Transparency and Corporate Performance of Beverage Companies in Rivers State, Nigeria
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ABSTRACT
The study examined the relationship between transparency and Corporate Performance of selected beverage companies in Rivers State, Nigeria. The study used the cross-sectional survey design method. The population of the study was 100 managers and a sampling size of 74 managers was obtained from the purposive sampling technique was used. After data distribution, only 54 respondents were finally used for data analysis. Descriptive statistic and Pearson’s Product Moment Correlation Coefficient was used for data analysis and hypothesis testing. Empirical results confirmed that there is a very strong positive and significance relationship between transparency and corporate performance. The study concluded that transparency bears a positive and significance influence on corporate performance. The study recommends that organizations should increase emphasis on transparency as a way to achieve organizational core values among others.

Keywords: Transparency, Corporate Performance, Effectiveness and Efficiency

INTRODUCTION
The dynamic nature of the contemporary business environment places demands on labour to have necessary skills giving access to accurate information and the expertise expected of
them in a global economy. The premise of this reality is undermined if organizations are not trustworthy and transparent. Therefore, transparency is a vital tool for an organization to function effectively, (Birkinshaw, 2006). Studies have shown that organizations are inadequate in the provision of information and accessibility of organizational processes. These inadequacies often lead to autocratic leadership style which is devoid of delegation of power and authority, because he is conscious of his position and has little or no trust for his subordinate, who feels that pay is just a reward for work and it’s only the reward that motivates, which most times creates intensity in an organization leading to a high employee turnover rate. As a result, most times leads to serious negative impact on organizational profitability and even survival. This is because transparency is judged for their instrumental value particularly for performance than for some intrinsic value, (Best, 2008; Heald, 2006).

Giacalona, & Rosenfelt, (2013); Rosenfelt, Giacalona & Riordan, (1999) claim that scholars have found that increase in transparency have increase in impressive management. Transparency impacts significantly on performance and participation to improve performance. Delegation of authority and responsibility to the employees of the organization enhances their service delivery. It is making the policy clear, who is taking the decision what measures are, who is gaining from them and who is paying for them. This means that policies are more likely to be rationale if they are transparent than opaque.

Zhang and Baritol (2010) claim that transparency is a vital tool that can be described as the connection between organization and employee that readily shares relevant facts during interplay with the views of demonstrating true personal feelings. Organizations that are transparent demonstrate true personal feelings, emotions and strength and weaknesses. This means that organizations that display this quality of transparency in the daily managerial activities increase profitability. Eminent scholars have said that organization with transparent
behaviour has much more positive effect on staff creation in the organization. Carmeli, 2010; Norman 2010: Palanski, Kahai & Yammarino, (2011) have stress that organizations that are not transparent lead to employee feeling very insecure which are bound to suffer from consistent and other abnormalities that may detract them from being creative.

This study therefore seeks to examine the relationship between transparency and corporate performance of beverage companies in Rivers State, Nigeria. It also seeks to provide answers to the following questions:

1. What is the relationship between transparency and effectiveness of beverage companies in Rivers State, Nigeria?
2. What is the relationship between transparency and efficiency of beverage companies in Rivers State, Nigeria?

LITERATURE REVIEW

Transparency

In the last 25 years, consistent with the evolution of observation in management and organizational theory, the definition of transparency has expanded to include “openness of information”, “clarity”, “accuracy”, timely release of all relevant information and even truth (Collins, 2008; Heald, 2006; Schnackenberg & Tomlison, 2004). The term transparency has become much more frequent itself, it has become unambiguously a good thing and upheld one of organizational virtue – it has become a conventional wisdom to seek greater transparency (Collins, 2008). Transparency as a democratic ring despite its intellectual roots in both learning and control is now deemed inappropriate, if not undemocratic to argue for the opposite (Welch & Rotberg, 2006). Transparency is very much related to freedom, the quality of relationships, the quality of sustainability of the organization (Lazarus & McManus 2006).
According to (Cotterrel, 1999) transparency refers to the flow of available information on matters of public concern so that stakeholders can identify areas of relevant content disclosure and evaluate whether the information disclosed meets their information needs. (Tombrun & Rindova, 2000; Jahnsoozi, 2006). An organization with a transparency policy creates trust and at the same time leads to solving problems. An environment where employees are trust worthy give room for employee to be safe and confident of job security which leads to enhanced performance.

Bunting (2014) claims that transparency is considered a new standard for achieving trust since it opens professional practices to public scrutiny. Management practitioners advocate transparency as a tool for reputation management and a way to demonstrate trustworthiness (Goodman, 2002). Transparency is simply the opposite of secrecy (Crombs, & Holladay, 2012; Forini, 2001). Berglund, (2014) asserts that achieving transparency is understood as a matter of developing the right principles and practices to eliminate secrecy, because complete transparency is considered to be a state to which no corporate governance mechanisms would be required.

**Corporate Performance**

The term performance is well known in an organizational setting and as such, much emphasis have been said about it by eminent scholars in an attempt to address the factors influencing it as well as to single out its indices of measurement and managerial ability in business organizations, around the world. Really, many scholars have gained their views about the importance of performance in an organization, yet there seems to be little or no hope as regards arriving at a conclusion on what actually are the factors influencing the rate of performance of an individual in an organization (Mills & Smith 2010). Again, in recent times, the term performance has gathered more momentum such that it has been accorded
much premium in business organizations no matter whether they are profit oriented or not (Ismael, Yusof & Davidson 2010).

Sonnentag & Frese (2002) has noted that performance as a multi-dimensional and dynamic concept. In accordance with the US Department of Management of Personnel, performance simply means a systematic process through a government department enforcing organizational goals which forms the basis on which such organization is established.

**Measurement of Corporate Performance**

**Effectiveness**

Effectiveness refers to the extent to which the service provided meets the objectives and expectations of the organization or a customer. Effectiveness measures include: (i) Coverage: The number of customers you serve, (ii) Accomplishment: Measures the overall outcome or achievement of a program, (iii) Quality: The proportion of service provided without error and (iv) Satisfaction: Customer satisfaction as measured by a predefined survey. Effectiveness measures how well the outputs of a program or service achieved stated objective (desired outcomes) of that program or service. A common measure of organizational performance is effectiveness (Gan, Thompson & Lauwers; 2005; Edwards, Duan, & Robbins, 2000). Although managers and investors often place effectiveness with efficiency, as recoded by Mouzas (2006), each of these terms have their own distinct meaning.

Most organizations assess their performance in terms of effectiveness. Their main focus is to achieve their vision, mission and goals, effectiveness oriented companies are concerned with output, sales, quality, creation of value added, innovation, cost reduction, it measures the degree to which a business achieved its goals or the way output interact with the economic and social environment. Zheng (2010) said that effectiveness determines the policy objectives of the organization or the degree to which an organization realizes its own goal. Meyer and Herscovitch (2001) analyzed organizational effectiveness through organizational
commitment. According to Heilman and Kennedy-Philips (2011), organizational effectiveness helps to assess the progress towards mission fulfillment and goal achievement. To improve on organizational effectiveness management should strive for better communication, interaction, leadership, direction, adaptability and positive environment.

**Efficiency**

Efficiency measures relationship between inputs and outputs or how successfully the inputs have been transformed into outputs (Low, 2000). According to Pinprayong and Siengtai (2012), there is a difference between business efficiency and organizational efficiency. Business efficiency reveals the performance of input and output ratio, while organizational efficiency reflects the improvement of internal processes of the organization, such as organizational structure, culture and community. It is important to understand that efficiency does not mean that the organization is achieving excellent performance in the market, although it reveals its operational excellence in the source of utilization process. Organizations can be managed effectively, yet, due to the poor operational management, the entity will be performing inefficiently (Karlaftis, Vlahogianni, & Golias, 2004).

**Relationship between Transparency and Corporate Performance**

An ingredient that is lacking in business organization today is taking the right transparency and openness in carrying out her organizational objectives. Transparency needs to be embraced to engender performance. The overall purpose of transparency is to disclose relevant information in a timely manner. Studies have shown that the outcome of transparency provides employees privacy and therefore gives room for innovation and creativity rather than complaint, more exploration, less exploitation (Patil & Tellock, 2014). Transparency is understood as information dissemination that causes no changes in what is visible.
Transparency is very much related to freedom, the quality of relationships, the quality of life and sustainability of an organization. Transparency impacts the organization positively.

The foregoing hypotheses thus were thus stated:

Ho1: There is no significant association between transparency and effectiveness in beverage companies in Rivers State.

Ho2: There is no significant association between transparency and efficiency of beverage companies in Rivers State.

Figure 1: Operational Framework for the hypothesized relationship between Transparency and corporate performance
Source: Author’s Research Desk, 2019

METHODOLOGY

This research is based on quasi-experimental study and the cross-sectional survey design was adopted for the purpose of data collection. Sekeran (2003) espoused that, a cross-sectional study is one that involves data generation at one single point which might be over a given period ranging from few days, weeks or months. Also, Saunders. (2003) argued that it involves the observation of a situation on incidence at a one instance and it often uses the survey method. The research design also serves as a framework or plan that is used to guide in collecting and analyzing data for a study. It is a mode of proof that allows the researcher to draw inferences on casual relations among variables under investigation (Baridam, 2001;
Sekaran, 2003). According to Leong and Austin (2006) correlational research is normally carried out to determine the association between two or more variables. Thus, the targeted population of this study was 100 management staff from the 17 beverage companies in Rivers State who have been operational between 5 – 10 years and are also registered with Manufacturing Association of Nigeria (MAN), 2017 – 2019. Out of this population size, 74 was obtained through the purposive sampling techniques. The Cronbach Alpha coefficient confirmed the data instrument to be reliable (See Table 1)

Table 1: Reliability statistics for the instruments

<table>
<thead>
<tr>
<th>S/No</th>
<th>Dimensions/Measures of variable</th>
<th>Number of Items</th>
<th>Number of cases</th>
<th>Cronbach’sAlpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transparency</td>
<td>4</td>
<td>54</td>
<td>0.830</td>
</tr>
<tr>
<td>2</td>
<td>Effectiveness</td>
<td>4</td>
<td>54</td>
<td>0.768</td>
</tr>
<tr>
<td>3</td>
<td>Efficiency</td>
<td>4</td>
<td>54</td>
<td>0.731</td>
</tr>
</tbody>
</table>

Source: data output 2019

In relation to data analysis, the study data gathered from the field were analyzed in two main categories: the univariate and the bivariate level. All tests for the study were carried out with the statistical package for the Social Sciences (SPSS) version 22. These were all scaled on the five (5) point Likert scale (ranging from 1:SD=Strongly Disagree, 2: D=Disagree, 3:N=Neutral, 4:A=Agree, 5:SA=Strongly Agree).

DATA ANALYSIS AND RESULTS

Test of Hypothesis one

Ho1: There is no significant association between transparency and effectiveness

Table 2: Correlation for transparency and effectiveness

<table>
<thead>
<tr>
<th>Transparency</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>.843**</td>
</tr>
<tr>
<td>Correlation</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>54</td>
</tr>
</tbody>
</table>
Effectiveness  
Pearson Correlation  .843**  1
Sig. (2-tailed)  .000
N  54  54

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

Source: Data Output 2019

Table 2 shows a strong and positive relationship exists between transparency and effectiveness. The \(r=0.843, p=0.000\) at 0.01) indicates that there is a strong positive and significance relationship between transparency and effectiveness. Therefore, based on the empirical findings the null hypothesis earlier stated is hereby rejected and the alternate accepted. Thus, there is a significant relationship between transparency and effectiveness in beverage companies in Rivers State.

Testing of Hypothesis two

Ho2: There is no significant relationship between transparency and efficiency of beverage companies in Rivers State.

Table 3: Correlation result for transparency and efficiency

<table>
<thead>
<tr>
<th></th>
<th>Transparency</th>
<th>Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>Pearson Correlation 1</td>
<td>.851**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>N  54  54</td>
<td>54</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Pearson Correlation .851**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>N  54  54</td>
<td>54</td>
</tr>
</tbody>
</table>

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

Source: Research Data Output 2019

Table 3 shows that there is a strong positive relationship exist between Transparency and efficiency. The \(r=.851, p=0.000\) at 0.01) indicated that there is a strong positive and significant relationship between transparency and efficiency. Therefore, Based on the r value of .851 and the p-value of 0.000, we rejected the null hypothesis which earlier stated that there is no significant relationship between transparency and efficiency and accept the
alternate. This means that there is a significant relationship between transparency and efficiency of beverage companies in Rivers State.

**DISCUSSION OF FINDINGS**

It was discovered that transparency is strongly correlated with effectiveness and efficiency. Therefore the researcher stated based on the empirical fact that the transparency is a key factor of performance in any organization. At 85% confidence for all the hypotheses stipulated, the evidence suggests that transparency influences performance of the employees in the selected organizations. Also, the extent to which variables (transparency and corporate performance) was revealed to be significant. Subsequently, all the null hypotheses for the study were rejected as evidence suggests otherwise. The specific relationships between the variables are discussed as follows transparency and effectiveness was revealed to be significant at 0.01 level of significant with two tail. The evidence suggests that transparency is concerned with behaviour and character disposition of the workers is observed to influence of workers decisions. The discovery supports the earlier findings of transparent and trustworthy behaviour go hand in hand. Formally defined, transparent behaviour refers to that which is morally accepted as ‘good and right’ as opposed to ‘bad and wrong’ in a particular situation. (Silverstein, & Monty, (1989). The evidence on the tests for the relationship between transparency and effectiveness and efficiency reveals that there is a significant relationship between the both variables. We therefore reject the null hypotheses and restate that transparency is significantly associated with effectiveness. The second null hypothesis was also rejected in its place we restate transparency is significantly associated with efficiency. Performance greatly, and decision

**CONCLUSION AND RECOMMENDATIONS**
From the findings of this study, it revealed that there exists a strong positive and significant relationship between transparency and corporate performance of beverage companies in Rivers state. The researcher claim that transparency is strongly associated with corporate performance, boosting the ability to solve problems of ambiguity and alienation. The researcher also recommend that corporate organizations to operate successfully should proactively share relevant information with employees by creating a bond, having a decentralized decision making structure which should be regularly interacted.

REFERENCES


