



GRADUATE PROGRAMS INSTITUTE

**A QUANTITATIVE STUDY ON THE RELATION
BETWEEN BUSINESS PROCESS OUTSOURCING,
MANAGERIAL COMMUNICATION, AND WORK
PERFORMANCE**

Sawsan ALDANDACHLY

MASTER'S THESIS

Istanbul, August 2023

**A QUANTITATIVE STUDY ON THE RELATION
BETWEEN BUSINESS PROCESS OUTSOURCING,
MANAGERIAL COMMUNICATION, AND WORK
PERFORMANCE**

Sawsan ALDANDACHLY

MASTER'S THESIS

BUSINESS ADMINISTRATION DEPTMEN

BUSINESS ADMINISTRATION MASTER'S PROGRAM

WITH THESIS

MASTER'S THESIS ADVISOR

Assistant Professor Özgür Burçak Gürsoy YENILMEZ

MASTER'S THESIS JURY MEMBERS

Professor Alpan Birelma

Professor Burak Aktaş

ACKNOWLEDGMENT

This thesis is the result of an extensive amount of comprehensive research.

I would like to start by expressing my deepest gratitude to my supervisor Ass. Prof. Özgür Burçak Gürsoy Yenilmez, for her unceasing support, motivation, guidance, and tolerance during the study. Without her, this research would not have been feasible.

My mother Wahda Beik, father AbdulKarim, and sisters have my profound gratitude for their unwavering support, love, and faith in me, especially during the difficult period when I was away from home doing my MBA.

Moreover, I want to thank and appreciate my fiancé Mohamad Obeid for his continuous support, love, and faith in me despite our distance, and my friends Claudette and Nahla who are always at my side and encouraging me, deserve a special thanks.

I must also express my gratitude to my manager Qutayba Swedan at work, who helped and supported me, also by giving a pleasant working atmosphere in order to complete my Master Degree.

Lastly, I would like to thank my MBA department colleagues and professors.

I dedicate this study to everyone stated above.

Istanbul, 2023

Sawsan ALDANDACHLY

CONTENTS

ACKNOWLEDGMENT	iii
CONTENTS	iv
ABSTRACT.....	vi
ABBREVIATIONS.....	vii
LIST OF FIGURES	viii
LIST OF TABLES	ix
1 INTRODUCTION	1
2 LITERATURE REVIEW	6
2.1. Managerial Communication (MC).....	6
2.2. Business Process Outsourcing (BPO).....	9
2.3. The relation between BPO and MC	12
3 CONCEPTUAL MODEL AND HYPOTHESES.....	14
3.1. The Conceptual Model.....	14
3.2. The effect of MC on work performance	14
3.3. The effect of employees' demographic factors on MC	15
3.4. The effect of BPO on work performance.....	15
3.5. The effect of BPO in boosting MC level	16
3.6. The effect of managers' demographic factors on MC	17
3.7. The effect of managers' demographic factors on BPO.....	17
4 METHODOLOGY AND DATA	19
4.1 Research Method	19
4.2 Surveys.....	19
4.2.1 Employees' Survey Design.....	19
4.2.2 Managers' Survey Design.....	20
4.3. Pilot Study.....	21
4.4. Sampling	21
5 FINDINDS AND DISCUSSION	22
5.1 Employees' survey.....	22
5.1.1 Descriptive analysis of Employees' survey	22
5.1.2 MC Scores in Employees' survey.....	24
5.1.3 Reliability Test.....	25
5.1.4 Descriptive Results of Multiple-Response Questions	26

5.1.5 Regression Results	28
5.1.6 T-Test Results	29
5.1.7 One-Way ANOVA Results.....	30
5.2. Managers' survey.....	32
5.2.1 Descriptive analysis of Managers' survey	32
5.2.2 BPO and MC Scores in Managers' survey	34
5.2.3 Reliability Test.....	35
5.2.4 Descriptive Results	36
5.2.5 Cross Tabulations of Multiple-Response Questions.....	37
5.2.6 Regression Results.....	39
5.2.7 T-Test Results	41
5.2.8 One-Way ANOVA Results.....	43
5.3. Hypotheses and test result.....	47
5.4. Discussion of the Findings.....	48
6 CONCLUSION	53
7 REFERENCES.....	57
APPENDIX A. STRUCTURED QUESTIONNAIRE	63
Employees' survey.....	63
APPENDIX B. STRUCTURED QUESTIONNAIRE.....	70
Managers' survey.....	70

ABSTRACT

A QUANTITATIVE STUDY ON THE RELATION BETWEEN BUSINESS PROCESS OUTSOURCING, MANAGERIAL COMMUNICATION, AND WORK PERFORMANCE

Istanbul recently becomes a destination for foreigners entrepreneurs from different nationalities, hence the number of foreign small and middle-sized enterprises (SMEs) is increasing quickly. Foreign SMEs play a critical role in introducing local products or services to international markets while competing with multinational competitors in domestic markets. Since the business performance is reliant on the degree of competence of its work team and its strong managerial connections, the managers are supposed to give their employees a comfortable working environment, a good working relation, and an effective communication, also to outsource unnecessary tasks to a third party to take advantage of labour arbitrage while remaining focusing on business's area of expertise.

This thesis comprehends the importance of managerial communication (MC) and business process outsourcing (BPO) in perceiving work performance, how BPO enhances MC between managers and employees, and to ascertain whether demographic factors have any impact on MC and BPO. Data is collected through convenience sampling from 201 managers and 302 employees working in foreign SMEs in Istanbul with two separate questionnaires. Survey responses are analysed with frequency, reliability, correlation, T-test, Anova, and regression techniques. The findings show that effective MC between managers and employees enhances in perceiving performance. Additionally, BPO increases value, improves work performance, and allows a company to focus on its employees thus providing better MC levels. As a result, there is a relation between BPO and MC. Furthermore, the age of the employees in SMEs strongly affects the MC scores. Additionally, it is discovered that the managers' understanding of MC is impacted by educational background, nevertheless BPO scores differ based on demographic factors such as age, gender, level of education, and work experience. This thesis contributes to the literature by showing the relation with BPO and MC on work performance, which is vital for SMEs depending on a rich data collected from a novel sample of foreigner workers and managers in Istanbul.

Keywords: Business process outsourcing (BPO), managerial communication (MC), work performance, demographic factors, small and middle-sized enterprises (SMEs).

Date: August, 202

ABBREVIATIONS

SMEs	: small and middle-sized enterprises (SMEs)
BPO	: Business Process Outsourcing
MC	: Managerial Communication
WP	: Work Performance
DM	: Demographical Factors
MS	: Managerial Skills
SPSS	: Statistical Package for the Social Sciences
RBT	: The Resource-based theory
TCE	: Transaction cost economics theory
CEO	: Chief executive officer
HR	: Human Resource
ICT	: Information and communication technologies
R&D	: Research and development
IT	: Information technology
HRM	: Human resource management
CROSSTAB	: Cross Tabulations

LIST OF FIGURES

Figure 1	: The Conceptual Model	14
-----------------	------------------------------	----



LIST OF TABLES

Table 1 : Employees' demographics profile.....	23
Table 2 : Descriptive statistics of employees' survey.....	25
Table 3 : Cronbach's alpha (1)	25
Table 4 : Reliability Analysis of Items (1).....	26
Table 5 : Descriptive table of miscommunication reasons	27
Table 6 : Descriptive table of Communication types	27
Table 7 : H1 ANOVA test	29
Table 8 : H1 Analysis Regression	29
Table 9 : T-test results of Comparison between MC and employees' gender	30
Table 10 : One-Way ANOVA test results, comparison MC with employees' age, educational levels, and experience years.....	31
Table 11 : Managers' demographics profile	33
Table 12 : Descriptive statistics of managers' survey	35
Table 13 : Cronbach's alpha (2)	35
Table 14 : Reliability Analysis of Items (2)	36
Table 15 : Descriptive table of BPO term	36
Table 16 : BPO types *BPO1 Crosstab.....	37
Table 17 : BPO side effects*BPO1 Crosstab	38
Table 18 : H3 ANOVA Test	39
Table 19 : H3 Analysis Regression	40
Table 20 : H4 ANOVA Test	40
Table 21 : H4 Analysis Regression	41
Table 22 : T-test Results of Comparison between MC and Gender	41
Table 23 : T-test Results of Comparison between BPO and Gender	42
Table 24 : One-Way ANOVA test results, comparison MC with managers' age, educational level, and experience years	43
Table 25 : One-Way ANOVA test results, comparison BPO with managers' age, educational level, and experience years	45
Table 26 : Table of Hypotheses and test result.....	47

1 INTRODUCTION

The Turkish market is growing and prospering swiftly, especially with an increase of foreign small and middle-sized enterprises (SMEs) in Istanbul during the recent years. SMEs are becoming more prevalent in Istanbul at a rapid rate, especially since a huge number of foreigners arrived there.

In order to stand out amid this massive inflation of SMEs and achieve work and employee's performance of these businesses, it is crucial to put the worker first, to develop his skills at work, and to show how job satisfaction and positive working relationships with manager will perceive work performance. The role of manager emerges here in achieving this satisfaction and enhancing an efficient managerial communication. Perceiving work performance is also related with business process outsourcing by which managers can delegate non-essential tasks to an outside party and concentrate on the core workforce.

The majority of businesses in the Turkish economy are small and middle-sized enterprises (SMEs). These businesses differ from large corporations in a number of aspects, including ownership structure, the availability of capital markets, and financing options. The economy's vital components, SMEs, are what spur competition and innovation across a wide range of industries.

In the Turkish economy, SMEs account for a sizable share of businesses, which resemble practically in every industrialized country (Jose and Francisco, 2008). It is a common phenomenon that SMEs have a crucial place in developing countries' private sector (Ensari and Karabay, 2014). These SMEs must successfully support strategic management choices if they want to compete in economies (Bayarçelik, Taşel, and Apak, 2014).

SMEs are classified as micro-sized company of which employ fewer than 10 employees, small sized company with fewer than 50 employees, and medium sized company with fewer than 250 employees in Turkey (Ensari and Karabay, 2014).

Managerial communication (MC) refers to the kind of interaction between a manager and an employee that serves as a means of exchanging information at the managerial level in order to facilitate the effective decision-making necessary to achieve the goals set for that organization with the greatest possible level of profitability.

MC focuses on more than just message delivery, it also aims to modify employees' mind-sets and helps them psychologically adjust to the organization's goals.

Organizational harmony, communication, and perceptions of justice are crucial components for success. Relationships are fuelled by managerial communication, which also shapes workers' attitudes and behaviours at work. Three factors make up attitude: affective, cognitive, and behavioural. Behaviours are the activities or responses that take place in response to those, whereas the cognitive component is the evaluation of those stimuli in the mind. Only affective/emotional aspects of attitudes are evaluated as they relate to communication, organizations, managers, and circumstances. Positive attitudes show themselves in adaptable behaviours, while bad attitudes have the opposite effect (Dasgupta, Suar, and Singh, 2012).

In order to put the organization's strategic goals into practice, managerial communication is the kind of communication that takes place within organizations at the initiative of the management team and with direct involvement from the management team. In particular, managerial communication is essential to a business and a crucial skill for its executives.

According to research, managerial abilities are helpful in terms of employees' job dedication and job happiness. Since managers and employees come from many geographic and social backgrounds and are required to speak a common language that is typically not their mother tongue, hence effective communication is crucial (Pikhart and Klimova, 2020).

A future without communication is difficult to envision, and a person's ability to communicate has a significant impact on their thoughts, emotions, desires for things, and ability to form social connections. To convey happiness, difficulties, feelings, thoughts, or any other information to others, all living things on this planet communicate in a variety of ways, including sound, gestures, and visible changes (Singh and Shastri, 2020).

Further, business process outsourcing (BPO) is the process of hiring an external or foreign third party to provide goods or services and carry out the tasks more instantly than the organization's management intends not to carry out internally and generally to benefit from labour arbitrage, while also focuses on its area of expertise. Outsourcing is also identified as “contracting out”, “offshoring” or “nearshoring”.

Early on, outsourcing is typically performed to cut costs or staff. Therefore, in the modern world, the managers of today's world are frequently more strategic and concentrate on doing core value-adding operations in-house.

BPO offers a chance to boost a business's revenues, output, and profitability as well as aids with manager-employee relations. Due to these strategic goals, BPO's initiatives must to climb to the top.

In the current highly competitive global market, consumer expectations are quite erratic. Small and middle-sized enterprises (SMEs) have a very tough time providing their customers with high-quality goods at fair prices. Large businesses invest a significant portion of their budget in developing new technologies. SMEs typically focus on their core competencies and outsource some non-core goods or activities in order to compete in this competitive market. For small-scale industries, the choice of outsourcing (when, what, and whom) is extremely important (Kumari et al., 2015).

One of the most influential trends in human resources management is marketed as outsourcing. Financial savings, a greater ability to concentrate on strategic concerns, access to technology and specialized knowledge, and the capacity to demand measured and better service levels are just a few of the reasons why HR tasks should be outsourced. Additionally, there could be a negative effect on staff morale and a danger of transmitting knowledge and insider information to vendors. Hence it is crucial to manage the outsourcing arrangement (Belcourt, 2006).

Although outsourcing is a normal part of company life, it has received little attention from research. It will be effective to make original research on outsourcing in SMEs since it has become so integral to sound business operations (Quandt, 2012). Further, BPO helps in raising the quality of a company's services and puts more emphasis on workers' core strengths, and generally promotes organizational performance (Gilley, Greer, and Rasheed, 2004).

This research aims to better understand how BPO and MC enhance work performance, to determine whether BPO improves managerial communication between managers and employees, and to determine whether employee demographics have any impact on MC scores in SMEs as well as whether manager demographics have any influence on BPO and MC scores of foreign SMEs in Istanbul, Turkey.

It also gives motivation to managers who did not use BPO to do such a step and encourage them to do an effective MC with their staff in order to avoid competition, employee retention issues, or problems with employee departure from the company.

The thesis is organized as follows: the next chapter consists of literature review about MC and BPO, for the purpose of this study's direction, the pertinent studies in the literature on these subjects are reviewed.

The conceptual model for the study and its derived hypotheses are described in the chapter that follows the literature review. The chapter that follows the conceptual model and hypotheses introduces the methodology part. To understand the relationship between BPO and MC from both the perspective managers and employees in SMEs, a quantitative research design is adopted.

Two separate online surveys are formed for employees and managers. Employees' survey is conducted among foreign employees working at small and middle-sized enterprises in Istanbul. The survey is divided into 5 sections and includes 22 questions, a total of 302 respondents is reached. Managers' survey is conducted among foreign managers of small and middle-sized enterprises in Istanbul. It is comprised of 21 questions in five sections, a total of 201 respondents is obtained. In the findings and discussion chapter, descriptive and inferential statistics method are used to test the hypotheses. Finally, it concludes with main findings and their place in the current literature.

The thesis shows that an effective managerial communication between managers and employees boosts work performance. Subsequently, outsourcing of non-essential duties to a third party is also helpful so the firm focuses on its purpose, vision, and work force. This in return improves their work performance and job quality. However, SMEs managers and owners need also to be aware of the fact that there is a downside to BPO in terms of trust, privacy, and functional loyalty.

According to findings, the interaction between MC and BPO supports reaching work performance. Whereas BPO helps in enhancing the level of MC between managers and employees which increases production, performance and value when delegating non-essential duties to a third party, and MC affects the level of work performance. Additionally, it is discovered that the age of the employees in SMEs strongly affects the MC scores. Further, managers' understanding of MC is impacted by educational background, while BPO scores differ based on managers' demographic factors such as age, gender, level of education, and work experience.

This thesis produces a rich data of a newly emerged population group in Turkish business life. In the last five years, Turkey has taken a lot migration from eastern and southern countries of MENA region. This population movement brings significant changes to the country's small business life.

In addition to language barriers, both the managers and employers of such type of firms have certain type of difficulties to reach business success. This study focuses on two types of them, BPO and MC, to understand the perceptions of non-Turkish population segments working in SMEs of Istanbul. By doing so, it contributes to the literature at mainly two points. First, it underlines the relationship between BPO and MC on increasing work performance in small and middle-sized enterprises depending on an extensive data set. Second, it shows the impact of demographical factors on the perceptions of MC and BPO, and their together success on small and middle business.



2 LITERATURE REVIEW

The aim of this thesis is to understand the relationship between outsourcing, managerial communication, and work performance in SMEs. This chapter defines these concepts depending on recent literature. The literature review reflects the studies in order to address the positive and negative aspects of each of these two factors during the recent years, as well as how other researchers have connected BPO and MC with perceiving work and employees' performance, particularly for small and middle-sized enterprises (SMEs).

2.1. Managerial Communication (MC)

Managerial communication is the process through which managers communicate with their co-workers, employees, and subordinates within a company. It comprises a range of communication techniques, including written, verbal, and non-verbal ones, and is a crucial component of efficient management.

Managerial communication is an essential feature in a company's success, and a company's values determine it and they can't be deployed, though, without managerial communication. Previous studies, over the years indicate that MC strengthens the emotional relationship between managers and employees, reduces absenteeism, and promotes positive loyalty and self-esteem. It affects a business's performance significantly. However, the absence of MC or poor managing communication abilities might have a significant negative impacts on organization and cause lack of production. In order to develop a constructive vision for the organization's future, managers and employees must communicate effectively.

Brownell (2003) indicates that managerial communication is too essential to be taken for granted. It is too dynamic and complex to rely on yesterday's principles and techniques. While Ince and Gül (2011) assert that organizational harmony, communication between managers and employees, and perceptions of fairness are crucial components for success.

A previous study demonstrates that managerial communication establishes and sustains the company's values. A firm's values are crucial to its performance, in result without MC they cannot be used. However, the degree of communication within the firm is influenced by the individuals' educational backgrounds (Malbašić and Brčić, 2012).

In addition, results from a questionnaire survey of 400 employees from ten Indian manufacturing companies demonstrate that once workers are satisfied with MC, this creates a strong emotional bond with the company, lowers absenteeism, and fosters positive loyalty and self-esteem (Dasgupta, Suar, and Singh, 2012).

Likewise, a research is conducted in Ankara's city center with 494 hospital executives and 26 organizations connected to the Ministry of Health reveals a stable and favourable correlation between delegation skills, empowerment, and effective communication (Toygar and Akbulut, 2014). Following a study, the workforce becomes more diverse, and managerial communication helps the firm achieve its goals and improves performance (Ganapathi and Panchanatham, 2014).

The authors Bell and Roebuck (2015) suggest in their paper that "Effective communication is necessary across all management tiers and functions. In addition, it is an integral part of managerial decision-making." Considering a past research, lack of managerial and communication skills are the main factor preventing small business from fulfilling their potential in terms of sales development (Aliyu, 2015).

Besides, another article shows negative impacts of poor communication by stating that "The communication management, mostly, communication problems are subjective. They are generated by both managers and subordinates. Behind communication embarrassments of managers are ineffective management styles, and behind embarrassments induced by subordinates is the lack of communicational culture" (Voinea et al., 2015).

The lack of managerial or poor communication has serious negative impacts as shows. Yet, some methods work to change the course of the events. For example, a research demonstrates how Chinese factory managers rely on oral management communication to change past knowledge, motivate staff, and address issues with employers (Kron, Garret, and Chen, 1992). Effective communication between managers and employees is essential to creating a vision for the future of the business (Oladiran and Burghate, 2016).

Further, Furlich (2016) concludes that managers and executives must participate in communication training programs if they want to inspire their workforce and increase productivity.

Also, a study sample of 399 participants, which includes both male and female participants, conducted by Paksoy, Soyer, and Çalık (2017) suggests a positive and reciprocal relationship between management communication skills and job devotion.

Veliu and Manxhari (2017) argue that performance and managerial communication competence are linked by depending on the survey results collected from SMEs. Moreover, a previous research clarifies the significance of emotional culture for organizational effectiveness. Findings show that internal communication and a dynamic workplace environment interact to affect employees' supporting behaviour (Men and Yue, 2019).

Another interesting study is from the Philippine's banking industry showing that the turnover intent is negatively related to MC, MS, and organizational culture (De Leon, 2021). Singh and Shastri (2020) also reveal that MC is associated with both individual worker satisfaction and overall job satisfaction. Paudel et al. (2021) mention that understanding many languages, becoming familiar with other cultures, traveling to various locations, and maintaining ethno-relative attitudes greatly reduce misunderstanding in managerial communication.

Last but not least, Yıldırım and Öztunç (2021) are interested in the communication styles and challenges experienced by male and female managers. According to their findings, male managers believe that women are more sensitive, patient, good listeners, and multitaskers while men are more assertive and skilled communicators. Hence, gender difference should be taken into account to assess the effectiveness of communication in business life.

According to the literature reviewed above, MC is the result of a manager and employee relationship that is characterized by effective communication. It is linked to employee satisfaction, overall job satisfaction and performance, job commitment, and it plays a crucial role in a company's success by upholding its core values. Additionally, MC improves the emotional bond between managers and staff, lowers absenteeism, and fosters positive loyalty and self-esteem.

When employees are pleased with the MC, a strong emotional connection is formed between them and the organization. Hence the perceived work performance of a firm is severely positively impacted. However, ineffective managerial communication can have a negative impact on teamwork, production, and the performance of the business as a whole.

2.2. Business Process Outsourcing (BPO)

BPO is a common strategy used by businesses, especially by SMEs. As well since non-essential tasks from various sectors, such as IT, accounting, or HR are handed to an outside party. BPO actually saves costs and helps the company to concentrate on its mission and vision.

Some of the studies discuss that businesses using BPO may benefit in marketplaces and enhance their perceived work performance, productivity, flexibility, and job quality.

BPO may, however, has a negative side when it comes to trust, privacy, and functional loyalty. The essential performance and confidentiality of the business may be harmed by outsourcing; as a result, some managers may prefer to avoid it and concentrate on developing staff members' talents.

A previous study conducted by Loh and Venkatraman (1995) demonstrates that outsourcing leads to an extreme performance subjected by cost structure and plays an important role in the approach of IT governance. The performance of stakeholders and inventions may be impacted by HR outsourcing. Payroll outsourcing thus has a beneficial impact on the company's innovation (Gilley, Greer, and Rasheed, 2002).

Elmuti (2003) argues that one of the most significant changes in HRM is outsourcing. Businesses may benefit in unprofitable marketplaces and enhance their performance by applying a managed outsourcing strategy. An investigation of the impacts of outsourcing is conducted at 80 hotels in Antalya, Turkey. There is an improvement in work quality, productivity, and performance according to reviews from hotel staff (Bolat and Yilmaz, 2009).

The other branch to outsource in an organization mostly is IT. Cutting IT expenses is one of the main effects that motivate IT outsourcing, which will improve the organization's scalability and flexibility. An article on Romanian SMEs argues that outsourcing lowers individual access prices to high levels of skilfulness while still contributing to cost reduction (Grama and Păvăloaia, 2014).

A research study in the telecommunication sector discusses how outsourcing plays a role in organizational performance. Meanwhile, it examines the mediating roles of both firm structure and culture (Hanandeh et al., 2021). Results of a previous paper show that the mediator variable of logistic outsourcing has a beneficial impact on the performance of manufacturing SMEs (Mageto, Prinsloo, and Luke, 2017).

Moreover, future outcomes could be adversely affected by the BPO adopters' mindset of focused only on efficiency and essential business procedures (Gewald and Dibbern, 2009). In accordance with data from a survey conducted in Malaysia, half of SMEs use IT outsourcing because of its advantages for them which are associated with the town's general growth (Hussin, Hasan, and Abdul Molok, 2010).

Additionally, for an outsourcing operation to be successful, confidence and trust in an outside source are essential tools. The importance of trust in the outside source is also underlined by Kamyabi and Devi (2011). They reach this conclusion depending on a deep investigation on the usage of accounting outsourcing by the data collected from a survey of 658 SMEs in Iran.

On the contrary to these results, Cahyaningtyas and Ningtyas (2020) conduct a quantitative study on the SMEs of Indonesia with a sample of 270 responses, and see that qualifications and faith in accountants' behaviour and trust are unimportant factors in the choice to use outsourcing. Technical proficiency, environment uncertainty, amount of competition, and asset definition, however, are significant determinants.

Quandt (2012) attempts to understand the importance of BPO for SMEs. His results reveal that SMEs generally outsource manufacturing, logistics, and accounting. Despite the risks, companies who outsource confront intense competition compared to those that don't; if they are successful, this will increase their sales.

Outsourcing in R&D is not as common as IT, HR, and accounting, otherwise. A study carried out in Belgium emphasizes the value of having research managers and R&D professionals and teaching them for research cooperation as opposed to R&D outsourcing in SMEs, demonstrating that they vary depending on the size of the SMEs (Teirlinck and Spithoven, 2013). According to earlier study done in Argentina, a SME's level of innovation has an impact on the likelihood of outsourcing. Therefore, SMEs are more likely to outsource as their creativity increases. Alternatively, ICT tools vary in type and may thus have a distinct impact on the propensity to outsource (Lalic et al., 2018).

In order to compare the benefits and drawbacks of outsourcing, Bingöl (2013) carries out an online survey with 341 selected IT specialists in Turkey from various businesses. The subsequent findings point to poor communication, a lack of drive, and a lack of required abilities. Additionally, some providers have problems with IT outsourcing.

Moreover, Dinu (2015) suggests that outsourcing is currently riskier and more difficult due to the variety of third-party service providers available in terms of size, scope, and location as well as the growing governmental surveillance of businesses' contacts with their service providers. Also, based on the findings of 57 empirical research studies that are published in 47 peer-reviewed academic publications, outsourcing may have positive or negative consequences on a company. Similarly, it can have inconsistent outcomes or none at all (Lahiri, 2016).

However, Belcourt's research (2016) indicates that outsourcing allows businesses focus on their objectives and strategic ambitions while also saving money. Unless, it could affect the team's morale at work and make it difficult to share internal knowledge and experiences among vendors.

Otherwise, some studies conclude that SMEs outsource in the same way as large businesses do by shifting their principal activities to other tasks that are backup or supportive in nature. This finding is based on survey research methods used in Benue State, Nigeria. Larger businesses, however, outsource more of their non-essential tasks (Agburu, Anza, and Iyortsuun, 2017).

According to empirical data, hazards related to the social network, technical system, and project management have a negative effect on the satisfaction of BPO projects (Zhang et al., 2018). The basis for outsourcing decision-making, according to this study, is based on risks, rewards, competencies, and suppliers.

Additionally, findings show that outsourcing has a number of risks that might harm the organization's interests, just as everything has both advantages and disadvantages (Montaseb et al., 2018).

A previous study conducted by Lee et al. (2019) indicates that there is a slight negative impact of outsourcing on company performance and job happiness.

Finally, BPO is not a viable solution in the hotel business since it could compromise hotel privacy, and there would be no trust mostly in outsourced party's performance and confidentiality (Elhoushy, Salem, and Agag, 2020).

Based on the literature provided above, BPO is a strategy that many companies, especially SMEs employ. Applying a managed outsourcing approach may help businesses in unprofitable markets and improve their overall perceived performance, work quality, flexibility, and efficiency.

It helps companies cut expenses while concentrating on their goals and strategic aims. Businesses seek to assign non-essential work from many industries, such as IT, accounting, or HR, to a third party, although the majority of SMEs outsource IT because it benefits them. However, because there are so many different third-party service providers accessible in terms of size, scope, and location, outsourcing become riskier and more challenging. For this reason, some managers choose not to employ it. Therefore, for BPO, loyalty, trust, and confidence in an outside source are crucial tools in order to maintain a business's secrecy.

2.3. The relation between BPO and MC

Jiang and Qureshi (2016) indicate that transferring non-essential tasks to companies with extensive experience in managing them, frees up enterprises to focus on their staff and perform things with greater added value. Also, Al-Qudah et al. (2020) conclude that giving employees the ability to carry out their duties and boost workplace productivity is possible through outsourcing. Outsourcing non-essential tasks to organizations with substantial expertise handling them makes it feasible to give the workers the tools they need to complete their tasks and to increase productivity at work with a higher added value.

Further, according to researches, BPO helps in raising the quality of a company's services and products, cut costs, put more emphasis on workers' core strengths, and generally promote organizational performance (Sinderman, 1995; Casale, 1996; Gilley, Greer, and Rasheed, 2004).

The literature review demonstrates that when a business outsources specific duties or responsibilities to outside service providers, managers may reduce their workload and focus more on training their current employees by enhancing managerial communication.

By contracting with outsourcing companies for non-essential tasks, managers may more effectively allocate their time and resources to employee development. In addition, outsourcing can enhance manager-team interactions by releasing managers' valuable time, enabling them to connect with team members more directly, and fostering stronger managerial relationships. In general, a small staff and smart outsourcing can create a situation where managers can prioritize employee development, leading to improved credentials and managerial communication.

Further, BPO enables SMEs to focus on activities that add value and improve the perceived work performance while delegating specialized responsibilities to outside experts. Effective managerial communication, on the other hand, has an impact on both employee satisfaction and overall work and employees' perceived performance. Because a workplace where management encourage open communication, information sharing, and productive collaboration is one where employees may collaborate, develop, and achieve common goals.

I can draw a conclusion therefore, that SMEs who have a small workforce and few resources and delegate non-essential tasks to a third party and instead concentrate on the entire workforce and improve employees' productivity, managerial communication plays a crucial role in fostering relationships between managers and staffs and enabling them to complete their tasks correctly and successfully. As a result, BPO and MC are linked in fostering success and performance.

3 CONCEPTUAL MODEL AND HYPOTHESES

3.1. The Conceptual Model

The model created for this study attempts to explain how business process outsourcing (BPO) and managerial communication (MC) play role in perceiving work performance, and how BPO has a significant impact on MC which is also related in achieving overall job and employee's performance, as depicted in Figure 1.

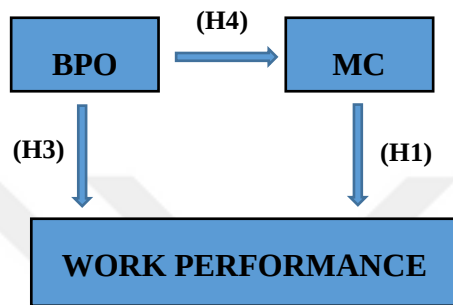


Figure 1. The conceptual model

3.2. The effect of MC on work performance

Many studies in the past, have shown that perceiving work performance and managerial communication clearly go hand in hand.

Poor communication can cause serious problems for any business and reduce productivity, managers and staff need to communicate clearly in order to create a positive vision for the future of the organization (Oladiran and Burghate, 2016). Further, the workforce grows increasingly diversified, and managerial communication aids in the company achieving its objectives and enhancing performance (Ganapathi and Panchanatham, 2014; Velu and Manxhari, 2017). Managerial communication skills increase dedication and performance. It is imperative that managers and executives participate in communication training programs (Furlich, 2016; Paksoy, Soyer, and Çalık, 2017).

In accordance with the above findings, the first hypothesis is stated as such:

H1: MC has a positive effect on work performance in small and middle-sized enterprises.

3.3. The effect of employees' demographic factors on MC

Jaupi and Liaci (2015) conclude that employee communication satisfaction engagement has a positive relation with the years of experience, age, and the level of education. Furthermore, De leon (2020) also indicates that employee's demographic factors such as gender, age, and work experience affect MC which in turn has impact on employee's turnover intention.

In addition, İnce and Gül (2011) only state that there is a difference on employees' organizational communication degree according to their education status. Last, Chang, O'Neill, and Travaglione (2016) show that certain demographics, such as male employees, older workers, and those with longer tenure, have an impact on how much employees trust their managers, which in turn affects how much they communicate and engage with one another.

Based on the literature, it is apparent that there is a significant difference in MC scores according to employees' demographic factors such as (gender, age, educational levels, and work experience). Thus, the following hypothesis 2 is divided as such into:

H_{2a}: There is a significant gender difference in MC scores of employees working in SMEs.

H_{2b}: MC significantly differs according to employees' age groups in SMEs.

H_{2c}: MC significantly differs according to employees' educational levels in SMEs.

H_{2d}: MC significantly differs according to employees' work experience's years in SMEs.

3.4. The effect of BPO on work performance

Loh and Venkatraman (1995) indicate that outsourcing leads to an extreme performance, depending on the survey results of the chief information officers.

Likewise, Elmuti (2003) suggests that by implementing a controlled outsourcing strategy, organizations may gain in unprofitable markets and improve their performance.

A study examining the value of outsourcing for SMEs reveals that these companies behave noticeably better than non-outsourcing SMEs. They are generally younger, perceive better, and perform better than those who are not outsourced (Raman and Ahmad, 2013).

Furthermore, findings reveal that logistic outsourcing, as mediator variable, has a positive effect on perceiving productivity and performance of manufacturing SMEs (Mageto, Prinsloo, and Luke, 2017).

Based to the aforesaid researches, the third hypothesis is represented as follows:

H3: BPO has a positive effect on work performance in small and middle-sized enterprises.

3.5. The effect of BPO in boosting MC level

Jiang and Qureshi (2006) indicate that transferring non-essential tasks to companies with extensive experience in managing them, frees up enterprises to focus on their staff and perform things with greater added value. Also, Al-Qudah et al. (2020) conclude that giving employees the ability to carry out their duties and boost workplace productivity is possible through outsourcing.

Further, according to researches, BPO helps in raising the quality of a company's services and products, cutting costs, putting more emphasis on workers' core strengths, and generally promoting organizational performance (Sinderman, 1995; Casale, 1996; Gilley, Gree, and Rasheed, 2004).

As well, the negative impacts of outsourcing projects on the morale and productivity of the remaining employees are also lessened through increasing effective cross-functional managerial communication. Management must intervene to preserve employee confidence. (Jones, 1997; Foster, 1999).

According to the literature's findings above, BPO contributes to an increase in the frequency of MC between managers and employees when giving non-essential duties to a third party this will enable an organization to concentrate on its staff, hence boosting productivity and performance, and give more value to the employees.

It can be concluded that BPO aids in raising the level of managerial communication between managers and their managers. Thus, hypothesis 4 is shown in this manner:

H4: BPO has a positive effect in raising MC improvement in small and middle-sized enterprises.

3.6. The effect of managers' demographic factors on MC

Jorfi, Bin Yaccob, and Shah (2011) observe a favourable association between demographic factors (such as age, gender, job position, educational attainment, and work experience) and emotional intelligence, which in turn impacts communication effectiveness and job satisfaction.

According to a study, males are often thought to be more assertive and better communicators, while women are more sensitive and unable to say no (Yıldırım and Öztuğ, 2021). Also, Washington and Watson (2000) discover significant distinctions between the managerial communication effectiveness and style of men and women. In addition, Bar-On and Handly (1997) indicate that older leaders have better levels of emotional intelligence and effective communication skills than younger ones.

Further, a study in the past shows that the amount of communication inside an organization is influenced by the educational backgrounds and communication culture of the personnel, and a lack of either will result in communication problems (Voinea et al., 2015).

Based on the literature made above, it can be concluded that managers' demographical factors (gender, age, educational level, and work experience's years) have a significant impact on MC, thus the following hypothesis 5 is divided as such into:

H_{5a}: There is a significant gender difference in MC scores of managers working in SMEs.

H_{5b}: MC significantly differs according to managers' age groups in SMEs.

H_{5c}: MC significantly differs according to managers' educational levels in SMEs.

H_{5d}: MC significantly differs according to managers' work experience's years in SMEs.

3.7. The effect of managers' demographic factors on BPO

A previous study done by Parmer (2015) examines the relationship between managers' demographics and attitudes toward business outsourcing strategies and methods. Results indicate that gender, age, and educational level have impact on offshoring outsourcing decisions makings. Males are more favourable over females in outsourcing activities. Moreover, participants who are older and have a high degree of education concur with the business outsourcing concept.

Additionally, according to Mansfield and Mutz (2013) there is a gender discrepancy in views regarding outsourcing, with women being less amenable to the practice than males. Furthermore, respondents with greater education and work experience are more likely to embrace outsourcing than those with less education or experience.

According to the literature cited above, managers' demographical factors such as (gender, age, educational level, and work experience's years) have a significant impact on BPO. Hence, the following hypothesis 6 is divided as well into:

H_{6a}: There is a significant gender difference in BPO scores of managers working in SMEs.

H_{6b}: BPO significantly differs according to managers' age groups in SMEs.

H_{6c}: BPO significantly differs according to managers' educational levels in SMEs.

H_{6d}: BPO significantly differs according to managers' work experience's years in SMEs.

4 METHODOLOGY AND DATA

4.1 Research Method

This study examines the correlation between BPO and MC, how BPO and MC aid in perceiving work performance, and whether MC and BPO scores differ according to managers' and employees' demographic factors such as (gender, age, educational levels, and work experience's years).

In order to accurately measure and quantify the variables, it is necessary to gather accurate and trustworthy data, which strengthens the validity of the conclusions. Hence, my research is done using the quantitative technique, which seeks to apply research results to a wider audience. Hence, I am able to make generalizable inferences by utilizing statistical analysis and representative samples.

Further, in order to test and explain the relationship between these variables, I use a survey to collect data (Appendix A and B). All data are collected through online surveys in Google Forms, which are discussed forward in details, then coded and entered into SPSS (29) software.

4.2 Surveys

There are two distinct online questionnaires surveys created for managers and employees (Appendix A and B). The data collection period starts between March and April 2023. 503 responses are received from both managers' and employees' surveys. 302 for employees' surveys and 201 for managers' surveys. Surveys are created in both English and Arabic languages. However, all responses are translated into English from Arabic. Further, the involvement in the surveys is totally voluntary and willing. Participants are also informed that their answers are unnamed and used in this study, depending on the permission of the Ethical Board of Beykoz University.

4.2.1 Employees' Survey Design

Employees' survey is conducted for Middle Eastern and Gulf countries' employees working at foreign small and middle-sized enterprises (SMEs) in Istanbul, Turkey. There are 22 questions in all, spread across 5 categories. Survey statements are written by me depending on previous research papers done by Velu and Manxhari (2017) and Singh and Shastri (2020), then checked by three experts before the start of data collection period.

The main objective is to assess the effect of managerial communication (MC) in enhancing work performance and to study if MC scores differ according to employees' demographic factors.

It consists of five parts of questions. Participants in the first part willingly agree to participate in the survey. In the second part, demographic information is asked. The following three sections are divided into multiple-choice questions and the 5-point Likert - scale.

In the third part, the following questions are designed to figure out if the participants work for a small or middle-sized company and how the place of employment handles teamwork.

In the fourth part, the purpose of the following inquiries is to gauge how well the participants and the managers communicate and interact.

And finally, the questions that follow in the fifth section, aim to measure the importance of MC in SMEs businesses, and to demonstrate its effects on job satisfaction and performance.

4.2.2 Managers' Survey Design

This survey is conducted among Middle Eastern and Gulf countries' managers of SMEs businesses in Istanbul. The questions are designed to determine the correlation of BPO and its impact on the level of MC toward employees, to study the role that BPO plays in achieving work performance, and finally to determine if MC and BPO scores differ according to managers' demographic factors.

It is comprised of 21 questions in five section. Like the employees' survey, it was created by me mostly depending on the sources of Agburu, Anza, and Iyortsuun (2017) and Gilley, Greer, Rasheed (2024), then opened to data collection after necessary checks. In the second part, participants' demographical information is asked. The following three sections are divided into multiple-choice questions and a 5 points Likert-scale. In the third part, the objectives of the following inquiries are to assess the value of BPO and identify the tasks that participants' organization outsources most frequently.

In the fourth part, the questions that follow are designed to gauge how well the participants and teamwork connect on a managerial level. Finally, in the fifth part the following questions are intended to demonstrate the relationship between BPO and MC and to determine whether or not it has an impact on work performance and job satisfaction.

4.3. Pilot Study

Before the survey have been carried out a casual pilot is made in a SMEs led by a foreigner in Turkey and outsourced some services. The point was to see whether the questions are clear and understandable. Questions are for the most part found to be justifiable; a few questions were marginally modified to be clearer.

For instance, questions about business process outsourcing in the fifth section of the employees' survey are rewritten in a clearer manner without using the term BPO because not all employees understood the concept of BPO. This is done in order to understand the employees' perspectives on this process.

Further, in part 3 of the managers' survey, questions on BPO types and disadvantages are revised to be more detailed, and respondents may select more than one response.

4.4. Sampling

The population of this thesis is Middle Eastern and Gulf countries' managers and staff members employed by foreign SMEs in Istanbul, Turkey. Since personally I am considered as one of them as an Arabic employee in foreign SMEs, it is eligible for me to collect data from such part of the population. As a result, non-probabilistic convenience sampling method is used in this study.

Convenience sampling enables the researchers to choose individuals based on their judgment, accessibility, or certain traits. According to Bryman (2012), convenience sample is one that the researcher has access to only because it is convenient, it enables researchers to acquire data fast and easily. However, while the results may be fairly intriguing, the drawback is that it makes it hard to generalize the results. Despite this disadvantage compared with probabilistic sampling, convenience sampling is one of the most common methods to collect data in such a MBA study like mine within time and source limits.

To reach expat managers and employees of SMEs in Istanbul is a relatively easy job for me since I have been in the city in the last four years and worked in a different small and middle sized foreign companies. Using my organic ties with the targeted group the surveys for employees and managers are sent to the appropriate groups and people or their acquaintances that I have previously been in touch with, via e-mail or whatsapp.

5 FINDINGS AND DISCUSSION

This chapter covers the findings of employees' and managers' surveys provided through the SPSS, starting from descriptive statistics of the variables, reliability tests, correlation, T-Test, and ANOVA conducted to analyse the data.

5.1 Employees' survey

5.1.1 Descriptive analysis of Employees' survey

Employees' survey is responded by 302 participants in total.

Out of the 302 respondents, 167 are male and making up 55.3% of the sample; 135 female making up the remaining 44.7%.

Regarding age group, 125 respondents (41.4%), are from people in the age range of 26 to 32. The second level of respondents, aged 18 to 25, includes 102 replies (33.8%). The lowest age group, which has only 5 replies and a 1.7% response rate, is 53-59.

As seen, more than 70% percent of the participants are lower the age of 30, which means the results have the potential to reflect the perspective of youth.

The highest percentage of participants, 143 respondents (47.4%), have bachelor's degrees, followed by 85 respondents (28.15%) who have master's degrees, 50 participants choose other educational level option as an answer 59(19.5%), last only 15 participants (5%) who have a PHD degree, as the lowest percentage.

Furthermore, it is seen that companies providing services such as (education, financial, management, reservations, consulting services, etc.,) employ 235 people (77.85%) of the overall workforce.

Further, it can be observed that the majority of participants work for companies providing services making 235 of the participants (77.8%), while 34 employees (11.3%) work for manufacturing companies and 33 of them are employed in trade companies (10.9%).

Besides, 123 participants (40.7%) of the participants have 2 to 3 years of experience, while 81 of them (26.8%) have 1 year or less of job experience.

In addition, coming out on top, distribution of respondents according to size of SME's: 134 participants (44.4%) work for small businesses (10 to 50 workers), whereas 86 participants (28.5%) work for micro sized businesses (3 to 10 workers). The lowest level is for medium-sized businesses (50 to 250 workers), with 82 employees (27.2%).

Table 1 below presents all descriptive information about employees' survey.

		Count	Column N %
Gender	MALE	167	55.3%
	FEMALE	135	44.7%
	Total	302	100.0%
Age	18-25	102	33.8%
	26-32	125	41.4%
	33-39	44	14.6%
	40-47	14	4.6%
	48-53	12	4.0%
	53-59	5	1.7%
	Total	302	100.0%
Educational level	Bachelors	143	47.4%
	Master	85	28.1%
	Phd	15	5.0%
	Other	59	19.5%
	Total	302	100.0%
Work department	ManuFacturing	34	11.3%
	Trade	33	10.9%
	Services	235	77.8%
	Other	0	0.0%
	Total	302	100.0%
Years of experience at your workplace.	≤1 year	81	26.8%
	2-3 years	123	40.7%
	4-5 years	50	16.6%
	≥6 years	48	15.9%
	Total	302	100.0%
Number of employees at your workplace.	3 to 10	86	28.5%
	10 to 50	134	44.4%
	50 to 250	82	27.2%
	Total	302	100.0%

Table 1. Employees' demographics profile

5.1.2 MC Scores in Employees' survey

Descriptive statistics for Likert-scale questions of employees' survey responses are represented in Table 2 below. It excludes MC_6 and MC_8 because these statements are multiple choices questions, whereas MC_6 represents miscommunication reasons with the manager and MC_8 includes types of communication. As a result, here descriptive statistics of 13 statements are seen.

Variables with a mean score of 4.50 to 5.00 are identified as critical factors for effective work performance, while variables with a mean score of 3.00 to 3.49 are grouped as somewhat important factors. No mean score below 3.00 in this study are indicated (Veliu and Manxhari, 2017).

Table 2 shows mean scores of employees to the questions. As seen, the highest mean is that effective communication and excellent relationship with the management can lead to job happiness and performance (4.33). Followed by good working relation with the manager (4.20) and a good communication connection with the manager (4.15). Also, a cooperative team member in work (4.14) and work culture (4.12).

According to employees' perspective, a smaller workforce allows the manager to focus on them and fosters more effective managerial communication (4.03), effective managerial communication with the manager increases productivity, and giving unneeded jobs to a third party allows the manager to focus on the organization's goals and create tight relationships with the current workers (3.97).

Descriptive Statistics				
		N	Mean	Std. Deviation
MC_1	I have a cooperative work culture.	302	4.12	1.059
MC_2	I consider myself a team player with my co-workers.	302	4.14	1.075
MC_3	I got quickly along with my manager/supervisor.	302	3.76	1.267
MC_4	I have a good working relation with my manager/supervisor.	302	4.20	1.007
MC_5	I have a good communication connection with my manager/supervisor.	302	4.15	1.017
MC_7	I have frequent and effective meetings with my manager/supervisor.	302	3.90	1.072
MC_9	I believe that my manager/supervisor motivate and provide me constructive feedback regarding my work and facilitate to me discuss my worries.	302	3.93	1.101

MC_10	I agree that my manager/supervisor engage me in the decision-making process.	302	3.66	1.278
MC_11	I am satisfied of the attitude and behaviour of my manager/supervisor.	302	3.93	1.105
MC_12	I believe that effective managerial communication with my manager/supervisor has raised my level of productivity.	302	4.03	1.079
MC_13	I believe that giving unnecessary tasks to a third party will enable the manager to concentrate on the organizations goals and develop close connections with the current workforce.	302	3.97	1.018
MC_14	I believe that a workplace with fewer employees will enable the manager to concentrate on them and foster more effective managerial communication.	302	4.03	1.092
MC_15	I agree that satisfaction and work performance may be attained through having a strong communication and good relationship with the manager.	302	4.33	.963

Table 2. Descriptive statistics of employees' survey

5.1.3 Reliability Test

Further, data gathered from the questionnaire are analysed according to the Cronbach's alpha reliability test in order to figure out reliability of the variables, as shown in Table 3, and Table 4 provides the scale item reliability test results.

As a result, a high reliability scale is seen, the Cronbach's Alpha is ($\alpha = .937$) which shows that variables are reliable and ready to be used for the analysis.

Also, in Table 4, results indicate that all numbers are smaller than the Cronbach's alpha ($=.937$), suggesting that these variables are essential and that eliminating any of them would lower the Cronbach's alpha.

Reliability Statistics	
Cronbach's Alpha	N of Items
.937	13

Table 3. Cronbach's alpha (1)

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
MC_1	48.03	99.388	.655	.933
MC_2	48.01	98.890	.668	.933
MC_3	48.38	95.699	.687	.933
MC_4	47.95	97.330	.805	.929
MC_5	48.00	97.462	.789	.929
MC_7	48.25	98.240	.704	.932
MC_9	48.21	96.234	.782	.929
MC_10	48.48	94.629	.727	.931
MC_11	48.22	95.465	.817	.928
MC_12	48.12	96.674	.777	.930
MC_13	48.18	101.290	.586	.935
MC_14	48.12	100.581	.574	.936
MC_15	47.81	101.296	.625	.934

Table 4. Reliability Analysis of Items (1)

5.1.4 Descriptive Results of Multiple-Response Questions

In the fourth part of the survey, participants are asked to indicate the reasons behind miscommunications reasons (if any) with their manager, as represented in question number 4 of the survey, and also to identify their types of communication between each other, as represented in question number 6.

Two descriptive tables are produced on this in order to assess the results, as can be seen in Tables 5 and Table 6 below.

Table 5 shows that 55 participants (33.5%), the larger proportion, believe that the causes for their managers' miscommunications may be unrelated to those indicated in the question. Yet, 36 of them (22.0%) claim that they have terrible communication for no apparent reason. Further, 33 participants are facing problems in culture differentiation (20.1%), and 30 of them are dealing with language differentiation issues (18.3%). There are 14 individuals (8.5%) that report issues with word connotation differences. Finally, just 6 individuals (a smaller proportion of 3.75) say there are having issues manager's gender differentiation.

		No Answer		Answer		Total	
		Count	Row N %	Count	Row N %	Count	Row N %
MISCOMMUNICATIONS REASONS	Gender differentiation	158	96.3%	6	3.7%	164	100.0%
	Culture differentiation	131	79.9%	33	20.1%	164	100.0%
	Language differentiation	134	81.7%	30	18.3%	164	100.0%
	Word connotations differentiation	150	91.5%	14	8.5%	164	100.0%
	Extremely poor communication	128	78.0%	36	22.0%	164	100.0%
	Other	109	66.5%	55	33.5%	164	100.0%

Table 5. Descriptive table of miscommunication reasons

Last but not least, according to Table 6 below the majority of participants and their managers prefer to participate through face-to-face conversations (204 responses, 67.5%), as well as using mobile applications (100 responses, 33.1%). While 48 individuals (15.9%) contact with their supervisors via email, 9 participants (3%) utilize memos or letters, finally 8 participants (2.6%) do so via voice mail.

		No Answer		Answer		Total	
		Count	Row N %	Count	Row N %	Count	Row N %
COMMUNICATION TYPES	Emails	254	84.1%	48	15.9%	302	100.0%
	Voice mail	294	97.4%	8	2.6%	302	100.0%
	Memos/Letters	293	97.0%	9	3.0%	302	100.0%
	Face-to-face conversations	98	32.5%	204	67.5%	302	100.0%
	Mobile applications	202	66.9%	100	33.1%	302	100.0%
	Other	291	96.4%	11	3.6%	302	100.0%

Table 6. Descriptive table of communication types

5.1.5 Regression Results

H1: *MC has a positive effect on work performance in small and middle-sized enterprises.*

Hypothesis 1 aims to test if managerial communication (MC) between employees and managers has a positive effect in perceiving work performance (WP) in SMEs.

Employees participating in this survey are asked several questions measuring the level of understand of managerial communication between them and their managers, these questions measure the level of MC, also they are asked to indicate within several questions if a good and effective managerial communication with their managers helps or leads to work performance upon to their behaviours or opinions. Thus, a new variables of MC and WP are created in order to test hypothesis 1.

MC, the independent variable is made by taking the mean of all relevant questions that measure managerial communication between employees and their managers (MC_1, MC_2, MC_3, MC_4, MC_5, MC_7, MC_10, and MC_11), this mean variable is used further in testing hypothesis 2. Further, same process is made for all relevant questions that measure the dependent variable work performance (MC_12, MC_13, MC_14, and MC_15).

Table 7 and Table 8 show the summary of the findings. MC Significantly predicts work performance, $F(1.300) = 756.000$, $p < 0.01$, which indicates that the MC plays a significant role in affecting work performance ($b = .768$, $p < 0.01$).

These reports clearly direct the positive affect on work performance. Furthermore, the $R^2 = .716$ depicts that the model explains 71.6 % of the variance in work performance.

In result, H1 is accepted. These results support previous regression analysis done by Velu and Manxhari (2017) for managerial competencies (including managerial communication) and business performance indicating that that there is a significant impact of the managerial competencies on business performance measures.

Additionally, Ganapathi and Panchanatham's research (2014) demonstrates that managerial communication aids in the achievement of organizational goals and performance enhancement.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	140.859	1	140.859	756.000	.000 ^b
	Residual	55.896	300	.186		
	Total	196.755	301			
a. Dependent Variable: Work Performance mean scores						
b. Predictors: (Constant), Managerial Communication mean scores						

Table 7. H1 ANOVA Test

Hypothesis	Regression Weights	Beta Coefficient	R ²	F	P-Value	Hypothesis Supported
H1	MC → WP	.768	.716	756.000	0.000	Yes

Note, *p < 0.05. MC: Managerial Communication, WP: Work Performance

Table 8. H1 Analysis Regression

5.1.6 T-Test Results

H2a: *There is a significant gender difference in MC scores of employees working in SMEs.*

This hypothesis seeks to determine if employees' gender, such as male or female, significantly affects how they understand managerial communication in small and middle-sized enterprises.

A T-Test, shown in Table 9, is used to compare the MC for male and female employees in order to evaluate this hypothesis. The dependent variable is the MC mean variable, which is previously mentioned in (H1).

Results indicate that there is no significant differences between gender and MC, (T (300) = -.488, p=.626>0.05). The magnitude of the differences in the mean (mean difference = -.05, 95% CI: -.253 to .152) is not significant.

So H2a is rejected, there is no significant gender difference in MC scores of employees in SMEs.

Independent Samples Test													
		Levene's Test for Equality of Variances				t-test for Equality of Means							Remark
		Mean	SD	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
											Lower	Upper	
MC	MALE	3.95	.94477	2.52	.113	-.488	300	.626	-.05043	.10326	-.25363	.15277	Not Significant (P>0.05)
	FEMALE	4.00	.82233			.							

Table 9. T-test results of Comparison between MC and employees' gender

5.1.7 One-Way ANOVA Results

The following is the results of determining if employees' age, level of education, and work experience's years have any significant impact on MC.

H2b: MC significantly differs according to employees' age groups in SMEs.

H2c: MC significantly differs according to employees' educational levels in SMEs.

H2d: MC significantly differs according to employees' work experience's years in SMEs.

Managerial Communication- MC	Hypotheses	Age	N	Mean	Std. Deviation	F	Sig(p)	Remark
	H2b	18-25	102	3.7708	.99660	2.641	.024**	Significant (P<0.05)
		26-32	125	4.0470	.89489			
		33-39	44	4.0483	.76212			
		40-47	14	4.0714	.46954			
		48-53	12	4.5104	.26360			
		53-59	5	4.5250	.36870			
		Total	302	3.9814	.89103			
	H2c	Educational levels	N	Mean	Std. Deviation	2.150	.094	Not Significant (P>0.05)
		Bachelors	143	3.9414	.84256			
		Master	85	4.1015	.74714			
		Phd	15	4.3417	.66893			
		Other	59	3.8136	1.17407			
		Total	302	3.9814	.89103			
H2d	H2d	Experience years	N	Mean	Std. Deviation	.702	.551	Not Significant (P>0.05)
		≤1 year	81	3.8781	1.00661			
		2-3 years	123	4.0254	.87206			
		4-5 years	50	3.9425	.96071			
		≥6 years	48	4.0833	.62278			
		Total	302	3.9814	.89103			

Table 10. One-Way ANOVA test results, comparison MC with employees' age, educational levels, and experience years.

H2b: This hypothesis attempts to figure out if employees' understanding of managerial communication in SMEs varies to age groups.

As shown in Table 10 above, a One-Way ANOVA test is performed to determine if MC substantially varies by age groups, which are grouped into 6 age groups. The independent variables are the age groups. Results of Table 10 indicate that there is a significant differentiation between MC and age groups of the respondents: $F(5,269) = 2.641$; $P = .024 < 0.05$).

Thus H2b is accepted. These results are consistent with De leon (2020) and Jaupi and Liaci (2015) who indicate that an employee's age impact his/her level of MC and job satisfaction.

H2c: Hypothesis 2_c aims to determine whether employees' understanding of managerial communication varies according to their educational level.

Educational levels presenting the independent variables is divided into 5 groups, while the mean variable for MC is used as dependent variable.

The one-way ANOVA test's findings, which are displayed in Table 10 above, demonstrate that there is no distinct difference between MC and educational levels, $F(3,298) = 2.150$; $P = .094 > 0.05$).

In conclusion, MC does not significantly differs according to employees' educational levels in SMEs. Hence, H2c is rejected.

H2d: This hypothesis aims to determine whether employees' understanding of managerial communication varies with the number of years of experience they have, in SMEs. Work experience's years presenting the independent variable is divided into 4 groups, while the mean variable for MC presents the dependent variable.

Results of the One-Way ANOVA test provided in Table 10 show that there is no significant difference between MC and work experience' years of the respondents: $F(3,298) = .702$; $P = .551 > 0.05$). Therefore, H2d is rejected.

5.2. Managers' survey

5.2.1 Descriptive analysis of Managers' survey

From managers' survey, 201 responses are collected. Nevertheless, 41 of the participants respond that they do not use BPO in their businesses. Hence, these 41 responses are eliminated from the analysis.

The relevant responses are 160 answers. Out of the 160 answers, 107 are for male (66.9 %) as the higher percentage and 53 for female (33.1 %). The distributions of the respondents according to their age group 33-39 has the highest percentage, 51 managers (31.9 %), then come next, the 40-47 age group having a 41 responses (25.6 %), while the lowest age group is 60 years and above, 5 (3.1 %).

Additionally, respondents' distribution by highest level of education: Table 11 shows that the majority is for Master choice of education level 55 responses (34.4%), while 50 participants (31.3 %) answer by other, 37 responses for Bachelors (23.1%), lastly 18 responses for PHD (11.3 %).

Similar to employees' survey, it is seen that companies providing services such as (education, financial, management, reservations, consulting services, etc.,) have the highest percentage in work department as 117 respondents (73.1 %), while 26 responses (16.3%) are received for trade companies. Furthermore, 59 participants (36.9%) indicate that they have work experience for 3 to 5 years, while 43 of them (26.9%) have 6 to 8 job experience as a manager.

Finally, small businesses (10 to 50 workers) have the highest percentage, making up 83 respondents (51.9 %), while micro sized business (3 to 10) has the lowest percentage 31 (19.4%). Thus, it is conclude that the focus of this study from employees' and managers' surveys focus mostly on smaller-sized businesses (10 to 50 employees).

Table 11 below presents all relevant information about managers' survey.

		Count	Column N %
Gender	MALE	107	66.9%
	FEMALE	53	33.1%
	Total	160	100.0%
Age	26-32	32	20.0%
	33-39	51	31.9%
	40-47	41	25.6%
	48-53	20	12.5%
	53-59	11	6.9%
	≥60	5	3.1%
	Total	160	100.0%
Education	Bachelors	37	23.1%
	Master	55	34.4%
	Phd	18	11.3%
	Other	50	31.3%
	Total	160	100.0%
Work department	Manufacturing	17	10.6%
	Trade	26	16.3%
	Services	117	73.1%
	Other	0	0.0%
	Total	160	100.0%
Years of experience as a manager/supervisor at your workplace	≤2 year	33	20.6%
	3-5 years	59	36.9%
	6-8years	43	26.9%
	9-11 years	12	7.5%
	≥12 years	13	8.1%
	Total	160	100.0%
	3 to 10	31	19.4%

Number of employees you have at your workplace	10 to 50	83	51.9%
	50 to 250	46	28.7%
	Total	160	100.0%

Table 11. Managers' demographics profile

5.2.2 BPO and MC Scores in Managers' survey

Descriptive statistics for Likert-scale questions of managers' survey are presented in Table 12 below.

Variables with a mean score of 4.50 to 5.00 are classed as being completely required, while those with a mean score of 3.50 to 4.49 are categorized as being essential, and those with a mean score of 3.00 to 3.49 are categorized as being moderately significant (Veliu and Manxhari, 2017).

Managers indicate that good MC will lead to work effectiveness (4.63), MC and BPO have a correlation and both affect work performance (4.55). In a multicultural company, managers also confirm their success in establishing good managerial communication (4.49), they also mention that assigning jobs to a third party will free up time to focus on present workers and increase their efficiency (4.48), and give the workers a comfortable workspace (4.48).

Further, a comfortable and valuable working communication relationship is indicated (4.44). A firm can benefit from outsourcing since it improves performance and increases profitability (4.37).

Descriptive Statistics				
		N	Mean	Std. Deviation
BPO4	I believe that Outsourcing is beneficial and aids in enhancing a business's performance while also boosting profits.	160	4.37	.612
BPO5	I agree that outsourcing irrelevant tasks to a third party will aid the business in concentrating on its vision and mission.	160	4.33	.698
MC1	I provide a comfortable working environment for my employees.	160	4.48	.614
MC2	I succeed in developing effective Managerial Communication in a multicultural workplace.	160	4.49	.644
MC3	I have frequent meetings with my team.	160	4.27	.837

MC5	I agree that my team and I have a comfortable and valuable working communication relationship.	160	4.44	.680
BPO_MC1	I believe that outsourcing unnecessary tasks to a third party and giving essential tasks to existing employees are beneficial for SME enterprises	160	4.35	.795
BPO_MC2	I think that Outsourcing tasks to a third party will allow me to concentrate on my current employees and enhance their effectiveness.	160	4.48	.654
BPO_MC3	I think that improving good communication with my employees will help them work more effectively.	160	4.63	.579
BPO_MC4	I agree that Managerial Communication and Business Process Outsourcing are related and affect an organization's performance.	160	4.55	.642
Valid N (listwise)		160		

Table 12. Descriptive statistics of managers' survey

5.2.3 Reliability Test

Table 13 shows how data from the questionnaire are analysed using the Cronbach's alpha reliability test to determine the reliability of the variables. Table 14 also includes the scale item reliability test findings.

As a consequence, a high reliability scale is been observed, with the Cronbach's Alpha being ($\alpha = .880$), indicating that the variables are good, reliable, and suitable to be used within this study analysis.

Also, according to Table 14 (Cronbach's Alpha if Item Deleted's column), all numbers are less than the Cronbach's alpha ($\alpha = .880$), indicating that these variables are important and that deleting any of them would seek to reduce the Cronbach's alpha.

Reliability Statistics	
Cronbach's Alpha	N of Items
.880	10

Table 13. Cronbach's alpha (2)

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BPO4	40.02	18.585	.610	.868
BPO5	40.06	17.506	.717	.859
MC1	39.92	18.817	.560	.871
MC2	39.91	18.299	.628	.866
MC3	40.13	17.217	.613	.869
MC5	39.95	17.608	.720	.859
BPO_MC1	40.04	18.130	.505	.877
BPO_MC2	39.91	18.194	.638	.866
BPO_MC3	39.76	18.975	.569	.871
BPO_MC4	39.84	18.711	.549	.872

Table 14. Reliability Analysis of Items (2)

5.2.4 Descriptive Results

In the third section of the survey, participants are asked to specify when they first began using BPO, in order to observe this in details results are presented in Table 15 below.

Results indicate that 56 of the participants (35.0%) start to use BPO since 2 to 4 years which suggests that some managers utilize BPO from their first years of employment. While 40 of them (30.6%) outsource for a period of one year or less.

Additionally, 27 managers (16.9%) indicate that they have outsourced for four to seven years. Last, 14 participants (8.8%) of the participants outsource for between 7 and 9 years, however only 10 of them (6.3%) employ BPO for years 10 and up.

	≤1 year		2-4 years		4-7 years		7-9 years		≥10 years		Other		Total	
	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %
BPO TERM	49	30.6%	56	35.0%	27	16.9%	14	8.8%	10	6.3%	4	2.5%	160	100.0%

Table 15. Descriptive table of BPO term

5.2.5 Cross Tabulations of Multiple-Response Questions

In addition, in the third section of the survey participants are also asked to specify which tasks or activities in their organization are being outsourced, and since there are several possible answers, this is a question with multiple possible answers.

In order to see the details, Table 16 presents a Crosstab utilizing the SPSS 29 software to obtain more data analysis about BPO types.

The majority of responses indicate that back office activities have the greatest rate, with 55 responses (34.4%), followed by accounting activities with 51 responses (31.9%), Support activities with 44 responses (27.5%), and primary activities with 28 responses (17.5%). Finally, 7 responses (4.4%) from managers mention that they outsource other duties.

\$BPOTYPES*BPO1 Crosstabulation				
			(BPO1) I have employed (BPO)	Total
			Yes	
BPO TYPES	Back office activities(cleaning services, security services,etc..)	Count	55	55
		% within BPO1	34.4%	
	Primary activities (customer service, Sales force ,manufacturing, purchases,etc..)	Count	28	28
		% within BPO1	17.5%	
	Accounting activities (bookkeeping, payrollfinancial reporting, tax processing,etc..)	Count	51	51
		% within BPO1	31.9%	
	Support activities(shipping, IT services/system, advertising,etc..)	Count	44	44
		% within BPO1	27.5%	
	Other	Count	7	7
		% within BPO1	4.4%	
Total		Count	160	160
Percentages and totals are based on respondents.				
a. Dichotomy group tabulated at value 1.				

Table 16. BPO types *BPO1 Crosstab

Additionally, managers who take part in the study are requested to identify any unfavourable outcomes or challenges they may have encountered. This is not an obligatory question, and participants are also free to choose various responses if they select. As shown in Table 17, with 31 replies (30.1%), the other choice of BPO negative aspects receive the highest response rate.

However, several managers claim by having concerns with privacy violations and issues with trust, getting 23 answers (22.3%), 22 answers (21, 4%) for third party's failure to complete tasks by the deadline, followed by 18 responses (17.5%) for functional loyalty difficulties with third parties.

Then 16 answers (15.5%) indicating difficulties performance issues from a third party. Last, only 4 replies (3.9%) from a small sample of participants claimed that BPO did not attempt to save money.

\$BPONEGATIVESIDES*BPO1 Crosstabulation				
			(BPO1) I have employed (BPO)	Total
			Yes	
BPO SIDE EFFECTS	Challenges with privacy, trust, and privacy violation	Count	23	23
		% within BPO1	22.3%	
	Third-party functional loyalty issues	Count	18	18
		% within BPO1	17.5%	
	Third party's weak performance	Count	16	16
		% within BPO1	15.5%	
	Third party's inability to finish tasks in a timely manner	Count	22	22
		% within BPO1	21.4%	
	No financial savings	Count	4	4
		% within BPO1	3.9%	
Other	Count	31	31	
	% within BPO1	30.1%		
Total		Count	103	103
Percentages and totals are based on respondents.				
a. Dichotomy group tabulated at value 1.				

Table 17. BPO side effects*BPO1 Crosstab

5.2.6 Regression Results

H3: *BPO has a positive effect on work performance in small and middle-sized enterprises.*

The aim of this hypothesis is to test if business process outsourcing positively effects in perceiving work performance in SMEs.

Managers participating in this survey are asked several questions related to the understanding of BPO and their experience while using it, these questions measure the level of BPO. Also participants are asked several questions in order to measure if using BPO in company in turn helps or leads to work performance (WP) upon to their experiences.

As a result, in order to test hypothesis 3, a new variables of BPO and WP are constructed. BPO and WP mean variables are also used in measuring the rest of hypotheses.

BPO the independent variable for H3, is made by taking the mean of all relevant questions that measure the understanding of BPO (BPO1, BPO4, BPO5, BPO_MC1, and BPO_MC2). Further, same process is made for all relevant questions that measure work performance (WP) representing the dependent variable for this hypothesis (BPO4, MC2, BPO_MC2, BPO_MC3, and BPO_MC4).

The findings represent in Table 18 and 19 below indicate; $F(1,158) = 445.741$, $p < 0.01$, which suggest that the BPO plays a significant role in affecting WP ($b = .805$, $p < 0.01$). These reports clearly direct the positive affect of BPO on work performance. Also, the $R^2 = .738$ depicts that the model explains 73.8% of the variance in work performance.

In conclusion H3 is accepted. These findings support the view of Cahyaningtyas and Ningtyas (2020) indicating that outsourcing services has a considerable beneficial impact on the performance of SMEs. Also Lee et al. (2019) conclude that outsourcing influences perceived performance via influencing job satisfaction.

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.924	1	19.924	445.741	.000 ^b
	Residual	7.062	158	.045		
	Total	26.986	159			
a. Dependent Variable: Work Performance mean scores						
b. Predictors: (Constant), BPO mean scores						

Note, * $p < 0.05$. BPO: Managerial Communication, WP: Work Performance

Table 18. H3 ANOVA test

Hypothesis	Regression Weights	Beta Coefficient	R ²	F	P-Value	Hypothesis Supported
H3	BPO → WP	.805	.738	445.741	0.000	Yes

Table 19. H3 Analysis Regression

H4: *BPO has a positive effect in raising MC improvement in small and middle-sized enterprises.*

Hypothesis 4 seeks to test if when managers use BPO and give non-essential duties to a third party, hence focus on the present employees in order to improve their effectiveness and productivity, this in result plays a role in boosting managerial communication with the current workforce in SMEs.

In this survey, managers are asked several questions to determine their understanding and behaviour of using MC between them and their employees.

As a result, in order to test hypothesis 4, the mean variable taking the mean of all relevant questions of MC, as dependent variable, is created using these questions (MC1, MC2, MC3, MC5, and BPO_MC3). And the mean variable for BPO as independent variable is made using theses (BPO1, BPO4, BPO5, BPO_MC1, and BPO_MC2), which is already explained in hypothesis 3.

Findings of Table 20 and Table 21 below show that BPO affects MC substantially, $F(1.158) = 144.419$, $p < 0.01$, which indicates that BPO plays a significant role in affecting MC ($b = .731$, $p < 0.01$). These reports clearly direct the positive affect on managerial communication. Besides, the $R^2 = .478$ depicts that BPO explains 47.8% of the variance in managerial communication.

H4 is accepted, which supports previous papers suggesting that BPO makes it feasible for managers to focus on their staff to perform their jobs and increase productivity at work (Jiang and Qureshi, 2006; Al-Qudah et al. (2020); Sinderman, 1995).

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.410	1	16.410	144.419	.000 ^b
	Residual	17.953	158	.114		
	Total	34.363	159			
a. Dependent Variable: MC mean scores						
b. Predictors: (Constant), BPO mean scores						

Table 20. H4 ANOVA Test

Hypothesis	Regression Weights	Beta Coefficient	R ²	F	P-Value	Hypothesis Supported
H4	BPO → MC	.731	.478	144.419	0.000	Yes

Table 21. H4 Analysis Regression

5.2.7 T-Test Results

H5a: *There is a significant gender difference in MC scores of managers working in SMEs.*

This hypothesis seeks to determine if managers' gender, such as male or female, significantly affects how they handle managerial communication in small and middle-sized enterprises.

In order to test this hypothesis a T-Test represented in Table 22, is conducted to compare MC for male and female managers. The mean variable for MC (explained above) is used as dependent variable.

There is no significant differences between gender and MC, (T (158) = 1.138, $p=.257>0.05$). The magnitude of the differences in the mean (mean difference = 0.88, 95% CI: -.065 to .242) is not significant. So H5a is rejected, there is no significant gender difference in MC in SMEs.

Independent Samples Test													
		Levene's Test for Equality of Variances				t-test for Equality of Means						Remark	
		Mea n	SD	F	Sig.	t	df	Sig. (2- tailed)	Mean Differenc e	Std. Error Differenc e	95% Confidence Interval of the Difference		
											Low er		Upper
MC	MALE	4.48	.4816	2.115	.148	1.138	158	.257	.08876	.07801	-.06533	.24284	Not Significan -t (P>0.05)
	FEMALE	4.39	.4273			.							

Table 22. T-test Results of Comparison between MC and Gender

H6a: *There is a significant gender difference in BPO scores of managers working in SMEs.*

The purpose of this hypothesis is to ascertain whether managers' gender, such as male or female, has a major impact on how successfully they manage business process outsourcing in small and middle-sized businesses.

A T-Test is used to compare the BPO for male and female managers in Table 23 below in order to evaluate H6a. The mean variable for BPO (explained above) is used as dependent variable.

Results indicate that there is a significant differences between BPO and Gender ($T(158) = 3.15$, $p=.002 < 0.05$), in the scores with mean for male ($M=3.35$, $SD= .44$) is higher than female ($M=3.12$, $SD = .38$). The magnitude of the differences in the mean (mean difference = .22, 95% CI: .85 to .362) is significant.

In conclusion H6a is accepted, there is a significant gender difference in BPO in SMEs. This results support previous studies that found a significance differences between male and female gender and BPO (Mansfield and Mutz, 2013).

Independent Samples Test													
		Levene's Test for Equality of Variances				t-test for Equality of Means							Remark
		Mean	SD	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
											Lower	Upper	
BPO	MALE	3.3514	.44708	2.452	.119	3.159	158	.002**	.22687	.07182	.08502	.36872	Significant (P<0.05)
	FEMALE	3.1245	.38476			.							

Table 23. T-test Results of Comparison between BPO and Gender

5.2.8 One-Way ANOVA Results

The following is the results of determining if managers' age, level of education, and years of work experience have any significant impact on MC in SMEs.

Table 24, below demonstrates the results of One-Way ANOVA test with the purpose of testing these hypotheses;

H5b: MC significantly differs according to managers' age groups in SMEs.

H5c: MC significantly differs according to managers' educational levels in SMEs.

H5d: MC significantly differs according to managers' work experience's years in SMEs.

Managerial Communication- MC	Hypotheses	Age	N	Mean	Std. Deviation	F	Sig(p)	Remark
	H5b	26-32	32	4.3542	.34845	.921	.469	Not Significant (P>0.05)
		33-39	51	4.4161	.44380			
		40-47	41	4.4580	.44597			
		48-53	20	4.6000	.45083			
		53-59	11	4.5354	.68820			
		≥60	5	4.6000	.89443			
		Total	160	4.4514	.46488			
	H5c	Educational levels	N	Mean	Std. Deviation	4.784	.003**	Significant (P<0.05)
		Bachelors	37	4.2673	.50271			
		Master	55	4.4202	.47174			
		Phd	18	4.7222	.37776			
		Other	50	4.5244	.40221			
		Total	160	4.4514	.46488			
		Total	160	4.4514	.46488			
	H5d	Experience years	N	Mean	Std. Deviation	.624	.646	Not Significant (P>0.05)
		≤2 year	33	4.4141	.39506			
		3-5 years	59	4.4878	.41830			
		6-8years	43	4.4961	.44797			
		9-11 years	12	4.3148	.67973			
		≥12 years	13	4.3590	.65602			
		Total	160	4.4514	.46488			
		Total	160	4.4514	.46488			

Table 24. One-Way ANOVA test results, comparison MC with managers' age, educational level, and experience years

H5b: This hypothesis attempts to figure out if managers' understanding of managerial communication in SMEs varies to age groups.

A One-Way ANOVA test reveals in Table 24 above, is made in order to test if MC significantly differs according to age groups which are divided into 6 age groups, presenting the independent variables, while the mean variable for MC is used as dependent variable.

Results of the Table 24 indicate that there is no significant differentiation between MC and age groups of the respondents: $F(5,154) = .921$; $P = .469 > 0.05$.

Thus H5b is rejected.

H5c: In SMEs, this hypothesis aims to determine whether managers' understanding of managerial communication varies according to their educational level.

Educational levels presenting the independent variables are divided into 5 groups, while the mean variable for MC is used as dependent variable.

Results of One-Way ANOVA test shown in Table 24 above demonstrate a distinct difference between MC and educational levels, $F(3,156) = 4.784$; $P = .003 < 0.05$.

In conclusion, MC significantly differs according to managers' educational levels in SMEs.

Hence, H5c is accepted. The findings support previous studies indicating that manager's educational levels have a significant impact on MC (İnce and Gül, 2011; Voinea et al., 2015).

H5d: This hypothesis aims to determine whether managers' understanding of managerial communication varies with the number of years of experience they have in SMEs.

Work experience's years presenting the independent variable are divided into 5 groups, while the mean variable for MC presents the dependent variable.

Findings of One-Way ANOVA test in Table 24 indicate that there is no significant differentiation between MC and work experience' years of the respondents: $F(4,155) = .624$; $P = .646 > 0.05$. H5d therefore is rejected.

Last but not least, the following is the results of determining if managers' age, level of education, and work experience's years have any significant impact on BPO.

Table 25, below demonstrates also the results of One-Way ANOVA in order to test these hypotheses.

H_{6b}: BPO significantly differs according to managers' age groups in SMEs.

H_{6c}: BPO significantly differs according to managers' educational levels in SMEs.

H_{6d}: BPO significantly differs according to managers' work experience's years in SMEs.

Business process Outsourcing - BPO	Hypotheses	Age	N	Mean	Std. Deviation	F	Sig(p)	Remark
	H_{6b}	26-32	32	3.0062	.30684	9.316	.000**	Significant (P<0.05)
		33-39	51	3.2000	.42332			
		40-47	41	3.2927	.31336			
		48-53	20	3.5700	.46464			
		53-59	11	3.5273	.54606			
		≥60	5	3.9200	.41473			
		Total	160	3.2762	.43948			
	H_{6c}	Educational level	N	Mean	Std. Deviation	F	Sig(p)	Remark
		Bachelors	37	3.1459	.42334	5.530	.001**	Significant (P<0.05)
		Master	55	3.2145	.42138			
		Phd	18	3.6111	.47265			
		Other	50	3.3200	.40204			
		Total	160	3.2763	.43948			
	H_{6d}	Experience years	N	Mean	Std. Deviation	F	Sig(p)	Remark
		≤2 year	33	3.0970	.43336	8.147	.000**	Significant (P<0.05)
		3-5 years	59	3.1492	.33956			
		6-8years	43	3.4326	.42968			
		9-11 years	12	3.4000	.42640			
		≥12 years	13	3.6769	.49355			
		Total	160	3.2763	.43948			

Table 25. One-Way ANOVA test results, comparison BPO with managers' age, educational level, and experience years

H6b: This hypothesis attempts to figure out if managers' understanding of business process outsourcing in SMEs varies to age groups.

One-Way ANOVA test reveals in Table 25 above, is conducted to test if BPO significantly differs according to age groups which presenting the independent variable, while the mean variable for BPO is used as dependent variable.

Results represented in Table 25 indicate that there is a significant differentiation between BPO and age groups of the respondents: $F(5,154) = 9.316$; $P = .000 < 0.05$.

BPO significantly differs according to age groups, Thus H6b is accepted. These findings support previous study which conclude that manager's age has a significant impact on how he/she handles BPO (Parmer, 2015).

H6c: The aim is to determine whether managers' understanding of business process outsourcing varies according to their educational level.

The mean variable for MC is used as dependent variable, while educational levels presenting the independent variable. Table 25 above demonstrates the results of a one-way ANOVA test. Results indicate that there is a distinct difference between BPO and educational levels, $F(3,156) = 5.530$; $P = .001 < 0.05$). In conclusion, BPO significantly differs according to managers' educational levels in SMEs, so H6c is accepted. The findings support previous study indicating that manager's educational levels have a significant impact on BPO (Mansfield and Mutz, 2013).

H6d: The last hypothesis for this study aims to determine whether managers' understanding of business process outsourcing in SMEs varies with the number of their years of experience as a managers.

Work experience's years presenting the independent variable and the mean variable for BPO presents the dependent variable.

Findings of One-Way ANOVA test in Table 25 indicate that there is a significant differentiation between BPO and work experience' years of the respondents: $F(4,155) = 8.147$; $P = .000 < 0.05$). In conclusion, BPO significantly differs according to work experience's years in SMEs. Subsequently H6d is accepted, supporting a study indicating the significant differentiation between BPO and managers' years of experience (Mansfield and Mutz, 2013).

5.3. Hypotheses and test result

Finally, the final test result for all the hypotheses in this research paper is shown in Table 26 below.

HYPOTHESES	TEST RESULT
H1: MC has a positive effect on work performance in small and middle-sized enterprises.	ACCEPTED
H2 _a : There is a significant gender difference in MC scores of employees working in SMEs.	REJECTED
H2 _b : MC significantly differs according to employees' age groups in SMEs.	ACCEPTED
H2 _c : MC significantly differs according to employees' educational levels in SMEs.	REJECTED
H2 _d : MC significantly differs according to employees' work experience's years in SMEs.	REJECTED
H3: BPO has a positive effect on work performance in small and middle-sized enterprises.	ACCEPTED
H4: BPO has a positive effect in raising MC improvement in small and middle-sized enterprises.	ACCEPTED
H5 _a : There is a significant gender difference in MC scores of managers working in SMEs.	REJECTED
H5 _b : MC significantly differs according to managers' age groups in SMEs	REJECTED
H5 _c : MC significantly differs according to managers' educational levels in SMEs.	ACCEPTED
H5 _d : MC significantly differs according to managers' work experience's years in SMEs.	REJECTED
H6 _a : There is a significant gender difference in BPO scores of managers working in SMEs.	ACCEPTED
H6 _b : BPO significantly differs according to managers' age groups in SMEs	ACCEPTED
H6 _c : BPO significantly differs according to managers' educational levels in SMEs.	ACCEPTED
H6 _d : BPO significantly differs according to managers' work experience's years in SMEs.	ACCEPTED

Table 26. Table of hypotheses and tests result

5.4. Discussion of the Findings

In the last section of this chapter, I will assess the main findings of this study and discuss how they relate to the literature.

First, I will begin by interpreting the results received from the employees' survey. Whereas this survey is conducted to study the importance of managerial communication (MC) between managers and employees in perceiving work performance, also to study if MC scores differ according to employees' demographic factors such as (gender, age, educational levels, and years of experience) in foreign small and middle-sized enterprises in Istanbul, Turkey.

In this research paper, 235 responses (77.8%) of 302 are received for employees working for SMEs providing services which makes up the majority of the market. Moreover, the highest percentage is for 134 participants (44.4%) working for small sized businesses (10 to 50 workers).

Hypothesis 1 of this study predicts that managerial communication (MC) has a positive effect on work performance in small and middle-sized Enterprises. According to the results, MC plays a significant role in affecting work performance ($p < 0.01$). Further, depending on the results MC explains 71.6 % of the variance in work performance ($R^2 = .716$).

These findings corroborate with Ganapathi and Panchanatham (2014), Velu and Manxhari, (2017), Paksoy, Soyer, and Çalık, (2017) who reveal that managerial communication aids in achieving company's objectives and enhancing work performance.

Further, the obtained results of determining if employees' demographics factors (gender, age, educational levels, and years of work experience) have a significant impact on MC are discussed as follow;

Hypothesis 2a predicts that there is a significant gender difference in MC scores of employees working in SMEs. However, results indicate that employees' gender does not significantly affect how they understand managerial communication in small and middle-sized enterprises. Thus, there is no significant gender difference in MC scores of employees in SMEs. ($T(300) = -.488, p = .626 > 0.05$). These results disagree with De leon (2020) and O'Neill, and Travaglione (2016) who state that there is a difference on employees' organizational communication degree according to their gender.

Hypothesis 2b predicts that MC significantly differs according to employees' age groups in SMEs. Results of the findings indicate that employees' understanding of managerial communication in SMEs varies to age groups, $F(5,269) = 2.641$; $P < 0.05$). Hence, there is a significant differentiation between MC and age groups of the employees. These results are consistent with De leon (2020) and Jaupi and Liaci (2015) who indicate that an employee's age impact his/her level and understand of MC.

Hypothesis 2c predicts that MC significantly differs according to employees' educational levels in SMEs. Results of the findings indicate that employees' understanding of managerial communication does not vary according to their educational level, $F(3,298) = 2.150$; $P > 0.05$). Thus, MC does not significantly differs according to employees' educational levels in SMEs. These findings contradict those who claim that the level of employees 'communication level among varies with according to their educational background (İnce and Gül, 2011).

Hypothesis 2d predicts that MC significantly differs according to employees' work experience's years in SMEs. Results demonstrate that employees' understanding of managerial communication does not vary with the number of years of experience they have, in SMEs, $F(3,298) = .702$; $P > 0.05$). Hence, MC does not significantly differs according to employees' work experiences' years in SMEs.

These results do not agree with those of O'Neill and Travaglione (2016) and De Leon (2020) who claim that employees' communication and engagement with managers are affected by their length of tenure and amount of work experience.

The following is the discussion of managers' survey results, whereas the purpose of this survey is to examine how BPO positively affects in perceiving work performance, to determine how BPO affects the level of raising MC between managers and employees, and to figure out whether BPO and MC significantly differ according to managers' demographics factors such as (gender, age, education levels, and years of work experience)in foreign small and middle-sized enterprises in Istanbul, Turkey.

In the relevant sample of 160 responses, 83 (51.9%) of the managers are working for small sized businesses (10 to 50 workers). Also, 177 managers (73.1%) are working for SMEs providing services.

Hypothesis 3 predicts that business process outsourcing (BPO) has a positive effect on perceiving work performance in small and middle-sized enterprises. Although, based on the findings, reports clearly direct the positive affect of BPO on work performance ($p < 0.01$). Whereas the model BPO explains 73.8% ($R^2 = .738$) of the variance in perceiving work performance. The hypothesis is consistent with other findings supporting that outsourcing has an impact on work productivity and performance (Loh and Venkatraman, (1995); Belcourt (2016); Raman and Ahmad (2013).

Additionally, hypothesis 4 predicts that BPO has a positive effect in raising MC improvement in small and middle-sized enterprises. Results show that MC differs for BPO ($p < 0.01$), besides BPO explains 47.8% of the variance in MC ($R^2 = .478$). The validation of this hypothesis provides evidence for other papers conducted by Jiang and Qureshi (2016) and Al-Qudah et al. (2020) who indicate that outsourcing non-essential tasks to a third party company frees up enterprises to focus on their staff, whereas BPO improves manager-employee relationships.

Further, I will discuss the obtained results of determining if managers' demographics factors such as (gender, age, level of education, and years of work experience) have any significant impact on MC and BPO.

Hypothesis 5a predicts that there is a significant gender difference in MC scores of managers working in SMEs. Results indicate that managers' gender does not significantly affect how managers handle managerial communication in small and middle-sized enterprises, ($T(158) = 1.138, p > 0.05$).

The findings disagree with Yıldırım and Öztuğ (2021) and Washington and Watson (2000) who discover a significant distinctions between the managerial communication effectiveness and style of men and women.

Hypothesis 5b predicts that MC significantly differs according to managers' age groups in SMEs. The findings obtained reveal that there is no significant differentiation between MC and age groups of the respondents: $F(5,154) = .921; P > 0.05$). These findings disagree with Jorfi, Bin Yaccob, and Shah (2011) and Bar-On and Handly (1997) who observe a favourable association between manager's gender and managerial communication.

Hypothesis 5_c predicts that MC significantly differs according to managers' educational levels in SMEs. The results demonstrate that managers' understanding of managerial communication varies according their educational level, $F(3,156) = 4.784; P < 0.05$). Managers with higher educational accomplishment are more likely to be effective communicators, these findings reveal with previous studies conducted by İnce and Gül (2011) and Voinea et al. (2015), who indicate that the amount of communication inside an organization is influenced by the educational backgrounds of the managers, and a lack or poor education leads to communication issues.

Hypothesis 5_d predicts that MC significantly differs according to managers' work experience's years in SMEs. The received results indicate that there is no significant differentiation between MC and work experience' years of managers, $F(4,155) = .624; P > 0.05$). These results disagree with Jorfi, Bin Yaccob, and Shah (2011), who conclude that manager's work experience plays a significant role in in affecting communication effectiveness.

Hypothesis 6_a predicts that there is a significant gender difference in BPO scores of managers working in SMEs The Results indicate that managers' gender, such as male or female, has a major impact on how they manage business process outsourcing in SMEs, ($T(158) = 3.15, p < 0.05$), whereas the scores with mean for Male ($M=3.35, SD= .44$) is higher than Female($M=3.12, SD = .38$). These findings support Mansfield and Mutz (2013) who conclude that there are gender-related disparities in BPO, with women being less receptive to the technique than men.

Further, hypothesis 6_b predicts that BPO significantly differs according to mangers' age groups in SMEs. Results indicate that managers' understanding of business process outsourcing in SMEs varies to age groups, $F(5,154) = 9.316; P < 0.05$). Participants who are older in age concur with the business outsourcing concept, these findings confirm Parmer's study (2015), who discover that managers' ages, particularly older ones, significantly influence their decisions on outsourcing and offshoring.

Further, hypothesis 6_c predicts that BPO significantly differs according to managers' educational levels in SMEs. Results indicate that there is a distinct difference between BPO and educational levels, $F(3,156) = 5.530; P < 0.05$).

Respondents with higher levels of education are discovered to be more effective communicators in than respondents with lower levels of education. These results corroborate also with Parmer's study (2015) which indicates that managers with higher education levels have a major influence on BPO.

Last, hypothesis 6d predicts that BPO significantly differs according to managers' work experience's years in SMEs. The results reveal that BPO considerably varies in SMEs depending on years of work experience. $F(4,155) = 8.147$; $P < 0.05$). The findings show that managers with more work experience are likely to be more effective in managerial communication than those with less. Results support Mansfield and Mutz (2013) and Parmer (2015), who indicate that BPO considerably varies with years of work experience, particularly for individuals with more experience.

6 CONCLUSION

This thesis investigates the role of Business Process Outsourcing (BPO) in enhancing level of managerial communication (MC) between managers and employees, how BPO and MC aid in perceiving work performance, and whether demographic factors such as (gender, age, educational level, years of work experiences) have any effect on MC and BPO perceptions in small and middle-sized foreign enterprises (Middle East and Gulf countries) in Istanbul, Turkey. It searches for feasibility of outsourcing in SMEs and attempts to understand the place of managerial communication for an effective BPO from both the perspectives of employees and managers.

Managerial communication (MC) is the process of sharing information between a manager and an employee at the managerial level in order to facilitate the efficient decision-making required to meet the objectives set for that organization with the highest level of profitability. In order to encourage employee involvement, facilitate cooperation, and contribute to the overall success and performance of the business, managerial communication must be open and transparent.

Business process outsourcing (BPO) is the practice of employing an outside or foreign third party to provide goods or services and complete tasks more quickly than the organization's management intends to do internally and, generally, to take advantage of labour arbitrage while concentrating on its area of expertise. BPO aims to improve organizational efficiency, performance, reduce costs, access specialized expertise, and enable businesses to focus on their core competencies and work force.

Company's work performance is the term used to describe the overall efficacy, productivity, and accomplishments of employees within a company in attaining its strategic goals and objectives hence work performance is experienced rather than quantified. It includes the whole production, outputs, and results produced by the workforce as well as the calibre and effectiveness of their work procedures and practices. A number of variables, including individual employee performance, cooperation and collaboration, organizational structures and procedures, leadership, and the degree to which employees' efforts are in line with the firm's vision and values, all have an impact on how well a company performs at work.

Further, the Turkish market is expanding and thriving quickly in recent years, particularly with the influx of foreign small and middle-sized enterprises (SMEs) from different nationalities and backgrounds. These SMEs are rapidly expanding in number in Istanbul.

Then, the managers of these businesses are forced, as a result of the fierce competition in the market, to provide their employees with a comfortable working environment, a good working relationship, and effective managerial communication in order to perceive work performance, because the business' performance is heavily dependent on the level of competence of its work team and their strong connections with the management. And here is where business process outsourcing seeks to enhance organizational effectiveness, cut expenses, get access to specialist knowledge, and let companies concentrate on their core workforce and skills.

In order to explore the relationship between BPO and MC, their influence on perceiving work performance, and the impact of employees' and managers' demographic factors such as (gender, age, educational levels, and years of work experiences) on MC and BPO scores and perceptions, findings from two different surveys which are distributed to foreign Middle East and Gulf countries' employees (n=302) and managers (n=201) working for foreign SMEs in Istanbul, Turkey are used.

In this study it is predicted that managerial communication has a positive effect in perceiving work performance in small and middle-sized enterprises, which consistent with a research conducted by Velu and Manxhari (2017), Paksoy, Soyer, and Çalık (2017) who conclude that managerial communication aids in achieving company's objectives and enhancing work performance.

Further, MC significantly differs according to employees' age groups in SMEs. This finding is consistent with De leon (2020) and Jaupi and Liaci (2015) who indicate that an employee's age impact his/her level and understand of MC.

This thesis draws the conclusion additionally that business process outsourcing improves work performance in small and middle-sized enterprises based on the data. The result is in line with a research suggesting that BPO affects work performance and productivity (Loh and Venkatraman, 1995; Raman and Ahmad, 2013).

Also discovered that BPO helps in raising MC improvement in small and middle-sized businesses. This finding supports earlier studies made by Jiang and Qureshi (2016) and Al-Qudah et al. (2020) which conclude that BPO strengthens manager-employee relationships while outsourcing non-essential tasks frees up businesses to concentrate on their staff.

Furthermore, managers' understanding of managerial communication varies according to their educational level, corroborating with previous studies which indicate that the amount of communication inside an organization is influenced by the educational backgrounds of the managers, and a lack or poor education leads to communication issues (İnce and Gül, 2011; Voinea et al., 2015).

Moreover, it is discovered that BPO differs according to managers' demographic factors whereas gender, such as male or female, has a major impact on managing BPO in SMEs, while male managers tend to use BPO more than female managers, these findings are corroborating with Mansfield and Mutz (2013) who indicate that there are gender-related disparities in BPO, with women being less receptive to the technique than men.

Also, BPO significantly differs according to age groups in SMEs. Participants who are older in age concur with the business outsourcing concept. These results support Parmer's (2015) conclusion that managers' ages, especially older ones, have a major impact on their decisions about outsourcing and offshoring.

As well, BPO also differs according to educational levels; respondents with higher education levels are found to be better communicators than respondents with lower education levels, which is also consenting with Parmer (2015) who concludes that managers with higher education levels have a significant impact on BPO.

The final result of this thesis also suggests that BPO differs considerably varies in SMEs depending on managers' years of work experience. Managers with more work experience are likely to be more effective in managerial communication than those with less. Results confirm Mansfield and Mutz (2013) and Parmer (2015) who indicate that BPO significantly changes with years of work experience, particularly for those with greater experience.

This study has certain limitations that should be taken into account when interpreting the findings and suggest areas for further investigation.

To begin with, it has been challenging for me to collect data and carry out my research since there aren't many studies that exclusively and primarily focus on the existence and study of the link between outsourcing and managerial communication.

Additionally, I was unable to find studies of BPO and MC that specifically targeted foreign SMEs. Second, the number of SMEs in the study's sample might be a limiting factor due to the small number of participants especially for manager's participants, the results might not be applicable to all SMEs in Istanbul Turkey.

Moreover, a non-probabilistic sampling technique of convenience sampling is adopted in this study. This most probably creates a selection bias on the findings. A better-defined probabilistic technique can bring more generalizable results.

Also, it might be difficult to carry out a thorough analysis on BPO and MC in SMEs in Istanbul within a set time period. Additionally, it is possible that accurate and full information about BPO and MC practices in SMEs in Istanbul is not readily available. This is also because a majority of these SMEs are not registered which makes nearly impossible to reach a full population list. It affects how accurate and comprehensive the analysis was for the thesis. In order to make generalizations more accurate, a similar study with a bigger sample size is required. I also propose expanding the survey to further Turkish localities in order to compare the findings. In addition, I advise conducting study on foreign SMEs in various countries as it was difficult to locate such studies.

Further studies can also be designed as longitudinal for evaluating BPO and MC's long-term effects on job performance, in order to assess the long-term effects on productivity, profitability, employee happiness, and overall organizational performance, follow up with firms who have adopted BPO and MC programs.

Last, I advise conducting research on the value of BPO and MC, but with managers and contractors who are handling the outsourced activities to determine how it affects work productivity and performance.

7 REFERENCES

1. Ahmed, Z., Shields, F., White, R. and Wilbert, J. (2010). Managerial communication: The link between frontline leadership and organizational performance. *First Annual General Business Conference Conference Proceedings*, 69.
2. Agburu, J. I., Anza, N. C. and Iyortsuun, A. S. (2017). Effect of outsourcing strategies on the performance of small and medium scale enterprises (SMEs). *Journal of Global Entrepreneurship Research*, 7, 1-34.
3. Aliyu, I. and Olowu, M. D. Y. (2015). Impact of managerial skills on small scale businesses performance and growth in Nigeria. *European Journal of Business and management*, 7, 109-114.
4. Al-Qudah, S., Obeidat, A. M., Shrouf, H. and Abusweilem, M. A. (2020). The impact of strategic human resources planning on the organizational performance of public shareholding companies in Jordan. *Problems and Perspectives in Management*, 18, 219.
5. Bayarçelik, E. B., Taşel, F. and Apak, S. (2014). A research on determining innovation factors for SMEs. *Procedia-Social and Behavioral Sciences*, 150, 202-211
6. Belcourt, M. (2006). Outsourcing—the benefits and the risks. *Human resource management review*, 16, 269-279.
7. Bell, R. L. and Roebuck, D. (2015). An increasing usefulness for managerial communication research on the main topics of management. *Journal of Management Policy and Practice*, 16, 71-108.
8. Bingöl, E. (2013). *The risk perception of it outsourcing in Turkey*, Işık Üniversitesi.
9. Bolat, T. and Yılmaz, Ö. (2009). The relationship between outsourcing and organizational performance: is it myth or reality for the hotel sector? *International journal of contemporary hospitality management*, 21, 7-23.
10. Brownell, J. (2003). Managerial Communication: The critical link between knowledge and practice. *Cornell Hotel and Restaurant Administration Quarterly*, 44, 39-49.
11. Cahyaningtyas, F. and Ningtyas, M. N. (2020). The use of outsourced accounting service and its impact on SMEs performance. *JABE (Journal of Accounting and Business Education)*, 4, 79-97.

12. Coleman, P. (2004). Leadership styles and subordinates characteristics as factor influencing managerial effectiveness in schools. *Journal of applied Psychology*, 9, 30-41.
13. Dasgupta, S. A., Suar, D. and Singh, S. (2012). Impact of managerial communication styles on employees' attitudes and behaviours. *Employee relations*, 35, 173 – 199.
14. De Leon, M. V. (2021). Impact of managerial communication, managerial support, and organizational culture difference on turnover intention: A tale of two merged banks. *Problems and Perspectives in Management*, 18, 376-387.
15. Dinu, A. M. (2015). The risks and benefits of outsourcing. *Knowledge Horizons. Economics*, 7, 103.
16. Bayarçelik, E. B., Taşel, F. and Apak, S. (2014). A research on determining innovation factors for SMEs. *Journal of procedia-social and behavioral sciences*, 150, 202-211.
17. Elmuti, D. (2003). The perceived impact of outsourcing on organizational performance. *American Journal of business*, 18, 33-42.
18. Elhoushy, S., Salem, I. E. and Agag, G. (2020). The impact of perceived benefits and risks on current and desired levels of outsourcing: Hotel managers' perspective. *International Journal of Hospitality Management*, 91, 102419.
19. Ensari, M. S. and Karabay, M. E. (2014). What helps to make SMEs successful in global markets? *Procedia-Social and Behavioral Sciences*, 150, 192-201.
20. Fletcher, O. T. (1999). Training and development strategies in work organizations. *Journal of Strategic Management*, 8, 63-71.
21. Furlich, S. A. (2016). Understanding employee motivation through managerial communication using expectancy-valence theory. *Journal of Integrated Social Sciences*, 6, 17-37.
22. Ganapathi, N. and Panchanatham, N. (2014). The Role of Human Resource Management in Cross-Cultural Environment: The Way to Managerial Communication. *Exclusive Management Science*, 3, 1-8.
23. Gewald, H. and Dibbern, J. (2009). Risks and benefits of business process outsourcing: A study of transaction services in the German banking industry. *Information & Management*, 46, 249-257.
24. Chang, J., O'Neill, G. and Travaglione, A. (2016) 'Demographic influences on employee trust towards managers', *International Journal of Organizational Analysis*, 24, 246-260

25. Gilley, K. M., Greer, C. R. and Rasheed, A. A. (2004). Human resource outsourcing and organizational performance in manufacturing firms. *Journal of business research*, 57, 232-240.
26. Grama, A. and Păvăloaia, V. D. (2014). Outsourcing IT—the alternative for a successful Romanian SME. *Procedia Economics and Finance*, 15, 1404-1412.
27. Hanandeh, A., Hammouri, Q., Hanandeh, R. and Hanandeh, R. (2021). Outsourcing and Job Performance: The Perspectives of Organizational Structure and Culture. *Turkish Journal of Computer and Mathematics Education*), 12, 4378-4387.
28. Hussin, H., Hasan, M. R. and Abdol Molok, N. (2010). Exploring the perception and practices of IT outsourcing among Malaysia SMEs: Receivers perspective. *In Proceeding of the 3rd International Conference on Information and Communication Technology for the Moslem World (ICT4M)*, F-7-F-12.
29. Ince, M. and Gül, H. (2011). The role of the organizational communication on employees' perception of justice: A sample of public institution from turkey, 21, 106-124.
30. Jaupi, F. and Llaci, S. (2015). The impact of communication satisfaction and demographic variables on employee engagement. *Journal of Service Science and Management*, 8, 191.
31. Jiang, B. and Qureshi, A. (2006). Research on outsourcing results: current literature and future opportunities. *Management Decision*, 44, 44-55.
32. Jorfi, H., Bin Yaccob, H. F. and Shah, I. M. (2011). The relationship between demographics variables, emotional intelligence, communication effectiveness, motivation, and job satisfaction. *International journal of academic research in business and social sciences*, 1, 35-58.
33. Jordan, W. M. (1997). Analysis of factors influencing workers morale and efficiency on the job questionnaire. *Journal of Educational Evaluation*, 7, 76-88.
34. Kamyabi, Y. and Devi, S. (2011). The impact of accounting outsourcing on Iranian SME performance: Transaction cost economics and resource-based perspectives. *World Applied Sciences Journal*, 15, 244-252.
35. Kumari, S., Singh, A., Mishra, N. and Garza-Reyes, J. A. (2015). A multi-agent architecture for outsourcing SMEs manufacturing supply chain. *Robotics and Computer-Integrated Manufacturing*, 36, 36-44.

36. Krone, K. J., Garrett, M. and Chen, L. (1992). Managerial communication practices in Chinese factories: A preliminary investigation. *The Journal of Business Communication* (1973), 29, 229-252.
37. Lahiri, S. (2016). Does outsourcing really improve firm performance? Empirical evidence and research agenda. *International Journal of Management Reviews*, 18, 464-497.
38. Lalic, B., Todorovic, T., Cvetkovic, N., Tasic, N. and Marjanovic, U. (2018). Strategic outsourcing of SMEs in the context of industry 4.0: Evidence from Serbia. In *International Conference on the Industry 4.0 model for Advanced Manufacturing*. 139-145.
39. Lee, G. R., Lee, S., Malatesta, D. and Fernandez, S. (2019). Outsourcing and organizational performance: The employee perspective. *The American Review of Public Administration*, 49, 973-986.
40. Loh, L. and Venkatraman, N. (1995). An empirical study of information technology outsourcing: Benefits, risks, and performance implications. *ICIS 1995 Proceedings*, 25.
41. Mageto, J., Prinsloo, G. and Luke, R. (2018). Logistics outsourcing and performance of manufacturing small and medium-sized enterprises in Nairobi. *The Southern African Journal of Entrepreneurship and Small Business Management*, 10, 1-11.
42. Gracia, J. L. and Mira, F. S. (2008). Testing trade-off and pecking order theories financing SMEs. *Small Business Economics*, 31, 117-136.
43. Malbašić, I. and Brčić, R. (2012). Organizational values in managerial communication. *Management: journal of contemporary management issues*, 17, 99-118.
44. Mansfield, E. D. and Mutz, D. C. (2013). US versus them: Mass attitudes toward offshore outsourcing. *World Politics*, 65, 571-608.
45. Mathieu, J. E. and Zajac, D. M. (1990). A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological Bulletin*, 108, 171-194.
46. Men, L. R. and Yue, C. A. (2019). Creating a positive emotional culture: Effect of internal communication and impact on employee supportive behaviours. *Public relations review*, 45, 101764.
47. Miller, J. O. (1997). Measuring organizational effectiveness and efficiency: A holistic view point. *Journal of Performance Evaluation*, 11, 76-85.

48. Montaseb, M. M., Ragheb, M. A., Ragab, A. A. and Elsamadicy, A. M. (2018). The Affect factors of SMEs' outsourcing decision making. *The Business & Management Review*, 9, 271-278.
49. Oladiran, T. and Burghate, S. (2016). Strategies to Improve Managerial Communication. *International Journal of Commerce and Management Studies*, 6, 2456-3684.
50. Özdamar, K. (2004). Statistical data analysis with package programs. *Kaan Bookstore, Extended*, 5, 279-340.
51. Öztunç, M. and Yıldırım, G. (2021). Gender Communication and Leadership: A Qualitative Research in Managerial Level. *Türkiye İletişim Araştırmaları Dergisi*, 38, 477-496.
52. Paksoy, M., Soyer, F. and Çalık, F. (2017). The impact of managerial communication skills on the levels of job satisfaction and job commitment. *Journal of Human Sciences*, 14, 642-652.
53. Paudel, U. R., Puri, S., Parajuli, S., Devkota, N. and Bhandari, U. (2021). Measuring Cultural Diversity Impact in Hospitality Industry Leadership: Managerial Communication Perspective from Five Star Hotels in Kathmandu Valley, Nepal. *Journal of Tourism & Adventure*, 4, 75-88.
54. Parmer, L. L. (2016). The relationship between demographic profiles and attitudes regarding business outsourcing techniques and strategies. *Journal of International Business Disciplines*, 11, 1-19.
55. Pikhart, M. and Klimova, B. (2020). Information and Communication Technology-Enhanced Business and Managerial Communication in SMEs in the Czech Republic. *Information*, 11, 336.
56. Quandt, M. (2012). *The Need and Importance of Outsourcing for Small and Medium Sized Companies: case" PAQUS"*. Thesus.fi.
57. Raman, R. and Ahmad, A. (2013). Do outsourcing and non-outsourcing New Zealand SMEs perform and perceive international outsourcing differently? *International Journal of Globalisation and Small Business*, 5, 273-289.
58. Rajee, F. S. and Akinlabi, B. H. (2013). Outsourcing services as a strategic tool for organizational performance: An exploratory study of Nigerian food, beverage, and tobacco industry. *Journal of Management Policies and Practices*, 1, 1-20.

59. Shastri, S. and Singh, M. K. (2020). The Impact of Managerial Communication on Job Satisfaction in the Technology Sector in Bangalore, India. *International Research Journal*, 10, 70-75.
60. Shadare, O. A. (2011). Management style and demographic factors as predictors of managerial efficiency in work organizations in Nigeria. *International Business & Economics Research Journal (IBER)*, 10, 85-94.
61. Teirlinck, P. and Spithoven, A. (2013). Research collaboration and R&D outsourcing: Different R&D personnel requirements in SMEs. *Technovation*, 33, 142-153.
62. Toygar, S. A. and Akbulut, Y. (2013). Managerial Skills of hospital administrators: case study of Turkey. *Journal of Health Management*, 15, 579-594.
63. Uyar, A. and Guzelyurt, M. K. (2015). Impact of firm characteristics on capital structure choice of Turkish SMEs. *Managerial Finance*, 41, 286-300.
64. Valentine, E. K. (2004). Influence of workers' incentives on organizational performance. *Journal of Industrial Psychology*, 13, 94-106.
65. Veliu, L. and Manxhari, M. (2017). The impact of managerial competencies on business performance: SME's in kosovo. *Management (16487974)*, 30, 59-65.
66. Voinea, D. V., Busu, O. V., Opran, E. R. and Vladutescu, S. (2015). Embarrassments in managerial communication. *Polish journal of management studies*, 11, 171-180.
67. Zhang, Y., Liu, S., Tan, J., Jiang, G. and Zhu, Q. (2018). Effects of risks on the performance of business process outsourcing projects: The moderating roles of knowledge management capabilities. *International journal of project management*, 36, 627-639.
68. Washington, B. D. and Watson, C. K. (2000). Leadership orientation and promotion of workers' morale. *Journal of Applied Psychology*, 19, 53-67.

APPENDIX A. STRUCTURED QUESTIONNAIRE

Employees' survey

Section 1 of 5

A Survey on the Importance of Managerial Communication in Small- and Medium-Sized Foreign Enterprises in Istanbul, Turkey. (For employees)

This survey pertains to the application portion of the master's degree in business administration being conducted at Beykoz University Institute for Graduate Studies.

Dear participant,

Thank you for your time to participate in this study which serves as a resource for research with a purely academic goal. The purpose of this study is on clarifying the importance of Managerial Communication (MC) for employees working in small and medium-sized (SMEs) foreign companies in Istanbul, Turkey.

I kindly would like to request that necessary staff will complete the survey.

Privacy and confidentiality of the participants will be confirmed by researchers.

Please note that Managerial communication (MC), refers to the kind of interaction between a manager and an employee that serves as a means of exchanging information at the managerial level in order to facilitate the effective decision-making necessary to achieve the goals set for that organization with the greatest possible level of profitability. It also aims to modify employees' mind-sets and help them psychologically adjust to the organization's goals.

Research conductor: Sawsan AlDandachly

sawsanaldandachly@ogrenci.beykoz.edu.tr

Research advisor: Ass. Prof. Özgür Burçak Gürsoy Yenilmez

GENERAL INFORMATION

Kindly mark or fill it entirely.

Gender

- MALE
- FEMALE

Age

- 18-25
- 26-32
- 33-39
- 40-47
- 48-53
- 53-59

Educational level

- Bachelors
- Master
- Phd
- Other

Work department

.....

Position/Title

.....

Years of experience at your workplace.

- ≤ 1 year
- 2-3 years
- 4-5 years
- ≥ 6 years

WORK ENVIRONMENT

The questions below are meant to determine what kind of business you work for small or medium sized, as well as how your workplace handles teamwork.

Number of employees at your workplace.

- 3 to 10
- 10 to 50
- 50 to 250

I have a cooperative work culture.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I consider myself a team player with my co-workers.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

THE EFFECTIVE RELATION BETWEEN YOU AND YOUR MANAGER

The following questions aim to measure the effective relation and communication between you and your manager.

I got quickly along with my manager/supervisor.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I have a good working relation with my manager/supervisor.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I have a good communication connection with my manager/supervisor.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

IF ANY, (not a required question) Please identify what type of reason(s) causes miscommunication with your manager/supervisor

- ☐ Gender differentiation
- ☐ Culture differentiation
- ☐ Language differentiation
- ☐ Word connotations/semantics differentiation
- ☐ Extremely poor communication
- ☐ Other

I have frequent and effective meetings with my manager/supervisor .

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I typically communicate with my manager/supervisor over:

- ☐ Emails
- ☐ Voice mail
- ☐ Memos/Letters
- ☐ Face-to-face conversations
- ☐ Mobile applications
- ☐ Other

I believe that my manager/supervisor motivate and provide me constructive feedback regarding my work and facilitate to me discuss my worries.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I agree that my manager/ supervisor engage me in the decision-making process.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I am satisfied of the attitude and behavior of my manager/ supervisor.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I believe that effective managerial communication with my manager/supervisor has raised my level of productivity.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

IMPORTANCE OF MC IN SME ENTERPRISES

The following questions demonstrate the value of MC in SMEs enterprises and its affection on work satisfaction and performance.

I believe that giving unnecessary tasks to a third party will enable the manager to concentrate on the organizations goals and develop close connections with the current workforce.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I believe that a workplace with fewer employees will enable the manager to concentrate on them and foster more effective managerial communication.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I agree that satisfaction and work performance may be attained through having a strong communication and good relationship with the manager.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

APPENDIX B. STRUCTURED QUESTIONNAIRE

Managers' survey

Section 1 of 5

Survey on the Relation between Business Process Outsourcing (BPO) and Managerial (MC) in Small and Medium-Sized Foreign Enterprises in Istanbul, Turkey. (For managers or supervisors)

This survey pertains to the application portion of the master's degree in business administration being conducted at University Institute for Graduate Studies.

Dear participant,

Thank you for your time to participate in this study which serves as a resource for research with a purely academic goal. The purpose of this study is understanding the relation between BPO and MC in small and medium-sized (SMEs) foreign companies in Istanbul, Turkey, in order to determine the value of BPO and its impact on the level of MC toward employees.

I kindly would like to request that necessary staff will complete the survey.

Privacy and confidentiality of the participants will be confirmed by researchers.

Please note that Managerial communication (MC), refers to the kind of interaction between a manager and an employee that serves as a means of exchanging information at the managerial level in order to facilitate the effective decision-making necessary to achieve the goals set for that organization with the greatest possible level of profitability.

Business Process Outsourcing (BPO), is the process of hiring an external or foreign third party to provide goods or services and carry out the tasks more instantly, that the organization's management intends not to carry out internally and generally to benefit from labor arbitrage, while also focuses on its area of expertise.

Research conductor: Sawsan AlDandachly

sawsanaldandachly@ogrenci.beykoz.edu.tr

Research advisor: Ass. Prof. Özgür Burçak Gürsoy Yenilmez

Section 2 of 5

GENERAL INFORMATION

Kindly mark or fill it entirely.

Gender

- MALE
- FEMALE

Age

- 26-32
- 33-39
- 40-47
- 48-53
- 53-59
- ≥ 60

Educational level

- Bachelors
- Master
- Phd
- Other

Work department

.....

Years of experience at your workplace.

- ≤ 2 year
- 3-5 years
- 6-8years
- 9-11 years
- ≥ 12 years

Number of employees you have at your workplace

- 3 to 10
- 10 to 50
- 50 to 250

BUSINESS PROCESS OUTSOURCING (BPO)

The following questions are designed to evaluate the benefit of BPO and identify the tasks that are mostly outsourced at your company

I have employed Business Process Outsourcing (BPO)

- YES
- NO

I began using Outsourcing since

- ≤1 year
- 2-4 years
- 4-7 years
- 7-9 years
- ≥10 years
- Other

I usually outsource

- ☐ Back office activities(cleaning services, security services,etc..)
- ☐ Primary activities (customer service, Sales force ,manufacturing, purchases,etc..)
- ☐ Accounting activities (bookkeeping, payrollfinancial reporting, tax processing,etc..)
- ☐ Support activities(shipping, IT services/system, advertising,etc..)
- ☐ Other

I believe that Outsourcing is beneficial and aids in enhancing a business's performance while also boosting profits.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I agree that outsourcing irrelevant tasks to a third party will aid the business in concentrating on its vision and mission.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

Outsourcing might be unhelpful because of

- ☐ Challenges with privacy, trust, and privacy violation
- ☐ Third-party functional loyalty issues
- ☐ Third party's weak performance
- ☐ Third party's inability to finish tasks in a timely manner
- ☐ No financial savings
- ☐ Other

Section 4 of 5

MANAGERIAL COMMUNICATION (MC)

The questions that follow are meant to measure the Managerial Communication connection between you and your teamwork.

I provide a comfortable working environment for my employees.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I succeed in developing effective Managerial Communication in a multicultural workplace.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I have frequent meetings with my team.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I frequently communicate with my team over

- ☐ Emails
- ☐ Voice mail
- ☐ Memos/Letters
- ☐ Face-to-face conversations
- ☐ Mobil applications
- ☐ Other

I agree that my team and I have a comfortable and valuable working communication relationship.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

Section 5 of 5

THE RELATION BETWEEN BPO AND MC

The purpose of the following questions is to show how BPO and MC are related and whether if this relation affects work satisfaction and performance or not.

I believe that outsourcing unnecessary tasks to a third party and giving essential tasks to existing employees are beneficial for SME enterprises

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I think that Outsourcing tasks to a third party will allow me to concentrate on my current employees and enhance their effectiveness.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I think that improving good communication with my employees will help them work more effectively.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

I agree that Managerial Communication and Business Process Outsourcing are related and affect an organization's performance.

Likert SCALE 1 to 5

Strongly disagree

Disagree

Neutral

Agree

Strongly agree