

Organizations reach higher levels of success and profitability when workplace relationships are positive and productive.

# Relationships: The Key to Organizational Success

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Every company has an organizational structure which determines the duties and obligations of each employee. Each employee, from executive to manager to the employee, plays an important role in the productivity and success of the organization. In many cases channeled down organizational decisions can have a negative influence on the relationship between the supervisor and the employee which results in losses in organizational productivity and profits. Organizational relationships between supervisors and employees are the key to the success of any organization.

Most organizations are designed so that important decisions are made by the top executives and the day-to-day operations are controlled by supervisors as well as standard operating procedures which employees are expected to follow. Seldom is there a consideration of the importance of the relationship between the supervisor and the employee and how organizational decisions impact supervisor-employee workplace relationships. For instance, if there is a decision made to decrease the number of employees then employees may decide to slow down their production. This decrease in production will cause challenges between the supervisor and

the employee as well as escalate into challenges that will include union representation. However, if there is a good workplace bond between the supervisor and the employee then the employee will continue to produce at equivalent if not higher levels of production.

Positive supervisor-employee workplace relationships increase organizational success by decreasing cost related to employee retention. One of the main reasons that employees voluntarily leave their job is due to the employer. When employees leave their job the organization incurs cost due to separation, vacancy, and replacement. Separation includes the costs incurred for exit interviews, administrative functions related to termination, separation/severance pay, and unemployment compensation increases. Vacancy costs include increased overtime or temporary employees needed to complete the tasks of the vacant position. Replacement includes the cost of attracting applicants, entrance interviews, testing, travel/moving expenses, pre-employment administrative expenses, medical exams, and acquisition and dissemination of information. Employee retention has a direct

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### Relationships:

### The Key to Organizational Success (Continued)

correlation to organizational success and profitability.

Organizational effectiveness increases when employees feel that they are not bullied by their supervisor. Workplace bullying can occur between a worker and a manager or supervisor, or between co-workers. If employees complain that their supervisor speaks to them in a loud, harsh, and intimidating tone of voice because, as he says, "That's just how I talk"? These types of behavior, if severe enough, may constitute "workplace bullying." A recent impact and cost assessment calculated that workplace bullying costs Australian employers between \$6 - \$36 billion dollars every year when hidden and lost opportunity

costs are considered. The effects of workplace bullying include decreased productivity, increased staff absenteeism, staff turnover and poor morale. Workplace bullying financial costs can include legal and workers' compensation and management time in addressing cases of workplace bullying. Organizational success increases when there is a workplace atmosphere that benefits both supervisors and employees.

Organizations reach higher levels of success and profitability when workplace relationships are positive and productive. When workplace relationships need to improve or employees feel that they work in a hostile environment there

is a decrease in employee retention which ultimately decreases business profits and organizational profitability. Organizations can overcome the obstacles that non-productive supervisor-employee relationships create by:

- ▶ Evaluating present supervisor-employee workplace relationships
- ▶ Developing a plan of action which utilizes a change process that will improve supervisor-employee workplace relationships