

SHAREHOLDERS ENGAGEMENT AND VITALITY OF TELECOMMUNICATION COMPANIES IN SOUTH-SOUTH NIGERIA

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ABSTRACT

This study examines the crucial yet under-researched relationship between shareholders' engagement and organizational vitality in South-South Nigeria's telecommunication companies. The research was underpinned by three baseline theories: Stakeholder Theory, Resource-Based View Theory, and Virtue Ethics Theory. Using a quantitative research design, the study surveyed 96 senior managers from four major telecom companies (MTN, Airtel, Globacom, 9Mobile) across six South-South states. Data collection employed a structured 5-point Likert scale questionnaire, validated through face and content validation, with reliability confirmed via Cronbach's alpha coefficients (>0.86). The study utilized Spearman's rank-order correlation for hypothesis testing. Findings revealed statistically significant positive relationships between shareholders' engagement and all vitality measures: resourcefulness ($\rho = 0.966$, $p < 0.01$), responsiveness ($\rho = 0.959$, $p < 0.01$), and innovativeness ($\rho = 0.963$, $p < 0.01$). These results demonstrate that active shareholder engagement significantly enhances organizational vitality in Nigeria's telecom sector. The study concludes that structured shareholder engagement strategies are essential for maintaining corporate vitality in dynamic markets. Recommendations include implementing regular shareholder communication platforms, establishing shareholder advisory committees, developing shareholder education programs, introducing performance-linked incentive systems, and adopting blockchain technology for secure shareholder voting processes. These measures can strengthen investor relations while fostering organizational resilience in Nigeria's competitive telecommunications landscape.

Keywords: Shareholders' engagement, vitality,, responsiveness, innovation

INTRODUCTION

The 21st-century business environment is highly dynamic, requiring corporate executives to build resilient institutions capable of adapting to rapid changes to ensure organizational vitality, survival, and long-term success (Hanaysha, 2016). Over the past 15 years, nearly one-third of Fortune 500 companies have disappeared, with the average lifespan of large organizations being less than 40 years (Bishwas & Sushil, 2015). This raises critical questions about why some firms thrive while others fail. Organizational vitality—defined as a firm's energy, health, and capacity for innovation—plays a pivotal role in sustaining competitiveness (Gabriel et al., 2021). Vitality encompasses financial stability, intellectual growth, and creative adaptability, which are essential for meeting stakeholder expectations and maintaining viability (Vicenzi & Adkins, 2000, cited in Gabriel et al., 2021). In Nigeria's telecommunication sector, where competition is intense, vitality is crucial for survival. However, despite its importance, limited empirical research exists on how shareholders' engagement influences organizational vitality, particularly in developing economies like Nigeria.

While prior studies have explored stakeholders' engagement broadly, few have specifically examined shareholders' engagement as a driver of organizational vitality in Nigeria's telecommunication industry. Existing research has largely focused on Western contexts or other sectors, such as banking and oil (Laplume, 2008; Berebon & Lebura, 2020). For instance, Gabriel et al. (2021) studied environmental dynamism and vitality in Nigeria's fast-moving consumer goods sector, while Kenyoru et al. (2015) analyzed stakeholder engagement in Kenya's power sector. However, these studies overlook the unique dynamics of shareholders' engagement in Nigeria's telecommunication industry, where rapid technological advancements and regulatory pressures demand robust investor relations. Furthermore, most studies employ qualitative approaches, leaving a gap in quantitative assessments of how shareholders' engagement impacts vitality (Rodriguez, 2002). This study addresses these gaps by investigating the relationship between shareholders' engagement and vitality in South-South Nigeria's telecommunication firms, using a quantitative approach to provide actionable insights for industry practitioners. This study bridges critical gaps by focusing exclusively on shareholders' engagement—rather than broad stakeholder groups—and its direct impact on organizational vitality in Nigeria's telecommunication sector. Unlike previous studies that emphasized employee or community engagement (Paluku, 2016; Aketch & Omwono, 2015), this research highlights the often-neglected role of shareholders in fostering innovation, financial resilience, and long-term competitiveness. This research contributes to both academic discourse and industry practice by demonstrating how targeted shareholders' engagement can sustain organizational growth in emerging economies.

The purpose of the study was to examine the relationship between shareholders' engagement and vitality of telecommunication companies in South-South Nigeria. The specific objectives were to:

- i. Examine the relationship between shareholders' engagement and resourcefulness in mobile telecommunication companies in South-South Nigeria.
- ii. Examine the relationship between shareholders' engagement and responsiveness in mobile telecommunication companies in South-South Nigeria.
- iii. Examine the relationship between shareholders' engagement and innovativeness in mobile telecommunication companies in South-South Nigeria.

Conceptual Framework



Figure 1: Conceptual framework of shareholders' engagement and vitality

Source: Desk Research, 2024: The Predictor variable is Shareholders' Engagement, with dimensions sourced from (Harvey and Timiyan, 2023; Bari-ep & Hamilton, 2024) while corporate vitality is the criterion variable measures were adopted from (Akpotu & Konyefa, 2018).

Research Question

- i. To what extent does shareholders' engagement affect resourcefulness in mobile telecommunication companies in South-South Nigeria?
- ii. To what extent does shareholders engagement affect responsiveness in mobile telecommunication companies in South-South Nigeria?
- iii. To what extent does shareholders' engagement relate affect innovativeness in mobile telecommunication companies in South-South Nigeria?

Research Hypotheses

- H₀₁:** there is no significant relationship between shareholders' engagement and resourcefulness in mobile telecommunication companies in South-South Nigeria
- H₀₂:** there is no significant relationship between shareholders engagement and responsiveness in mobile telecommunication companies in South-South Nigeria
- H₀₃:** there is no significant relationship between shareholders engagement and innovativeness in mobile telecommunication companies in South-South Nigeria

LITERATURE REVIEW

Theoretical Review

This study was anchored on the following theory; Stakeholders' Theory (Freeman, 1984), Resource Based Theory (Barney, 1991), and Virtue Ethics Theory (Slote, 1997) which is regards as social base line theory to guide this study.

Stakeholder Theory

Stakeholder theory, introduced by Freeman (1984), provides a framework for managing organizations in complex environments by emphasizing ethical and efficient engagement with all stakeholders—individuals, groups, or organizations that influence or are influenced by a firm's operations (Harrison & Wicks, 2007). The theory argues that treating stakeholders well—including employees, shareholders, customers, and communities—enhances organizational performance by fostering loyalty, cooperation, and strategic flexibility (Brugha & Varvasovszky, 2000). Unlike corporate social responsibility (CSR), stakeholder theory is rooted in managerial strategy, asserting that ethical stakeholder engagement drives financial success (Phillips, Freeman, & Wicks, 2003).

Resource-Based View (RBV) Theory

The Resource-Based View (RBV), developed by Barney (1991), posits that a firm's competitive advantage stems from unique, valuable, and hard-to-imitate resources—both tangible (e.g., infrastructure) and intangible (e.g., corporate reputation, knowledge) (Wernerfelt, 1984). Key assumptions include resource heterogeneity, immobility, and path dependency, meaning superior resources develop over time and cannot be easily replicated (Barney & Clark, 2007). RBV

emphasizes that non-substitutable resources, such as intellectual capital or organizational culture, sustain long-term profitability (Carmeli & Tishler, 2004).

Virtue Ethics Theory

Virtue ethics, rooted in Aristotelian philosophy, shifts focus from rigid rules to moral character, emphasizing traits like integrity, judgment, and excellence (Solomon, 1996). Unlike deontological or utilitarian ethics, it evaluates actions based on the virtuous disposition of individuals rather than outcomes or duties (Slote, 1997). In business, virtue ethics encourages holistic decision-making, where ethical behavior stems from habitual integrity and role-specific responsibilities (Petar, 2012).

Conceptual Review

Stakeholders' Engagement

Stakeholder engagement emerged in the early 2000s as a strategic approach distinct from traditional stakeholder management, emphasizing long-term value creation over unilateral control (Andriof, 2002). Rooted in stakeholder theory (Freeman, 1984), it involves inclusive, dialogue-driven interactions with individuals or groups who influence or are affected by an organization's operations (Berebon & Lebura, 2020). While definitions vary—ranging from Greenwood's (2007) focus on positive involvement to Manetti and Toccafondi's (2012) emphasis on mutual respect—the core principle remains fostering trust, innovation, and ethical collaboration (Sloan, 2009).

Vitality

In today's globalized and hypercompetitive business environment, organizational vitality is critical for resilience, adaptability, and sustained success (Hanaysha, 2016). Defined as the "business and economic health" of a firm, vitality represents the energy, agility, and strategic capacity that drive competitiveness and goal achievement (Akpotu & Konyefa, 2018). It encompasses operational efficiency, intellectual creativity, emotional engagement, and spiritual alignment within an organization (Sushil, 2005), enabling firms to navigate uncertainty and innovate proactively (Loverde, 2005). Vitality manifests through resourcefulness (effective resource deployment), responsiveness (adaptability to market changes), and innovativeness (continuous improvement and creativity) (Akpotu & Ozioko, 2020).

Resourcefulness

Resourcefulness refers to an organization's ability to creatively overcome challenges and optimize limited resources through proactive problem-solving and innovative thinking (Babalola & Ayemi, 2009). It involves cognitive self-regulation, adaptability, and the capacity to generate alternative solutions in dynamic environments (Kanungo & Menon, 2015). Corporate resourcefulness is critical for managerial effectiveness, enabling leaders to navigate uncertainty by leveraging technological know-how, emotional intelligence, and strategic improvisation (Kanungo & Misra, 2022). Key attributes include creativity, initiative, and the ability to "think outside the box," transforming constraints into opportunities (Mbang et al., 2012). For businesses, especially SMEs, resourcefulness reduces operational inefficiencies and fosters competitiveness by aligning internal capabilities with external demands (Denison, 2007).

Responsiveness

Responsiveness reflects an organization's ability to act swiftly on market intelligence, delivering timely services to meet customer expectations (Hult, 2005). It encompasses operational agility, customer-centric adaptability, and the mobilization of resources to seize emerging opportunities (Asree, 2010). In competitive markets like telecommunications, responsiveness enhances service quality, fostering loyalty through prompt issue resolution and personalized attention (Kumar & Charles, 2010). Strategic responsiveness involves "sensing" market changes and "modulating" organizational actions—perceiving, construing, and acting on shifts (Dannels, 2016).

Innovativeness

Innovativeness drives organizational growth through the creation of novel products, processes, and market strategies (McFadzean & Shaw, 2005). Rooted in Schumpeter's theory, it involves entrepreneurial efforts to disrupt markets and satisfy unmet needs (Dess & Lumpkin, 2005). Process innovation optimizes operations via cost-efficient methods (OECD, 2018), while product innovation introduces improved goods/services to meet evolving demands (Sommer et al., 2017). Market innovation focuses on novel commercialization tactics, such as dynamic pricing or digital engagement (Wang & Ahmed, 2004). Creativity fuels innovativeness but requires structured implementation to yield tangible benefits (Miron et al., 2004).

Empirical Review

Several studies have explored the relationship between shareholder engagement and organizational performance, yielding mixed but insightful results. Egiyi and Okafor (2022) found that shareholder value significantly impacts firm profitability but not financial efficiency, emphasizing the need for managers with stock market expertise to balance shareholder and stakeholder interests. Similarly, Waithera (2020) demonstrated that employee share ownership plans (ESOPs) at Safaricom Limited enhanced performance by boosting employee commitment, loyalty, and productivity while reducing turnover. Wangari (2020) reinforced these findings, showing that shareholder relationship management strongly influences organizational performance in Kenyan insurance companies, accounting for 67.7% of performance variations. These studies collectively highlight the importance of shareholder engagement strategies—whether through value alignment, employee ownership, or relationship management—in driving firm success. However, not all research supports a direct link between shareholder engagement and financial performance. Aanu (2016) found no significant relationship between institutional shareholder engagement and financial performance in Nigerian listed firms, though results varied across metrics like ROA, ROE, and Tobin's Q. This suggests that institutional shareholders in emerging markets may need to adopt more active monitoring roles, akin to those in developed economies, to enhance governance and performance. Atiyet (2012) further nuanced the discussion by examining financing decisions' impact on shareholder value in French firms, revealing that self-financing positively affects value creation, while equity issuance and financial debt have mixed effects. These studies underscore that the efficacy of shareholder engagement depends on contextual factors, including market maturity, governance structures, and financial

METHODOLOGY

The study adopted a quantitative research approach grounded in positivist philosophy, aligning with the nomothetic tradition to systematically test hypotheses through numerical data analysis (Ahiauzu & Asawo, 2016). A descriptive cross-sectional design was employed, targeting 96

senior managers from four major mobile telecommunication companies (MTN, Airtel, Globacom, 9Mobile) across six South-South Nigerian states (NCC, 2023). Data was collected via a structured questionnaire using a 5-point Likert scale, with sections measuring shareholders engagement, and validity was ensured through face and content validation by academic experts, while reliability was confirmed via Cronbach’s alpha coefficients (all >0.86), indicating high internal consistency (Bryman & Bell, 2003). Data analysis involved bivariate analysis using Spearman’s rank-order correlation to test relationships between variables (Zikmund, 2004). This methodological rigor ensured robust measurement of constructs and alignment with the study’s positivist framework.

DATA ANALYSIS AND DISCUSSION OF FINDINGS

Bivariate Analysis

The study used Spearman’s correlation to analyze the relationship between workplace value alignment and employee adaptive performance, interpreting coefficient strength based on Evans’ (1996) guidelines (e.g., 0.20–0.39 = weak, 0.80–1.0 = very strong). Hypotheses were accepted or rejected at a 0.05 significance level, with significant (*/**) coefficients supporting the alternate hypotheses and non-significant results leading to their rejection.

Relationship between Shareholders’ Engagement and the Measures of Vitality

Table 1: Showed the Correlations Analysis on Shareholders’ Engagement and the Measures of Vitality

			Correlations			
			Shareholders Engagement	Resourcefulness	Responsiveness	Innovativeness
Spearman's rho	Shareholders Engagement	Correlation	1.000	.966**	.959**	.963**
		Coefficient				
		Sig. (2-tailed)	.	.000	.000	.000
		N	86	86	86	86
Resourcefulness	Resourcefulness	Correlation	.966**	1.000	.987**	.988**
		Coefficient				
		Sig. (2-tailed)	.000	.	.000	.000
		N	86	86	86	86
Responsiveness	Responsiveness	Correlation	.959**	.987**	1.000	.988**
		Coefficient				
		Sig. (2-tailed)	.000	.000	.	.000
		N	86	86	86	86
Innovativeness	Innovativeness	Correlation	.963**	.988**	.988**	1.000
		Coefficient				
		Sig. (2-tailed)	.000	.000	.000	.
		N	86	86	86	86

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

Source: SPSS Version 26.0 Result, 2025

The study examined the relationship between shareholders' engagement and three measures of vitality in mobile telecommunication companies in South-South Nigeria: resourcefulness, corporate responsiveness, and innovativeness. For resourcefulness, the Spearman's correlation coefficient ($\rho = 0.966$) and a significant p-value (0.000) indicated a very strong positive relationship, leading to the rejection of the null hypothesis. Similarly, corporate responsiveness showed a strong positive correlation ($\rho = 0.959$) with a significant p-value (0.000), resulting in the rejection of the null hypothesis. Innovativeness also demonstrated a strong positive relationship ($\rho = 0.963$) and a significant p-value (0.000), leading to the rejection of the null hypothesis. These findings confirm that shareholders' engagement significantly enhances resourcefulness, corporate responsiveness, and innovativeness in these companies. The results consistently revealed that shareholders' engagement has a substantial and positive influence on all three measures of vitality. The very high correlation coefficients and statistically significant p-values (all at 0.000) provided strong evidence against the null hypotheses, leading to their rejection in each case. This implies that increased shareholders' engagement directly contributes to greater resourcefulness, improved corporate responsiveness, and enhanced innovativeness within mobile telecommunication companies in South-South Nigeria. The study concludes that fostering shareholders' engagement is crucial for improving these key organizational outcomes.

Discussion of Findings

The study examined the relationship between shareholders' engagement and three measures of vitality—resourcefulness, corporate responsiveness, and innovativeness—in mobile telecommunication companies in South-South Nigeria, rejecting the null hypotheses due to strong positive correlations (Spearman's ρ) and significant p-values (0.000). The findings align with prior research, such as Egiyi and Okafor (2022), who found that shareholder value enhances firm profitability, and Waithera (2020), who linked employee stock ownership to increased productivity and reduced turnover. Similarly, Wangari (2020) and Gompers (2003) highlighted that shareholder engagement and strong shareholder rights improve organizational performance and market valuation. The study also supports Aanu (2016) and Cheng (2006), who emphasized that effective shareholder monitoring and transparency enhance corporate governance and reduce capital costs. However, the findings contrast with Makau (2012) and Nangoli et al. (2016), who noted that weak stakeholder involvement hinders strategy implementation and project sustainability. The study concludes that active shareholder engagement significantly boosts corporate vitality, recommending that institutional shareholders in Nigeria adopt stronger oversight roles akin to those in developed economies to foster better governance and resource efficiency.

COMCLUSION AND RECOMMENDATIONS

The Study Concludes That Shareholders' Engagement Significantly Enhances The Vitality Of telecommunication companies in South-South Nigeria, as evidenced by strong positive correlations with resourcefulness, responsiveness, and innovativeness. Active shareholder involvement fosters financial resilience, adaptability, and innovation, which are critical for sustaining competitiveness in Nigeria's dynamic telecom sector. However, the findings highlight a need for more structured and proactive engagement strategies to maximize these benefits. To strengthen shareholder engagement and organizational vitality, telecommunication companies in Nigeria should prioritize regular and transparent communication through quarterly webinars or digital platforms to keep shareholders informed and involved in decision-making. They should

also establish shareholder participation initiatives, such as advisory committees or innovation forums, to leverage their expertise for strategic problem-solving. Additionally, tailored training programs should be developed to educate shareholders on industry trends, enhancing their ability to contribute meaningfully to corporate governance. Performance-linked incentives, such as dividend policies tied to sustainability goals, can further align shareholder interests with long-term vitality. Finally, adopting advanced technologies like blockchain for secure voting and AI-driven analytics can streamline engagement processes and improve responsiveness to shareholder feedback. These measures will deepen trust and drive sustained growth in a highly competitive market.

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