

Journal of Business and Strategic Management (JBSM)

Strategic Corporate Communication and Organizational Performance of Commercial-Based Parastatals in
Kenya



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Strategic Corporate Communication and Organizational Performance of Commercial-Based Parastatals in Kenya

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Accepted: 19th July 2023 Received in Revised Form: 1st Aug 2023 Published: 13th Aug 2023

ABSTRACT

Purpose: To explore the influence of strategic corporate communication on organizational performance of commercial-based parastatals in Kenya.

Methodology: The study used a descriptive research design to collect data on a target population of six (6) commercial based parastatals. The respondents were 45 departmental managers and 151 administrative staff. The study obtained the sample size of 40 departmental managers and 110 administrative staff using simple random method. They were issued with closed and open-ended. Further, pre-test study was conducted at Kenya Airways where 4 departmental managers and 11 administrative staff. Additionally, descriptive analysis, frequency tables and explanation were used to illustrate the results. Further, inferential statistics were examined using multiple regression and correlation analysis.

Results: In the questionnaires, 46(43%) respondents strongly agreed and 31(29%) agreed on a mean of 4.07 (SD of 0.98) that, organizations' vision, values and missions were communicated to employees. Additionally, 40(38%) strongly agreed and 39(36%) agreed on a mean of 3.72 (SD of 1.04) that, the organization communicated its future expansion plans with employees. However, 34(32%) strongly disagreed and 57(53%) disagreed on a mean of 2.45 (SD of 0.74) that, the development of policies is communicated to our employees. The Pearson correlation coefficient was $r=0.733^{**}$ at $\alpha < 0.000$ and 99% significance level indicating a positive correlation between corporate communication and organization performance.

Unique contribution to theory, policy and practice: The deeper details on aspects such as policy formulation processes were hardly known to the staff since there was hardly any communication from the management. The management just communicated on any completed policies ready for implementation. This left out the staff in the dark on the main goal of the policy in the first place. Eventually, this led to resistance hence most policies took more time than required to be adopted or simply not adopted at all by the staff irrespective of the threats from the management. Therefore, the study recommends that there should be developed processes of strategic planning which are well documented by the management and have a policy to guide on what should be done, who should be consulted and when should that happen in case of eventualities.

Keywords: *Strategic Corporate Communication, Organizational Performance, Commercial-Based Parastatals, Kenya*

1.0 INTRODUCTION

Strategic corporate communication is interpreted as a structure for disseminating information (Amadu & Anyarayer, 2022). Notably, dissemination of information could arise from both ends such as from the management to staff or from staff to the management. The various concerns that have engulfed government organizations in developed nations such as in North Korea, the performance of the parastatals has been limited due to socio-political influence such that decisions made on strategies have to follow what the president want rather than what the constitution says (Johanson & Vakkuri, 2020). In Japan, there has been reported cases of lack of feedback from management when information is requested by operations staff leading to uninformed decision making among the employees (Songling et al., 2018). In England, there has been limited accountability on the kind of contribution that the communication has on decisions relating to governance (Hsieh et al., 2019).

In developing nations such as in South Africa, there is frequent leaking of information from top management to staff or external parties. According to Kabeyi (2019), lack of induction of new staff particularly on communication has caused employees in Lesotho to increase making costly work-related errors since they do not know who or how to ask for assistance. In Kenya there have been limited communication policies such that basic etiquette is not adhered to hence scaring investors away (Dakuku, 2021).

1.2 Statement of the Problem

Strategic corporate communication mainly involves passing out information from managerial decisions and policies, employee involvement in the said decisions, and communication tactics that involve sharing of information (Chepkosgei et al., 2020). These aspects improve the swiftness and productivity levels in organizations. This is because they are supposed to work in a way whereby, when a command from the management is issued, it reaches to staff in no time and also queries from the staff to the management.

However, there have been information leakage and poor planning concerns in the parastatals whereby the policy framework in place to curb the vice is minimally used in various government institutions as a support measure towards improved performance. (Adilu, 2022; Bakhit, 2017).

1.3 Purpose of the Study

To explore the influence of strategic corporate communication on organizational performance of commercial-based parastatals in Kenya.

1.4 Hypothesis of the Study

H₀₁: Strategic corporate communication has no significant influence on organizational performance of commercial-based parastatals in Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Review

Contingency theory of leadership was proposed by Fiedler (1967). The effectiveness of the manager was thought to be influenced by three crucial situational dimensions that had been identified. Relationships between a manager and his or her juniors indicated how much trust they placed in the latter which was attained through communication systems in place. Also, it considered the leader's beauty and the typical allegiance that was exhibited to the leader. Position power was the authority that came with holding a position of leadership. It could include the usual rewards and penalties for the job; the formal power the manager has based on their position in the administrative structure; and the support they obtained from their subordinates and the entire organization. After years of discussion, studies revealed, the majority of managers in today's workplace believed a specific leadership style was effective in all circumstances. There had been a perception that managers acting as compassionate leaders, for instance, could not guarantee of successful outcomes in every circumstance. A single leading issue in big institutions occurred the moment managers underwent promotion basing on strictly their earlier work without considering likely future growth, the institution entirely was rendered ineffective

2.2 Empirical Review

In Poland, Isnalita (2020) examined how the local government's performance was influenced by use of Information and Communication Technology [ICT]. The study sent seventy-six questionnaires to Local Apparatus Organization [LAO] of East Java Province. Notably, Isnalita (2020) discovered that use of ICT to pass knowledge among the staff improved the performance significantly. That is, decision made on strategies by the management were communicated effectively through use of email, phone calls, WhatsApp message and text messages to the staff. Communication using ICT enabled the management to send and receive feedback from staff immediately. Additionally, any ambiguous tasks were easily consulted on and solution derived effectively. However, since Isnalita (2020) involved corporate communication, it would have yielded even higher return rate if the study would have used interview and focus groups methods of data collection.

Further in Oti region in Ghana, Amadu and Anyarayor (2022) investigated how devolved government institutions improved employee satisfaction especially due to communication. The study issued questionnaires to 100 staff of the ten departments in the institutions. These departments were education, health, civic education, forestry, environment, information, agriculture, social welfare, water and finance. According to Amadu and Anyarayor (2022), devolved government institutions mainly used face to face, emails, physical meetings of department members, formal discussion held by teams, suggestion boxes and assemblies among others. The study gathered that employees were satisfied with the tools of communication which motivated them to perform better. Nevertheless, Amadu and Anyarayor (2022), complained that communication networks were not coordinated by experts hence resulting to lagging in switching calls when requested, lack of feedback from management when information is requested by

operations staff, delayed emails and late memos. However, the study did not specify the identity or the level of management of the sampled population.

In Kenya, Munyi and Atieno (2021) documented on menaces facing corporate communication in four universities affiliated with the government. These universities were Kenyatta, Laikipia, Rongo Technical University of Mombasa. The target population comprised of 2040 admin staff who were sampled using Yamane (1967) to obtain 334 staff. They were interviewed and also answered questionnaires. According to Munyi and Atieno (2021), the issues included poor communication measurement; lack of accountability on the kind of contribution that the communication had on decisions relating to governance; lack of induction of new staff particularly on communication; limited communication policies, poor funding to procure reliable systems and networks for communication. Therefore, since these issues were related to public universities, there is need to expand the scope of the study and cover commercial parastatals to understand the problems facing them.

3.0 RESEARCH METHODOLOGY

The study used a descriptive research design to collect data on a target population of six (6) commercial based parastatals. The respondents were 45 departmental managers and 151 administrative staff. The study obtained the sample size of 40 departmental managers and 110 administrative staff using simple random method. They were issued with closed and open-ended. Additionally, descriptive analysis, frequency tables and explanation were used to illustrate the results. Further, inferential statistics were be examined using multiple regression and correlation analysis.

4.0 RESULTS

4.1 Response Rate

The sampled population of this study was 6 commercial based parastatals in Kenya. The targeted respondents were 40 departmental managers and 110 administrative staff in the commercial based parastatals in Kenya. One hundred and seven (107) out of the 150 questionnaires administered were properly answered and submitted, giving it a desirable score of 71.3% as the response rate. These were 28 managers and 79 administrative staff and notably, Mugenda and Mugenda (2003) advised that as long as the response rate was above 70% it was deemed to be excellent results.

4.2 Descriptive Statistics of Corporate Communication and Organization Performance

Corporate communication was an independent variable and had indicators such as managerial decisions, employee involvement, communication tactics and policies. The study measured the variable using both closed and open-ended questionnaires. The questionnaires had five-point Ordinal Likert Scale where; strongly agree was represented by 5; agreed was represented by 4; neutral was represented by 3; disagreed was represented by 2; and strongly disagree was represented by 1. Participants were required to state their affirmation levels based on the question with regards

to influence of corporate communication on organization performance. The deductions are detailed in Table 1.

Table 1: *Descriptive Statistics of Corporate Communication*

Statements	1	2	3	4	5	Mean	SD
N=107							
Our organizations vision, values and missions are communicated to employees.	0 (0%)	9 (8%)	21 (20%)	31 (29%)	46 (43%)	4.07	0.98
Our organization communicates its future expansion plans with employees	0 (0%)	12 (11%)	16 (15%)	39 (36%)	40 (38%)	3.72	1.04
Development of policies is communicated to our employees	34 (32%)	57 (53%)	6 (6%)	10 (9%)	0 (0%)	2.45	0.74
Employees are enthusiastic in responding to their roles	29 (27%)	31 (29%)	7 (6%)	35 (33%)	5 (5%)	2.59	1.32
Tactics are communicated by managers in ensuring accomplishment of roles	7 (6%)	53 (50%)	14 (13%)	22 (21%)	11 (10%)	2.79	1.16
There is a policy in place that restricts information sharing to unauthorized personnel	0 (0%)	27 (25%)	3 (3%)	54 (50%)	23 (22%)	3.68	1.08

The findings from Table 1 indicate that 46(43%) respondents strongly agreed and 31(29%) agreed on a mean of 4.07 (SD of 0.98) that, organizations’ vision, values and missions were communicated to employees. Additionally, 40(38%) strongly agreed and 39(36%) agreed on a mean of 3.72 (SD of 1.04) that, the organization communicated its future expansion plans with employees. However, 34(32%) strongly disagreed and 57(53%) disagreed on a mean of 2.45 (SD of 0.74) that, the development of policies is communicated to our employees.

These results meant that most government institutions oriented the staff on their vision, mission, values and objectives. This went to an extent of informing them on any future plans they had related to expansion. However, it was unfortunate that inner details on aspects such as policy formulation processes were hardly known to the staff since there was hardly any communication from the management. The management just communicated on any completed policies ready for implementation. This left out the staff in the dark on the main goal of the policy in the first place. Eventually, this led to resistance hence most polices took more time than required to be adopted or simply not adopted at all by the staff irrespective of the threats from the management. A review by Umar (2020) also pointed that when the junior staff were not involved in major organization functions such as policy and strategy formulation, it led to low strategic alliance which caused an embarrassing low performance on something that could have been easily avoided.

4.5 Hypothesis Testing Using Pearson Correlation Analysis

The study had a research hypothesis which indicated that strategic corporate communication had no significant influence on the organizational performance among commercial-based parastatals in Kenya. To determine whether to accept or reject the null hypothesis, the study tested them using Pearson Correlation analysis as described in Table 2.

Table 2: *Pearson Correlation Analysis of Strategic Corporate Communication*

		Strategic Corporate Communication	Organization performance
Strategic	Pearson Correlation	1	.733**
Corporate Communicat ion	Sig. (2-tailed)		.000
	N	107	107
	Pearson Correlation	.733**	1
	Sig. (2-tailed)	.000	

Organization performance	N	107	107
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** . Correlation is significant at the 0.01 level (2-tailed).

Table 2 indicates that the Pearson correlation coefficient was $r=0.733^{**}$ at $\alpha < 0.000$ and 99% significance level for strategic corporate communication. These findings reveal that there was a positive correlation between strategic corporate communication and organizational performance because the p-value were above 0.05. A study by Husain (2013) agreed by deciding that successful change management and performance relied on the role played by communication in institutions during transitional periods.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

In the questionnaires, 46(43%) respondents strongly agreed and 31(29%) agreed on a mean of 4.07 (SD of 0.98) that, organizations' vision, values and missions were communicated to employees. Additionally, 40(38%) strongly agreed and 39(36%) agreed on a mean of 3.72 (SD of 1.04) that, the organization communicated its future expansion plans with employees. However, 34(32%) strongly disagreed and 57(53%) disagreed on a mean of 2.45 (SD of 0.74) that, the development of policies is communicated to our employees. The Pearson correlation coefficient was $r=0.733^{**}$ at $\alpha < 0.000$ and 99% significance level indicating a positive correlation between corporate communication and organization performance.

5.2 Conclusion

The study established that corporate communication had a positive correlation with organizational performance. Therefore, this meant that government parastatals ensured they capitalized on various aspects such as sharpening strategic forecasting skills, funding operational plans, improving bench marking initiatives and increased resource allocation on strategic policies. Regrettably, it was also noted that the deeper details on aspects such as policy formulation processes were hardly known to the staff since there was hardly any communication from the management. The management just communicated on any completed policies ready for implementation. This left out the staff in the dark on the main goal of the policy in the first place. Eventually, this led to resistance hence most polices took more time than required to be adopted or simply not adopted at all by the staff irrespective of the threats from the management.

5.3 Recommendations and Contributions of the Study

There should be developed processes of strategic planning which are well documented by the management and have a policy to guide on what should done, who should be consulted and when should that happen in case of eventualities. Further, the management should encourage work mentorship from senior management to junior employees to orient them on management issues.

This would help the employees gather relevant skills and knowledge to make strategic decision, when need be, on behalf of the parastatal. The government through ministry official should develop policies on the extent that the junior civil servants should be allowed in the decision-making process such as policy formulation. Additionally, there should be an open policy within parastatals to facilitate transparency of management duties to everyone. This would motivate the staff who would wish to understand what was happening in various processes hence less resistance when the same policies are implemented.

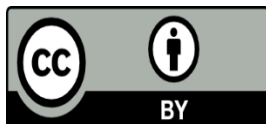
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