

# The impact of effective communication on corporate performance

Miao Yu, Huan Yang

School of Southwest Petroleum University, Chengdu 610000, China

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**Abstract:** Along with the smooth transition of our economy from high-speed growth to the coordinated and sustainable high-quality development of the "new normal", business performance management is playing an increasingly important role. As the core of the whole performance management process, effective enterprise communication is of undoubted importance. Enterprise effective communication not only determines the production and operation efficiency of the enterprise, but also holds the development trend of the enterprise. Although many enterprises have realized the importance of effective communication for enterprises, and consciously take enterprise communication as a system and corporate culture, there are still some defects in the actual operation. This paper will explore the relationship between effective communication and enterprise performance, and put forward how to build effective communication from three aspects: clarifying the importance of communication, adopting appropriate communication methods, and strengthening communication skills training for managers, so as to provide theoretical guidance for enterprises to seek effective communication methods and promote enterprises to achieve organizational goals.

**Keywords:** Effective communication; Enterprise performance; Communication Skills.

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## 1. Introduction

Communication builds a platform for people to communicate with each other. Even the primary requirement of many enterprises in recruiting talents is to have strong communication skills. It can be seen that communication has played an increasingly important role. With the continuous development of economy, communication not only represents the daily communication between people, but also includes the communication between superiors and subordinates of enterprises. Management emphasizes the "human" factor, the subject of effective communication is the human, the meaning of the existence of the enterprise is to achieve the goal, and the key factor to achieve the goal is the effective communication between the enterprise manager and the employee, because the employee as the core force to achieve the organizational goals, determines the development and growth of the enterprise. The effective communication of the enterprise not only mobilizes all the employees to actively advance toward the organizational goals, but also promotes the improvement of the core competitiveness of the enterprise. The effective communication in this paper refers to the effective communication between managers and employees.

## 2. What is effective communication

Communication refers to the process of information transmission, while effective communication is more than a simple process of information transmission. The information transmitted is processed to ensure that the information receiver can correctly understand the meaning of the information and give feedback. Effective communication can only be achieved when the two parties truly interact to realize effective interpretation of information in the process of communication. Therefore, it can be inferred that effective communication in an enterprise means that after the manager transmits the information he has handled to the employees, the employees can correctly understand the meaning of the information and give timely feedback, so as to help the

enterprise achieve its goals.

## 3. The impact of effective communication on performance

Performance actually refers to the overall benefits achieved by an enterprise in a certain period of time, which supports the realization of enterprise objectives. Effective communication plays a particularly important role in the management and development process of enterprises, because effective communication not only helps to improve the work efficiency of employees, but also can build a good corporate culture, which will greatly promote the improvement of corporate performance and ultimately promote the realization of corporate goals. The impact of effective communication on enterprise performance is as follows:

### 3.1. Enhanced information delivery

The primary purpose of effective communication is to deliver information in a timely and accurate manner. Effective communication can not only avoid the distortion in information transmission to the greatest extent, but also give feedback in time, and truly achieve the transmission effect required by enterprises. In view of the complex internal environment of the enterprise and the complicated situation among departments and employees, it is relatively difficult to obtain accurate information. However, effective communication can avoid this difficulty and achieve effective information collection. In addition, effective communication can also make employees feel integrated and involved. In the process of effective communication, employees feel that they have participated in the organization and management, which can make employees dare to think about the development of the enterprise from their own perspective and provide a new path for enterprise managers. Enterprise managers can make appropriate decisions based on the effectively collected information, and even clarify the direction of enterprise development, so as to have a positive impact on the operation and management efficiency of the organization and achieve

the improvement of performance.

### **3.2. Mobilize the enthusiasm of employees**

"A single thread does not make a thread, and a single tree does not make a forest." We learned from our childhood the meaning of the word solidarity and its importance. Unity also plays a vital role in the survival and development of enterprises. Enterprises emphasize teamwork, which is the basis for an enterprise to complete its set goals. If an enterprise falls apart, its survival is difficult to continue, let alone develop. But not all teamwork is smooth sailing, as there are significant differences between the members of an enterprise team. This difference leads to friction and collision among team members, which seriously hinders the work efficiency of team members and negatively affects the team performance. Fortunately, effective communication can reasonably avoid this problem. When there is a collision between teams, effective communication can enable members to communicate efficiently on the existing problems through the effective transmission of information, so as to achieve mutual tolerance and understanding, successfully mobilize the enthusiasm of employees, and resolve the conflicts and contradictions in the enterprise. In this process, the cohesion among employees is strengthened, and the cohesion of the enterprise is also enhanced.

### **3.3. Enhance core competitiveness**

The concept, knowledge and ideology of enterprise managers affect the thinking, attitude and behavior of employees to a certain extent. If an enterprise wants to develop and make progress, organizational change can provide impetus for it. If the enterprise can strengthen the effective communication with the employees during the reform, then the enterprise will be further toward the goal after obtaining the understanding and cooperation of the employees. Because employees feel a sense of mission in this process, it is bound to strengthen their commitment to work. In essence, the competition of modern enterprises is the competition of talents. The positive performance of enterprise employees after effective communication can be reasonably converted into performance, and the performance can be improved. As the driving force of enterprise development, performance can greatly enhance the core competitiveness of enterprises and effectively promote the realization of enterprise goals.

## **4. Effective communication skills**

### **4.1. Clarify its importance**

Effective communication can not only promote managers at all levels of an enterprise to improve performance management, but also enable employees to improve their own work performance while maintaining a passionate working state. As communication parties, both managers and employees should pay attention to the importance of effective communication, so that effective communication can play a huge role in personal growth and enterprise development. As a key person to coordinate the realization of organizational goals, managers should not be limited to their own management functions and ignore the establishment of effective communication Bridges with employees. Therefore, enterprise managers should make clear the importance of effective communication to solve potential problems and hidden dangers in the management work. Enterprise

managers need to play their leadership role in daily work, take the lead in promoting a good communication atmosphere and grasp the skills of effective communication.

### **4.2. Adopt appropriate communication methods**

Enterprises should advocate formal communication, which does not completely deny informal communication, but pay more attention to the authority of formal communication in the transmission of organizational information. Formal communication should be transmitted in written form as far as possible. For example, coordination between departments should be conducted in formal documents as far as possible. At the same time, the positive impact of informal communication on the enterprise should be utilized to make it complementary to formal communication. For example, enterprises should carry out various collective activities to enhance the trust of employees and improve the team centripetal force. Such informal communication not only enables managers to obtain more information, but also enables employees to increase the sense of belonging in the process, and finally achieve the improvement of enterprise performance. It is also necessary to listen to the opinions of employees. For example, the anonymous questionnaire survey in which the subordinates evaluate the superiors is adopted to understand the real thoughts of employees, summarize and analyze the problems in the questionnaire, and use it as a guide to improve the management work. Analyze the problem on a case-by-case basis and deal with different problems in an appropriate way of communication.

### **4.3. Strengthen the communication skills training of enterprise managers**

Effective communication not only enhances the enthusiasm of employees, but also enhances the cohesion of enterprises, and thus positively influences the improvement of enterprise performance. This shows the importance of effective communication for enterprises. An important part of effective communication is to train managers in communication skills. The training of communication skills for enterprise managers should make them understand the importance of listening. By listening patiently, managers can understand the real thoughts of employees and obtain the information they want more efficiently. Select different communication methods according to different occasions to achieve communication flexibility; Understand perspective-taking. When employees are dissatisfied, managers can think from the perspective of employees and find a mutually acceptable solution. Respect the opinions of subordinates, coordinate and communicate to solve the existing contradictions and differences. Through the training of managers' communication skills, the communication environment of the enterprise is bound to undergo new changes, and the change of working atmosphere will ultimately pay off in the improvement of enterprise performance.

## **5. Conclusion**

From the above studies, we can see that effective communication is of great significance to enterprises, which is related to the development of enterprises and employees. Employees, as the source of corporate performance, largely determine the survival of enterprises. A sound communication system can not only help the management to improve their

understanding of the work process, but also help employees to improve their own performance. At present, many enterprises are in the market environment of fierce competition. Effective communication can help enterprises to develop in the fierce competition. This paper only briefly studies the impact of effective communication on enterprise performance, which is conducive to information transmission, arousing employees' enthusiasm and improving cohesion. It also divides effective communication in enterprise construction into clarifying the importance of communication, adopting appropriate communication methods, and putting forward suggestions on strengthening the training of managers' communication skills, in order to provide theoretical guidance for enterprises to seek effective communication methods. Due to my lack of knowledge, this

study is still one-sided, and I hope to have the opportunity to improve it in the future.

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