



Analysis of Organizational Communication on Employees' Performance: A Case Study of Selected Deposit Banks in Port Harcourt, Rivers State, Nigeria

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Authors' contributions

This work was carried out in collaboration among all authors. Author RAI designed and performed the statistical analysis, wrote the protocol and wrote the first draft of the manuscript. Author IENH wrote the literature researches with the referencing. While author CUE drafted the methodology part of the researches. All authors read and approved the final manuscript.

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Abstract

This work was conducted to investigate performance and structure of Nigerian banks. Based on existing literature, M-form theory was used to explain possible impact of structure variables based on number of bank department, branches and workers on performance that was measured using "profit after tax". Corporate or business governance variable were measured using number of banks board members as control variable using five banks operating in Nigeria banking sector within fifteen year period that ranged from 2001-2015. The result revealed that the entire structure variables used are positively associated or related to performance. Again, it was noticed that structure variables which are "bank division/department, bank branches" are positively and significantly impacted on banks performance while number of workers positively and insignificantly affected banks performance. Corporate

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governance variable which was introduced showed that number of members of Directors was equally positive and significant statistically.

Keywords: Employees' performance; communication; job mobility; employee's behavior; banking industry.

1 Introduction

Organizations are established to accomplish certain predetermined objectives such as profitability, productivity, quality delivery, etc. But it seemed these objectives were elusive to many organizations particularly those in Port Harcourt; perhaps as a result of poor and ineffective communication ([1,2], Akosi, 2013; Stephen and Timothy, 2007). The authors stipulate that poor and ineffective communication may lead to the following: demotivation of employees – by not clarifying employees on what is to be done, how well they are doing and what could be done to improve performance. Emotional or psychological frustration of employees - a situation where employees cannot communicate and interact freely among themselves to express their feelings of dissatisfaction, anger etc. would affect their performance negatively. Incongruous behavior - makes employees behavior inconsistent and deviant from organizational goals. Irresponsive to customers – makes employees not to be responsive to customers.

The researcher in line with Edwinah [1], Okere [2]; Akosi (2014); Stephen and Timothy (2007) observed and identified some problems associated with poor and ineffective communication in some deposit money banks in Port Harcourt. Such problems are: De-motivation of employees, psychological frustration of employees; incongruous behavior of employees; lack of responsiveness to customers, etc.

Given that the above observations were true in line with Edwinah, [1], Okere, [2]; Akosi, (2014); Stephen and Timothy, (2007), therefore the problem of the study was to generate empirical data on organizational communication that related with employees' performance in Port Harcourt.

Communication is as old as man and Human societies are characterized by a network of interactions. This implies that humans in society, in a way, relate with one another. There is no interaction between individuals that is feasible without one type of communication or the other for instance, in an organizational setting; there is always interaction between the CEO and members of the organization. In the absence of communication, this interaction would not be feasible. It is communication that links the CEO and the entire subordinates. In the absence of communication, organizational members would be isolated, having nothing to share with one another. But it is certain this scenario cannot be seen in human society. Humans certainly relate or interact with one another. It is communication that makes this interaction easy. Human life and communication are inseparable. As long as there is life, there will always be one form of communication or the other. Infact, because of the crucial roles of communication in human life, it is not out of place to conclude that communication is life and life is communication (Tayo and Olamigoke, [3]).

Unfortunately, it is the lack of proper understanding of the significant role of communication in human relations that often results in avoidable misunderstanding, disagreement, crisis, poor and ineffective employee performance, and sometimes conflicts among nations, between groups within a nation, within families and of course within organizations. On the Other hand, effective communication often leads to understanding, cooperation, peace and progress in human societies and enhanced employees' performance (Tayo and Olamigoke, [3]).

1.1 Conceptual framework

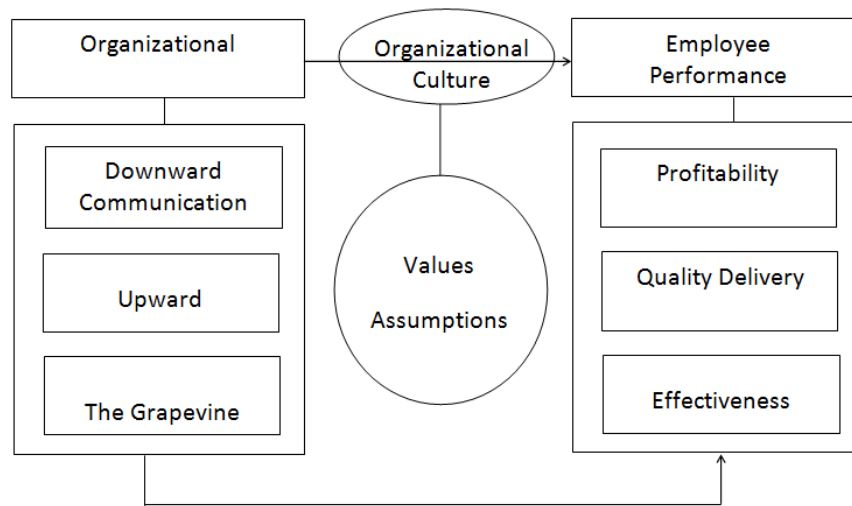


Fig. 1. Conceptual framework showing the relationship between organizational communication and employee performance
 Source: Researcher (2020)

2 Summary of Reviewed Literature

From the review of related literature, we see a consensus view of different authors and researchers about the concepts of organizational communication, employee performance and the moderating variable – organizational culture. This review explores the significance of the independent variable – organizational communication to employees and organization. The experts consensually view communication as glue that lubricates the relationship amongst employees and helps in enhancing their performance.

The review also explores or examines the importance of the criterion variable – employee performance to the employee and organization. The experts have similar views as it concerns employees' performance in organization. They assert that: "poor performance is detrimental to organizational success". Similarly, the review examines the importance of the moderating variable – organization cultures and its role on both the predictor and criterion variables. The experts also have a similar view about the role of the moderating variable as they see it as glue that bounds organization members together, determines how things are done in organization and acts as hidden mechanism of coordination in organization.

The review equally examined research studies in organizational communication. While researchers commonly focused on the importance of communication to organization, only few studies addressed the relationship between organizational communication and employee performance. It is this gap that the present study sets out to fill.

Given to what experts have said, the researcher in line with Edwinah [1] suggests that effective communication is central to the existence, efficiency and effectiveness of employees and organization. Secondly, the researcher in line with Ruth [4] opines that organization success rely on workers performance; poor performance is dangerous to organization success. Finally, the researcher in line with Miebaka [5] suggests that organization should allow positive organizational culture that helps to furnish employees with a sense of corporate identity as well as helping to generate commitment for the attainment of organizational goals.

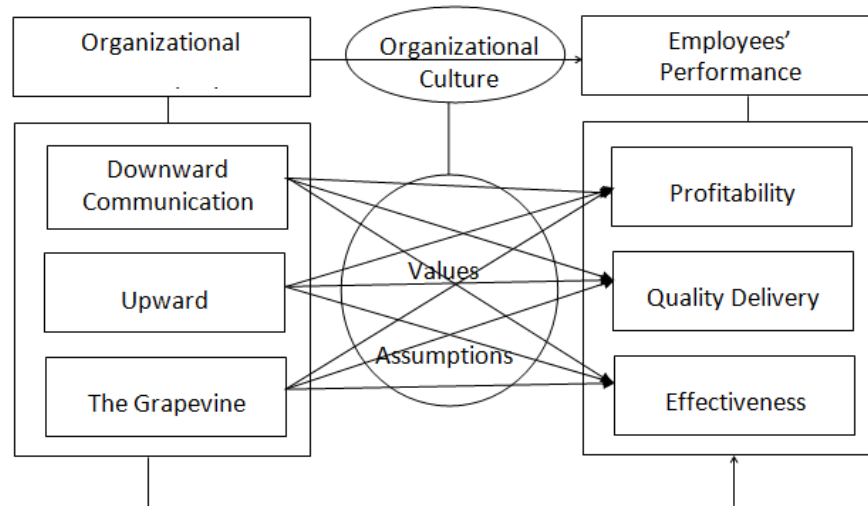


Fig. 2. Operational framework showing the relationship between organizational communication and employee performance
 Source: Researcher (2019)

The study population comprises of 15 banks currently operating in Port Harcourt Rivers State of Nigeria. These are First Bank, UBA, Union, Zenith Bank, Polaris Bank, Eco Bank, Keystone Bank, GTB, FCMB, Access Bank, Sterling Bank, Heritage Bank, Unity Bank, Stanbic IBTC Bank and Fidelity Bank. However, based on this research, sample size comprise of five banks namely: Access, First, GTB, Union, and Zenith. Sample size was adopted in line with adoption of Beslay and Coarse (2003) model which shows M-form hypothesis were banks sell similar products like monetary services in their branches. Operation of these banking is therefore ascertained by their structural elements called number of division, branches and worker.

$$\text{Thus, model is shown below as PAT (EMP, DIV, BRA) = 0} \tag{1}$$

Where:

“PAT = Profit after Tax
 DIV = Division / Department
 BRA = Bank Branches
 EMP = Number of Workers”

By away of transformation with equation (1) from inclusion of control parameter, we have: that

$$\text{PAT} = A + b_1(\text{DIV}) + b_2(\text{BRA}) + b_3(\text{EMP}) + b_4(\text{NBOB}) + u \tag{2}$$

Where:

A is Constant
 b₁ – b₄ is independent Coefficients
 NBOB is Number of board member

2.1 Explanatory model variables

The principles of these aspects are basically divided into two major variables like dependent and independent variable.

2.2 Dependent variable – Profit after Tax (PAT)

This is actual or net amount that was earned by any venture after payment made on tax are dully deducted or removed. It is usually considered as better indicator of any business income. Hence, it is used in measuring business operations compare to total income because deductions are made. In this research, it is absolute worth thus, we used natural log of “profit after tax” of banks which was used as performance indicator.

2.3 Independent variables Division Department (DIV)

Based on works from Beslay and Coase (2003), bank division are used as indicator of structure. Bank division are “strategies business Unit (SBU)” of Bank that concentrate to provide monetary services aimed at growing or improving their businesses. This SBU is highest growth capacity particularly based on this inherent growth prospects in monetary sector. This research would use total number of divisions for selected banks as variable to assess structure.

2.3.1 Number of Bank Branches (BRA)

This is responsible for administrative and effective daily activities of bank. This comprises of operation, sales of product, customer service, security and safety as concerns Bank's goal. When products and services are designed and developed, they are sold through bank branches. Therefore as indicators of structure, number of branches is used as indicator of bank structure.

2.3.2 Number of Bank Work

Workers are key part of any firm. The firms' structure determines or informs their total number of workers employed. The number of bank workers employed by used or selected banks was used as indicators of structure in this work.

2.4 Control variable

2.4.1 Board of Directors (BOD)

Corporate Governance codes for Banks operating in Nigeria after consolidation was given by CBN, the SEC's Code of good practice and ethics provide basis for encouraging sound business governance banks operating in Nigerian. Therefore this Board determines structure of Nigeria banks. It is against this importance of this board that this work adopted number of Directors as indicators for structure as control parameter to assess their effect on profitability.

2.4.2 Test of hypotheses

The hypotheses that were stated here was tested using regression test statistic. “Panel data is a set of observations that span both time and individuals in a cross-section, more information are available, giving estimates that are more efficient. With panel data, it was important for us to control for unobserved or unmeasurable sources of individual heterogeneity that vary across individuals but do not vary over time omitted variable bias”.

2.5 Factor analysis

This is a general term used in explaining or describing techniques or methods that are designed to analyze possible relationships existing in set of parameter in construction of hypothetical parameter.

Cureton and D'Agastino (1983) explain factor analysis as combination of technique or procedures used in analyzing possible connection among random variables sets measured for every group.

3 Validity

Having been given basic information and gain understanding on factor analysis, next question concerns with validity as it regards factor analysis.

Validity test measures knowledge of domain content of which it was designed for. It is equally concern with testing data which are represented adequately.

3.1 Cronbach’s alpha

This test tool measures inner or internal consistency and concerns with closeness of data items in group. It equally concern with measurement of reliability which confirms that high alpha value does not mean that such item set is one-dimensional.

3.2 Data presentation, analysis and interpretation

Data were analyzed with statistical method which comprised of descriptive and inferential technique. Frequency table and percentage are utilized in descriptive analysis while non-parametric spearman correlation test was used in inferential analyses which were conducted to confirm all hypotheses designed in this work. It equally measures significant and reliability of data set to ascertain if deviation of real observation would result in accepting or discarding of formulated hypothesis.

Table 1. Identifies the spearman’s correlation results of the variables

	BOD	BRA	DIV	EMP	LOGPAT
BOD	1.000000				
BRA	0.726178	1.000000			
DIV	0.444751	0.709244	1.000000		
EMP	0.601021	0.826316	0.564769	1.000000	
LOGPAT	0.219825	0.188073	0.257513	0.239538	1.000000

Source: Researcher’s E-view versions’ 8

We noticed from Table 1, that there is relationship between numbers of bank board members and Bank departments with spearman correlation value of ($r = 0.445$).

Positive relationship also existed between number of bank board members and number of workers employed in Nigeria’s banks spearman correlation value of ($r = 0.601$).

Evidently, the relationship which exist between number of banks board members and number of branches in Nigeria has spearman correlation value of ($r = 0.726$).

Again as shown from this correlation results, positive connection or association exist between Nigeria banks profitability and number of banks board members and it seems to have spearman correlation value ($r = 0.219$).

Table 2 shows results of hypotheses testing. As shown, all variables of structure revealed that structure parameters positively impacts on Nigerian banks profitability within this period studies. But impact magnitude showed mixed results.

As shown in Table 2, number of branches as indicator for structure positively and insignificantly impacted on Nigeria banks profitability (BRA coefficient = 8.3631, p value = 0.0628>0.05, t value = 2.0503).

Again, number of departments, based on analysis, positively and insignificantly impacted on Nigeria banks profitability (DIV coefficient =0.0266, p-value = 0.9460 > 0.05, t value = 0.0691).

Table 2. Gives the analysis of the regression results of the variables

Dependent Parameter:				
Variable	Coefficient	Std. error	t-Statistic	Prob.
BRA	8.363154	4.078871	2.050360	0.0628
DIV	0.026663	0.385444	0.069174	0.9460
EMP	0.083470	0.856129	- 0.099251	0.9226
BOD	- 0.084971	0.40799	0.690171	0.0528
R-square	0.001416	Mean dependent par		8.000000
Adjure-square	- 0.165015	S.D. dependent par		4.472136
S.E regression	4.827038	Akake info criteria		6.163200
Sum squared	279.6036	Schwarz criteria		6.304810
Log likelihood	-43.22400	Hannan-Quinn criteria.		6.161691
D-W stat	1.326241	D-Wstat		0.054736

Source: Researcher's E-view versions ' 8

For number of workers as indicator or parameter of firm structure, it was uncovered that number of workers positively and insignificantly impacted on Nigeria banks profitability (EMP coefficient = 0.0834, p-value = 0.9226, t-value = - 0.0992).

As concerned control parameter, number of board members, it was shown in Table 2, that number of board members showed negative coefficient and significantly impacted on Nigeria banks profitability (BOD coefficient = - 0.0849, p-value = 0.0528 < 0.05, t-value = 0.6901).

The R² represents coefficient of determination and measures goodness of fit test. While R² adj. value of (-16.50%) revealed fitted model.

Table 3. Shows the reliability cronbach's test

Reliability statistics	
Cronbach's Alpha	N of Items
.567	3

It is shown in Table 3 that Cronbach alpha (CA) is 0.567 which implies or shows high internal consistency level on data set.

Table 4. Item – total statistics table

	Scale means when item deleted	Scale variance when item deleted	total correlation	Square multiple correlation	Cronbach alpha when deleted
Qu1	24.20	45.029	0.633	0.588	0.567
Qu2	23.93	47.352	0.520	0.651	0.675
Qu3	24.07	46.638	0.654	0.899	0.756
Qu4	23.40	47.114	0.551	0.823	0.767
Qu5	23.60	51.257	0.389	0.573	0.783
Qu6	24.47	50.695	0.372	0.693	0.767
Qu7	24.07	45.210	0.615	0.777	0.779
Qu8	24.20	56.457	0.128	0.791	0.799
Qu9	24.07	45.210	0.589	0.610	0.802
Qu10	23.06	45.231	0.567	0.858	0.770
Qu11	24.05	47.141	0.336	0.516	0.823
Qu12	24.40	54.574	0.546	0.989	0.774
Qu13	24.05	46.243	0.892	0.382	0.678
Qu14	23.40	47.092	0.237	0.396	0.675
Qu15	23.08	45.205	0.515	0.767	0.567

This column in Table 4 presents value that CA will be when particular item was removed from scale. From this indication, we see that removing any question, except question 8 will result to small improvement in CA which means that “corrected item – total correlation value was low (0.128) for this item”. This could result to consideration of whether such item will be removed.

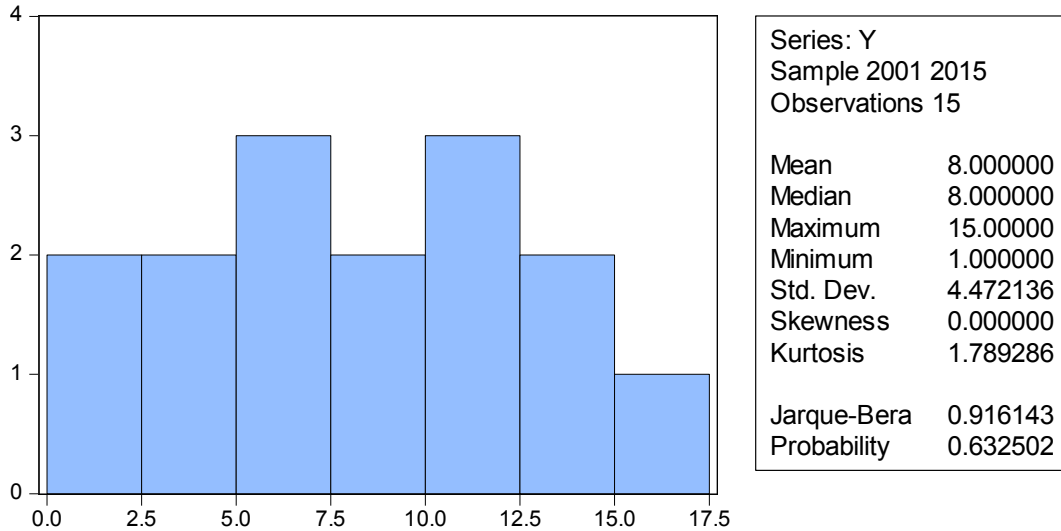


Fig. 3. Shows the histogram of the variables

Fig. 3 indicates the histogram of the variable plot with the aim to discover, and show underlying frequency distribution of set continues data. It also indicates the area of the bars with their frequency of occurrences.

4 Discussion of Findings, Conclusions and Recommendations

The common purpose of this research work is to examine relationship between organizational Communication and workers performance in selected banks in Port Harcourt.

Specifically, different experiments were carried in order to find out relationship between downward communication and workers performance, relationship between upward communication and workers’ performance, relationship between grapevine communication and workers performance, how organization values moderate association between organization communication and workers performance in selected banks operating in Port Harcourt, and checked if organization assumptions moderate relationship between organization communication and workers performance in selected banks operating in Port Harcourt. To achieve this aim researcher used explanations made by Beslay and Coarse (2003) which showed M-form hypothesis supposing that operations of banks in all branches which mean rendering of monetary services and assumes that performance and operation of bank businesses is informed and determined by its structural elements like number of departments, branches and workers. Primarily, this model specification in this analysis was focused on this equation below:

$$PAT (DIV, BRA, EMP) = 0$$

The research data was analyzed with aid of statistical method which comprised of “descriptive and inferential statistics”. Frequency table and percentage are used during descriptive analysis while non-parametric spearman correlation test was utilized for inferential analyses to suitably confirm all formulated hypotheses designed in this work or study and it measures significant and reliability of data set to ascertain if

deviation or changes in real observation results to accepting or discarding all or some of the designed null hypothesis.

4.1 Discussion of findings

With reference to the analysis of results obtained from the datasets, we noticed from Table 1, that positive correlation exist between numbers of banks board members and Bank department with r equal 0.445 which means that 44.5% change was separated between number of banks board members and Bank branches.

Positive correlation was equally observed between number of banks board members and number of bank workers in Nigeria with r equal 0.601 which means that 60.1% change in number of bank board members could be explained based on changes in number of bank workers operating in Nigeria within this research period covered (2001-2015). Also 60.1% change in number of bank workers could be elucidated based on change in number of banks board members.

Significantly, this correlation that exist between number of bank board members and branches in Nigeria has correlation value ($r = 0.726$) which means that 72.6% of changes explains changes in number of banks operating in Nigeria within time period studied (2001-2015).

Satisfactorily as shown from this correlation outcome, we noticed that positive correlation exist between Nigeria banks profitability and number of banks board members which produced correlation values ($r = 0.210$) which means that 21.0% change is separated between number of banks board members and Nigeria banks profitability.

As we noticed in Table 2, number of branches as measure or parameter for structure showed positive value, and insignificantly impacted on Nigeria banks profitability ($BRA = 8.361$, p value = $0.0628 > 0.05$, t value = 2.0503). This positive t value is enlightening and revealed that structures of bank operating in Port Harcourt had a decreased due to number of branches therefore, there was decrease in profit at the same time. This by implication showed that there is fair relationship between downward communication and workers' performance, this upward communication and workers' performance, grape-vine communication and workers performance and how organization values moderate connection and relationship between organization communication and workers performance in these selected banks operating in Port Harcourt.

Again, number of departments equally showed positive and appreciable or notable effect on Nigeria banks profitability ($DIV = 0.0266$, p value = $0.9460 > 0.05$, t value = 0.0691) which is in confirms a good relationship.

For number of workers as indicator of banks structure, it was noticed that positive relation exist however, it insignificantly impacted on Nigeria banks profitability ($EMP = 0.0834$, p value = 0.9226 , t value = -0.0992).

This insignificant effect of number of workers on Nigeria banks profitability implied that remuneration paid to workers though costly on banks but contribute appreciably and positively to growth of these banks operating in Port Harcourt.

As it concerns control variable, the researcher observed or noticed that number of bank board members as shown in Table 2 showed negating and significant effect on Nigeria banks profitability ($BOD = -0.0849$, p value = $0.0528 < 0.05$, t value = 0.6901) which is enlightening and revealed that mechanism of business governance play notable role in Nigeria banks performance.

The R^2 which represent coefficient of set data determination and assesses data goodness of fit supposed that 00.14% of total change in dependent parameter (PAT) explains changes in independent parameter (EMP, DIV, BOD and BRA) and this value implied that we have good fit since unexplained changes account for 26.52% while R^2 adj. with value - 16.50% to show fitted model suitably.

An observation in Table 3 showed or reveals that Cronbach alpha is 0.567 shows high internal consistency level for our scale using specific sample. This by implication has in away affirmed that there was fair connection or relationship between down-ward communication and workers' performance, upward communication and workers' performance, grapevine communication and workers prowess and how organization values moderate connection between organization communication and workers performance in these selected banks operating within Port Harcourt.

4.2 Conclusions and Recommendations

This study was conducted to mainly examine impacts of structure and Nigerian banks performance. From literatures reviewed, theory of M-form as concern firm structure was utilized to appreciably explain impacts of structure variables or parameters which comprised of number of department, branches and workers on performance which is assessed using "profit after tax". We used business governance parameter which is captured using number of bank board members as control parameter for five selected Nigeria banks using data set that spanned with fifteen year 2001-2015.

The result we obtained showed that all structure parameters positively associated with performance. It was equally revealed that variables of bank structure which are bank department and bank branches positively and significantly impacted on performance variables while number of workers positively and insignificantly impacted on performance variable. Business governance variable used showed that number of bank board members was equally appreciable.

This result means that bank structure is developed to reduce and control influence of changes in organization and set needed stage where power is showcased or exercised, where tough decisions are made and organization operation conducted therefore, it improved performance. This work thus concludes that bank structure appreciably or significantly affects performance.

4.3 Recommendations

This work therefore recommends that bank's departmental as among the structure need to follow same corporate clusters that would enhance coordination and specialty while also ensuring optimum legal and obedience background. This would provide platform for improved focus on growth in non-commercial bank subsidiaries which gives room for higher risk management and aid optimum decision concerning capital allocation or distribution.

Lastly, Nigeria banks should make sure that their branches are sited with aim of deploying resilient structure that would concentrate on efficiency and cooperation across entire operating unities that plays significant part in sustaining growth while also addresses issues that would ensure long time success in these banks.

Contribution to Knowledge

This study with its findings contributes to knowledge through assessment of limited area of dispensation of Nigerian banks were able to find out that: workers should be seen and considered as most crucial asset in banks. Also, banks need to be supportive of their workers through provision of required training because such gestures would enhance workers knowledge base and their effort towards achieving banks set goals and thereby make enquiring for workers to face the challenges in banking industry.

Area for Further Study

The research work examined relationship between Organization Communication and workers performance in some selected Nigerian banks operation within Port Harcourt, Rivers state which forms the central points of the empirical activities of the banking industries; hence generalizations and removal of same population

based on parameters of industry and nationality should be considered. Therefore, we suggest that this same research be carried out in other related industries with view to compare empirical results. And banks need to support their workers through suitable training. Furthermore, banking industries should be adequately involved in organizing training program of their staff, support job mobility because such gestures would enhance their strength and knowledge base thereby making workers to have confidence as concern confronting banking work challenges in banking industry.

Consent

As per international standard or university standard, participant's written consent has been collected and preserved by the author(s).

Competing Interests

Authors have declared that no competing interests exist.

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