much of what is discussed never gets actioned and these meetings become pointless de-motivational time wasters.
- **Staff members from different generations and genders lack a basic understanding of each other.** Different generations and genders speak different language codes; their communication styles are very different and their personal

preferences are worlds apart. Incomprehensible and inappropriate statements between the generations and genders are commonplace. Baby boomers often think it's still the 1970's and today's Generation Y (who were not even alive then) simply do not share the same communication values and style.

- **Call centres often keep clients holding:** Clients become furious when they have to wait lengthy periods for assistance, especially if they are already irate over an issue. Clients often lose patience or take their business elsewhere which results in a loss of profits and market share.
- **Poor communication in instructions and user guides often leaves consumers perplexed and confused as to how products work:** Customers want clear communication that the lay person can understand and make sense of in a short space of time. According to an Accenture study, American consumers returned \$13.8 billion in electronics in 2007; Europeans returned \$11.5. That's over \$25 billion! Between 60%-85% of goods had nothing wrong with them; that is between \$15.2 and \$21.5 billion in perfectly functional equipment returned! Why? Confusing interfaces, features difficult to access, no customer education, weak documentation were overriding factors - all issues that excellent communication could solve. \$25 billion lost!
- **Poor Presentation Skills often leave your clients bored and lose potential sales:** Death by PowerPoint is a major corporate challenge and it results in lost opportunities and plummeting sales. Public speaking is mankind's greatest fear and the majority of our workforce are more powerless than powerful in front of a client audience.
- **Badly written and incoherent emails:** These poorly written documents are misunderstood or ignored and result in wasted time and lost opportunities. Often (up to 50% of the time) an e-mail's tone or attitude is incorrectly perceived by the reader and this causes hurt feelings, anger and inaction.
- **Weak communication wastes time:** Poor communication simply takes longer to process and understand, if understanding can at all be attained at all. Unnecessary questions are asked, discussions are needlessly lengthy, and patience wanes. This generally destroys work relationships and increases workplace stress.
- **Poor communication sabotages brand building:** If your people can't clearly communicate what your business does and how it can help, how can you expect outside people to turn around and tell their friends, family, co-workers, and others? It just won't happen. The message needs to be clear, concise, and presented effectively. With a strong message, outsiders will be able to spread the word and drive more business to you.
- **Underdeveloped people = Underdeveloped business:** Training your people to become highly effective communicators is strategically one of the best investments for your business. How we communicate directly affects results and success. Strong communications equal strong relationships which result in a strong business.

Successful communication creates enormous benefits for you and your clients. Effective communication reaps incredibly positive results: increased market share and stakeholder value; greater employee commitment, involvement, retention, and morale; and stronger customer loyalty. All of these combine to create profits and they minimise losses.

Poor communication squanders time, erodes effort, lowers loyalty, destroys brands and ultimately loses business. How much is poor communication costing your business?

ABOUT JOHN FRENCH

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