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INFLUENCE OF COMMUNICATION ON ORGANISATIONAL PERFORMANCE IN THE BEVERAGE INDUSTRY: A CASE STUDY OF SEVEN-UP BOTTLING COMPANY PLC, OLUYOLE AREA, IBADAN, OYO STATE

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Abstract

Communication is critical to an organisation's performance, as vital ideas and innovations must be transmitted clearly from one employee to another. Despite its acknowledged importance, many beverage companies continue to face challenges in communicating effectively, with negative consequences for productivity and performance. This study examined the influence of communication on organisational performance in the beverage industry, using Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State, as a case study. A cross-sectional research design was adopted, and primary data were obtained from staff of Seven-Up Bottling Company Plc, Ibadan, Oyo State, using a simple random sampling technique. Data were analysed using descriptive statistics and regression analysis with the aid of the Statistical Package for Social Sciences (SPSS version 27). Communication was found to significantly influence the operational performance of Seven-Up Bottling Company ($R = 0.480$, $R^2 = 0.231$, Adjusted $R^2 = 0.224$, $p = 0.000$), accounting for 23.1% of the variance in operational performance, confirming that effective communication significantly enhances organisational performance in the beverage industry. To enhance performance further, it is recommended that organisations foster open communication, encourage teamwork, and promote transparency, as doing so would reduce misunderstanding and improve decision-making.

Keywords: Beverage Industry, Communication, Ibadan, Oyo State, Organisational Performance

Introduction

Communication has gradually become an acceptable and indispensable tool for organisational performance. It is regarded as the bedrock of organisational operations and plays a crucial part in an organization's accomplishments (Abdullah & Othman, 2019). Communication is important in uniting workers in a company; every workplace relies on communication, and relationships with management and other employees are

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maintained through ongoing interaction. Effective communicators are an essential asset to a company for engaging with others and achieving professional success (Top & Ali, 2021). Efficient communication is therefore a lifewire of an organisation.

In an organisation, efficient communication is an important component of building a successful corporation (Ibrahim, Smith, & Bello, 2022). Effective communication in an organisation comprises internal communication, which involves coordination between departments, employees, and management, and external communication, involving suppliers, shareholders, authorities, and clients. Where communication is handled improperly, the impact can be substantial: the resulting costs are high, and outcomes lower the organization's performance and reputation in the eyes of the public (Anwar & Abdullah, 2021).

Musheke and Phiri (2021) define communication as the heartbeat of the firm and the most important of all entrepreneurial abilities. A business's capacity to convey information helps employees and clients feel they can converse with, and consequently trust, the organization. Communication is more crucial today than in past years, partly because business and market conditions have become more complex, and communication channels have grown more numerous and must be competently channelled to reach the target audience. Communication largely determines organisational performance.

Organisational performance depends considerably on communication, because workers must interact with one another in the workplace. Communication has a direct influence on employee performance, as it increases job commitment and awareness (Musheke & Phiri, 2021). Internal communication helps employees achieve

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groundbreaking business results by improving collaboration, performance, and productivity, and affects the ability of strategic managers to engage employees towards organisational objectives. Organisational productivity is likewise linked to smooth and effective communication (Clampitt & Downs, 1993): productivity increases and service outcomes improve when employees communicate freely and effectively. The efficiency of an organisation is therefore, in large part, a result of open and effective communication.

Performance is a multidimensional concept with varying meanings, whether measurement aims to assess behaviour or results. Nnabuife (2019) argues that performance entails both teamwork and individual effort yielding results that are matched with the reward intended by management, while performance itself has also been described as the results of work, given its links to the strategic goals of the organisation, customer satisfaction, and economic contribution (Armstrong, 2022). Performance can also be viewed as behaviour — the manner in which teams, individuals, and groups complete their tasks — or, more simply, as the act or process of completing a task (Hornby, 2020). In this study, Return on Assets (ROA) is used as a proxy for organisational performance among the accounting-based indicators.

Armstrong (2022) states that the goal of performance management is to enhance both organisational and individual performance, as a process owned and driven by line managers. Performance evaluation, which typically focuses on assessing an individual's performance and providing feedback to help that individual improve, is a much narrower concept than performance management, which additionally seeks to improve team and organisational performance.

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Musheke and Phiri (2021) highlighted that the formulation and execution of a strategic communication plan can bring various benefits to a business, including keeping employees motivated and engaged and delivering clear, consistent messages that support organisational productivity, while also helping to maintain relationships with stakeholders. Communication strategies and organisational performance are, in this sense, inextricably linked: without strategic communication, an organisation's performance is likely to decline. It is against this background that the present study examines the influence of communication on organisational performance in the beverage industry, using Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State, as a case study.

Statement of the Problem

Communication has features that make it a focal point to which every worker looks for improvement when necessary; these features underscore the critical, sensitive, and proper positioning of leadership in organisations. The absence of effective communication is a significant issue endemic in many organisations, with poor staff performance, poor growth, and lack of motivation as common consequences. Despite the acknowledged importance of communication in organisational success, many beverage companies face challenges in effectively conveying their messages. Miscommunication can lead to misunderstandings, brand damage, and lost sales opportunities; without an adequate communication system, an organisation cannot achieve its productivity objectives.

These challenges appear to have contributed to a dwindling performance effect at Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State, and can be traced in

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part to the level of communication efficiency within this highly competitive beverage industry. Managers continually strive to improve their communication styles to increase organisational productivity, and communication practices at different levels of management may reflect distinct ways of tackling problems and managing units. Sound communication practice is important for ensuring a linkage between strategic and operational activities; an organisation without such linkage is like a ship on an international voyage without a captain.

The main objective of this research is to investigate the influence of communication on organisational performance in the beverage industry, using Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State, as a case study. The specific objective is to examine how communication affects the operational performance of Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State.

Research Questions

This study was guided by the following research questions:

1. What are the socio-demographic characteristics of respondents at Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State?

2. How does communication affect the operational performance of Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State?

Literature Review

Communication

Communication has been defined in various ways in the literature. It has been described as the sharing of opinions, ideas, facts, and emotions to create mutual

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agreement between two or more people, involving the encoding, transmission, and decoding of messages between a sender and a receiver (Musheke & Phiri, 2021). Within organisations, communication encompasses both internal communication, involving coordination between departments, employees, and management, and external communication, involving suppliers, shareholders, regulators, and customers (Ibrahim, Smith, & Bello, 2022). Where communication is poorly managed, the resulting costs can be substantial, with negative consequences for organisational performance and reputation (Anwar & Abdullah, 2021).

Internal communication refers to the exchange of information among employees, staff, and groups at different levels and areas of specialisation, undertaken to coordinate organisational activities, values, and routine tasks (Dolphin, 2023). Organisations with clearly defined internal communication practices are better placed to achieve their objectives and to share knowledge among their human resources (Dolphin, 2023). Such communication is conveyed through both traditional tools, such as notice boards, telephones, and meetings, and modern tools, such as e-mail, intranets, and social media, with the growth of Information and Communication Technologies (ICT) steadily expanding the range of digital channels available to organisations (Barrett, 2006). The reach of these digital platforms extends beyond internal organisational contexts, as reflected in research on their use for political mobilisation (Poonam, Kaushik, & Sharma, 2022) and in scientometric analyses that point to growing scholarly interest in communication research generally (Nandeesha & Begum, 2023).

The relationship between organisational systems and performance extends beyond communication alone. Automation in human resource strategies, for example,

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has been shown to enhance employee involvement in organisations pursuing sustainable business practices (Padmavathy, 2025), while firm performance is increasingly shaped by accountability and governance mechanisms such as corporate social responsibility (Uwhejevwe-Togbolo et al., 2026a) and organisational legitimacy built through transparent data governance (Uwhejevwe-Togbolo et al., 2026b). Like communication, these mechanisms depend on the clear and trustworthy exchange of information between an organisation and its stakeholders.

Beverage Industry

The beverage industry comprises the manufacture, marketing, and distribution of drinks such as juices, soft drinks, alcoholic beverages, and bottled water, with production techniques varying according to product type and packaging format. Seven-Up Bottling Company Plc, the case organisation for this study, is one of Nigeria's leading beverage manufacturers, producing and distributing well-known brands including Pepsi, 7Up, Mirinda, Teem, Mountain Dew, and Aquafina. Headquartered in Lagos and operating production facilities across several states, including Ibadan, the company has grown over several decades into one of the largest bottling operations in the country.

Methodology

This study adopted a cross-sectional research design, which was essential for obtaining a deeper understanding of the relationship between communication and organisational performance in the beverage industry. The population of the study consisted of 172 members of staff across all departments of Seven-Up Bottling Company Plc, Ibadan, Oyo State. A sample size of 120 was determined from this population using

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the Taro Yamane formula, and simple random sampling was used to select an equal number of respondents from each of the five departments.

Administration of the questionnaire was carried out by the researcher personally, with the assistance of the human resource personnel of Seven-Up Bottling Company Plc, Ibadan, Oyo State, and all questionnaires were monitored under the researcher's supervision. Of the 120 questionnaires administered, 115 were correctly completed and found valid for analysis. The Statistical Package for the Social Sciences (SPSS, version 27) was used for data analysis, employing both descriptive and inferential statistical techniques.

Results and Discussion

Characteristics of the Respondents

Research Question 1: What are the socio-demographic characteristics of respondents at Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State?

Table 1: Gender of Respondents

Gender	Frequency	Percent
Male	50	43.5
Female	65	56.5
Total	115	100

Table 1 shows that 43.5% of respondents were male while 56.5% were female, indicating that most respondents were female. This suggests that women form a substantial share of personnel at Seven-Up Bottling Company Plc, Ibadan, Oyo State, and may reflect the company's attitude towards gender balance.

Table 2: Age of Respondents

Age Range	Frequency	Percent

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20–30 years	86	74.8
31–40 years	25	21.7
41–50 years	3	2.6
50 years and above	1	0.9
Total	115	100

Table 2 shows that 74.8% of respondents were aged 20–30 years, 21.7% were aged 31–40 years, 2.6% were aged 41–50 years, and 0.9% were aged above 50 years. This indicates that most respondents were young, suggesting that the company engages vibrant individuals well positioned to support organisational performance, and that the company should invest in communication-related training to enhance job performance among this group.

Table 3: Marital Status of Respondents

Marital Status	Frequency	Percent
Married	83	72.2
Single	24	20.9
Divorced	3	2.6
Widowed	5	4.3
Total	115	100

Table 3 shows that 72.2% of respondents were married, 20.9% were single, 2.6% were divorced, and 4.3% were widowed. This indicates that most respondents were married individuals who are likely to be highly responsible and devoted to their work, which could have a positive effect on organisational performance and smooth communication.

Table 4: Educational Qualification of Respondents

Qualification	Frequency	Percent
SSCE	5	4.3
N.C.E./O.N.D.	23	20
H.N.D./B.Sc.	61	53

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Postgraduate	26	22.7
Total	115	100

Table 4 shows that 4.3% of respondents held the SSCE, 20.0% held N.C.E./O.N.D., 53.0% held H.N.D./B.Sc., and 22.7% held a postgraduate qualification. This indicates that most respondents held an H.N.D./B.Sc., suggesting that the majority of employees were well qualified to work with the company and possess what is required to communicate effectively and achieve job performance in the organisation.

Table 5: Level of Respondents in the Organisation

Level	Frequency	Percent
Top	34	29.6
Middle	47	40.9
Lower	34	29.6
Total	115	100

Table 5 shows that 29.6% of respondents were at the top level of the organisation, 40.9% were at the middle level, and 29.6% were at the lower level. This indicates that most respondents were at the middle level, which is significant since middle-level staff influence a great deal of organisational activity and may require particular support to achieve effective and efficient communication.

Table 6: Years of Experience of Respondents

Years of Experience	Frequency	Percent
1–5 years	30	26.1
6–10 years	68	59.1
11–20 years	7	6.1
21 years and above	10	8.7
Total	115	100

Table 6 shows that 26.1% of respondents had 1–5 years of experience, 59.1% had 6–10 years, 6.1% had 11–20 years, and 8.7% had above 20 years of experience. This indicates that most respondents had 6–10 years of experience, showing that

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respondents were not new to the company and possessed meaningful experience within their departments, which the company may draw upon to enhance communication and organisational performance.

Research Question 2: How Does Communication Affect the Operational Performance of Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State?

Table 7: Effective Communication Affects the Ability to Complete Tasks Efficiently

Response	Frequency	Percent
Strongly Agree	60	52.2
Agree	32	27.8
Undecided	10	8.7
Disagree	8	7
Strongly Disagree	5	4.3
Total	115	100

Table 7 shows that 52.2% of respondents strongly agreed and 27.8% agreed that effective communication affects the ability to complete tasks efficiently, while 8.7% were undecided, 7.0% disagreed, and 4.3% strongly disagreed. This supports the view that communication is a lifewire of an organisation: without a free flow of communication, organisational performance is affected.

Table 8: Communication Breakdowns or Misunderstandings Lead to Delays or Errors in Work

Response	Frequency	Percent

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Strongly Agree	56	39.6
Agree	44	38.3
Undecided	8	7
Disagree	3	2.6
Strongly Disagree	4	3.5
Total	115	100

Table 8 shows that 39.6% of respondents strongly agreed and 38.3% agreed that communication breakdowns or misunderstandings lead to delays or errors in their work, while 7.0% were undecided, 2.6% disagreed, and 3.5% strongly disagreed. This confirms that communication is crucial to organisational performance, underscoring the importance of enhancing the free flow of communication among workers.

Table 9: Improved Communication Leads to Increased Productivity in the Organization

Response	Frequency	Percent
Strongly Agree	63	54.8
Agree	29	25.2
Undecided	9	7.8
Disagree	6	5.2
Strongly Disagree	8	7
Total	115	100

Table 9 shows that 54.8% of respondents strongly agreed and 25.2% agreed that improved communication leads to increased productivity in the organisation, while 7.8% were undecided, 5.2% disagreed, and 7.0% strongly disagreed. This supports the need to strengthen communication within an organisation.

Table 10: Effective Communication to Employees Gives Them Less Inclination to Spread Misinformation

Response	Frequency	Percent
Strongly Agree	65	56.5
Agree	24	20.9

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Undecided	8	7
Disagree	14	12.2
Strongly Disagree	4	3.4
Total	115	100

Table 10 shows that 56.5% of respondents strongly agreed and 20.9% agreed that effective communication to employees gives them less inclination to spread misinformation, while 7.0% were undecided, 12.2% disagreed, and 3.4% strongly disagreed. This underlines the importance of promoting healthy communication within an organisation.

Table 11: Effective Communication had a Positive Impact on Organization Performance

Response	Frequency	Percent
Strongly Agree	77	66.9
Agree	16	14
Undecided	5	4.3
Disagree	9	7.8
Strongly Disagree	8	7
Total	115	100

Table 11 shows that 66.9% of respondents strongly agreed and 14.0% agreed that effective communication had a positive impact on organisational performance, while 4.3% were undecided, 7.8% disagreed, and 7.0% strongly disagreed. This further confirms the positive effect of effective communication on organisational performance, and the importance of building on efficient communication to achieve optimal performance.

Table 12: Communication has a Positive Impact on the Scale Efficiency of Firms

Response	Frequency	Percent
Disagree	20	17.4
Agree	44	38.3

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Strongly Agree	51	44.3
Total	115	100

Table 12 shows that 44.3% of respondents strongly agreed and 38.3% agreed that communication has a positive impact on the scale efficiency of firms, while 17.4% disagreed and none were undecided. This confirms that communication is closely related to the efficiency of an organisation.

Table 13: Effective Communication Gives a Sense of Belonging and Ownership to the Organisation, Ensuring Improved Delivery to Customers

Response	Frequency	Percent
Disagree	15	13
Agree	17	14.8
Strongly Agree	83	72.2
Total	115	100

Table 13 shows that 72.2% of respondents strongly agreed and 14.8% agreed that effective communication gives a sense of belonging and ownership to the organization, ensuring improved delivery to customers, while 13.0% disagreed and none were undecided.

In summary, respondents were overwhelmingly positive about the role of communication in operational performance at Seven-Up Bottling Company Plc, Oluyole Area, Ibadan, Oyo State: majorities agreed or strongly agreed that effective communication supports task completion, reduces delays and errors, increases productivity, limits misinformation, improves overall performance, enhances the scale efficiency of the firm, and fosters a sense of belonging that improves customer service delivery.

Hypothesis Testing

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$H0_1$: Communication does not significantly affect the operational performance of Seven-Up Bottling Company.

The model summary in Table 14 demonstrates the extent to which communication accounts for variation in the operational performance of Seven-Up Bottling Company. The result indicates that communication significantly influences operational performance (R = 0.480, Adjusted R^2 = 0.224, p = 0.000).

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.48	0.231	0.224	2.04728

Table 15: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	142.152	1	142.152	33.916	.000
Residual	473.622	319	4.191		
Total	615.774	320			

Table 16: Regression Coefficients

Model	B	Std. Error	Beta	t	Sig.
(Constant)	14.389	1.549	—	9.292	.000
Communication	0.407	0.07	0.48	5.824	.000

These results suggest that communication accounts for 23.1% of the variance in operational performance. The F-value (33.916) indicates that the overall regression equation is statistically significant (Sig. = 0.000, p < 0.05). The null hypothesis that

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communication does not significantly affect the operational performance of Seven-Up Bottling Company is therefore rejected, and the alternative hypothesis is accepted.

Recommendations

Based on the findings of this study, the following recommendations are suggested for enhancing communication and organisational performance at Seven-Up Bottling Company Plc, and in the beverage industry more generally:

1. Organisations should foster a culture in which employees feel heard and understood, promoting open communication and reducing misunderstandings, so that employees can freely express themselves in ways that ultimately support organisational performance.

2. There should be effective communication within the organisation that enhances teamwork, leading to better decision-making and problem-solving; this is crucial for an organisation to thrive, as communication functions as the currency of interpersonal relationships among workers.

3. Communication that encourages the sharing of ideas and drives innovation and creativity within the organisation should be enhanced, as this is important to the ultimate performance of a company.

4. Management should model effective communication behaviours, demonstrating transparency, approachability, and active listening, to enhance free communication between management and employees.

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5. Management should promote a culture in which employees feel comfortable sharing their thoughts, ideas, and concerns, to improve organisational performance and encourage innovation.

Conclusion

This study concludes that low productivity among management, supervisors, and employees is directly related to poor communication. According to the majority of employees surveyed, communication in its various forms was important and had a bearing on their work performance, suggesting that open lines of communication within businesses are a key factor affecting how well such firms perform. One notable finding was that productivity assessments were lower where communication satisfaction was low, and higher where it was high; the analysis also indicated that the effect of communication satisfaction on productivity varied across establishments.

The communication process within an organisation is thus an essential management tool and a particular intricacy of the management system, with two main functions: facilitating interpersonal relationships and creating an atmosphere that supports the internal growth of the company. To achieve the results outlined in its objectives, an organisation must be well prepared and recognise that persistence in learning how to communicate should be a top management priority, since communication is a primary skill that must be acquired and developed.

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