Successful Organizational Business Communication and its Impact on Business Performance: An Intra- and Inter-Organizational Perspective

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Abstract

Intra-firm communication is critical for building synergy amongst the internal business units of a firm, enabling employees from various functional departments and ranks to incorporate their decision-making, understanding of organizational objectives, and common norms and culture to achieve increased organizational effectiveness. This study builds on and assesses a framework of the causes and consequences of effective communication in business interactions between customer and supplier firms, as well as the path for efficient communication within a firm. The proposed study’s structural equation modeling (SEM) analysis based on 352 responses collected from firm representatives in different job positions, ranging from marketing to logistics operations, revealed that in terms of intra-organizational communication, organization characteristics and shared values, top management support and style of leadership, and information technology were all significantly related to communication effectiveness. Furthermore, the frequency and variety of interactions enhanced communication outcomes, thus improving company performance. The results revealed that cultural factors were significantly related to communication effectiveness, as well as shared beliefs and goals. The organizational factors of leadership style, top management support, and information technology were significant determinants of effective communication. Among the contextual factors, interaction frequency and diversity were found to be significant. The study also tested the relationship between supplier and supplier firm performance in the context of communication effectiveness and found that they were closely related when trust and commitment were built between business partners.

Keywords:
Business performance
Inter-firm communication
Intra-firm communication.

JEL Classification:
L19.

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1. Introduction

The process of corporate globalization includes resolving barriers to good cross-cultural communications between stakeholders. Cross-cultural communication involves executives, salespeople, suppliers, and customers. Effective communication can involve orally presenting information to a party to enable the transmission of information, such as when an individual chooses to actively listen with the goal of acquiring a clear comprehension of a conversation or message being communicated to them. According to the findings of
previous studies, individual variables have a significant influence on both communication performance and organizational outcomes.

Accordingly, when small and medium-sized enterprises (SMEs) strive to extend their operations globally, they face communication barriers with foreign merchants, customers, distributors, and others, resulting in misunderstandings and disagreements. The term “business communication” relates to messages sent and received by persons for the purpose of business activities and management. Effective communication is critical to the success of any business. Business communication occurs between companies, within organizations, and among various groups of individuals, such as owners and employees, sellers and buyers, service providers and consumers, and salespeople and potential customers (Bisen & Priya, 2009).

There are two types of communication strategies: internal and outward contact. Previously, little attention was paid to the role of effective communication as a mediator between the primary determinants and external factors in commercial contacts between firms and their foreign commercial partners (Bisen & Priya, 2009). However, bargaining is a crucial part of business communication. During the negotiation process, business partners share opinions, regardless of competing ideas or common interests, in order to arrive at a successful conclusion and strengthen their collaboration. When bargaining partners from different ethnic backgrounds attempt to connect, confusion and conflict can occur (Zhu & Zhu, 2004).

According to the experts, being aware of differences can help break down barriers in information dissemination. Considering the aforementioned factors that affect basic communication outcomes, the purpose of this study is to broaden its investigation and explore the antecedents of adequate global business information exchange and how they relate to company results, as well as the formation of social connections through trade agreements.

1.1. Effective Communication

Communication is the process of passing information or messages from one place to another or from one group to another using clear symbols or semantic norms. When there is a purpose or reason to share or exchange information or messages, communication can occur (Lunenburg, 2010). According to Stiff and Mongeau (2016), companies have defined communication frameworks that provide norms and regulations for workers to follow when dealing with various stakeholders. The proper selection of communication structures may help a firm build the ideal culture. Some companies may permit a randomized or free communication network. However, this may result in a less strong communication process. Accordingly, every organization must develop a communication system that properly meets its demands. Effective communication methods may be explained even further by a succession of commutation theories, such as critical theory, information theory, the process of communication model, linear model, transactional model, and post-positive theory.

With the advent of the internet and, in particular, social media, information sharing has continued to evolve in recent years. According to Lipsman, Mudd, Rich, and Bruich (2012), social media has had a profound impact on society, altering the way individuals communicate and characterize relationships. Social media encourages people to plan, create, and share information with one another. According to Leonardi, Huysman, and Steinfield (2013), social media incorporates a sophisticated system of web networks that allow the sharing of information or messages with individuals online.

Organizations use social media platforms to communicate with their customers, which includes telling them about their products and services via marketing initiatives and campaigns. This may help them acquire new clients for their products or services and maintain strong connections with existing ones. According to Khang, Ki, and Ye (2012), enterprises use social media to handle both internal and external issues, such as those with shareholders, stakeholders, and especially consumers, by, for instance, rectifying errors and responding to customer inquiries. In this way, the organization fosters close interactions with the general public. According to Gelms (2012), social media helps organizations conduct awareness campaigns, giving them a competitive advantage in the market through product marketing and even brand reputation expansion.

1.2. Challenges and Barriers to Effective Communication

Communication is one of the most basic mechanisms that individuals and organizations must have in place. According to Lunenburg (2010), communication is a critical aspect that allows individuals or organizations to progress in all areas, including engaging with others. According to Fujishin (2016), the message sent by a sender to a recipient may be less clear than intended. In this regard, the sender must always ensure that he or she receives some type of response from the message receiver to evaluate whether the message/information was fully comprehended. Communication difficulties or hurdles may be observed at any stage of communication. According to Rogala and Białońas (2016), when there are problems or hurdles in the communication process, the message or information may be lost.

Accordingly, physical barriers to communication in businesses include access issues, such as barrier screens and locked office doors, which can prohibit outsiders or guests from approaching others for dialogue or engagement. Another type of problem that individuals and organizations may face in their everyday operations is physiological barriers. Some people have physical problems that make it difficult for them to communicate with others, such as those with impaired hearing, reading, or vision. A perceptual barrier is a
hurdle caused by the fact that people may perceive the world or things differently than others. According to Rogala and Bialowas (2016), it is nearly impossible to communicate with someone who sees the world in a completely different way and reach the same understanding. An *emotional barrier* might also impede discourse, resulting in skewed comprehension or perhaps a wholly twisted message. According to Fujishin (2016), in some situations, people or organizations may allow emotions to take over the communication process, ignoring facts and being guided by subjective feelings, leading to deceit, distrust, fear, or even disbelief.

*Cultural barriers* are a widespread issue in businesses and on an individual level. People in society regularly adopt the conduct of others with whom they socialize, even if passively (Smith & Dickson, 2016). Another prevalent difficulty in many organizations and societies is *language barriers*, in which persons unfamiliar with the language, vocabulary, or tone used in an organization or community may feel excluded. Organizations can also face *systematic* hurdles, for instance, when organizational structures are inadequate or irrelevant, such as a lack of suitable or effective informational structures or communication channels.

*Attitudinal barriers* that prevent people from communicating successfully are also widespread in companies. Many businesses frequently face *psychological barriers* that limit how people exchange knowledge at the individual and organizational levels. Smith and Dickson (2016) described psychological obstacles as a condition in which an individual is not in their optimal mental state, either socially or intellectually, also referred to as a mental illness. Finally, as companies attempt to enter into the realm of digital communication, the *technological barrier* is a rapidly growing issue.

1.3. The Inter-Organizational Communication Process

Company partnership involves the ongoing connection and message exchange between business partners (Holmlund, 1997). Globalization and internationalization have tremendously increased the necessity of good communication. To better grasp the motivations behind customer-supplier interactions, its features must be studied. The major goal is to enhance the basic understanding of B2B customer relationships and their current growth trends. According to Watkins and Hill (2009), the primary premise of relationship marketing is to create effective and mutually fulfilling relationships with business partners that expand through time.

1.4. The Intra-Organizational Communication Process

For communication to be effective, it must be active (Suzuki, Ando, & Nishikawa, 2019). Communication creates a common space in the context of multinational corporations (MNCs), allowing one business partner to access important knowledge stored by another party. Suzuki et al. (2019) investigated the frequency and relevance of communication in knowledge transmission in an organizational environment. They discovered that intra-organizational communication is quite beneficial in achieving successful information exchange. Organizational culture is seen as an influential component of intra- and inter-organizational behavior, owing to its influence on the conduct of organizational members when they interact either internally or externally.

In the long run, a company is most concerned with its security, effectiveness, and predictability, which are mostly attained through formal procedures. Chien and Wu (2006) discovered that in an organizational environment, communication synchronization, resource sharing, connection maintenance, and justice recognition led to marketing competence, leading, in turn, to improved firm performance.

An overview of previous studies to investigate the antecedents of effective business communication in the B2B context indicates that the factors to be explored to provide a better understanding of successful business communication between business parties include cultural factors, technological factors, human factors, and others. Table 1 contains the operational definitions of all constructs.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership style</td>
<td>Persistent behavioral model and traits articulated in a leader’s behavior</td>
<td>Xie, Wang, and Zeng (2018)</td>
</tr>
<tr>
<td>Information quality</td>
<td>The extent to which the message is considered current, precise, meaningful, and useful</td>
<td>Rieh (2002)</td>
</tr>
<tr>
<td>Language</td>
<td>Knowledge of a foreign language as the main source of communication success, although non-native speakers of a language can have some proficiency in a shared language</td>
<td>Feely and Harzing (2003)</td>
</tr>
<tr>
<td>Frequency of interaction</td>
<td>The number of contacts transacted between the communication parties</td>
<td>Mohr and Nevin (1990)</td>
</tr>
<tr>
<td>Diversity of interaction</td>
<td>The number of diverse documents or information types exchanged between the parties</td>
<td>Cai, Jun, and Yang (2006)</td>
</tr>
<tr>
<td>Formality of interaction</td>
<td>The extent to which communication needs and behaviors are clearly codified into rules, policies, and procedures</td>
<td>Jablin (1987)</td>
</tr>
<tr>
<td>Opportunistic behavior</td>
<td>To the extent to which self-centered actions are taken contrary to the business partner’s interests</td>
<td>Gundlach, Achrol, and Mentzer (1995)</td>
</tr>
<tr>
<td>Trust</td>
<td>A firm’s belief that a business partner will take actions leading to</td>
<td>Anderson and Narus</td>
</tr>
</tbody>
</table>

Table 1. Factors driving successful business communication.
Commitment | The desire for continuity characterized by the readiness to invest resources into the relationship | Gounaris (2005)
Supplier performance | The ability to supply required products and services to the buyer firm | Dobler and Burt (1996)
Buyer performance | The ability to acquire services, materials, and equipment used for the functioning of the firm and for managing supplier bases | Dumond (1991)
Perceived identification | The psychological lens through which individuals perceive themselves as belonging to a group and valued by others | Lampe, Wash, Velasquez, and Ozkaya (2010)
Satisfaction | The entire post-purchase assessment of the consumer verdict | Baxter (2012)

### 1.5. Conceptual Model and Hypotheses

The current research proposes the hypotheses shown in Table 2:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Determinant factor</th>
<th>Moderator</th>
<th>Outcome factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>Organizational culture</td>
<td>Internal communication</td>
<td>Supplier performance</td>
</tr>
<tr>
<td>H1b</td>
<td>Organizational culture</td>
<td>External and cross-company communication</td>
<td>Supplier performance</td>
</tr>
<tr>
<td>H1c</td>
<td>Shared values</td>
<td>Internal communication</td>
<td>Buying performance</td>
</tr>
<tr>
<td>H1d</td>
<td>Shared values</td>
<td>External and cross-company communication</td>
<td>Buying performance</td>
</tr>
<tr>
<td>H1e</td>
<td>Language</td>
<td>Internal communication</td>
<td>Supplier performance</td>
</tr>
<tr>
<td>H1f</td>
<td>Language</td>
<td>External and cross-company communication</td>
<td>Supplier performance</td>
</tr>
<tr>
<td>H2a</td>
<td>Top management support</td>
<td>Internal communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H2b</td>
<td>Top management support</td>
<td>External and cross-company communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H2c</td>
<td>Information technology</td>
<td>Internal communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H2d</td>
<td>Information technology</td>
<td>External and cross-company communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H2e</td>
<td>Leadership style</td>
<td>Internal communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H2f</td>
<td>Leadership style</td>
<td>External and cross-company communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3a</td>
<td>Information quality</td>
<td>Internal communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3b</td>
<td>Information quality</td>
<td>External and cross-company communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3c</td>
<td>Frequency of interaction</td>
<td>Internal communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3d</td>
<td>Frequency of interaction</td>
<td>External and cross-company communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3e</td>
<td>Diversity of interaction</td>
<td>Internal communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3f</td>
<td>Diversity of interaction</td>
<td>External and cross-company communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3g</td>
<td>Formality of interaction</td>
<td>Internal communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3h</td>
<td>Formality of interaction</td>
<td>External and cross-company communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3i</td>
<td>Opportunistic behavior</td>
<td>Internal communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H3j</td>
<td>Opportunistic behavior</td>
<td>External and cross-company communication</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H4a</td>
<td>Intra-organizational communication</td>
<td>Supplier performance</td>
<td>Supplier performance</td>
</tr>
<tr>
<td>H4b</td>
<td>Inter-organizational communication</td>
<td>Supplier performance</td>
<td>Supplier performance</td>
</tr>
<tr>
<td>H4c</td>
<td>Intra-organizational communication</td>
<td>Buyer performance</td>
<td>Buyer performance</td>
</tr>
<tr>
<td>H4d</td>
<td>Inter-organizational communication</td>
<td>Buyer performance</td>
<td>Buyer performance</td>
</tr>
<tr>
<td>H5a</td>
<td>Intra-organizational communication</td>
<td>Perceived identification</td>
<td>Perceived identification</td>
</tr>
<tr>
<td>H5b</td>
<td>Inter-organizational communication</td>
<td>Perceived identification</td>
<td>Perceived identification</td>
</tr>
<tr>
<td>H6a</td>
<td>Intra-organizational communication</td>
<td>Overall satisfaction</td>
<td>Overall satisfaction</td>
</tr>
<tr>
<td>H6b</td>
<td>Inter-organizational communication</td>
<td>Overall satisfaction</td>
<td>Overall satisfaction</td>
</tr>
<tr>
<td>H7a</td>
<td>Cultural factors</td>
<td>Trust</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H7b</td>
<td>Cultural factors</td>
<td>Trust</td>
<td>External and cross-company communication</td>
</tr>
<tr>
<td>H8a</td>
<td>Organizational factors</td>
<td>Trust</td>
<td>Internal communication</td>
</tr>
<tr>
<td>H8b</td>
<td>Organizational factors</td>
<td>Trust</td>
<td>External and cross-company communication</td>
</tr>
</tbody>
</table>
Hypothesis | Determinant factor | Moderator | Outcome factor
--- | --- | --- | ---
H9a | Contextual factors | Trust | Internal communication
H9b | Contextual factors | Trust | External and cross-company communication
H10a | Cultural factors | Commitment | Internal communication
H10b | Cultural factors | Commitment | External and cross-company communication
H11a | Organizational factors | Commitment | Internal communication
H11b | Organizational factors | Commitment | External and cross-company communication
H12a | Contextual factors | Commitment | Internal communication
H12b | Contextual factors | Commitment | External and cross-company communication

To summarize, twenty hypotheses were generated to thoroughly study the factors affecting successful communication in business processes and their impact on business outcomes, such as performance, social identity, and mutual satisfaction of communication partners. Furthermore, this study distinguished between internal and external communication to shed light on the communication processes that occur within the company (e.g., among employees, managers, leaders, and so on) and outside the business (e.g., between buyer and supplier firms). Figure 1 depicts the proposed correlations.

![Figure 1. Proposed model.](image)

2. Methods

Data was gathered in two stages. First, a pilot survey was conducted to allow the researchers to fine-tune small problems based on expert feedback and make necessary changes. Next, a survey questionnaire was distributed to respondents.

To reach out to the target respondents, several strategies were employed, such as personal contacts who worked for medium and large enterprises with international operations. These contacts were also invited to distribute the survey to their local supply chain partners; 417 workers from 38 organizations were contacted this way. For the convenience of respondents, the survey questionnaire was available in both online and offline (hard copy) formats. Second, social media sites such as LinkedIn were used to engage with SME leaders and managers.

3. Results

The demographic profile of the respondents was measured using eleven indicators, including gender, age, education, language skills, job position, firm size, income level, industry in which their firm operated, type of communication that firms preferred when interacting with business partners, communication frequency with their partners, and business scale, which referred to how many countries the firms had business partners in.
Descriptive statistics such as mean scores and standard deviations (SD) were calculated for the respondents' demographic statistics, which assisted in identifying the respondent firms' major preferences in terms of the factors that significantly affected the effectiveness of their business communication with partners.

After the descriptive statistics, a measurement model was developed. Measurement model testing is regarded as an important aspect of the data analysis process and forms the backbone of hypothesis testing in SEM analysis. In order to validate the measurements in the context of an effective business communication process, the measurement model testing included indicators such as Cronbach's alpha, indicator factor loadings or confirmatory factor loadings (CFA), composite reliability (CR), and average variance extracted (AVE). Finally, structural model testing was used to assess the hypothesized relationships between the variables, including the moderators (trust and commitment). In this section, the outcomes of the hypothesis testing are provided and briefly discussed. The Conclusion section contains a full discussion of the findings.

3.1. Demographics

We collected a total of 397 questionnaires from firms using the survey procedure. Of the 397 questionnaires, 45 were discarded because some of the respondents' replies were repeated, while other answers were incomplete, potentially increasing the bias if they were included in the study. In all, 352 replies (89 percent) were included in the analysis.

Male respondents outnumbered female respondents by a wide margin (57.7%). Regarding their ages, the majority (27.0%) belonged to the middle age group (35–44), followed by the 25-34 age group (24.7%). Nearly 36% of respondents had a master’s degree, while over 30% had a bachelor’s degree. We also asked the respondents how many languages they spoke. According to their responses, 32.4% spoke two languages, and 29.0% could speak three.

34.1% worked in marketing departments, namely as communications and public relations personnel and marketing analysts, while 31.8% worked as managers, with managers being important decision-makers in local and worldwide contacts with supplier and customer organizations. Purchasing managers, accounting managers, quality control managers, and executive assistants were the most common management roles. Finally, approximately 18.2% worked as sales agents with direct contact with other business partners. Firm-specific questions suggested that 36.4% of respondents' enterprises employed 50 to 100 people, with 33.2% employing 101 to 300 people.

3.2. Descriptive Statistics

The descriptive statistics in the current study comprised the means and standard deviations of the variables and the items that represented them. Trust had the highest mean score (M = 3.62, SD = 1.26), followed by Transformational leadership (M = 3.54, SD = 1.61), Productivity (M = 3.53, SD = 1.24), and Perceived identity (M = 3.52, SD = 0.93), according to the descriptive data.

Transactional leadership (TRCL) had the lowest score (M = 2.49, SD = 0.81), indicating that in today's corporate climate, people favor transformational leadership over transactional leadership. Furthermore, Market culture had a low mean score (M = 2.50, SD = 0.94), demonstrating that respondents were concerned about their companies' internal culture. Adhocracy culture had a higher mean score (M = 3.43, SD = 1.24), indicating that they believed that in the modern era, firms must make more effort to transform organizational culture, which must be innovation-oriented, support individual decision-making across different business units, and provide individualized attention to each employee, all of which can strengthen organizational structure.

3.3. Measurement Model

Based on the Cronbach’s alpha values of the study variables in relation to the cut-off points, fourteen variables, namely, Shared values, Language, Information technology, Adhocracy culture, Market culture, Hierarchy culture, Top management support, Transformational leadership, Frequency of information, Diversity of interaction, Trust, Satisfaction, Perceived identification, and Productivity, demonstrated high levels of reliability, ranging from 0.70 to 0.90. Among these factors, Adhocracy culture (α - 0.89), Perceived identification (α - 0.87), Transformational leadership (α - 0.86), Market culture (α - 0.85), and Productivity (α - 0.83) showed stronger dependability than the others. Seven factors, namely Effective communication (α - 0.69), Information quality (α - 0.68), Transactional leadership (α - 0.67), Commitment (α - 0.66), Clan culture (α - 0.66), Opportunistic conduct (α - 0.63), and Formality of interaction (α - 0.62), demonstrated moderate dependability.

All convergent validity test conditions were satisfied. Three items, TRCL2, IQ5, and Df2, were removed from the CFA because they did not load on their related construct. Furthermore, the CR values ranged from 0.69 to 0.85, while AVE the values ranged from 0.51 to 0.66.

3.4. Goodness of Fit

The results showed that both models met the pre-defined criteria, indicating that the model was well-fitting (Kline, 2005; McDonald & Ho, 2002). The degree of freedom, Tucker-Lewis Index (TLI), Comparative
Fit Index (CFI), Root Mean Square Error for Approximation (RMSEA), and Standardized Root Mean Residual (SRMR) demonstrated acceptable internal consistency of the research variables (see Table 3).

<table>
<thead>
<tr>
<th>Items</th>
<th>Chi square/d.f</th>
<th>CFI</th>
<th>TLI</th>
<th>RMSEA</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accepted value</td>
<td>&lt;3.00</td>
<td>≥0.90</td>
<td>≥0.90</td>
<td>&lt;0.08</td>
<td>&lt;0.05</td>
</tr>
<tr>
<td>Model 1</td>
<td>1.32</td>
<td>0.94</td>
<td>0.92</td>
<td>0.05</td>
<td>0.03</td>
</tr>
<tr>
<td>Model 2</td>
<td>1.28</td>
<td>0.92</td>
<td>0.94</td>
<td>0.04</td>
<td>0.02</td>
</tr>
</tbody>
</table>

3.5. Structural Model

3.5.1. Intra-Organizational Communication

The hypothesis findings demonstrate that among the cultural components, Organizational culture (β = 0.231**, p = 0.01) and Shared values (β = 0.244***, p = 0.01) are positively and significantly associated with Effective communication among workers; however, Language (β = 0.017, p = 0.487) is not. As a result, H1a and H1e are accepted, whereas H1e is rejected. This finding can be explained by the fact that language is not a key predictor of communication success in intra-firm relationships. Because employees speak the same language, there is no language barrier between them. However, organizational culture is crucial.

Other organizational elements that influenced effective communication were Top management support, Information technology, and Leadership style. Top management support (β = 0.227***, p = 0.01) and Leadership style (β = 0.316***, p = 0.001) were positively and significantly associated with Effective communication, but Information technology (β = 0.101*, p = 0.05) had only a marginally significant impact on Effective communication. It appears, therefore, that technology is not the mechanism by which communication efficacy in intra-firm interactions is determined; rather, excellent leadership skills of managers and team leaders, as well as backing from higher management, are thought to improve communication among subordinates. As a result, H2b, H2c, and H2e were all supported.

Among the contextual factors, it was discovered that Frequency of interaction (β = 0.174*, p = 0.05) and Diversity of interaction (β = 0.213*, p = 0.05) had a slightly significant and positive effect on Effective communication, whereas Formality of interaction (β = -0.108*, p = 0.05) and Opportunistic behavior (β = -0.310***, p = 0.001) were negatively related to Effective communication. Furthermore, Information quality (β = 0.016, p = 0.376) had no relationship with Effective communication. Therefore, H3a, H3e, H5g, and H3i were supported, but H3a was not.

Supplier performance (β = 0.269**, p = 0.01), Buyer performance (β = 0.307***, p = 0.001), Perceived identification (β = 0.246**, p = 0.01), and Overall satisfaction (β = 0.259**, p = 0.01) were all found to be positively and significantly associated with Effective communication. All these factors serve to accomplish a higher satisfaction rate. Hence, H4a, H4c, H5a, and H6a are supported.

Trust and Commitment were tested in the internal communication process as well. Trust was found to strongly moderate the relationships of both cultural factors (β = 0.423***, p < 0.001) and organizational factors (β = 0.377***, p < 0.001) with Effective communication, while it had no moderating effect on the correlation between Contextual factors (β = 0.003, p = 0.276) and Effective communication. Therefore, H7a and H8a were confirmed, whereas H9a was rejected. Regarding Commitment, it only had a moderating effect on the correlation between Organizational factors and Effective communication (β = 0.225**, p < 0.01), whereas it had no moderating impact on the correlations between Cultural factors (β = 0.013, p = 0.251) and Contextual factors (β = 0.038, p = 0.191) and Effective communication. Hence, H11a was supported, while H10a and H12a were rejected.

3.5.2. Inter-Organizational Communication

The findings showed that Organizational culture (β = 0.248**, p = 0.01), Shared values (β = 0.221**, p = 0.01), and Language (β = 0.318***, p = 0.001) all had a positive and significant effect on Effective inter-organizational communication. As a result, H1b, H1d, and H1f were supported. This finding can be explained by the fact that language is a crucial prerequisite of successful commercial collaborations with foreign enterprises in inter-firm connections. Language was less significant, however, in an intraorganizational context.

Organizational characteristics such as Top management support, Information technology, and Leadership style were also investigated as potential predictors of Effective communication. It was discovered that Top management support (β = 0.245**, p = 0.01) and Information technology (β = 0.281**, p = 0.01) were positively and significantly related to Effective communication; however, Leadership style (β = 0.097, p = 0.219) had no effect. Hence, H2b and H2d were supported, while H2f was not supported.

Frequency of interaction (β = 0.116*, p = 0.05), and Diversity of interaction (β = 0.183*, p = 0.05) significantly and positively influenced Effective communication, whereas Formality of interaction (β = 0.023, p
= 0.205) was not related to Effective communication. In addition, Opportunistic behavior (β = -0.243**, p 0.01) was negatively related to Effective communication. Therefore, H5b, H5d, H5f, and H5j were supported, while H5h was rejected.

4. Conclusion
The empirical findings supported several of the hypothesized links, allowing the conclusion to be drawn that excellent communication is a focal point in global business in the realization of specific benefits for both suppliers and buyers. In terms of implementation, adopting an effective cooperative communication strategy and properly identifying its determinants can have a positive long-term impact on successful corporate partnerships. If the goal is to create a low-cost framework for intra- and inter-firm communication, the attractiveness of connections as components should also be considered. To summarize, this research can assist both domestic and foreign enterprises in forging stronger social links with their international partners and investing in building a global language-speaking environment that helps their salesmen and management overcome language barriers. When business partners agree to exchange relevant and diverse information on a regular basis, have the same goals, and speak the same language, they are more likely to achieve successful communication that results in positive monetary and social outcomes. A long-term partnership view is essential but insufficient to deliver a decisive advantage in supplier companies; however, in buyer enterprises, developing network governance may not be adequate.

Cultural influences can result in a new type of communication process for multinational firms operating in different parts of the world. Nonetheless, because each country and its firms may be major providers of a variety of products and services, ranging from consumer electronics to large industrial products, the model developed in this study could be expanded on in future research by increasing the sample size, collecting more information from other countries, as well as potentially from a country’s foreign trading partners, and conducting a comparative study to distinguish cultural factors from those of global partners.

References


