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GLOBAL STRATEGIES AND PERFORMANCE OF LISTED COMMERCIAL BANKS IN KENYA

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Abstract

Modern organizations including banks operate in highly competitive environments pushing them to search for ways to improved performance and strategic advantage. The Kenyan banking sector has increasingly faced stiff competition leading to decline in return on equity. This study sought to examine the influence of global strategies on performance of listed commercial banks in Kenya. Specifically, the study sought to establish the influence of internationalization strategy on performance and to establish the influence of risk management strategy on performance of listed commercial banks in Kenya. The study employed a descriptive research design and targeted all the listed commercial banks in Kenya, which amount to a total of 42 banks as per the CBK report (2023). The banks served as the unit of analysis while the unit of observation was the 168 respondents who comprised Sales Managers, Loans Managers, Relationship Managers and Risk management managers. The sampling procedure was census method due to the fact that the sample was relatively small. Both primary and secondary data were collected through a structured questionnaire and a secondary data sheet. A Pilot test was conducted to test validity and reliability of the questionnaire while data obtained from the field was coded, cleaned, and analysed through descriptive and inferential using the SPSS version 25.The significant of each independent variable was tested at a confidence level of 95%. Analysed data has been presented in simple tables, figures and other statistical tools where applicable. The study concluded that internationalization strategy had a significant and positive effect on organizational performance in listed commercial banks in Kenya; and that risk management strategy had a significant positive effect on organizational performance in listed commercial banks in Kenya. Based on the findings, the study recommended that the management of listed commercial banks should adopt and consistently implement standardized operational procedures across all departments for sustainable superior performance. In addition, the study recommended that the management of commercial banks should actively pursue international expansion opportunities to enhance their market reach and strategic advantage.

Keywords: *Global Strategies, Internationalization Strategy, Risk Management Strategy, Performance of Listed Commercial Banks*

INTRODUCTION

The 21st business environment is defined by stiff competition and globalization among other competitive forces, which has pushed managers, consultants, and researchers to seek for ways to manage industries, strategies, and organizations better for sustainable advantage and strategic positioning especially in the broader context of the global environment (Gunasekaran & Ngai, 2019). The ability to gain competitive advantage or disadvantage depends on whether firm adapt to international competition (Tallman, Luo & Buckley, 2019). Nyaga and Mwangi (2014), opine that implementing business strategies is crucial due to globalization. Strategies for internationalization operations are formulated and key to assist organizations conducting business globally. Globalization and internationalization of domestic businesses, led to the concept of global business strategies. The foregoing strategies focus on increasing specific corporation's value and efficiency especially towards superior performance and strategic advantage (Schmitz, 2012).

Global strategies allow organizations to exploit various competitive assets globally, such as technological know-how, patents, or unique practices (Rahimli, 2012). This enables them to grow their competence levels and reduces the centrality of competitors. As such, their business operations and strategies help to share modified or new knowledge, improve cross-cultural relationships, and enhance the development of corporate culture, creativity, and innovation solutions for forming improvements. Besides, these strategies imply that cooperation with local companies or organizations, national ministries, or industry associations, offer necessary opportunities to penetrate new markets, distribution networks, or technology (Kvint, 2015). Global strategies should ideally meet not only regulatory issues but also cultural differences, which must be established by creating compliance to local or applicable culture as well as recognize social responsibility as the organization's central value (Tallman et al., 2019).

Organizational performance of commercial banks is influenced by a multitude of factors including economic conditions, regulatory compliance, technological advancements, and cultural considerations. Successful banks are those that can adapt to these dynamic factors, leverage technological innovations, maintain strong regulatory compliance, and understand regional market nuances (Anagnostopoulos, 2018). By monitoring these key performance indicators, banks can gain insights into their efficiency, profitability, customer satisfaction, risk exposure, and technological advancement, enabling them to make informed strategic decisions. Economic stability, growth rates, inflation, and interest rates significantly impact banks. Economic downturns can lead to higher loan defaults, while economic booms often result in increased lending and profitability (Molyneux *et al*., 2019). Exchange rate fluctuations affect international banking operations, impacting foreign currency transactions and investments (Adler & Dumas, 2020). Banks operate under strict regulatory frameworks which vary by country. Compliance with international standards such as Basel III, anti-money laundering (AML) regulations, and local banking laws are crucial for maintaining operations and avoiding penalties (Arner *et al*., 2016).

Regulatory requirements for capital adequacy and liquidity impact a bank's ability to lend and invest (Acharya *et al*., 2014). The rise of digital banking services, fintech innovations, and the use of artificial intelligence (AI) and blockchain technologies are transforming banking operations, improving efficiency, customer experience, and data security (Gomber *et al*., 2018). As banks become more digital, the risk of cyber-attacks increases, making robust cybersecurity measures are essential to protect customer data and maintain trust (Kumar & Park, 2018). Many commercial banks operate internationally, requiring strategies to manage risks and capitalize opportunities from different regions (Claessens & van Horen, 2014). The competitive landscape includes not only other banks but also fintech companies and non-traditional financial service providers (Philippon, 2016). Understanding and catering for the diverse preferences and behaviors of customers in different regions is critical for customer retention and satisfaction (Hofstede, 2011). Managing a diverse workforce and ensuring effective communication and collaboration across different cultures enhances operational efficiency (Thomas & Peterson, 2017).

For instance, Hongkong and Shanghai Banking Corporation (HSBC)'s global presence and its strategic focus on high-growth markets in Asia have been key to its performance. However, this has faced challenges from regulatory changes and geopolitical tensions (Thomas, 2019). Alternately, JPMorgan's investment in digital transformation, including its mobile banking app, has enhanced customer engagement and operational efficiency. Its global investment banking services have also contributed to strong performance (Srinivas, 2019). Also, Santander's strategy of local autonomy for its subsidiaries allows it to tailor services to regional markets while benefiting from global scale and best practices (García-Castro *et al*., 2013). The current study sought to examine the influence of global strategies on organizational performance in listed commercial banks in Kenya.

The history of listed commercial banks in Kenya is closely tied to the country's broader financial sector development and economic history. The banking sector in Kenya traces its roots back to the British colonial period, when the first banks were established to serve the colonial government, expatriates, and businesses. Banks such as Standard Bank of South Africa (now Standard Chartered) and the National Bank of India (now KCB Group), were primarily foreign-owned and catered mostly to European settlers and businesses, with limited access for the local population. After Kenya gained independence in 1963, the government focused on "Africanizing" the economy, which led to the establishment of local banks and the nationalization of some foreign banks. A notable example of this was the establishment of the National Bank of Kenya in 1968, aimed at serving the needs of the local population. Although the Nairobi Stock Exchange (now the Nairobi Securities Exchange, NSE) was established in 1954, the listing of banks began to take shape much later as the sector developed further.

The 1990s marked a significant period of liberalization and expansion in Kenya's financial sector, during which time, the country underwent substantial economic reforms, which included the liberalization of the banking sector. This period saw an increase in the number of banks, with several opting to go public and list on the Nairobi Stock Exchange(NSE). Kenyan Banks began expanding their services to reach a broader segment of the population, and innovations like mobile banking started to emerge, particularly with the advent of M-Pesa by Safaricom in 2007. From the 2000s to the present, the Kenyan banking sector has seen further consolidation and innovation, driven by stronger regulatory oversight from the Central Bank of Kenya. This period also saw several mergers and acquisitions, leading to a more stable banking environment. Moreover, several banks listed on the NSE, including Equity Bank in 2006, became one of the largest banks in Kenya by assets and customer base. The sector also embraced technology, mobile and internet banking, digital banking services and fintech innovations. The leading listed commercial banks in Kenya today include KCB Group, Equity Bank, Co-operative Bank of Kenya, Standard Chartered Kenya, and Barclays Bank of Kenya (now Absa Bank Kenya after rebranding in 2020). They have become ventured and expanded their operations into Uganda, Tanzania, Rwanda, and South Sudan.

Statement of the Problem

Kenyan commercial banks in Kenya have witnessed declining performance, particularly on return on equity (World Bank, 2023). The return on equity (ROE) of the commercial banks was 21 in 2018, 3% and 23. 10% ROE in 2017. Likewise, the decline went on from 2019, 2020, and 2021 as 20. 94%, 20. 88%, and 17. 39% respectively. In 2022, the profitability level of the listed commercial banks declined by 10% , which led to lay off of employees in a bid to contain their operational costs(CBK, 2023). Rahimli (2012), posits that global strategies allow an organization to exploit various competitive assets globally, comprising technological know-how, patents, or unique practices. This enables them to grow their competence levels and reduce the centrality of competitors. Oliveira & Brito, (2019), argues that companies that select standardization procedures experience better coordination, reduction of the cost of production and the improvement of economies of scale. The aforementioned lead to the overall improvement of cost efficiency. Internationalization is said to enhance competitive advantage by expanding banks' global footprint and access to new markets. This allows banks to capitalize on growth opportunities in emerging economies and leverage their global network to offer innovative financial products and services (Meyer et al., 2021).

Moreover, internationalization enables banks to build a strong global brand and reputation, attracting multinational clients and investors (Chen & Li, 2022). Global branding strategy focus on establishing strong and consistent brand presence across international markets. This strategy involves developing a unified brand identity, messaging, and positioning while adapting to local market dynamics for enhancing customer engagement, market penetration, and competitive advantage (Keller & Swaminathan, 2022). Hillson (2022), established that organizations that develop integrated approaches to risk management and adopt specific risk management measures before mishaps obtain higher success rates compared to companies with reactive and incongruous risk management systems. Owing to the foregoing issues, the current study sought to examine the influence of global strategies on organizational performance in listed Commercial Banks in Kenya.

General Objective

The general objective of this study was to examine the influence of global strategies on performance of listed commercial banks in Kenya.

Specific Objectives

The study was guided by four specific objectives.

i. To establish the influence of internationalization strategy on performance of listed commercial banks in Kenya.
ii. To establish the influence of risk management strategy on performance of listed commercial banks in Kenya.

LITERATURE REVIEW

Theoretical Review

Dynamic Capabilities Theory (DCT)

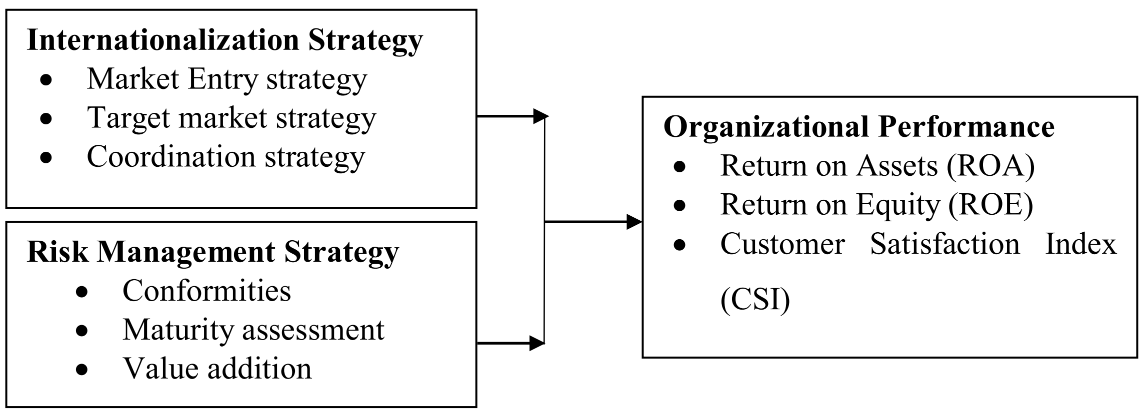
David Teece, Gary Pisano, and Amy Shuen (1997), proposed the Dynamic Capabilities Theory suggesting that firms can sustain competitive advantage by continuously adapting and reconfiguring their resources in response to changing market conditions. This theory is relevant to the study as it explains how commercial banks adjust their standardization, internationalization, and risk management strategies in response to shifts in global banking environments. It emphasizes that banks must develop capabilities such as innovation, learning, and strategic flexibility to thrive in international markets for good performance.

Risk Mitigation View

The Risk Mitigation View (RMV), developed by Raghuram Rajan and Luigi Zingales in 2003, focuses on strategies that help to manage, and minimize risks in volatile and uncertain environments. The RMV emphasizes, the importance of adopting comprehensive risk management practices to safeguard or mitigate potential threats (Rajan & Zingales, 2003). For commercial banks' global strategies, the RMV is particularly relevant as it underscores the need for banks to implement robust risk management frameworks to address accruing challenges. Such challenges may encompass economic instability, regulatory changes, and market fluctuations among others. These challenges are more or less similar to what listed banks have encountered in the recent past.

Conceptual Framework

A Conceptual framework is used to describe possible behavioral patterns or a recommended strategy concerning an idea or concept based on theoretical directions and knowledge. It helps researchers to set up research areas and parameters concerning the concepts and variables of a research study. Figure 1 illustrates the proposed conceptual map of the proposed study.



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Internationalization Strategy

An internationalization strategy is a business approach that enables companies to expand their operations beyond domestic borders to tap into global markets (Toroitich & Osoro, 2024). It involves making strategic decisions regarding how to enter, compete, and sustain growth in foreign markets while managing risks and resources effectively (Iradukunda & Irechukwu, 2023). The key components of internationalization strategy include Market Entry Strategy, Target Market Strategy, and Coordination Strategy. Each of these play a crucial role in ensuring successful expansion (Opere & Mwanzia, 2024). The Market Entry Strategy focuses on selecting the best approach for entry into foreign markets, which may include exporting, franchising, joint ventures, or foreign direct investment (FDI).

The Target Market Strategy also involves identifying the most suitable market segment based on factors like consumer behavior, economic conditions, and cultural preferences (Opere & Mwanzia, 2024).

Lastly, the Coordination Strategy ensures seamless management of international operations by aligning supply chains, standardizing processes, and maintaining brand consistency across markets. When effectively implemented, the components of internalisation strategy enhance a company's competitive advantage and long-term success in the global arena (Toroitich & Osoro, 2024). Internalization and its constructs was conceptualized as one of the sub variables of global strategies whose link to performance was examined in this study.

Risk Management Strategy

A risk management strategy is a structured approach used by organizations to identify, assess, mitigate, and monitor potential risks that could impact operations, financial stability, or project success (Opere & Mwanzia, 2024). It ensures business continuity by proactively addressing uncertainties and reducing their negative consequences. Effective risk management strategy aligns organizational efforts with regulatory requirements, improves decision-making, and enhances organizational resilience. The key components of a robust risk management strategy include conformities, maturity assessment, and value addition (Toroitich & Osoro, 2024). Essentially, conformities involve adhering to industry standards, legal regulations, and best practices to minimize risks associated with non-compliance (Opere & Mwanzia, 2024). This ensures that organizations operate within a structured framework, reducing financial hitches, and reputational damage.

Maturity assessment evaluates the effectiveness of organization's risk management processes by identifying strengths, weaknesses, and areas for improvement (Toroitich & Osoro, 2024). This helps in progressively enhancing risk-handling capabilities. It is important to note that value addition in risk management focuses on turning risks into opportunities. This helps to further improve efficiency, reducing costs, and enhancing innovation (Opere & Mwanzia, 2024). Risk management strategies was conceptualized as one of the sub variables of global strategies whose link to performance was examined in this study.

Empirical Review

Internationalization Strategy and Organizational Performance

Al-Hyari, Al-Weshah and Muhammed (2022) Barriers to internationalization strategy in SMEs: evidence from Jordan. Based on the aim of this study, a questionnaire based survey method was conducted among 250 Jordanian manufacturing SMEs using random sampling with usable response rate of 54 per cent. Data were analyzed using relevant statistical methods ranging from factor analysis to regression analysis. The results showed that economic/political-legal and governmental barriers, financial and information barriers bear a significant negative relationship with the export performance of SMEs in Jordan. Also, the results show that exporters and non-exporters significantly agree in their views of the various barriers. The study concluded that internationalization strategy is a pillar to the performance of SMEs in Jordan. Ogohi (2021) determined the effects of internationalization strategy on organizational performance. This research therefore covers the selected Nigerian Bottling Company in Kaduna. Secondary data were obtained through books, journals, and internet. Empirical works of other scholars were consulted. A simple size of 245 was obtained from the population of 635 using Yamane's statistical formula 245 of the questionnaires distributed 213 were returned. The questionnaire was designed in Likert scale format. The study revealed that there was no significant relationship between product strategy and the level of profit, there is no significant relationship between promotional strategy and the sales volume, there is no significant relationship between price strategy and the market share and lastly there is no significant relationship between place strategy and the level of customer loyalty in Nigeria Bottling Company, Kaduna.

The study further revealed that the utilization of product strategies enhances the level of profit in Nigeria Bottling Company .the study concluded that the use of internationalization strategy enhances sales volume in Nigeria Bottling Company and also that promotion usually provides target audiences with all the accurate information they need to help them take decision. Gundi

(2023) researched on the effect of internationalization strategy on organizational performance of food and beverages manufacturing firms in Kenya. The study used a questionnaire to collect primary data which were distributed to the respondents and collected at a later date. Descriptive statistics such as mean and standard deviation were computed. The study found that input market and human capital internationalization have a significance positive effect on organizational performance of food and beverages manufacturing firms in Kenya. The study was however inconclusive on the effect of product-market internalization on organizational performances of food and beverages manufacturing firms in Kenya. The study concluded that internationalization strategy has a positive significant influence on organizational performances.

Ikiao (2022) conducted a case study on the factors hindering the growth of the internationalization strategy in Kenya. The researcher adopted a purposive sampling technique to select the sample population for data collection. The researcher collected data through the use of self-administered questionnaires. The set of questions within the questionnaire were comprised of closed and open ended questions. The study found that amongst the factors discussed, the regulatory framework and liquidity levels in the capital market significantly hinder the growth of the internationalization strategy in Kenya. The findings of the study show that the internationalization strategy in Kenya has an average to below average growth rate as indicated by majority of the respondents. The reasons provided for this scenario include a regulatory framework that is not able to capture all financial risks in the market and hence protect investors, as well as low level of liquidity characterized by large changes in asset prices. The study concluded that internationalization strategy influences market performance.

Smith *et al* (2022) examined the effects of internationalization strategy on financial performance of listed multinational firms in Kenya. The study utilized a cross-sectional descriptive design. Secondary data collected from firms' annual reports and financial statements for a period of four years (2014 to 2017) was used. The firms' financial indicators of Sales Growth, Return on Equity, Return on Assets and Return on Capital Employed were employed to measure their performance. Franchising, exporting, wholly owned subsidiary and acquisitions were assessed as the entry strategies used by multinational firms. Data was collected from all the 62 listed multinational companies in Kenya and analyzed using quantitative methods. The results show that the performance of multinational firms operating through franchises and as wholly owned subsidiaries as well as acquisitions was lower than the performance of multinationals operating as export companies. The study concluded that the mode of entry into internationalization strategy chosen by a firm significantly affected its financial performance in the said market.

Risk Management Strategy and Organizational Performance

Leopkey and Parent (2020), conducted a study on the effect of risk management strategies by stakeholders in Canadian major sporting events. The purpose of this paper is to identify and characterize the use of risk management strategies in major sporting events from the perspective of the organizing committee members and other stakeholders. Key findings included a breakdown of risk management strategy types and an analysis of common strategies used across the various stakeholder groups. The study concluded that this paper examined risk management strategies used by the various stakeholders and organizing committees of two major sporting events. Mvubu and Naude (2020) conducted a study on the effect of supply chain risk management strategies: a study of South African third-party logistics providers. The purpose of this study was to determine the supply chain risk management (SCRM) strategies that South African third-party logistics (3PL) service providers use to mitigate risks, the extent to which

they adopt these strategies and the benefits derived thereof. The finding revealed that respondents place greater importance on risk identification than on the other SCRM strategies.
The findings also revealed that 3PL providers derive significant benefits from all SCRM strategies. A limitation of this study is that not all 3PL providers affiliated with SAAFF participated. The conclusions of the first objective revealed that 3PL companies had adopted the SCRM strategies (risk identification, risk assessment, risk response and risk monitoring, reporting and control) to manage risks. Kinyua, Ogollah and Mburu (2020) conducted a study on the effect of risk management strategies on project performance of small and medium information communication technology enterprises in Nairobi, Kenya. The main objective of this study is to establish the effects of risk management strategies on the project performance of small and medium information communication technology (ICT) enterprises in Nairobi, Kenya. Target population was 48 ICT SMEs in Nairobi, Kenya. The study adopted random sampling technique to select sample size of the project staff in the target population. The study established that there existed a positive relationship between risk management strategies affecting project performance and ICT project performance for SMEs in Kenya and were statistically significant at 0.05 levels. The study concluded that many (ICT) enterprises in Nairobi, Kenya have realized the importance of risk management practice in ICT project management to achieve process success.
Aduma and Kimutai (2020), conducted a study on the effect of project risk management strategies and project performance at the national hospital insurance fund in Kenya. The purpose of the study was to establish the effect of project risk management techniques on project performance at National Hospital Insurance Fund (NHIF) in Kenya. The study adopted a descriptive research design. The target population for this study was 651 management staff who was drawn from the following departments: finance, Health insurance and legal affairs, Public procurement, human resources, Pharmaceuticals and logistics since all their functions are centralized. The study found that inferential data analysis was done using Pearson correlation coefficient and regression analysis (multiple regression analysis) to establish the relations between the independent and dependent variables. The study concluded that risk preventions have the greatest effect on NHIF project performance followed by risk control then risk acceptance while risk transfer having the least effect on NHIF project performance.
Amemba (2020) conducted a study on the effect of implementing risk management strategies on supply chain performance: a case of Kenya medical supplies agency. This research sought to determine the effect of implementing risk management strategies on supply chain performance; a case study of KEMSA. The target respondents for the study were 24 KEMSA supply chain staff and the study used census approach. The research established that the level of implementation of risk management strategies in the KEMSA supply chain was medium and that risk identification, risk analysis and evaluation and risk control and monitoring strategies that were implemented in the KEMSA supply affected the performance to a great extent. The study concluded that risk identification strategies affected supply chain performance at KEMSA.

RESEARCH METHODOLOGY

Research Design

This study employed a descriptive research design which was deemed appropriate because of its ability to describe and explain the research variables in their natural settings. Additionally, the design gave the researcher an opportunity to establish causal relationship among the variables without manipulation.

Population

This study targeted listed commercial banks in Kenya. According to CBK report (2023), there is a total of 42 listed commercial banks in Kenya. The unit of analysis was the 42 listed commercial banks in Kenya while the unit of observation was the 168 sampled respondents comprising of Sales Managers, Loans Managers, Relationship Managers and Risk management managers. This choice was considered appropriate as these managers are responsible for formulating and implementing global strategies within their respective banks. Their experience and decision-making authority provide valuable insights into the effectiveness of standardization, internationalization, global branding, and risk management strategies.

A Census survey was deployed because it aims to collect data from every single member of the population of interest. The intention of this decision was to acquire data from all population units, where the respondents were the top bank managers or their equivalent.

Data Collection

The study used a questionnaire to obtain the primary data from the respondents. A questionnaire is one of the research tools used to administer questions to the target respondents to elicit specific responses. As used primarily in survey research, questionnaires help collect numerical and non-numerical data depending on the pose and type of research (Leedy & Ormrod, 2015). The applicability of using a questionnaire is due to its effectiveness in recording consistent, measurable, and comparative information, which, when collected in various organizations and large quantities, makes the use of the questionnaire invaluable in providing the objective measure of the effectiveness of global strategies in different organizations.

The secondary data was collected from audited and verified sources from the bank and their regulator, the central bank of Kenya. A secondary data collection schedule was used for the set study period.

Pilot Study

The present study conducted a pilot test on 17 respondents. The 17 respondents comprised of 10% of the sample size (168 respondents), which is the allowed threshold for pilot testing in research. The pilot test results and respondents were excluded from the main study; however, the insights were used to undertake further finetuning of the research tools.

Data Analysis and Presentation

Data was analyzed using descriptive and inferential statistics through the SPSS version 26. Descriptive statistics comprised of mean and standard deviation. On the other hand inferential statistics comprised of correlation analysis and regression analysis. The analyzed data was presented through use of tables. The regression model used was: $Y=B_0+B_1X_1+B_2X_2+\epsilon$

Where

Y=Organizational Performance

B_0= Constant

X_1= Internationalization Strategy

X_2= Risk Management Strategy

ϵ= Error term

FINDINGS

Descriptive Statistics Analysis

Internationalization Strategy and Organizational Performance

The first specific objective of the study was to establish the influence of internationalization strategy on organizational performance in listed commercial banks in Kenya. The respondents were requested to indicate their level of agreement on of internationalization strategy and organizational performance in listed commercial banks in Kenya. The results were as shown in Table 1. From the results, the respondents agreed that their bank has a well-defined market entry strategy for international markets (M= 3.996, SD= 0.865). The respondents agreed that the market entry strategy has been effective in expanding their global presence (M =3.819, SD=0.945). Further, the respondents agreed that they have clear criteria for selecting target markets for international expansion (M =3.798, SD=0.611).

The respondents also agreed that their target market strategy aligns with their overall business objectives (M =3.731, SD= 0.908). The respondents also agreed that coordination between their international branches and headquarters is efficient (M =3.711, SD=0.776). The respondents also agreed that their coordination strategy has improved the performance of their international operations (M =3.675, SD=0.897).

Table 1: Internationalization Strategy and Organizational Performance

	Mean	Std. Deviation
Our bank has a well-defined market entry strategy for international markets.	3.996	0.865
The market entry strategy has been effective in expanding our global presence.	3.819	0.945
We have clear criteria for selecting target markets for international expansion.	3.798	0.611
Our target market strategy aligns with our overall business objectives.	3.731	0.908
Coordination between our international branches and headquarters is efficient.	3.711	0.776
Our coordination strategy has improved the performance of our international operations.	3.675	0.897
Aggregate	**3.732**	**0.841**

Risk Management Strategy and Organizational Performance

The second specific objective of the study was to establish the influence of risk management strategy on organizational performance in listed commercial banks in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to risk management strategy and organizational performance in listed commercial banks in Kenya. The results were as presented in Table 2. From the results, the respondents agreed that their bank adheres strictly to international risk management standards (M= 3.968, SD= 0.905). The respondents agreed that compliance with regulatory requirements is well-managed in their bank (M =3.959, SD=0.885). Further, the respondents agreed that their risk management processes are mature and well-developed (M =3.920, SD=0.605). The respondents agreed that regular maturity assessments help in improving their risk management practices (M =3.754, SD= 0.708).

The respondents also agreed that risk management contributes significantly to their bank's overall value creation (M =3.911, SD=0.873). The respondents also agreed that effective risk management has a positive impact on their bank's performance (M =3.897, SD=0.786).

Table 2: Risk Management Strategy and Organizational Performance

	Mean	Std. Deviation
Our bank adheres strictly to international risk management standards.	3.968	0.905
Compliance with regulatory requirements is well-managed in our bank.	3.959	0.885

Our risk management processes are mature and well-developed.	3.920	0.605
Regular maturity assessments help in improving our risk management practices.	3.915	0.981
Risk management contributes significantly to our bank's overall value creation.	3.911	0.873
Effective risk management has a positive impact on our bank's performance.	3.897	0.786
Aggregate	**3.890**	**0.867**

Inferential Statistics

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (internationalization strategy and risk management strategy) and the dependent variable (organizational performance in listed commercial banks in Kenya) dependent variable. Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients. The current study employed Taylor (2018) correlation coefficient ratings where by 0.80 to 1.00 depicts a very strong relationship, 0.60 to 0.79 depicts strong, 0.40 to 0.59 depicts moderate, 0.20 to 0.39 depicts weak.

Table 3: Correlation Coefficients

		Organizational Performance	Internationalization Strategy	Risk Management Strategy
Organizational Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	146		
Internationalization Strategy	Pearson Correlation	.858**	1	
	Sig. (2-tailed)	.001		
	N	146	146	
Risk Management Strategy	Pearson Correlation	.906**	.189	1
	Sig. (2-tailed)	.000	.081	
	N	146	146	146

The results revealed that there was a very strong relationship between internationalization strategy and organizational performance in listed commercial banks in Kenya (r = 0.858, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings are in conformance with to the findings of Olang'o and Namusonge (2020). They also established a very strong relationship between internationalization strategy and organizational performance.

The results also revealed that there was a very strong relationship between risk management strategy and organizational performance in listed commercial banks in Kenya (r = 0.96, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the results of Hillson (2022) who revealed that there is a very strong relationship between risk management strategy and organizational performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (internationalization strategy and risk management strategy) and the dependent variable (organizational performance in listed commercial banks in Kenya)

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.925	.856	.855	.10120

a. Predictors: (Constant), internationalization strategy and risk management strategy

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.856. This implied that 85.6% of the variation in the dependent variable (performance in listed commercial banks in Kenya) could be explained by independent variables (internationalization strategy and risk management strategy). The finding is consistent with previous scholars who found that global strategies influence firm performance to a great extent (Olang'o & Namusonge. 2020)

Table 5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.027	2	6.0135	131.01	.000[b]
	Residual	6.568	143	.0459		
	Total	18.595	145			

a. Dependent Variable: organizational performance in listed commercial banks in Kenya

b. Predictors: (Constant), internationalization strategy and risk management strategy.

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 131.01 while the F critical was 3.059. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of internationalization strategy and risk management strategy on organizational performance in listed commercial banks in Kenya.

Table 6: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	**(Constant)**	0.311	0.088		3.534	0.000
	Internationalization Strategy	0.389	0.107	0.388	3.851	0.000
	Risk Management Strategy	0.398	0.103	0.399	3.864	0.001

a Dependent Variable: Firm Performance

The regression model was as follows:

$$\mathbf{Y = 0.311 + 0.389X_1 + 0.398X_2 + \varepsilon}$$

The results revealed that internationalization strategy has significant effect on organizational performance in listed commercial banks in Kenya (β1=0.389, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05.

The findings conform to the findings of Olang'o and Namusnge (2020) that there is a very strong relationship between internationalization strategy and organizational performance.

In addition, the results revealed that risk management strategy has significant effect on organizational performance in listed commercial banks in Kenya ($\beta1=0.398$, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the results of Hillson (2022), who revealed that there is a very strong relationship between risk management strategy and organizational performance. The results are also supported by the findings of Aduma and Kimutai (2020) who established that that risk preventions have the greatest effect on NHIF project performance followed by risk control then risk acceptance while risk transfer having the least effect on NHIF project performance.

Conclusions

The study concluded that internationalization strategy has a positive and significant effect on organizational performance in listed commercial banks in Kenya. The study revealed that market entry strategy, target market strategy and coordination strategy influence organizational performance in listed commercial banks in Kenya. The study also concludes that risk management strategy has a positive and significant effect on organizational performance in listed commercial banks in Kenya. The study revealed that conformities, maturity assessment and value addition influence organizational performance in listed commercial banks in Kenya.

Recommendations of the Study

The study recommended that the management of commercial banks should actively pursue international expansion opportunities to enhance their market reach and diversify income streams. By entering regional and global markets, banks can tap into new customer bases, access foreign investment, and benefit from cross-border synergies in operations and technology. Further, the study recommended that the management of commercial banks should invest in building strong, consistent, and recognizable global brands.

A well-executed global branding strategy enhances the bank's reputation, customer loyalty, and perceived reliability in both local and international markets. The study also recommended that the management of commercial banks should prioritize the development and integration of robust risk management frameworks across all levels of operation. Effective risk management enhances financial stability, minimizes losses, and ensures regulatory compliance, thereby improving overall organizational performance.

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