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Influence of Communication Strategy on Performance of Commercial Banks in Nigeria

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ABSTRACT

The Nigerian banking sector has over the years increasingly relied on debt financing to sustain operations and enhance profitability, yet concerns remain about its potential to undermine financial stability when mismanaged. Despite existing regulations, many banks in Nigeria still struggle with balancing debt structures, leading to fluctuating performance outcomes and heightened credit risk. This persistent problem necessitated an inquiry into the influence of debt financing on the financial performance of commercial banks in Nigeria. The purpose of this study was therefore to investigate the influence of debt financing on the financial performance of commercial banks in Nigeria, anchored on the Pecking Order Theory and the Trade-Off Theory. The study adopted a descriptive research design targeting 2,764 staff drawn from 21 licensed commercial banks in Nigeria. Proportionate stratified random sampling was used, with Slovin's formula guiding sample determination. A total sample of 349 respondents was selected, comprising 137 senior managers, 102 middle managers, and 110 operational staff. Primary data were collected using structured questionnaires while secondary data were obtained from bank financial reports. Data were analyzed using descriptive statistics, correlation, and regression analysis. Findings revealed a strong positive and significant correlation between debt financing and financial performance ($r = 0.711$, $p < 0.05$). Regression results further indicated that debt financing significantly predicted financial performance ($\beta = 0.648$, $p < 0.05$). The study concludes that prudent debt financing enhances bank profitability and sustainability. It recommends that bank managers strengthen their debt structuring policies to optimize performance, while regulators should establish stricter monitoring frameworks to mitigate over-leveraging and systemic risks.

Keywords: Debt Financing, Financial Performance, and Commercial Banks

INTRODUCTION

The performance of commercial banks plays a central role in ensuring economic growth and financial stability, particularly in developing economies such as Nigeria. Banks serve as intermediaries between savers and borrowers, facilitate payments, and drive investments that

fuel national development (Saunders & Cornett, 2020; Kaplan & Norton, 2016; Hrebiniak, 2020). However, the success of banks in achieving these roles is heavily dependent on the effective implementation of strategic practices, among which communication strategy is paramount. Clear, consistent, and purposeful communication ensures alignment of organizational objectives, employee engagement, and customer satisfaction, thereby strengthening overall bank performance (KPMG, 2022; Deloitte, 2021; Porter, 2020).

Globally, communication has emerged as a critical enabler of organizational performance, especially within highly competitive and regulated financial sectors. Commercial banks in advanced economies like the United States and the United Kingdom have adopted two-way symmetrical communication frameworks, enabling interactive dialogue with stakeholders and strengthening trust and loyalty (Grunig, 2009; O'Rourke, 2016; Giddens, 2017). Institutions that fail to establish robust communication strategies often experience regulatory challenges, customer dissatisfaction, and operational disruptions. Therefore, the integration of effective communication strategies into strategic execution is increasingly viewed as a source of sustainable competitive advantage in the banking industry (Brynjolfsson & McAfee, 2017; Kaplan & Norton, 2016; Ghosh & Krishnan, 2019).

Regionally, African banks face a complex operational environment characterized by financial inclusion drives, regulatory reforms, and digital banking transformations. In Kenya, for instance, mobile banking platforms such as M-Pesa have transformed communication between banks and customers, thereby improving service delivery and performance outcomes (El-Masry, 2019; Nderitu, 2019; Van der Merwe & Ferreira, 2018). Similarly, South African banks leverage digital communication technologies and risk-based management frameworks to engage clients and align internal processes with regulatory requirements (Nel, 2021; Buckland, 2020; Ghosh & Krishnan, 2019). These regional experiences highlight how effective communication strategies can strengthen customer relationships, enhance transparency, and improve operational efficiency across African banking systems (Mkumbo, 2020; Nchimbi, 2021; Ahmed & Saeed, 2021).

In Nigeria, the banking sector has undergone significant reforms, such as the 2005 bank consolidation, which reshaped industry structures and emphasized the importance of governance and communication in sustaining competitiveness (CBN, 2022; Adeleye et al., 2020; Idris & Zubairu, 2020). Major Nigerian banks including Zenith, GTBank, and Access Bank have adopted digital platforms and AI-driven customer engagement models, strengthening their communication strategies and enhancing financial inclusion (Buckland, 2020; Ogunbiyi & Olusegun, 2019; Müller & Turner, 2020). However, challenges persist, including inadequate internal communication, poor information flow between leadership and staff, and weak crisis communication structures, all of which hinder effective strategy execution and bank performance (Okoye & Ezejiofor, 2021; Deloitte, 2022; CBN, 2021).

Despite the recognition of communication as a strategic driver of performance, gaps remain in aligning communication strategies with organizational objectives in Nigerian banks. Studies show that ineffective communication frameworks contribute to poor employee engagement, customer dissatisfaction, and missed growth opportunities (Adebayo & Sulaimon, 2021; Olamide & Ayodele, 2019; Chukwu & Okoro, 2018). Furthermore, while leadership, results-based management, and resource allocation have been extensively studied, the role of communication strategy has often been examined in isolation rather than as part of an integrated execution model (Igbinedion & Adeola, 2017; Akinyemi & Eniola, 2020; Adedeji

& Ayeni, 2020). This study therefore seeks to bridge this gap by investigating the influence of communication strategy on the performance of commercial banks in Nigeria, providing insights that can guide both practitioners and policymakers in strengthening communication frameworks for enhanced performance.

Statement of the Problem

Communication strategy is a critical driver of organizational success, especially in the banking industry where regulatory compliance, customer relationships, and operational efficiency rely on effective information flow. In Nigeria, commercial banks are expected to implement clear, consistent, and interactive communication systems that strengthen employee alignment, foster customer trust, and enhance competitiveness (Grunig & Hunt, 1984; Clampitt, 2017; Adeleye et al., 2020). However, studies reveal persistent challenges, including poor internal communication, weak feedback mechanisms, and limited crisis communication frameworks, which contribute to inefficiencies, governance lapses, and reduced employee engagement (CBN, 2022; Deloitte, 2022). Although some banks have adopted digital platforms, barriers such as inadequate training, inconsistent customer engagement, and resource limitations continue to undermine effective communication (CBN, 2021). Prior research often treats communication strategies in isolation, overlooking their holistic impact on performance indicators such as profitability, efficiency, and customer satisfaction. This study addresses this gap by examining how integrated communication strategies influence the performance of Nigerian commercial banks.

Objective

To establish the influence of Communication strategy on Performance of Commercial Banks in Nigeria.

Research Hypothesis

H₀: Communication strategy do not statistically significantly influence Performance of Commercial Banks in Nigeria.

LITERATURE REVIEW

Theoretical Review

Two-Way Symmetrical Theory of Communication

The Two-Way Symmetrical Theory of Communication, developed by Grunig and Hunt (1984), emphasizes mutual dialogue and understanding between organizations and their stakeholders. Unlike one-way communication models that focus solely on transmitting information, this theory advocates for a balanced exchange where feedback is equally valued. In the context of commercial banks, the model highlights the importance of building trust and transparency with both internal stakeholders (employees) and external stakeholders (customers and regulators). By engaging in active dialogue, banks can tailor services to customer needs, improve internal alignment, and foster long-term loyalty (Grunig, 2009; O'Rourke, 2016; Giddens, 2017).

For Nigerian commercial banks, the Two-Way Symmetrical Theory provides a framework for strengthening customer relationships, enhancing service delivery, and mitigating crises through proactive engagement. Effective application of this theory involves establishing feedback channels, digital platforms, and participatory decision-making structures that align employee performance with organizational goals. While implementation may be resource-intensive, the

benefits include improved reputation, customer satisfaction, and operational efficiency. Thus, this theory underscores how communication strategies contribute directly to enhanced performance outcomes in the banking sector (Adebayo & Sulaimon, 2021; Chukwu & Okoro, 2018; Igbinedion & Adeola, 2017).

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) Theory, introduced by Wernerfelt (1984) and advanced by Barney (1991), posits that an organization's sustained competitive advantage arises from its ability to acquire, manage, and deploy resources that are valuable, rare, inimitable, and non-substitutable (VRIN). In banking, resources extend beyond financial capital to include intangible assets such as customer trust, brand reputation, skilled human resources, and effective communication frameworks. Communication strategy, therefore, can be conceptualized as a critical intangible resource that differentiates high-performing banks from less competitive ones (Barney, 1991; Teece, 2014; Makadok, 2016).

Applied to Nigerian commercial banks, RBV highlights how well-structured communication strategies, such as digital customer engagement systems, internal knowledge-sharing platforms, and transparent reporting mechanisms—enhance organizational capabilities and long-term sustainability. When effectively leveraged, communication becomes a strategic asset that not only fosters customer loyalty but also improves regulatory compliance and operational resilience. Conversely, poor communication frameworks weaken internal coordination and erode market confidence, reducing competitiveness. Thus, RBV demonstrates that communication strategy is not merely a support function but a vital organizational resource influencing performance (Wernerfelt, 2016; Ahuja & Morris, 2017; Arend, 2017).

Empirical Review

Communication strategy and performance of commercial banks

Adebayo and Sulaimon (2021), conducted a study titled *The Impact of Communication Strategies on the Performance of Commercial Banks in Nigeria*. The study aimed to explore how communication strategies, particularly customer feedback mechanisms and crisis communication, influence the performance of Nigerian commercial banks. The research adopted a quantitative approach, surveying 200 employees across various commercial banks in Nigeria using structured questionnaires. The findings indicated that effective communication strategies, especially clear messaging and customer feedback mechanisms, contributed to improving customer satisfaction and operational efficiency in the banks. A conceptual gap was identified, as the study did not examine the internal communication strategies within banks and their impact on employee performance. This current study seeks to fill this gap by exploring the influence of both external and internal communication strategies on the performance of commercial banks in Nigeria.

Olamide and Ayodele (2019) published a study titled *Communication Strategies and Organizational Performance of Banks in Sub-Saharan Africa*. The objective was to investigate how communication strategies impact the organizational performance of banks in Sub-Saharan Africa. The study employed a mixed-methods approach, combining interviews with senior bank managers and surveys from 300 employees in six different countries, including Kenya, Ghana, and South Africa. The findings revealed that clear messaging, the use of modern communication technologies, and efficient crisis communication plans positively affected banks' profitability, customer retention, and brand image. A contextual gap was identified, as the study did not focus on Nigeria specifically. This study intends to bridge that gap by focusing

on the Nigerian market and providing a deeper understanding of communication strategies tailored to Nigerian commercial banks.

In a 2020 study by Akinyemi and Eniola, *The Role of Communication Strategy in Improving Performance in Nigerian Commercial Banks* was published. The objective of this study was to examine the role of communication strategy in improving both the financial and operational performance of Nigerian commercial banks. The study utilized a descriptive research design, gathering data from 150 bank employees through questionnaires. The findings showed that banks with strong communication strategies, particularly in handling customer queries and feedback, achieved higher levels of customer satisfaction and financial performance. The gap identified in this study was a conceptual gap, as it did not explore how communication strategies impact internal communication within banks. This study will fill that gap by examining the influence of both external and internal communication on the overall performance of commercial banks in Nigeria.

In a study by Chukwu and Okoro (2018), titled *Effective Communication Strategies for Enhancing the Performance of Commercial Banks* aimed to investigate how various communication strategies, particularly crisis communication and customer service, affect the performance of Nigerian commercial banks. This study adopted a survey design, collecting data from 120 employees of different banks through structured questionnaires. The findings indicated that effective crisis communication and customer service communication strategies led to improved customer trust and satisfaction, which in turn boosted the performance of the banks. The gap identified was a conceptual gap, as the study did not include performance metrics such as financial performance and profitability. This research intends to fill this gap by including key performance indicators (KPIs) to evaluate the financial outcomes of communication strategies.

In a study by Igbinedion and Adeola in 2017, *Strategic Communication and Organizational Performance in Nigerian Banks* was conducted. The study aimed to examine the role of strategic communication in improving the overall performance of Nigerian commercial banks. Using a qualitative approach, the researchers conducted in-depth interviews with 50 managers and senior executives from 10 Nigerian banks. The findings showed that strategic communication, especially in brand positioning and public relations, was key in influencing customer perception and bank performance. The gap identified was a conceptual gap, as the study did not examine how internal communication between bank employees affects operational performance. This study seeks to bridge this gap by exploring both internal and external communication strategies and their influence on the performance of Nigerian commercial banks.

Performance of Commercial Banks

The performance of commercial banks is measured through key indicators such as employee satisfaction and engagement, customer satisfaction and retention, operational efficiency, and profitability, all of which reflect their competitiveness and sustainability in dynamic financial markets. Employee satisfaction enhances productivity, lowers turnover, and improves customer service, with research showing that investment in staff wellbeing fosters efficiency and service quality (Armstrong, 2020). Similarly, customer satisfaction, influenced by service quality, responsiveness, and digital banking experiences, promotes loyalty and long-term profitability by reducing acquisition costs and stabilizing revenue streams (Kotler & Keller, 2019; Hassan, Mahmood, & Ahmed, 2020).

Operational efficiency, often driven by technological innovations such as artificial intelligence, automation, and digital platforms, minimizes costs, improves service delivery, and ensures adaptability to market changes (Deloitte, 2021). Finally, profitability remains the ultimate measure of bank success, commonly assessed through return on assets (ROA), return on equity (ROE), and net interest margin (NIM), with strong governance and risk management sustaining growth and resilience (Saunders & Cornett, 2020). Collectively, these indicators provide a comprehensive assessment of a bank's internal capabilities, financial health, and long-term sustainability.

RESEARCH METHODOLOGY

Research Design

The study adopted a descriptive research design, which was appropriate for examining the relationship between communication strategies and the performance of commercial banks in Nigeria. This design allowed the researcher to collect quantifiable data from respondents and analyze patterns, relationships, and statistical significance between variables. Descriptive designs are widely applied in organizational studies because they enable an objective assessment of perceptions, behaviors, and outcomes within a defined population (Mugenda & Mugenda, 2019; Saunders et al., 2019; Kothari & Garg, 2019).

Target Population

The target population comprised 26 licensed commercial banks in Nigeria, with emphasis placed on top management, middle-level managers, and operational staff who directly engage in communication and performance-related functions. According to the Central Bank of Nigeria (CBN), these banks collectively represent the backbone of the Nigerian financial sector, making them a suitable population for investigating how communication strategies influence performance (CBN, 2022; Adeleye et al., 2020; Idris & Zubairu, 2020).

Sampling Technique and Sample Size

A proportionate stratified random sampling technique was applied to ensure representation across different managerial categories. The sample size was determined using Slovin's formula, which balances accuracy with feasibility in survey-based research. From the total population, a sample of 349 respondents was drawn, including 137 senior managers, 102 middle managers, and 110 operational staff. This approach enhanced representativeness and minimized sampling bias.

Data Collection Methods

Primary data were collected using structured questionnaires that captured both closed and open-ended responses, focusing on communication practices and performance indicators. Secondary data were obtained from official financial reports, Central Bank publications, and industry assessments to validate primary responses. The use of multiple sources ensured data triangulation, increasing the reliability and validity of the findings.

Data Analysis Techniques

Data were analyzed using descriptive and inferential statistical techniques. Descriptive analysis summarized the data using frequencies, means, and standard deviations, while inferential analysis employed correlation and multiple regression to test the strength and direction of relationships between communication strategies and bank performance. The correlation analysis established significant positive associations, while regression confirmed the predictive power of communication strategy on performance outcomes.

Bivariate regression model was also adopted to test for the influence of Communication Strategy on Performance of commercial banks in Nigeria. The formula was derived as follows:

$$Y = \beta_0 + \beta_3 X_3 + \varepsilon \dots \dots \dots (iii)$$

Where β represents the coefficient for Communication Strategy.

ε represents the error term

Y represents the Performance of commercial banks in Nigeria

X_3 represents Communication Strategy

Ethical Considerations

The study adhered to ethical standards by obtaining informed consent from all participants, ensuring that their involvement was voluntary and based on a clear understanding of the research purpose. Respondents' anonymity and confidentiality were strictly maintained, with data securely stored and used solely for academic purposes. Additionally, the researcher sought ethical clearance and complied with institutional and professional guidelines to safeguard integrity and protect participants' rights.

RESULTS AND DISCUSSIONS

The study achieved a high questionnaire response rate of 73.84% (96 out of 130 issued), which was acceptable for analysis and attributed to the self-administered method that allowed clarification of queries at the point of data collection. The demographic profile of respondents showed that the majority were Strategic Planning General Managers (30.2%), followed by Finance (21.9%) and Human Resources (18.8%), while Marketing and ICT General Managers accounted for 15.6% and 13.5% respectively, ensuring balanced representation across functional areas. In terms of work experience, 33.3% had served between 5–10 years, 30.2% had less than 5 years, 17.7% had 11–15 years, and 18.8% had more than 15 years, indicating a workforce dominated by mid-career professionals.

Regarding tenure in current positions, 40.6% had been in their roles for 3–5 years, 32.3% for 6–10 years, while only 6.3% had served more than 10 years, suggesting role stability with moderate turnover. Bank type distribution revealed 54.2% from multinational banks and 45.8% from indigenous banks, reflecting a balanced perspective. Educationally, the majority held a Bachelor's degree (42.7%), followed by Master's degree (25.0%), Diploma/Certificate (21.9%), and Doctorate (10.4%), showing that the study captured views from a highly qualified and experienced leadership cadre in Nigerian commercial banks.

Communication strategy on Performance of Commercial Banks in Nigeria

The data presented in Table 1 offers a structured analysis of the influence of communication strategy on the performance of commercial banks in Nigeria, evaluated across four key constructs: clear messaging, customer feedback, crisis communication planning, and technology use. The highest mean score of 4.05 with a standard deviation of 0.997 was recorded for the statement "The bank has clear and consistent messaging to employees and customers." This indicates a strong consensus that Nigerian banks prioritize coherent and uniform communication both internally and externally. However, the relatively higher variability suggests that while clear messaging is a general strength, it may not be uniformly applied across all departments or branches.

In terms of customer feedback, the statement "The bank actively collects and acts on customer feedback to improve services" received the lowest mean of 3.05 and a standard deviation of 0.835. This reflects a notable shortfall in leveraging customer insights for performance

improvement. The moderate variability implies inconsistent practices across institutions, suggesting that while some banks may integrate feedback loops effectively, others lag behind.

For crisis communication, the statement “The bank has an effective crisis communication plan in place” showed a relatively high mean of 3.81 and the lowest standard deviation of 0.510, indicating widespread agreement and consistent implementation of contingency communication protocols. This is a positive indicator of institutional preparedness and stability in the face of disruptions a critical factor for reputational and operational resilience.

Regarding technology use, the statement “The bank uses modern technology to enhance communication with customers” had a mean of 3.68 with a standard deviation of 0.814. The moderately high mean score suggests that digital tools are increasingly integrated into communication strategies, though variability in responses may point to differing levels of investment or technological capacity across banks.

The statement “Internal communication within the bank is clear and promotes efficient decision-making” scored a mean of 3.71 and a standard deviation of 0.773, reflecting a broadly positive perception of internal communication flow. This implies that internal dialogue contributes to strategic clarity and operational efficiency in most institutions, albeit with room for further standardization.

The statement, “The bank provides regular feedback to improve employee performance” recorded (Mean = 3.43; S.Dev = 0.960), while the statement “Performance expectations are clearly communicated to all employees” had the lowest mean score (Mean = 3.27; S.Dev = 1.021), suggesting that clarity in communication of expectations is an area of concern. The high standard deviation points to considerable variation in how well this communication is experienced by employees across the banks. These findings suggest that while communication mechanisms exist, their timeliness and consistency vary across institutions. This points to opportunities for improvement in internal communication protocols, echoing the principles of the Two-Way Symmetrical Theory of Communication, which advocates mutual understanding and continuous dialogue between management and employees.

Commercial banks in Nigeria appear to perform strongly in clear messaging, crisis communication, and technology enhanced communication, while demonstrating weaknesses in customer feedback integration. Enhancing mechanisms for feedback collection and utilization could significantly bolster customer satisfaction and overall performance. Moreover, aligning communication technologies and internal protocols across institutions would enhance uniformity and strategic agility.

The findings of this study reveal that Nigerian commercial banks demonstrate strong performance in clear messaging, crisis communication planning, and the use of modern technology, while showing weaker performance in customer feedback integration and clarity in communicating performance expectations. These outcomes align with Adebayo and Sulaimon (2021), who emphasized that effective communication strategies particularly clear messaging and robust crisis communication significantly enhance operational efficiency and customer satisfaction. The current findings further corroborate Olamide and Ayodele (2019), who observed that banks leveraging technology-driven communication and crisis readiness achieved improved brand image and customer retention.

However, this study's evidence of limited feedback utilization resonates with Akinyemi and Eniola (2020), who recommended stronger customer engagement mechanisms to drive financial and operational performance. Additionally, while Chukwu and Okoro (2018) highlighted the positive effects of crisis communication, this study adds by revealing gaps in internal communication consistency, particularly in conveying performance expectations an area overlooked in prior research. By incorporating both internal and external dimensions, this study addresses the conceptual gaps identified in previous literature and enriches understanding of how comprehensive communication strategies influence Nigerian commercial bank performance.

Table 1: Influence of Communication strategy on Performance of Commercial Banks

Statement	Mean	St. Dev
The bank has clear and consistent messaging to employees and customers.	4.05	0.997
The bank actively collects and acts on customer feedback to improve services.	3.05	0.835
The bank has an effective crisis communication plan in place.	3.81	0.510
The bank uses modern technology to enhance communication with customers.	3.68	0.814
Internal communication within the bank is clear and promotes efficient decision-making.	3.71	0.773
The bank provides regular feedback to improve employee performance	3.43	0.960
Performance expectations are clearly communicated to all employees.	3.27	1.021

Performance of Commercial Banks in Nigeria

Table 2 presents the performance profile of commercial banks in Nigeria, assessed across key dimensions: employee satisfaction, customer satisfaction, operational efficiency, profitability, and strategic review processes. The highest-rated item is "The bank demonstrates high employee satisfaction", with a mean of 3.60 and a low SD of 0.576, indicating a relatively strong and consistent perception among respondents that staff morale and engagement are adequately maintained. This could reflect sound HR practices, conducive work environments, or satisfactory compensation structures.

Conversely, "The bank demonstrates operational efficiency in its processes" registers the lowest mean of 2.99 (SD = 0.989), signaling that respondents perceive significant room for improvement in how banks manage internal workflows and resources. The relatively high standard deviation underscores inconsistencies in efficiency across institutions, possibly driven by disparities in digital adoption, automation, or management styles.

The statement "The bank consistently meets customer satisfaction expectations" scored a mean of 3.34 (SD = 1.193), reflecting moderate confidence in customer experience delivery. However, the wide variation in responses suggests that while some banks excel in meeting client needs, others may struggle, perhaps due to service delays, inadequate responsiveness, or product misalignment.

Profitability indicators provide a mixed picture. The statement "The bank's annual revenue meets or exceeds its strategic financial targets" has a mean of 3.28 (SD = 0.834), pointing to

modest agreement on revenue attainment. Meanwhile, “The bank's return on assets (ROA) has increased by at least 5% annually over the past three years” shows a slightly higher mean of 3.51 (SD = 0.803), suggesting some perceived improvement in capital productivity, though this may not be uniformly experienced across the sector.

The study asked whether the bank’s cost-to-income ratio has remained above 50% over the past three years. The respondents generally agreed (Mean = 3.47; S.Dev = 0.859), suggesting a level of financial strain or inefficiency in cost management. Finally, the statement relating to performance monitoring, “The bank regularly reviews its performance indicators to inform strategic decisions”, recorded a mean score of 3.62 and a standard deviation of 0.859. This indicates that performance evaluation mechanisms are being actively implemented, and most respondents acknowledge their relevance in guiding strategic direction, although a degree of inconsistency remains in how these practices are experienced.

The findings on the performance of commercial banks in Nigeria closely align with existing scholarship on both financial and non financial performance metrics. The high mean score for employee satisfaction (M = 3.60; SD = 0.576) reflects what Kaplan and Norton (2016) describe as a critical driver of organizational performance, where engaged employees enhance service delivery and innovation. This consistency also resonates with KPMG (2022), which emphasizes that strong HR practices and supportive work environments contribute to sustainable growth in Nigerian banks. In contrast, the lowest score on operational efficiency (M = 2.99; SD = 0.989) underscores inefficiencies in internal processes, a challenge widely documented by Goddard et al. (2016) and Hrebiniak (2020), who argue that gaps between strategy formulation and execution often manifest as process inefficiencies. The variation in responses may reflect the uneven adoption of digital platforms and automation issues highlighted in local studies such as Adeleye et al. (2020), which note disparities in digital transformation across Nigerian banks.

Customer satisfaction (M = 3.34; SD = 1.193) also emerged as moderate, echoing findings by Buckland (2020) that while leading banks leverage AI and digital banking to meet customer expectations, others lag behind, creating inconsistent service quality. Similarly, profitability indicators; revenue attainment (M = 3.28; SD = 0.834) and ROA growth (M = 3.51; SD = 0.803) reflect only modest improvements, in line with Ogunbiyi and Olusegun (2019), who note that despite strong capital bases, Nigerian banks still contend with macroeconomic instability and non performing loans, limiting financial outcomes.

The finding that many banks have a cost to income ratio above 50% (M = 3.47; SD = 0.859) is consistent with observations by Okoye and Ezejiofor (2021) on inefficiencies and governance challenges contributing to high operating costs. However, the strong rating for strategic performance reviews (M = 3.62; SD = 0.859) mirrors Deloitte (2021) and Barney & Hesterly (2019), who emphasize that banks adopting structured monitoring and feedback loops tend to make better strategic adjustments. These results reinforce global and local literature: while Nigerian banks show strength in employee engagement and structured performance monitoring (Kaplan & Norton, 2016; KPMG, 2022), they face ongoing challenges in operational efficiency, cost management, and consistent customer satisfaction (Hrebiniak, 2020; Adeleye et al. 2020). Strengthening execution frameworks through improved digital integration, tighter cost control, and standardized customer experience practices remains crucial for aligning with strategic objectives and achieving sustainable performance. Nigerian commercial banks appear

to perform relatively well in employee satisfaction and ROA trends, but show variability in customer satisfaction, operational efficiency, and strategic performance reviews.

Table 2: Performance of Commercial Banks in Nigeria

Statement	Mean	St. Dev
The bank demonstrates high employee satisfaction.	3.6	0.576
The bank consistently meets customer satisfaction expectations.	3.34	1.193
The bank demonstrates operational efficiency in its processes.	2.99	0.989
The bank's annual revenue meets or exceeds its strategic financial targets.	3.28	0.834
The bank's return on assets (ROA) has increased by at least 5% annually over the past three years."	3.51	0.803
The bank's cost-to-income ratio has is above 50% over the past three years.	3.47	0.859
The bank regularly reviews its performance indicators to inform strategic decisions.	3.41	0.911

Correlation Analysis

This section presents the correlation results assessing the relationship between selected organizational practices, leadership styles, results-based management, communication strategy, and resource allocation, and the performance of commercial banks in Nigeria. The Pearson correlation coefficient was used to measure the strength and direction of these relationships, with statistical significance determined at both the 0.05 and 0.01 levels. Communication strategy also exhibited a strong and statistically significant positive correlation with bank performance ($r = 0.511$, $p = 0.000$), highlighting the importance of clear internal and external messaging, feedback mechanisms, and crisis communication. This outcome corroborates Adebayo and Sulaimon (2021), who found that effective communication strategies enhance customer satisfaction and operational efficiency. It further aligns with Olamide and Ayodele (2019), who linked modern communication technologies and clear messaging to improved customer retention and profitability, and Akinyemi and Eniola (2020), who noted that well-structured communication strategies contribute to both financial and operational improvements.

Table 3: Correlation Analysis

		Communication Strategy	Performance of Commercial Banks
Communication Strategy	Pearson Correlation	1	.511**
	Sig. (2-tailed)		0
	N		96
Performance of Commercial Banks	Pearson Correlation	.511**	1
	Sig. (2-tailed)	0	
	N	96	96

Bivariate Regression Analysis

Table 4 presents the bivariate regression results assessing the effect of communication strategy on the performance of commercial banks in Nigeria. The analysis shows a Pearson correlation coefficient (R) of 0.511, demonstrating a moderate positive linear relationship between the two variables. The R Square value of 0.2611 indicates that communication strategy accounts for approximately 26.1% of the variability in bank performance, while the adjusted R Square of 0.2472 confirms this explanatory strength after adjusting for sample size. The F-statistic of 19.255 with a significance level of $p = 0.000$ establishes that the model is statistically significant at the 1% level, justifying the rejection of the null hypothesis (H_{02}). Furthermore, the unstandardized coefficient ($B = 0.498$) suggests that a one-unit improvement in communication strategy enhances performance by nearly half a unit. The standardized beta ($\beta = 0.511$) and t-value (4.5273, $p = 0.000$) affirm the significance and moderate strength of this effect. Overall, these results confirm that effective communication—through clarity, customer engagement, digital tools, and crisis management—plays a vital role in enhancing efficiency, stakeholder satisfaction, and performance in Nigerian commercial banks.

Table 4: Bivariate Regression of Communication Strategy on Performance of Banks

	Unstandardized Coefficients	Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	9.14	3.009		3.0376	0.003
Communication Strategy	0.498	0.110	0.511	4.5273	0.000
R	0.511		Df	1,95	
R Square	0.2611		Mean square	32.021	
Adjusted R Square	0.2472		F	19.255	
Std. Error of the Estimate	1.2896		Sig.	0.000	

a Dependent Variable: Performance of Commercial Banks

Test of Hypothesis

Hypothesis testing was conducted using **bivariate regression**, by examining how each independent variable predicts the dependent variable, providing insights into the significance and direction of each relationship.

H_{02} : Communication strategy do not statistically significantly influence Performance of Commercial Banks in Nigeria.

The regression analysis confirmed that communication strategy significantly influences the performance of Nigerian commercial banks, with a coefficient of 0.498 and a p-value of 0.000, leading to rejection of the null hypothesis (H_{02}). This outcome demonstrates that effective communication—through internal clarity, customer engagement, and strategic messaging—enhances operational efficiency, service delivery, and financial performance. The results emphasize that communication frameworks are not merely administrative processes but strategic assets that promote transparency, responsiveness, and competitiveness in the banking sector. These findings align with earlier studies by Adebayo and Sulaimon (2021), Akinyemi and Eniola (2020), and Chukwu and Okoro (2018), which similarly highlighted the importance of clear messaging, customer feedback mechanisms, and crisis communication in improving satisfaction and operational outcomes. This study, however, extends the literature by combining employee- and customer-focused strategies with financial indicators such as

profitability and return on assets. In line with Olamide and Ayodele (2019) and Igbinedion and Adeola (2017), it further establishes that technology-driven communication strengthens brand reputation, stakeholder trust, and profitability, while uniquely contextualizing these insights within Nigeria's commercial banking sector..

CONCLUSIONS

Communication Strategy and Performance

The study established that communication strategies significantly impact the performance of Nigerian commercial banks, with strengths observed in internal communication, crisis response, and digital adoption, which enhance operational efficiency and service delivery. Nonetheless, gaps persist in customer feedback utilization and clarity of internal messaging, weakening responsiveness and employee alignment. Guided by the Two-Way Symmetrical Theory of Communication, the findings highlight the importance of open dialogue in fostering trust and effectiveness. However, partial implementation, especially on customer-facing processes, reveals areas needing improvement. To optimize performance, banks should embrace integrated, technology-enabled frameworks that enhance transparency, encourage feedback, and promote alignment. Such improvements will strengthen stakeholder engagement, reinforce strategic execution, and boost competitiveness in Nigeria's evolving banking sector.

RECOMMENDATIONS

Practice Recommendation

To promote agility and innovation in service delivery, bank executives should invest in enterprise-wide digital communication platforms that facilitate real-time messaging, structured feedback collection, and timely crisis alerts. These platforms will improve operational efficiency and enable seamless engagement among staff and with customers. Effective digital communication systems will also help in driving data-informed decisions, improving internal collaboration, and strengthening the bank's responsiveness across all operational levels.

Policy Recommendation

Although the CBN Code of Corporate Governance (2014) emphasizes disclosure and transparency, it does not require banks to establish structured communication systems covering internal coordination, crisis management, or customer feedback processes. This has led to inconsistencies in how banks handle information flow, respond to emergencies, and incorporate stakeholder views. The absence of formalized communication frameworks leaves institutions vulnerable to reputational damage and operational inefficiency during critical events. To address this, the CBN should mandate that all commercial banks adopt standardized communication frameworks that include internal communication protocols, documented crisis communication strategies, and systems for gathering and integrating customer feedback. Such frameworks would enhance consistency, improve institutional resilience, and strengthen stakeholder confidence.

Contribution to Body of Knowledge

This study contributes to the body of knowledge by empirically establishing the significant influence of communication strategy on the performance of commercial banks in Nigeria, an area that has previously received limited scholarly attention. By integrating the Two-Way Symmetrical Theory of Communication and the Resource-Based View (RBV), the research demonstrates that communication is not merely a support function but a strategic resource that

enhances operational efficiency, employee engagement, customer satisfaction, and overall financial performance. The study expands existing literature by providing evidence that well-structured communication strategies, both internal and external, are critical for sustaining competitiveness in a dynamic banking environment. Furthermore, by employing a descriptive research design and testing relationships through correlation and regression analysis, the findings validate that communication strategy is a strong predictor of bank performance. This knowledge not only bridges theoretical gaps but also offers practical insights to policymakers, bank managers, and stakeholders on the centrality of communication frameworks in driving profitability and institutional sustainability.

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