

CRITICAL FACTORS INFLUENCING THE FINANCIAL PERFORMANCE OF INSURANCE COMPANIES IN KENYA

¹SESSAROD MUGAMBI, ²Dr. Mwanzia Mary

¹College of Human Resource and Development, Jomo Kenyatta University of Agriculture and Technology, P.O Box 62000, 00200 Nairobi, Kenya

²College of Human Resource and Development, Jomo Kenyatta University of Agriculture and Technology, P.O Box 62000, 00200 Nairobi, Kenya

Corresponding Author email, smukuru@zamara.ac.ke

Abstract: The study sought to determine critical factors influencing the financial performance of insurance companies in Kenya. The specific study objectives included: to evaluate the influence of the innovations strategies on financial performance of insurance companies in Kenya, to evaluate the influence of the leadership strategies on financial performance of insurance companies in Kenya, to assess the influence of insurance agent support strategies on the financial performance of insurance companies in Kenya and to investigate the influence of the human resource management strategies on financial performance of insurance companies in Kenya. The study followed descriptive research design and tested the hypothesis through deductive approach. The target populations were the 52 registered insurance companies in Kenya. Since the study targeted three respondents each from each insurance firm's HR, marketing and Finance departments, the target respondents were 156. Purposive sampling was used as the sampling strategy in order to select appropriate respondents based on their knowledge of the subject under investigation. The data was analyzed using SPSS. The analysis used descriptive statistics such as mean, median, mode and skewness statistics as well as Pearson correlation matrix and regression analysis to obtain R and R-Squared together with other statistics such as coefficients and significant values. According to correlation results, the variables exhibit a moderately strong positive correlation with each other. According to the regression results, R was 0.829 while the R-Squared was 0.687 which indicate that the relationship is moderately strong and positive. The significant values for the measures for: Innovation Strategies (0.00), Leadership Strategies (0.205), Agent Support Strategies (0.00), and Human Resource Strategies (0.00) show that all the analyzed factors have statistically significant effect on financial performance of the insurance firms in Kenya at 5 percent significant level apart from the leadership strategies whose significant value was 0.205 indicating that it did not significantly influence financial performance of the insurance firms. According to the model coefficients, all the coefficients have a positive effect on financial performance apart from the innovation strategies which had a negative coefficient. The study concludes that the innovation strategies adopted by insurance firms in Kenya have a negative statistically significant effect on financial performance at 5 percent level of significant. Further, the study concludes that the adopted leadership strategies have a positive statistically insignificant effect on financial performance of firms. On the other hand, the study concludes that agent support strategies and human resource strategies implemented by the insurance companies in Kenya, individually, have a positive statistically significant influence on financial performance of the firms. The study recommends that insurance firms in Kenya should aim to build strong customer relationships and trust with customers rather than just investing in new products and innovation. Also, the study recommends that the firms should embrace transformational and democratic leadership strategies coupled with spirited insurance agent support strategies because the agents have close contact with customers and can provide support and provide relevant information to grow the organization. In addition, insurance firms should adopt effective human resource management strategies such as adequate and relevant training and development of personnel, attractive remunerations, provision of career growth opportunities and promoting employee voice in the organization can help to enhance insurance firm performance. To the regulator of the insurance industry, the study recommends that they should support the sector adequately and help them to improve their leaderships and management practices for a healthy insurance sector. Future studies can be conducted through the use of mixed methods whereby interviews are used to obtain more depth to support the quantitative survey methods results.

Keywords: Innovation, Insurance agent support, Leadership, Organizational financial performance, Human resource management, Insurance Operation.

1. INTRODUCTION

Background of the Study:

There has been a significant rise in GDP among many countries around the world, which coupled with increasing size of the middle class have led to surge in demand for insurance services (Deloitte, 2015). Nevertheless, insurance firms globally face many challenges including soft pricing situation, increasing competition and dismal profit margins (Ullah *et al.*, 2016). In response, insurance companies around the world have opted to invest in technology to enhance their customer service and distribution capabilities, improve front-end sales and improve back-end efficiency in operations and management of expenses. In the US, the insurance industry faces a bright future due to overall improvement in the economy, an increase in the wealth of consumers as well as an increase in interest rates (Ernest & Young, 2015). However, the Ernest & Young (2015) reports notes that the challenges include increasingly stiff competition mainly posed by new capital entrants which have come up with new market approaches and models which are aligned with customer expectations. To succeed in this insurance sector, insurance firms need to invest heavily in digital capabilities including online service, enhanced distribution and self-service capabilities.

Specific Objectives:

The study was guided by the following specific objectives.

- (i) To evaluate the influence of the innovations strategies on financial performance of insurance companies in Kenya.
- (ii) To evaluate the influence of the leadership strategies on financial performance of insurance companies in Kenya.
- (iii) To assess the influence of insurance agent support strategies on the financial performance of insurance companies in Kenya.
- (iv) To investigate the influence of the human resource management strategies on financial performance of insurance companies in Kenya.

2. METHODOLOGY

Research Design:

This research is based on a positivist research philosophy. Under this philosophy reality is considered to be external and independent from the researcher (Rose *et al.*, 2014). Therefore, statistical methods are used to evaluate relationships between phenomena. A positivist research philosophy is chosen in this study because of its objective nature and as such it would yield objective findings regarding factors influencing the financial performance of insurance firms in Kenya. A quantitative research design is also employed in this research in this study whereby descriptive methods are employed. The choice of a quantitative research design is informed by the fact that quantitative research design allows for an objective study which can yield objective and viable research findings. The findings of this study can thus be generalized to the entire population of insurance firms (Yin, 2009).

The research also employs a deductive research approach. A deductive research approach is suitable for examining cause-and-effect relationships between variables. The aim of this research is to evaluate factors that influence the financial performance of insurance firms in Kenya. The factors examined include human resource strategies, innovation, leadership strategies and insurance agents' support. This research evaluates the cause-and-effect relationship between human resource strategies, innovation, leadership strategies and insurance agents' support and the financial performance of insurance firms. A deductive research approach is suitable for this study (Saunders *et al.*, 2009). A research can also be undertaken based on a longitudinal or cross-sectional design. A cross-sectional approach is suitable for this study because it provides relevant findings as at the time of the study thus allowing the researcher to make relevant and actionable recommendations. From a logistical perspective, a cross-sectional research design is also more effective in this study than a longitudinal approach (Schwartz-Shea & Yanow, 2013). A cross-sectional research approach also consumes fewer resources as compared to a longitudinal research approach and thus the former is practical as opposed to the latter.

Target population

Cooper and Schindler (2003) define population as the total collection of elements from which to make inferences on. There are 52 insurance companies in Kenya as shown in appendix 3. This research targets all insurance companies in Kenya, and thus it is a census study involving all the insurance companies in Kenya.

Target respondents were 156 respondents. Purposive sampling was used to select three managerial personnel from each insurance company's HR, marketing and Finance departments. Questionnaires were then used to collect data from the employees with the main objective of finding out the factors that influence the financial performance insurance companies in Kenya. Purposive sampling was used as the sampling strategy because it enables the researcher to select potential respondents based on their knowledge of the subject under investigation, in this case, factors influencing the financial performance of insurance companies (Shavelson and Towne, 2002). This yields high quality and reliable findings. By ensuring that knowledgeable managerial personnel participate in the study, the researcher can obtain diverse views concerning factors that influence the financial performance of insurance companies hence yielding highly reliable findings. Table 3.1 shows the target sample frame size from which the data to measure the study concepts will be collected.

Table 3.1: Sample size

Respondent	Number	Units of Observation
Human Resource manager	1	52
Head Sales and Marketing	1	52
Finance manager	1	52
Total	3	156

Source: Researcher 2018

Data Collection:

Questionnaires are used as the main data collection instrument. The choice of questionnaires is informed by the quantitative nature of this study. Questionnaires would, therefore, facilitate the collection of high quality data regarding factors that influence the financial performance of insurance companies (Suen, 2012).

The data collection process will begin by the researcher contacting managers in each insurance company to seek the consent of employees to participate in the study. Three employees will be selected from each of insurance companies. The three employees will be managers or assistant managers from each of the following departments in the insurance company: Marketing, Human resource management and Finance departments. Questionnaires will be delivered to the respondents who would be allowed a period of two weeks to complete filling in the questionnaires.

Pilot Testing:

Before actual data collection, the questionnaire was pilot tested to ensure validity and reliability principle is adhered to. The researcher tested the data by requesting 10 colleagues to fill the questionnaire. Pilot testing is done to evaluate the research exercise in terms of time that the researcher might actually take and the challenges that s/he might face. The data from pilot study will be tested for validity and reliability.

Validity Test:

Validity test seeks to determine if the instrument measures what it purports to measure. Saunders *et al.* (2009) define validity as the accuracy and meaningfulness of the inferences made from a study instrument. It is important to determine the accuracy of information to be obtained using a proposed instrument for scientific acceptability of the data for analysis. In this study, validity will be tested using the Cronbach's Alpha. The study will adopt an alpha equal to at least 70% to be sure that the questionnaire will be able to meet the requirement to obtain relevant and valid data for the purpose of the study (Rose *et al.*, 2014).

Reliability:

Reliability is the test of the consistency of a research instrument. It is a test of whether an instrument obtains consistent results from its respondents and hence the final results (Kothari, 2004). Reliable instruments would lead to similar situations given similar conditions if the study exercise was to be repeated. In the current study, Cronbasch's alpha, which is popular methodology of determining reliability of research instruments, will be used in the current study. Cronbasch's alpha will be used to estimate the internal consistency of the instrument using a Cronbasch's alpha equal to at least 70%. In case the overall alpha is less than the recommended 70%, the research questions whose deletion would improve the instrument's internal consistency will be deleted.

3. DATA ANALYSIS

Data analysis will be conducted using SPSS version 22. The study will employ multiple linear regression analysis to determine the nature and extent of the relationship between the four factors (human resource management strategies, leadership, innovation and insurance agent support) and the financial performance of insurance companies. Multiple linear regression analysis is employed when a researcher wants to determine the relationship between more than one predictor variables and a dependent variable. The analytical model for the study is as shown below. The data for regression analysis will be obtained through an index obtained from average of Likert-scale type of questions for each of the study indicators shown in table 3.2 below.

Table 3.2: Measurement Indicator for Each of the Study Variable

Variable	Measurement	Source
Leadership strategies	· Transformational	· Dele <i>et al.</i> (2015)
	· Transactional	· Lumbasi <i>et al.</i> (2016)
	· Democratic	
HRM strategies	· Training and development	· Olusola <i>et al.</i> (2015)
	· Employee motivation	· Khan <i>et al.</i> (2016)
	· Career planning	
Innovation	· Product innovation	· Rosli and Sidek (2013).
	· Process innovation	· Lilly and Juma (2014)
	· Marketing innovation	
Insurance agent support	· Information support	· Sambasivam and Ayele (2013)
	· Product knowledge	· Anagol, Cole and Sarkar (2017)
	· Guidance	
Financial Performance	· Return on Assets (ROA)	· OECD (2018)

Source: Researcher 2018

For the purpose of regression analysis, a series of questions evaluating each of the indicators as shown in table 3.2 above will be obtained by using 5-point scale where the respondents will be asked to rate their satisfaction with the company's practices with regard to the indicator. The measure of the factor will be the mean of the ratings related to all the indicators in relevant to each of the study variable.

Multivariate Regression Model:

The following analytical model will be used in the data analysis process:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + E$$

Whereby;

Y=performance of insurance companies measured by return on assets

β_0 = constant

X1= Innovation Strategies

X2= Human Resource Strategies

X3=Leadership Strategies

X4=Insurance Agent Support Strategies

E = error term

Test of significance

To test the nature, strength and statistical significance of the model, the study will use R, R-Square and P-value/significant value. The test of significance will be conducted using R, R-square and P-value. R is used in the data analysis process to measure the extent of correlation between the variables being studied and financial performance of insurance companies (Remenyi, 2013). R-square is used to determine how strong the linear relationship is between the variables under study. P-value is used to evaluate the significant of coefficients used in the linear regression.

4. DIAGNOSTIC TESTS

Diagnostic tests include test for normality, homogeneity of variance, multicollinearity, autocorrelation and linearity.

Normality Test:

Kolmogorov-Smirnov and Shapiro-Wilk statistics were used to tests the data for adherence to normality assumption and the findings were as shown in table 4.1 below.

Table 4.1: Normality test

Tests of Normality	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Innovation Strategies Effectiveness	0.205	138	0	0.884	138	0
Leadership Strategy Effectiveness	0.207	138	0	0.884	138	0
Agent Support Strategy Effectiveness	0.247	138	0	0.819	138	0
Human Resource Strategy Effectiveness	0.218	138	0	0.85	138	0
Insurance Firm Financial Performance	0.292	138	0	0.707	138	0

a. Lilliefors Significance Correction

The significant value for both Kolmogorov-Smirnov and Shapiro-Wilk tests are less than 0.05 which indicate that the data sets are not normally distributed.

Heterogeneity of Variance:

Since the data was not normally distributed, the non-parametric Levene test statistic, which uses ranked data, was used to conduct the analysis of Variance. The findings were as shown in table 4.2 below.

Table 4.2: Heterogeneity of variance

		Sum of Squares	df	Mean Square	F	Sig.
Ind_diff_Innovation_Strategies	Between Groups	1544.684	1	1544.68	8.653	0.004
	Within Groups	24279.168	136	178.523		
	Total	25823.853	137			
Ind_diff_Leadership_Strategies	Between Groups	2.464	1	2.464	0.01	0.921
	Within Groups	33558.555	136	246.754		
	Total	33561.019	137			
Ind_diff_Agent_Support	Between Groups	4977.999	1	4978	21.788	0.00
	Within Groups	31071.935	136	228.47		
	Total	36049.934	137			
Ind_diff_HR_Strategies	Between Groups	134.097	1	134.097	0.874	0.351
	Within Groups	20863.349	136	153.407		
	Total	20997.446	137			
Ind_diff_Financial_Performance	Between Groups	5892.606	1	5892.61	42.114	0.00
	Within Groups	19029.344	136	139.922		
	Total	24921.95	137			

According to the results, data on leadership strategies (sig. 0.921) and HR strategies (sig. 0.351) have homogenous variances because their significant value is less than 0.05 while the data on innovations, agent support and financial performance have unequal variances since their respective significant values are less than 0.05.

Multicollinearity Test:

The test for multicollinearity was done using the tolerance and Variance Inflation Factors (VIF). The results were as shown in table 4.3 below.

Table 4.3: Multicollinearity test statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	Innovation Strategies Effectiveness	0.143	7.014
	Leadership Strategy Effectiveness	0.323	3.097
	Agent Support Strategy Effectiveness	0.345	2.899
	Human Resource Strategy Effectiveness	0.209	4.775

a. Dependent Variable: Insurance Firm Financial Performance

According to the results, the tolerance statistics were less than 1 but one VIF was larger than 5 while one of them was approximately 5. While the outright rule is that if any VIF is more than 10 there is multicollinearity, the data may have multicollinearity as the VIFs are all considerably larger than 1 and one of them is actually larger than 5.

Autocorrelation Test:

Autocorrelation is the test of whether the data is related with its past or future counterparts. Durbin Watson was used to test for autocorrelation and the findings were as shown in the table 4.4 below.

Table 4.4: Autocorrelation test statistics

Model	Durbin-Watson
1	1.336 ^a

a. Predictors: (Constant), Human Resource Strategy Effectiveness, Agent Support Strategy Effectiveness, Leadership Strategy Effectiveness, Innovation Strategies Effectiveness
 b. Dependent Variable: Insurance Firm Financial Performance

According to the findings, the Durbin-Watson (DW) statistic was 1.336. A DW statistic between 1.5 and 2.5 indicates absence of autocorrelation. At 1.336, it is possible that the data have autocorrelation because the statistic is outside the recommended range.

Test for Linearity:

Correlation Test:

The test of linearity is done using the correlation matrix and scatter plots matrix. The results for Pearson correlation matrix were as shown in table 4.5 below.

Table 4.5: Correlation Matrix

Correlations		Innovation Strategies Effectiveness	Leadership Strategy Effectiveness	Agent Support Strategy Effectiveness	Human Resource Strategy Effectiveness
Innovation Strategies Effectiveness	Pearson Correlation	1	.646**	.675**	.804**
	Sig. (2-tailed)		0	0	0
	N	138	138	138	138
Leadership Strategy Effectiveness	Pearson Correlation	.646**	1	0.119	.792**
	Sig. (2-tailed)	0		0.163	0
	N	138	138	138	138
Agent Support Strategy Effectiveness	Pearson Correlation	.675**	0.119	1	.315**
	Sig. (2-tailed)	0	0.163		0
	N	138	138	138	138
Human Resource Strategy Effectiveness	Pearson Correlation	.804**	.792**	.315**	1
	Sig. (2-tailed)	0	0	0	
	N	138	138	138	138

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

The results indicate that the data variables have a statistically significant relationship with each other as indicated by the two stars which indicate that the correlation is significant at the 0.01 significant levels.

Scatter Plots Matrix:

Another test for linearity is the scatter plots matrix which is obtained from matrix to show the scatter plots for the data variables against other predictor variables. The results for the scatter plots matrix were as shown in figure below.

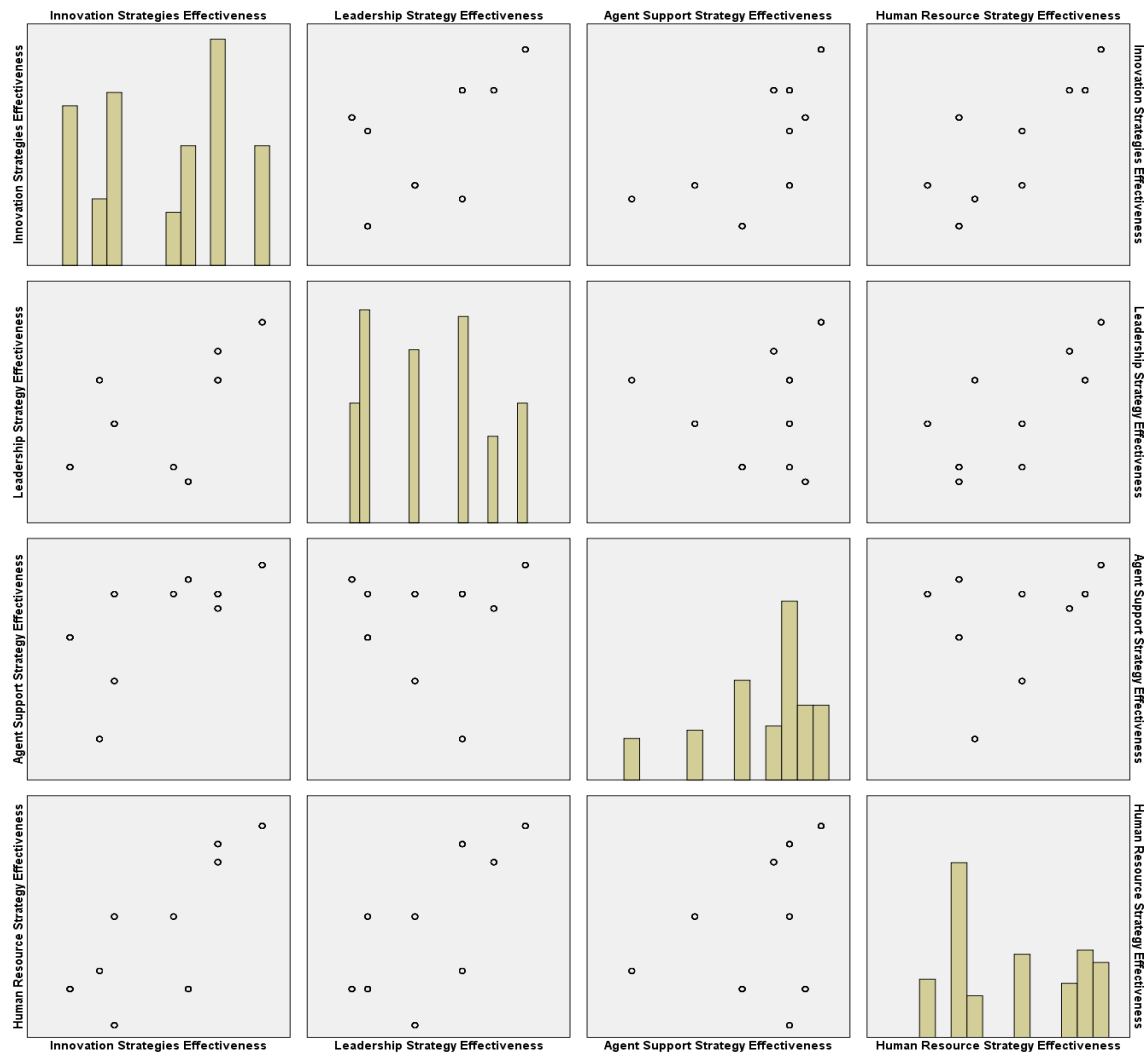


Figure 4.1: Scatter Plots Matrix

The scatter plots do not show any departure from linearity. The scatter plots indicate that the data points can be modelled into a linear relationship. There is no evidence of deviation from linearity as per both the correlation matrix and the scatter plots matrix.

Regression Test:

Since the data did not adhere to the assumptions of regression analysis, the study data was transformed into natural logarithm before regression analysis was carried out. The important results sought were the model summary results and model coefficients, test statistic and significant value shown in table 4.6 and table 4.7 below.

Table 4.6: Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829 ^a	0.687	0.678	0.04558

a. Predictors: (Constant), LnHumanResource_Strategies, LnAgentSupport_Strategies, LnLeadership_Strategies, LnInnovation_Strategies

According to the findings, R is 0.829 which shows a positive relationship while the R-Squared is 0.687 which indicate that the relationship is strong. Since the R-Square statistic is 0.678, the results indicate that the change in the study variables, such as innovations strategies, leadership strategies, agent support strategies and human resource strategies has a positive effect on financial performance and the 4 variables accounts for 67.8% of the variations in financial performance in the sampled firms.

The model coefficients, test statistics and significant value were obtained and presented as shown in table 4.7 below.

Table 4.7: Model Coefficients, Test Statistic and Significant Value

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.79	0.037		21.352	0.00
LnInnovation_Strategies	-0.352	0.055	-0.707	-6.44	0.00
LnLeadership_Strategies	0.036	0.028	0.101	1.273	0.205
LnAgentSupport_Strategies	0.488	0.037	0.999	13.332	0.00
LnHumanResource_Strategies	0.265	0.04	0.638	6.654	0.00

a. Dependent Variable: LnFinancial_Performance

From the above results leadership strategy, insurance agent support strategies and human resource management strategies have a positive impact on the financial performance of insurance companies while the innovations had a negative effect on financial performance. However, the relationship between the predictor variable and the financial performance in the insurance companies was statistically significant for the case of innovation strategies, agent support strategies and human resource strategies while it was not significant for the case of leadership strategies at 0.05 significant level. Therefore, leadership in the company had no significant effect on financial performance in the companies but product innovations, agent support and human resource strategies were statistically significant. The ANOVA test for model significance was as shown in table 4.8 below.

Table 4.8: Analysis of Variance (ANOVA)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.607	4	0.152	73.066	.000 ^b
	Residual	0.276	133	0.002		
	Total	0.883	137			

a. Dependent Variable: LnFinancial_Performance
 b. Predictors: (Constant), LnHumanResource_Strategies, LnAgentSupport_Strategies, LnLeadership_Strategies, LnInnovation_Strategies

According to the findings in table 4.8 above, the model is statically significant as shown by the significant value 0.0001 which is lower than 0.05. The results for the regression analysis are in line with the views of Ojokuku *et al.* (2012) who asserts that transformational and democratic leadership strategies positively impacts on the financial performance of firms in the financial sector; Anagol *et al.* (2017) who believes that insurance agent support improve financial performance insurance firms by convincing customers to purchase insurance products and; Olusola *et al.* (2015) who believes that strategic human resource management has a strong positive impact on performance of organizations. The results also showed that company innovation strategies had a negative impact on the financial performance of insurance firms in Kenya. The above results are supported by a previous study by Ogbonna and Ogwo (2013) who asserted that product innovation does not influence the financial performance of insurance companies because in the insurance sector, customers are more concerned with the trust they have in the company and the in the product rather than the level of innovation associated with the product.

Table 4.9: Regression Coefficient

	Un standardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	0.864	0.112		7.714	.000
Vision	0.895	0.393	0.921	2.277	.028
Empowerment	0.617	0.244	0.664	2.529	.015
Execution	0.675	0.239	0.718	2.824	.007
Reward	0.579	0.178	0.629	3.253	.002

The regression equation obtained from this outcome was: -

$$Y = 0.864 + 0.895X_1 + 0.617X_2 + 0.675X_3 + 0.579X_4 + 1.674$$

As per the study results, it was revealed that if all independent variables were held constant at zero, then the performance of public institutions of Kenya will be 0.864. From the findings the study revealed that any unit increase in organizational vision would lead to 0.895 increase in the performance of public institutions of Kenya. The variable was significant since $p=0.028$ is less than 0.05. This agrees with Collins and Porras (2012) who argues that content of the organizational vision must be sensible and clearly understood by organizational members; content without clarity is ineffective. The study further revealed that a unit change in empowerment would lead to 0.617 units change in performance of public institutions of Kenya. The variable was significant since $p\text{-value}=0.015 < 0.05$. This is in line with Gurol and Capan (2010).

Moreover, the study showed that if all other variables are held constant, a unit change in the score of strategy execution would lead to a 0.675 change in performance of public institutions of Kenya. This variable was significant since $p=0.007$ was less than 0.05. These findings correlate with Buchanan *et al.* (2014) who notes that institutionalization encompasses the actions surrounding keeping changes that are effective in place after sustainability.

Finally, the study revealed that a unit change in reward would change the performance of public institutions of Kenya by 0.579. This variable was significant since $p\text{-value}=0.002$ was less than 0.000. This is in line with Amodt (2015). Overall, organizational vision strategy had the greatest effect on performance by public institutions in Kenya followed by execution strategy then empowerment strategy while reward strategy had the least effect on the performance of public institutions of Kenya. All variables were significant since $p\text{-values}$ were less than 0.05.

REFERENCES

- [1] Almajali, A.Y., Alamro, S.A. & Al-Soub, Y.Z. (2012). 'Factors Affecting the Financial Performance of Jordanian Insurance Companies Listed at Amman Stock Exchange', *Journal of Management Research*, 4(2), pp. 266-289.
- [2] Alushula, P. (2016). *Insurers suffer underwriting loss as industry profits slow to Sh14b*. Available at: <https://www.standardmedia.co.ke/business/article/2000216135/insurers-suffer-underwriting-loss-as-industry-profits-slow-to-sh14b> (Accessed 28th July 2017).
- [3] Boadi, E.K., Antwi, S. & Lartey, V.C. (2013). 'Determinants of profitability of insurance firms in Ghana', *International Journal of Business and Social Research*, 3(3), pp. 43-50.
- [4] Chigozie, E. (2015). *List of insurance companies in Kenya*. Available at: <https://answersafrica.com/list-of-insurance-companies-in-kenya.html> (Accessed 21st July 2017).
- [5] Churchill, C., & Merry, A. (2017). Transforming Africa through Risk Management: Insurance Matters. In *Developing Africa's Financial Services: The Importance of High-Impact Entrepreneurship* (pp. 61-78). Emerald Publishing Limited.
- [6] Deloitte (2015). *Insurance sector outlook for East Africa 2015*. Available at: https://www2.deloitte.com/content/dam/Deloitte/ke/Documents/financial-services/KE_Insurance_Outlook_2015_FS.pdf (Accessed 29th July 2017).
- [7] Drucker, P. (2014). *Innovation and entrepreneurship*. Routledge.
- [8] Ernest & Young (2015). *2015 Global insurance outlook*. Available at: [http://www.ey.com/Publication/vwLUAssets/ey-2015-global-insurance-outlook/\\$FILE/ey-2015-global-insurance-outlook.pdf](http://www.ey.com/Publication/vwLUAssets/ey-2015-global-insurance-outlook/$FILE/ey-2015-global-insurance-outlook.pdf) (Accessed 29th July 2017).
- [9] Gitau, E. M. (2015). *Strategy Implementation by Commercial Banks in Kenya* (Doctoral dissertation, University of Nairobi).
- [10] Guest, D. E. (1997). 'Human resource management and performance: a review and research agenda', *The International Journal of Human Resource Management*, 8(3), pp. 263-276.
- [11] Hersey, P., Blanchard, K. H., & Johnson, D. E. (2007). *Management of organizational behavior* (Vol. 9). Upper Saddle River, NJ: Prentice hall.
- [12] Macharia, J. M. (2013). Strategy Implementation at Chase Bank, Kenya. *Unpublished MBA project*, School of Business, University of Nairobi, Kenya.
- [13] Mandala, N., Kaijage, E., Aduda, J., & Iraya, C. (2018). An Empirical Investigation of the Relationship between Board Structure and Performance of Financial Institutions in Kenya. *Journal of Finance and Investment Analysis*, 7(1), 1-3.

- [14] Mathur, D. & Tripathi, A. (2014). 'Factors Influencing Customer's Choice for Insurance Companies- a Study of Ajmer City', *Journal of Business and Management*, 16(2), pp. 35-43.
- [15] Minavand, H. & Lorkojouri, Z. (2013). 'The linkage between strategic human resource management, innovation and firm performance', *IOSR Journal of Business and Management*, 11(2), pp. 85-90.
- [16] Nairobi Business Monthly (2016). *Analysis of listed Insurance Companies in Kenya*. Available at: <http://www.nairobibusinessmonthly.com/analysis-of-listed-insurance-companies-in-kenya/> (Accessed 21st July 2017).
- [17] Nduati, P. (2016). *After bad year for East Africa insurers, 2016 outlook seems promising*. Available at: <http://www.theeastafrican.co.ke/oped/comment/After-bad-year-for-East-Africa-insurers-2016-outlook-promising/434750-3152800-ncn7aj/index.html> (Accessed 28th July 2017).
- [18] Nicoletti, B. (2016). *Digital insurance: Business innovation in the post-crisis era*. Basingstoke: Palgrave Macmillan.
- [19] Njegomir, V. & Marovic, B. (2012). 'Contemporary trends in the global insurance industry', *Procedia - Social and Behavioral Sciences*, 44 (1), pp. 134 – 142.
- [20] Northouse, P. G. (2018). *Leadership: Theory and practice*. Sage publications.
- [21] Obiwuru T.C., Okwu, A.T. & Nwankwere, I. A. (2011). 'Effects of leadership style on organizational performance: a survey of selected small-scale enterprises in Ikosi-ketu council development area of Lagos state, Nigeria', *Australian Journal of Business and Management Research*, 1(7), pp. 100-111.
- [22] OECD (2018). *Global Insurance Market Trends 2017*. OECD Global Insurance Industry Insights Report..
- [23] Ogbonna, B.U. & Ogwo, O.E. (2013). 'Market Orientation and Corporate Performance of Insurance Firms in Nigeria', *International Journal of Marketing Studies*, 5(3), pp. 104-116.
- [24] Ojokuku, R. M., Odetayo, T. A. & Sajuyigbe, A. S. (2012). 'Impact of Leadership Style on Organizational Performance: A Case Study of Nigerian Banks', *American Journal of Business and Management*, 1(4), pp. 202-207.
- [25] Olayungbo, D. O., & Akinlo, A. E. (2016). Insurance penetration and economic growth in Africa: Dynamic effects analysis using Bayesian TVP-VAR approach. *Cogent Economics & Finance*, 4(1), 1150390.
- [26] Olusola, O.A., Unam, M.J. & Christianah, J.F. (2015). 'The Impact of Strategic Human Resource Management on Competitiveness of Small and Medium-scale Enterprises in the Nigerian Hospitality', *Industry African Review* 9(4), pp. 264-276.
- [27] Oxford Business Group (2017). *Kenyan insurance sector in flux as firms consolidate and expand*. Available at: <https://www.oxfordbusinessgroup.com/overview/building-greater-assurance-insurance-sector-state-flux-both-domestic-and-foreign-firms-consolidate> (Accessed 21st July 2017).
- [28] Papazoglou, M. P. (2001). Agent-oriented technology in support of e-business. *Communications of the ACM*, 44(4), 71-77.
- [29] Remenyi, D. (2013). *Field methods for academic research - interviews, focus groups and questionnaires in business and management studies*. Reading: Academic Conferences and Publishing.
- [30] Rose, S., Spinks, N. & Canhoto, A.I. (2014). *Management Research: Applying the Principles*. London: Routledge.
- [31] Rosli, M.M. & Sidek, S. (2013). 'The Impact of Innovation on the Performance of Small and Medium Manufacturing Enterprises: Evidence from Malaysia', *Journal of Innovation Management in Small & Medium Enterprises*, 2(1), pp. 2-16.
- [32] Sambasivam, Y. & Ayele, A.G. (2013). 'A study on the performance of insurance companies in Ethiopia', *International Journal of Marketing, Financial Services & Management Research*, 2(7), pp. 138-150.
- [33] Saunders, M., Lewis, P. & Thornhill, A. (2009). *Research methods for business students*. Harlow: Pearson Education Limited.
- [34] Schwartz-Shea, P. & Yanow, D. (2013). *Interpretive Research Design: Concepts and Processes*. London: Routledge.

- [35] Shavelson, R. J. & Towne, L. (2002). *Scientific researching education*. Washington, DC: National Research Council, National Academy Press.
- [36] Suen, H.K. (2012). *Principles of Test Theories*. London: Routledge.
- [37] Ullah, G.M.W., Faisal, M.N. & Zuhra, S.T. (2016). 'Factors Determining Profitability of the Insurance Industry of Bangladesh ', *International Finance and Banking*, 3(2), pp. 138-147.
- [38] Yin, R.K. (2009). *Case Study Research: Design and Methods*. London: Sage.