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EFFECTIVE COMMUNICATION AND CORPORATE PERFORMANCE IN TELECOMMUNICATION FIRMS IN YENAGOA METROPOLIS

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Abstract

The role of effective communication in the context of an organization cannot be overemphasized. This is so because communication is a very crucial tool necessary for creating collaboration within the work environment which has effects on organizational performance and decision making. This study tests the relationship between effective communications and corporate performance in Telecommunication firms in Yenagoa Metropolis. A sample size of 220 was utilize, while the spearman rank order correlation statistical tool was employed to test the two hypotheses stated in the study. Findings from the study reveal a positive and significant correlation between effective organizational communication and corporate performance. The study therefore recommends that, management should strengthen its vertical and horizontal communication channels for better corporate performance.

Keywords: Effective, Communication, Performance, Systems Theory, Organization

Introduction

All over the world, organizations rely heavily on communication for their basic functioning. The important roles communication plays in the life of organizations cannot be over stated, among the numerous roles are; transfer information from encoder to the decoder this information can come in the form of organizations' mission and vision, policies, and procedures, tasks and duties, as well as various activities within the organization (Wright, 2018). As simple as communication may look, research has shown that communication can build or destroy an organization's existence. Therefore, a good communication strategy is essential for a business to survive. Communication acts as a link between decision-makers and all employees. When poorly carried out, communication has been said to cause interpersonal conflict in organizations. What people hear or understand is largely based on experience and background. People have preconceptions about what people are going to say, and if these preconceptions do not fit into their framework of reference, adjustments are made until they do (Baskin et al., 2017). The term communication is derived from the Latin word, (Communis), which means "to share" (Ezezue, 2018). Consequently, this means sharing would enable one to partake and co-operate hence it is a social activity. However, if there are no common understanding results from the transmission of symbols (verbal or non-verbal), there is no communication (Donnelly, Gibson, & Ivancerich, 2014). Effective communication is strategic for organizational goal achievement. However, ineffective communication in an organization may result in uncertainty, apprehension and dissatisfaction; these result in, poor productivity. It is therefore necessary that managers communicate with employees effectively. The extent to which a manager accomplishes corporate goals depends on his ability to communicate effectively (Herich, 2018). The fact remains that many executives still do not understand what communication is and its role in the success of an enterprise (Nnamseh, 2019). Effective communication enhances organizational relationship and minimizes strikes and lockouts. Organizational purposes and goals are sometimes defeated when communication is not effective. Wastes and costly mistakes have been made due to gaps in communication. Lack of effective communication is one of the major reasons that can lead to confusion and poor planning in many organizations. This is because communication is the source of information used by managers in making decisions that affect the performance of the organization. A manager's Communication Skills are vital in not only decision making but transmitting the results and intention of the decisions to other people. In most organizations, managers often concentrate on meeting targets and expect the role of effective communication to come from human resource department. This puts a strain on the free flow of information that assists staff to understand this information. The contribution of employees to jobs is the most important factor for development and excellence in the organization because the fulfillment of necessities in terms of satisfactory and correct information regarding the organization and their roles to be accomplished can. Perfect Communication would exist when a thought or idea is transmitted so that the mental picture perceived by the receiver was the same as that envisioned by the sender. Any idea no matter how great is useless until it is transmitted and understood by others. Puth (2012) in his studies argued that the most valuable resources within an entity are the employees and performance in these entities can be improved by way of sharing information regarding policymaking. Therefore, it is the responsibility of managers to encourage the flow of information to enhance the organization's performance as well as employee productivity. This makes communication very essential for all participants as it integrates most managerial purposes. Managers have at their disposal various communication tools which when well-balanced and understandable can boost communication. Based on different projects within an organization, employees form teams and groups. Teams and groups use communication to resolve essential problems within those groups. Leaders must empower and support employees to solve problems and to control quality (Fletcher, 2019). They are significant for delegating work and avoiding unnecessary conflicts (Agrawal, 2012). Concentrating on sound effective communication can be influential in improving the accuracy and

An organization's ability to transmit information helps both clients and employees feel they can communicate with and ultimately trust the company. Communication is more important today than in previous years partly because the business and market conditions are more complex. The development of a strategic communication strategy and its implementation can provide a number of benefits to organizations, such as keeping employees motivated and engaged, and sharing clear, consistent messages with employees in a timely manner that in turn help with organizational productivity (Charles, 2018). Effective communication and organizational performance have received enough scholarly attention in the past, with scholars focusing on other dimensions of organizational communication. This study will close the gap by employing the dimensions of vertical and horizontal communication to test the relationship between effective communication and corporate performance of telecommunication firms in Yenagoa Bayelsa state of Nigeria

Literature Review

Effective Communication

Within an Organization Heron (2014) identified certain elements necessary for effective communication. His work outlined goals, attitudes, and criteria for effective communication. Credit is attributed to him for outlining two-way communications between employees and management in the existing organizational communication literature. He suggested that "communication is a line function, a two-way sharing of information. This demands the freedom and opportunity to ask questions, get answers and exchange ideas". However, Pigors (2019) pointed out that effective communication can only be possible if management and employees collaborate and work together. The findings of his study demonstrated that employees were significantly important to the success of internal communication and internal communication played a great positive role in shaping or molding employee performance within the organization. Effective communication can encourage employees to improve their work environment through positive contributions. Antony (2013) conducted a study which examined the impact of effective communication on labor productivity in civil engineering projects at Kampala Central division. A measure of the existing relationship between effective communication and labor productivity, and other explanatory variables included work duration spent in a company, educational qualifications, timely information on changes at work, cooperation at work and adequate training provided to employees. It was discovered that asking for clarity in communication and timely information about changes affecting work are meaningful to labor productivity. Also, to achieve the targeted productivity level, managers should confirm clarity or understanding of instructions, provide enough training to employees, make sure cooperation at work exists by providing incentives and finally, develop a good communication plan for timely information delivery on changes affecting work.

Corporate Performance

Organizations perform various activities to accomplish their organizational objectives. It is these repeatable activities that utilize processes for the organization to be successful that must be quantified to ascertain the level of performance and for management to make informed decisions on where, if needed, within the processes to initiate actions to improve performance. The research project by Kube (2014) main objective was to investigate the effects of communication strategies on organizational performance at Kenya Ports Authority. It also sought to find out how open-door policy of communication influences organizational performance, to assess how group effort enhances organizational performance, to analyze how organizational structure can improve organizational performance and to identify the roles of formal communication channels on organizational performance. The main conclusion drawn from the research was communication strategies play a central role in high-performance. The research concluded that for any organizational performance to be effective, the communication should be an open communication environment is one in which all members of the organization feel free to share feedback, ideas and even criticism at every level. Inclusive—is one in which explicit steps are taken to decisions that affect their day-to-day work. Organizations with a secretive communication environment shut people out, which can stifle involvement and result in lost ideas and opportunities. Companies whose managers successfully engage employees in conversations about their work, their ideas and their perspectives on issues related to products, services, customers, and the business environment develop a culture of inclusiveness that generates results. Result Driven-Business communication should be measurable results. Organizations need to think about what employees need to know to do their jobs effectively, to interact with customers effectively and to serve as ambassadors outside of the organization. Organizations should try to incorporate effective communication strategies that will help enhance the organizational performance. A case study conducted by Kuria (2018) on the National Hospital Insurance Fund in Nairobi to determine effective communication on organizational performance discovered that lack of proper communication is a challenge to organizational performance. This was mainly seen in the issue of effective customer service. If information was not transmitted by one person to the other exhaustively, the customer was likely to not get quality service which is the gauge that measures employee efficiency and overall organizational performance. Performance, therefore, can be defined as the evaluation of the constituents that try to assess the capability and ability of a company in achieving the constituents' aspiration levels using efficiency, effectiveness, or social referent criteria. Quantitatively, performance and the dimension of scale are interrelated, i.e., it is generally quantifiable in different dimensions. As an example, the performance level can be expressed as a percentage or an absolute value in a way that makes it easy to understand for directors. According to Macleod et al. (2017), the quantitative expression of performance targets is the only way to render them meaningful. Furthermore, performance refers to the nature and quality of an action performed in a company to achieve the accomplishment of its primary functions and tasks to produce profit. Communication is an integral component of any performance improvement approach. Organizations eager to accomplish strategic goals establish well defined communication strategies. A well-defined strategy is one that engages employees and aligns with the organization's business goals. According to Richard et al. (2019) organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment); product market performance (sales, market share) and shareholder return (total shareholder return, economic value added).

Systems Theory

Because of origins from multiple disciplines, systems theory is meant to be applicable to organisms and human behaviors in different disciplines (Kast & Rosenzweig, 1972). When applied to communication, the systems theory is meant to understand the interconnectedness of the human communication and not just focus on one aspect of it (Scott, 1974).

According to systems theory, components of each system are structured in a hierarchical ordering, and components are interdependent with one another in the system to the extent that one component cannot function without the support of other components. At the organizational level, the organizations and other organizations in the environment are also interdependent on one another. The outcome of an organization's communication has consequences on its functioning and hence it can be seen in its overall performance. Various theories have attempted to explicate this contingency view of organization-environment relationships. The two approaches commonly cited in studying the role of organizational environments are the population ecology model (Hannan & Freeman, 2017) and the resource dependence model (Pfeffer & Salancik, 2016). These two approaches converge on the importance of environments in organizational decisions and structures but diverge on the role of environmental selection. The former emphasizes the processes of how organizations are differentially selected and determined by their fitness, measured by structural forms to their environments, while the latter focuses on active, managerial processes of selection enacted by organizations in adapting themselves to the environment. In other words, selection and adaption are the two key mechanisms that can characterize these two approaches, respectively.

$H0_1$: There is no significant relationship between vertical communication strategy and corporate performance.

$H0_2$: There is no significant relationship between horizontal communication strategy and corporate performance.

Methodology

Research design deals with a logical problem and not a logistical problem (Yin, 1989) research design refers to the structure of an enquiry: it is a logical matter rather than a logistical one.

The study is a descriptive research and thus requires quasi experimental research design and the reason for adopting it is because the element of our research are human being and they are not under the control of the researcher. This is particularly most appropriate for research in the administrative sciences (Baridan, 2001).

Population of the Study

The population of this study consists of all Telecommunication firms registered with the Nigerian Communication Commission (NCC). Given the diverse nature and the terrain of Nigeria, it will be too cumbersome to reach all telecommunication firms in Nigeria, therefore the four visible telecommunication firms with national coverage namely: MTN, GLO, AIRTEL and 9-MOBILE. Although, according to NCC 27 registered Telecommunication firms exists but 4 are visible with wider coverage, hence the use of MTN, GLO, AORTEL and 9-MOBILE.

Table 1: Table showing Name of Organization and No of employees

S/N	NAME OF ORGANISATION	NO. OF EMPLOYEES
1	MTN	150
2	GLOBACOM	135
3	AIRTEL	120
4	9MOBILE	85
	TOTAL	490

Source: Field data collection (2022).

Sample and Sampling Technique

Given the fact that the study adopted only four telecommunications, we shall proceed to determine sample size. The sample size that will be used is Taro Yamane and the formular is drawn below**:**

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size

N = population size

e = level of significance

N = 490

$$n = \frac{490}{1+490\,(0.05)^2}$$

$$\frac{490}{2.225} = 220.224$$

n= 220

Given a sample size of 220, we shall proceed to determine sample size for each of the firm under study.

This will be done with the aid of the Bowley's 1960 proportionate allocation formula given as:
Nh= nNh/N
Where: nh= number of units allocated to each firm
N= population size

Table 2: Proportional Determination of the Sample Frame

S/N	NAME OF ORGANISATION	NO. OF EMPLOYEES	PROPORTION DETERMINATION	PROPORTION ALLOCATED
1	MTN	150	150*220/490	67
2	GLOBACOM	135	135*220/490	61
3	AIRTEL	120	120*220/490	54
4	9MOBILE	85	85*220/490	38
	TOTAL	490		220

Source: Researcher's computation (2022).

From the table above, 67 employees will be studied in MTN, 61 will be studied in GLOBACOM and 54 will be studied in AIRTEL, while 38 employees will be studied in 9MOBILE.

Test of Hypotheses

Two hypotheses were tested using the spearman rank order correlation coefficient statistical tool to determine whether the variables were significantly linearly related. Results of the analysis are hereby presented below:

Hypothesis One: Vertical communication and Corporate Performance

The first hypothesis states that "there is no significant relationship between vertical communication and corporate performance. The hypothesis sought to examine the relationship between vertical communication and corporate performance. Using the spearman's rank order correlation statistical technique to test the hypothesis, the result (Rho = 0.615 $p < 0.01$) (see table below) shows that there is significant positive relationship vertical communication and corporate performance. This is so because when there is adequate and effective communication from managers or supervisors to their subordinates in terms of orders and instructions, such orders and instructions will be dully obeyed owing to the fact that what is encoded in the message is properly decoded. In view of this we therefore reject the null hypothesis which state there is no significant relationship between vertical communication and corporate performance.

Table 3: Correlation Analysis of the relationship between Vertical communication and Corporate Performance

Correlations

Type	Variables1	Statistics	Vertical Communication	Corporate Performa
Spearman's rho	Vertical Communication	Correlation Coefficient	1.000	.615**
		Sig. (2-tailed)	.	.000
		N	220	220
	Corporate Performance	Correlation Coefficient	.615**	1.000
		Sig. (2-tailed)	.000	.
		N	220	220

**. Correlation is significant at the 0.01 level (2-tailed).

Source: - SPSS Data 2021

Hypothesis Two: Relationship between Horizontal Communication and Corporate Performance

The second hypothesis states that "there is no significant relationship between horizontal communication and corporate performance. The hypothesis sought to examine the relationship between horizontal communication and corporate performance. We used the Spearman's rank order correlation coefficient statistical technique to test the hypothesis. The result (Rho = 0.446, P < 0.01) (see table below) shows that there is a significant positive relationship between horizontal communication and corporate performance.

We therefore reject the null hypothesis which states that there is no significant relationship between horizontal communication and corporate performance.

Table 4: Correlation Analysis of the relationship between Horizontal Communication and Corporate Performance

Correlations

Type	Variables1	Statistics	Horizontal Communication	Corporate Performance
Spearman's rho	Horizontal Communication	Correlation Coefficient	1.000	.446**
		Sig. (2-tailed)	.	.000
		N	220	220
	Corporate Performance	Correlation Coefficient	.446**	1.000
		Sig. (2-tailed)	.000	.
		N	220	220

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Data 2021

Discussion of Findings

The essence of this study was to Test the relationship between effective organizational communication and corporate performance in Telecommunication firms in Yenagoa, Bayelsa state of Nigeria. For a better understanding of the realities of this study, two hypotheses were formulated to ascertain an empirical measure to know if there is a relationship between effective organizational communication and corporate performance in Telecommunication firms in Yenagoa.

The Spearman's rank order correlation coefficient statistical tool using SPSS software package was applied to ascertain whether significant relationship existed. This result shows that for hypothesis one and two there is a positive and significant correlation between vertical communication and corporate performance as well as horizontal communication and corporate performance. This finding agrees with early finding by Anthony. (2013) who reported a significant correlation between organizational communication and corporate performance. From the values of spearman computation, (rho = 0.615, 0.446 p > 0.01), which indicates that vertical communication and horizontal communication has a positive and significant relationship with corporate performance. The reasons for the positive correlation is not farfetched, because adequate and effective communication channels between managers and subordinates will bring about total compliance and instructions will be carried out to the later, in the same vein communication between managers at the same level in form of sharing of ideas between heads departments and units bring about synergy and a better working relation leading to better corporate performance.

Conclusion and Recommendations

The study made use of the four leading telecommunication firms that have National coverage as the target population. The total number of employees from all four companies was 490 and the Taro Yamani sample determination formula was use to achieve a sample size of 220 which was adopted for the study. This number was sufficient enough to help generalize the findings. The study sorted to know if vertical and horizontal communication strategy could bring about a better corporate performance, the study revealed that there is a positive and significant relationship between the two channel of communication used and corporate performance. Also the study did confirm that effective communication has a positive effect on corporate performance. The data from the questionnaire also revealed that different communication styles from management are the biggest barrier to effective communication.

Effective communication is the make and break of any organization. Without effective communication, organizational performance tends to suffer.

From the results, the study recommends that:

Management should strengthen their vertical communication channels, every barrier to effective and adequate communication between management and subordinates should be eliminated.

Secondly communication between managers at the same level of organization should be highly encouraged, as this will encourage sharing of ideas between managers at the same level for the betterment of the entire organization.

A research of this nature can be carried out in government institutions.

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