

The Effect of Communication on Employee and Company Performance: A Systematic Literature Review (SLR)

Original Article

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Abstract

Communication is fundamental to humans. With communication, there will be cooperation, especially in this research is cooperation in an organization. Without communication an organization will not achieve their goals. An organization has diverse individuals and allows for conflict when there is poor communication. So this study aims to investigate and synthesize publications related to internal communication and its effect on employee performance and company performance. This research uses the SLR method. In this study, articles were obtained from the Emerald and Science Direct journal databases with topics and keywords communication, organizational communication, employee performance, company performance. The included articles are articles published between 2020 and 2025. There were 20 articles analyzed and quality assessment was also carried out. The results of the synthesis in this study are that internal communication affects employee performance in relation to their motivation and satisfaction or well-being at work. Internal communication also affects the performance of the company, which is related to the legitimacy of the company. The results of this study can be used as a new view for further research to explore more deeply the effect of internal communication on company performance.

Keywords: Communication, Internal Communication, Employee Performance, Company Performance.

1. Introduction

Communication is a basic human need, as humans are social beings who require interaction with one another. People exchange information to achieve their goals. Communication is the process of conveying information (messages) involving two or more parties, acting as either the sender or the receiver of information. The communicator refers to the party sending the message (sender), while the communicant refers to the party receiving the message (receiver).

In an organization, communication is also crucial for directing members, making decisions, and achieving agreements and collaborations between organizations. Good and courteous communication reduces the risk of friction among members within the organization. Effective communication is essential to achieve the goals and objectives of the organization (Owusu & Mardani, 2020). Effective communication enhances employee productivity, improves performance efficiency, and facilitates accurate daily activities (Hamkar et al., 2024).

Communication within an organization can occur in various ways, including verbal, written, and nonverbal channels. Oral communication is often the dominant channel used in



the workplace (Owusu & Mardani, 2020). Effective communication contributes to organizational development by aligning employees, improving customer service, and maximizing employee performance (Hamkar et al., 2024).

Organizations can be viewed as communication structures, where communication variables are closely related to the structural variables of formal organizations. To achieve organizational goals, managers must proactively select appropriate communication channels and consider employees' perspectives in the process. Companies often use downward, upward, and horizontal communication patterns to ensure information flows effectively at all levels (Monika & Kusumawardhani, 2023).

Moreover, with technological advancements, efficient long-distance communication has become easier, saving time and costs. With the rapid development of technology, communication has become increasingly convenient. Even meetings held between countries located in different geographical regions can now be conducted with strong audio and visual support. This advancement benefits employee performance and, more broadly, overall company performance.

This article will review the benefits or impacts of communication within companies. It is hoped that this article can serve as a reference for further research related to corporate communication. Additionally, it can be a source of reading material for managers, enriching their understanding of the importance of communication at the individual level within companies, which will, in turn, affect the overall performance of the organization.

2. Literature Review

2.1. Communication in Companies

Communication is the process of conveying information (messages, ideas, concepts) from one party to another. Communication involves two or more parties, acting as the sender or source of information and the receiver of information. Communication is the process of delivering meaningful information between social actors, requiring a sender, a message, and a receiver (Katz & Fialkoff, 2017). Communication involves the transfer of symbolic content through various media, which has shaped society throughout history (Katz & Fialkoff, 2017).

The purposes of communication within an organization include directing actions, such as when a manager gives instructions to employees. Communication also aims to connect and coordinate, given that an organization consists of diverse individuals with their own ways of thinking. Furthermore, organizational communication serves to build relationships, providing a sense of comfort within the organization through mutual acquaintance.

Through communication, employees can better understand how the company operates, the values the company upholds, and the matters that are important to the people within the company. In an organization, people do not only communicate internally but also represent themselves to external organizations; thus, communication also serves to foster collaboration with other organizations and to project the company's image. Additionally, communication aims to generate ideas, as the exchange of thoughts during the communication process can lead to new innovations.

2.2. The Impact of Communication on Employee Performance

Effective communication not only enhances clarity and coordination among employees but also fosters a positive work environment, ultimately leading to improved performance outcomes. Effective communication facilitates the clear delivery of information, aligns employee goals, and enhances coordination, which are critical for improving performance

(Suwandi et al., 2024). Effective communication within teams creates a collaborative atmosphere, leading to better problem-solving and improved performance results (Kirana Putra et al., 2024).

Effective communication is crucial for transformational leaders to convey their vision, which significantly influences employee performance (Melani Sidabutar et al., 2024). While communication has a positive effect on performance, it is important to recognize that other factors, such as individual characteristics and the work environment, also play essential roles in shaping employee performance outcomes.

2.3. The Impact of Communication on Company Performance

Effective communication fosters collaboration, improves employee performance, and ultimately drives company success. Communication skills nurture a sense of belonging among staff and create a dynamic work environment, leading to improvements in both individual and overall company performance (Cui, 2024).

Effective communication strategies facilitate better cooperation between departments, accelerate departmental reconciliation, and contribute to the overall corporate framework (Cui, 2024). Organizations are encouraged to invest in communication skills training for managers and employees to enhance overall performance. Systematic Approach: Implementing structured communication strategies can reduce problems arising from poor communication, thus improving decision-making and operational efficiency (Zulkifli et al., 2023).

3. Methods

The objective of this study is to determine the influence of communication on employee performance and company performance. This research employs the Systematic Literature Review (SLR) method to analyze and synthesize previous studies in order to draw conclusions and identify topics that are widely discussed and areas that require further exploration.

Previous studies were sourced from the Emerald Insight and Science Direct journal databases using the keywords "communication," "organizational communication," "employee performance," and "company performance." The search yielded 2,762 articles from Emerald Insight and 8,500 articles from Science Direct. Subsequently, the researcher manually selected articles based on predetermined criteria.

This study focuses on the influence of internal communication within companies; therefore, the selection criteria were as follows: first, the research results must be relevant to management studies involving communication within a company; second, the study must address the impact of internal communication; third, the articles must have been published between 2020 and 2025 to ensure the topic's relevance and currency; and fourth, the articles must be indexed in the Web of Science (WOS) database. Articles that did not meet these criteria were excluded.

After screening, only 20 articles met the inclusion criteria. These 20 articles were manually selected by reviewing the published article titles. To avoid or validate the inclusion of appropriate and reputable journal articles, a Quality Assessment was conducted to evaluate the risk of bias. The researcher examined the appropriateness of the methods used and the completeness of the reported data. The detailed list of articles included in this SLR is presented in Table 1.

Table 1: articles included on SLR

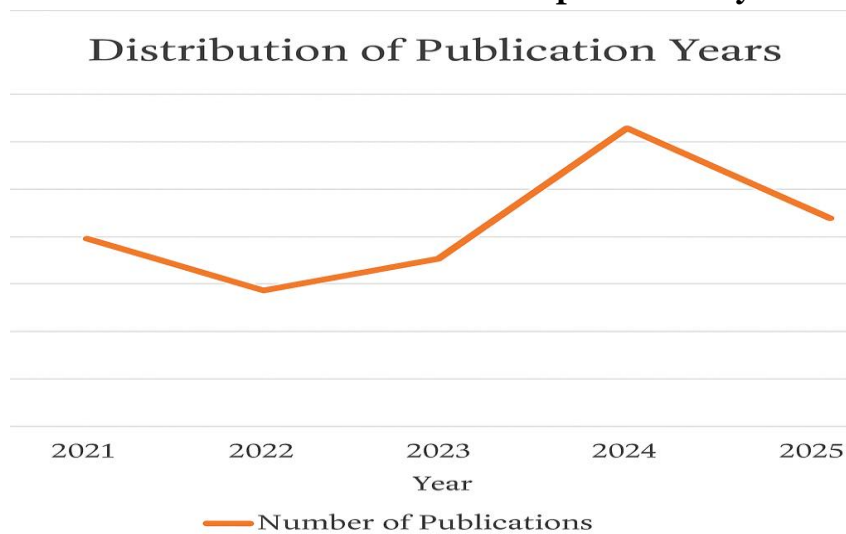
No.	Author	Research Method	Research Results	Journal
1	(Angwin et al., 2025)	Quantitative	Information asymmetry leads to evaluative uncertainty among stakeholders.	European Management Journal
2	(Wolfgruber et al., 2022)	Qualitative	Formal communication is crucial for creating an environment that values and supports all employees without workplace discrimination.	Personnel Review
3	(Seitz & Choo, 2021)	Conceptual	Stuttering stigma affects communication and opportunities in the workplace. Familiarity reduces negative perceptions of people who stutter.	Human Resource Management Review
4	(Stranzl et al., 2024)	Qualitative	Remote workers expect transparent communication about organizational decisions.	Journal of Communication Management
5	(Koponen et al., 2025)	Qualitative	AI integration brings benefits, concerns, and communication challenges.	Industrial Marketing Management
6	(Jiang et al., 2023)	Quantitative	Communication decompartmentalization moderates exploration and inventive performance relationships.	Technovation
7	(Fu & Wang, 2024)	Qualitative	High legitimacy requires effective stakeholder listening and government collaboration.	Public Relations Review
8	(Afridi et al., 2023)	Quantitative	Digital communication tools significantly impacted project performance during the pandemic.	Heliyon

9	(Jacobs & Liebrecht, 2024)	Experimental	Accommodative or adaptive responses enhance reputation and legitimacy.	Journal of Communication Management
10	(Al-aloosy et al., 2024)	Quantitative	Internet communication quality significantly improves workforce productivity.	Heliyon
11	(Kordova & Hirschprung, 2023)	Experimental	Zoom and WhatsApp do not improve task performance or create synergy.	Heliyon
12	(Thelen & Formanchuk, 2022)	Quantitative	Transparent communication positively impacts employee advocacy.	Public Relations Review
13	(Urbancová et al., 2024)	Quantitative	Effective communication feedback from employees to management helps prevent organizational conflicts.	Heliyon
14	(Xiao & Yu, 2025)	Qualitative	AI competence significantly affects crisis communication effectiveness and user satisfaction.	International Journal of Information Management
15	(Szymanski & Brighi, 2025)	Experimental	Accent status affects communication in global virtual teams.	Journal of International Management
16	(Raj & Goute, 2025)	Quantitative	Digital internal communication moderates the impact of internal branding on employee well-being.	Acta Psychologica
17	(Gaur, 2024)	Quantitative	Conflict affects the communication process during organizational change in the IT sector.	Acta Psychologica
18	(Hoffmann & Thommes, 2024)	Quantitative	Emotional words and cooperation influence employee behavior.	Journal of Environmental Economics and Management
19	(Chi et al., 2021)	Quantitative	Internal communication significantly impacts company performance in construction projects.	KSCE Journal of Civil Engineering

20	(Ninaus et al., 2021)	Quantitative	Employees perceive information and communication technology more as a resource than a demand.	Journal of Business Research
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From the details of the table above, it can be seen that research on this topic has the highest number of publications in 2024, namely 7 documents, followed by 5 documents in 2025, 3 documents each in 2023 and 2021, and only 2 documents in 2022 (Figure 1). For the distribution of research methods, 11 documents use quantitative methods, then 5 documents use qualitative methods, and 3 documents use experimental methods, and there is 1 conceptual document.

Chart 1. Distribution of publication years



The included articles were published in WOS and Scopus indexed journals with the following details (Table 2).

Table 2: Index and distribution of journals

Journal Name	Quartile	Total
Acta Psychologica	1	2
European Management Journal	1	1
Heliyon	1	4
Human Resource Management Review	1	1
Industrial Marketing Management	1	1
International Journal of Information Management	1	1
Journal of Business Research	1	1
Journal of Communication Management	1	2
Journal of Environmental Economics and Management	1	1
Journal of International Management	1	1
KSCE Journal of Civil Engineering	2	1
Personnel Review	1	1
Public Relations Review	1	2
Technovation	1	1

4. Results and Discussion

4.1. The Influence of Internal Corporate Communication on Employee Performance

Effective internal communication fosters a better understanding of organizational goals, increases motivation, and ultimately leads to improved employee performance. Through formal communication within a company, employees feel valued and experience no discrimination, creating a positive work environment (Wolfgruber et al., 2022). This is supported by the research of Seitz & Choo (2021), which found that even though employees who stutter might face communication challenges at work, familiarity reduces negative perceptions toward them. Additionally, research by Szymanski & Brighi (2025) found that accent status positively affects communication within global virtual teams. From these two studies, it can be concluded that internal communication must be built collectively by both management and employees. Thus, it can be emphasized that internal communication impacts employee satisfaction, engagement, and performance.

Communication will be effective when each individual within the company understands each other. To maintain effective communication, it is important for managers to foster communication alignment among employees, as demonstrated by Hoffmann & Thommes (2024), where managers using emotional language and cooperation influence employee behavior. If managers fail to maintain effective communication, communication compartmentalization and conflict may occur, which can affect employee performance. Moreover, conflict itself can disrupt interpersonal communication (Gaur, 2024; Jiang et al., 2023). Therefore, transparent communication is needed (Thelen & Formanchuk, 2022), as well as an effective feedback system from employees to management to help prevent organizational conflict (Urbancová et al., 2024).

With the advancement of technology, communication has become both easier and more challenging. Research in this study found that technological advancements in communication tools improve employee performance and well-being (Raj & Goute, 2025). Digital devices have been particularly helpful during the COVID-19 pandemic, when remote communication over the internet significantly impacted communication effectiveness and employee performance, with remote workers expecting transparent communication regarding organizational decisions (Afridi et al., 2023; Al-alooisy et al., 2024; Stranzl et al., 2024). Furthermore, the development of artificial intelligence (AI) influences the effectiveness of critical communication and user satisfaction, with AI integration bringing benefits, concerns, and communication challenges (Koponen et al., 2025; Xiao & Yu, 2025). However, platforms like Zoom and WhatsApp did not improve task performance or create synergy, according to research by Kordova & Hirschprung (2023). Therefore, it can be concluded that technological and information developments are perceived by employees as resources for their work, rather than demands to increase communication (Ninaus et al., 2021).

4.2. The Influence of Internal Corporate Communication on Company Performance

The influence of internal communication on company performance, as found in this study, relates mainly to its impact on corporate image. Information asymmetry can result in poor information delivery outside the company, especially concerning stock or investment-related information (Angwin et al., 2025). Companies must maintain a positive image and meet public expectations, and this process begins with effective internal communication, as it directly relates to the company's legitimacy. Research by Chi et al. (2021) also shows that internal communication significantly impacts company performance in construction projects.

High legitimacy requires effective stakeholder listening and government collaboration, as communication is not only about speaking but also about listening (Fu & Wang, 2024). Accommodative or adaptive responses further enhance reputation and legitimacy (Jacobs & Liebrecht, 2024).

5. Conclusion

Based on the results and discussion, it can be concluded that internal communication affects employee performance and company performance. If the company can create good communication, it will provide a sense of security and motivate them to work. Good communication will improve their performance when the communication runs effectively, namely the existence of feedback. The role of managers in this case is very important, especially related to communicating company regulations or interests transparently. This internal communication is also related to legitimacy theory, namely how companies can realize the expectations of society, starting from good internal communication will also be reflected outside the company. Furthermore, the advancement of technology is very helpful, because communication can occur efficiently. From this research, it can be explored more deeply about internal communication that has an impact on company performance or add other variables that affect internal communication by focusing on the use of technology, which can be said that this technology can be beneficial to the company or even be a challenge because of the advancement of artificial intelligence.

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