

RESEARCH ARTICLE ↓

**Effect of Transparency on the Performance of Food and Beverage Firms in Enugu State**

*Authors*

Mbah, Paulinus Chigozie, PhD<sup>1</sup>, Nwokeukwu, Chioma Joy, PhD<sup>2</sup> & Udeh Ifeyinwa Ebere, PhD<sup>3</sup>

Authors	Affiliation
1 <sup>st</sup> 2 <sup>nd</sup> 3 <sup>rd</sup>	Department of Business Administration, Enugu State University of Science and Technology, Enugu State, Nigeria

*Abstract*

The study evaluated the effect of transparency on the performance of food and beverage firms in Enugu state. The specific objectives are to: examine the effect of open communication on the profitability and ascertain the effect of integrity on the output of food and beverage firms and beverage firms in Enugu state. The area of the study was Enugu state, Nigeria. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. The population of the study consisted of three hundred and twenty-one (321) management and senior staff. The whole population was used due to small number. Two hundred and sixty-two (262) staff returned the questionnaire and accurately filled. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z - test statistic tool. The findings indicated that Open communication had significant positive effect on the profitability of food and beverage firms in Enugu state,  $Z(95, n = 262), 7.136 < 10.812, P. < .05$  and Integrity had significant positive effect on the output of food and beverages firms in Enugu state,  $Z(95, n = 262), 7.908 < 10.472, P. < .05$ . The study concluded that Open communication and Integrity has effect on the profitability and output of food and beverage firms in Enugu state. The study concluded that recommended that the management of food and beverage manufacturing firms should foster open and effective communication within a team to promote the exchange of ideas, diverse perspectives, and creative thinking.

**Keywords:** Transparency; Performance; Food and Beverage Firms; Enugu State

## Introduction

Organizations today have ignored set up clear lines of communication, share information frequently, and fostering on environment that values candor and openness and this have affected their businesses. This is as a result of not been transparent. Clear policies, the utilization of technology, and a leadership commitment to set an example for others can all help with this transparency. All things considered, openness is a crucial component of contemporary, ethical, and sustainable enterprises (Beg, 2023). An organization's transparency is essential for a number of reasons. It encourages open communication, accountability, and trust all of which are critical to the success of the business and the welfare of its stakeholders. A transparent workplace promotes consistent conversations between managers and employers with honest discussions about goals, objectives and performance. This trickles down into the organization. Employees at all levels often leave organizations when they do not see development opportunities. They think of their work as a job rather than a career and are more attracted to organizations offering advancement opportunities. Employees should know what it takes to advance and what skills and experiences they need to develop. Employers need to create a clear development path with growth opportunities. This should begin as part of the hiring process and continue to be reinforced in the workplace. For example, decisions about promotions and advancement should align with an employee growth plan to demonstrate a commitment to employee development. A development path also fosters a culture of learning. Employees are more likely to seek opportunities to learn new skills when they know how it can accelerate their careers (Rahaman, 2023).

One thing that people always need to purchase a product in food and beverage firms today is trust: trust not only in the product but also in the business or person behind the product. The best way to build trust with the customers is to have transparency throughout the entire business. Unveil all the procedures, steps, and motives behind the business and why they want them to buy the product. The clients and potential clients need to know that the business is legitimate and has their best interests at heart in order to pull out their checkbooks. Transparency at its core is showing or sharing the inner workings and decisions of your businesses to outsiders. It is a way of proving to clients or potential clients that your business has no secrets and no reason not to show exactly what is happening within your business (Rabah, 2022). Transparency helps businesses when it comes to maintaining credibility. With ever-changing regulations and a competitive landscape, it is good that organisations make sure they are using transparency as an asset not a hurdle. Based on this, the study aimed at evaluating the effect of transparency on the performance of food and beverage firms in Enugu state.

## Statement of the Problem

Transparency at its core is showing or sharing the inner workings and decisions of the businesses to outsiders. It is a way of proving to clients or potential clients that the business has no secrets and no reason not to show exactly what is happening within the business. In business, transparency is demonstrated through a company culture that encourages the open sharing of information and accountability at all levels.

Lack of transparency is a major issue in many organisations, as it inhibits the free flow of information and open communication, and lead to corruption, oppression, and mismanagement of resources and lack of integrity. It leads to a lack of trust between management and the employees, as well as a lack of accountability and poor governance.

The result of the above includes low profitability, poor output and sales of food and beverage firms in Enugu state. Organizational transparency must be concretely backed by company policies and decisions rather than just being a vague, empty saying or catchphrase. Transparency encourages better communication throughout the workplace. This leads to more innovative and creative ideas, better feedback, etc. because employees feel empowered to share their ideas. This harvests stronger healthier relationships employee to employee as well. This has necessitated the study of evaluating the effect of transparency on the performance of food and beverage firms in Enugu state.

## Objectives of the Study

The objective of the study was to evaluate the effect of transparency on the performance of food and beverage firms in Enugu state. The specific objectives are to:

1. Examine the effect of open communication on the profitability of food and beverage firms in Enugu state
2. Ascertain the effect of integrity on the output of food and beverage firms and beverage firms in Enugu state

## Research Questions

The following research questions guide the study

1. what is the effect of open communication on the profitability of food and beverage firms in Enugu state
2. what is the effect of integrity on the output of food and beverage firms in Enugu state

## Statement of Hypotheses

The following hypothesis guided the study

1. Open communication has effect on the profitability of food and beverage firms in Enugu state
2. Integrity has effect on the output of food and beverages firms in Enugu state

## Review of Related Literature

### Conceptual Review

#### Transparency

Transparency is the quality of being easily seen through, while transparency in a business or governance context refers to being open and honest. As part of corporate governance best practices, this requires disclosure of all relevant information so that others can make informed decisions (Katie, 2022). Transparency is a situation in which business and financial activities are done in an open way without secrets, so that people can trust that they are fair and honest (Dictionary, 2023).

#### Open Communication

Open communication is the ability to express your thoughts freely while interacting with other people. In a workplace, it refers to the ability of employees to share and receive feedback, provide ideas and suggestions, and raise concerns, which makes them active participants in the work process. Open communication is about honesty, availability, and transparency. It means that you have to tell the truth as it is and be willing to hear it in return. It also means you have access to the information you need, and you have to provide the information to those who need it, too. Finally, it means nothing can be kept secret so there is no chance for politicking or intrigues (Natalia, 2023). Open communication happens in a team when its members are empowered to share their thoughts without any fear of repercussions. It IS not a one-off phenomenon. It's a cultural trait that teams cultivate with practice. Open communication helps build trust in the organization and sows the seeds of transforming employees into co entrepreneurs (Taskworld, 2023).

#### Integrity

Integrity means being honest and having strong moral principles. A person with integrity behaves ethically and does the right thing, even behind closed doors. For instance, informing a cashier that they gave you too much change or going back to the store to pay for something you forgot to pay for are two examples of showing integrity in everyday circumstances (Perry, 2022). Integrity is the act of behaving honorably, even when no one is watching. People with

integrity follow moral and ethical principles in all aspects of life. Integrity can extend to professional areas at work, such as decision-making, interacting with colleagues and serving customers or clients (Indeed, 2023).

### Performance

A performance is the action or process of carrying out or accomplishing an action, task, or function (Wikipedia, 2023). Performance is the act of performing; the carrying into execution or action; execution; achievement; accomplishment; representation by action; as, the performance of an undertaking of a duty (Definitions, 2023).

### Profitability

Profitability is a measure of an organization's profit relative to its expenses. Organizations that are more efficient will realize more profit as a percentage of its expenses than a less-efficient organization, which must spend more to generate the same profit (Gartner, 2024). Profitability is one of the most important terms in business and accounting that you can use to determine and describe a business's long-term success. Accomplishing profitability is essential to all businesses, as it allows them to grow. Understanding the concept and what determines profitability can help you develop better business strategies. In this article, we provide an answer to, 'what is probability?', explain what determines a company's probability, explain types of profitability ratios and share tips on increasing a company's profitability (Indeed, 2023).

### Output

Output is a quantity of goods or services produced in a specific time period (for instance, a year). For a business producing one good, output could simply be the number of units of that good produced in each time period, such as a month or a year (Bls.gov 2023). Output refers to the total production of goods and services of a whole country over a given period – its gross domestic product. The term may refer to all the work, energy, goods, or services produced by an individual, company, factory or machine. In the world of computing, it refers to any data that has been processed by and sent out from a computer or similar electronic device. Anything we view on our computer monitor is output (Marketbusinessnews, 2023).

### Conceptual Framework of the Study

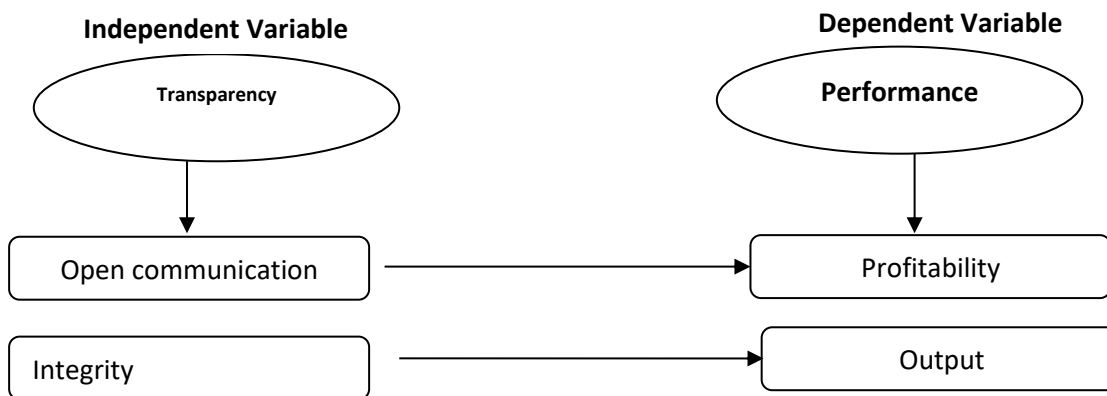


Fig 1: Conceptual framework model

Source: Researcher, 2024

## **Theoretical Framework**

The study reviewed two relevant theories in relation to the objectives. However, the study was anchored on Principal-Agent Theory by (Jensen and Meckling, 1976).

### **Principal Agent Theory**

The principal-agent theory, conceived by economists Michael Jensen and William Meckling in their seminal work of 1976. The Principal-Agent Theory provides valuable insights into the design of effective governance mechanisms. Transparent communication and information disclosure are essential for reducing information asymmetry between principals and agents, enabling better decision-making and fostering trust. Furthermore, the theory underscores the significance of monitoring mechanisms and incentive structures in ensuring accountability for actions and outcomes. By applying the principles of the Principal-Agent Theory, studies on transparency and performance in food and beverage firms can analyze how governance mechanisms can be optimized to address agency problems and promote more effective and responsible governance practices, ultimately serving the interests of society as a whole.

### **Empirical reviews**

#### **Open Communication on the Profitability of Food and Beverage Firms**

Agbionu, Ikon & Agbodike (2017) conducted a study on the incidence of poor performance among the private sector organizations in Nigeria has risen to the level that stakeholders are burdened and bordered with the state of affairs in the organizations where their money have been invested. The paper examined the extent at which organizations in the Food and Beverage Firms of Enugu State involve effective management of competency prior to their employment process. The essence is to find out the relationship if any exists between effective management of competency and the performance of employees in Food and Beverage Firms in Enugu State, Nigeria. Literature was reviewed extensively, critically and evaluative and a model of effective competency framework was designed. Data was gathered from primary source with a structured questionnaire and analyzed using percentages while hypotheses were tested using chi-square statistical tool by the means of SPSS Statistical Package version 20. The results and findings showed that there are positive and significant relationships between the sub variables of the study. Conclusion was drawn based on the findings while recommendations were made based on the conclusion.

Ndubuisi-Okolo, Anekwe, Akaegbobi & Onuzulike-Chukwuemeka (2022) conducted a study on effect of strategic orientation on Food and Beverage Firms in Enugu State. Specifically, it delved into the effect of market orientation on the market share of Food and Beverage Firms in Enugu State. Survey research design was adopted as the study made use of a structured questionnaire configured to capture the specific objective of the study. We had a total population of two hundred (200) extracted from the staff of registered food and beverage firms in Enugu State. A Census Sampling Method was used which gave room for all the participants to be included. Data were gathered through structured questionnaire, designed in a five-point likert scale to illicit responses from the respondents. The data generated were analyzed descriptively and the formulated hypothesis was tested using Simple Regression Analysis. The result revealed that market orientation had a significant positive effect on market share of Food and Beverage Firms in Enugu State.

Ede, Okolie & Aku-Ibe (2023) conducted a study on the social processes and performance of food and beverage manufacturing firm in Enugu state. The specific objectives were to: examine the effect of gain commitment on the improved employee productivity and identify the effect of communication on the optimization of resources of food and beverage manufacturing firm in Enugu state. The area of the study was food and beverage firms in Enugu State. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. A total population of 1238 selected staff of the study organisations. The adequate sample size of two hundred and ninety-three (293) using Freund and William's statistic formula at 5 percent margin of error, Two hundred and fifty-seven (257) staff returned the questionnaire and accurately filled. That gave 88 percent response rate. Data was presented and analyzed using Likert Scale and the hypotheses using the Pearson correlation coefficient (r). The findings indicated Gain commitment had positive significance relationship with the improved

employee productivity ( $r = .424 < .983$ ,  $p < .05$ ) and Communication had positive significance relationship with optimization of resources of food and beverage manufacturing firm in Enugu state ( $r = .383 < .966$ ,  $p < .05$ ). The study concluded that gain commitment and communication had positive relationship significance on the improved employee productivity and optimization of resources of food beverage and tobacco manufacturing firms in Enugu State.

Ugwu, Eneh, & Orga (2023) conducted a study on Corporate Culture defers from one organisation to another and is a system of shared understanding or common beliefs held by members of the same organization. These common beliefs and shared understanding affects the performance and profitability of organizations. Hence, the study evaluated the effect of corporate culture on the profitability of food, beverages and tobacco manufacturing firms in South East Nigeria. The specific objectives were to: examine the effect of learning and development on the increase in revenue; evaluate the effect of communication on the change in productivity and determine the effect of trust on the reduced expenses. The study adopted descriptive survey. The primary source of data was questionnaire. A total population of three hundred and twenty two (312) staff was used. 273 staff returned the questionnaire. Data was analyzed and Z-test was used to test the hypotheses. Findings showed that Learning and development had positive effect on the increase in revenue,  $Z(97, n = 273) = 6.582 < 9.547$ . Communication had positive effect on the change in productivity  $Z(97, n = 273) = .7.006 < 7.671$ . Trusts had positive effect on the reduced expenses  $Z(97, n = 273) = .7.671 < 10.107$ . The study concluded that learning and development, communication and trust had positive significant effect on the increase in revenue, productivity and reduced expenses.

Lambe, Daniel, & Abalaka (2022) conducted a study on the development of internet; electronic commerce has been recognized as an instrument for organizing the business model. In applying the e-commerce, the large firms generally face lower financial and infrastructural barriers, while the small to medium enterprises are faced with resource limitations, particularly the financial resources in applying this tool. This study seeks to examine the effect of e-commerce on financial performance of listed food and beverage firms in Nigeria. E-commerce was proxied by business-to-business and business-to-client while financial performance was proxied by return on sales. To achieve these objectives, the study employed sixteen (16) listed food and beverages firms that had consistently published their audited annual financial reports from 2011 to 2021, and analyzed the data using panel multiple regression technique. The study reveals that Business to Business (B2B) e-commerce have positive and insignificant effect on Return on sales (financial performance) while Business to Client (B2C) e-commerce also have positive and insignificant effect on financial performance. The study concluded that substitution effect may exist between the sales by physical channels and e-commerce sales.

### **Integrity on the Output of Food and Beverage Firms**

Nwonyuku (2016) conducted a study on the goal of a firm is to create sustainable profitability. And corporate governance should work to ensure this steady increase in corporate performance. Understanding the impact of corporate governance on firm profitability has warranted a special attention over time by different fields of scientific knowledge. This study was aimed to explore the relationship between corporate governance and profitability of firms, employing eight food and beverages firms listed in the Nigerian Stock Exchange from 2004 to 2014. The data were analyzed using basic descriptive and inferential statistics with Ordinary Least Square multiple regression in a panel data setting. The results revealed that at 5 per cent level of significance, board size has positive relationship with return on equity and net assets per share. However, board composition has negative relationship with return on equity but with positive association with net assets per share. Board skills and competence has negative relationship with return on equity and net assets per share, while board gender diversity results indicated positive relationship with return on equity and net assets per share. Despite the mixed results, it can be argued that the empirical results support the contention that corporate governance has a positive relationship with profitability of firms.



Bushra, Muhammad, Abdul, Abdul, Muhammad, Taha & Irfan (2021) conducted a study on the co-ordination of guidelines, practices and techniques that are incorporated by organisation. Strong corporate governance policies empower the growth as well as the survival of the companies. The basis of this research to find out the relationship among corporate governance and the financial performance of the companies of food and beverage sector, listed on the Pakistan Stock Exchange (PSX). The financial data for the research was taken from the annual reports of thirteen companies ranging from 2012 to 2020. The data was panel data and was analyzed using regression to create a contributory connection among the variables. The overall results support both a positive and negative relationship with dependent variables (profit margin, return on capital employed and EPS) and independent variables (board size, board meetings, and CEO duality) at 99.99%, 99.95%, and 90% confidence levels. However, there is insignificant relation of audit committee HR and remuneration committee. Pakistan is a developing country where execution of the sound codes of corporate governance not takes seriously. It is the responsibility of the regulatory.

Wael, Peter, Noëmie and Liesbeth (2022) conducted a study on the need to prevent food fraud within the international food supply chain and the current lack of research on food integrity, in this paper, the relation between the organizational food integrity climate and employees' food integrity behavior is examined to understand the role of the individual or psychological dimension in food integrity. The construct of food integrity behavior was introduced and defined, and the conceptual model of the food integrity climate in relation to food integrity behavior was elaborated along with study variables and hypotheses. In the proposed model, the potential moderating role of employees' psychological well-being (i.e., burnout and job stress) was analyzed, and two mediating variables were also proposed (i.e., knowledge and motivation) which both could explain how the prevailing food integrity climate might influence employees' food integrity behavior. Data was collected through convenience sampling in four Belgian food companies with a total of 118 participating employees through a self-assessment questionnaire. Based on the statistical analysis, it was concluded that a well-developed organizational food integrity climate promotes positive employees' food integrity behavior. Specifically, results of this semi-quantitative study demonstrated that the companies' food integrity climate is positively related to the employees' food integrity behavior both directly and indirectly, and that food integrity knowledge is a partial mediator in the relation between food integrity climate and food integrity behavior, while food integrity motivation is a full mediator. Study limitations and implications are also discussed.

Marire (2023) conducted a study on the effect of business principles on the record-keeping of an entrepreneur in the food and beverage industry of Nigeria. This study specifically examined the effect of principles on priorities security and privacy and annual review/audit in the Nigerian food and beverage sector. Determined the effect of business principles on record, tracking, and monitoring documents in the Nigerian food and beverage sector. Evaluated the effect of business principles on annually review/audit of Nigerian food and beverage sector. The ex-post facto design was adopted because the study relied solely on a secondary source of data collection in examining the effect of business principles on the record-keeping of an entrepreneur in the food and beverage Industry of Nigeria. The research was conducted in Nigeria and within the Nigerian consumer goods firms listed on the Nigeria Stock Exchange. The data for this study were collected using a secondary source. The data were obtained from the annual report and accounts from two sampled firms listed on the Nigerian Stock Exchange the result of the analysis shows that it was observed that business principles have a negative and significant effect on priorities security and privacy in the Nigerian food and beverage sector. The study shows that business principles positively and significantly affect record tracking and monitoring documents in the Nigerian food and beverage sector. It was also discovered that business principles have a positive and significant effect on the annual review/audit of the Nigerian food and beverage sector. Based on the findings, it was recommended that priorities of security and privacy should be ascertained and introduced to Nigerian food and beverage firms as a priority particularly with introduced to Nigerian food and beverage firms as a priority more particularly the introduction of the international recording system. Record, track, and monitor documents record keeping method is necessary to sustain the loyalty of customers and should be supported. Annual review/audit is imperative for food and beverage firms to adopt viable record-keeping procedures in other to compete favorably with their competitors.

Okechukwu, Onyia & Okolie (2023) conducted a study on the effect of employee’s extra role behavior on the performance of food and beverage of manufacturing firms in Enugu State. The specific objectives employee includes; employee’s Sportsmanship on the customer satisfaction and altruism of employees on the team performance of food and beverage of manufacturing firms in Enugu State. A survey of research design was adopted for the study. Data for the study was purely a primary source of data. The tool of analysis used is the SPSS v.20 with emphasis on correlation analysis (r), coefficient of determination (R<sup>2</sup>), F-test (ANOVA) and regression coefficients for fitting the model specifications. The result revealed that, employee’s sportsmanship has a significantly positive impact customer satisfaction at p-value (R=0.824, p-value<0.001); and altruism of employee has significant impact on team performance at p-value = (R=0.903, p-value<0.001) on the performance of food and beverage of manufacturing firms for the period. Based on the finding, the study concluded that employee’s sportsmanship, and altruism of employee all has significant impact on the performance of food and beverage of manufacturing firms for the period.

### Summary of Empirical Review and Gap in Literature

The studies done were carried outside the effect of transparency on the performance of food and beverage firms in Enugu state and did not focus to best of my knowledge on the open communication on the profitability and integrity on the output of food and beverage firms in Enugu state. Most of the studies reviewed analysed their data through A purposeful sampling technique, Descriptive statistics and appropriate inferential statistics, Purposive Sampling technique, Pearson Moment Correlation Coefficient, Multiple sampling technique, Partial Least Square Structural Equation Modeling (PLS-SEM), Multiple Regression Analysis (MRA) method, Simple linear regression and Pearson correlation coefficient (r) while the present study made use of Z test to test the hypotheses. Therefore, the study aimed at filling this research gap by evaluating the effect of transparency on the performance of food and beverage firms in Enugu State.

### Methodology

The area of the study was Enugu state, Nigeria. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. The population of the study consisted of three hundred and twenty-one (321) management and senior staff. The whole population was used due to small number. Two hundred and sixty-two (262) staff returned the questionnaire and accurately filled. That gave 81 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.840 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z - test statistic tool.

### Data Presentation

#### The effect of Open Communication on the Profitability of Food and Beverage Firms in Enugu State

**Table 1: Responses on the effect of open communication on the profitability of food and beverage firms in Enugu state**

		5 SA	4 A	3 N	2 DA	1 SD	ΣFX	- X	SD	Decision
1	The effective communication of managers and employees increases profits of the firm.	490 98 37.4	332 83 31.7	108 36 13.7	46 23 8.8	22 22 8.4	998 262 100.0	3.81	1.260	Agree
2	The employees knowing what to do leads to more production and more money.	835 167 63.7	52 13 5.0	114 38 14.5	42 21 8.0	23 23 8.8	1066 262 100.0	4.07	1.377	Agree
3	Proper communication knowing what to do lead s to more production and more money.	640 128 48.9	228 57 21.8	105 35 13.4	22 11 4.2	31 31 11.8	1026 262 100.0	3.92	1.362	Agree



4	Cultural gaps are reduced through communication and increased teamwork.	730 146 55.7	252 63 24.0	57 19 7.3	18 9 3.4	25 25 9.5	1082 262 100.0	4.13	1.271	Agree
5	Employee engagement is improved through communication and helps income generations.	875 175 66.8	132 33 12.6	54 18 6.9	38 19 7.3	17 17 6.5	1116 262 100.0	4.26	1.245	Agree
<b>Total Grand mean and standard deviation</b>								<b>4.038</b>	<b>1.303</b>	

*Source: Field Survey, 2024*

Table 1, 181 respondents out of 262 representing 69.1 percent agreed that the effective communication of managers and employees increases profits of the firm with the mean score of 3.81 and standard deviation of 1.260. 180 respondents representing 68.7 percent agreed that the employees knowing what to do leads to more production and more money with mean score of 4.07 and standard deviation of 1.377. 185 respondents representing 70.7 percent agreed that Proper communication knowing what to do lead s to more production and more money with mean score of 3.92 and standard deviation of 1.362. 209 respondents representing 79.7 percent agreed that Cultural gaps are reduced through communication and increased teamwork. with mean score of 4.13 and standard deviation of 1.271. 208 respondents representing 79.4 percent agreed that Employee engagement is improved through communication and helps income generation with a mean score of 4.26 and standard deviation 1.245.

### The effect of Integrity on the Output of Food and Beverage Firms and Beverage Firms in Enugu State

**Table 2: Responses on the effect of integrity on the output of food and beverage firms and beverage firms in Enugu state**

		5 SA	4 A	3 N	2 DA	1 SD	ΣFX	- X	SD	Decision
1	Behaving ethical enhances productivity of the food and beverage firm.	640 128 48.9	256 64 24.4	42 14 5.3	72 36 13.7	20 20 7.6	1030 262 100.0	3.93	1.334	Agree
2	Doing the right thing even behind closed doors increases organizational growth.	670 134 51.1	308 77 29.4	45 15 5.7	16 8 3.1	28 28 10.7	1067 262 100.0	4.07	1.286	Agree
3	Interacting with colleagues promotes insights or more information.	840 168 64.1	268 67 25.6	42 14 5.3	12 6 2.3	7 7 2.7	1169 262 100.0	4.46	.904	Agree
4	Effective serving customers increase their loyalty and more new members.	745 149 56.9	344 86 32.8	27 9 3.4	16 8 3.1	10 10 3.8	1142 262 100.0	4.36	.971	Agree
5	Integrity boosts the business credibility and increase of profits.	495 99 37.8	412 103 39.3	27 9 3.4	66 33 12.6	18 18 6.9	1018 262 100.0	3.89	1.236	Agree
<b>Total Grand mean and standard deviation</b>								<b>4.142</b>	<b>1.146</b>	

*Source: Field Survey, 2024*

Table 2, 192 respondents out of 262 representing 73.3 percent agreed that behaving ethical enhances productivity of the food and beverage firm with the mean score of 3.93 and standard deviation of 1.334. respondents representing 80.5 percent agreed that doing the right thing even behind closed doors increases organizational growth with mean score of 4.07 and standard deviation of 1.286. 235 respondents representing 89.7 percent agreed that interacting with colleagues promotes insights or more information with mean score of 4.46 and standard deviation of .904. 235 respondents representing 89.7 percent agreed that effective serving customers increase their loyalty and more new members with mean score of 4.36 and standard deviation of .971. 202 respondents representing 77.1 percent agreed that Integrity boost the business credibility and increase of profits with a mean score of 3.89 and standard deviation 1.236.

## Test of Hypotheses

### Hypothesis One: Open communication has effect on the profitability of food and beverage firms in Enugu state

		The effective communication of managers and employees increases profits of the firm.	The employees knowing what to do leads to more production and more money.	Proper communication knowing what to do leads to more production and more money.	Cultural gaps are reduced through communication and increased teamwork.	Employee engagement is improved through communication and helps income generations.
N		262	262	262	262	262
Uniform Parameters <sup>a,b</sup>	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most	Absolute	.441	.637	.489	.557	.668
Extreme	Positive	.084	.088	.118	.095	.065
Differences	Negative	-.441	-.637	-.489	-.557	-.668
Kolmogorov-Smirnov Z		7.136	10.317	7.908	9.020	10.812
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000
a. Test distribution is Uniform.						
b. Calculated from data.						

### Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

### Result

With Kolmogorov-Smirnon Z – value of  $7.136 < 10.812$  and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that open communication had significant positive effect on the profitability of food and beverage firms in Enugu state.

### Decision

Furthermore, comparing the calculated Z- value of  $7.136 < 10.812$  against the critical Z- value of .000 (2-tailed test at 97percent level of confidence) the null hypothesis was rejected. Thus, the alternative hypothesis was accepted which states that Open communication had significant positive effect on the profitability of food and beverage firms in Enugu state

## Hypothesis Two: Integrity has Effect on the Output of Food and Beverages Firms in Enugu State

		Behaving ethical enhances productivity of the food and beverage firm.	Doing the right thing even behind close doors increases organizational growth.	Interacting with colleagues promotes insights or more information.	Effective serving customers increases their loyalty and more new members.	Integrity boost the business credibility and increase of profits.
N		262	262	262	262	262
Uniform Parameters <sup>a</sup> b	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.489	.555	.647	.647	.521
	Positive	.076	.107	.027	.038	.069
	Negative	-.489	-.555	-.647	-.647	-.521
Kolmogorov-Smirnov Z		7.908	8.989	10.472	10.472	8.433
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000
a. Test distribution is Uniform.						
b. Calculated from data.						

### Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

### Result

With Kolmogorov-Smirnon Z – value of  $7.908 < 10.472$  and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that integrity had significant positive effect on the output of food and beverages firms in Enugu state.

### Decision

Furthermore, comparing the calculated Z- value of  $7.908 < 10.472$  against the critical Z- value of .000 (2-tailed test at 97percent level of confidence) the null hypothesis were rejected. Thus, the alternative hypothesis was accepted which states that Integrity had significant positive effect on the output of food and beverages firms in Enugu state

### Discussion of Findings

From the result of hypothesis one, the calculated Z- value of  $7.136 < 10.812$  against the critical Z- value of .000, which implies that Open communication had significant positive effect on the profitability of food and beverage firms in Enugu state. In the support of the result in the literature review, Ndubuisi-Okolo, Anekwe, Akaegbobi & Onuzulike-Chukwuemeka (2022) conducted a study on effect of strategic orientation on Food and Beverage Firms in Enugu State. The result revealed that market orientation had a significant positive effect on market share of Food and Beverage Firms in Enugu State. Ede, Okolie & Aku-Ibe (2023) conducted a study on the social processes and performance of food and beverage manufacturing firm in Enugu state. The findings indicated Gain commitment had positive significance relationship with the improved employee productivity ( $r = .424 < .983, p < .05$ ) and Communication had positive significance relationship with optimization of resources of food and beverage manufacturing firm in Enugu state ( $r = .383 < .966, p < .05$ ). Ugwu, Eneh, & Orga (2023) conducted a study on Corporate Culture defers from one organisation to another and is a system of shared understanding or common beliefs held by members of the same organization. The study concluded that learning and development,

communication and trust had positive significant effect on the increase in revenue, productivity and reduced expenses.

From the result of hypothesis two, the calculated Z- value of  $7.908 < 10.472$  against the critical Z- value of .000 which implies that Integrity had significant positive effect on the output of food and beverages firms in Enugu state. In the support of the result in the literature review, Waeel, Peter, Noëmie and Liesbeth (2022) conducted a study on the need to prevent food fraud within the international food supply chain and the current lack of research on food integrity. It was concluded that a well-developed organizational food integrity climate promotes positive employees' food integrity behavior. Okechukwu, Onyia & Okolie (2023) conducted a study on the effect of employee's extra role behavior on the performance of food and beverage of manufacturing firms in Enugu State. Based on the finding, the study concluded that employee's sportsmanship, and altruism of employee all has significant impact on the performance of food and beverage of manufacturing firms for the period.

### Summary of Findings

- i. Open communication had significant positive effect on the profitability of food and beverage firms in Enugu state,  $Z(95, n = 262), 7.136 < 10.812, P. < .05$ .
- ii. Integrity had significant positive effect on the output of food and beverages firms in Enugu state,  $Z(95, n = 262), 7.908 < 10.472, P. < .05$ .

### Conclusion

The study concluded that Open communication and Integrity has effect on the profitability and output of food and beverage firms in Enugu state. Transparency builds stronger relationships with the customers and with the employees. Employees will have more confidence in the leadership and the decisions that are being made within the organisation because they know exactly what is happening and why it is happening. This makes them proud of the organisation they are working for and feel as though their work means something.

### Recommendations

Based on the findings, the following recommendations were proffered

- i. The management of food and beverage manufacturing firms should foster open and effective communication within a team to promote the exchange of ideas, diverse perspectives, and creative thinking. The environment will help create innovation by encouraging team members to contribute unique insights, ultimately driving entrepreneurial success.
- ii. For Organizations to keep high-value customers, reduce employee turnover, improve productivity, and make smart decisions there is need to have integrity. Integrity helps employees to be honest about what they do and proactive when they have questions.

## References

- Agbionu, C. U., Ikon, M., & Agbodike, F. (2017). Effective competency modeling and the performance of food and beverage firms in Enugu State, Nigeria: A triangulated critical analysis and associational evaluation. *Invention Journal of Research Technology in Engineering & Management (IJRTEM)*, 1(12), 46-60. Available at [www.ijrtem.com/volume-1-issue-12/](http://www.ijrtem.com/volume-1-issue-12/)
- Beg, S. (2023). The impact of transparency in an organization. Available at <https://www.linkedin.com/pulse/impact-transparency-organization-sadaf-beg-x4vhf>
- Bls.gov. (2023). What is output? Available at <https://www.bls.gov/k12/productivity-101/content/what-is-productivity/what-is-output.htm>
- Bushra, I., Muhammad, I., Abdul, Q., Abdul, G. Y., Muhammad, A. E., Taha, A., & Irfan, A. K. (2021). Corporate governance and firm's performance: A study on the food and beverage sector listed in the Pakistan Stock Exchange (PSX). *Palarch's Journal of Archaeology of Egypt/Egyptology*, 18(8), 3864-3879. ISSN 1567-214X.
- Definitions. (2023). Performance. Available at <https://www.definitions.net/definition/performance>
- Dictionary. (2023). Transparency. Available at <https://dictionary.cambridge.org/dictionary/english/transparency>
- Ede, T. E., Okolie, J. I., & Aku-ibe, C. C. (2023). Social processes and the performance of food and beverage manufacturing firms in Enugu State. *Contemporary Journal of Management*, 5(5), 1-15. <https://doi.org/10.5281/zenodo.10361934>
- Gartner. (2024). Profitability. Available at <https://www.gartner.com/en/finance/glossary/profitability>
- Indeed. (2023). What is integrity? Available at <https://sg.indeed.com/career-advice/career-development/what-is-integrity>
- Indeed. (2023). What is profitability? Available at <https://uk.indeed.com/career-advice/career-development/what-is-profitability>
- Katie, T. H. (2022). What is transparency? Available at <https://www.techtarget.com/whatis/definition/transparency>
- Lambe, I., Daniel, E. K., & Abalaka, E. D. (2022). Effect of electronic commerce on financial performance of listed food and beverage firms in Nigeria. *Journal of Accounting and Business (BUJAB)*, 7(1), ISSN: 2346-7428.
- Marire, M. I. (2023). Effect of business principles on record keeping of an entrepreneur: Food and beverage industry of Nigeria. *Contemporary Journal of Management, Social Sciences and Humanities*, 2(1).
- MarketBusinessNews. (2023). Output definition. Available at <https://marketbusinessnews.com/financial-glossary/output-definition-meaning/>
- Natalia, R. (2023). What is open communication? Available at <https://www.runn.io/blog/open-communication>
- Ndubuisi-Okolo, P. U., Anekwe, R. I., Akaegbobi, G. N., & Onuzulike-Chukwuemeka, N. (2022). Effect of strategic orientation on performance of food and beverage firms in Enugu State, Nigeria. *International Journal of Business and Management Research*, 3(2), 159-171.

Nwonyuku, K. N. (2016). Corporate governance and profitability of listed food and beverages firms in Nigeria. Available at <https://core.ac.uk/download/pdf/234685508.pdf>. ISSN 2224-6096 (Paper), ISSN 2225-0581 (Online), 6(3).

Okechukwu, E. U., Onyia, N. A., & Okolie, J. I. (2023). Effect of employees' extra role behaviour on the performance of food and beverage manufacturing firms in Enugu State. *Journal of Business Research and Statistics*, 5(1), 1-11. <https://doi.org/10.5281/zenodo.7870060>

Perry, E. (2022). What is integrity? Available at <https://www.betterup.com/blog/integrity-in-the-workplace>

Taskworld. (2023). What is open communication? Available at <https://taskworld.com/blog/what-is-open-communication-and-why-is-it-important/>

Ugwu, F. I., Eneh, E. O., & Orga, J. I. (2023). Effect of corporate culture on the profitability of food, beverages, and tobacco manufacturing firms in South East Nigeria. *Advance Journal of Management, Accounting and Finance*, 8(4), April, 2023, ISSN: 2364–4219. Available at <https://aspjournals.org/ajmaf/>

Waeel, S. A., Peter, V., Noémie, S., & Liesbeth, J. (2022). An exploratory study on the relation between companies' food integrity climate and employees' food integrity behavior in food businesses. *Foods*, 11(17), 2657. Published online 2022 Sep 1. doi: 10.3390/foods11172657

Wikipedia. (2023). Performance. Available at <https://en.wikipedia.org/wiki/Performance>