

Chapter 1: Communication in organizational management, conceptual foundations and sectoral relevance

1 Introduction

Communication serves as a catalyst for change and forms the backbone of organizational growth. Fostering effective interaction and understanding in management-employee relations is essential for enhancing the performance of all stakeholders within the communication process. Banihashemi (2011) characterizes communication both “as a means to achieve performance goals and as an intrinsic end in itself”. Fundamentally, communication is the process of transferring information between individuals. Stephen (2011) emphasizes its critical role in “directing and mobilizing the workforce towards organizational objectives by fostering understanding, cooperation, and effective performance”. Smart managers, according to Williams (2007), recognize that “clear and direct communication between managers and employees is vital for success”. Research on communication refers to it as the bloodstream of an organization, highlighting its essential role in effective team performance (McKinney Jr, Barker, Smith, & Davis, 2004).

Consequently, organizations that grasp the significance of communication integrate it into their operational environment to ensure the coordination of production factors, particularly the human and material elements, within an efficient network for change and advancement (Robbins & Judge, 2019). Communication research suggests that the communication process as initiated by the sender, followed by encoding, the message, the channel, decoding, the receiver, and influenced by noise and feedback (Snavelly, 2001; Robins, 2006). Managers reportedly spend over 80% of their day communicating, underscoring its importance as most basic management functions—planning, organizing, leading, and controlling—rely on effective communication. The growing

interconnectedness of the global community has further increased the importance of communication. The need for global visibility has driven many organizations, such as United Bank for Africa Plc (UBA), to adopt new technologies like e-learning and e-training to equip staff with the skills needed to use the internet for communicating policies, procedures, staff development initiatives, and more (UBA, *n.d*)

This initiative marks a significant step for UBA towards establishing a fully networked environment for effective communication and enhanced performance. Therefore, emphasizing innovation and the effective use of communication mediums or channels is crucial for achieving high performance rates. Any disruption in the communication process can have severe negative impacts on organizational performance.

Furthermore, recognizing that poor communication is a primary reason for career stagnation (Lepsinger & Lucia, 1997), it is imperative for UBA's management to identify the optimal channels for conveying messages to their staff to ensure effective and positive feedback. While various barriers to communication exist, including filtering, selective perception, information overload, personal bias, language, and communication apprehension, (Robbins & Judge, 2023) management must actively address these obstacles to achieve effective outcomes.

Therefore, the aim of this paper is to identify the roles played by UBA's management in transmitting and managing information to enhance staff performance, predicated on the understanding that effective communication drives high performance (Daft, 2022). This paper will first briefly explain the concepts and importance of effective communication, along with the relationship between communication and organizational performance. Subsequently, empirical studies will be reviewed, and an analysis will be conducted focusing on the case of UBA Group.

1.1 Statement of the problem

Many industrial disputes arise from breakdowns in communication. Therefore, it's crucial to emphasize that in communication, emotional, environmental, psychological, and technical aspects of the medium are relevant to enhancing organizational performance (Daft, 2022). Okoye (2004) posits that “psychological transmission encompasses not just the reception of information but also understanding and feedback”. Several organizational conflicts have been attributed to failures in communication (Lee, 2003; Scott, 2004). Despite the acknowledged importance of effective communication in improving organizational performance, Chudi-Oji (2013) notes that “some entities regrettably give insufficient attention to maintaining effective communication systems”. While change is a gradual and ongoing process that allows for input and adjustments, the implementation of new innovations like e-classrooms, ICT awareness initiatives, and

appraisal methods faces challenges related to the medium and level of communication (McKinney Jr, Barker, Smith, & Davis, 2004). Furthermore, persistent delays in staff access to information appear to hinder their individual performance, potentially leading to difficulties in coordinating organizational activities (Daft, 2022). Consequently, employee performance in relative to their tasks and responsibilities raises questions about their communication techniques within the organization. Staff exposure to innovative communication channels within the organization has encountered shortcomings that, if not adequately addressed, could result in poor performance compared to other similar organizations.

The issues highlighted above lead to the following questions, which will guide this study and aim to enhance the quality of effective communication within UBA Group.

1.2 Objectives of the study

This study aims to examine the impact of effective communication on organizational performance at the United Bank of Africa:

- To determine how communication improves operational efficiency, thereby enhancing organizational performance.
- To examine how communication impacts decision execution and task completion.
- To evaluate communication's role in fostering information and opinion exchange within the organization.
- To describe the ways in which communication improves teamwork, thus decreasing grievances.

1.3 Research Questions

To address the problems and evaluate the influence of effective communication on organizational performance, the researcher formulated the following research questions:

- How does communication improve operational efficiency and enhance organizational performance at the United Bank for Africa?
- In what ways does communication influence decision-making processes and the effective execution of tasks within the United Bank for Africa?
- How does communication affect the exchange of information and opinions among employees within the United Bank for Africa?
- In what ways does communication contribute to improved teamwork and a reduction in employee grievances at the United Bank for Africa?

1.4 Research Hypothesis

The following null and alternative hypotheses were tested in this research:

Null Hypothesis (H_0): Effective communication has no statistically significant impact on organizational performance at the United Bank for Africa.

Alternative Hypothesis (H_1): Effective communication has a statistically significant positive impact on organizational performance at the United Bank for Africa.

1.5 Significance of the Study

This study offers valuable insights into the critical role of effective communication as a key determinant of organizational performance, particularly for sustaining growth and ensuring survival within the highly competitive banking industry. Furthermore, this research contributes to the current body of knowledge on effective communication, enriching the academic discourse and providing a foundation for future scholarly investigations in this area.

1.6 Scope of the Study

For this study, we used the Head Office of the United Bank for Africa Plc (UBA) as a case study. Specifically, the research will evaluate the impact of effective communication on both employee performance and the overall performance of the bank. Furthermore, this study will explore the bank's integration of effective communication strategies.

1.7 Definition of Terms

- **Communication:** The process by which a “sender (an individual, group, or organization) transmits information (the message) to a receiver (another individual, group, or organization)” (Robbins & Judge, 2023).
- **Flow:** The movement or stream of communication messages.
- **Communication Flow:** The direction in which messages travel through an organization's communication networks (upward, downward, and horizontal).
- **Encoding:** The process by which the sender translates thoughts or feelings into a message using words, sounds, and nonverbal cues (physical expressions).

- **Decoding:** The process by which the receiver interprets the sender's message, translating it into their own thoughts and feelings.
- **Feedback:** Any response from the receiver that allows the sender to assess the effectiveness of their communication. Feedback shapes and influences subsequent messages from the sender.

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