

STRATEGIC MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE OF BUSINESS PROCESS OUTSOURCING COMPANIES IN NAIROBI COUNTY, KENYA

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ABSTRACT

Purpose the study sought to assess the effect of strategic management practices on performance of Business Process Outsourcing entities based in Nairobi County, Kenya. This was motivated by decreasing performance and growth of BPOs, despite the growing demand of outsourced services by local and international corporates. Methodology this study utilized descriptive research design and it targeted 1257 employees drawn from the 118 business process outsourcing companies in Nairobi County. Using sampling formula, the study sampled 113 respondents. A questionnaire was utilized to obtain data, which was analysed using descriptive and inferential statistics. Results, The findings revealed that strategic leadership, strategic planning, resource mobilization, and strategic culture alignment although not effectively upheld by most of the surveyed BPOs were significant in stimulating the performance of the BPOs. Practical Implications for Economic Growth and Development, While it is evident that business process outsourcing is essential in steering growth and efficiency in other sectors, the BPOs have not been performing well, exposing the overall economy as their downfall would see loss of jobs and decline on government revenue. It is therefore essential for the managers of the BPOs to proactively integrate strategic management practices to adequately and rapidly respond to changes external environment thus steering their continued performance

INTRODUCTION

Background of the Study

In the current dynamic operating environment, it is becoming integral for every organization whether profit or not-for-profit, public or private to stimulate their continued success through being strategic enough to capitalize on their strengths and veil their weaknesses while seizing the available opportunities (Zainuddin, 2022; Lisnik & Majerník, 2023). With the increased competition in the modern market, most of the leading organizations across the globe are increasingly maximizing their embrace of strategic management as a way of differentiating their operations, products and services as well as to enable them seize the emerging opportunities. As defined by Annie (2020), strategic management is the process of putting together the available resources and capabilities in order to come up with approaches and techniques that lead to achievement of the organizations short-term and long-term goals. While ordinarily management is about

planning, controlling and overseeing the operations of the organization, strategic management is about focusing on what matters most for the organization and bringing on board the essential inputs that will ensure the expectations are met (Ogbechie, 2018). Strategic management practices therefore are the approaches and techniques put across to ensure effective formulation, execution and evaluation of key strategies to drive the organization towards meeting the set goals and objectives (Omoarebun & Zwingina, 2022).

Orchestrated by the surge in competition, technological changes and the urge to focus on core business, businesses are now focusing on outsourcing some of their operations and processes (Roslender, Hart, & Nielsen, 2023). This has seen an increase in the Business Process Outsourcing Companies (BPOs), which are companies whose main focus is to provide essential but non-core business operations and processes to other businesses (Muyesu & Kimaku, 2023; Ikerionwu & Edgar, 2019). These firms have been instrumental in enhancing the success of the outsourcing entities, while increasing customer service and satisfaction (Nyambura et al., 2020). However, the operating environment of the BPOs is categorically unique in that unlike the normal businesses where their services and products targets the recipient (downstream) customers, the BPOs targets both downstream customer and the outsourcing customer (Ikerionwu & Edgar, 2019). The continued performance of the BPOs would mean that they expand more and enhance the delivery of their mandate, thus promoting the success of other industries. With some of the outsourced services such as human resource management, procurement and supply chain, information systems, customer service and marketing, legal and financial services among others being essential services for the success of the outsourcing companies, the BPOs ought to be more strategic for them to enhance their performance and expand their operations across the market (Santos, 2020).

As modern organizations brawl to enhance performance through increased revenue generation and profitability (Ekon & Isayas, 2022), strategic management practices are turning to be the crucial drivers towards achieving this goal (Kayalık & Akdoğan, 2021). According to Babu et al. (2020), organizational performance entails the ability of an organization to meet its long-term and short-term goals utilizing the available resources and skills. It is the extent to which an organization is able to strengthen its revenues and maintain or minimize its overall costs while giving the best value to the customers (Santos, 2020). Organizations such as the Business Process Outsourcing companies (BPOs) ought to maximize their revenues by serving a large clientele base if they were to sustain and expand their operations. With the turbulence in the market and the pressure for most organizations to cut down on operational costs to maximize their profits, it becomes integral for BPOs to focus on how they can capitalize on strategic management practices to enhance their performance as well.

One of the main enablers of organizational success is the ability to focus on core business while at the same time ensuring seamless flow of other operations (Shuo et al., 2021). With the growing emphasis on organizations to not only focus on core business and forget the other operations that are equally important, the idea of outsourcing is widely getting embraced across the globe (Meneses, 2022). Global leaders such as Amazon, Microsoft Volkswagen among others have maximized their all-rounded focus on both core business and other operations due to embrace of outsourcing (Debnath & Roy, 2020). These companies are known to spend more than 50 percent of their budgets on outsourcing non-essential services for them to fully focus on core business and ensure perfection (Babu et al., 2020). Services such as customer contact and relationship management (CRM), recruitment and selection, supply chain management, information systems management among others require expatriate for them to be done effectively (Cabrera et al., 2019; Babu et al., 2020). The Business Process Outsourcing companies (BPOs), therefore, are the companies that offer the outsourcing services, whereby they are outsourced to render the services that are non-core to the organization but require experts to accomplish them efficiently (Mamica, 2020). These companies are known to play an integral role in promoting the success of other industries, since they ensure a robust business process that not only enhances the success of the outsourcing organization, but also quality products and services to the customers.

In Kenya, the business outsourcing industry has been expanding over the years, with more companies embracing outsourcing of non-core businesses (Chege, 2021). The BPOs have also increased in the country in the past two decades, with now even multinationals entering the market. The BPOs in Kenya mainly focus on activities such as financial and accounting services, recruitment and selection services, procurement and supply chain management services (logistics), customer service and management services, information systems management services, hospitality services, research, innovation and development services among others. The continued performance of these companies has been low due to the minimal embrace of outsourcing perspective in the country and the overall dynamism in the operating environment. According to Nyambura *et al.* (2020), as the global competition is getting rigid by day, it will be essential for the BPOs to be more vibrant and focus on essentialities that will strengthen their presence in the market.

Statement of the Problem

Generally, the Kenyan corporate market has been dynamic and unpredictable in the recent past, with companies in various industries actively focusing on their core mandates for sustenance in the market (Mulli, 2021). While outsourcing has been recommended and embracing in most scenarios, there has been a meagre focus on the outsourcing service providers commonly known as BPOs. These companies, although playing an instrumental role in ensuring the success of other industries, their performance has been rigid, as most

of them barely survive with the limited clientele willing to outsource (Chege, 2021). According to OECD (2022), while the global BPOs industry stood at \$170 billion in 2021, Kenya's BPO has a market size of less than Kshs.500 million, behind countries like South Africa whose BPO industry is capitalized at \$460 million. According to Kenya' Ministry of economic planning (2022), the BPO sector currently employs less than 30,000 people, while the plan is to have the sector employ more than 200,000 by 2030. According to Kenya Private Sector Alliance – KEPSA (2022), more than 7 BPO's exited the Kenyan market between July 2019 and June 2022, while over 35% of the companies laying-off between 20 and 50% of their workforce to salvage their dwindling revenues. A report by Kenya National Bureau of Statistics – KNBS (2021) indicated that most BPOs in the country were unable to tap on the emerging market while others failed to optimize on their potential to penetrate the market, thus continuing to affect the firms' performance.

The literature available has strongly linked organizational performance with the embrace of strategic management practices. Globally, a study by Graebner et al. (2023) revealed that mobilizing resources and effective strategic planning were integral strategic management practices that significantly contribute to performance. Singh et al. (2021) revealed that strategic organizational culture alignment and strategic leadership had a significant correlation with organizational competitiveness. Addae-Korankye and Aryee (2021) revealed that strategic planning, mobilizing resources and focusing on customers were key strategic management practices that significantly contributed to growth of the SMEs. Pandisha et al. (2022) revealed that strategic management practices significantly contribute to organizational performance. Daudi and Mbugua (2018) found out that strategy formulation, strategy execution and strategy evaluation had a significant effect on organizational performance. Dahir and Nyang'au (2019) established that strategic leadership human resource mobilization, and strategic outsourcing as strategic management practices influenced the organizational performance. Karanja and Juma (2020) revealed that strategic planning as a practice of strategic management had a significant relationship with service delivery. Based on these studies, it is crystal clear that strategic management practices have a significant role to play in enhancing organizational performance. However, these studies have conceptualized strategic management practices in varied ways, thus not providing a clear dimension on how to address strategic management practices. The studies, also, have used different methodologies, and their locale is different, with no emphasis on BPOs especially in the Kenyan context. This study sought to fill these gaps by assessing the influence of strategic management practices on organizational performance of BPOs in Kenya.

Objectives of the Study

- i. To establish the extent to which core strategic management practices have been embraced by performance of business process outsourcing companies in Nairobi County, Kenya.
- ii. To examine the current performance status of business process outsourcing companies in Nairobi County, Kenya
- iii. To determine the relationship between embrace of core strategic management practices and performance status of business process outsourcing companies in Nairobi County, Kenya

LITERATURE REVIEW

Theoretical Literature Review

Path-Goal Theory of Leadership

The path-goal theory of leadership was first proposed by House (1971). The theory indicates that traits, behaviours and style exerted by a leader are integral in determining the motivation and success of the team they lead (House & Mitchell, 1974). This is to imply that when a leader is committed to showing a certain direction to the followers, the outcome will be results equivalent to the direction the team is led by the leader. According to Saide et al. (2019), a leader is expected to be at the forefront of setting the strategic direction through example-setting and showing the team members on what to do and how to do it. This is the trait that the leader has to focus on in order to lead a successful team (Olowoselu et al., 2019). The theory upholds that for one to achieve the best results in a team as their leader, he or she ought to show commitment to the set goals and vision, through which they abide by the goals for the rest of the team to follow. In this study, strategic leadership is one of the aspects of strategic management practices. The goal of strategic leaders is to lead the team and ensure that every member of the team is involved and well-guided (Nasser & Al-Taie, 2021; Saleem & Noshaba, 2021). This is the essence of path-goal theory, in that it points out to the need for leaders to have the goals of the organization aligned to the skills, competencies and commitments of the workforce (Olowoselu et al., 2019). The theory helped to expound on the influence of strategic leadership on the organizational performance of BPOs in Kenya.

Strategic Choice Theory

The strategic choice theory is highly attributed to Child (1972), and it is regarded as one of the core theories that expound the concepts of strategic management and its role in business success (Harmey, 2016). The theory holds that strategies cannot cut across

organizations, in that different establishments require different strategies, this being informed by their underlying factors and environmental conditions on where they operate (Montanari, 1979). The theory indicates that organizations requires strategies to succeed, but these strategies have to be formulated and implemented through concept of first understanding the organization's operating environment. According to Tokman et al. (2016), while strategies are critical for organizational continuity, the choice of such strategies is more important as it determines how well the organization changes or maintains its internal processes after introduction of such strategy. Strategic planning as portrayed in the strategic choice theory is the process of putting together the tasks and frameworks for deriving, executing and evaluating a strategy in an organization (Horner et al., 2019). Through strategic planning, organizational managers tend to identify the strategies that their organizations will focus on and the best approach to achieve the end results. The theory therefore highlights the need for managers to focus on the key goals and have a set framework (plan) that outlines what needs to be done to achieve the goals set. This theory, therefore, is adopted in this study to expound on the effect of strategic planning as a strategic management practice on the organizational performance of BPOs in Nairobi County, Kenya.

Review of Empirical Literature

The available empirical literature has portrayed strategic management practices to be essential in steering organizational success. The main strategic management practices that ensued from the reviewed literature included the strategic leadership, strategic planning, resource mobilization and strategic corporate culture alignment. A study by Rajest et al. (2022) on strategic management practices focused on strategic leadership and noted that strategic leadership through strategic alignment, strategic flexibility, strategic integration and intangible capital significantly contributed to organizational competitive advantage. A similar study by Hunitie (2018) revealed that possessing a strong sense of strategic leadership leads to enhanced competitiveness since this presents a unique resource that cannot be easily imitated by the competitors. This concurs with the findings by Schaedler et al. (2022) who established that strategic leadership is the basis of steering organizational performance and competitiveness by ensuring that the organization is in a better state to face the compelling challenges and strengthen its capacity to enhance longevity and competitive advantage. Similarly, Gore and Kanyangale (2022) established that the most common aspect of strategic leadership found to influence organizational performance was strategic thinking and setting strategic direction for the organization. In Kenya, Mailu and Kariuki (2022) while assessing the relationship between strategic leadership and performance of Non-Governmental Organizations (NGOs) in Nairobi County, revealed that strategic thinking, strategic direction setting, development of core competences and change management had a significant influence on the performance of Non-Government Organizations in Kenya.

Another core strategic management practice is strategic planning, which is the process of identifying and defining the vision of the organization and setting specific goals that the organization ought to achieve in given timelines in order to achieve the set vision (Chiwawa et al., 2021). This is a strategic management practice where the strategic managers assesses the situation the organization is in, sets the next phases of where the organization needs to go and comes up with a framework to implement the set phases (Ahmad & Ahmad, 2019). Through strategic planning, strategic managers can effectively figure out the key inputs that the organization must have to attain its mission, and the right strategic path to follow to achieve its vision. According to George *et al.* (2019), strategic planning has been extensively addressed as one of the core strategic management practices that enable organizations to easily and more efficiently attain their performance goals and objectives. Wun (2019) while assessing the relationship between strategic planning and organizational performance revealed that strategic planning through goal-setting, benchmarking and lesson from previous performance had a significant influence on organizational performance. These findings concur with those by Chawla (2020) who established that the duty of a strategic manager is to set goals and ensure execution of these goals and promoting learning from previous mistakes collectively known as strategic planning so as to put their organizations in the right trajectory for superior performance.

Kisilu et al. (2019) while analysing the role played by strategic planning on performance of small and medium enterprises revealed that strategic planning had a significant influence on the financial performance of SMEs. According to Kisilu et al. (2019), SMEs that were capable of setting clear their vision, mission and strategic goals, were generating more profits as compared to those that did not have a set strategic pathway (strategic planning). Further, the authors concluded that the financial performance of the enterprises was dependent on how well their owners/leaders were capable of embracing strategic planning as a strategic management practice. These findings compare with those by Kabeyi (2019) who stated that even smaller companies that embrace strategic planning set a discipline of having a strategic pathway to follow in carrying out their day to day activities, thus strengthening their ability to perform better.

According to Supardi *et al.* (2023), one of the strategic management practices is resource mobilization, where strategic managers do not just sit down and consume whatever resources availed by the shareholders, but goes out of their way to seek for other resources that can strengthen the operational capacity of the organization. As defined by Vanacker et al. (2020), resource mobilization is the process of obtaining new resources from the available sources, directing these resources to the demanding operational areas in the organization, and monitoring to ensure that the resources are appropriately utilized. Through mobilization of the resources, strategic managers show their potential to achieve the set strategic goals, since these goals require the resources as the main drivers.

Thornton et al. (2019) while analysing the effect of resource mobilization as a strategic management practice revealed that high resource mobilization capacity among the strategic managers had a significant influence on the success of new products. This compares with the findings by Abbas et al. (2019) who revealed that by being capable of mobilizing the required resources, the strategic managers put their organizations in a stronger capacity to be competitive by developing unique products and more efficiently.

A study by Ansebo and Gaywala (2021) revealed that resource mobilization was an integral driver of organizational performance by ensuring more customers were attracted through the efforts made by the strategic managers. This compares with the findings by Drencheva et al. (2022) who revealed that resource mobilization is a role of strategic managers that gives them the autonomy to be outgoing and seek extra resources that can speed-up the process of implementing the strategic goals of the organization. Mworira et al. (2019) established that resource mobilization had a significant influence on the sustainability of the projects. Wanyama (2021) asserted that the continuous embrace of resource mobilization by strategic managers is a prerequisite to continued organizational performance. A study by Imran et al. (2022) portrayed that corporate culture was core in streamlining organizational goals with key norms and values of organizational employees. According to Pathiranage et al. (2020), strategic corporate culture is not only seeking to change the culture of employees to align to the corporate goals, but also coming up with ways that can ensure a seamless coexistence between individual employee's cultural beliefs and organizational strategic goals.

Paramita et al. (2020) while addressing the relationship between corporate culture and employee performance established that organizational culture was integral in strengthening performance as it eased the ability of workforce to commit to organizational goals and objectives. Okwata et al. (2022) while examining how strategic corporate culture determined organizational performance revealed that corporate culture was a subject of how employees related, their norms, and values practiced while in the organization. Therefore, these values were found to be critical in driving competitiveness as they determined the way tasks were completed and how well the employees related with management team. Their findings concur with sentiments by Suryaningtyas et al. (2019) who indicated that culture exemplified in an organization is seen through employees as they are key custodians of organizational norms and values.

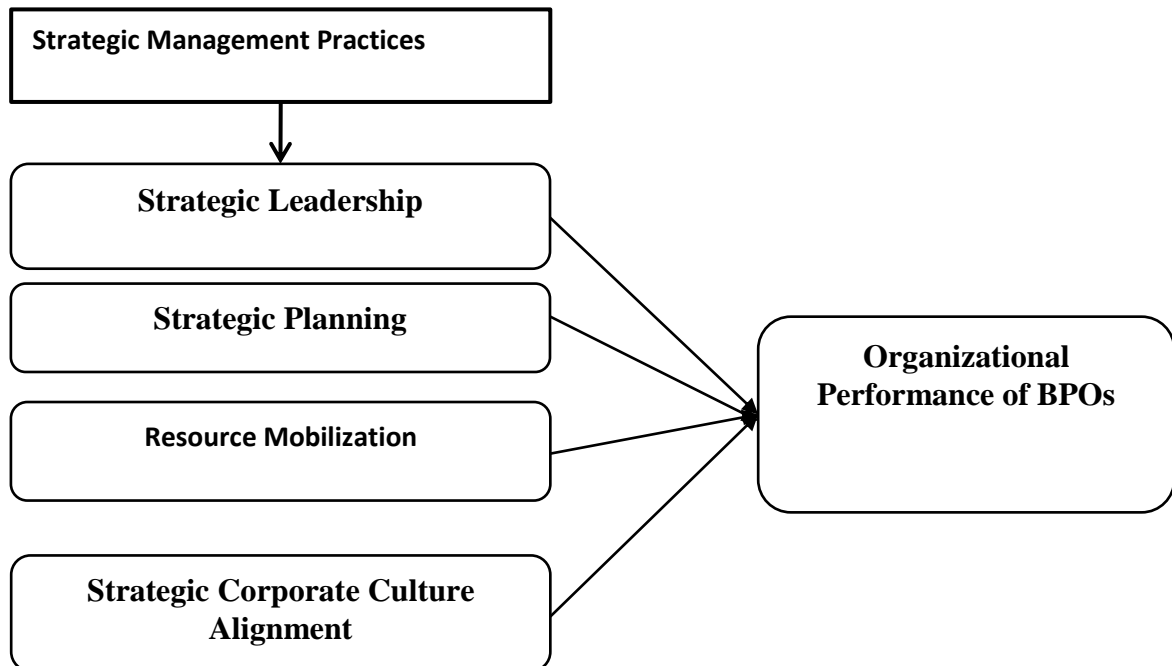
Conceptual Framework

Figure 1: Conceptual Framework

RESEARCH METHOD**Research Design**

This study used a descriptive survey design to describe and examine strategic management practices and role of such practices in organizational performance of business process outsourcing companies in Kenya. A descriptive research design according to Mertler et al. (2021) helps in in-depth description of the research problem by enabling collection and analysis of both qualitative and quantitative data. The design was chosen for this study since it enhances an extensive analysis of the research problem, thus enabling the study to make more informed conclusions and recommendations.

Target Population

The population targeted in this study comprised of the business process outsourcing companies in Kenya. There are 118 Business Process Outsourcing Companies registered in Kenya as at June 2023. The study specifically targeted senior management, middle and bottom level management employees from these companies. The companies have 293 senior level managers, 406 middle level managers and 558 bottom level managers, making a total of 1,257 employees in the three management cadres. The study therefore targeted 1,257 employees drawn from the 118 Business process outsourcing companies in Nairobi County, Kenya.

Sample Size and Sampling Technique

The study utilized a stratified random sampling technique to select the sample from the population. A sampling formula was used to obtain the appropriate sample size. The formula Yamane (1967) was used. The formula is as follows:

$$n = \frac{N}{1 + N(e^2)}$$

Where:

n = Sample Size

N = Target Population (1257)

e = is the level of precision assuming 9% or 0.09.

$$n = \frac{1257}{1 + 1257(0.09^2)}$$

$$n = 112.415$$

The study therefore used a sample of 113 respondents. The study used a stratified random sampling to pick the 113 respondents among the 118 companies.

Data Collection Instruments

This study utilized primary data which was collected through use of a questionnaire.

Data Analysis and Presentation

The data was analysed using descriptive analysis where key descriptive statistics which included mean scores, standard deviations and percentages. Inferential analysis was then carried out to establish the statistical relationship between independent variables and the dependent variable. This was done using correlation analysis and regression model analysis

RESULTS AND ANALYSIS

Response Rate of the Study

The study obtained a response rate of 91.2% where out of the 113 issued questionnaires, 103 questionnaires were dully filled and returned back for analysis. According to Creswell (2018), a response of more than 60% is adequate for representation of the targeted population, and can make conclusions and recommendations regarding the subject matter in a study. To this effect, the 91.2% response rate was considered adequate for analysis in this study.

Strategic Management Practices in Business Process Outsourcing Companies

The first objective of this study was to examine the extent to which core strategic management practices had been embraced in the business process outsourcing companies

in Kenya. These core strategic management practices included strategic leadership, strategic planning, resource mobilization and strategic culture alignment. The results as shown in Table 1 revealed that a significant proportion of respondents disagreed that their respective BPOs had effectively integrated and embraced strategic leadership. This suggests that strategic leadership was not effectively embraced among most of the BPOs, and this could have negative impact on the organizations' performance. According to Gore and Kanyangale (2022), strategic leaders ought to showcase their strategic management prowess through orienting the organization towards its strategic goals and ensuring that there is a clear framework of implementing the set strategies. Kurere (2022) and Ambilichu et al. (2022) established that strategic leaders are fundamental in modern organizations in that they enable organizations to streamline their functions and align them with the changing external world for enhanced performance.

Strategic planning was also found to have been ineffectively embraced among most of the BPOs surveyed. According to Wun (2019), performance of modern businesses was limited by lack of effective strategic planning through which long-term and short-term goals are clearly set and communicated while ensuring there is a set framework on implementation of the set strategies. According to Hawkins *et al.* (2021), organizations in highly competitive sectors like the BPO companies, ought to effectively embrace more robust approaches of strategic planning including clarifying and communicating goals by ensuring both short-term and long-term goals are well-defined and communicated throughout the organization. On resource mobilization as a strategic management practice it is evident that most of the surveyed BPOs lacked effective integration of resource mobilization as a key strategic management practice. The findings concur with those by Nyathi and Kekwaletswe (2023) and Abbas et al. (2019) who established that most organizations that were experiencing performance issues would focus on mobilizing partnerships and collaboration as essential organizational resources to strengthen their performance.

The results on strategic corporate culture alignment revealed that most of the BPOs surveyed did not effectively uphold alignment of corporate culture to their strategies as a major strategic management practice. The results imply that the BPOs may be missing out of the benefits aligned to effective alignment of organizational culture such as enhanced relationship among employees which is essential for continued organisational effectiveness. According to Okwata et al. (2022) and Imran and Jingzu (2022), lack of good relationship between employees and the management has negative effects on organizational performance as it limits the trust and confident between the management and the employees. The findings generally show that most of the respondents felt that their organizational culture was not strategically aligned to their respective organization's strategic goals.

Table 1: Extent of Embrace of Strategic Management Practices

Statements	Not Effectively Upheld	Effectively Upheld	Mean	Std. Dev.
Strategic Leadership	56.39%	43.58%	2.85	1.44
Strategic Planning	60.35%	39.71%	2.72	1.56
Resources Mobilization	57.23%	42.77%	2.82	1.42
Strategic Culture Alignment	55.11%	44.90%	2.91	1.37

Performance of Business Process Outsourcing Companies

The second objective of the study was to assess the performance status of business process outsourcing companies in Kenya. The views of the participants were sought in regard to the performance of their respective organizations. As shown in the findings, most of the respondents disagreed that their respective organizations' sales revenue had increased significantly for the last three (Mean score = 2.47; Std. Dev. = 1.073). The respondents also disagreed that the annual profits for their respective organizations had been increasing significantly for the last three years (Mean = 2.36; Std. Dev. = 1.172). According to Keng'ara and Makina (2020), under normal operating grounds, it is expected that the profit margins made in an organization correlate with the sales revenue made, such that when there are more sales revenues, then profit margins are expected to be higher. However, when there lacks proper strategic focus to minimize costs and maximize value, organizations tend to incur more costs in making their sales, thus most of the revenue generated goes into costs leading to shrinking profit margins.

The findings are a true revelation that the performance of BPOs in Kenya has not been effective, where revenues and profit margins have not seen a significant growth in most of the organizations. According to Khalid et al. (2019), continuous underperformance in modern organizations is a sign of either tough economic conditions or ineffective internal processes that are not strategic enough to lead to superior performance. Abd-Elrahman and Kamal (2022) also noted that an organization is seen to be performing well when it offers quality services and continually increases customer satisfaction, while at the same time generating adequate revenue to cater for its internal and external needs.

Table 2: Descriptive Statistics on Performance of BPO Companies

Statements	Mean	Std. Dev.
The organization's sales revenue has increased significantly for the last three years	2.47	1.073
The annual profits have been increasing significantly for the last three years	2.36	1.172
The profits generated are commensurate of the sales made.	2.67	1.399
The flow of customers has significantly increased for the past three years	2.61	1.315
The demand for the services offered by our company has been on increase for the past five years	2.73	1.405
The quality of services offered in our organization has advanced significantly over the past five years	2.59	1.035
The company has seen more referrals from the existing customers in the recent past	2.86	1.401
Our company's revenue is projected to grow significantly in the next three years	2.58	1.354

Relationship Between Strategic Management Practices and Performance of BPOs

The third objective of the study was to examine the relationship between the extent of embracing strategic management practices and performance of business process outsourcing companies in Kenya. This was achieved through correlation analysis and regression model analysis.

1. Correlation Analysis Results

A correlation analysis was carried out to establish the relationship between the independent variables (strategic leadership, strategic planning, resources mobilization and strategic culture alignment) and the dependent variable (performance of BPOs in Kenya). As the results on Table 3 portray, the Pearson Correlation coefficients (r) between strategic management practices and performance of BPOs showed a strong correlation. The findings concur with those by Krishna et al. (2022) who established that strategic management practices including strategic planning and strategic culture alignment strongly influenced organizational performance. Further, according to Karanja and Juma (2020), strategic management practices such as resource mobilization and strategic culture alignment play an instrumental role in determining organizational performance by streamlining internal processes towards the strategies set in an organization. A study by Jayawarna and Dissanayake (2019) revealed that strategic planning had a significant role in influence organizational performance through enhancing the formulation of appropriate strategies that would be effectively implemented for better results. Yardı and Aksöz (2023) revealed that strategic leadership had a strong and significant influence on firm performance as it supported the effective implementation of strategic goals of organizations for enhanced effectiveness and efficiency.

Table 3: Correlation Analysis Results

Independent Variables	Pearson Correlation (r)	Sig. (2-tailed)
Strategic Leadership	0.761	0.000
Strategic Planning	0.754	0.000
Resource Mobilization	0.751	0.000
Strategic Culture Alignment	0.772	0.000

2. Regression Analysis Results

Regression analysis using a multiple regression model was used to establish the relationship between strategic management practices had a significant correlation with performance of BPOs in Kenya. The model summary results revealed that there was a 76.5% variation in performance of BPOs as a result on the strategic management practices. An analysis of variance (ANOVA) results revealed that the model was statistically significant to predict the relationship between strategic management practices and performance of BPOs in Kenya ($F = 79.561$; $P = 0.000 < 0.05$). The regression coefficients revealed that with a Beta coefficient (β) of 0.303, strategic leadership has the strongest influence on performance of BPOs in Kenya. Moreover, it was established that strategic

planning had the lowest influence on performance of business process outsourcing companies in Kenya as shown by the Bet Coefficient (β) of 0.212. The findings concur with those by Rajest *et al.* (2022) who established that strategic leadership is an integral strategic management practice that strengthens the organizational team towards focusing on strategic goals thus steering firm performance. A study by Wun (2019) on the other hand revealed that strategic management through strategic planning was a critical initiative that supported organizational strategies by articulating the strategy formulation and execution process for better results. The findings also concur with those of Kayalik and Akdoğan (2021) who alluded that strategic managers who effectively mobilize the required human, financial and infrastructural resources are fundamental in leading competitive and well-performing organizations.

Table 4: Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.874 ^a	.765	.755	.48226		
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	74.016	4	18.504	79.561	.000 ^b
	Residual	22.793	98	.233		
	Total	96.809	102			
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	.151	.163			.925	.357
Strategic Leadership	.303	.062	.339		4.868	.000
Strategic Planning	.212	.077	.215		2.734	.007
Resource Mobilization	.214	.077	.230		2.787	.006
Strategic Culture Alignment	.232	.094	.223		2.469	.015

a. Dependent Variable: Organizational Performance

CONCLUSION

Conclusion

The study revealed that a lack of effective embrace of key strategic management practices including strategic leadership, strategic planning, resource mobilization and organizational culture alignment, thus the declining performance of BPO companies in Kenya. The results confirmed a strong and significant correlation between strategic leadership and organizational performance, indicating that ineffective performance is strongly linked to the absence of effective strategic leadership practices. The strong correlation between strategic planning and organizational performance was evident, indicating that the underperformance of BPO companies is closely linked to the lack of effective strategic planning. The significant and positive impact of resource mobilization on the performance of BPO companies, was an indication that effective resource

mobilization is crucial for their success. The study concluded that strategic corporate culture alignment is not effectively upheld in many BPO companies in Kenya, leading to suboptimal organizational performance.

Recommendations of the Study

The study recommends that the management team of BPO companies in Kenya should embrace effective leadership as a way of steering performance and continued success of the organizations. The leaders ought to develop and communicate a clear and compelling vision that aligns with organizational goals, establish and communicate long-term goals to all stakeholders, and provide clear guidance on strategy implementation.

It is recommended that the management of BPO companies should prioritize the effective implementation of strategic planning practices as an essential strategic management practice. The management should consider defining and communicating clear short-term and long-term goals to the employees, while establishing regular assessment processes to evaluate the effectiveness of their strategies and track their implementation.

The study recommends that the BPO companies through their senior management teams should prioritize effective resource mobilization practices to effectively run their internal processes and operations. The management team should ensure adequate financial resources are available to meet internal needs and establishing clear budgets for efficient fund allocation. Organizations should also invest in recruiting sufficient human resources and focus on enhancing the technical skills of employees through regular training and development programs.

To improve performance, BPO companies should prioritize aligning their corporate culture with strategic goals by integrating core values, norms, mission, and vision into daily practices. Creating a supportive and conducive working environment is essential for boosting employee morale and productivity. Organizations should clearly define and communicate roles and responsibilities to avoid confusion and ensure efficiency. Regular assessments of corporate culture alignment with strategic goals should be conducted to make necessary adjustments and improvements.

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