

# Managerial Communication from the Perspective of Increasing the Performance of Enterprises

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## *Abstract*

*Communication is an essential component of life because in order to achieve our goals, we must understand the basic elements of communication as correctly as possible. In addition, communication plays a significant role in the performance of an organization. Implementation efficiency is negatively affected by conflict generation and positively by communication, especially in a written and interpersonal form. Excellent communication and transparency between the parties involved, as well as the clear definition of performance factors, have a vital role in the development of economic agents (and implicitly of companies, regardless of their size starting from SMEs to multinationals).*

*The purpose of the article considers the role of managerial communication in increasing the performance of SMEs. Therefore, a major objective of managerial communication is to develop and disseminate knowledge that leads to increased efficiency and effectiveness of managers. Moreover, the manager sees communication as a means to an end, something to be exploited in the service of organizational objectives after weighing cost-benefit considerations.*

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## 1. Introduction

Communication has a significant role in the performance of an organization. The efficiency of implementation is negatively affected by the generation of conflicts and positively by communication, especially in a written

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and interpersonal form. If the members of an organization are not aware of the same information or if the information goes through different stages, then a consensus will be manifested at a lower level. An organization can fail in the effective implementation of strategies if employees are not correctly informed about the requirements they have to achieve.

Most organizations lack personnel capable of clearly and logically expressing the strategic plan and vision of the organizations they belong to. The quality of communication practices is most likely associated with job satisfaction and the role of clarity. Effective communication is critical to developing and maintaining positive working relationships. Excellent communication and transparency between the parties involved, as well as the clear definition of performance factors, play a vital role in the implementation and execution phases within organizations. Organizations must develop their mechanisms for transmitting formal and informal messages about the new strategies in mind.

Communication represents a fundamental way of psycho-social interaction of people, speaking from a sociological point of view, being carried out in an articulated language, in order to transmit information, to obtain stability or changes in individual or group behavior. The act of communication has as its objective the transmission of information in order to achieve knowledge and is an essential component of everyday life. It can be considered a process by which messages are transferred between several participants. The transmitted message is made up of a number of components, including the communication's topic, how the sender conceptualizes it, the symbols used to convey it, and how the parties participating in the communication process perceive it.

The need for compatibility between the signal in which the message was encoded and the transmission channel is very important, by ensuring the environment for its spread, thus, the non-verbal language used by a sender who transmits his message by talking on the phone, will never be received by the recipient.

The main objective of communication is to eliminate errors that may appear in each sequence during the communication process. These errors, also called perceptual-conceptual errors, can be due to wrong localization through a unclear perception, appearing in the construction of the concept regarding the communicated object/event or situation, going to correspond exactly to them.

The mission of communication is to enhance the company's image and performance and to bring together the company's collaborators around clear and mobilizing objectives. Today, it is part of all fields of activity: enterprise, politics, culture, finance, associative life and represents a key factor in the development of organizations (O'Rourke, 2010).

According to the size of the enterprise, the function is exercised either by a multi-purpose collaborator (for example a general secretary) in small structures, or by a specialized manager in medium-sized enterprises or organized as an autonomous department in large enterprises and groups.

The hierarchical place of managers responsible for communication depends on the place of communication in the enterprise; they belong to the general management when the communication has strategic values, to the commercial or marketing direction when it has a promotional vocation, and to human resources when it has a reunifying value.

## 2. Literature review

Managerial communication appeared as a discipline of management from the need to provide the manager with optimal means of interaction in order to fulfill his functions and roles. It then developed as a discipline, which endows the manager and the organization with work tools.

The organization benefits strategically from effective and efficient managerial communication as a competitive factor. In managerial science, communication is recognized as a key task performed by managers, with particular attention to: the fundamental part of coordination's function (Clampitt, 2011).

At its core, communication—a management function—is the process of translating information into symbolic messages that are sent between two or more parties through designated channels, some of whom have the status of sender and others of whom have the position of receiver. Communication means trying to establish a communication with someone, to share information, ideas, attitudes, to associate, report or establish links between them (Earley & Ang, 2019). In a general sense, we define communication as the exchange of messages between two or more persons working together to accomplish a common goal, or, to put it more simply, as the message-exchange between an issuer (E) and a recipient (R) (Forman, 2013).

To lead means to communicate, transmit information, ideas, feelings, decisions to subordinates, as well as the possibility of returning information in the form of their reports, attitudes, feelings (Hristache, 2004). Therefore, the managerial activity presents a complex and ongoing communication process through which the manager and his subordinates discover each other and converse, become agitated and calm down, disagree and contradict, reject or accept each other in both major and current issues of the socio-professional entity to which they belong (O'Rourke, 2010).

Messages of information, instruction, persuasion, or incentive are no longer the sole functions of managerial communication. It develops into a dynamic, independent force that is influenced by the surroundings in which it functions. (Holmes & Stubbe, 2013).

In its turn, managerial communication captures in its structure two defining components, indispensable to the managerial process, namely: *an informational component* that ensures the transmission-reception of the entire informational flow necessary for the managerial process and a *psychosocial component*, which includes the entire relational system of the boss -subordinate, which intrinsically competes for the achievement of managerial objectives (Clampitt, 2011).

The organization's structure and processes can be continuously modified by the communication system to respond to the ever-changing environment. The establishment and maintenance of the organization's nervous system and body's communication system, which is meant to aid in the implementation of the organization's plan, becomes the managers' primary job (Balanica, 2003).

As a result, managers must develop their interpersonal and group communication abilities for both internal and external communication. We are currently in a time period known as the era of human capital, which is distinguished from the previous eras of technical capital and financial capital by the establishment of an organization's capital from its employees' knowledge, skills, and experience (Cross & Parker, 2014). Information, expertise, and creativity are now the organization's strategic resources. Without effective and efficient communication, all of this is impossible, and as a result, communication becomes a tool for the organization's competitiveness.

When compared to other types of communication, managerial communication differs in that it has specific goals, roles, and organizational frameworks and structures, as well as a unique organizational culture (Iacoboni, 2018). Communication is of utmost importance in management. Nonetheless, there are certain ethical standards that apply to managerial communication. These standards can be found in the organizational culture, the organization's policy, and, obviously, in the personal ethics of the managers. Managerial communication takes on particular shapes depending on the type of organization and is based on concepts, principles, standards, and characteristic norms (Forman, 2013).

Competent management implements certain communication methods at the organizational level to assist the execution of the organization's strategy rather than communicating haphazardly and at will. All of these managerial communication practices create the unique organizational communication climate. This environment affects the organization's output and adaptability, and ultimately its performance (Cortina & Martnez, 2018).

The basis for coordinating human actions is communication, which is the interchange of thoughts, opinions, and information through words, gestures, and attitudes. If writing and speaking, in themselves, are relatively simple actions, their correct understanding represents the main difficulty of communication. Correct understanding represents an essential problem for the manager because his work is based on communication with people with whom he is not necessarily connected by friendship, sympathy, or kinship (Heath, 2017).

Communication barriers that people - managers and executors - more or less purposefully erect in the way of communication are where miscommunications, disagreements, and even confrontations are explained. These obstacles may apply to the management process in general or specifically. Due to

their roles as communication coordinators and initiators, managers frequently erect false barriers to contact with their employees or other parties. (Chiriacescu, 2003):

a) *Inability to communicate information without difficulty*. This category includes:

- ✓ insufficient documentation;
- ✓ the propensity to exaggerate the introductory explanations, which are now pointless, especially when R is knowledgeable on the topic;
- ✓ the propensity to switch the conversation to a monologue out of lack of time, faith in the other person, or curiosity about what they have to say;
- ✓ the use of a high tone marked by irritability (intimidation of the partner and lack of response);
- ✓ the use of an inappropriate R language (terms that are too used, too elevated or strictly specialized);
- ✓ lack of attention or skill in directing the dialogue towards the achievement of an objective;
- ✓ deficiencies in listening ability.

b) *Reduced listening abilities or incorrect listening, as a result of:*

- ✓ inability to focus on the core issue, which causes attention to be diverted to the mode of communication;
- ✓ a steadfast conviction that some issues cannot be solved by subordinates (the predisposition to see any suggestion as a hit to the leader's reputation);
- ✓ the propensity to interject during the presentation and give the exact opposite account, which is designed to discourage further conversation and, in theory, prevent lower staff members from communicating;
- ✓ opposition to the adoption of novel concepts. A new idea upsets an already established system, and putting it into effect could be challenging and require extra work, putting the rules, people's safety, comfort, and advantages already attained, among other things, in jeopardy;
- ✓ the propensity to assume that every suggestion for a change in an area inevitably implies the existence of a flaw that management is willing to put up with.

In conclusion, the very broad definition of communication is a potential or actual response between two or more people (elements, units, or systems), in which an exchange occurs, whether it be of substance, energy, or meaning, and a meaning that implicitly implies the modification of some parameters under the inherent action of the exchange itself. According to the preceding explanation, commerce is an essential component of the definition of the phenomenon of communication.

### **3. Research methodology**

The main purpose of the research is to identify the way of application of the main communication activities practiced by managers of organizations in

Romania. Analyzing the companies subject to the research study, highlighted several managerial communication activities:

*A1. Estimating public response:* a crucial component of managerial communication is predicting how the public will react to communications;

*A2. Language selection in the workplace:* constructing a library of linguistic and rhetorical alternatives from which a manager may select, while respecting the relative efficacy of these alternatives in the workplace;

*A3. Use of discourse interaction:* to describe oral and written discussions of documents, how they are planned, developed and revised;

*A4. Diagnosing Communication Effectiveness:* to monitor and enhance communications, managers need diagnostic abilities. In light of contextual and discursive realities, managers must be able to evaluate the success of messages and people who deliver these services.

The research collective is represented by the total number of employees and managers who requested the implementation of certain adaptation and integration strategies in SMEs based in Romania. The unit of analysis (survey) consists of both the employee and the employer - a person who offers his services for the employee to carry out his activity in optimal conditions, and the sampling method used is the simple, random one. The sample size includes 386 managers, thus a number of 386 valid questionnaires were obtained, which allows us to use a large number of statistical techniques to analyze the collected data. Since both the time, materials and interview operators traditionally used in surveys are quite expensive, a modern method of applying the questionnaire was used, i.e. designing and applying it online using the Google Forms application. The data collection period was September 15, 2022 ÷ January 15, 2023, and the questionnaires were processed using Excel.

#### 4. Findings

In the research study, we used the maximum global utility method, the modeling attempts to use the information base as much as possible, in a scientific manner, and the process of imitating the rational way of decision-making foundation constitutes, in a more or less elaborate form, the conceptual essence of the models. The global utility technique involves the following steps:

Step 1. Create the utilities matrix with the following components:

$$x_{ij}, i = 1, \dots, r \text{ si } j = 1, \dots, n. \quad (1)$$

Using the maximal criteria, the following expression is used to calculate each

matrix element:  $x_{ij} = u_{ij} = \frac{x_{ij} - x_{i \min}}{x_{i \max} - x_{i \min}}, \quad (2)$

$$x_{ij} = u_{ij} = \frac{x_{i \max} - x_{ij}}{x_{i \max} - x_{i \min}}, \quad (3)$$

where:

$x_{ij}$  = value of indicator  $i$  in relation to indicator  $j$ ;

$x_{i_{\max}}$  = the indicator's minimum value  $i$ ;

$x_{i_{\min}}$  = the indicator's highest possible value  $i$ .

Step 2. The global utility for each project is determined as the product of the column vector corresponding to the project's utility matrix elements and the importance coefficient for each indication.

$$UG_j = \sum_{i=1}^r \alpha_i u_{ij}, \text{ unde } \sum_{i=1}^r \alpha_i = 1 \quad (4)$$

Step 3. Choose the project that has the greatest global utility -  $V_j$

$$\max\{UG_j\} \Rightarrow V_j \quad j = 1, \dots, n \quad (5)$$

With the approach of maximum global utility, the decision-making process is split into  $V_i$  variants (or  $n$  variants), and the best offer is chosen by simultaneously taking into account a number of evaluation criteria ( $C_j$ , where  $j=1, \dots, n$ ). The goal of a multiattribute problem is to determine the ideal mix of qualities (a variant's characteristics). This entails converting all numerical (dimensionless) values in the range  $[0, 1]$  as well as all qualitative features into utilities ( $u_{ij}$ ), which are numerical (dimensionless) values. The independence of the criteria is the fundamental premise for the weighted sum method to operate correctly. The option to choose from is indicated by the greatest score in the synthesis utilities.

## 5. Findings

Table 1 presents the information base of the study, respectively the weight of importance that managers gave to each managerial communication activity.

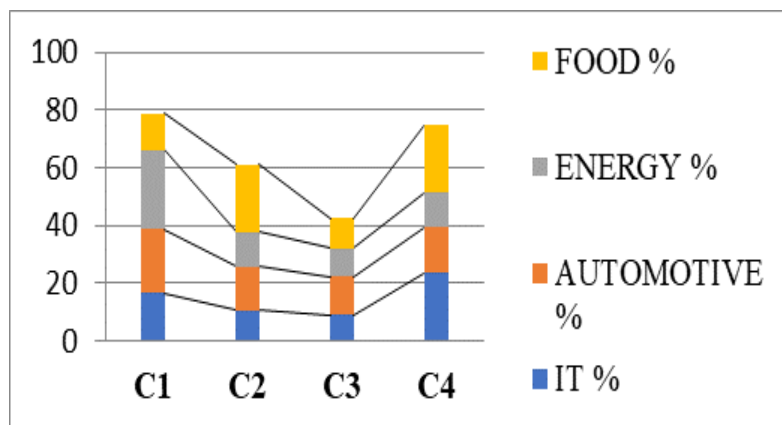
**Table 1. The importance of managerial communication**

Managerial communication activities	FIELD OF ACTIVITY			
	IT % (v1)	AUTO % (v2)	ENERGY % (v3)	FOOD % (v4)
A1. Estimating audience response	16.45	22.35	27.5	12.5
A2. Language selection at work	10.55	15.15	11.9	23.61
A3. Use of speech interaction	8.9	13.25	9.8	10.54
A4. Diagnosing the effectiveness of communication	23.45	16	11.82	23.55

*Source:* created by the authors based on the data gathered

The main results, however, are the fact that managers consider first *A4. Using discourse interaction*. For communication monitoring and improvement, managers also need diagnostic abilities. This is not simple. The success of messages and individuals who deliver these services must be evaluated by managers in the context of discursive and contextual realities. The communication skills required to perform well in different jobs and situations vary along with them. Messages need to be created for receivers with various commitments and expectations. Some problems with effective communication that managers encounter include: What forms of communication are required for this position at this point in the organization's history? Who can effectively communicate in this position? Does the worker fulfilling this position's communication needs do so? If not, where does it need to be improved? Do I clearly convey the job requirements? Will the recipients of this message respond in the way we hope? To answer such inquiries, managers employ a number of diagnostic techniques.

As a last resort, managers consider *A3. Diagnosing the effectiveness of communication* (figure 1). Research shows that the potential benefits of speech interaction are not fully recognized by managers. Writers reported that supervision brought clarity to important aspects of the writing assignment, and considerations that were not apparent prior to the interaction emerged, such as what content should and should not be included to keep the supervisor out of trouble, to make the department look good, or to help sell something.



**Figure 1. Share of managerial communication activities**  
*Source:* created by the authors based on the data gathered

Completing the calculation algorithm involved:  
 Step 1 – building the units matrix with elements  $x_{ij}$  figure 2.



0,26	0,66	1,00	0,00
1,00	0,65	0,90	0,00
0,00	1,00	0,21	0,38
0,99	0,36	0,00	1,00

**Figure 2. Matrix of units**

*Source:* created by the authors based on the data gathered

Step 2 – Calculation of global utilities for each individual organization (Table 2):

**Table 2. Results of the calculation of global units**

GLOBAL UTILITY	RESULT
IT	2.25
AUTO	2.66
ENERGY	2.10
food	1.38

*Source:* created by the authors based on the data gathered

Step 3 – By calculating the worldwide utilities for the companies in Table 2, it can be observed that the AUTO sector has the highest global utility. The organization in the AUTO industry has therefore determined the importance of management communication activities the best, according to the application of the calculation algorithm of the maximum global utility method.

## 6. Conclusions

Many techniques exist to evaluate personality traits, communication preferences, and communication abilities in general. They are occasionally used by managers to speed up hiring and placement choices. One of the manager's most crucial communication responsibilities is giving employees feedback on their performance. A message with specific purposes, such as persuading, advising, educating, motivating, and training, is called feedback. A shrewd manager will analyze the feedback at the appropriate time, which is as soon as possible after the behavior takes place. However, they won't do it when the receiver can't understand it accurately and descriptively without turning it into a process of intent. They'll also be clear and specific, describing the behavior in question as well as its impact and any potential repercussions. Organizations create different evaluation types for

this reason, which typically include a communication skills assessment. Nonetheless, regular, unofficial feedback is also crucial.

In addition to managing different teams of employees, reporting to senior managers and board members, negotiating with various suppliers and union leaders, serving investors and customers, interacting with local governments and communities, and responding to reporters who are curious about their successes or failures, managers also have a variety of other duties. This audience has certain needs, opinions, and interests that may coincide or disagree with one another and that may change over time. Their positions in their fields, linguistic skills, and communication techniques also differ.

Also, audiences at work depend on one another. Independent of management, they create both formal and informal networks. They have a reputation for engaging in gossip, making friends on social media (Facebook, Twitter, Instagram, etc.), getting together for social gatherings, and uniting against the manager. Additionally, effective leaders create their own networks, which can number in the thousands, both inside and outside of their businesses.

As a result, a manager cannot properly assess an employee's performance if he or she does not often and closely engage with them. Also, excessive severity and criticism lead to a tense environment within the company, and as a result, employees start to reject communication out of caution or fear. Conflicts with unions and diminished performance can result from poor management and employee communication. In this complex communication environment, it is not possible for managers to fully determine who is talking to whom and what the audience knows, does not know, or needs to know. Also, managers cannot dictate how their messages will be received. Whether a message was read, heard, interpreted, or acted upon as intended depends on many situational and personal factors beyond a manager's control. At best, managers are guessing how the public will respond. Communicating to achieve desired results with multiple audiences is a predictive activity, not a prescriptive one.

Predicting how audiences respond to messages in management contexts is not as simple as finding answers to demographic questions about age, gender, education, social standing, culture, and the like. Managers should focus their questions around the participants' workplace needs. Considered individually, these needs are many, varied, and difficult to correlate. Looking at common needs is less uncontrollable and potentially fruitful for predictive analytics.

Two needs relevant to most participants in the workplace are: (1) the need for work productivity and (2) the need for cooperative relationships. In the absence of productive and cooperative relationships, organizations have difficulty remaining viable and participants' pay, promotions, or jobs may be at risk. These possibilities are not secret, and they bring workplace participants together when times are tough, such as when management and unions must reach an agreement so that a company can survive an economic downturn. Using these common needs as a framework for predictive analytics seems like a sensible starting point.

Getting work done productively is a critical aspect of a manager's job. Clear, concise and relevant workplace messages help to achieve this. To do their jobs, managers must build cooperative relationships with a large number of people—subordinates, peers, superiors, and a variety of organizational outsiders. Workplace relationships are related to organizational roles, responsibilities, and situations that bring with them various communication expectations. Managers often need to mentor employees, assign reasonable tasks, and evaluate their performance carefully and objectively. Managers need employees to be receptive, to learn, to complete their assigned tasks, and to perform them well. Managers must develop plans, convince superiors to support those plans, and convince employees to implement them. Managerial success depends on cooperation. When a manager has good communication skills, these relationships can evolve into highly functional partnerships.

Jobs and the demands placed on them change over time, as do the communication skills required to perform them efficiently. Messages need to be created for receivers with various commitments and expectations. Some problems with effective communication that managers encounter include: What forms of communication are required for this position at this point in the organization's history? Who can effectively communicate in this position? Does the worker fulfilling this position's communication needs do so? If not, where does it need to be improved? Do I clearly convey the job requirements? Will the recipients of this message respond in the way we hope? To answer such inquiries, managers employ a number of diagnostic techniques.

*The limits of the research:* various organizational restrictions (financial resources, time resources), which led us to opt for the non-random, voluntary sampling method, a fact which, however, determines a lower precision of the results, as well as the impossibility of extrapolating these results for all SMEs in Romania.

*Future research directions:*

- ✓ enriching the research methodology with other methods - in order to increase the degree of objectivity of the research undertaken;
- ✓ dynamic empirical research – to capture the evolution over time of the relationship between managerial communication and SME performance.

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